

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).  <b>► Complete all entries in accordance with the instructions to the Form 5500.</b>	OMB Nos. 1210-0110 1210-0089
		<b>2010</b>
		<b>This Form is Open to Public Inspection</b>

<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
<b>C</b> If the plan is a collectively-bargained plan, check here. . . . .	<input type="checkbox"/>
<b>D</b> Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information
<b>1a</b> Name of plan <u>PEOPLE FOR PEOPLE 401K PLAN</u>	<b>1b</b> Three-digit plan number (PN) ► <u>001</u> <b>1c</b> Effective date of plan <u>05/01/2002</u>
<b>2a</b> Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.)  <u>PEOPLE FOR PEOPLE</u>  <u>PO BOX 22700</u> <u>302 W. LINCOLN AVE.</u> <u>YAKIMA, WA 98907</u> <u>YAKIMA, WA 98902</u>	<b>2b</b> Employer Identification Number (EIN) <u>91-0783225</u> <b>2c</b> Sponsor's telephone number <u>509-248-6726</u> <b>2d</b> Business code (see instructions) <u>624100</u>

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

<b>SIGN HERE</b>	<u>Filed with authorized/valid electronic signature.</u>	<u>10/17/2011</u>	<u>FIDEL DEVERA</u>
	<b>Signature of plan administrator</b>	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	<u>Filed with authorized/valid electronic signature.</u>	<u>10/17/2011</u>	<u>FIDEL DEVERA</u>
	<b>Signature of employer/plan sponsor</b>	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	<b>Signature of DFE</b>	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

**Form 5500 (2010)**  
**v.092307.1**

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")

PEOPLE FOR PEOPLE

PO BOX 22700  
YAKIMA, WA 98907**3b** Administrator's EIN

91-0783225

**3c** Administrator's telephone number

509-248-6726

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

164

**6** Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

136

**b** Retired or separated participants receiving benefits.....**6b**

1

**c** Other retired or separated participants entitled to future benefits.....**6c**

16

**d** Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

153

**e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

0

**f** Total. Add lines **6d** and **6e**.....**6f**

153

**g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

140

**h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

1

**7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)(1) ☐

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)(1) ☐

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**(1) ☒**R** (Retirement Plan Information)(2) ☐**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary(3) ☐**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary**b General Schedules**(1) ☒**H** (Financial Information)(2) ☐**I** (Financial Information - Small Plan)(3) ☐**A** (Insurance Information)(4) ☒**C** (Service Provider Information)(5) ☐**D** (DFE/Participating Plan Information)(6) ☐**G** (Financial Transaction Schedules)

<b>SCHEDULE C</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>► File as an attachment to Form 5500.</b>		OMB No. 1210-0110
			<b>2010</b>
			<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

<b>A</b> Name of plan <b>PEOPLE FOR PEOPLE 401K PLAN</b>	<b>B</b> Three-digit plan number (PN) <b>►</b>	<b>001</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PEOPLE FOR PEOPLE</b>	<b>D</b> Employer Identification Number (EIN) <b>91-0783225</b>	

<b>Part I</b>	<b>Service Provider Information (see instructions)</b>
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

<b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
<b>AMERICAN FUNDS</b>	<b>12711 NORTH MERIDIAN ST. CARMEL, IN 46032-9181</b>

<b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**(a)** Enter name and EIN or address (see instructions)

<b>(b)</b> Service Code(s)	<b>(c)</b> Relationship to employer, employee organization, or person known to be a party-in-interest	<b>(d)</b> Enter direct compensation paid by the plan. If none, enter -0-.	<b>(e)</b> Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	<b>(f)</b> Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	<b>(g)</b> Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	<b>(h)</b> Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide
<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide



**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name: LEMASTER & DANIELS	<b>b</b> EIN: 91-0292442
<b>c</b> Position: INDEPENDENT QUALIFIED CPA	
<b>d</b> Address: 610 N. 39TH AVE YAKIMA, WA 98902	<b>e</b> Telephone: 509-453-0123

Explanation: FIRM WAS PURCHASED BY LARSON ALLEN CPA'S WHO ARE NOW DOING THE AUDIT.

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN;
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN;
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  <b>► File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2010</b>  <b>This Form is Open to Public Inspection</b>
For calendar plan year 2010 or fiscal plan year beginning <b>01/01/2010</b> and ending <b>12/31/2010</b>		
<b>A</b> Name of plan <b>PEOPLE FOR PEOPLE 401K PLAN</b>	<b>B</b> Three-digit plan number (PN) <b>►</b>	<b>001</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>PEOPLE FOR PEOPLE</b>	<b>D</b> Employer Identification Number (EIN)  <b>91-0783225</b>	

<b>Part I</b>	<b>Asset and Liability Statement</b>		<b>(a) Beginning of Year</b>	<b>(b) End of Year</b>
<b>1</b>	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	<b>Assets</b>			
<b>a</b>	Total noninterest-bearing cash .....	<b>1a</b>	1048	1905
<b>b</b>	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions .....	<b>1b(1)</b>	238873	246911
	(2) Participant contributions .....	<b>1b(2)</b>		
	(3) Other.....	<b>1b(3)</b>		
<b>c</b>	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>		
	(2) U.S. Government securities.....	<b>1c(2)</b>		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred .....	<b>1c(3)(A)</b>		
	(B) All other.....	<b>1c(3)(B)</b>		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred .....	<b>1c(4)(A)</b>		
	(B) Common .....	<b>1c(4)(B)</b>		
	(5) Partnership/joint venture interests .....	<b>1c(5)</b>		
	(6) Real estate (other than employer real property) .....	<b>1c(6)</b>		
	(7) Loans (other than to participants) .....	<b>1c(7)</b>		
	(8) Participant loans .....	<b>1c(8)</b>	20602	61545
	(9) Value of interest in common/collective trusts.....	<b>1c(9)</b>		
	(10) Value of interest in pooled separate accounts.....	<b>1c(10)</b>		
	(11) Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
	(12) Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>	1721857	2130496
	(14) Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
	(15) Other .....	<b>1c(15)</b>		

**1d** Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities .....	<b>1d(1)</b>		
(2) Employer real property .....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation .....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e) .....	<b>1f</b>	1982380	2440857

**Liabilities**

<b>g</b> Benefit claims payable .....	<b>1g</b>		
<b>h</b> Operating payables .....	<b>1h</b>		
<b>i</b> Acquisition indebtedness .....	<b>1i</b>		
<b>j</b> Other liabilities .....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j) .....	<b>1k</b>	0	0

**Net Assets**

<b>l</b> Net assets (subtract line 1k from line 1f) .....	<b>1l</b>	1982380	2440857
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**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers .....	<b>2a(1)(A)</b>	246911	
<b>(B)</b> Participants .....	<b>2a(1)(B)</b>	130168	
<b>(C)</b> Others (including rollovers) .....	<b>2a(1)(C)</b>		
(2) Noncash contributions .....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		377079
<b>b Earnings on investments:</b>			
(1) Interest:			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....	<b>2b(1)(A)</b>		
<b>(B)</b> U.S. Government securities .....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments .....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants) .....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans .....	<b>2b(1)(E)</b>	2485	
<b>(F)</b> Other .....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		2485
(2) Dividends: <b>(A)</b> Preferred stock .....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock .....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds) .....	<b>2b(2)(C)</b>		
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		0
(3) Rents .....	<b>2b(3)</b>		
(4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions) .....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....	<b>2b(4)(C)</b>		0

		(a) Amount	(b) Total
<b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	<b>2b(5)(A)</b>		
(B) Other .....	<b>2b(5)(B)</b>		
(C) Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		0
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		185180
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		564744

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	105219	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		105219
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Investment advisory and management fees .....	<b>2i(3)</b>		
(4) Other .....	<b>2i(4)</b>	1048	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		1048
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		106267

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		458477
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: LARSON ALLEN

(2) EIN: 41-0746749

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
<b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		160000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2010</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

<b>A</b> Name of plan <u>PEOPLE FOR PEOPLE 401K PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶ <u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>PEOPLE FOR PEOPLE</u>	<b>D</b> Employer Identification Number (EIN) <u>91-0783225</u>

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  EIN(s): <u>68-0516723</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
If the plan is a defined benefit plan, go to line 8.			
<b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
<b>6 a</b> Enter the minimum required contribution for this plan year .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<b>6c</b>		
If you completed line 6c, skip lines 8 and 9.			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....	<b>16b</b>	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_



**PEOPLE FOR PEOPLE 401(K) PLAN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**PEOPLE FOR PEOPLE 401(k) PLAN  
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CPAs, Consultants & Advisors  
www.larsonallen.com

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
People for People 401(k) Plan  
Yakima, Washington

We have audited the accompanying statement of net assets available for benefits of the People for People 401(k) Plan (the Plan) as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2009, were audited by LeMaster & Daniels PLLC (whose practice became a part of LarsonAllen LLP effective November 1, 2010). Their report, dated October 5, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of People for People 401(k) Plan as of December 31, 2010, and the changes in its net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i—Schedule of Assets (Held at End of Year) as of December 31, 2010, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*LarsonAllen LLP*

**LarsonAllen LLP**

Yakima, Washington  
October 13, 2011



(1)  
An independent member of Nexia International

**PEOPLE FOR PEOPLE 401(K) PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<u>2010</u>	<u>2009</u>
<b>CASH</b>	\$ 1,905	\$ 1,048
<b>INVESTMENTS (at Fair Value)</b>		
Mutual Funds	<u>2,130,496</u>	<u>1,721,857</u>
<b>RECEIVABLES</b>		
Organization Profit Sharing	193,930	189,202
Organization Matching	52,981	49,671
Notes Receivable from Participants	<u>61,545</u>	<u>20,602</u>
Total Receivables	<u>308,456</u>	<u>259,475</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u><u>\$ 2,440,857</u></u>	<u><u>\$ 1,982,380</u></u>

*See accompanying Notes to Financial Statements.*

**PEOPLE FOR PEOPLE 401(K) PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
<b>ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:</b>		
<b>INVESTMENT INCOME</b>		
Interest Income	\$ 39,775	\$ 30,883
Net Appreciation in Fair Value of Investments	145,405	261,970
Total Investment Income	<u>185,180</u>	<u>292,853</u>
<b>INTEREST ON NOTES RECEIVABLE FROM PARTICIPANTS</b>	<u>2,485</u>	<u>1,510</u>
<b>CONTRIBUTIONS</b>		
Salary Deferrals	130,168	149,247
Organization Matching	52,981	49,671
Organization Profit Sharing	193,930	189,202
Rollover	-	94,863
Total Contributions	<u>377,079</u>	<u>482,983</u>
<b>BENEFITS PAID TO PARTICIPANTS</b>	<u>(105,219)</u>	<u>(192,287)</u>
<b>ADMINISTRATIVE EXPENSES</b>	<u>(1,048)</u>	<u>-</u>
<b>NET INCREASE</b>	458,477	585,059
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
Beginning of Year	<u>1,982,380</u>	<u>1,397,321</u>
End of Year	<u><u>\$ 2,440,857</u></u>	<u><u>\$ 1,982,380</u></u>

See accompanying Notes to Financial Statements.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 1    DESCRIPTION OF THE PLAN**

The following description of the People for People 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution plan originally effective May 1, 2002. The Plan has been amended and restated throughout the years to comply with tax legislation and most recently restated January 1, 2007 and most recently amended September 16, 2011 with various effective dates. The Plan covers all employees of People for People (the Organization) except for employees covered by a collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

**Eligibility**

Salary Deferrals – To be eligible to participate in the salary deferral portion of the Plan an employee must attain age 21 and perform 90 days of service. A participant may contribute salary deferral contributions on the first pay period following completion of the eligibility requirements.

Organization Match and Profit Sharing – In order to receive the Organization discretionary matching contribution and an allocation of the Organization discretionary profit sharing contribution, an employee must complete 1,000 hours of service within the plan year, be 21 years of age or older, and be employed on the last day of the plan year. A participant is also eligible to receive a discretionary matching and profit sharing contribution if the participant's termination during the plan year was the result of death, disability or the attainment of normal retirement age. The entry dates for the Organization contributions are January 1 and July 1 following completion of the eligibility requirements.

**Contributions**

Salary Deferrals – The Plan includes a salary deferral arrangement allowed under Section 401 (k) of the Internal Revenue Code. Eligible participants are permitted to elect to have a percentage, limited by Plan provisions, of their compensation contributed as pre-tax 401 (k) contributions to the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans or conduit IRA's. Participants direct the investment of contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants. Contributions are subject to limitations.

Organization Match and Profit Sharing – The Organization, at its discretion, may make discretionary matching and profit sharing contributions to the participant's individual accounts. The Organization matched employee salary deferrals dollar for dollar up to 2% of compensation for the years ended December 31, 2010 and 2009. The Organization made a discretionary profit sharing contribution to each participant's account equal to 5% of compensation for the years ended December 31, 2010 and 2009.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 1    DESCRIPTION OF THE PLAN (CONTINUED)**

**Participant Accounts**

Each participant's individual account is credited with salary deferral contributions, Organization discretionary matching and profit sharing contributions, and Plan earnings. Allocations are based on participant earnings or account balances as defined. Income is allocated daily based on the shares in the participant's account. The benefit to which a participant is entitled is the benefit that can be provided by the participant's account.

**Vesting**

Participants are immediately vested in their contributions, the Organization's discretionary matching contributions, and actual earnings thereon. Vesting in the Organization's discretionary profit sharing contribution portion of their accounts, plus actual earnings thereon, is based on years of credited service. A participant is 100% vested after three years of credited service. A participant is fully vested upon reaching normal retirement age, death, or permanent disability.

**Notes Receivable from Participants**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Principal and interest is paid ratably through payroll deductions. Note terms are up to five years, except for notes to fund the purchase of a principal residence, for which the note may be repaid over a reasonable period that may exceed five years. The notes are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined annually by the Plan administrator. At December 31, 2010, interest rates ranged from 5.25% to 10.25%.

**Payment of Benefits**

Upon termination of service, death, disability, or retirement (age 65), the participant will receive the value of the vested interest in his or her account in the form of a lump sum distribution. The Plan allows for in-service distributions if a participant reaches age 59½ and hardship distributions subject to Plan provisions. If a participant terminates employment and the participant's account balance does not exceed \$5,000, the Plan administrator will authorize the benefit payment without the participant's consent.

**Forfeited Accounts**

Forfeited non-vested accounts are first used to reduce administrative expenses and then are used to reduce future Organization contributions. Forfeited non-vested accounts as of December 31, 2010 and 2009 totaled \$1,905 and \$1,048, respectively. Forfeitures of \$1,048 were used to pay administrative expenses for the year ended December 31, 2010. No forfeitures were used to pay administrative expenses for the year ended December 31, 2009. Forfeitures totaling \$1,905 were used to reduce the Organization's contributions receivable into the plan for the year ended December 31, 2010. There were no forfeitures used to reduce Organization contributions for the year ended December 31, 2009.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 2    SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Plan are prepared on the accrual basis of accounting.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**Fair Value Measurements**

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

*Level 1:* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

*Level 2:* Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2010 and 2009.



**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 2    SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investment Valuation and Income Recognition**

The Plan's investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Mutual funds represent investments with various investment managers. The fair values of mutual funds are determined by reference to the fund's underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds traded on national securities exchanges are valued at the net asset value. Investments in cash are valued based on cost, which approximates fair value in a non-inflationary economy and is protected by the FDIC.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

**Notes Receivable from Participants**

During 2010, Financial Accounting Standards Board (FASB) released guidance that reclassifies participant loans from investments to notes receivable effective for fiscal years ending after December 15, 2010. The guidance requires the reclassification to be retrospectively applied to all prior periods presented. The Plan adopted this guidance effective for the Plan year ended December 31, 2010.

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes receivable are reclassified as distributions based upon the terms of the plan document.

**Benefit Payments**

Benefits are recorded when paid.

**Administrative Expenses**

The Organization pays certain administrative expenses on behalf of the Plan. Certain transaction fees are paid by the Plan.

**Reclassifications**

Certain amounts in the 2009 financial statements have been reclassified to conform with the 2010 presentation. These reclassifications do not affect net assets available for benefits as previously reported.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 2    SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Subsequent Events**

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through October 11, 2011, the date the financial statements were available to be issued.

**NOTE 3    FAIR VALUE OF INVESTMENTS**

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

2010				
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth Funds	\$ 805,222	\$ -	\$ -	\$ 805,222
Bond Funds	345,255	-	-	345,255
Balanced Funds	28,966	-	-	28,966
Growth & Income Funds	453,343	-	-	453,343
Equity Income Funds	6,688	-	-	6,688
Fixed Income Funds	8,883	-	-	8,883
Money Market Funds	212,175	-	-	212,175
Target Date Funds	269,964	-	-	269,964
Total Investments at Fair Value	<u>\$ 2,130,496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,130,496</u>

2009				
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth Funds	\$ 648,741	\$ -	\$ -	\$ 648,741
Bond Funds	250,496	-	-	250,496
Balanced Funds	17,588	-	-	17,588
Growth & Income Funds	369,391	-	-	369,391
Equity Income Funds	1,998	-	-	1,998
Fixed Income Funds	3,782	-	-	3,782
Money Market Funds	226,764	-	-	226,764
Target Date Funds	203,097	-	-	203,097
Total Investments at Fair Value	<u>\$ 1,721,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,721,857</u>

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 4 INVESTMENTS**

The following presents investments that represent 5% or more of the Plan's net assets as of December 31:

	2010	2009
Growth Fund of America	\$ 413,939	\$ 339,311
Washington Mutual Investors Fund	333,789	271,034
New Perspective Fund	256,353	216,284
The Bond Fund of America	264,117	193,113
American Funds Money Market Fund	212,175	226,764

During 2010 and 2009, the Plan's investments at estimated fair value (including gains and losses on investments bought and sold, as well as held during the year) in mutual funds appreciated by \$145,405 and \$261,970, respectively.

**NOTE 5 RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

**NOTE 6 PLAN TERMINATION**

Although it has not expressed any intent to do so, the Organization has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the participants would become 100% vested in their Organization contributions.

**NOTE 7 PLAN TAX STATUS**

The Organization adopted a Prototype Defined Contribution Plan with a deferral arrangement which received a favorable determination letter from the Internal Revenue Service on March 31, 2008, which stated that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended and restated since relying on the prototype determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 7    PLAN TAX STATUS (CONTINUED)**

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010 and 2009, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

**NOTE 8    PARTY-IN-INTEREST TRANSACTIONS**

Certain transactions are processed by BBM Financial Services Inc. BBM Financial Services Inc. is the third-party administrator as defined by the Plan and, therefore, the transactions qualify as party-in-interest transactions. Fees paid by the Plan were \$1,048 and \$-0- for the years ended December 31, 2010 and 2009, respectively.

**PEOPLE FOR PEOPLE 401(K) PLAN**  
**E.I.N. 91-0783225 PLAN NO. 001**  
**SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**DECEMBER 31, 2010**

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost**	Current Value
*	BBM Financial Services, Inc.	<b>Cash</b>	\$ 1,905	\$ 1,905
		<b>Mutual Funds</b>		
*	American Funds	Euro Pacific Growth Fund R3	**	63,005
*	American Funds	Growth Fund of America R3	**	413,939
*	American Funds	AMCAP Fund	**	36,552
*	American Funds	Smallcap World Fund R3	**	35,373
*	American Funds	New Perspective Fund	**	256,353
*	American Funds	The Bond Fund of America	**	264,117
*	American Funds	U.S. Government Securities Fund	**	81,138
*	American Funds	American Balanced Fund	**	28,966
*	American Funds	Washington Mutual Investors Fund	**	333,789
*	American Funds	The Investment Company of America Fund	**	119,554
*	American Funds	Income Fund of America	**	6,688
*	American Funds	Fixed Income Fund	**	8,883
*	American Funds	Money Market Fund	**	212,175
*	American Funds	2010 Target Date Fund	**	22,609
*	American Funds	2015 Target Date Fund	**	81,153
*	American Funds	2020 Target Date Fund	**	13,446
*	American Funds	2025 Target Date Fund	**	96,058
*	American Funds	2030 Target Date Fund	**	30,828
*	American Funds	2040 Target Date Fund	**	1,675
*	American Funds	2045 Target Date Fund	**	4,413
*	American Funds	2050 Target Date Fund	**	19,782
		Total Mutual Funds		2,130,496
*	Participants	<b>Participant Loans-Interest Rates 5.25% -10.25%</b>	- 0 -	61,545
				<u>\$ 4,324,442</u>

\* Designates party-in-interest

\*\* Cost omitted for participant directed investments

**PEOPLE FOR PEOPLE 401(K) PLAN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**PEOPLE FOR PEOPLE 401(k) PLAN  
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CPAs, Consultants & Advisors  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
People for People 401(k) Plan  
Yakima, Washington

We have audited the accompanying statement of net assets available for benefits of the People for People 401(k) Plan (the Plan) as of December 31, 2010, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. The financial statements of the Plan as of December 31, 2009, were audited by LeMaster & Daniels PLLC (whose practice became a part of LarsonAllen LLP effective November 1, 2010). Their report, dated October 5, 2010, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of People for People 401(k) Plan as of December 31, 2010, and the changes in its net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i—Schedule of Assets (Held at End of Year) as of December 31, 2010, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*LarsonAllen LLP*

**LarsonAllen LLP**

Yakima, Washington  
October 13, 2011



(1)  
An independent member of Nexia International



**PEOPLE FOR PEOPLE 401(K) PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<u>2010</u>	<u>2009</u>
<b>CASH</b>	\$ 1,905	\$ 1,048
<b>INVESTMENTS (at Fair Value)</b>		
Mutual Funds	<u>2,130,496</u>	<u>1,721,857</u>
<b>RECEIVABLES</b>		
Organization Profit Sharing	193,930	189,202
Organization Matching	52,981	49,671
Notes Receivable from Participants	<u>61,545</u>	<u>20,602</u>
Total Receivables	<u>308,456</u>	<u>259,475</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u><u>\$ 2,440,857</u></u>	<u><u>\$ 1,982,380</u></u>

*See accompanying Notes to Financial Statements.*

**PEOPLE FOR PEOPLE 401(K) PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:</b>		
<b>INVESTMENT INCOME</b>		
Interest Income	\$ 39,775	\$ 30,883
Net Appreciation in Fair Value of Investments	145,405	261,970
Total Investment Income	<u>185,180</u>	<u>292,853</u>
<b>INTEREST ON NOTES RECEIVABLE FROM PARTICIPANTS</b>	<u>2,485</u>	<u>1,510</u>
<b>CONTRIBUTIONS</b>		
Salary Deferrals	130,168	149,247
Organization Matching	52,981	49,671
Organization Profit Sharing	193,930	189,202
Rollover	-	94,863
Total Contributions	<u>377,079</u>	<u>482,983</u>
<b>BENEFITS PAID TO PARTICIPANTS</b>	<u>(105,219)</u>	<u>(192,287)</u>
<b>ADMINISTRATIVE EXPENSES</b>	<u>(1,048)</u>	<u>-</u>
<b>NET INCREASE</b>	458,477	585,059
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
Beginning of Year	<u>1,982,380</u>	<u>1,397,321</u>
End of Year	<u><u>\$ 2,440,857</u></u>	<u><u>\$ 1,982,380</u></u>

See accompanying Notes to Financial Statements.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 1    DESCRIPTION OF THE PLAN**

The following description of the People for People 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

**General**

The Plan is a defined contribution plan originally effective May 1, 2002. The Plan has been amended and restated throughout the years to comply with tax legislation and most recently restated January 1, 2007 and most recently amended September 16, 2011 with various effective dates. The Plan covers all employees of People for People (the Organization) except for employees covered by a collective bargaining agreement. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

**Eligibility**

Salary Deferrals – To be eligible to participate in the salary deferral portion of the Plan an employee must attain age 21 and perform 90 days of service. A participant may contribute salary deferral contributions on the first pay period following completion of the eligibility requirements.

Organization Match and Profit Sharing – In order to receive the Organization discretionary matching contribution and an allocation of the Organization discretionary profit sharing contribution, an employee must complete 1,000 hours of service within the plan year, be 21 years of age or older, and be employed on the last day of the plan year. A participant is also eligible to receive a discretionary matching and profit sharing contribution if the participant's termination during the plan year was the result of death, disability or the attainment of normal retirement age. The entry dates for the Organization contributions are January 1 and July 1 following completion of the eligibility requirements.

**Contributions**

Salary Deferrals – The Plan includes a salary deferral arrangement allowed under Section 401 (k) of the Internal Revenue Code. Eligible participants are permitted to elect to have a percentage, limited by Plan provisions, of their compensation contributed as pre-tax 401 (k) contributions to the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans or conduit IRA's. Participants direct the investment of contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants. Contributions are subject to limitations.

Organization Match and Profit Sharing – The Organization, at its discretion, may make discretionary matching and profit sharing contributions to the participant's individual accounts. The Organization matched employee salary deferrals dollar for dollar up to 2% of compensation for the years ended December 31, 2010 and 2009. The Organization made a discretionary profit sharing contribution to each participant's account equal to 5% of compensation for the years ended December 31, 2010 and 2009.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 1    DESCRIPTION OF THE PLAN (CONTINUED)**

**Participant Accounts**

Each participant's individual account is credited with salary deferral contributions, Organization discretionary matching and profit sharing contributions, and Plan earnings. Allocations are based on participant earnings or account balances as defined. Income is allocated daily based on the shares in the participant's account. The benefit to which a participant is entitled is the benefit that can be provided by the participant's account.

**Vesting**

Participants are immediately vested in their contributions, the Organization's discretionary matching contributions, and actual earnings thereon. Vesting in the Organization's discretionary profit sharing contribution portion of their accounts, plus actual earnings thereon, is based on years of credited service. A participant is 100% vested after three years of credited service. A participant is fully vested upon reaching normal retirement age, death, or permanent disability.

**Notes Receivable from Participants**

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Principal and interest is paid ratably through payroll deductions. Note terms are up to five years, except for notes to fund the purchase of a principal residence, for which the note may be repaid over a reasonable period that may exceed five years. The notes are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined annually by the Plan administrator. At December 31, 2010, interest rates ranged from 5.25% to 10.25%.

**Payment of Benefits**

Upon termination of service, death, disability, or retirement (age 65), the participant will receive the value of the vested interest in his or her account in the form of a lump sum distribution. The Plan allows for in-service distributions if a participant reaches age 59½ and hardship distributions subject to Plan provisions. If a participant terminates employment and the participant's account balance does not exceed \$5,000, the Plan administrator will authorize the benefit payment without the participant's consent.

**Forfeited Accounts**

Forfeited non-vested accounts are first used to reduce administrative expenses and then are used to reduce future Organization contributions. Forfeited non-vested accounts as of December 31, 2010 and 2009 totaled \$1,905 and \$1,048, respectively. Forfeitures of \$1,048 were used to pay administrative expenses for the year ended December 31, 2010. No forfeitures were used to pay administrative expenses for the year ended December 31, 2009. Forfeitures totaling \$1,905 were used to reduce the Organization's contributions receivable into the plan for the year ended December 31, 2010. There were no forfeitures used to reduce Organization contributions for the year ended December 31, 2009.

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 2    SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Plan are prepared on the accrual basis of accounting.

**Use of Estimates**

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**PEOPLE FOR PEOPLE 401(K) PLAN  
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DECEMBER 31, 2010 AND 2009**

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**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

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	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Growth Funds	\$ 648,741	\$ -	\$ -	\$ 648,741
Bond Funds	250,496	-	-	250,496
Balanced Funds	17,588	-	-	17,588
Growth & Income Funds	369,391	-	-	369,391
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Money Market Funds	226,764	-	-	226,764
Target Date Funds	203,097	-	-	203,097
Total Investments at Fair Value	<u>\$ 1,721,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,721,857</u>

**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

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During 2010 and 2009, the Plan's investments at estimated fair value (including gains and losses on investments bought and sold, as well as held during the year) in mutual funds appreciated by \$145,405 and \$261,970, respectively.

**NOTE 5 RISKS AND UNCERTAINTIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

**NOTE 6 PLAN TERMINATION**

Although it has not expressed any intent to do so, the Organization has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the participants would become 100% vested in their Organization contributions.

**NOTE 7 PLAN TAX STATUS**

The Organization adopted a Prototype Defined Contribution Plan with a deferral arrangement which received a favorable determination letter from the Internal Revenue Service on March 31, 2008, which stated that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended and restated since relying on the prototype determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.



**PEOPLE FOR PEOPLE 401(K) PLAN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**NOTE 7    PLAN TAX STATUS (CONTINUED)**

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010 and 2009, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2007.

**NOTE 8    PARTY-IN-INTEREST TRANSACTIONS**

Certain transactions are processed by BBM Financial Services Inc. BBM Financial Services Inc. is the third-party administrator as defined by the Plan and, therefore, the transactions qualify as party-in-interest transactions. Fees paid by the Plan were \$1,048 and \$-0- for the years ended December 31, 2010 and 2009, respectively.

**PEOPLE FOR PEOPLE 401(K) PLAN**  
**E.I.N. 91-0783225 PLAN NO. 001**  
**SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**DECEMBER 31, 2010**

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment	Cost**	Current Value
*	BBM Financial Services, Inc.	<b>Cash</b>	\$ 1,905	\$ 1,905
		<b>Mutual Funds</b>		
*	American Funds	Euro Pacific Growth Fund R3	**	63,005
*	American Funds	Growth Fund of America R3	**	413,939
*	American Funds	AMCAP Fund	**	36,552
*	American Funds	Smallcap World Fund R3	**	35,373
*	American Funds	New Perspective Fund	**	256,353
*	American Funds	The Bond Fund of America	**	264,117
*	American Funds	U.S. Government Securities Fund	**	81,138
*	American Funds	American Balanced Fund	**	28,966
*	American Funds	Washington Mutual Investors Fund	**	333,789
*	American Funds	The Investment Company of America Fund	**	119,554
*	American Funds	Income Fund of America	**	6,688
*	American Funds	Fixed Income Fund	**	8,883
*	American Funds	Money Market Fund	**	212,175
*	American Funds	2010 Target Date Fund	**	22,609
*	American Funds	2015 Target Date Fund	**	81,153
*	American Funds	2020 Target Date Fund	**	13,446
*	American Funds	2025 Target Date Fund	**	96,058
*	American Funds	2030 Target Date Fund	**	30,828
*	American Funds	2040 Target Date Fund	**	1,675
*	American Funds	2045 Target Date Fund	**	4,413
*	American Funds	2050 Target Date Fund	**	19,782
		Total Mutual Funds		<u>2,130,496</u>
*	Participants	<b>Participant Loans-Interest Rates 5.25% -10.25%</b>	- 0 -	61,545
				<u>\$ 4,324,442</u>

\* Designates party-in-interest

\*\* Cost omitted for participant directed investments

**PEOPLE FOR PEOPLE 401 (K) PLAN 91-0783225**

**FINANCIAL SCHEDULES**

**5500 2010 SCHEDULE H, line 4i**

**Schedule of Assets Held at End of Year**

(a)	(b) Identity of issue	(c) Description of investment	(d) Cost	(e) Current Value
*	Washington Mutual Inv	Mutual Funds	**	\$333,789
*	AMCAP	Mutual Funds	**	\$36,552
*	Investment Co. of America	Mutual Funds	**	\$119,554
*	Growth Fund of America	Mutual Funds	**	\$413,939
*	Income fund	Mutual Funds	**	\$6,688
*	New Perspective	Mutual Funds	**	\$256,353
*	Bond Fund of Am	Mutual Funds	**	\$264,117
*	Fixed Income	Mutual Funds	**	\$8,884
*	American Balanced Fd	Mutual Funds	**	\$28,966
*	Europe Pacific	Mutual Funds	**	\$63,005
*	Government Bond	Mutual Funds	**	\$81,138
*	Smallcap World fd	Mutual Funds	**	\$35,373
*	AFTD10	Mutual Funds	**	\$22,609
*	AFTD15	Mutual Funds	**	\$81,153
*	AFTD20	Mutual Funds	**	\$13,446
*	AFTD25	Mutual Funds	**	\$96,058
*	AFTD30	Mutual Funds	**	\$30,828
*	AFTD40	Mutual Funds	**	\$1,675
*	AFTD45	Mutual Funds	**	\$4,413
*	AFTD50	Mutual Funds	**	\$19,783
*	Money Market Fund	Cash Equivalent	**	\$212,176
*	Yakima National Bank	General checking account	\$0	\$1,048
*	Participant Loans	Interest 5.25% -9.25%	0	\$61,545
	<b>Total</b>			<b>\$2,193,089</b>

\* Party-in-interest as defined by ERISA

\*\* Cost information is not required for participant directed investments

\*\*\* Cost information is not available