

2019

# ANNUAL REPORT

## A TRADITION OF SERVICE

*"Everyone went out of their way to make us feel comfortable and welcomed."*

— Gregory, Dadeville, AL



**APCU**  
Atlanta Postal Credit Union  
A TRADITION OF SERVICE

# Mission Statement



To help our members achieve financial success by providing exceptional products and service



## Service Promises

I promise to be mindful of your time with fast, efficient, courteous, and friendly service.

I promise to demonstrate integrity in all of my interactions.

I promise to always treat you with dignity and respect.

I promise to work with fellow employees throughout the credit union to ensure you receive the best possible products, service, and solutions.

I promise to safeguard the security and confidential nature of your financial information.

I promise to greet you with a smile and thank you for your business when your transaction is completed.

I promise to deliver on our mission to help you achieve financial success by providing exceptional products and service.



## Chairman's Report

For more than 95 years, APCU has served the financial needs of our members and their families. We have a strong tradition of people helping people to a better way of life.

*Donald A. DeCinque  
Chairman of the Board*

APCU's solid financial performance places it in an exceptional position to grow. When the Board of Directors looks to the future, we see tremendous opportunity on the horizon – opportunity supported by a sturdy foundation of responsible financial management and years of success.

Equally important to APCU's future success is the ability to balance the influence of tradition with the demands of progress. Some highlights from each:

### Tradition:

APCU's Board of Directors continues to fiercely advocate for the postal workers it represents. The Board's commitment is evident at every turn, and no one exhibits this dedication more than Mr. Moses M. Spence. In 2019, Mr. Spence retired from APCU's Board of Directors. After joining APCU in 1966, Mr. Spence moved his way up from the mail room into the position of President/CEO – a role he occupied until he retired professionally in December 2000. Mr. Spence went on to serve as Chairman of APCU's Board of Directors until stepping down at the beginning of 2018. Mr. Spence, who has agreed to stay involved as Director Emeritus, set the tone for member service for more than five decades, and his voice will never be forgotten.

We welcomed Vanessa Meek to fill Mr. Spence's open post on the Board, a position for which she is well-qualified after having served faithfully on the Audit Committee for four years. Ms. Meek, who retired after 30 years of service to the USPS in 2012, brings a valued perspective to her new role as Director.

One of APCU's most important traditions is paying its members the highest possible rates on savings while also charging exceptionally low interest rates on loans. In fact, last year APCU saved member households an average of \$711 each and received an award from the Credit Union National Association for this achievement.



This commitment to member value is central to the credit union movement and to APCU's not-for-profit status. Owned and governed by members, APCU not only manages operations to minimize expenses, it also intentionally minimizes its profits to keep dollars where they belong – in members' own pockets. What remains is set aside for investment in the future and is devoted to essentials like new technology, cyber-security, and product offerings.

### Progress:

As a credit union grows in assets, it achieves efficiencies that heighten overall performance. In other words, the more people APCU can help, the more benefit experienced by all of its members. With this fact in mind, APCU's Board of Directors has approved a forward-thinking initiative called New Horizons, designed to deliver APCU's exceptional value proposition more broadly. By increasing outreach, APCU can help local economies in Georgia through a mutually beneficial relationship that will return value to its core membership group.

Progress also requires investment – in technology and in people. Judicious investment ensures that APCU has the tools and the expertise to deliver on its service promises with speed, safety and soundness. We pursue advancement every day by offering new and improved products, expanding cost-effective service channels, and delivering greater convenience.

At APCU, we also revere the tradition that brings us together with our members in person, whether in a branch, at the annual meeting or through an industry conference. Or if you prefer, we are always a click or a call away.

As Board Chairman, I believe tradition and progress at APCU are well balanced, positioning the credit union for many more years of successful service.

Thank you for your ongoing support and best wishes for a prosperous 2020.





## President and CEO Report

Like many others, as we enter a new decade, I experience a sense of excitement about the prospect of new beginnings. And there's just something special about the year 2020. When I was younger, the idea of 2020 conjured images of jetpacks and flying cars, human beings living on the moon, and robots fulfilling our commands.

*Charles M. Head*  
President and Chief Executive Officer

Most of these mid-century fantasies have not come to fruition. Instead, we have something one might argue is even better – unimaginable access to knowledge and convenience in the palm of our hands.

Mobile devices derive their power from the Internet – a force that has revolutionized every aspect of modern social and economic systems – including financial services. Today, consumers can handle their finances any time, from anywhere. And while the fundamentals of good service have not changed, the path to delivering service has expanded.

At APCU, we continue to emphasize the importance of personalized member engagement, while deploying new technologies to ensure members can experience our service no matter where they are. APCU has offered online services for many years, and we regularly upgrade and expand on the features and functionality to create greater convenience.

In 2019 we made a great leap forward with online account opening technology – presenting a more intuitive experience along with enhancements such as the ability to sign documents electronically. We also activated new features, such as member-to-member transfers and online loan payments, and we introduced our new Card Secure app, which allows credit card users to turn their cards off and on and to receive notifications of transactional activity.

Some of our progress is internal, and it's important that member-owners understand how we are investing and why. From new software for maintaining and protecting member information to improved ways of collecting member feedback...from technology that enables faster loan processing to engaging new product partners...from upgrading operating systems that enhance security and

efficiency to establishing additional disaster recovery options – APCU continuously strives to be good stewards of our members' resources.

In closing, I would like to underscore what may seem fairly obvious to many, but which always deserves repeating – everything we do at APCU is for the benefit of our members and future members. No amount of new technology can ever diminish the personal relationships we cherish with you. We remain fully committed to the postal community and to the credit union movement promise of "people helping people," even as the tools and techniques we leverage to do so evolve with the times.

I wish you and yours a successful and happy year ahead.

*"APCU is a great institution  
and the mobile app  
provides seamless  
access on a 24/7 basis."*

*— John, Houston, TX*

*"Been a member  
for 23 years...  
always great  
service with  
great rates"*

*— Chadrick,  
Atlanta, GA*



## Credit Committee Report

Consistent with the credit union philosophy of people helping people, APCU remained focused on providing exceptional financing rates for our members during 2019. This commitment resulted in a tangible benefit to members who save hundreds, and sometimes thousands, of dollars as a result.

*Katherine S. Brown  
Credit Committee Chairman*

APCU's Credit Committee meets every week to review and audit member loan applications. The Committee's intent is to ensure the credit union is making the best use of members' deposits when lending those funds to fellow members. This volunteer group ensures loans are made prudently, equitably, and within APCU's Board-approved lending policies.

Applying for a loan has never been easier. Members can apply for a loan online at any time, day or night, using a computer or mobile device. Continuous improvements in technology means approvals are received faster as well – allowing APCU to compete effectively with in-house financing options. As of December 31, 2019, 7,673 members utilized one or more of our online application tools to request financing. This number represents 31 percent of all loan applications received by our Loan Team at the credit union.

At APCU, our goal is to save members money whenever we can. During the last 12 months, the credit union saved members hundreds of thousands of dollars by offering three valuable services to help protect their vehicles and their wallets. Our Guaranteed Asset Protection program, Warranty Plan, and Debt Protection coverage saved members \$397,667, \$375,790, and \$141,709, respectively. Through these programs, members pay a significantly lower cost for protection than they would through other providers.

During 2019, APCU rolled out an important new loan offering – VA Mortgage Loans – fulfilling an important need for deserving retired and active military and their families. APCU also gave members an opportunity to save money with a no-closing cost mortgage promotion and a "payment holiday" vehicle loan promotion.

APCU's overall loan production in 2019 was robust, with the credit union funding \$349,653,298 in member loans. Member loan balances increased to \$981,252,378, which is an increase of 7.4 percent from the previous year.

As Chairperson of the Credit Committee, I am privileged to serve with hard-working volunteers: J.T. Middlebrooks, Tim Payne, Roy Rainwater, and Betty Ranson. APCU appreciates the time and talent given by each of these individuals. They are all genuinely dedicated to improving the financial strength of every credit union member.

On behalf of the Credit Committee, I wish to express our appreciation for your support. We feel honored by the confidence you continue to show in us and look forward to serving you in 2019.





# Audit Committee Report

APCU's Audit Committee is a volunteer group comprised of Board-appointed credit union members. The Committee assists the Board of Directors by validating the integrity of the credit union's financial statements, internal controls, internal and external auditors and compliance with legal and regulatory requirements.

*David 'Jabo' Patterson*  
*Audit Committee Chairman*

The Audit Committee works diligently to make certain members' assets are secure through the implementation of sound financial policies, procedures and controls. To that end, the Committee regularly collaborates with APCU's management team and external auditors: Mauldin and Jenkins, Certified Public Accountants and Consultants, the National Credit Union Administration, and the Georgia Department of Banking and Finance, to examine every aspect of the credit union's operation.

The National Credit Union Administration (NCUA) and Georgia Department of Banking and Finance (GDBF) conducted their annual examinations in June 2019. The NCUA and GDBF presented their final report to the Board at its regularly scheduled August 2019 meeting. The report states that the overall condition of the credit union remains satisfactory. Our external auditors, Mauldin and Jenkins, performed their preliminary examination of APCU operations in October 2019. The final report will be delivered to the Board during the second quarter of 2020.

The Audit Committee also takes an active role in the credit union's Risk Management Committee (RMCO). The RMCO committee reviews and evaluates APCU's potential areas of operational, transactional, credit, strategic, reputation and compliance risk. Controls are developed by department heads to mitigate any identified risks in their areas of responsibility.

As Chairman, I am very fortunate to have had a highly-qualified team of individuals serve with me on the Audit Committee in 2019. I want to thank each of them for their outstanding performances during the past year. The Committee members who served are Janet Spruell, Vanessa Meek and Jimmy Peck. I would also like to recognize the excellent work done by APCU's Internal Auditor, Desirae Holloway, whose contribution was essential to the positive reports received by the Committee.

It is the opinion of the Audit Committee that APCU continues to be financially secure and operates in a manner that is consistent with the credit union's long history of prudent financial management. Your Board of Directors continue to establish strong policies and make business decisions formulated to preserve members' assets. As in past years, President Head and APCU staff performed their duties diligently and professionally while keeping safety and soundness in the forefront.

The Committee members are proud to be part of the APCU organization, and we look forward to working with the Board, volunteers, management, staff, and members in the coming year.



# Financial Report



## Statement of Financial Condition

as of December 31, 2019

### Assets

Loans	\$1,557,071,384
Loan Reserves	(8,417,233)
Cash	4,610,186
Investments	517,522,212
Land and Buildings	933,005
Other Fixed Assets	2,087,356
Other Assets	91,588,602

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Total Assets	\$2,165,395,512
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### Liabilities & Equity

Accrued Dividends Payable	\$128,991
Accounts Payable	19,446,547
Notes Payable	0
Shares and Deposits	1,874,107,726
Reserves and Undivided Earnings	271,712,248

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Total Liabilities & Equity	\$2,165,395,512
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## Statement of Income

as of December 31, 2019

### Income

Interest on Loans	\$68,255,710
Income from Investments	9,248,392
Other Income	13,581,416

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Total Gross Income	\$91,085,518
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### Distribution of Income

Dividends on Shares	\$9,003,296
Interest on Deposits	16,974,846
Interest on Borrowed Money	0
Provision for Loan Losses	6,580,000
Required Reserve Transfer	0
Transfer to Undivided Earnings	14,980,777
Expenses	43,546,599

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Total Income Distribution	\$91,085,518
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*"Employees are knowledgeable,  
well trained, and professional. APCU  
offers good benefits to its members."*

*— Robin, Poplar Bluff, MO*





## Branch Listing

### MAIN OFFICE

3900 Crown Road  
Atlanta, GA 30380-0001

### DECATUR BRANCH

520 W. Ponce DeLeon Avenue  
Decatur, GA 30031

### NORTH METRO BRANCH

1605 Boggs Road  
Duluth, GA 30096-4600

### NDC BRANCH

1800 James Jackson Pkwy NW  
Atlanta, GA 30369-9751



### BIBB COUNTY BRANCH

515 Mulberry Street, Suite 100  
Macon, GA 31201-6306



### SOUTH DEKALB BRANCH

2801 Candler Road, Suite 81  
Decatur, GA 30034



### DOWNTOWN ATLANTA BRANCH

101 Marietta Street  
(Centennial Tower), Suite 140  
Atlanta, GA 30303



### FLOYD COUNTY BRANCH

3040 Martha Berry Hwy NE  
Rome, GA 30165



### MUSCOGEE COUNTY BRANCH

6270 Bradley Park Drive  
Columbus, GA 31904

### ASHEVILLE BRANCH

591 Brevard Road, Suite 232  
Asheville, NC 28806

### IBEW BRANCH

501 Pulliam Street, Suite 350  
Atlanta, GA 30312-2749

### HOURS OF LOBBY OPERATION

Monday - Friday  
9:00 AM - 4:30 PM  
Except for these branches:  
South DeKalb Mall  
9:00 AM - 7:00 PM  
Asheville Branch  
8:30 AM - 5:00 PM  
Members Alliance Branch  
9:00 AM - 5:30 PM

### CONTACT US

(404) 768-4126  
(800) 849-8431  
Monday-Friday  
8:30 AM - 5:00 PM

### 24-HOUR LENDING CENTER

(800) 849-8431

### CARD SERVICES

(800) 849-8431

### WEB SITE

[www.apcu.com](http://www.apcu.com)

### GENERAL E-MAIL

[Info@apcu.com](mailto:Info@apcu.com)

## Board of Directors

Donald A. DeCinque  
Chairman of the Board

David Disharoon  
Director and Board Secretary

Katherine S. Brown  
Director

Mike Cantrell  
Director

Charles M. Head  
Director

Vanessa Meek  
Director

J.T. Middlebrooks  
Director

David 'Jabo' Patterson  
Director

Bud Wilkinson  
Director

Royce Jackson  
Director Emeritus

H. Preston Mulkey  
Director Emeritus

Moses M. Spence  
Director Emeritus

## Audit Committee

David 'Jabo' Patterson  
Chairman

Vanessa Meek  
Vice Chairman

Jimmy Peck

Janet Spruell

## Credit Committee

Katherine S. Brown  
Chairman

J.T. Middlebrooks  
Vice Chairman

Tim Payne

Roy G. Rainwater

Betty Ranson



Atlanta Postal Credit Union  
A TRADITION OF SERVICE





**ATLANTA POSTAL CREDIT UNION**  
**ANNUAL MEETING**  
**January 26, 2019**

The Shareholders of Atlanta Postal Credit Union held their annual meeting on January 26, 2019, at the Marriott Atlanta Airport Gateway in Atlanta, Georgia.

Chairman Donald A. DeCinque, called the meeting to order at 2:00 p.m. Chairman DeCinque welcomed everyone and introduced Ed Crafter, interpreter for the hearing impaired.

Secretary, David Disharoon declared a quorum.

Former NRLCA National Chaplain, Doug Byrum gave the invocation.

Bert Nasuti, a partner with the law firm of Thompson, O'Brien, Kemp, and Nasuti, was appointed Parliamentarian.

Charles M. Head, President/CEO, recognized the following postal officials and guests: officers of the National Rural Letter Carriers' Association; past National Presidents of the NRLCA; officers of the Auxiliary of the National Rural Letter Carriers' Association; past National Presidents of the Auxiliary; members attending the South Atlantic Conference; NALC Local Gate City Branch President and board members; Georgia State and Federal employees; the United States Military; guests from the Georgia Credit Union Affiliates; and APCU's attorneys and CPA; as well as all retired members that consist of the following: United States Postal Service; State & Federal employees; APCU staff; or any organization or county that qualifies you as a retired member of APCU.

President/CEO Head, introduced, Mr. Ken Futch, who addressed the membership as the keynote speaker. Mr. Futch is a professional speaker, humorist, career coach, and survivor of his own life. He uses his famous mishap – accidentally shooting himself in the head for teaching how to turn situations into opportunities.

Chairman DeCinque, asked for a motion to waive reading the Minutes of last year's meeting and to accept the Minutes as printed and included in the Annual Report. A motion was made and seconded. Motion carried.

Donald A. DeCinque, Board Chairman, gave the Chairman's Report. A motion was made to receive the report and seconded. Motion carried.

Katherine Brown, Chairman of the Credit Committee, gave the Credit Committee Report. A motion was made to receive the report and seconded. Motion carried.

David (Jabo) Patterson, Chairman of the Supervisory Committee, gave the Supervisory Committee Report. A motion was made to receive the report and seconded. Motion carried.

Gary Kyle, Chief Financial Officer, gave the Financial Report. A motion was made to receive the report and seconded. Motion carried.

Charles M. Head, President/CEO, gave the President/CEO's Report. A motion was made to receive the report and seconded. Motion carried.

Chairman DeCinque asked if there was any unfinished business. There was none. Chairman DeCinque asked if there was any new business other than the elections. There was none.

Chairman DeCinque stated there were three members who submitted letters in compliance with the Bylaws of APCU to seek re-election to the Board of Directors: David Patterson seeks reelection to Position #4; J.T. Middlebrooks seeks reelection to Position #5; and Mike Cantrell seeks reelection to Position #6. Chairman DeCinque asked for a motion and second to reelect these members by acclamation. Motion carried.

President/CEO Head introduced Mike Mercer, President/CEO of Georgia Credit Union Affiliates, who addressed the membership.

President/CEO Head recognized the credit union staff by asking them all to stand.

Chairman DeCinque recognized all the Board of Directors: Donald A. DeCinque, Chairman; David Disharoon, Board Secretary; Katherine Brown; Mike Cantrell; Charles M. Head, President/CEO; J. T. Middlebrooks; David (Jabo) Patterson; Moses M. Spence; and Thad (Bud) Wilkinson. Preston Mulkey (absent) and Royce Jackson (absent) were recognized as Director Emeritus.

Chairman DeCinque and President/CEO Head honored two volunteers for their service to the credit union. Mr. Royce Jackson and Mr. Moses Spence. A tribute was paid to both of these gentlemen.

- Royce Jackson, (who was absent) was recognized for his dedicated service as director for 15 years, and served as board secretary for 13 of those years. Mr. Jackson will be given an inscribed clock for his service. The inscription on the vase reads: With sincere gratitude to Royce Jackson for his dedicated service to Atlanta Postal Credit Union as a member of the Board of Directors, January 2003 – July 2018.
- Moses Spence was awarded a framed portrait of his wife, Norma Spence and himself for the dedicated service as Board Chairman from 2001 – 2018. The inscription on the portrait reads: With sincere gratitude to Moses M. Spence for serving as APCU's Chairman of the Board from 2001 – 2018 and for your continued service to Atlanta Postal Credit Union.

President/CEO Head announced the procedures for parking. Parking is provided complimentary for everyone who attended the meeting.

President/CEO Head asked if anyone needed a door prize ticket.

President/CEO Head asked if there were any members present one-hundred (100) years of age or better. There was one member who stood, Ms. Mildred Fitzgerald. Chairman DeCinque and Moses Spence awarded Ms. Fitzgerald a one-hundred (\$100) dollar bill.

President/CEO Head asked if there were any members present to stand that were ninety (90) to ninety-nine (99) years of age. Five members stood and were awarded a cash door prize of \$50. The winners in this age category were: 1) Foster A. Lewis, Jr.; 2) Edward L. Jackson; 3) Myrtice Hubbard; 4) Barbara Lamb; and 5) Bertha Fitzgerald.

President/CEO Head introduced the 2019 door prize assistant, Charlotte Bowen, who assisted Chairman DeCinque in drawing the door prize tickets. Charlotte is the granddaughter of Executive Assistant, Karen Armstrong.

Chairman DeCinque announced when the door prize number was announced to please stand and remain standing until a door-prize-runner awarded your cash door prize.

The following cash door prizes were awarded to APCU members: one cash prize for \$500; one for \$400; one for \$300; five for \$200; eleven for \$100; and fifteen for \$50.

There being no further business, a motion was made and seconded to adjourn the meeting at 4:10 p.m. Motion carried.