

## Supervisory Committee Report

The Supervisory Committee is a group of volunteer Members who ensure the annual audit of North Jersey Federal. Appointed by the Board of Directors, they oversee the Credit Union's regulatory compliance.

In 2013, we retained The Curchin Group LLC, who performed a certified audit of our records as of September 30th. Their audit concluded the soundness of North Jersey Federal's financial condition and determined that our financial statements were prepared in accordance with generally accepted accounting practices. The audit also concluded our compliance with the Federal Credit Union Act, its bylaws, rules and regulations.

The Supervisory Committee agrees that North Jersey Federal continues to operate with fiscal and operational prudence in the best interest of our membership. The financial statements in the 2013 Annual Report are a true reflection of the financial condition of your Credit Union.

**Frank Valenzano**  
Chairman of the Supervisory Committee

## Core Value Propositions

- Exceed expectations through excellent member service
- Embrace and drive change
- Be adventurous, creative and open minded
- Pursue growth and learning
- Build relationships by communicating openly with our members and staff
- Build a positive team and family spirit
- Be resourceful and cost efficient
- Be passionate, determined and focused
- Believe in ourselves, our members and this organization

## Branch Locations

**Totowa (Main Office)**  
711 Union Boulevard,  
Totowa, NJ 07512  
973.785.9200

**Paterson**  
126 Market Street  
Paterson, NJ 07505

**Newark at Rutgers/UMDNJ**  
1102 Administration Complex  
30 Bergen Street  
Newark, NJ 07107

**St. James AME Church**  
588 Martin Luther King Blvd.  
Newark, NJ 07102

**Garfield – Formerly South Bergen FCU**  
61-63 Morris Ave.  
Garfield, NJ 07026

## Mission

Our goal is to enable our members to have financial freedom and to empower our communities to attain their goals. We pledge to build and strengthen relationships with our members and staff by treating them with dignity and respect.

## Vision

We will provide service to all Members beyond their expectations and create a “WOW Experience” for each of them. We will be convenient, efficient and effective in serving our Members throughout the community.

## 2013 Annual Report Putting Members First Since 1936



**www.njfcu.org | 973-785-9200**

**Totowa | Paterson | Newark | Garfield**

## Chairman's Message

Every year brings unique challenges to our credit union and 2013 was no different. For the year 2013, we were able to meet those challenges with positive accomplishments. We strive to honor our commitment to deliver to each and every one of you quality financial products and services. Looking ahead for the year 2014, we see opportunities to continue to do so.

As Chairman of your Board of Directors, I want to recognize that your loyalty, trust and continued membership are the greatest drivers of our continued success. We will continue to search for those financial products and services that will help you continue to choose North Jersey Federal as your primary financial institution.

Your credit union remains financially sound and secure. We continue to be well capitalized and ended the year growing. We are dedicated to upholding our core values by maintaining high service standards and offering solutions to members who find themselves in difficult financial times.

We are privileged with the opportunity to honor our commitment of enabling members to have financial freedom and empowering our communities to reach their goals. We also pledge to build and strengthen relationships with our members and employees by treating them with dignity and respect. We thank you for your continued membership and support.

**Frank Migliaccio**  
Chairman of the Board

President’s Report

North Jersey Federal Credit Union had a productive year in 2013. We maintained our offerings of sound financial products and service to our members. We stepped up our financial literacy activity in the communities we serve including giving educational classes at St. James AME Church, Eastwick College, St. Paul’s Development Community, Berkeley College and more. We also offered new non-financial products such as Shop.com and Transparent Health to our members. Throughout the year, we also hosted many exciting community and business events to benefit our members and the communities we serve.

When 2013 began, the unemployment rate was 7.9%. The number of Americans working or actively seeking a job was at a 35-year low in September 2013. Economists also estimated that the government shutdown took \$24 billion from the economy and would slow down economic growth. Despite the market conditions of high unemployment and a sluggish economy, we still have a lot to be proud of in 2013. Our shares held steady at \$188,607,184. Our net loan portfolio decreased 7.8% to \$93,997,050. This reflects a nationwide trend of paying off loans and not creating new debt. Our net worth remains solid at 10.44%. Total assets were \$213,182,906. We have been able to remain financially sound despite the economic challenges. We started 2014 from a position of strength.

2013 brought us other exciting events:

- January - We held our third annual seminar series on health & wellness introducing members to Shop.com and Transparent Health.
- February – The formation of our Junior Board of Directors took place. This is a youth advisory panel consisting of six students from local high schools.
- March - We hosted a lunch and learn session in Totowa for Human Resource professionals from our corporate partners. The topic was on Changes in Healthcare.
- April - North Jersey Federal Credit Union opened

North Jersey Federal Credit Union

Years ending September 30

STATEMENTS OF FINANCIAL CONDITION	2013	2012
ASSETS		
Cash and equivalents	\$79,774,200	\$85,031,747
Securities available-for-sale	16,042,771	2,616,276
Loans receivable, net of allowance for loan losses	93,997,050	101,983,186
Accrued interest receivable	576,675	555,051
Other Investments	9,267,151	9,802,136
Other real estate owned	763,733	400,000
Property and equipment, net of accumulated depreciation	6,991,362	7,247,842
Other Assets	3,912,855	3,676,522
Deposit in the National Credit Union Share Insurance Fund	1,857,109	1,805,220
TOTAL ASSETS	\$213,182,906	\$213,117,980
LIABILITIES AND MEMBERS' EQUITY		
Members' share and savings accounts	\$188,607,184	\$189,080,836
Accounts payable and other liabilities	3,351,291	2,718,785
	191,958,475	191,799,621
COMMITMENTS AND CONTINGENCIES		
MEMBERS' EQUITY		
Regulatory regular reserves	2,296,545	2,296,545
Regulatory undivided earnings	19,719,982	19,589,765
Other undivided earnings	211,121	229,436
Accumulated other comprehensive loss	(1,003,217)	(797,387)
	21,224,431	21,318,359
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$213,182,906	\$213,117,980
STATEMENT OF INTEREST AND EXPENSES	2013	2012
INTEREST INCOME		
Loans receivable	\$6,227,082	\$6,511,030
Securities and other deposits	978,764	1,069,101
	7,205,846	7,580,131
INTEREST EXPENSE		
Members' share and savings accounts	819,060	1,015,168
NET INTEREST INCOME	6,386,786	6,564,963
PROVISION FOR LOAN LOSSES	824,700	763,369
	5,562,086	5,801,594
NON-INTEREST INCOME:		
Fees and charges	1,696,462	1,427,609
Miscellaneous income	625,007	1,102,576
Bargain purchase gain	(7,482)	814,909
Loss on sale of repossessed assets	(56,124)	(50,328)
	2,257,863	3,294,766
NON-INTEREST EXPENSES		
Compensation and benefits	4,140,429	4,209,307
Office operations	1,371,612	1,378,567
Loan servicing	145,125	166,168
Professional and other outside services	815,005	786,152
Office occupancy	709,143	656,509
Education and promotion	186,143	413,113
NCUSIF premium	152,619	185,150
Travel and conference	50,394	53,381
Association dues	49,869	44,363
Supervisory fees	48,226	44,324
Other	39,482	63,347
	7,708,047	8,000,381
NET INCOME	\$111,902	\$1,095,979

its newest ATM on site at Middle Atlantic Partners in Fairfield, NJ, one of our busiest corporate partners.

- May – We were one of the host sponsors of the Passaic County Teachers Recognition lunch. We also hosted a symposium for the Alumni of the Girl Scouts of Northern NJ.
- June - NJFCU participated in the New Jersey Credit Union League Reality Check financial literacy at participating high schools.
- July - The North Jersey Federal Credit Union Foundation hosted its 4th Annual Above and Beyond Golf Tournament raising \$16,000 for Autism Radio, Eva’s Village in Paterson, the Marines Cares Organization, the Paterson Boys & Girls Club and the Girl Scouts of NJ.
- September- Our Third Annual Business Summit was held to promote business membership. The evening was a success with well over 90 local businesses participating in our networking event.
- October - Our 2014 Strategic Planning meeting took place with the management team from North Jersey and the Board of Directors.
- December - Once again, our members and staff generously donated toys for our annual toy drive. We were able to distribute toys to children at La Casa De Don Pedro in Newark, The Boys and Girls Club of Paterson & Passaic and at Eva’s Village in Paterson.

I am very proud of our staff for working hard to ensure that our members experience was one of outstanding service in 2013. I want to thank them for all of their dedication and member focus. To you, our members, I thank you for being a part of North Jersey Federal. Our mission remains to provide you with exceptional products, services and value. We look forward to continuing to serve you. Thank you.

Sincerely,

*Lourdes Cortez*

Lourdes Cortez  
President/CEO