

## CHAIRMAN'S REPORT

Frankly, it's amazing the difference one year can make. We took one giant step, across the street, out of City Hall into a more spacious and member-centered environment.

As a result, we are now a one-stop financial center for our members, with full cash services, more privacy when conducting personal financial business, and adequate staff to meet their growing financial service needs quickly, comfortably and efficiently.

This is the crowning jewel in a series of non-stop improvements in products, services and anywhere, anytime access for members over the last three years. Still, we beat banks by a mile when it comes to friendliness, service and lower fees.

Additionally, last year we "went green" with a discount on loans for fuel-efficient vehicles, and introduced CU Succeed, a club to help teens learn sound money habits. Security was forefront as well, with federal deposit insurance on Individual Retirement Accounts increasing to \$250,000. We further protect retirement accounts with an additional \$250,000 in private coverage. Together, these policies provide \$500,000 in protection for each member's retirement account.

Our strong financial condition is a testament to a progressive board and management team, and especially to the continued participation of our members.

You've embraced our new checking accounts, Home Banking, Bill Pay, debit card and other services. You've recognized our value and made us your first choice when borrowing. Your support has enabled us to come a long way in a short time, and it is sincerely appreciated.

Respectfully submitted,

**Ron Ahlers**  
Chairman, Board of Directors

### Board of Directors

Ron Ahlers ..... Chairman  
Chris Klein ..... Vice-Chairman  
Jay Kreitz ..... Treasurer  
Marie Fish ..... Secretary  
Mike Amussen ..... Director  
Aileen Boyle ..... Director  
William Hall ..... Director  
John Vos ..... Director  
John Wray ..... Director



## Staff

Shirley Tapp ..... President/CEO  
Ophelia Lopez ..... Member Service Supervisor  
Dolly Negrosa ..... Loan Officer  
Ramona Chavez ..... Collections  
Lilly Arevshatyan ..... Loan Processor  
Tina Murillo ..... Member Service Representative  
Tera Vasquez-Carrillo ... Member Service Representative  
Dennis Wilson ..... Member Service Representative  
Denise Bernal ..... Operations Support  
Laura Parazian ..... Office Clerk

## Services

### SAVINGS

- Regular share accounts
- Share certificate accounts
- Bump-up certificate accounts
- Traditional and Roth Individual Retirement Accounts
- Coverdell Education Savings accounts
- Holiday Club accounts
- Looney Tunes® Savings Club
- CU Succeed for teens

### CONSUMER LOANS

- New vehicles
- Used vehicles
- New and used RVs, motorcycles, trailers and boats
- Line of Credit
- Bill Buster debt consolidation
- Share-secured
- Personal
- Holiday loans
- Computer (city program)
- Real estate loans
- First trust deeds
- Second trust deeds
- Home Equity Line of Credit
- Home improvement
- 24-hour access
- Basic and Jewel City checking accounts

- Free Home Banking
- Free Bill Pay
- Free Phone Teller
- Debit Card
- 24-hour Loan by Phone

### CONVENIENCE SERVICES

- Direct deposit
- Payroll deduction
- PERS deduction
- Auto transfer of loan payments
- Wire transfers
- Insurance services
- Mechanical Breakdown Coverage
- Life savings insurance
- Accidental death and dismemberment insurance
- Guaranteed Auto Protection program
- Loan protection insurance

### OTHER SERVICES

- Family Legal Access Plan
- Notary service
- Federal and private deposit protection
- Online consumer tips

Looney Tunes, names, characters and all related indicia are trademarks of Warner Bros. Inc.

OPENING DOORS SINCE 1951  
55 years of service



**GLENDALE**  
CITY EMPLOYEES FEDERAL CREDIT UNION

517 E. Wilson Ave., Glendale, CA 91206

818/ 548-3976

[www.GlendaleCityCU.org](http://www.GlendaleCityCU.org)



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Glendale City Employees Federal Credit Union  
**Annual Report 2006**



## TREASURER'S REPORT

Last year we stemmed the savings run-off we experienced in 2005. Our assets fell by just .01%, compared to a 9.2% drop the previous year. This indicates member acceptance of our innovative investment options such as a bump-up certificate for savers who are reluctant to lock in yields due to the expectation of higher rates in the future. Operating expenses rose slightly, driven primarily by our move to a new facility.

We again had an excellent capital ratio of 18.21%, and paid \$261,450 more in dividends this year.

Our rate of loan growth slowed, increasing by \$180,000 compared to \$1.3 million the previous year. We don't expect this slowdown to last long. In fact, we see an excellent opportunity for loan growth as borrowers with non-traditional or "exotic" loans see their monthly payments rise dramatically. We will promote our fixed-rate loans as a way to prevent further payment increases.

This commitment to improving our members' financial well-being is at the heart of our operating philosophy, and our members have responded with exceptional support. We expect 2007 to be another strong year.

Respectfully submitted,

**Jay Kreitz, Jr.**  
Treasurer, CFO

### Assets

<b>2003</b>	<b>\$49,528,995</b>
<b>2004</b>	<b>\$53,951,190</b>
<b>2005</b>	<b>\$49,815,059</b>
<b>2006</b>	<b>\$49,209,823</b>

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee serves as the eyes and ears of the membership. We monitor Glendale City Employees Federal Credit Union to ensure that it operates in compliance with applicable laws and regulations, and to certify that all records and internal controls are correctly maintained.

Last year we contracted with the firm of Richards & Associates, CPA to assist us with our monthly reviews, as well as our annual federally mandated audit.

On behalf of the Committee, I am pleased to state that Glendale City Employees Federal Credit Union is being operated in a safe and fiscally sound manner, and is in compliance with all laws and regulations.

The Committee wishes to thank the Board of Directors, President/CEO Shirley Tapp and the staff of Glendale City Employees Federal Credit Union for their assistance and cooperation.

Respectfully submitted,

**Doris Twedt**  
Chairman, Supervisory Committee

### Supervisory Committee

Doris Twedt ..... Chairman  
David Cole ..... Member  
Mike Wiederkehr ..... Member

### Mission statement

*Glendale City Employees Federal Credit Union is committed to the financial well being of our members by providing a broad range of products and services in a caring, responsive and effective manner.*

## Statement of Financial Condition

Unaudited

As of December 31

ASSETS	2006	2005
Loans to members.....	\$17,499,290	\$17,355,533
Allowance for loan loss.....	(301,813)	(337,452)
Net loans to members .....	\$17,197,477	\$17,018,081
Cash and Investments .....	30,636,127	31,757,949
Other assets.....	1,376,219	1,039,029
<b>Total Assets</b>	<b>\$49,209,823</b>	<b>\$49,815,059</b>

## Liabilities and Members' Equity

LIABILITIES	2006	2005
Dividends payable.....	\$0	\$0
Accounts payable .....	8,206	46,200
<b>Total Liabilities</b>	<b>\$8,206</b>	<b>\$46,200</b>
MEMBERS' EQUITY		
Members' share deposits.....	\$40,293,106	\$41,082,211
Regular reserves.....	1,009,923	1,009,924
Undivided earnings .....	7,898,588	7,676,724
<b>Total Members' Equity</b>	<b>\$49,201,617</b>	<b>\$49,768,859</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$49,209,823</b>	<b>\$49,815,059</b>

## Income and Expenses

As of December 31

OPERATING INCOME	2006	2005
Interest from loans .....	\$1,135,123	\$1,011,222
Income from investments .....	1,175,117	1,131,680
Other income .....	85,930	69,864
<b>Total Operating Income</b>	<b>\$2,396,170</b>	<b>\$2,212,766</b>
EXPENSES		
Operating expenses .....	\$1,207,358	\$1,059,918
Dividend expense .....	998,684	737,234
<b>Total Expenses</b>	<b>\$2,206,042</b>	<b>\$1,797,152</b>
<b>NET INCOME</b>	<b>\$190,128</b>	<b>\$415,614</b>

