



ATLANTA  
POSTAL  
CREDIT UNION



## 2009 Annual Report

*85 Years of Service, Strength,  
and Commitment.*



# Chairman's Report



*Moses M. Spence  
Chairman of the Board*

Atlanta Postal Credit Union (APCU), 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 to bring about economic stability for their families, even in the most difficult times.

So what does this mean exactly? When eligible individuals join APCU, they became an owner in a financial institution where members share resources to offer low cost loans to other members. Net profits come back to members in the form of higher savings rates, lower loan rates, lower or nonexistent fees, and better service. This philosophy has guided APCU since the original members, U.S. Postal employees, founded our credit union in 1925.

Since first chartered, APCU has continually focused on serving U.S. Postal Service employees, retirees and their families. We were founded on the premise that hard-working people need a safe, reliable place to save and borrow money. Today, we serve over 99,000 members worldwide. Despite keeping pace with significant and ongoing changes in the financial industry's regulatory environment, advancements in technology and dramatic shifts in the economy, we have never allowed outside influences to impede our ability to provide the best personal service and greatest financial returns to our members.

As we celebrate our 85th year of operation, a great deal has changed over the years, but we've held firm to our operating principles: To always provide our members with high quality, value, and convenience; to help our members achieve consistent long-term financial growth and the best possible return; to treat our members with dignity, honesty and courtesy, while providing service which is fair, friendly and sincere; to maintain a strong team of committed, dedicated and loyal Directors, management and staff to serve our members; and to remain innovative and competitive to best meet our members needs.

APCU enjoyed a successful year in 2009 as exemplified by our growth in assets and membership. The credit union operates 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.

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.

# President/CEO Report



*Donald A. DeCinque  
President and Chief  
Executive Officer*

The unsettling fluctuations in the stock market, the unprecedented national debt, financial institution failures, and the crippling unemployment rates have created great concern among citizens across the country. We understand that our members share this concern and need to know how APCU is fairing during these turbulent times. I am happy to report that Atlanta Postal Credit Union is handling the financial industry challenges very well. Financially, the credit union experienced tremendous growth in 2009.

APCU ended the year with assets over \$2.0 billion. It should be noted that \$200 million of this growth was attributed to a federally backed loan and investment purchase program that will mature and decrease our assets in 2010. As published in the Callahan Credit Union Report, September 2009, APCU was the 51st largest credit union in the nation. Among the largest U.S. credit unions, APCU ranks in the top ten with regard to capital to assets and the top six in operating expenses to average assets and in the number of members to employees. These figures are important because they clearly show that while APCU continues to grow, we are able to keep tight reigns on our operating expenses.

Did the financial turmoil that plagued the nation impact APCU? Of course it did. Some of our members struggled and fell on difficult times. The good news is that most of these members who experienced financial hardships were able to repay what they owed the credit union. They did so because they understood the important benefits the credit union brought to their families. As a result, we experienced relatively low delinquencies, and the reserve we have maintained in anticipation of loan losses continues to be well funded.

Another area of impact on APCU came from our relationship with corporate credit unions. Corporate credit unions are not "natural person" credit unions like APCU in that they only provide services, such as liquidity, investment and payments services, to regular credit unions.

These corporate credit unions operate in the capital markets and invest in the highest-rated, investment grade securities. But as with so many other investment firms, the housing crisis and accounting rules required them to recognize the decline in the market value of their investments. The “unrealized” losses were significant and had a considerable negative impact on the capital adequacy of the corporate credit unions. So, in the spirit of the cooperative credit union system, APCU, along with other credit unions across the country, came together to bolster the corporate credit unions by transferring some of our capital strength to them.

This move did not have any material impact on the overall stability and health of our institution because of our consistent, positive financial performance over the years, which has allowed us to build our reserves up to meet these and future challenges. We still maintain an extremely strong capital position which far exceeds regulatory guidelines. However, accounting practices required us to post this expenditure through our Statement of Income, resulting in a negative “Transfer to Undivided Earnings” number at the end of 2009.

What does all this mean for our members? The same level of quality service, above market rates on your deposits, affordable financing rates on loans, and reasonable fees you enjoy from our credit union today will continue. And, of course, your funds in Atlanta Postal Credit Union remain safe and federally insured up to \$250,000 by the National Credit Union Share Insurance Fund and backed by the full faith and credit of the U.S. Government.

APCU has been and will be here to serve you during the good times and the tough times ahead. We want to assure you that your money is secure with us!

## Credit Committee Report

The mission of the Credit Committee is to insure the credit union is making the best use of members’ deposits by lending those funds to fellow members. No matter what the need – from the purchase of a home to consolidating debts and everything in between – Atlanta Postal Credit



*Katherine S. Brown  
Credit Committee  
Chairman*

Union makes funds available to all qualified members for any worthwhile purpose.

It is the Committee’s task to make certain each and every member request is handled in an equitable manner and loan decisions are made in accordance with APCU’s loan policies. The Committee also takes an important leadership role in providing financial counseling to members.

2009 proved to be a challenging year as overall loan demand among the nation’s financial institutions slowed dramatically. In spite of this national trend, APCU continued to make money available to members. More than 24,963 members took advantage of APCU’s low, affordable loan financing rates. Our total outstanding loan balance was \$838,416,499 as of December 31, 2009.

With the uncertainty of the mortgage market, consumers sought stable lenders to finance or refinance their home mortgages. We are pleased to have assisted many members in securing home mortgages, second mortgages, vacation home financing and Home Equity Lines of Credit. Our members not only obtained financing that worked within their budget but they also gained peace of mind knowing their loan is financed with the people they know and trust at APCU.

In the credit card arena, significant new regulations were approved to attempt to curtail certain consumer abuses by some very large financial institutions. As a result, many of those institutions immediately implemented additional fees, charges and penalties to their credit card programs so as to have the fees and charges in place prior to the new regulations being fully enforced.

At APCU, our members’ financial well-being is always in the forefront of any decision we make regarding the services we offer members. Therefore, we made no significant changes to our Visa Platinum Credit Card program. We continue to offer straightforward rates, easy repayment terms, and fees members can understand. What is more, the APCU Visa Platinum Credit Card features ScoreCard Rewards Bonus Points, one of the best, most flexible reward programs offered anywhere.

As a consequence of the volatile economy, some members have experienced tough financial times resulting in late or non-payment of loan accounts. We remain committed to assisting our members through these difficult times. To help in this regard, the credit union offers BALANCE, a free service that gives members access to professional financial counselors who can advise our members on everything from budgeting to avoiding bankruptcy. We also aggressively manage all delinquent accounts. Our goal is always to protect

credit union assets while providing our membership with the support they need during economic downturns.

As Credit Committee Chairman, I am pleased to work with four truly dedicated volunteers: George Lamar, Pat Little, J. T. Middlebrooks, and Roy Rainwater. On behalf of the Committee, I wish to express our appreciation for your business and the support given to us. Our members may be assured the Credit Committee, Loan Department and staff will continue to provide exceptional financial support today and in the years to come.

## Supervisory Committee Report

The principal function of the Supervisory Committee is to make certain Atlanta Postal Credit Union (APCU) is adhering to established state and federal laws and credit union Bylaws. Given the economic challenges that presented themselves in 2009, the Committee's responsibility to scrutinize and validate the policies, procedures and outcomes of credit union operations intensified for members of the Committee. The task at hand was, and continues to be, to insure that the financial information reported to the Board of Directors and members accurately reflects the fiscal condition of the credit union.

The Bylaws under which APCU operates, directs the Supervisory Committee to complete a comprehensive audit of credit union operations every year. To comply with this directive, the Committee retained the services of Mauldin and Jenkins, Certified Public Accountants and Consultants, to conduct the 2009 audit. The preliminary report by the auditors is consistent with the credit union's long history of prudent financial



*H. Preston Mulkey  
Supervisory Committee  
Chairman*

management. The final audit report is being prepared but the initial findings reveal no irregularities.

The Georgia Department of Banking and Finance (GDBF) along with the National Credit Union Administration (NCUA) conducted their annual audits of the credit union's operations in December 2009. The final reports from these audits indicate that no major discrepancies were identified.

The Supervisory Committee is confident that the Board of Directors is performing its duties and obligations in a conscientious manner. By making sound decisions, establishing straightforward operating policies, and keeping the best interest of our members in the forefront, each individual member of the Board and staff has fulfilled his/her obligation to the membership. Additionally, President/CEO DeCinque and his staff have carried out their duties attentively and competently while being always mindful that the safety and soundness of the credit union are top priorities.

As Chairman, I am fortunate to have had four highly qualified individuals serve with me on the Supervisory Committee. The dedicated members are: Herbert W. MacNabb, Roy L. Matthews, H. David (Jabo) Patterson, and Robert L. Harris, CPA. I want to recognize the Committee members for a job well done this past year.

The Committee members sincerely appreciate the opportunity to have served in 2009 and look forward to serving again in 2010.



*Our members' financial well-being is always in the forefront...*





# Financials

## Statement of Financial Condition as of December 31, 2009

|                    |                |
|--------------------|----------------|
| <b>Assets</b>      |                |
| Loans              | \$ 838,416,499 |
| Loan Reserves      | (12,162,886)   |
| Cash               | 4,058,863      |
| Investments        | 1,187,648,749  |
| Land and Buildings | 0              |
| Other Fixed Assets | 1,838,080      |
| Other Assets       | 39,018,158     |

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**Total Assets** \$ 2,058,817,463

|                                 |               |
|---------------------------------|---------------|
| <b>Liabilities &amp; Equity</b> |               |
| Accrued Dividends Payable       | \$ 538,447    |
| Accounts Payable                | 6,868,851     |
| Notes Payable                   | 200,000,000   |
| Shares and Deposits             | 1,629,794,072 |
| Reserves                        | 31,312,333    |
| Undivided Earnings              | 190,303,760   |

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**Total Liabilities & Equity** \$ 2,058,817,463

## Statement of Income as of December 31, 2009

|                         |               |
|-------------------------|---------------|
| <b>Income</b>           |               |
| Interest on Loans       | \$ 55,571,560 |
| Income from Investments | 26,636,788    |
| Other Income            | 10,590,421    |

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**Total Gross Income** \$ 92,798,769

|                                |               |
|--------------------------------|---------------|
| <b>Distribution of Income</b>  |               |
| Dividends on Shares            | \$ 13,630,884 |
| Interest on Deposits           | 33,745,944    |
| Interest on Borrowed Money     | 1,175,446     |
| Required Reserve Transfer      | 0             |
| Transfer to Undivided Earnings | (6,673,925)   |
| Expenses                       | 50,920,420    |

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**Total Income Distribution** \$ 92,798,769



## Branch Locations

### 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.-4:30 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.

### IBEW BRANCH

501 Pulliam St., Ste 350  
Atlanta, GA 30312-2749  
404-768-4126 Local  
404-223-3322 Fax

#### Office Hours

Monday - Friday  
9:00 a.m.- 4:30 p.m.

#### Telephone Service

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

### NETWORK

#### DISTRIBUTION

#### CENTER BRANCH

*(Formerly 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

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

### NORTH METRO BRANCH

#### Real Estate Department

#### Business Lending 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.

### MACON BRANCH

#### VISA Department

515 Mulberry St., Ste 100  
Macon, GA 31201-6306  
478-746-4283 Local  
800-849-8434 Toll Free  
478-746-8999 Fax  
800-599-7889 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.

### KEY TELLER SERVICE

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

### INTERNET ADDRESS

Visit our Home Page at  
<http://www.apcu.com>  
e-mail: [info@apcu.com](mailto:info@apcu.com)

### 24-HOUR LENDING CENTER

800-371-6917

## Board of Directors

### Moses M. Spence

Chairman of the Board

### Katherine S. Brown

Director

### Donald A. DeCinque

Director

### David Disharoon

Director

### Royce L. Jackson

Director

### Roy L. Matthews

Director

### J. T. Middlebrooks

Director

### H. Preston Mulkey

Director

### Bud Wilkinson

Director

### Sam B. Dowdy

Director Emeritus

## Supervisory Committee

H. Preston Mulkey, Chairman

Robert L. Harris, CPA

Herbert W. MacNabb

Roy L. Matthews

David 'Jabo' Patterson

## Credit Committee

Katherine S. Brown, Chairman

George Lamar

Pat Little

J.T. Middlebrooks

Roy G. Rainwater

