

# Chairman's Report

Two years ago we initiated a plan to become the only financial institution you need. This plan continued last year. In fact, it accelerated thanks to our conversion to an upgraded computer system that has allowed us to add and enhance member services.

Among our many major new services are Basic and Jewel City checking. Both give you the value you expect from your member-owned credit union, as well as the same global 24-hour access big banks offer.

Our new Home Banking, Phone Teller, Bill Pay and Debit Card provide you virtually unlimited access from anywhere, at any time. All are free services.

You can manage your account at your convenience via the internet with Home Banking. If there's no computer handy, simply use Phone Teller instead.

Bill Pay eliminates the hassle of writing and mailing checks, and reduces the impact of the recent postage stamp price increase.

Our Debit Card gives you access to your funds at millions of locations worldwide, and can be used for surcharge-free withdrawals at more than 25,100 ATMs in 50 states, including 5,300 in 7-Eleven Stores.

Borrowing is also easier thanks to our new flexible Line of Credit. Whenever you need cash quickly, skip the usual application and approval process and simply write yourself a check.

Although technology is changing how we meet your financial needs, we remain committed to giving you person-to-person attention and service. It's what sets us apart from other financial institutions, and we will never forget that.

Respectfully submitted,

**John Vos**  
Chairman, Board of Directors

## Board of Directors

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

## Staff

**Shirley Tapp** ..... President/CEO  
**Ophelia Lopez** ..... Member Service Supervisor  
**Alexa Ochoa** ..... Operation Specialist  
**Dolly Negrosa** ..... Loan Officer  
**Ramona Chavez** ..... Collections  
**Lilly Arevshatyan** ..... Loan Processor  
**Syuzanna Aznavuryan** ..... Member Service Representative  
**Genie LaLama** ..... Member Service Representative  
**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

### 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

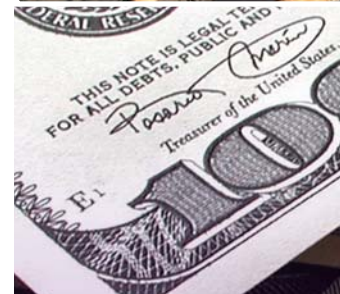
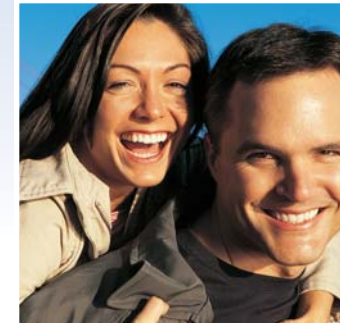
- Mechanical Breakdown Coverage
- Life savings insurance
- Accidental death and dismemberment insurance
- Guaranteed Auto Protection program
- Loan protection insurance

### Other services

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

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# 2005 Annual Report



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## Glendale City Employees Federal Credit Union

# Treasurer's Report

Last year, our focus was on improving convenience and access for our members. We introduced many new services including checking, Home Banking, Bill Pay, 24-hour phone access, and a low-cost line of credit. Although these new services increased our operating expenses, they also made us a full-service institution.

As members take advantage of our increased convenience, value and capabilities, they are beginning to look to us first for more of their financial service needs.

Our total assets fell 9.2%, from \$53.9 million to \$49.8 million. This was primarily due to a competitive marketplace, giving investors more options. To prevent savings run-off, we introduced new savings options, including a "bump-up" certificate that gives members a one-time rate increase.

We experienced strong growth in lending. Our total loans rose to \$17.3 million, nearly \$1.3 million more than the previous year. This increase was driven primarily by our Home Equity Line of Credit that proved to be a popular loan in its first full year.

Our overall strength and stability was demonstrated by our excellent capital ratio of 17.6%.

Our members have a strong tradition of support, and are embracing our expanded services. We anticipate continued growth in 2006.

Respectfully submitted

**Ron Ahlers**  
Treasurer/CFO

## Assets

2002	\$45,050,235
2003	\$49,528,995
2004	\$53,951,190
2005	\$49,815,059

# Supervisory Committee Report

It is the responsibility of the Supervisory Committee to ensure that Glendale City Employees Federal Credit Union operates in compliance with applicable laws and regulations, and to certify that all records and internal controls are correctly maintained. To help fulfill their duties, we contracted the firm of Richards & Associates, CPA to monitor the credit union's operations on a monthly basis.

We also worked with the firm on our annual review, and with the National Credit Union Administration on our federally mandated annual audit.

On behalf of the Committee, I am pleased to announce 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.

We wish to thank the Board of Directors, Shirley Tapp and the credit union staff for the cooperation they have given to this committee.

Respectfully submitted,

**Roy Gibo**  
Chairman, Supervisory Committee

## Supervisory Committee

**Roy Gibo** . . . . . Chairman  
**Donald Kreitz, Jr.** . . . . . Member  
**Doris Twedt** . . . . . 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	2005	2004
Loans to members	\$17,355,533	\$16,065,388
Allowance for loan loss	(337,452)	(326,280)
Net loans to members	\$17,018,081	\$15,739,108
Cash and Investments	31,757,949	37,221,099
Other assets	1,039,029	990,983
<b>Total Assets</b>	<b>\$49,815,059</b>	<b>\$53,951,190</b>

## Liabilities and Members' Equity

### LIABILITIES

Dividends payable	\$0	\$0
Accounts payable	46,200	44,777
<b>Total Liabilities</b>	<b>\$46,200</b>	<b>\$44,777</b>

### MEMBERS' EQUITY

Members' share deposits	\$41,082,211	\$45,591,074
Regular reserves	1,009,924	1,009,923
Undivided earnings	7,676,724	7,305,416
<b>Total Members' Equity</b>	<b>\$49,768,859</b>	<b>\$53,906,413</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$49,815,059</b>	<b>\$53,951,190</b>

## Income and Expenses

As of December 31

OPERATING INCOME	2005	2004
Interest from loans	\$1,011,222	\$1,013,558
Income from investments	1,131,680	985,549
Other income	69,864	28,367
<b>Total Operating Income</b>	<b>\$2,212,766</b>	<b>\$2,027,474</b>
<b>EXPENSES</b>		
Operating expenses	\$1,059,918	\$847,098
Dividend expense	737,234	625,747
<b>Total Expenses</b>	<b>\$1,797,152</b>	<b>\$1,472,845</b>
Non-operating income (Expense)	\$0	\$7,342
<b>NET INCOME</b>	<b>\$415,614</b>	<b>\$561,971</b>

We have audited, in accordance with generally accepted auditing standards, the balance sheet of Glendale City Employees Federal Credit Union as of December 31, 2005, and the related statements of income, retained earnings (not presented herein), and cash flows for the year then ended (not presented herein); and in our report dated May 1, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the condensed financial statements presented here is fairly stated in all material respects in relation to the financial statements from which it has been derived. A copy of our audited financial statements, including all necessary disclosures and schedules, can be reviewed at the credit union office after the annual meeting.

Richards and Associates, CPA