

Statement of ConditionsDecember 31, 2011

Assets

Loans.....	\$102,971,137
(Allowance for Loan Loss).....	-\$738,852
Cash.....	\$3,734,325
Investments.....	\$58,927,045
Fixed Assets.....	\$4,593,059
Prepaid / Receivables.....	\$1,989,249
NCUSIF.....	\$1,513,981
Total.....	\$172,989,944

Liabilities and EquityDecember 31, 2011

Accounts Payable.....	\$1,246,021
Share Savings.....	\$37,153,245
Share Draft Checking.....	\$18,983,417
Money Market Accounts.....	\$33,073,919
Certificates.....	\$63,897,882
Other Savings.....	\$3,281,476
Reserves / Undivided Earnings.....	\$15,353,984
Total.....	\$172,989,944

Statement of Income..... December 31, 2011

Interest on Loans.....	\$6,416,286
Investment Income.....	\$649,266
Other Operating Income.....	\$2,514,437
Total.....	\$9,579,989

Distribution of Income December 31, 2011

Compensation.....	\$2,260,085
Employee Benefits.....	\$473,831
Office Occupancy.....	\$388,891
Operational Expense.....	\$1,239,676
Education & Promotion.....	\$209,108
Loan Servicing.....	\$582,186
Provision for Loan Loss.....	\$480,000
NCUA Assessment / Insurance.....	\$413,438
Professional Services.....	\$194,084
Other Expenses.....	\$218,899
Total Expenses.....	\$6,460,198
Dividends Paid.....	\$1,513,163
Increase To Equity.....	\$1,606,628
Total Distribution of Income.....	\$9,579,989

Financial Notes

Contingency Commitments for Unused Credit Limits.....	\$27,588,375
Business Loans / Participation.....	\$9,712,330
Fair Value of Securities Held to Maturity.....	\$13,375,960

Key Operating Highlights:

	2011	2010	Change	GPO % Growth	Peer Group % Growth
Assets:	\$172,989,945	\$155,976,230	\$17,013,715	10.91%	4.61%
Shares:	\$156,389,940	\$141,039,772	\$15,350,168	10.88%	4.49%
Loans:	\$102,971,137	\$93,882,664	\$9,088,473	9.68%	0.87%
Members:	23,169	21,837	1,332	6.10%	0.92%
Reserves \$	15,353,984	\$13,747,356	\$1,606,628	11.69%	4.88%

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 2011 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
Allan Cornell



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.

Our Focus is YOU!

2011 Annual Report



Our focus is you!

GPO

FEDERAL CREDIT UNION

Board of Directors Report

Dear Members –

As you are aware, 2011 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.**

2011 Key Operating Highlights

- ★ **Assets growth of \$17,013,715**
10.91% growth compared to our peer's growth of 4.61%
- ★ **Savings growth of \$15,350,168**
10.88% growth compared to our peer's growth of 4.49%
- ★ **Loan growth of \$9,088,473**
9.68% growth compared to our peer's growth of 0.67%
- ★ **Net new membership growth of 1,332**
6.10% growth compared to our peer's growth of 0.92%
- ★ **Reserves growth of \$1,606,628**
11.69% growth compared to our peer's growth of 4.88%

Among the challenges, financial issues and the weak economy, the last three years your credit has done exceptionally well. Some examples of this are; **Assets have increased \$50,888,016, Shares increased \$46,718,857, and loan growth of \$21,855,388. Membership growth, which is the life line of our future, increased by 3,226 new members, a growth of 16.2% over 2008.**

As we've grown, the Board of Directors ensured that our equity position remains strong. Over the last three year period, Equity has increased \$2,992,810, a 24.2% increase.

How was this exceptional growth achieved? Simple, "Our focus is you," our members. As a cooperative, not-for profit financial institution, we exist to serve the needs of you, our members. That means you benefit directly in the form of

higher savings dividends, lower borrowing rates, and low cost services. It is this dedicated service and member involvement that deepens our members' relationships with GPO. We value your trust and satisfaction in your credit union.

Saving You Money Because "Our Focus Is You."

In 2011, GPO reached a huge milestone; **we saved members over \$1,000,000 on interest payments!** Members that brought their loans back to GPO from other financial institutions collectively saved OVER one million dollars on their interest payments, just by taking advantage of GPO's low rates. Our goal for 2011 was to save our members one million dollars in interest payments, and we not only met that goal but surpassed it. Our goals for 2012 are to continue to save our members money on their payments, and we are confident that we will be successful.

New Products & Services:

Starting in April 2012, GPO announced the launch of our new Value Checking account. This new account has all the benefits of our Classic Checking account such as worldwide ATM access, E-PAT (Personal Access Teller), Audio-PAT, E-Statements, and Online Bill Payment. However, GPO's Value Checking account also has the added benefits of a Visa Debit Card with Rewards, Everyday Rebate Rewards, Everywhere Cash Savings, Credit Alert, and the Credit Information Hotline. Members can switch to Value Checking from Classic Checking or open a new Value Checking account to enjoy all the added benefits for a monthly subscription of \$4.

Community Service

As a not-for-profit institution, GPO employees are committed to giving back to our community. Throughout 2011, GPO donated to many local and national organizations such as the House of the Good Shepherd, St. Elizabeth's Medical Group, The American Cancer Society, The Mohawk Valley Chamber of Commerce, Utica College, The Whitestown Youth Association, and the American Red Cross of the Mohawk Valley. GPO also selected two teens from a group of college-bound applicants for a GPO Scholarship towards college expenses. Each year we

sponsor a team for the American Heart Run and Walk and this year we also were the presenting sponsor for the Kid's Walk and Educational Expo. This year our employees generously donated their time to worthy causes such as bell ringing for the Salvation Army, volunteering at the local Humane Society, and Coaching local youth groups.

Strategic Direction

Our 2011 Strategic Plan focused on four goals:

- 1. Becoming our members' preferred financial institution.**
- 2. Maintain a strong level of financial performance to ensure long term viability.**
- 3. Ensure the credit union maintains a strong organization.**
- 4. Ensure the safety and security of the credit union.**

Your Board of Directors is pleased to inform you that we've achieve the many milestones associated with our goals. In order to reach these goals, GPO is constantly updating our products and services to meet the expectations and needs of our members.

We're very proud of the progress your credit union has made and look to the future with confidence. **GPO is committed to its' members and guided by our mission statement, "Our focus is you."** Thank you for your continued support and confidence.

Leo Callari, *Chairman, Board of Directors*

James Humphrey, *Director*

John A. Prumo, *President and CEO*

Dewy Rowlands, *Director*

Nicholas Mayhew, *Vice Chairman*

Patsy Canarelli, *Director*

Frank Mazza, *Director*

Patrick Buckley, *Director*

Paul Gallagher, *Director*