

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
Annual Report 2006

GLENDALE
CITY EMPLOYEES FEDERAL CREDIT UNION

517 E. Wilson Ave., Glendale, CA 91206

818/ 548-3976

www.GlendaleCityCU.org





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

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

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
Total Assets	\$49,209,823	\$49,815,059

Liabilities and Members' Equity

LIABILITIES	2006	2005
Dividends payable.....	\$0	\$0
Accounts payable	8,206	46,200
Total Liabilities	\$8,206	\$46,200
MEMBERS' EQUITY	2006	2005
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
Total Members' Equity	\$49,201,617	\$49,768,859
Total Liabilities and Members' Equity	\$49,209,823	\$49,815,059

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
Total Operating Income	\$2,396,170	\$2,212,766
EXPENSES	2006	2005
Operating expenses	\$1,207,358	\$1,059,918
Dividend expense	998,684	737,234
Total Expenses	\$2,206,042	\$1,797,152
NET INCOME	\$190,128	\$415,614

