

## Statement of Conditions • December 31, 2013

### ASSETS

Loans .....	\$122,092,600
(Allowance for Loan Loss) .....	-\$76,833
Cash .....	\$3,448,487
Investments .....	\$67,695,952
Fixed Assets .....	\$4,929,810
Prepaid / Receivables .....	\$2,923,158
NCUSIF .....	\$1,808,072
<b>Total .....</b>	<b>\$202,821,246</b>

### LIABILITIES AND EQUITY

Accounts Payable .....	\$2,159,028
Share Savings .....	\$49,618,341
Share Draft Checking .....	\$23,496,781
Money Market Accounts.....	\$39,420,897
Certificates .....	\$63,652,510
Other Savings .....	\$4,189,268
Reserves / Undivided Earnings .....	\$19,584,421
<b>Total .....</b>	<b>\$202,121,246</b>

### STATEMENT OF INCOME

Interest on Loans .....	\$6,465,987
Investment Income.....	\$638,394
Other Operating Income .....	\$3,096,362
<b>Total .....</b>	<b>\$10,200,743</b>

### DISTRIBUTION OF INCOME

Compensation .....	\$2,372,765
Employee Benefits .....	\$482,743
Office Occupancy .....	\$552,920
Operational Expense.....	\$1,511,150
Education & Promotion.....	\$223,706
Loan Servicing .....	\$682,055
Provision for Loan Loss .....	\$520,000
NUCA Assessments / Insurance .....	\$186,614
Professional Services .....	\$236,802
Other Expenses.....	\$172,735
<b>Total Expenses .....</b>	<b>\$6,941,490</b>
Dividends Paid.....	\$1,244,824
Increase To Equity .....	\$2,014,429
<b>Total Distribution of Income.....</b>	<b>\$10,200,743</b>

## Financial Notes

Contingency Commitments For All Loans .....	\$27,956,119
Business Loans / Participation.....	\$20,770,665
Fair Value of Securities Held to Maturity .....	\$10,213,027

## Key Operating Highlights

	2013	2012	Change	GPO Growth	Peer Group Growth
<b>Assets</b>	\$202,121,246	\$189,963,147	\$12,158,099	6.40%	3.27%
<b>Shares</b>	\$180,377,797	\$170,584,880	\$9,792,917	5.74%	3.22%
<b>Loans</b>	\$122,092,600	\$111,607,837	\$10,484,763	9.39%	5.93%
<b>Members</b>	25,087	24,127	960	3.98%	1.49%
<b>Reserves</b>	\$19,584,421	\$17,569,992	\$2,014,429	11.47%	6.40%

## Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors to represent GPO members. As your representative, the committee attends Board meetings, meets with our Federal regulatory examiners, conducts internal audits, reviews internal controls and hires an independent firm to conduct an external audit of the credit union.

The Supervisory Committee, in conjunction with our internal auditor, completed a comprehensive scope and review of the credit union's operation. No major areas of concern were found.

In addition, our 2013 independent CPA audit was performed. The findings indicated that GPO's financial statements are presented fairly and in all material respects, the financial position of the credit union and its operations are in conformity and are within accepted accounting principles.

We appreciate the opportunity to be of service to GPO members and commend management, staff and the Board of Directors for a job well done.

**Respectfully submitted,**

James Humphrey, Mitchell Amado, Allan Cornell

# Our focus is YOU!

## 2013 Annual Report



*Our focus is you!*

**GPO**  
FEDERAL CREDIT UNION

## Board of Directors Report

### DEAR MEMBERS,

Annually, GPO's member-elected board of directors sets strategic goals. When these are developed, we always try to keep the needs of our membership in mind. In 2013, our three goals were to grow member relationships; to maintain a level of financial performance to ensure long-term viability; and to expand our integrated delivery channels. So, how did we do?

### GROWING MEMBER RELATIONSHIPS ...

We are committed to offering products and services that bring value to our membership. We know there are banks and credit unions in every community. They all offer checking accounts, savings accounts, loans and more. GPO's goal is to offer products and services at a great price and that truly benefit our membership. Take, for example, our Value Checking account. It's no ordinary account – members actually get quarterly checks back totaling \$80 each year. Yes – we pay our members to have a checking account here! And, there are more perks like debit card reward points, Everyday Cash Savings at local and national merchants.

GPO doesn't stop there. We work really hard every day to save members money on interest payments. Our staff works hand-in-hand with our members looking for opportunities to refinance loans from other institutions in an effort to save them money. In 2013, GPO refinanced 897 loans from other financial institutions, saving our members more than \$1.3 million in interest payments. That's \$1.3 million back in our members' pockets!

We take this goal seriously. We want to be the one and only place our members go for their financial needs. We know it boils down to offering the right products at the right price. And, we know service matters.

### MAINTAINING A LEVEL OF FINANCIAL PERFORMANCE TO ENSURE LONG-TERM VIABILITY ...

At GPO, we know that sound business practices will help ensure GPO's here for the haul. Here in the Mohawk Valley, we've seen financial institutions come and go. Not GPO – we've been around for 84 years – headquartered in New Hartford. We monitor key operating areas on a daily,

weekly, monthly and annual basis – never losing sight of what we need to accomplish. For example, GPO's assets grew by 6.40% (our peers only grew by 3.27%). Our shares grew by 5.74% (our peers only grew at 3.22%). Loans at GPO grew by 9.39% (our peers were at 5.93%). GPO added 960 new members which was a 3.98% increase (our peers grew at 1.49%). And our return on average assets was at 1.03% (our peers were only at 0.46%). The numbers don't lie – we're out-performing our peers and exceeding expectations.

### EXPANDING OUR INTEGRATED DELIVERY CHANNELS ...

That's a fancy way of saying we're giving members options. For those who never want to step foot in a branch – we've got them covered. Our website is revamped and easy to use with single sign-ons to access online banking services and bill-payment. And, we've added mobile banking.

For those who like stopping by a branch, we maintain offices in six locations – making us easy to access. Our busiest branch at 301 Bleecker Street, Utica was completely remodeled with multiple drive-thru lanes, an ATM and expanded lobby services.

Behind-the-scenes, we continue to ensure member account information is safe and secure. Our data processing systems are regularly upgraded and we have systems in place to prevent breaches. Nothing is more important to us than meeting member needs in a protected environment – be it in person or electronically.

### WHAT DOES THIS MEAN TO YOU?

GPO's success is tied directly to our members' satisfaction. When we deliver convenience or can save you money or a staff member goes the extra mile to help out, you tell others – family, friends, and co-workers. Our hope is that you'll come to us for other financial needs. You see – first-hand – the benefits membership brings. And, GPO will continue to grow and meet those needs.

### WHAT DOES IT MEAN TO OUR COMMUNITY?

In 2013, we showed our commitment to the Mohawk Valley in a number of ways. For example, we offer a student banking program to four area school districts – educating area youth about saving money. We conduct free seminars

so members can make smart, educated decisions about student loans, mortgages, estate planning, health insurance and more. We routinely conduct member surveys to make sure we're meeting the needs of those in our communities.

### A NEW FACE IN LEADERSHIP ...

After serving GPO for more than 40 years, John Prumo announced his retirement as President/CEO. After much consideration, the board determined that Nicholas Mayhew, a board member with more than 25 years of credit union service, would be the best choice to lead GPO. Nick brings a strong financial background to GPO after working as a chief financial officer at Rome Memorial Hospital and Nick knows GPO. He's committed to delivering great products and great service to our membership. He's a part of our community. We think it's a great fit and a win for our members.

As always, thank you for allowing us the privilege to serve you. We hope to do so for many years to come.

Leo Callari  
*Chairman, Board of Directors*

Nicholas Mayhew  
*President and CEO*

Dewey Rowlands  
*Vice Chairman*

Frank Mazza  
*Secretary*

John Prumo  
*former President and CEO*

Patsy Canarelli  
*Director*

Paul Gallagher  
*Director*

James Humphrey  
*Director*

Patrick Buckley  
*Director*

## 2013 Key Operating Highlights

- ✓ **Asset growth of \$12,158,099**  
6.40% growth compared to our peer's growth of 3.27%
- ✓ **Savings growth of \$9,792,917**  
5.74% growth compared to our peer's growth of 3.22%
- ✓ **Loan growth of \$10,484,763**  
9.39% growth compared to our peer's growth of 5.93%
- ✓ **Net new membership growth of 960**  
3.98% growth compared to our peer's growth of 1.49%
- ✓ **Reserves growth of \$2,014,429**  
11.47% growth compared to our peer's growth of 6.40%