



a history of the american flag

*2001
Annual
Report*

APCU

ATLANTA
POSTAL
CREDIT UNION

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LET TREAD C

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*“Our employees
have found themselves
on the front lines of a new kind
of war. It is not a role they have
sought, but it is one they have
accepted. They have become quiet
heroes simply by doing their jobs.”*

Postmaster General/CEO
John E. Potter before a
United States Senate subcommittee
on November 8, 2001.



Atlanta Postal Credit Union's 2001 Annual Report is dedicated to the brave men and women of the United States Postal Service, to their families and to those “quiet heroes” who lost their lives while serving fellow Americans.



Atlanta Postal Credit Union, like credit unions throughout the world, is a not-for-profit financial service cooperative, owned and controlled by our members. What separates APCU from other financial institutions is a philosophy of people helping people bring about economic stability to their families and surrounding communities even in the most difficult times. This philosophy in action translates into a tremendous difference for those who choose to be part of the Credit Union.

APCU is a business, in many ways, like any other business. But as a cooperative, we belong to the people who use us. We operate solely for our members' benefit. Credit unions worldwide operate differently, but each functions with the same basic principles that have been part of the credit union movement for more than 150 years.

One principle is that membership is open and available on a voluntary basis to all eligible individuals. For over 75 years APCU has delivered exceptional service to U.S. Postal Service employees, retirees and their families. We were founded on the premise that working people need a safe, reliable place to save and borrow money.

Another key principle is that members ultimately control their cooperatives in a democratic manner. When you attend APCU's Annual Meeting you are exercising your member-owner rights.

Credit unions operate in an economical manner keeping expenditures to a minimum so we can continue to pay competitive rates on deposits and make loans at easily affordable financing rates. In fact, APCU enjoys the one of the lowest expense-to-asset ratios in the industry.

Credit unions have a one-for-all and all-for-one way of thinking making them unique among businesses. Even in areas where they compete, it is common for credit unions to work together on numerous activities. For example, APCU participates in a nationwide campaign supporting the Children's Miracle Network. Together credit unions contribute over \$3 million dollars a year to children's hospitals throughout the United States.

Credit unions exist primarily for the benefit of their members. Because of this strong association with members, they are often closely and actively tied to their communities. To that end, credit unions stepped forward to assist financially the families, businesses and fellow credit unions affected by the tragic events of September 11, 2001.

APCU enjoyed a successful year in 2001. Our assets grew to \$1.1 billion. Our membership increased to over 90,000 members. Our net worth ratio of 13.12% demonstrates the strength and stability of your Credit Union.

Thanks to the cooperative spirit and people helping people philosophy, Atlanta Postal Credit Union is able to help members face the financial challenges of today and tomorrow. Your Board of Directors, managers and staff pledge continued efforts in pursuit of cooperation and service, and protecting the best interests of all our members.



The Culpepper flag flew prominently during the American Revolution, under which many men fought and died. The flag was a blazing yellow banner sporting the ominous coiled snake and revolutionary warning, "Don't Tread on Me."

We are pleased to provide you with Atlanta Postal Credit Union's 77th Annual Report. We are proud 2001 was a year of continued growth in financial strength. There are many reasons for the success we experienced during the year, but without the support, trust and loyalty of our members, APCU would not be the strong, dynamic financial leader it is today.

Atlanta Postal Credit Union ended 2001 with assets of \$1.177 billion, an increase of \$118 million or 11% over the previous year. In these turbulent times, this statistic is important because it shows our members place a high level of confidence in the Credit Union as their financial partner.

We recognize in order to be your partner, we must deliver services to help you achieve your financial goals. To that end, APCU installed a new computer system in July 2001. The upgraded technology gives us the tools necessary to continue to develop the services members want today and in the years to come. We have successfully managed the challenges that are inherent in a computer conversion and are now beginning to utilize the capabilities the new system provides.

We have seen a dramatic downturn in interest rates during the past year. Many economists project interest rates will likely remain low. Low rates make this a good time to buy or refinance a home or make other major purchases, such as cars. However, low interest rates also impact savings plans. Our fourth quarter share dividend, while down from December 2000, is still one of the best rates available anywhere. And, accounts are safe because they are fully insured up to \$100,000 by the National Credit Union Administration.

I would like to take this opportunity to express my personal appreciation to Moses M. Spence. At the end of 2000, Mr. Spence retired from his position as CEO. The Board of Directors elected Mr. Spence Chairman of the Board on January 27, 2001 and as such, he remains closely connected to the Credit Union. I am personally grateful for Mr. Spence's ongoing guidance and encouragement and his commitment to APCU and its members.

I also extend sincere thanks to the Board, committee volunteers, management and staff for their full support and dedication during this past year. Their responsiveness to our members and the loyalty this inspires, is why Atlanta Postal Credit Union is the largest postal credit union in the country.

Looking ahead to 2002, APCU foresees more progress and innovation. Our focus will remain on what we can do for our members. We will continue directing our attention to delivering the highest quality services while maintaining and enhancing the Credit Union's financial strength, all to ensure APCU remains your best choice for financial peace of mind now and in the future.

77



*No one knows
with absolute
certainty who
designed the first
stars and stripes
or who made it.
Congressman
Francis Hopkinson
seems most
likely to have
designed it,
and a few
historians believe
Betsy Ross, a
Philadelphia
seamstress,
made the
first one.*

The Credit Committee of Atlanta Postal Credit Union is tasked with the responsibility of ensuring the Credit Union meets the loan needs of its members on an equitable basis. The Committee is charged with making certain that loans are made prudently thereby safeguarding members' deposits. The Committee also provides financial counseling as needed to help put members on the right track to economic security.

Despite recent strained economic conditions, 2001 proved to be another productive year in the lending area. The Credit Union currently has 30,670 loans to members on the books. The amount of the total loans outstanding as of December 31, 2001 was \$456,815,608.

Two new loan services were instituted in 2001. First, APCU launched the new 24-hour a day, seven days a week Minute Money Loan on our Website. With Minute Money Loan, members use their personal computers with Internet connection to apply for a loan anytime, day or night. Once the brief application is completed and submitted, members receive a decision in 90 seconds or less.

The second significant program introduced in 2001 was our new Visa Credit Card Balance Consolidation Program. The Balance Consolidation Program allows members to move account balances from other financial institutions to their APCU Visa account. The program is completely automated and available 365 days a year. Our low Visa rates save members money and they enjoy the convenience of fewer monthly bill payments.

The Balance Consolidation Program was delivered to members along with a 2% rebate incentive to encourage the transfer of balances to APCU. This campaign, culminating a yearlong promotion of

the Visa credit card program, resulted in outstanding growth in our Visa portfolio. APCU's outstanding Visa balances grew to \$42,452,735 at the end of December 2001, an increase of 12.6%. This compares favorably to large credit unions nationwide who experienced a 4% decline in credit card balances*.

The Credit Union also promoted mortgage loans to members by direct mail. We had an extraordinary response to the mailing. Our mortgage loan portfolio increased by 11.8% to over \$173 million.

The Credit Committee is made up of five dedicated volunteers. In addition to myself, the volunteers include: Vice Chairman, Joe Philippus, George Lamar, J. T. Middlebrooks, and Roy Rainwater. The group meets twice weekly to review member applications and evaluate the decisions of the Credit Union's lending officers. Committee volunteers are truly dedicated to improving the financial strength of each Credit Union member.

On behalf of the Credit Committee, I wish to express our appreciation for your support. We are grateful for the confidence you have shown in us and look forward to serving you in 2002. Our members may be assured the Credit Committee, Loan Department and staff will continue to provide exceptional financial support now and in the future.

*NCUA third quarter performance data released November 27, 2001.



The Bennington flag (AKA the Fillmore flag) was carried at the Battle of Bennington, Vermont in August 1777. Nathaniel Fillmore took this flag home from the battlefield. It was passed down through generations and today it is seen at the Bennington Museum.

The Supervisory Committee serves as the “watch-dog” group over the Credit Union’s Board of Directors, officials and employees to ensure members’ financial holdings in the Credit Union are safe at all times. As Committee Chairman for the past several years, it is my privilege to report Atlanta Postal Credit Union is in sound condition. Despite the sagging economy and the effects from the events of September 11, 2001, APCU remains a well-managed, secure financial institution.

Following examinations by the Georgia Department of Banking and Finance and the National Credit Union Association, APCU received excellent reports. In addition, the CPA firm of Mauldin & Jenkins completed the 2000 independent audit in February 2001 with very positive conclusions. The firm, now performing the 2001 audit, is finding positive preliminary results as well.

2001 proved a challenging year for the Supervisory Committee. The conversion to a new computer system in July 2001 changed the tools used to analyze the Credit Union’s operations. The Committee learned the system and familiarized itself with its valuable reporting capabilities. The new system provided the Committee an opportunity to further strengthen internal controls already in place.

An audit of the new computer system as well as APCU’s online computer service, the Internet Branch, has been scheduled for March 2002. Information technology experts from Mauldin & Jenkins will examine our internal controls to verify adequate safeguards of members’ assets are in place.

The retirement of Mr. Jack Wheeler from the Committee in December 2001 brought another significant change to the Committee.

Mr. Wheeler served the Committee and Credit Union for 18 years. The Board, Committee members, managers and staff express deep gratitude to Mr. Wheeler for the outstanding work he performed. His faithfulness, devotion and talent will be missed.

I would like to recognize and thank the other dedicated members of the Committee for their service to the Credit Union. The Committee members include: Robert L. Harris, CPA, H. Preston Mulkey, George W. Harper, and Royce L. Jackson.

We welcome new Committee member, Billy E. Payne. He joins us following a long, successful career with the U.S. Postal Service, retiring as Postmaster in Oxford, Georgia. Having served as a Postal Systems Examiner, Mr. Payne possesses a strong financial auditing background. Mr. Payne is an active member of the Credit Union since 1959. We are honored he will serve and value the skills he brings to the group.

Your Board, officers and managers are commended for adhering to stringent, established operating policies. Each individual conscientiously performed his or her duties and obligations to APCU’s entire membership. We also thank our employees for the professional contributions they made to the Credit Union this year.

The Supervisory Committee sincerely appreciates the opportunity to have served in our respective roles and look forward to the opportunities of the future.

1818



By 1818, the union consisted of 20 states. A Congressional act mandated the number of stripes be fixed at 13 and one new star be added for each new state, the July 4th following its admission.

Statement of Financial Condition
As of 12/31/01

Assets	
Loans	\$456,815,608
Loan Reserves	(3,232,026)
Cash	2,433,849
Investments	699,634,150
Land and Building	204,063
Other Fixed Assets	2,258,922
Other Assets	19,733,581
<hr/>	
Total Assets	\$1,177,848,147

Liabilities and Equity

Accrued Dividends Payable	\$217,935
Accounts Payable	485,224
Shares and Deposits	1,016,401,840
Reserves	34,502,099
Undivided Earnings	126,241,049
<hr/>	
Total Liabilities and Equity	\$1,177,848,147

Statement of Operations
As of 12/31/01

Income	
Interest on Loans	\$38,685,721
Income from Investments	33,197,742
Other income	2,620,711
<hr/>	
Total Gross Income	\$74,504,174

Distribution of Income

Dividends on Shares	\$31,752,578
Interest on Deposits	13,554,674
Required Reserve Transfer	1,225,209
Transfer to Undivided	
Earnings	12,940,211
Expenses	15,031,502
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Total Income Distribution	\$74,504,174



By 1861, the nation had 34 states. Even after the South seceded from the Union, President Lincoln would not allow any of the stars representing the Confederate states to be removed from the flag.

Board of Directors

Moses M. Spence, Chairman
 Sam B. Dowdy, Secretary
 Katherine S. Brown
 James L. Cabe
 Donald A. DeCinque
 George W. Harper
 W. Dan Honea
 H. Preston Mulkey
 W. A. Waldrop
 O.A. Williams, Jr.

Supervisory Committee

James L. Cabe, Chairman
 George W. Harper
 Robert L. Harris, CPA
 Royce L. Jackson
 H. Preston Mulkey
 Billy E. Payne

Credit Committee

Katherine S. Brown, Chairman
 Joe Philippus, Vice Chairman
 George Lamar
 J.T. Middlebrooks
 Roy Rainwater

Credit Union Officers

Donald A. DeCinque
 President

Terrence M. Griffin
 Vice President/Information Systems

Gary S. Kyle
 Vice President/Finance

Helen N. McKinley
 Vice President/Human Resources

Alfred W. Powell, Jr.
 Vice President/Lending

Janet A. Spruell
 Vice President/Operations

Dianne S. Yost
 Vice President/Marketing

1908



In 1908, the US had 46 states. It is interesting to note there was no official design for the 46-star flag used from 1908 to 1912. A Presidential order in 1912 fixed the position of the stars on the flag.

MAIN OFFICE

3900 Crown Road
Atlanta, GA 30380-0001
404-768-4126 Local
800-849-8431 Toll Free
404-669-2750 Fax

Office Hours

Monday-Friday • 9:00 a.m.- 4:00 p.m.

Telephone Service

8:30 a.m.- 5:00 p.m.

DECATUR BRANCH

P.O. Box 803
Decatur, GA 30031
404-373-2646 Local
404-378-5642 Fax

Office Hours

Monday-Friday • 9:00 a.m.- 4:30 p.m.

Telephone Service

8:30 a.m.- 5:00 p.m.

NORTH METRO BRANCH

Real Estate Department
P.O. Box 588050
North Metro, GA 30029-8050
770-921-7091 Local
800-849-8436 Toll Free
770-921-7186 Fax

Office Hours

Monday-Friday • 9:00 a.m.- 4:30 p.m.

Telephone Service

8:30 a.m.- 5:00 p.m.

BULK MAIL CENTER

1800 James Jackson Pkwy., NW
Atlanta, GA 30369-9751
404-792-8560 Local
800-849-8435 Toll Free
404-792-2512 Fax

Office Hours

Monday-Friday • 9:00 a.m.- 4:30 p.m.

Telephone Service

8:30 a.m.- 5:00 p.m.

MACON BRANCH

VISA Department
900 Pio Nono Ave.
Macon, GA 31204-4059
478-746-4283 Local
800-849-8434 Toll Free
478-746-8999 Fax
800-654-7728 VISA Card Services

Office Hours

Monday-Friday • 9:00 a.m.- 4:30 p.m.

Telephone Service

8:30 a.m.- 5:00 p.m.

Drive-Up Window Service

Monday-Friday • 9:00 a.m.- 4:30 p.m.

24-HOUR LENDING CENTER

800-371-6917

KEY TELLER SERVICE

In Atlanta - 404-763-APCU (2728)
In Georgia - 800-822-0251
Outside Georgia
800-849-APCU (2728)

INTERNET ADDRESS

Visit our Home Page at
<http://www.apcu.com>
e-mail: info@apcu.com

1960



The United States flag today. Presidential orders were issued fixing the position of the stars for this flag following the admission of Alaska and Hawaii to the Union on Jan. 3, 1959 and August 21, 1959, respectively.

- ★ The flag of the United States should be flown daily from sunrise to sunset in good weather. The flag may be displayed 24 hours a day on patriotic holidays or if properly illuminated.
- ★ The flag should not be displayed on days when the weather is bad, except when an all-weather flag is used.
- ★ The flag should always be flown on national and state holidays and on occasions proclaimed by the President. On Memorial Day, the flag should be half staffed until noon.
- ★ The flag should never be dipped to any person nor should it ever be displayed with the union down, except as a signal of dire distress.
- ★ The flag should never touch anything beneath it, or be carried flat or horizontally.
- ★ The flag is not to be used as wearing apparel, bedding, drapery, or decoration.
- ★ When a flag is displayed on a car, the flag's staff should be fixed firmly to the chassis or clamped to the right fender.
- ★ The flag or its staff should not be used for advertising purposes. Pictures, drawings, insignias or other decorations should not be placed on or attached to the flag, its staff, or halyard.
- ★ The flag should not be embroidered or printed on cushions, handkerchiefs, and personal items or on anything designed for temporary use.
- ★ When the flag is so worn or soiled that it is no longer suitable for display, it should be retired (destroyed) in a dignified manner, preferably by burning.

Our Flag

The Continental Congress in Philadelphia adopted the stars and stripes on June 14, 1777 as the national flag of the United States of America. The thirteen stripes alternating red and white, with a union of thirteen white stars in a field of blue (representing a constellation) symbolized a new nation dedicated to the personal and religious liberty of mankind.

Today fifty stars, one for each of our fifty sovereign states, adorn our flag. The flag's colors represent the patriotic ideals and spiritual qualities of the citizens of our country. The red stripes proclaim the fearless courage, integrity and self-sacrifice of the American people. The white stripes stand for liberty and equality for all and the blue of the union, for loyalty and faith.

Our flag symbolizes American freedom: freedom of speech, religion, assembly, the press, and the sanctity of the home. It typifies the spirit of determination brought to this land by our forefathers. Our flag is the symbol of our nation's law: the Constitution of the United States and the Bill of Rights. The flag is the sacred emblem of our country and it embodies our heritage of liberty purchased with blood and sorrow.

The flag of our country is the personification of who we are as a nation and those principles in which we believe: "One nation under God, indivisible, with liberty and justice for all." Our flag was created in freedom. Long may it wave over the "Land of the free and the home of the brave".

