

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 2009, we retained Curchin, who performed a certified audit of our records as of September 30, 2014. 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 2014 Annual Report are a true reflection of the financial condition of your Credit Union.

**Frank Valenzano**  
Chairman of the Supervisory Committee

- Core Value Propositions
- Deliver “WOW Experience” member services
  - Embrace and drive change
  - Be adventurous, creative and open-minded
  - Pursue growth and learning
  - Build open and honest relationships by communicating with our members
  - Build a positive team and family spirit
  - Do more with less
  - Be passionate and determined

Mission

North Jersey Federal Credit Union builds relationships with the people and communities we serve. We strive to be your primary financial institution to improve your life.

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.

Focusing on Members

Making more possible!



North Jersey Federal Credit Union accomplished many great things in 2014. Your credit union remains financially solid. We continue to be well-capitalized and ended the year with growth in both our assets and loans. We are dedicated to upholding our core values by maintaining high service standards offering sound financial solutions to members. While there are still challenges in the current economy, there are also opportunities.

Our strong financial condition leaves us well poised to take advantage of these opportunities. We will be celebrating our 80<sup>th</sup> anniversary of serving our member’s needs soon. Although we are proud of our heritage of doing what is right for our members, our employees and our community, we are constantly looking forward. We are investigating new technologies that will enhance our member’s experience. As much as we appreciate our past, we always look for opportunities for our future- to deliver the right service and solution for every member.

The members we helped over the past 78 years and the members we will serve in the future will drive North Jersey’s success for decades to come. We continue to focus on our core values: Member Solutions, Employee Satisfaction, Community Involvement and Financial Results.

As we look forward to a milestone- 80 years as a strong financial partner with outstanding member satisfaction and strong community advocacy. It is an honor to serve my fellow members on the board. My thanks to you as we move forward with great expectations.

  
**Frank Migliaccio**  
Chairman of the Board

# President’s Report

North Jersey Federal Credit Union maintained a position of financial strength and member focus in 2014. The global economy is still struggling to gain momentum as many high-income countries continue to grapple with legacies of the global financial crisis. Emerging economies are less dynamic than in the past. Global growth in 2014 was lower than initially expected, continuing a pattern of disappointing returns over the past several years. Growth picked up only marginally in 2014, to 2.6 percent, from 2.5 percent in 2013. New Jersey has had one of the slowest recoveries in the nation in regards to real estate values and employment.

Despite the market conditions of high unemployment and a sluggish economy, we still have a lot to be proud of in 2014. Our shares held steady at \$189,091,159. Our loan portfolio increased over 5.4% to \$99,154,937. Our net worth remains solid at 10.62%. Total assets grew to \$214,831,920. We have been able to remain financially sound despite the economic challenges. We started 2015 from a position of strength.

## 2014 brought us other exciting events:

**January** – We launched our new collection of VISA credit cards to meet our members’ financial needs. We have the Classic Card, the Platinum Rewards Card, the Liberty Card which is share secured and the Business Rewards Card.

**February** – North Jersey Federal Credit Union rolled out a new and improved member’s financial counseling and financial literacy service: GreenPath. With live debt councilors, self-paced courses and easily accessible information on everything from how to improve credit scores to the basics of investing, GreenPath is a valuable tool for financial wellness.

**March** – To commemorate Women’s History Month our first annual “Women Who Make a Difference Award” were awarded to Ruth E. Lugo, PHD, Camelia Valdes, Pamela Powell and Dr. Kathleen M. Waldron

**April** – North Jersey Federal Credit Union was proud to sponsor the first annual Paterson Student Film Festival. We awarded Nicole Romero the First Prize.

**May** – We continued to support our communities we

## North Jersey Federal Credit Union

Years ending September 30

STATEMENTS OF FINANCIAL CONDITION	2014	2013
<strong>ASSETS</strong>		
Cash and equivalents	\$71,830,941	\$79,774,200
Securities available-for-sale	19,815,258	16,042,771
Loans receivable, net of allowance for loan losses	99,154,937	93,997,050
Accrued interest receivable	573,244	576,675
Other Investments	9,877,995	9,267,151
Property and equipment, net of accumulated depreciation	6,949,447	6,991,362
Deposit in the National Credit Union Share Insurance Fund	1,827,455	1,857,109
Other assets	4,802,643	4,676,588
<strong>TOTAL ASSETS</strong>	<strong>\$214,831,920</strong>	<strong>\$213,182,906</strong>
<strong>LIABILITIES AND MEMBERS' EQUITY</strong>		
Members' share and savings accounts	\$189,091,159	\$188,607,184
Accounts payable and other liabilities	3,866,413	3,351,291
	192,957,572	191,958,475
<strong>COMMITMENTS AND CONTINGENCIES MEMBERS' EQUITY</strong>		
Regulatory regular reserves	2,296,545	2,296,545
Regulatory undivided earnings	20,521,210	19,931,103
Accumulated other comprehensive loss	(943,407)	(1,003,217)
	21,874,348	21,224,431
<strong>TOTAL LIABILITIES AND MEMBERS' EQUITY</strong>	<strong>\$214,831,920</strong>	<strong>\$213,182,906</strong>
<strong>STATEMENT OF INTEREST AND EXPENSES</strong>	<strong>2014</strong>	<strong>2013</strong>
<strong>INTEREST INCOME</strong>		
Loans receivable	\$6,047,167	\$6,227,082
Securities and other deposits	1,089,592	978,764
	7,136,759	7,205,846
<strong>INTEREST EXPENSE</strong>		
Members' share and savings accounts	703,913	819,060
<strong>NET INTEREST INCOME</strong>	6,432,846	6,386,786
<strong>PROVISION FOR LOAN LOSSES</strong>	771,372	824,700
	5,661,474	5,562,086
<strong>NON-INTEREST INCOME:</strong>		
Fees and charges	1,600,459	1,696,462
Miscellaneous income	875,850	625,007
Loss on sale of real estate owned	(200,944)	-
Gain on sale of securities	36,949	-
Bargain purchases loss	-	(7,482)
Loss on sale of repossessed assets	(152,218)	(56,124)
	2,160,096	2,257,863
<strong>NON-INTEREST EXPENSES</strong>		
Compensation and benefits	3,748,018	4,140,429
Office operations	1,319,701	1,371,612
Loan servicing	201,491	145,125
Professional and other outside services	858,135	815,005
Office occupancy	677,440	709,143
Education and promotion	275,435	186,143
NCUSIF premium	26,454	152,619
Travel and conference	32,672	50,394
Association dues	41,500	49,869
Supervisory fees	41,551	48,226
Other	9,066	39,482
	7,231,463	7,708,047
<strong>NET INCOME</strong>	<strong>\$590,107</strong>	<strong>\$111,902</strong>

serve by teaching financial literacy classes at Eastwick and Berkley Colleges, St. James AME and Passaic Community College.

**June** – The North Jersey Federal Credit Union Foundation hosted its 5<sup>th</sup> Annual Above and Beyond Golf Tournament raising money for Autism Radio, the Marines Cares Organization, the Paterson Boys & Girls Club and the Girl & Boy Scouts and Toys for Tots.

**August** – Our staff was recognized and rewarded with an Employee Appreciation Day. We closed our branches early and the executive team grilled hot dogs and burgers. Team building games were played and good time was had by all

**September** – Our fourth 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 2015 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, Eva’s Village in Paterson and Toys for Tots.

I am honored to work with such a dedicated team of employees who strive to make a difference every day in our members’ lives. They bring to life our motto of “People helping People.” I am very proud of our staff for working hard to ensure that our members experience was outstanding in 2014. 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.

Sincerely,

**Lourdes Cortez**  
**President/CEO**