

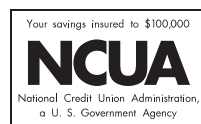


1101 Main Street  
P.O. Box 929  
Crossett, Arkansas 71635  
(870) 304-3200  
Toll-free 1-877-264-2771

**Credit Union Hours:**

9:00 a.m. to 5:00 p.m.  
Monday through Thursday

9:00 a.m. to 4:15 p.m.  
Friday



**49th Annual Meeting**  
**March 14, 2006**

**Annual Report 2005**



**CREDIT UNION STAFF:**

Jan Abernathy	Teller
Carolyn Barnett	Collector
Alex Brown	Information Technology Specialist
Nenda Burchfield	Collector
Betty Carter	Teller
Shay Craig	Member Services Representative
Stacey Davis	Part Time
Connie Dew	Head Teller
Thelma Dickey	Membership Officer
Donna Doss	Part Time
Tammy Farmer	Teller
Debbie Forrest	Collection Officer
Dana Gates	Mortgage Loan Secretary
Gwen Harris	Consumer Loan Officer
Sherri Hendrix	Vice-President/Operations
Rosie Henry	Receptionist
Louise Hicks	Consumer Loan Officer
Matt Jacobs	Vice-President/Lending
Mary McMahan	Electronic Operations Officer
Jackie Morgan	Accounting Clerk
JoAnn Parker	Mortgage Loan Officer
Aundi Phippen	Consumer Loan Secretary
Barbara Rainey	ACH Coordinator
Shannon Rawls	Teller
DeAnne Reed	Assistant Head Teller
Elaine Rice	Consumer Loan Officer
Janice Rice	Consumer Loan Officer
Carol Roberts	Mortgage Loan Manager
LaFran Rodgers	Accountant
Martha Rodgers	Insurance Clerk
Jay Ward	Collector
Venda White	Member Services Officer
Cheryl Wilcoxon	Executive Secretary/Investments
Charlotte Williams	Consumer Loan Officer
Don Woods	CEO/President
Melanie Young	Collector

**SERVICES**

Visa Check Cards  
 ATM  
 Checking Accounts  
 Regular Shares  
 Individual Retirement Accounts  
 Share Certificates  
 Travelers Checks  
 Safety Deposit Box Rentals  
 Free Notary Service

**CREDIT UNION OFFICIALS:**

**BOARD OF DIRECTORS**

Eugene D. Caprio, Jr.	Director
Pam Culp	Secretary/Treasurer
Roddy Goodwin	Director
Freddie Guin, Jr.	Director
Johnny D. Kilcrease	Director
Ricky M. Matheney	Chairman
M. Scott McCay	Vice-Chairman
Allen Louis White	Director

**SUPERVISORY COMMITTEE**

David Barnes	Member
James "Buddy" Dean	Chairman
Travis G. Wallace	Member

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

**CROSSETT PAPER MILLS EMPLOYEES  
FEDERAL CREDIT UNION**

December 31, 2005

**ASSETS:**

Loans	\$ 64,749,460.66
Loans/Collateral Liquidation	\$ 23,963.83
Other Real Estate Owned	\$ 211,753.76
Less Allowance for Loan Loss	\$ 1,323,840.08
Less Allowance for Impairment Losses	\$ 24,490.60
Net Loans	\$ 63,636,847.57
Cash on Hand and in Banks	\$ 5,813,665.61
Investments	\$ 26,610,500.00
Accrued Income on Investments & Loans	\$ 336,111.65
Accounts Receivable & Other Assets	\$ 1,144,625.23
Furniture & Equipment	\$ 200,543.39
Prepaid Insurance & Reserves	\$ 212,507.00
Land & Building	\$ 2,776,318.65
<b>TOTAL ASSETS</b>	<b>\$ 100,731,119.10</b>

**LIABILITIES AND EQUITY:**

Accounts Payable & Other Liabilities	\$ 216,528.03
Taxes Withheld & Payable	\$ 8,822.03
<b>TOTAL LIABILITIES</b>	<b>\$ 225,350.06</b>
Shares - Checking	\$ 595,215.15
Shares - Regular	\$ 24,938,841.55
Shares - Certificates of Deposit	\$ 37,788,444.19
Shares - IRA	\$ 21,239,265.12
Shares - Money Market	\$ 989,346.79
Regular Reserve (Bad Debt Reserve)	\$ 4,264,052.64
Undivided Earnings	\$ 10,690,603.60
<b>TOTAL EQUITY</b>	<b>\$ 100,505,769.04</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 100,731,119.10</b>

**2005 INCOME & EXPENSES**

INCOME:

Interest on Member's Loans	\$ 4,852,774.95
Earnings on Investments	\$ 983,676.82
Other Income	\$ 210,157.97
Non-Operational Gains - Dispersment of Assets	\$ (209,581.51)
<b>TOTAL GROSS INCOME</b>	<b>\$ 5,837,028.23</b>

EXPENSES:

<b>MEMBER'S BENEFITS &amp; PROTECTION</b>	
Borrowers' and Savers' Insurance Premiums	\$ 390,413.29
NCUA Supervision Fee	\$ 19,481.04
<b>TOTAL</b>	<b>\$ 409,894.33</b>

OPERATING EXPENSES:

<b>TOTAL</b>	<b>\$ 4,470,052.78</b>
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<b>TOTAL EXPENSES BEFORE DIVIDENDS</b>	<b>\$ 4,879,947.11</b>
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<b>NET INCOME BEFORE DIVIDENDS</b>	<b>\$ 957,081.12</b>
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<b>2005 DIVIDENDS</b>	<b>\$ 2,247,008.85</b>
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<b>NET INCOME AFTER DIVIDENDS</b>	<b>\$ (1,289,927.73)</b>
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<b>[LESS] TRANSFER TO REGULAR RESERVE</b>	<b>\$ 0.00</b>
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<b>CHANGE TO UNDIVIDED EARNINGS</b>	<b>\$ (1,289,927.73)</b>
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**DISTRIBUTION OF 2005 INCOME**

Direct Return to Members:	Amount	Percent of Income
Dividends paid to Members	\$ 2,247,008.85	37.16%
Indirect Return to Members:		
Undivided Earnings	\$ (1,289,927.73)	-21.33%
Regular Reserve	0.00	0.00%
Member Benefits & Protection:		
Loan Protection & Life Savings Insurance	\$ 390,413.29	6.46%
National Credit Union Association Supervision Fee	\$ 19,481.04	0.32%
Operation Expenses:		
Operation Expense	\$ 4,470,052.78	73.93%
Non-Operational Gains/Loss	\$ 209,581.51	3.47%
<b>TOTAL 2005 INCOME</b>	<b>\$ 6,046,609.74</b>	<b>100.00%</b>

**ANNUAL COMPARISON ANALYSIS**

	December 31, 2005	December 31, 2004	Change
Loans	\$ 64,749,460.66	\$ 77,965,885.50	\$ (13,216,424.84)
Regular Shares	\$ 24,938,841.55	\$ 26,445,383.91	\$ (1,506,542.36)
Shares-Checking	\$ 595,215.15	\$ 464,524.89	\$ 130,690.26
Certificates of Deposit	\$ 37,788,444.19	\$ 42,684,965.76	\$ (4,896,521.57)
IRA Shares	\$ 21,239,265.12	\$ 20,619,303.85	\$ 619,961.27
Money Market Shares	\$ 989,346.79	\$ 1,140,727.82	\$ (151,381.03)
Investments	\$ 26,610,500.00	\$ 20,811,500.00	\$ 5,799,000.00
Regular Reserve	\$ 4,264,052.64	\$ 4,264,052.64	\$ -
Undivided Earnings	\$ 10,690,603.60	\$ 11,980,531.33	\$ (1,289,927.73)
Total Assets	\$ 100,731,119.10	\$ 107,868,008.76	\$ (7,136,889.66)
Members	10,772	10,721	51
Loans	2,708	4,784	(2,076)
Expenses	\$ 4,879,947.11	\$ 4,448,555.06	\$ 431,392.05
Income	\$ 6,046,609.74	\$ 6,416,647.71	\$ (370,037.97)