

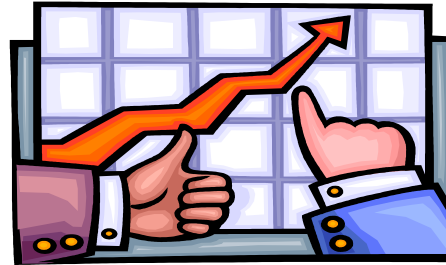
SUPERVISORY COMMITTEE REPORT

As your credit union's supervisory committee, we have a commitment to supervise the overall safety and soundness of your credit union. Our primary responsibilities are to ensure the effectiveness of internal checks and balances and adherence to established policies and procedures. I can assure you, as a member of the committee, that our commitment is to see these standards are kept at the highest level.

In addition to our internal reviews, the law requires the Supervisory Committee to conduct a yearly audit of the credit union's financial record. The committee will meet this requirement by retaining Lombardi & Associates, an independent audit firm. They also conducted the annual audit in 2006.

We will continue to monitor your credit union to ensure that your funds are safe and secure. The reports and results of audits and state exams continue to show your credit union to be operating in a financially sound manner. We would like to reiterate again, that your funds are also Federally insured up to at least \$100,000.00 through NCUA (National Credit Union Administration), a United States Government Agency.

We would like to thank you for allowing us the opportunity to serve you. We appreciate our great members and the support you give us!



FINANCIAL REPORT

ASSETS

	<u>2005</u>	<u>2006</u>
Loans	\$4,060,005	\$3,804,381
Allowance		
For loan loss	\$(56,546)	\$(72,993)
Cash on hand		
& investments	\$2,649,465	\$3,030,626
land &		
building	\$ 32,783	\$ 23,523
furniture, equip.		
& other assets	\$ 48,303	\$ 54,612
TOTAL ASSETS	\$6,734,010	\$6,840,147

LIABILITIES

Accounts Payable &		
Other liabilities	\$ 17,635	\$ 37,081
Shares	\$ 5,185,541	\$5,215,774
Regular Reserves	\$ 347,796	\$ 347,796
Undivided earnings	\$ 1,183,038	\$1,239,496
TOTAL LIABILITIES	\$ 6,734,010	\$6,840,147

INCOME

Income	\$ 369,384	\$ 392,840
Operating Expense	\$ 200,739	\$ 200,420
Dividend Expense	\$ 76,939	\$ 99,516
Provision for		
Loan loss	\$ 12,520	\$ 36,445
NET INCOME	\$ 79,196	\$ 56,459

BOARD OF DIRECTORS

HENRY ESTRADA, chairman
ALVIN KUHN, vice-chairman
LARRY MONSON, secretary
LONNIE AKINS, treasurer

SUPERVISORY COMMITTEE

BARBARA MOORE, chairman
JOSEPHINE QUINTANA, secretary
TINA COTTON, member

CREDIT COMMITTEE

PATRICK DERENZO, chairman
RON MCKEY, member
LOU SCHLABAUGH, member

OFFICE STAFF

MARY ALDRIDGE
CURISHA VERA
GILDA WHITE

Thanks, Volunteers
We Appreciate you!

BOARD OF DIRECTORS REPORT

WELCOME TO THE 54th ANNUAL MEETING FOR DC CREDIT UNION. ONE OF THE GOALS FOR THE YEAR 2006 WAS TO CONTINUE GIVING OUR MEMBERS COMPETITIVE LOAN RATES AND HIGH DIVIDENDS WHILE CONTINUING TO BE FISCALLY SECURE. LAST YEAR THE COLORADO ECONOMY CONTINUED TO WAIVER, ADDING TO THE ALREADY STRESSED JOB MARKET, AND HOME SALES WERE AT AN ALL TIME LOW. WE HAD TO ANALYZE WHERE OUR CREDIT UNION WAS AT, WHERE IT WAS GOING AND HOW WE COULD STIMULATE GROWTH. OUR VISION HAS ALWAYS BEEN TO PRESERVE OUR HOMETOWN QUALITY AND FURNISH PERSONAL AND CARING ATTENTION TO EACH MEMBER'S FINANCIAL NEEDS. WE ARE THAT LITTLE CREDIT UNION THAT CAN!

FOR OUR MEMBERS, WE VALUE AND APPRECIATE EACH AND EVERY ONE OF YOU. THANK YOU FOR YOUR CONTINUED SUPPORT. YOUR COMMENTS AND SUGGESTIONS ARE ALWAYS WELCOME. REMEMBER, THIS IS YOUR CREDIT UNION, BECOME INVOLVED, VOLUNTEER FOR ONE OF THE MANY COMMITTEES NEXT YEAR, YOUR VOICE CAN MAKE A DIFFERENCE.

THANKS TO ALL THE VOLUNTEERS WHO GIVE FREELY OF THEIR TIME AND TALENTS TO SERVE DC CREDIT UNION, YOU ARE SINCERELY APPRECIATED, AND I HAVE ENJOYED WORKING WITH EACH OF YOU THIS PAST YEAR. TO THE STAFF AND OUR MEMBERS, I WISH YOU CONTINUED SUCCESS IN 2007.

LOAN OFFICER'S REPORT

EACH YEAR THE CREDIT UNION FACES VARIOUS CHALLENGES WITH LENDING. CHALLENGES ASSOCIATED WITH RISK, CONSUMER DEBT PERCENTAGES, AND RATES IMPACT THE OVERALL LOAN PORTFOLIO. THE PAST TWO YEARS THE CREDIT UNION HAS BOOKED THE FOLLOWING DOLLAR AMOUNT IN LOANS:

Total new loans in 2005: \$2,126,066.00

Total new loans in 2006: \$1,455,988.00

THE CHANGE IN THE DOLLAR AMOUNT APPROVED SPEAKS DIRECTLY TO THE ECONOMY AND THE DELINQUENCY CHALLENGES THE CREDIT UNION HAS FACED. WE REMAIN COMMITTED TO SERVING YOU IN THE FASHION THAT IS MOST SUITABLE TO YOU. WE ARE EXTREMELY DEDICATED TO PROVIDING QUALITY SERVICE THROUGH WHICHEVER FASHION YOU DESIRE.

THE BOARD OF DIRECTORS WORKED HARD TO OFFER GREAT LENDING RATES. I HOPE THAT THE NEXT TIME YOU ARE IN THE MARKET FOR A CAR LOAN, A HOME EQUITY LOAN, OR A NEW VISA CARD, YOU WILL STOP BY THE CREDIT UNION AND CHECK OUT OUR FIRST CLASS FRIENDLY SERVICE, AND OUR AMAZING RATES!

WE ARE PROUD TO SERVE YOU, THE MEMBERSHIP, AND SINCERELY HOPE THAT YOU WILL FEEL CONFIDENT IN USING DC CREDIT UNION FOR ALL OF YOUR FINANCIAL NEEDS.

DC CREDIT UNION

2006

Annual Report

54TH Annual Meeting

April 21, 2007

6:00 p.m.

Charlotte's Web Restaurant

5271 E 52nd Ave

Commerce City, Colorado