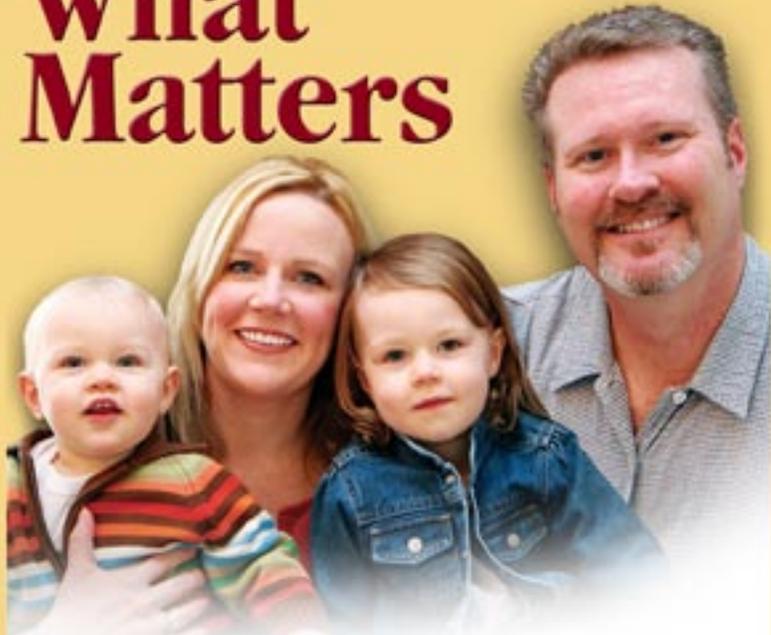


GPO is focused on
What Matters



**2007
Annual Report**

Our focus is you!

GPO
FEDERAL CREDIT UNION

- ★ **New Financial Highs**
- ★ **Dividend Bonus**
- ★ **Interest Rebate**
- ★ **Branch Expansion**

In 2007 your credit union reached new highs in assets, shares, and loans. The Key Operating area of our report highlights the dollar and percentage growth in each category.

In 2007 our **membership increased by 1088** in net new members which equates to a **6.06 percent increase**. It is important to note that at credit unions of similar size, membership growth was 0.72% and national credit union membership only increased by 1.27%. It is gratifying to know that our members and the people in the communities we serve recognize the membership value GPO provides.

Our growth came from the communities and sponsor employer groups we serve. Last year, we welcomed the employees of ConMed. ConMed selected GPO, which is one of areas largest employers. In an effort to reach out to ConMed's diverse workforce, we provided on-site staff to enroll employees as credit union members; we promoted money-saving products and services such as direct deposit, free share draft checking, and low-rate loans; and for no charge – we prepared income tax returns through the VITA program for those eligible.

For the second year in a row, **GPO paid a dividend bonus and interest rebate to our members. This year's total was \$300,733**. This money was directly deposited into members' accounts – yet another value of GPO membership.

In 2007 **we opened two new branches.** A new facility was opened in January to replace our outdated Ilion office. The new facility provides our members with a full-service branch. We continued to expand our membership base by opening a new Dolgeville facility in May. We are pleased to report that this new branch is growing beyond our expectations. With facilities on both the east and west sides of Herkimer County, we are able to conveniently serve members throughout the area.



GPO'S NEW ILION BRANCH



GPO'S NEW DOLGEVILLE BRANCH

In addition, we continued to invest in new technologies in 2007. **We added more ATMs** in an effort to enhance 24/7 access opportunities for our members.

GPO **added three new products** in 2007. Our Flex Home Equity Loan provides members with an open-end loan with fixed and variable rate options. We were the first in the area to offer Balance Financial Counseling services. Throughout this nationally recognized, not-for-profit organization, we have the ability to help members with a variety of financial concerns – such as debt management, retirement and education planning, budgeting and more. Also, we now offer Carfax services to help provide members with valuable information when buying used vehicles.

As always, GPO **actively participates in many community events** including, Faxton-St. Luke's Children's Miracle Network, St. Elizabeth Medical Center's Lights of Love, the Red Cross Car Raffle, the Hospice Care Telethon, and many other community-based events. We make annual monetary contributions as well as support our staff when they volunteer their time and talents to help out worthy organizations. We are most proud of our contributions to the Volunteer Income Tax Assistance program. For the fourth year in a row, GPO has been a lead preparer of income tax returns in the Oneida and Herkimer County areas. Our staff volunteers their services to provide free taxpayer assistance. More than 430 returns were filed for the 2007 tax-year through this program.

We are pleased to report that GPO was not impacted by the calamity of the credit market. At GPO **our mission statement is "OUR FOCUS IS YOU!"** We exist to serve all our members and not a few stockholders. The goal of your credit union will always be to **make sound business decisions that will improve your financial well being.** Working together we make it work.

On behalf of our volunteer board of directors, supervisory committee, management and staff, we thank you for your continued support and encourage you to take advantage of the great services we offer.

Statement of Conditions December 31, 2007

Assets	
Loans.....	\$71,071,169
(Allowance for Loan Loss).....	-\$420,645
Cash.....	\$3,440,445
Investments.....	\$27,958,882
Fixed Assets.....	\$3,578,222
Prepaid / Receivables.....	\$1,926,274
All other Assets.....	\$1,617,856
Total	\$109,172,203

Liabilities and Equity

Accounts Payable	\$618,171
Share Savings.....	\$20,852,524
Share Draft Checking.....	\$12,919,508
Money Market Accounts.....	\$19,929,597
Certificates.....	\$41,014,735
Other Savings.....	\$2,252,717
Reserves / Undivided Earnings.....	\$11,584,951
Total	\$109,172,203

Statement of Income December 31, 2007

Interest on Loans.....	\$5,098,899
Investment Income.....	\$1,415,690
Other Operating Income.....	\$1,829,105
Total	\$8,343,694

Distribution of Income December 31, 2007

Compensation	\$1,654,750
Employee Benefits.....	\$495,306
Office Occupancy.....	\$267,961
Operational Expense.....	\$1,149,765
Education & Promotion.....	\$307,532
Loan Servicing.....	\$235,862
Provision for Loan Loss.....	\$159,000
Other Expenses.....	\$198,107
Total Expenses	\$4,468,283
Dividends Paid.....	\$2,460,946
Dividend Bonus - Loan Rebate.....	\$300,733
Increase To Equity.....	\$1,113,732
Total Distribution of Income	\$8,343,694

2007 Financial Highlights

<i>Key Operating Areas</i>	<i>2007</i>	<i>2006</i>	<i>Change</i>	<i>% Change</i>
Membership	19,035	17,947	1,088	6.06%
Loans	\$71,071,169	\$65,945,336	\$5,125,833	7.77%
Shares	\$96,969,081	\$89,601,046	\$7,368,035	8.22%
Assets	\$109,172,203	\$100,881,125	\$8,291,078	8.22%
Reserves	\$11,584,951	\$10,458,145	\$1,126,806	10.77%

Financial Notes Contingency

Liability For Unused Credit Limits.....\$15,213,525

Business Loans / Participation.....\$3,910,104

Market Value of Hold to Maturity Securities.....\$5,826,923

Supervisory Committee Report

Your credit union's Supervisory Committee is responsible for safeguarding our members 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 concern was found.

In addition in 2007 an independent outside audit as performed, the report found our records in balance and our procedures and operations in compliance with Federal Credit Union rules and regulations.

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

Respectfully Submitted,

James Humphrey • Mitchell Amado • Frank Mazza