



**Message from
the President**
Vincent Rojas, Jr.
President/CEO

In 2005 Kern Schools Federal Credit Union has continued to provide critical financial services for all of its members. Our goal in 2006 is to continue to focus on providing members convenient, efficient, and easy access to the products offered by the Credit Union.

At its annual planning meeting, the Board of Directors reaffirmed its commitment to reach out and improve service to all areas of Greater Bakersfield and Kern County. As volunteers, the Board provides the vision and establishes policies to move towards making that commitment a reality. Together, the Board of Directors brings an accumulation of years of professional experience to the planning process.

The Board of Directors, Senior Management, and Staff look forward to 2006, and beyond. The Credit Union will continue to perform and provide financial services with the membership foremost in mind. Thank you for using the Credit Union, *"Together we have Something Special."*



"Together, we have something special."

Common Cents

March 2006



Photo by Greg Igar

I am pleased to report that, in 2005, your Credit Union retained its status as one of the most fiscally sound and secure financial institutions in Kern County.

That is a distinction not to be taken lightly; a distinction which requires a marvelous team effort from talented management and staff, committed caring volunteers who serve on your Board of Directors and Supervisory Committee, and, of course, you, our members.

The KSFCU mission statement, adopted March 26, 2001, reads "The Credit Union shall build a lifetime financial partnership with members through exceptional service and quality financial products." There are many reasons for our success over the past 65 years; however, perhaps the primary reason has been our ability to meet the changing financial needs of our members. Money management and financial planning seminars; on-line banking, bill-pay, and other automated services; investment and insurance

services; real estate loans; VISA® card programs; and many more services are being added and improved each day.

Kern Schools has over 500 employees to meet your growing financial needs. One major focus in 2005 has been the consolidation of departments from many locations into a single administrative support center. This new facility is the first building in the San Joaquin Valley to be designed and constructed according to strict guidelines for "green" buildings. Green buildings contain environmentally friendly components and adhere to very high standards for energy efficiency which provide significant long-term operational cost savings. The Credit Union can now manage all operations from one location in the most efficient manner possible.

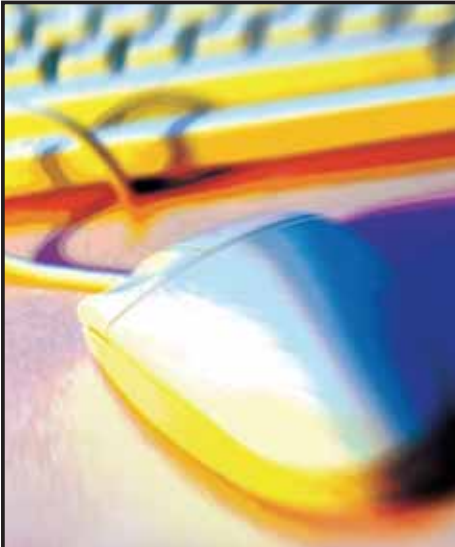
A new full service branch office is now under construction at 9800 Ming Avenue. This newest branch will provide drive-up tellers and ATM lanes and give members additional ways to use the services offered by their credit union.

We are serious about service and with your continued support we will continue to meet all of your future financial services needs!



Mike Kileen
Chairperson of the
Board of Directors










DN DataNet with Bill Pay

No Stamps to Stick or
Envelopes to Lick—Just Click!

Simple, Safe, Fast, Easy!

With KSFCU's online Bill Pay you can conveniently and securely pay your bills whenever you want. There are no stamps, paper checks or envelopes involved – *you pay all your bills with the click of a mouse!*

Our Web site has the highest level of browser security and your payments are handled by one of the leading providers of online payment services. With online bill pay, you can pay just about anyone. Pay your electric, cable or phone bill – even your babysitter – all from your computer!

-  Pay all your bills at once from a single, user-friendly Web site
-  Control when individual bills get paid to avoid late fees
-  Schedule one time or recurring payments
-  Stay current by accessing or printing transaction histories and pending payments
-  All your payment history is kept in one place

For a convenient and economical way to pay your bills and handle your finances, look no further than KSFCU. Sign up for Bill Pay online at www.ksfcu.org.



**NO
ENVELOPES
NEEDED!**

New ATM

at the University Centre

Accessing Your Money is even easier and more convenient with our new full service ATM machine located at 9500 Ming Ave. at the University Centre, next to the Market Place. This is KSFCU's first ATM machine where no envelopes are needed when making a deposit! It's fast, easy and convenient. Checks are imaged on the receipt, so there is no need to make copies before depositing.

First Insert Your ATM or VISA®
Check/ Debit Card

CASH

- Deposit stack of bills
- US currency only
- No coins
- No folded bills
- Deposit up to 100 bills

CHECKS

- Insert checks one at a time, face up
- Funds from deposit may not be available for immediate withdrawal.

How much does an ATM withdrawal cost? Plenty, if you use another financial institution's ATM. The most common ATM usage fee is \$1.50 and a growing number of banks charge \$2.00. ATM fees vary and credit unions usually charge fewer and lower fees than other financial institutions.

KSFCU members pay **NO SURCHARGES** when using one of over 19,500 CO-OP Network ATMs nationwide. The CO-OP symbol will allow members to make inquires, deposits, withdrawals, and transfer funds between checking and savings.

KSFCU also has the most extensive number of Credit Union-owned ATMS in Kern County with over 70 locations. For a complete list of KSFCU ATM locations, visit our website at: www.ksfcu.org.

Save Money



Investment and Financial Services

Questions on your Retirement Plan?

If you have questions about your retirement plan now is the time to schedule an appointment to meet with one of our representatives. They will review your retirement portfolio, make you aware of all your options and advise you on choices to assist you in reaching your retirement goals.

So if you're close to retirement, looking at a lump sum distribution, just beginning retirement planning or somewhere in between, call us. Our representatives are available to meet you at a KSFCU branch.



Investment & Insurance Services
"Together, we have something special™"

We Can Help.

Call to make an appointment today!

(661) 833-7730 · (800) 217-1575

Visit us at www.ksfcuinvestments.org

Put your money to work

Let KSFCU Investment Services, through our broker dealer CUSO Financial Services, LP, help you set goals and plan for your future. Whether it's college funds, retirement planning, income or capital growth, we're here for you.

- Tax-Deferred Annuities
- Stocks
- Traditional IRAs
- Account transfer
- Advisor Assisted trading
- Tax-Free Municipal Bonds
- 401K / 403B / 457 Retirement Plans
- Mutual Funds
- Bonds
- Roth IRAs
- College Planning
- Self-directed trading

Retiring or changing jobs?

Deciding what to do with money in your employer's 401(k), 403(b) or 457 retirement plan is a major decision for the following reasons.

- Potentially Your Largest Source of Retirement Income
- Probably the Largest Amount You've Ever Invested
- Tax Consequences May Be Significant
- May Permanently Impact Your Financial Future

At KSFCU Investment Services, you can meet with a CFS Financial Advisor registered through CUSO Financial Services, LP (CFS), our broker dealer, who will review your retirement portfolio, make you aware of all your options, and advise you on choices to assist you in reaching your retirement goals.

Call today to schedule an appointment (661) 833-7730.

Securities offered through CUSO Financial Services, L.P. (CFS) are not NCUA/NCUSIF insured, not Credit Union guaranteed and may lose value. Kern Schools Federal Credit Union is in partnership with CFS. Financial Advisors are employees of KSFCU and registered through CFS. (Member NASD/SIPC)

Your Money Should Work Hard for You.

The IRA (Individual Retirement Account) is a proven and valuable means by which millions of Americans accumulate retirement assets on a tax-deferred basis. And at Retirement, the IRA rollover is a powerful tool for taking control of retirement assets from 401(k) and other employer-sponsored plans.

While the IRA can be an important vehicle for retirement planning, it is also an effective way to leave a legacy for loved ones. However, when beneficiaries inherit an IRA, income taxes due on the inherited amount are often significant. Fortunately, IRA beneficiaries have some flexibility that can ease this burden.

The stretch IRA strategy provides an opportunity for the beneficiary to extend the distributions of a Traditional, Roth, SEP or SIMPLE IRA. It allows the beneficiary to take distribution of the proceeds over a much longer period of time than five years or lump sum distribution options. This is accomplished by taking annual required minimum distributions based on the life expectancy of the beneficiary. By minimizing the distribution amount, the income taxes due are also minimized, and the funds keep accumulating in a tax-deferred account.

Example A - Spouse is the Beneficiary

Jack retires at age 65. After participating in his employer's plan for 20 years, he has accumulated \$100,000 in assets. He establishes an IRA rollover and names his wife, Diane, age 58 as beneficiary. Jack passes away at age 68. Diane elects spousal continuation and accepts the IRA into her name and makes her daughter Anne, age 31, her beneficiary. Diane starts taking the required minimum distributions when she reaches age 70 1/2. Diane passes away at age 80 having grossed \$76,830. Anne, now age 50, elects to stretch the IRA and names her son, Sean, age 30, as her beneficiary, while continuing to receive distribution payments. Anne passes away at age 77. Throughout the 27 years, she received \$311,816 before taxes. Sean starts to receive Anne's remaining distributions he receives a

total of \$179,373 before taxes. See illustration in blue box shown below.

EXAMPLE B - Child is the Original Beneficiary

Jane is age 55 and owns an IRA. At Jane's death, her 25 year old son, Jim is unable to continue the account in his name – an option available only to spousal beneficiaries. Jim must keep the IRA in Jane's name and remain listed as the beneficiary. Jim must either withdraw the assets over five years, or take payments based on his life expectancy. He opts to minimum payments, and names his spouse, Susan, the beneficiary. After five years of taking payments, Jim dies at age 30. Susan is able to stretch the IRA, and continue receiving payments based on Jim's life expectancy. If Susan dies before the assets are depleted, any remaining payments will go to her beneficiary(ies), should they choose to stretch the account, based on the same payment schedule of Jim's life expectancy.

Strategies to Make Your IRA Last Longer

When you set up your IRA, be sure to name both primary and contingent beneficiaries, to provide a clear line of succession in the event that something happens to the primary beneficiary. Make them aware of your intentions, because there are time limits during which IRA account distributions can be stretched. Otherwise, you beneficiaries may be forced to take the assets in a lump sum – resulting in a potentially larger tax burden. Failing to name a beneficiary may result in your assets going to your estate.

The final decision on whether an IRA will be stretched and left to the beneficiaries named on the IRA. If your goal is to enable your children and grandchildren the ability to receive your IRA assets over their lifetimes, your wealth transfer strategy may need to reflect a longer time frame – based on beneficiaries' ages – than if you were planning to use the assets yourself.

Over time, Jack's \$100,000 in accumulated assets provided more than \$568,019 as a legacy for his family.*

Initial IRA Amount:	\$100,000
Total Distribution:	\$568,019
Total Years in Distribution:	44

Hypothetical results are for illustrative purposes only and are not intended to represent future performance. Account values may fluctuate based on the features of the contract. This illustration is based on a 5% rate of return, a 57-year time frame, and current tax laws. There is no assurance that the hypothetical rate of return or current tax laws will remain in effect for the entire period.

Famous Tax Quotes



“This [preparing my tax return] is too difficult for a Mathematician. It takes a Philosopher.”
- *Albert Einstein (Scientist)*

“Taxes are the only one of life’s two certainties for which you can get an automatic extension.”
- *Anonymous*

“Taxes grow without rain.”
- *Jewish Proverb*

“You don’t pay taxes - they take taxes.”
- *Chris Rock (Comedian)*

“I did my own taxes with TurboTax Online.”
- *You (TurboTax User)*

Visit our website and then click on the TurboTax Online link.

TurboTax Online. It’s easy, accurate and complete, and uses industry-standard technology to protect your data during transmission.

Have your tax refund directly deposited into your account and receive your refund in as little as 7-12 days.



We have the Tax Solution for you!

E-filing your taxes is the fastest, most accurate way to GO!

For more information, contact a Credit Union representative or call Credit Union Tax Services at 1-800-613-4406.

TurboTax and TurboTax Online, among others, are registered trademarks and/or service marks of Intuit Inc. in the United States and other countries. Other parties' trademarks or service marks are property of their respective owners.



Have you Checked Your Auto Insurance Rate?

Unless you compare your current policy you will not know if you are paying too much. Rates for the same coverage can vary greatly between insurance companies.

California Insurance Specialists has partnered with KSFCU for the past 5 years and represents many national and regional insurance companies, which allows them to “shop” the competition for you and save you money.

What can you do to help reduce the cost of your automobile insurance?

■ Take advantage of the discounts that you may qualify for. Many carriers provide discounts for teachers with California certifications or other professional designations. If you have a young driver, a good student discount will also save you substantially.

■ Consider increasing the deductible on your collision and comprehensive limits.

■ Many of their carriers will give you additional discounts if you insure both your home and car with them.

■ ABS brakes, a factory installed anti-theft device or recovery service, may help to lower the cost of insurance.

■ Drive safely. One driving infraction will usually not prevent you from receiving many of the good driver discounts offered, but multiple infractions or more serious violations will cost you now and for years to come!

California Insurance Specialists represents companies that will meet your auto insurance needs no matter what your circumstances or driving record.

Take advantage of our *FREE no-obligation rate quote comparison*. CALL FOR A FREE QUOTE OR GO TO OUR WEBSITE AT www.ksfcu.org CLICK ON INSURANCE THEN **AUTO OR HOMEOWNER’S AND CLICK CALIFORNIA INSURANCE SPECIALISTS**. OR, CALL US TOLL FREE.

California Insurance Specialists

4600 American Ave • Suite 205
(Across from Ming Ave. Office)

(661) 397-3944
Toll free (888) 831-0247
www.ksfcu.org

License No. 0B33273

Candidates for 2006 BOARD OF DIRECTORS

Listed below is a background of the candidates for the 2006 Board of Directors. Four positions will be filled. Voting will be held at all KSFCU branches (excluding high school branches) during normal business hours, beginning Monday, March 27, through Wednesday, March 29; and at The Doubletree Hotel from 5:30pm to 6:30pm Thursday, March 30, 2006, prior to the Annual Meeting.

KILEEN, MIKE (Incumbent)

Mike Kileen recently retired after 34 years of service to local school districts and was the Assistant Superintendent for Business Services, Panama-Buena Vista Union School District. He currently serves as Chairman of the Board of Directors for KSFCU, having served as a Director for many years. Mike has also been active in local, state, and national educational and technology organizations.

REIDER, DR. LARRY (Incumbent)

Dr. Larry Reider has spent 40 years in Kern County public education as a teacher, principal, school district superintendent and now as the Kern County Superintendent of Schools. Has served on Kern Schools Federal Credit Union Board of Directors for 22 years. Larry believes in fiscal accountability and has launched a series of programs to improve student performance.

ZWARTENDYK, MARY (Incumbent)

Mary Zwartendyk has been on the Kern Schools Federal Credit Union Board of Directors for 37 years. She is retired from the Bakersfield City School District and is still active in the Classified School Employees Association Retiree Group. She currently serves as a member of the CU Services and Loan Review Committees.

BRISCOE, DR. CECIL (Incumbent)

Dr. Cecil Briscoe has served on the Kern Schools Federal Credit Union's Board of Directors since 1979. He has served as chairperson of the Board and on many committees. A Bakersfield native, he retired from the Kern High School District and served as a LCDR, US Navy fiscal officer. He received a doctorate from USC and BA from UC Berkeley.

HATCHER, BILL

Bill Hatcher retired in 2004 as Superintendent of the Kern HS District. His teaching career spans 40 years in the Kern High School District starting as a teacher at Shafter High School and serving as principal at both East High and Centennial High Schools. He has also received several awards such as, "Outstanding Educator."

PAINTER, ROSIE M.

Rosie Painter is a Community Relations Liaison for the Bakersfield City School District. She has been employed with the district for 25 years. Her work involves assisting parents, students, staff and networking within the school community. She also works with social services to benefit students. Rosie also supports the Advancement Via Individual Determination program and coordinates guest speakers.

CHOPRA, RAY P. E.

Ray Chopra is a Licensed Civil Engineer with California State Dept. of Transportation. He is currently in Division of Maintenance & Operation as a Permit Engineer. Ray is responsible for review/approval and oversight of developments along State right of way by Private/Government entities to ensure Standards/Public Safety on Highway Systems. He is an activities coordinator for a Boy Scout Troop.

TRIPICCHIO, FRANK

Frank Tripicchio formed his own independent Real Estate Brokerage Company in 2000. He has served as the President of several Boards of Directors since relocating to Bakersfield in 1985. Organizations include: Kern Bridges Youth Homes, Valley Achievement Center, Bakersfield Sister City Project, Italian Heritage Dante Assoc., and Bakersfield South Rotary Club.

Eligibility to vote: Only the primary owner of the account is eligible to vote (neither joint owners nor family members of the account holder are eligible to vote under that account number). The owner of the account must be at least 16 years of age and must have at least \$50 on deposit in the Credit Union and be a member in good standing to receive a ballot.

66th Annual Meeting Thursday, March 30, 2006 Dinner Tickets are SOLD-OUT.

Members can still attend the Business Meeting at the Annual Meeting.
The Business Meeting - 8:00pm

Board of Directors

Mike Kileen	Chairperson
Dr. Bill Bruce	1st Vice Chairperson
Jeannine Thompson	2nd Vice Chairperson
Joanne Mills	Treasurer
Bryon Schaefer	Secretary
Dr. James Fillbrandt	Director
Dr. Larry Reider	Director
Mary K. Zwartendyk	Director
Marilyn Jones	Director
Dr. Cecil Briscoe	Director
Dr. Bill Williams	Director

Supervisory Committee

Carl D. Woody, Jr.	Chairperson
Jim Sheats	Secretary
James C. Dunn	Member
Dennis Scott	Member
Tom Ross	Member

Visit our new website at:
www.ksfcu.org



Branch Locations

Bakersfield
2424 Chester Avenue
6101 Coffee Road
4530 Ming Avenue
3901 Mt. Vernon Avenue
2671 Oswell St.
5001 Panama Lane
8200 Stockdale Highway

Ridgecrest
1621 North Downs Street

Delano
1101 Cecil Avenue

Office Hours

Monday through Thursday - 9am to 5pm
Friday - 10am to 6pm
Saturday - Delano, Ming, Mt. Vernon, Oswell, Panama, Ridgecrest, River Run and Town & Country Offices - 9am to 1pm

Express Branch:

Tehachapi - 821 Tucker Road
Monday through Friday 10am to 6pm



Common Cents

9600 Ming Avenue
Bakersfield, CA 93309

Presorted Standard
US POSTAGE
PAID
BAKERSFIELD, CA
Permit 595

7.9%
APR

VISA® Transfer Program

**Hurry!
Limited Time
Offer!**



Don't Delay! It's time to take advantage of Kern Schools Federal Credit Union's incredible 7.9% APR VISA® Transfer Program. That's right, **starting April 1, 2006 and for a limited time only** you can take those high interest credit cards that you have with other lending institutions, and transfer the balances over to your Kern Schools Federal Credit Union VISA®.

The 7.9% APR will continue until you pay it off, with all other charges on your VISA® remaining at their original rate. If you like, you may even transfer all your balances up to your available Kern Schools Federal Credit Union VISA® card limit. In addition, if you currently do not have a Kern Schools Federal Credit Union VISA®, you may pick up an application at any one of our ten branch offices, or call our Communication Center at **(661) 833-7900** or **(800) 221-3311** (if outside Bakersfield) to have one mailed to you, or visit our website at www.ksfcu.org. Once approved, you can then transfer those high interest balances to a lower rate.

However, this offer won't last forever. Again, the 7.9% APR VISA® transfer program will only be in effect for a limited time. So act now, and let Kern Schools Federal Credit Union help ease some of the burden on your high interest credit card payments. Kern Schools Federal Credit Union, *"Together, we have something special."*

Phone Numbers

Communication Center | (661) 833-7900 Mon. thru Fri., 8am-8pm and Sat., 8am to 4pm Other Areas Nationwide | (800) 221-3311

KSFCU Investment and Insurance | (661) 833-7730
Data Voice/Bakersfield | (661) 831-5900

California Insurance Specialists | (661) 397-3944
Data Voice/in other areas | (800) 248-3336

Home Loan Center | (661) 833-7926
VISA® 24-Hours a Day | (800) 654-7728

Additional ATM Locations

4616 California Avenue
Auto Mall | 2821 Auto Mall Dr.
Apple Market in Shafter
The Bakersfield Airport | 3901 Wings Way
Bakersfield College Bookstore
Bakersfield College | in the Breezeway
Bakersfield College Delano Campus
City of Shafter | 341 Central Ave.
County Fair Market in Lamont

Delano Regional Medical Center
Doubletree Hotel
Frazier Park | 3409 Mt Pinos
Holiday Inn Select
Kern County Airport
Kern County Court House
Kern County Fairgrounds | inside
the Main Gate and in the Satellite
Wagering Building

Kern Medical Center Cafeteria
Lake Isabella | Lake Isabella Market
The Market Place | in Kiosk
Memorial Hospital | 34th Street in the
main lobby
Mercy Hospital | 400 Old River Road
Rainforest Car Wash | 7301 White Lane
Regional Occupational Center
Rosedale Village Shopping Center

Rosewood Retirement Center
San Joaquin Community Hospital
Save Mart in Wasco
Sequoia Sandwich Shop | Rosedale Hwy.
Superintendent of Schools Office |
1300 17th Street
Taft | 1056 W. Kern Street | Taft Hills Plaza
Tehachapi Towne Center
University Centre | 9500 Ming Avenue