

Chairman's Report

I am pleased to report that Glendale City Employees FCU ended 2010 with a strong equity position, a positive bottom line, and another Five Star Rating from Bauer Financial—an independent financial institution rating agency. Considering the precarious economy, we not only performed extremely well, but our performance ranks us with some elite and much larger credit unions around the country.

The year, however, was not without its challenges. Although our dividend rates are higher than most other financial institutions, they continue to run low. As a financial cooperative, our credit union works to balance the needs of our borrowers with the needs of our savers. High unemployment and layoffs, economic stagnation with rising prices, mortgage problems and bankruptcies left members extremely cautious to borrow money. Since loans are the credit union's main source of income to pay dividends, we need to adjust dividend rates when the loan demand decreases to maintain financial balance. Additionally, our conservative lending criteria keeps us clear of overburdened and high risk borrowers so we can keep our credit union and our members safe and sound through every economic cycle.

Increased regulatory reporting and reforms in 2010 burdened many financial institutions including the staff at GCEFCU. We worked hard to make sure the information was clear and compliant to protect your rights as a consumer and as a member.

Like many financial institutions, we struggled with excessive loan losses last year. Our willingness to assist members and find resolutions helped us fare better than average. We continued our partnership with BALANCE Financial Fitness to provide members free, confidential access to money management counseling, debt restructuring, credit report review and housing education programs to assist them in taking control of their finances. At GCEFCU, we are committed to helping you establish and maintain successful financial lives.

The most exciting news to report from 2010 was our acquisition of the property located on the site of the old Catch Restaurant. Slated for a 2012 opening, we are making plans for a brand new building with ample parking and new products and technology to serve our members well into the future.

Our success is possible because of the participation of our members. We thank you for your continued support and encourage you to invite your family and friends to join and benefit from credit union membership.

Jay Kreitz
Chairman

Staff

Shirley Tapp, President/CEO
Ehab Nawar, Chief Financial Officer
Nicholas Richards, Operations Manager
Carolynn Lyons, Business Development
Arpi Khandzhyan, Loan Officer
Dolly Negrosa, Loan Officer
Alina Nazarian, Operations Support
Terry Diaz, Member Service Representative
Marc Nadeau, Member Service Representative
Ramona Chavez, Collector
Laura Parazian, Office Clerk

Branch and phone hours

M, Tu, Th, F	9 am – 5 pm
W	10am – 5 pm

looking
ahead
toward a brighter
tomorrow

GLENDALE
CITY EMPLOYEES FEDERAL CREDIT UNION

517 E. Wilson Ave., Glendale, CA 91206
818.548.3976 | www.GlendaleCityCU.org



the promise
of the future

2010 *annual report*

GLENDALE CITY EMPLOYEES
FEDERAL CREDIT UNION

Treasurer's Report

The economy and its continued uncertainty remained the top challenge to credit union leadership in 2010. We were diligent in overcoming economic and assessment obstacles and ended the year with a positive bottom line while maintaining a 15.25% Capital Ratio.

With mortgage rates the lowest in decades, members refinanced their First Trust Deeds contributing to a 20.37% decrease in loans. We were not alone as this was a dilemma for 55% of all Credit Unions in the country. We found ways to assist many credit-impaired members without putting risky loans on the books.

Once again, we compared favorably or better than our peers in several areas: Our fees and delinquency ratio were much lower than industry averages and our dividends rates were consistently higher.

Our strong financial performance earned us another Five Star Rating, the highest possible, from Bauer Financial, one of the nation's most respected rating services.

Our future looks bright as we embrace the wonderful opportunity of our very own building at 500 E. Wilson Avenue, scheduled for opening in 2012. Our goal is to provide our members with the very best in technology and products to serve them far into the future.

Chris Klein
Treasurer

Board Of Directors

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

Supervisory Committee Report

The Supervisory Committee of Glendale City Employees FCU works in conjunction with the Board of Directors to monitor and review the Credit Union's accounting and operational performance. Our job is to ensure that all operational and financial functions are performed accurately in compliance with federal and state regulations, pursuant to our charter and within the parameters of Board direction. Additionally, Supervisory Committee members attend Board meetings and serve on sub-committees.

To assist the Committee in meeting its legal and regulatory obligations, the Committee retains the services of Richards & Associates, a Certified Public Accounting firm, to perform required audits of its financial statements and to perform ongoing audits within the operations of the Credit Union. These audits are performed in addition to regulatory examinations administered by the National Credit Union Administration.

On behalf of the Committee, I am pleased to state that Glendale City Employees Federal Credit union is financially strong, maintains accurate records, and acts in compliance with federal regulatory requirements, accepted accounting procedures, and our charter by-laws. Glendale City EFCU remains well capitalized and maintains strong operational and security controls.

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.

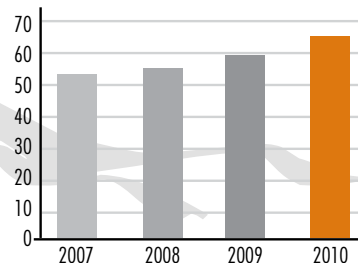
Respectfully submitted,

David Cole
Chairman, Supervisory Committee

Supervisory Committee

Dave Cole, Chairman
Mike Rock, Member
Doris Twedt, Member

Assets in millions



Statement Of Condition

Unaudited
As of December 31, 2010

ASSETS	2010	2009
Loan to members	20,230,422	25,407,806
Allowance for loan loss	(188,387)	(163,145)
Net loans to members	20,042,035	25,244,661
Cash and Investments	32,872,077	32,970,506
Other assets	10,402,519	1,284,918
Total Assets	63,316,631	59,500,085

Liabilities and Members Equity

LIABILITIES	2010	2009
Dividends payable		165,487
Accounts payable	193,389	165,487
Total Liabilities	193,389	165,487

MEMBERS' EQUITY	2010	2009
Members' share deposits	53,496,291	50,068,417
Regular reserves	1,009,923	1,009,923
Undivided earnings	8,617,028	8,256,258
Total Member' Equity	63,123,242	59,334,598
Total Liabilities and Members' Equity	63,316,631	59,500,085

Income And Expenses

As of December 31, 2010

OPERATING INCOME	2010	2009
Interest from loans	1,493,089	1,611,204
Income from investments	968,944	1,269,192
Other income	138,642	144,004
Total Operating Income	2,600,675	3,024,401

EXPENSES	2010	2009
Operating expenses	1,691,183	1,638,477
Non-operating expenses		269,675
Dividend expense	641,863	988,078

Total Expenses 2,333,046 2,896,230

NET INCOME 267,629 128,171

CAPITAL RATIO 2010 15.25% 2009 15.78%