

CHAIR REPORT

2006 was the year the PCU became self-sustaining. This milestone was made possible by the generosity of past donors, by supportive members who have been willing to accept a lower return on their savings, and by the diligence of our staff in controlling expenses.

Our volunteers and staff continue to seek ways to communicate with our members. One way we try to do this is by our attendance at various appropriate conferences and meetings. We are also working at including timely information in our quarterly newsletter.

We have formulated an advisory council with their task being to aid the board and staff in assuring that our financial decisions and policies are aligned with the ethics of Permaculture and the mission of our credit union.

It has been an honor to serve as a director this past year and, on behalf of all the directors, I thank you for your continued support and participation.

NORA HASKINS
CHAIR, BOARD OF DIRECTORS

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee's primary function is to inspect the credit union's records for accuracy, its assets for security, and its procedures for the proper handling and use of funds. We also arrange our annual audit and secure it with a certified internal auditor who for the last six years has been Eliot Stenzel, CPA. Another duty is to meet with the Financial Institutions Division and the National Credit Union Administration to ensure that all policies are being followed.

The four members of your Supervisory Committee are: Elizabeth Martin, Phil Vergamini, Joseph Ellis, and Carolyn Agard. We will all continue to serve the credit union to the best of our ability.

Carolyn Agard
CHAIRPERSON

TREASURER'S REPORT

As of December 31, 2006 (To the nearest dollar)

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

Assets	# @ 2006	12/31/06
Share Secured	25	\$92,917
Certificate Secured	2	4,338
Unsecured	26	45,677
New Car	27	390,264
Used Car	39	341,611
Real Estate Loans	52	1,229,085
Guaranteed Student Loans	8	30,725
Regular Loans Total (yield=6.77% at 12/31/06)	179	2,134,616
Participation Loans FFCU (yield=5.0%)	1	9,561
Total Loans	180	2,144,178
Less: Allowance for Loan Losses		20,167
Net Loans		2,124,011
Checking Account (Southwest Corp. FCU)		408,168
Petty Cash		6
Investments	# @ 2006	12/31/06
State Employees Credit Union	1	414
Guadalupe Credit Union	1	95,914
National Cooperative Bank	1	5,949
Opportunities Credit Union	2	98,320
Southwest Corporate FCU	1	26,999
Investment Total	6	227,596
NCUA Share Insurance Fund		25,930
Land and Building		0
Fixed Assets, net		10,978
Other Assets		25,783
Total Assets		\$2,822,472
Liabilities and Equity	# @ 2006	12/31/06
Savings Accounts		
Regular Shares	876	\$2,146,044
Certificates Shares	104	568,623
Average Shares	\$2,654,263	2,714,666
Dividends	\$14,703	
Share Cost	0.50%	
Miscellaneous Liabilities		9,406
Regular Reserve		54,811
Undivided Earnings		43,589
Net Income		0
Total Liabilities & Equity		\$2,822,472
Consolidated Statement of Income		
Interest on Loans		\$143,013
Income from Investments		25,452
Fees and Charges		14,525
Total Income		182,990
Total Dividends		14,703
Income, net of Dividends		168,287
Provisions for Loan Losses		1,839
Income, net of Dividends and Provision for Loan Losses		166,448
Operating Expenses		170,487
Subtotal		\$(4,039)
Non-Operating Income (Donations)		\$3,821
Net Income or (Loss)		\$(218)



PERMACULTURE CREDIT UNION ANNUAL REPORT 2006

ANNUAL MEETING
MAY 19, 2007

OFFICE LOCATION
4250 Cerrillos Rd., 2nd Floor,
Santa Fe, NM 87507

MAILING ADDRESS
PO Box 29300,
Santa Fe, NM 87592-9300

Toll Free: 1-866-954-3479
Phone: (505) 954-3479
Fax: (505) 424-1624

Web Site: WWW.PCUONLINE.ORG

Email: PERMA@PCUONLINE.ORG



BOARD OF DIRECTORS

Nora Haskins - Chair
 Hugh Roberts - Vice Chair
 Susan Coulter - Secretary
 Barbara Mueller - Treasurer
 Jake Ingram - Director
 Wesley Roe - Director
 John J. McAndrew - Director

CREDIT UNION STAFF

Donald J. Sarich - President/CEO
 Eileen A. Banashek - Bookkeeper
 Matthew Carrasco-Trujillo -
 Loan Processor
 Willina Martinez -
 Member Service Representative

SUPERVISORY COMMITTEE

Carolyn Agard - Chairperson
 Elizabeth Martin - Member
 Phil Vergamini - Member
 Joseph S. Ellis - Member

COMMITTEES

ASSETS/LIABILITIES MANAGEMENT

Donald J. Sarich, Barbara Mueller, Hugh Roberts,
 Donal Kinney and Winona Nava

MARKETING/COMMUNICATIONS

Jake Ingram, Susan Coulter, Phil Vergamini,
 Wesley Roe, Donald J. Sarich, John J. McAndrew
 and Nora Haskins

FUND RAISING

John J. McAndrew, Susan Coulter,
 Nora Haskins and Donald J. Sarich

PRESIDENT'S REPORT

Our credit union keeps moving forward at a moderate pace, building our foundation to become a full service credit union. We have devoted much of our time and effort to making the credit union self-sustaining over the past years. As of 12/31/06 we had a loss of (\$218.00) for the year and we received \$3,821.00 in donations, the lowest amount since we were founded. This growth towards autonomy could not have been done without the time and patience of our 876 members who understand the importance of our existence.

Now, since we have made it to breakeven and as our income strengthens, we will continue to work at making our credit union more self-sufficient and to offer a wider array of financial services, allowing our members to divert more of their loan dollars and savings dollars to the Permaculture Credit Union. PCU will also strive to give back to our membership 20% of our earnings as dividends, bringing us closer to market rates, while saving at least another 20% for our future growth and reinvestment.

Operationally, our staff has grown over the years to one full time and three part time employees. We have added ACH originations over the past year to help members receive money electronically when needed and make loan payments without having to depend on the mail.

We added a guaranteed student loan program in 2006. During the first year of its operation, we provided eight students with \$30,725 in student loans and the program had a small operational profit. Over the next two years, our credit union will continue to add services that allow members to save more at a competitive rate and to access their funds more easily. We will continue to make our credit union a leader in sustainable practices in our operations by purchasing the highest content of recyclables as possible and making certain portions of our operations more paperless. And we will keep our members informed of our progress in this area, so you know that your credit union is making a difference in its use of resources and its impact on the earth.

In the years ahead, we look forward to providing you the credit union you envision.

SINCERELY,
 DONALD J. SARICH
 PRESIDENT/CEO

