

Statement of Income

Income	2007	2006
Interest on Loans	84,269.00	90,754.00
Investment Income	130,412.00	133,141.00
Fee Income	46,687.00	30,796.00
Grant Income	65,504.00	254,900.00
Total Income	326,872.00	509,591.00
Operating Expenses		
Salaries & Benefits	216,469.00	173,520.00
Travel & Conference	7,929.00	8,571.00
Association Dues	3,287.00	588.00
Office Occupancy Expense	54,113.00	31,729.00
Office Operation Expense	97,827.00	66,622.00
Marketing & Promotion	17,257.00	18,828.00
Loan Servicing Expense	1,879.00	1,081.00
Professional Services	23,530.00	15,265.00
Provision for Loan Loss	103,541.00	34,738.00
Examination Fees	858.00	871.00
Cash Over/Short Expense	1,587.00	1,052.00
Miscellaneous Expenses	1,110.00	643.00
Dividend Expense	16,177.00	20,273.00
Total Operating Expenses	545,564.00	373,781.00
Net Income	(218,692.00)	135,810.00

Statement of Financial Condition

Assets	2007	2006
Cash & Equivalents	76,742.00	104,389.00
Total Investments	2,490,022.00	2,902,665.00
Total Loans	981,286.00	1,046,742.00
Allowance for Loan Loss	(74,061.14)	(79,738.00)
Other Fixed Assets	320,959.00	318,153.00
NCUSIF Deposit	39,584.00	40,119.00
All Other Assets	54,789.00	142,691.00
Total Assets	3,889,321.00	4,475,021.00
Liabilities & Capital		
Total Liabilities	46,812.00	61,440.00
Total Shares & Deposits	3,606,021.00	3,958,401.00
Regular Reserve	18,460.00	14,570.00
Undivided Earnings	218,028.00	440,610.00
Total Equity	236,488.00	455,181.00
Total Liabilities & Equities	3,889,321.00	4,475,021.00

Message from the Board Chair

On behalf of the Board of Directors, thank you for your support of People's. Despite the challenges that affected the entire financial services industry in 2007, People's has continued to serve the Oakland Flatlands. In fact, during 2007, People's membership grew by 169 members and received a total of 198 loans. The \$ 397,000 that People's loaned to its members provided the resources necessary for Oakland Flatlanders to both meet their financial obligations and to improve their financial positions.

2007 was also marked by the addition of a new loan product for People's members. In response to member surveys, People's partnered with CUSO Mortgage to add a new home lending program. Because this home lending program was started at the very end of 2007, we look forward to assisting members finance new home purchases, refinance high-rate mortgages, and access equity in their homes to meet educational, home repair and other financial goals throughout 2008.

Finally, I'd like to thank the entire Board of Directors, the Credit Committee and the Supervisory Committee for their tireless contribution of time and energy to ensuring that the Oakland Flatlands community has access to low-cost, high-quality financial services. Because of their collective commitment to People's vision and members, the volunteers who support People's have allowed People's to continue to meet member needs and to adapt the organization in response to very challenging financial times.

Anne Griffith
Board Chair

Message from the Manager

2007 was another exciting year for People's. We settled in to our new location, where we got our ATM machine up and running and welcomed more than 165 new members.

We hope you are all finding the location convenient for parking or using BART. More of you are using the ATM machine each month. Now that we have a couple of neighbors in the adjacent storefronts, we hope more members will discover the convenience of the ATM machine to have access to your money 24/7. We also hope the increased foot traffic on our block will bring even more new members to find out about our services at People's.

We are also excited about our newest loan offering that we started in 2007: home loans. If you are looking to buy a new home or refinance your existing loan, please come in and ask about what we have to offer. You may have equity in your home that you could use for rehabilitation projects on your home or other needs. Between our own loan products and our partnership with CUSO Mortgage, we may be able to get you the loan you need to get into a new home, get a better interest rate, or make use of the equity you have built.

More than 30 of you have taken advantage of our auto loan offerings in the past year. We are especially pleased that 90 members have used our Fresh Start loan this year. This loan is a great way to build credit, especially for young people who don't have any other credit history, and also a way to repair problem credit and get you started on a path to taking control of your financial success.

Speaking of taking control and building credit, we had a great Youth Workshop last fall with over 15 teen participants who learned about the importance of savings and building good credit. We have another **Youth Workshop** scheduled for **Saturday, March 1** at the credit union. If you have a teen who wants to get a good start on their financial future, please call [Arcola at x305](tel:510-435-3305) to sign them up for the workshop.

It's also the season to get **your taxes done for FREE!** People's volunteers are doing tax preparation every Saturday morning and Tuesday evening right across Mandela Parkway in the other building of the Mandela Gateway Apartments. Please [call Arcola at x305](tel:510-435-3305) to schedule your appointment. In 2007 we prepared taxes for more than 200 households, and made sure that more than \$200,000 in tax refunds got to our Oakland community. When you use the free tax preparation service, you don't have to pay any fees or any interest that the paid services charge; you can even get your refund deposited directly into your People's account within approximately 10 days.

Don't forget to refer your friends to People's. If they tell us you referred them, they get their membership fee waived and you get \$5 deposited into your account. If you want to find out about other ways you can help to spread the word about People's, please call [Arcola at x305](tel:510-435-3305).

Looking forward to working with you as we continue to grow in 2008.

Sherry Alexander
Manager

Message from the Supervisory Committee

NCUA rules require the Supervisory Committee to see that an annual audit of the credit union is conducted once in each calendar year, following specific procedures outlined in NCUA regulations. This annual audit is technically referred to as an “Agreed-Upon-Procedures Report”. The accounting firm McGladrey & Pullen, CPA, performed this year’s audit, and submitted their draft report, dated September 30, 2007, to the Supervisory Committee. The report finds no significant irregularities in the credit union’s activities and records. The overall findings of the report are very positive. The auditors identify several operational refinements to improve accounting and data management procedures, and they point out several areas in which account security can be improved by scheduling regular account reconciliations. We are happy to report that once again McGladrey & Pullen performed this service for People’s Credit Union on a no-charge, pro bono basis, as a token of their support for the important grass roots community financial development happening through the credit union.

The NCUA also requires that regular internal audit procedures be in place to monitor for money laundering and other illicit activities. The Department of the Treasury under the Bank Secrecy Act defines the procedures for these special internal audits. An independent consultant will be performing the BSA internal audit inspections and issue their report in March 2008.

Appreciations & Thank Yous:

People’s Community Partnership Federal Credit Union would like to acknowledge the support of the following organizations whose generosity makes our work possible:

Addison Avenue Federal Credit Union
Affordable Housing
Alliance Credit Union
Bank of the West
Berkeley Friends
Beth Eden Baptist Church
Bridge Housing
California Credit Union League
California State Automobile Association
Cal State 9 Credit Union
Citibank
City of Oakland – Community Action Agency
City of Oakland – Redevelopment Agency
Community Bank of the Bay
Congressional Black Caucus
East Bay Community Law Center

East Bay Asian Local Development Corporation
Facility Design Group
First Hebrew Congregation
Hope Senior Housing
HSBC Bank, U.S.A. – National Association
Jewish Community Federation
McGladrey & Pullen, CPA
Midrash East Bay
Mission Community Bank
National Credit Union Administration
National Credit Union Foundation
National Federation of Community Development Credit Unions
Neighborhood National Bank
North Island Credit Union
Pacific Gas & Electric
Pacific Service Credit Union

Peninsula Postal Credit Union
Robert Myles Johnson Foundation
San Francisco Foundation
San Mateo Credit Union
Shapiro Group
Sisters of Mercy
Spectrum Federal Credit Union
St. Mary’s Gardens
Technology Credit Union
Temple Isaiah
The Golden 1 Credit Union
Travis Federal Credit Union
Triton Construction
United Way-Bay Area
U.S. Bankcorp
Valley Credit Union
Vandenberg/Coast Hills Federal Credit Union
Wells Fargo

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