

Statement of ConditionsDecember 31, 2009

Assets

Loans.....	\$88,110,642
(Allowance for Loan Loss).....	-\$550,230
Cash.....	\$11,370,584
Investments.....	\$34,691,024
Fixed Assets.....	\$3,493,961
Prepaid / Receivables.....	\$3,421,751
NCUSIF.....	\$1,192,310
Total.....	\$141,730,042

Liabilities and Equity

Accounts Payable.....	\$1,521,294
Share Savings.....	\$26,677,650
Share Draft Checking.....	\$16,571,313
Money Market Accounts.....	\$26,648,497
Certificates.....	\$55,642,290
Other Savings.....	\$2,529,327
Reserves / Undivided Earnings.....	\$12,139,671
Total.....	\$141,730,042

Statement of Income..... December 31, 2009

Interest on Loans.....	\$5,611,927
Investment Income.....	\$958,186
Other Operating Income.....	\$2,095,920
Total.....	\$8,666,033

Distribution of Income December 31, 2009

Compensation.....	\$1,923,096
Employee Benefits.....	\$705,071
Office Occupancy.....	\$311,354
Operational Expense.....	\$1,206,064
Education & Promotion.....	\$204,130
Loan Servicing.....	\$385,380
Provision for Loan Loss.....	\$498,000
Member Deposit Insurance.....	\$178,846
Other Expenses.....	\$284,314
Non-Operating Expense.....	\$378,348
Total Expenses.....	\$6,074,603
Dividends Paid.....	\$2,099,581
Increase To Equity.....	\$491,849
Total Distribution of Income.....	\$8,666,033

Financial Notes

Contingency Liability For Unused Credit Limits.....	\$21,828,000
Business Loans / Participation.....	\$6,970,917
Market Value of Hold to Maturity Securities.....	\$1,434,381

Supervisory Committee Report

Your credit union's Supervisory Committee is responsible for the safeguarding our member's assets.

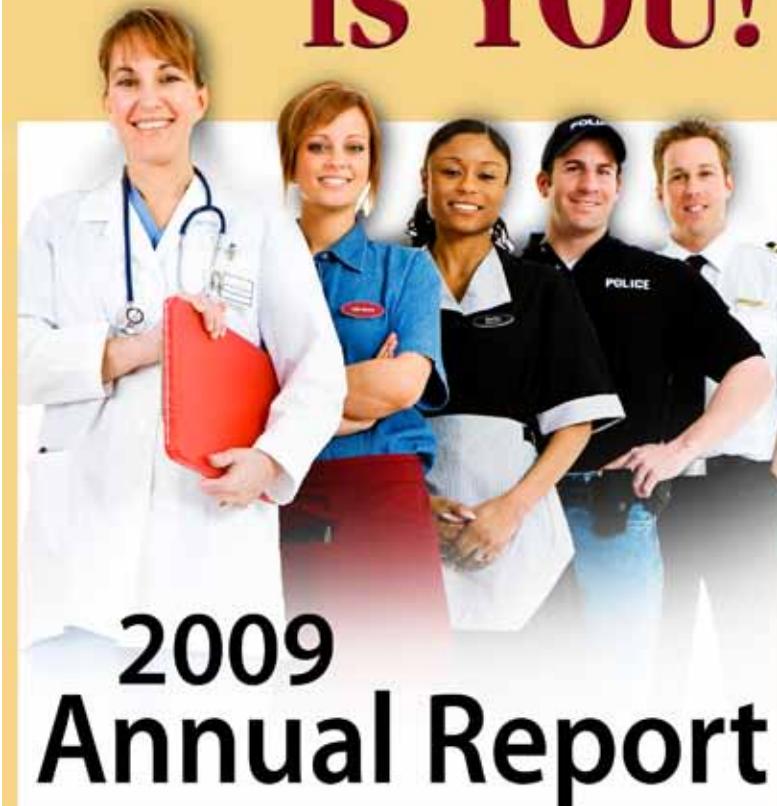
Over the past year, the committee performed on-going internal audits of the credit union. In addition, an outside audit and examination by the National Credit Union Administration was conducted. Both found no major areas of concern, our books were in balance and our procedures and operations in compliance with regulations.

We appreciate the opportunity to be of service to the membership and commend management, staff and the board of directors for a job well done.

Respectfully Submitted,

James Humphrey
Mitchell Amado
Frank Mazza

Our focus is YOU!



Our focus is you!

GPO
FEDERAL CREDIT UNION

Board of Directors Report

The last two years have been challenging for your credit union. A weak economy, high unemployment, an unparalleled period of low interest rates and the lack of consumer confidence are among the growing list of issues faced by most financial institutions, including GPO.

Despite these challenges, we are pleased to report that **your credit union continued to reach new financial highs** by staying member-focused and making sound business decisions.

2009 Key Operating Highlights

- ★ **Assets growth of \$19,623,130**
a change of 16.04 percent
- ★ **Savings growth of \$18,397,991**
a change of 16.78 percent
- ★ **Loan growth of \$6,994,892**
a change of 8.62 percent
- ★ **Net new membership growth of 781**
a change of 3.92 percent

In addition to our excellent growth, **the credit union continued to build an equity position that provides our membership with a strong and stable member-owned financial cooperative.**

Survey Responses

Deepening existing member account relationships is an important aspect of building long-term growth and stability. We know one way to grow account relationships are to offer enhanced products and services in a professional manner. Just as important, is getting our members' perspectives. Each year we conduct a member survey that provides us with important insights in developing future programs and services.

Last year's survey told us that you are satisfied with staff friendliness, speed of service, accuracy and responsiveness to questions and concerns. **GPO ranked above the established benchmarks.**

You rated us above the norm for member satisfaction on loan and savings rates, hours of operation, and locations.

Our scores are rising and above-the-norm for product penetration levels in checking accounts, check cards/ATM cards and online banking.

We thank you for giving us high marks. The goal of the credit union will always be to provide you with financial services that will improve your well-being. The important input given will aid the Board in developing future strategic plans.

Strategic Direction

Each year the board, senior management and an outside consultant meet for our annual strategic planning session. Our purpose is to establish direction and goals that the credit union will strive to accomplish in the upcoming year.

The strategic direction the board has established **is to increase our membership and build stronger member relationships while ensuring a safe and secure financial organization through the delivery of products and services in a professional manner.**

Goals, strategies and a scorecard are established to ensure our strategic direction is accomplished.

2009 New Products and Services

In 2009, we added several new products to complement our existing line-up. These include **dealership lending.** Now, members may go to participating dealers and secure their loans through GPO when they're shopping for a new or used vehicle. Be sure to ask your dealer about GPO's loan offerings.

We've also added **Payment Saver lease-like lending** for those members who prefer lower loan payments.

In an effort to protect members from identity theft, we've partnered with **Identity Force** to offer an additional layer of

protection from potential threats.

And members can take advantage of our **on-line defensive driving program.** It's a New York State certified program that can save members 10 percent on auto insurance costs.

2009 Community Service

As a locally-based financial institution, **we are committed to contributing to the communities we serve.** We not only make financial contributions to worthy causes like the Children's Miracle Network, Hospice, St. Elizabeth Medical Center, and many more, but our staff generously donates time and energy to volunteer at many events. We annually have a team walk in the Heart Run and Walk, we participate in many fundraisers and community events. And, we sponsor financial literacy programs that are open to all members of the community – from school-aged children to immigrants to anyone looking for a more secure financial future.

In closing

We are proud of the progress your credit union has made in the past and look forward to the future with confidence.

We will continue to be guided by our mission statement of "Our Focus Is You", because working together we can assure a brighter future for all.

On behalf of our volunteer Board of Directors, Supervisory Committee, management and staff, we thank you for our confidence and continued support.

Board Directors

Leo Callari, Chairman	Patsy Canarelli
Victor Costello	James Humphrey
Nicholas Mayhew	John Prumo
Rocco Russo	Dewey Rowlands
Ercole Ventura	

Associate Directors

Allan Cornnell	Paul Gallagher
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