

**REPORT OF THE SECRETARY - TREASURER  
STATEMENT OF FINANCIAL CONDITION**

**CROSSETT PAPER MILLS EMPLOYEES  
FEDERAL CREDIT UNION**

December 31, 2007

<b>ASSETS:</b>	<u>2007</u>	<u>2006</u>	<u>Change</u>
Loans	\$ 44,946,000	\$ 53,116,166	\$ (8,170,166)
Less Allowance for Loan Loss	(718,633)	(878,231)	159,598
Net Loans	<u>\$ 44,227,367</u>	<u>\$ 52,237,935</u>	<u>\$ (8,010,568)</u>
Cash on Hand and in Banks	2,294,291	4,182,074	(1,887,783)
Investments	31,896,371	27,121,407	4,774,964
Accrued Interest	152,553	421,731	(269,178)
Land & Building	2,670,063	2,773,053	(102,990)
Furniture & Equipment	155,636	202,169	(46,533)
NCUSIF Deposit	715,519	807,686	(92,167)
Loans/Collateral Liquidation	28,863	47,752	(18,889)
Other Real Estate Owned (Net Impairment Allowance)	120,150	143,616	(23,466)
Accounts Receivable & Other Assets	534,987	231,151	303,836
<b>TOTAL ASSETS</b>	<b><u>\$ 82,795,800</u></b>	<b><u>\$ 88,168,574</u></b>	<b><u>\$ (5,372,774)</u></b>
<b>LIABILITIES AND EQUITY:</b>			
Accounts Payable & Other Liabilities	\$ 194,755	\$ 494,392	(299,637)
Dividends Payable	64,099	49,685	14,414
<b>TOTAL LIABILITIES</b>	<b><u>\$ 258,854</u></b>	<b><u>\$ 544,077</u></b>	<b><u>\$ (285,223)</u></b>
Shares - Checking	\$ 1,039,457	\$ 559,729	\$ 479,728
Shares - Regular	18,878,348	21,762,943	(2,884,595)
Shares - Certificates of Deposit	29,469,274	30,195,724	(726,450)
Shares - IRA	18,751,358	20,229,248	(1,477,890)
Shares - Money Market	687,514	889,823	(202,309)
<b>TOTAL SHARES</b>	<b><u>\$ 68,825,951</u></b>	<b><u>\$ 73,637,467</u></b>	<b><u>\$ (4,811,516)</u></b>
Regular Reserve (Bad Debt Reserve)	4,264,053	4,264,053	-
Special Reserve	(303,965)	(233,545)	(70,420)
Undivided Earnings	9,750,907	9,956,522	(205,615)
<b>TOTAL SHARES and EQUITY</b>	<b><u>82,536,946</u></b>	<b><u>87,624,497</u></b>	<b><u>(5,087,551)</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 82,795,800</u></b>	<b><u>\$ 88,168,574</u></b>	<b><u>\$ (5,372,774)</u></b>
Members	10,433	10,810	(377)

<b>INCOME STATEMENT FOR YEARS ENDED</b>	<u>31-Dec-07</u>	<u>31-Dec-06</u>	<u>Change</u>
<b>REVENUE</b>			
Interest on Member's Loans	\$ 3,609,098	\$ 4,163,716	(554,618)
Earnings on Investments	1,423,787	1,296,300	127,487
Other Income	369,236	261,020	108,216
<b>TOTAL GROSS INCOME</b>	<b><u>\$ 5,402,121</u></b>	<b><u>\$ 5,721,036</u></b>	<b><u>\$ (318,915)</u></b>
<b>EXPENSES</b>			
Borrowers' and Savers' Insurance Premiums	\$ 137,873	\$ 329,320	(191,447)
NCUA Supervision Fee	18,613	21,298	(2,685)
Provision for Loan Losses	629,000	6,882	622,118
Other Operating Expenses (incl. Borrowed Interest)	2,568,877	3,191,722	(622,845)
<b>TOTAL EXPENSES</b>	<b><u>\$ 3,354,363</u></b>	<b><u>\$ 3,549,222</u></b>	<b><u>\$ (194,859)</u></b>
Non-Operating Gains on:			
Investments	-	(20,350)	20,350
Disposition of OREOs and Chattels	51,375	(72,183)	123,558
Other	(19,043)	-	(19,043)
Net Income (Loss) Before Dividends	2,080,090	2,079,281	809
Dividend Expense	2,276,544	2,439,290	(162,746)
<b>NET INCOME</b>	<b><u>\$ (196,454)</u></b>	<b><u>\$ (360,009)</u></b>	<b><u>\$ 163,555</u></b>
Other Adjustment to Capital	(79,581)	(233,545)	153,964
Beginning Equity	13,987,030	14,580,584	(593,554)
<b>ENDING EQUITY</b>	<b><u>\$ 13,710,995</u></b>	<b><u>\$ 13,987,030</u></b>	<b><u>\$ (276,035)</u></b>