

Atlanta Postal Credit Union



2002 Annual Report



"Stamps are miniature documents of human history. They are the means by which a country gives sensible expression to its hopes and needs; its beliefs and ideals. They mirror the past and presage the future.

They delineate cultural attainments, industrial works, domestic, civil and social life.

In a word, these vignettes give a vivid picture of the world, its occupants and their multifarious endeavors."

Francis Cardinal Spellman, c. 1950

tradition

It is my honor and pleasure to serve as Chairman of the Board of Directors for Atlanta Postal Credit Union. For more than seven decades, APCU has served the financial needs of employees of the U.S. Postal Service, retired U.S.P.S. employees, family members of active or retired postal

chairman's report

Moses M. Spence

employees and family members of all current APCU members. We have had a strong tradition of people helping people to a better way of life.

When you walk into one of our branches, call our KeyTeller Audio Service, visit us online, use our ATMs or transact business by mail, what makes Atlanta Postal Credit Union different from other financial institutions isn't immediately apparent. Other institutions may offer similar products and services but that is where the similarities stop. Crucial differences exist in philosophy, ownership, rates, and fees.

APCU, like credit unions worldwide, is a member-owned nonprofit financial cooperative. Our philosophy centers on improving members' lives. Credit unions are the only democratically controlled financial institutions in the United States. Because our members are owners of Atlanta Postal Credit Union, each has a voice in who serves on our all-volunteer Board of Directors and a say in how we do business.

Credit unions offer unbeatable rates on loans and deposits. Service fees are very low and in some cases, non-existent. We provide only the high-quality, economical services our members need.



Olympic Baseball Stamp ***First Day of Issue April 3, 1992***

In 1992, baseball teams from around the world traveled to Barcelona, Spain to compete for the first time in the summer

Olympic Games. This stamp was issued in honor of this historic "first" and depicts a player's dramatic slide into home plate.

We have maintained and take pride in our tradition of integrity, financial strength, long-term stability and service excellence. APCU enjoyed a successful year in 2002. Our membership stands at over 91,000. We grew in size to \$1.3 billion.

Sadly, we lost one of our loyal and dedicated volunteers this year, Mr. William A. Waldrop. Mr. Waldrop diligently and faithfully served the Credit Union from 1973 until he passed away on May 11, 2002. He was a member of the Board of Directors, the Personnel Committee and was Chairman of APCU's Asset Liability Committee. The Board of Directors, volunteers, managers and staff are sincerely grateful for Mr. Waldrop's many years of service.

Mr. O.A. Williams, Jr. retired from APCU's Board in 2002 after serving for over 40 years. Mr. Williams was appointed to the Board of Directors in 1961 to fill an unexpired term and was then elected to the Board at APCU's 37th Annual Meeting in 1962. He also served as the Credit Union's Chairman of the Field Activities Committee. Mr. Williams is a truly dedicated volunteer who gave of his time, wisdom and insight to help APCU remain a "member-centered" financial institution. We sincerely appreciate the enormous contributions both these gentlemen have made to the Credit Union, our members, Board of Directors and staff.

Thanks to our tradition of people helping people, Atlanta Postal Credit Union is able to assist members as they face the financial challenges of today and tomorrow. Your Board of Directors, volunteers, managers and staff pledge continued efforts in pursuit of cooperation and service, and protecting the best interest of all our members.



***Rural Free
Delivery Stamp
First Day of Issue
August 7, 1996***

A photograph of an early rural mail carrier beside his horse-drawn wagon inspired the design of this stamp commemorating 100 years of rural free delivery (RFD).

According to the U.S. Postal Service, the RFD is "a cornerstone of today's Postal Service, and a fixture of American life".

commitment

2002 marks the end of our 77th year of service to members of Atlanta Postal Credit Union. Throughout our long history we have remained committed to providing the best, most affordable financial products available while maintaining outstanding service levels. The Board of

president's report

Donald A. DeCinque

Directors, volunteers, and staff are all dedicated to helping members make the financial choices that allow their families to prosper.

APCU ended 2002 with assets of \$1.331 billion. For the second year in a row, we experienced record growth with an increase of \$153 million. Growth of this magnitude can only be attributed to our members and the trust each one has placed in the Credit Union. Our members know the Credit Union is an honest, safe and sound place to obtain loans and keep their hard-earned money.

Despite the economic turmoil of the last 18 months, we have continued to seek new avenues to enhance the service we provide to our members. To that end, we installed a new, highly efficient telephone system this year. While the improvements the new system brings may not be obvious to members calling the Credit Union, we are able to handle far more calls in a more timely manner. The KeyTeller Audio Response Service was also enhanced to provide for cross-member transactions. Members can now obtain information about any member account he or she is authorized to access with one telephone call using KeyTeller.



Heroes Stamp **First Day of Issue June 7, 2002**

On September 11, 2001, the worst terrorist attack in U.S. history struck America.

Thomas Franklin of the Bergen, New Jersey Record, took the photograph reproduced on this stamp. It captures New York firefighters Daniel McWilliams, George Johnson and Billy Eisengrein raising the U.S. Flag amidst the rubble of the World Trade Center.

**American Red Cross Stamp
Issued 1930**

Clara Barton's work on the battlefields during the Civil War and then behind the lines during the Franco-Prussian War led to the establishment of the American Red Cross. This issue commemorates the 50th anniversary of the founding of the American Red Cross.



APCU aggressively moved forward to develop and deliver many new services. Each of these services was designed to provide increased convenience and give greater control to our members. For example, we introduced a 30-year mortgage program in 2002. We also released a Home Equity Line of Credit program to residents of Georgia. We will expand this product offering to additional states in the future.

Several new services are available using APCU's Internet Branch. For example, members can view checks that have cleared their account, request a withdrawal, view Visa Credit Card activity and make payments, and transfer funds between accounts anytime, day or night.

In 2002, we were pleased to inform our members with Individual Retirement Accounts that their IRA savings in APCU is insured up to \$350,000. This exceptional level of coverage is provided through a combination of federal insurance

provided by the NCUA and private insurance by the Excess Share Insurance Corporation. This additional coverage is free to our members.

No matter which method you use to transact your business with us: visiting a branch, using the mail, calling our KeyTeller or Member Services Department, visiting a service center, using the Internet Branch or ATM, we want every experience you have with the Credit Union to be a positive one. We will continue to seek ways to improve our delivery systems and services to meet your changing needs.

We remain committed to excellent service and to the continued strengthening of the service standards our members have come to know and expect. We thank every member sincerely for their loyalty, and for the confidence placed in us.

dedication

Atlanta Postal Credit Union is dedicated to providing flexible loan programs to meet the ever-changing needs of our membership. The Credit Committee insures every member request is handled in an equitable manner and in accordance with APCU's lending policies.

credit committee report

Katherine S. Brown

2002 was a year marked by a significant downturn in the economy, the lowest interest rates in decades, and businesses downsizing, resulting in fewer loan requests. Rock-bottom mortgage rates spawned unprecedented movement in the home mortgage market. These factors presented unique opportunities for the Credit Union. Through it all, APCU assisted approximately 29,000 members with their financing needs. The amount of the total loans outstanding as of December 31, 2002 was \$459,655,543.

Three new loan programs were developed and released during the past year. A thirty-year mortgage program was offered to make financing the purchase of real estate more affordable. A Home Equity Line of Credit program was introduced on a limited basis and is being test-marketed in Georgia. We anticipate a release to all members in the near future.

For our college bound members, we implemented a Student Loan Consolidation program. This program allows students to combine their outstanding student loans and take advantage of significantly lower rates.

The Credit Union participated in three successful car sales. We offered members the opportunity to use the equity in their vehicle (up to 125% of the appraisal value) to consolidate other debts and ease monthly payments. Educational information was provided to members about the 0% financing claims by dealerships. APCU continues to work hard to help members be informed consumers.

In this strained economic environment some individuals found it more difficult to meet financial commitments each month. As a Credit Union, we are focused on helping our members through these difficult times. Our goal has been and continues to be to protect the Credit Union's assets and keep delinquent accounts, bankruptcies and charge-offs to an acceptable level.

The Credit Committee is comprised of five volunteers: Katherine S. Brown, Chairman, George Lamar, Pat Little-Trever, J.T. Middlebrooks, and Roy Rainwater. The Committee meets regularly to review member applications and audit the decisions of our lending staff.

Each Committee member is dedicated to improving the financial well-being of Credit Union members. Our members may be assured we will continue to provide exceptional financial support now and in the future. We wish to express our sincere appreciation and gratitude for the confidence you continue to show us.



First Man on the Moon Stamp
First Day of Issue September 9, 1969

The Apollo 11 mission was perhaps the most visible scientific project ever, with hundreds of millions of people watching on television. Neil Armstrong, depicted on the Moon's surface stated, "That one small step for man, one giant leap for mankind". The master-printing die for this stamp was carried to and from the Moon in July 1969 and then was used to make the printing plates.

integrity

It is the responsibility of the Supervisory Committee to make certain APCU adheres to established state and federal laws and Credit Union Bylaws. Committee members review every aspect of the Credit Union's policies and procedures to insure the integrity of the Credit Union is not compromised.

supervisory committee report

James L. Cabe

The Bylaws under which APCU operates require the Supervisory Committee to perform a comprehensive audit of the Credit Union's operations on an annual basis. The findings of each year's audit are to be reported to APCU's Board of Directors. To meet this requirement, the Committee retained the accounting firm of Mauldin and Jenkins to conduct the 2002 audit. The final audit report is being prepared and will be provided to the Board in February 2003. The preliminary reports, however, are very positive and consistent with our long history of sound financial management.

The Supervisory Committee also retained Mauldin and Jenkins to perform an in-depth audit of the Credit Union's computer software and hardware resources in 2002. An extensive review of Credit Union's online service, Internet Branch, was included in this audit. Again, the conclusions drawn from the examination of our systems and procedures were positive.



The Georgia Department of Banking and Finance and the National Credit Union Administration conducted their annual examinations last October. At APCU's November Board meeting,

Teachers of America Stamp ***First Day of Issue July 1, 1957***

This stamp was issued to honor Teachers of America during the centennial convention of the National Education Association

in Philadelphia, and to show the important role of the teacher in preparing the young for their places in the world.

we received an excellent report from both of these regulatory agencies.

The Credit Union is fortunate to have four highly qualified members serving on its Supervisory Committee and a CPA as Internal Auditor. The dedicated members are: James L. Cabe, Chairman, Royce L. Jackson, Roy L. Matthews, H. Preston Mulkey, and Robert L. Harris, CPA.

As Chairman of the Supervisory Committee, I want to recognize the Committee members for a performance above and beyond expectations this past year. I extend a sincere "thank you" for the numerous hours expended by each individual performing his duties and obligations.

On behalf of the Supervisory Committee, I congratulate the Board, volunteers, Mr. DeCinque and the entire staff for their combined efforts this past year. The results of these efforts are apparent as we reflect on the Credit Union's performance in 2002.

The Committee members sincerely appreciate the opportunity to have served during the past year and look forward to serving again in 2003.



Constitution Stamp
First Day of Issue
September 17, 1987

On September 17, 1787, the tense moment arrived: the time to sign the fiercely debated U. S. Constitution. Following its ratification by the individual states, the Constitution became the law of the land. This stamp commemorates the bicentennial anniversary of this historic event.

financial

statement of financial condition

as of December 31, 2002

Assets

Loan	\$ 459,655,543
Loan Reserve	(3,640,270)
Cash	2,967,051
Investments	848,823,257
Land and Building	185,218
Other Fixed Assets	2,082,306
Other Assets	20,824,773

Total Assets \$ 1,330,897,878

Liabilities & Equity

Accrued Dividends Payable	\$ 282,497
Accounts Payable	2,218,484
Shares & Deposits	1,149,837,786
Reserves	38,320,594
Undivided Earnings	140,238,517

Total Liabilities & Equity \$ 1,330,897,878



statement of income

as of December 31, 2002

Income

Interest on Loans	\$ 36,555,443
Income from Investments	30,888,127
Other income	2,973,292

<i>Total Gross Income</i>	<i>\$ 70,416,862</i>
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Distribution of Income

Dividends on Shares	\$ 27,145,694
Interest on Deposits	10,191,741
Required Reserve Transfer	430,566
Transfer to Undivided Earnings	13,997,468
Expenses	18,651,393

<i>Total Income Distribution</i>	<i>\$ 70,416,862</i>
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board

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
Bud Wilkinson
O.A. Williams, Jr.-Director Emeritus
Jack M. Wheeler-Honorary Director



Martin Luther King, Jr. Stamp
First Day of Issue September 17, 1999

M.L. King, Jr. was an American clergyman, Nobel Prize winner, prominent advocate of nonviolent protest and a principal leader of the American civil rights movement. This stamp was issued as part of the "Celebrate the Century" series commemorating the events of the 1960's.

First Certified Mail Stamp
First Day of Issue June 6, 1955

A mailman is featured on the first certified stamp used in connection with the newly inaugurated certified mail service.



supervisory committee

James L. Cabe, Chairman
Robert L. Harris, CPA
Royce L. Jackson
Roy L. Matthews
H. Preston Mulkey

credit committee

Katherine S. Brown, Chairman
George Lamar
Pat Little-Trever
J.T. Middlebrooks
Roy G. Rainwater

branches

branch listings

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

Monday- Friday • 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

Monday-Friday • 8:30 a.m.-5:00 p.m.



Veterans of WW II Stamp First Day of Issue May 9, 1946

This stamp honors all veterans, both those who died and those who survived, of World War II. Most were honorably discharged and given the Honorable Discharge Pin pictured on the stamp.

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

Monday-Friday • 8:30 a.m.-5:00 p.m.

BULK MAIL CENTER

1800 James Jackson Pkwy., NW

Atlanta, GA 30369-9751

404-792-8560 Local

404-792-2512 Fax

Office Hours

Monday-Friday • 9:00 a.m.-4:30 p.m.

Telephone Service

Monday-Friday • 8:30 a.m.-5:00 p.m.

MACON BRANCH

VISA Department

900 Pio Nono Avenue

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

Monday-Friday • 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

<http://www.apcu.com>

e-mail: info@apcu.com



*Delivering exceptional
service to U.S.*

*Postal Service employees
and their families
since 1925.*



We Do Business in Accordance with the
Federal Fair Housing Law and the
Equal Credit Opportunity Act

Your savings federally insured to \$100,000

NCUA
National Credit Union Administration
a U.S. Government Agency



AMERICA'S
CREDIT UNIONS™

Where people are worth more than money.



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