

Statement of ConditionsDecember 31, 2009

Assets

| | |
|--------------------------------|----------------------|
| Loans..... | \$93,882,664 |
| (Allowance for Loan Loss)..... | -\$706,327 |
| Cash..... | \$2,525,017 |
| Investments..... | \$52,344,387 |
| Fixed Assets..... | \$4,597,718 |
| Prepaid / Receivables..... | \$1,989,984 |
| NCUSIF..... | \$1,342,787 |
| Total..... | \$155,976,230 |

Liabilities and Equity

| | |
|------------------------------------|----------------------|
| Accounts Payable..... | \$1,189,102 |
| Share Savings..... | \$30,051,817 |
| Share Draft Checking..... | \$16,417,759 |
| Money Market Accounts..... | \$31,054,060 |
| Certificates..... | \$60,618,440 |
| Other Savings..... | \$2,897,696 |
| Reserves / Undivided Earnings..... | \$13,747,356 |
| Total..... | \$155,976,230 |

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

| | |
|-----------------------------|--------------------|
| Interest on Loans..... | \$5,954,991 |
| Investment Income..... | \$730,816 |
| Other Operating Income..... | \$2,340,356 |
| Total..... | \$9,026,163 |

Distribution of Income December 31, 2009

| | |
|--|--------------------|
| Compensation..... | \$2,025,382 |
| Employee Benefits..... | \$425,611 |
| Office Occupancy..... | \$322,059 |
| Operational Expense..... | \$1,216,406 |
| Education & Promotion..... | \$162,616 |
| Loan Servicing..... | \$417,397 |
| Provision for Loan Loss..... | \$490,000 |
| NCUA Assessment / Insurance..... | \$344,639 |
| Professional Services..... | \$169,277 |
| Other Expenses..... | \$169,118 |
| Total Expenses..... | \$6,074,603 |
| Dividends Paid..... | \$1,675,972 |
| Increase To Equity..... | \$1,607,686 |
| Total Distribution of Income..... | \$9,026,163 |

Financial Notes

| | |
|--|--------------|
| Contingency Commitments for Unused Credit Limits..... | \$21,828,000 |
| Business Loans / Participation..... | \$6,513,360 |
| Fair Value of Securities Held to Maturity..... | \$3,367,226 |

Supervisory Committee Report

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

The Supervisory Committee in conjunction with our internal auditor completed a comprehensive scope of review of the credit unions' operation. No major area of concerns was found.

In addition, in 2010 an independent outside CPA audit was performed. In the opinion of the auditors' the financial statements present fairly, in all material respect, the financial position of the credit union and our operations are in conformity with accepted accounting principles.

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
Paul Gallagher



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency.

Focused On What Matters for 80 Years 2010 Annual Report



Our focus is you!

GPO
FEDERAL CREDIT UNION

Board of Directors Report

Dear Members –

As you are aware, 2010 was a challenging year for so many. Our economy ever-so-slowly began to recover. Unemployment rates dropped a bit, but remained high. And, the on-going mortgage crisis dragged on. Despite the grim news, **GPO Federal Credit Union had another exceptional year.**

2010 Key Operating Highlights

- ★ **Assets growth of \$14,251,171**
10.06% growth compared to our peer's growth of 2.87%
- ★ **Savings growth of \$12,970,698**
10.13% growth compared to our peer's growth of 4.61%
- ★ **Loan growth of \$5,772,023**
6.55% growth compared to our peer's growth of -0.59%
- ★ **Net new membership growth of 1,113**
5.37% growth compared to our peer's growth of 0.45%
- ★ **Reserves growth of \$1,607,686**
13.24% growth compared to our peer's growth of 4.05%

In 2010, we continued to **focus on providing value to our membership.** Value is something we all appreciate – maybe more so these days. Whether it be a free checking account, access to thousands of free ATMs, low-rate loans and credit cards, or just the convenience of having a branch nearby – this is what value is all about.

Clearly, our members appreciate the value of membership at GPO. **Membership grew and existing members deepened their GPO relationships by opening new accounts.** Overall, it was a year of solid growth. I speak for the entire GPO board and staff by saying that we are enormously proud of our accomplishments and the fact that we are bringing value to our membership.

Here are some examples....

In 2010, **678 members refinanced \$7,499,319 in loans with GPO which resulted in interest savings of \$1,023,070 – a savings of \$1,509 per member loan.** That's huge! I think we all appreciate what having an extra \$1,500 in our pocket would mean.

Even though interest rates dropped to historically low rates, GPO responded by offering **monthly certificate specials.** This allowed members the chance to save at a better-than-average rate.

Also, GPO's Visa credit card with rewards delivers value each and every day to members. With a low rate starting at 7.99 percent, **members don't have to worry about paying high interest rates with questionable terms and conditions.** And every purchase means more reward points – for things we all appreciate: merchandise, travel discounts and more.

GPO's debit card gives members convenient access to funds wherever and whenever needed. And members earn reward points by using it. In 2010, **GPO members earned 24,400,000 reward points between both the credit and debit cards.** That's a lot of value!

Don't just take our word for it, here's what some of our members have said. . . .

"I would like to take this opportunity to thank you for all of your assistance in helping me get my car loan. This was my very first time applying for a loan, and you made what everyone else claims to be a difficult experience into a not-so-bad one. Your professionalism and friendliness was very much appreciated. Thanks again, I LOVE my new car! Keep up the good work!"

And, "Two years ago, my husband passed away. He had an account with GPO. I needed help and I received more than I ever could have expected. I moved all my other accounts to GPO. GPO has since, helped me with CDs and many other products. . . . You're always professional, always caring, and you've been so great that I tell everyone!"

And, "GPO is a five-star organization. The staff is cordial, competent and cooperative. The locations are convenient. . . . I have all of my accounts under one roof and at least seven members of my family are members."

To ensure that we are delivering exemplary service, each year we employ an independent contractor to conduct a member survey to assess key member service issues -- things like staff responsiveness, convenience of branches, the value of our products and services, etc.

We are pleased to report that GPO continues to out-perform credit unions of similar size across several service and product areas. For example, the percentage of "very satisfied" members stands above what is typically seen by credit unions. GPO received "above-the-norm" member satisfaction scores in relation to service charges, variety of services offered, loan and savings rates, hours and locations. And, member satisfaction with our staff's speed of service, accuracy and responsiveness exceeded the norms established by other smaller and larger credit unions nationwide.

We're very proud of these accomplishments.

This year marks yet another GPO milestone: We're celebrating our 80th anniversary! For 80 years, our goal has been to focus on providing personal attention, superior service and outstanding products that meet the needs of our members.

While we're taking the time to look back at our rich, 80-year history, we're also looking forward to what we can do to serve you better. **GPO is committed to its' membership and we would be honored to serve you for yet another 80 years.**

On behalf of our volunteer board of directors, supervisory committee, management and staff, we **thank you for your continued support and confidence.**

John A. Prumo, *President and CEO*

Leo Callari, *Chairman, Board of Directors*

Nicholas Mayhew, *Director*

Patsy Canarelli, *Director*

Frank Mazza, *Director*

Patrick Buckley, *Director*

Paul Gallagher, *Associate Director*

Victor Costello, *Director*

James Humphrey, *Director*

Dewy Rowlands, *Director*

Allan Cornnell, *Associate Director*