

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 2014, we retained Curchin, who performed a certified audit of our records as of September 30, 2015. 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 2015 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.

- 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
- Garfield – Formerly South Bergen FCU

61-63 Morris Ave.  
Garfield, NJ 07026

2015 Annual Report

Banking That Gives Back.




Chairman’s Message

North Jersey Federal Credit Union accomplished meaningful advances in 2015. Your credit union remains financially strong and continues to be well capitalized. Our strong financial condition leaves us well poised to take advantage of many opportunities and changes. We will be celebrating our 80th anniversary in 2016. Although we are proud of our heritage of constant improvement, we always look for better ways to deliver the right service and right solution for every member.

Your credit union successfully began the process of advancing its technological capabilities to provide members with banking that is more convenient than ever. This more convenient banking will come in the form of our new computer operating system and our North Jersey Federal Mobile App. We are dedicated to upholding our core values by maintaining high service standards. Our new computer operating system will allow us to keep offering sound financial solutions plus offer leading edge technologies to our members providing them the opportunity to bank when, where, and how they want.

The member centric focus we have honed over the past 80 years will serve us well into the future and will drive North Jersey’s success for decades to come. We will continue to focus on our core values: Member Solutions, Employee Satisfaction, Community Involvement and Financial Results.

We look forward to a milestone- 80 years as a strong financial service partner for the members and communities that we serve. We pledge to continue focusing on outstanding member satisfaction and strong community advocacy. It is an honor to serve with my fellow members on the board. My thanks to the staff and loyal members as we move forward into the future.



Frank Migliaccio  
Chairman of the Board

# President’s Report

North Jersey Federal Credit Union maintained a position of financial strength and member focus in 2015.

New Jersey has yet to recover all the jobs the state lost in the recession. Most states -- including neighboring Pennsylvania and New York -- are now back on track and even adding more jobs, but not New Jersey. The state's economic recovery continues to lag the nation as New Jersey has only recovered 72% of jobs lost during the recession, while the U.S. has recovered 132%, for 2015. By contrast, the nation has almost 6 million more jobs than it did before the recession. Although the labor market has tightened in 2015, wages haven’t moved much, when adjusted for inflation. "We're one of a few states with increased poverty rates since 2009, and we have a declining middle class in New Jersey," according to New Jersey Policy Perspective.

Despite the market conditions, we still have a lot to be proud of in 2015. Our shares held steady at \$192,443,302. Our loan portfolio increased over 5.4% to \$102,823,620. Our net worth remains solid at 10.34%. Total assets grew to \$219,369,209. We have been able to remain financially sound; we started 2016 from a position of strength.

**2015 Highlights of the Year**

**January** – We kicked off the New Year with planning for the computer upgrade. New product and service parameters were defined. We developed a yearlong schedule and began the training for the new system.

**February** – North Jersey Federal Credit Union had an all-day- in-service day training for all staff. We began the EMV card transition planning for our credit cards. We began accepting applications for YIB college scholarships.

**March** – The credit union honored three women to celebrate Women’s History Month – Sally Glick, Marilyn Torley and Deborah Zastocki. We launched our new and improved website.

**April** – NJFCU sponsored the Paterson Student Film Festival giving scholarships to four students for their excellent work and talent.

**May** – We continued to plan and train for the upcoming computer upgrade adding new products and services to make our member’s experience more convenient.

North Jersey Federal Credit Union		Years ending September 30	
STATEMENTS OF FINANCIAL CONDITION		2014	2015
<b>ASSETS</b>			
Cash and Equivalents		\$71,830,941	\$54,849,938
Securities available-for-sale		19,815,258	37,397,304
Loans receivable, net of allowance for loan losses		99,154,937	102,823,620
Accrued interest receivable		573,244	534,181
Other investments		9,877,995	10,063,068
Other real estate owned		599,324	998,995
Property and equipment, net accumulated depreciation		6,949,447	7,028,039
Deposit in the National Credit Union Shares Insurance Fund		1,827,455	1,862,112
Other Assets		4,203,319	3,811,952
<b>TOTAL ASSETS</b>		<b>\$214,831,920</b>	<b>\$219,369,209</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
Members' share and savings accounts		\$189,091,159	\$192,443,302
Accounts payable and other liabilities		3,866,413	4,813,579
<b>MEMBERS' EQUITY</b>		192,957,572	197,256,881
<b>COMMITMENTS AND CONTINGENCIES</b>			
Regulatory regular reserves		2,296,545	2,310,109
Regulatory undivided earnings		20,320,089	20,376,001
Other undivided earnings		201,121	191,121
Accumulated other comprehensive loss		(943,407)	(764,903)
		21,874,348	22,112,328
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>		<b>\$214,831,920</b>	<b>\$219,369,209</b>
<b>STATEMENT OF INTEREST AND EXPENSES</b>		<b>2014</b>	<b>2015</b>
<b>INTEREST INCOME</b>			
Loans receivable		\$6,047,167	\$5,977,365
Securities and other deposits		<u>1,089,592</u>	<u>1,174,475</u>
		7,136,759	7,151,840
<b>INTEREST EXPENSE</b>			
Members' share and savings accounts		<u>703,913</u>	<u>597,154</u>
<b>NET INTEREST INCOME</b>		6,432,846	6,554,686
<b>PROVISION FOR LOAN LOSSES</b>		771,372	750,128
		5,661,474	5,804,558
<b>NON-INTEREST INCOME:</b>			
Fees and charges		1,600,459	1,537,036
Miscellaneous income		875,850	479,400
Loss on sale of real estate owned		(200,949)	(95,133)
Gain on sale of securities		36,949	64,779
Gain on sale of loans		0	62,860
Loss on sale of repossessed assets		<u>(152,218)</u>	<u>0</u>
		2,160,096	2,048,942
<b>NON-INTEREST EXPENSES</b>			
Compensation and benefits		3,748,018	4,277,580
Office operations		1,319,701	1,545,371
Loan Servicing		201,491	327,320
Professional and other outside services		858,135	672,915
Office occupancy		677,440	647,659
Education and promotion		275,435	324,667
NCUSIF premium		26,454	(26,454)
Travel and conference		32,672	61,195
Association dues		41,500	46,532
Supervisory fees		41,551	39,822
Other		<u>9,066</u>	<u>(10,154)</u>
		7,231,463	7,906,453
<b>NET INCOME</b>		<b>\$590,107</b>	<b>-\$52,953</b>

**June** – The North Jersey Federal Credit Union Foundation hosted the 6th Annual Above & Beyond Golf outing, raising money for Autism Radio and the Boys and Girls Club of Paterson & Passaic.

We presented a scholarship to a student participating in our student run branch at JFK High School.

**July** – We sponsored and ran an exciting all day financial literacy day camp at William Paterson University for middle school students.

**August** – A new and improved Bill Pay product, which includes Popmoney, a person to person payment tool, made its successful debut. We participated for the 7th time in the Teacher’s Expo for Passaic County.

**September** – The Fifth Annual Business Summit in conjunction with the Hispanic Chamber of Commerce featured a sellout crowd promoting business membership. We helped sponsor the first annual casino night for Autism Radio.

**October** – For the 7th year, North Jersey participated and sponsored The Strides Breast Cancer Walk.


We participated in the Annual PCEA meeting continuing our 80 year history of serving the educators of Passaic County.

**November** – The 2016 Strategic Planning meeting took place with the management team and board members.

**December** – To make the Holidays special for others, we were able to distribute toys to children at La Casa de Don Pedro in Newark, and make donations to Eva’s Village in Paterson and the Boys and Girls Club of Paterson and Passaic.

I am proud of our staff for their great effort in preparing for the major computer upgrade project planned for 2016. We will have exciting new services available as a result of this computer upgrade. This will give you even more convenient ways to bank with us. We remain committed to you, the member, as well as the communities we serve. We believe that our support can help enhance the quality of life for you. Our mission remains to always impress our members by going above and beyond their expectations in providing exceptional products, value and member experience. We are honored to continue to serve your needs.

Sincerely,



**Lourdes Cortez**  
President/CEO