

Financial Statements Continued...

Statement of Members' Equity

	Restricted Regular Reserve Fund	Unrestricted Undivided Earnings	Equity Acquired in Acquisition	Accumulated Other Comprehensive Income	Total
Balance: December 31, 2018	\$2,733,377	\$20,382,446	\$58,063	\$6,032	\$23,179,918
Net Income	—	1,394,938	—	—	1,394,938
Transfer to Regular Reserve	616,064	(616,064)	—	—	—
Unrealized Gains on Investment Securities	—	—	—	30,749	30,749
Balance: December 31, 2019	\$3,349,441	\$21,161,320	\$58,063	\$36,781	\$24,605,605
Net Income	—	1,446,924	—	—	1,446,924
Transfer to Regular Reserve	—	—	—	—	—
Unrealized Gains on Investment Securities	—	—	—	219,535	219,535
Balance: December 31, 2020	\$3,349,441	\$22,608,244	\$58,063	\$256,316	\$26,272,064

The December 31, 2020 and 2019 Statement of Financial Condition and the related Statements of Income, Members' Equity, and Cash Flows for the years then ended were audited by RKL LLP, Certified Public Accountants. These reports are available for review at the Credit Union's Administrative Office by appointment.

2020
Annual Report

Helping you regain
financial balance



Credit Union
of New Jersey

The freedom to prosper.

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Examining Committee

- Louis D. Leigh, CPA
Chairman
- Joseph J. Licari
- Michael J. MacFeeters, CPA

Directors Emeriti

- John R. Christian
- Betty L. Stockton, CCD



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Management Team

- Andrew L. Jaeger, CCE
President, CEO
- Soma Sarkar, CCE, CUCE
Executive VP, COO
- Patricia Fisk, SPHR, SHRM-SCP
Senior VP, CAO
- Robert Vuocolo, CPA
Senior VP, CFO
- Mark Bradley, CSME
VP Marketing/Business Development
- Claudia Colon
VP Operations
- Christopher Hartsough
VP Lending
- Martin Sofronski
VP Sales/Member Service
- Michael Thomas
VP Information Systems

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Looking Back at 2020

This past year has been one that many of us never thought we would experience. As the pandemic started sweeping across our state and the country, we at CU of NJ continued our commitment to the financial needs of our members. We remained focused on further enhancing our electronic and mobile-first delivery channels, even as we were being forced to adapt to stay-at-home directives. We also continued committing resources to the improvement in member service delivery via these channels.

Our financial education outreach in the communities we serve also remained a priority during the year, albeit in an entirely new digital-only delivery format. We have been keenly attentive to the voice of our members when planning and implementing new product and service innovations designed to further enhance the financial well-being of our membership overall.

We'll Take Care of You

We are fiercely focused on improving our member experience by providing mobile-first and in-branch delivery that is second to none. As part of this mission, in 2020 we:

- Conducted 55 online financial education seminars that offered financial insights to over 1,130 individuals. These efforts resulted in our being designated a Leader in Financial Literacy 2021 award recipient by the CrossState Credit Union Association Foundation.
- Offered loan payment deferment options to members in financial hardship during the pandemic.
- Offered SBA-backed Paycheck Protection Program Loans to member business owners, thus helping them navigate the unprecedented shut down and resultant adverse effects inflicted on business earnings.

We'll Make It Easy

Throughout the year, we worked extremely hard to introduce new ways and/or further improve existing ways for members to easily and conveniently continue to transact their banking business. Highlights include:

- Introduced a mobile live chat service allowing members to communicate with a contact center representative directly from their mobile device during business hours.

- Extended Contact Center hours during the pandemic to give members more time during the day to communicate with us.
- Our online appointment scheduler allowed us to continue in-branch consultative member service, when needed, during the midst of the pandemic in a safe and secure environment for both our members and employees.
- Constructed virtual appointment scheduling through our Business Development outreach efforts.

2020 and Beyond

Our mission to offer superior products and services continues to evolve. In 2021, we plan to launch several key products and services that allow members to make the most of their budgets, conduct contactless payments and more. We will be keenly sensitive to the ever-changing rate environment, ensuring that members receive responsive and competitive loan rates and deposit yields. Our mobile-first delivery philosophy will continue to advance as we roll out multiple enhancements. We've come through an extremely difficult year. And there will be challenges going forward. But together, we will re-establish **The Freedom to Prosper**.

We commend our dedicated employees for their above-and-beyond commitment during an extremely unsettling year in which the way we work and provide service to our members was completely turned on its head. Thank you to our Board of Directors for their steadfast, insightful support navigating these unprecedented times. And of course, our valued members are the very reason we did work so hard to provide banking continuity and superior service. We look forward to continuing this journey together in 2021...and beyond.



Andrew L. Jaeger
President/CEO



Gary K. Chizmadia
Chairman

Financial Statements

Statement of Financial Condition

	For the year ended December 31st 2020	For the year ended December 31st 2019
Assets		
Loans to Members, Net	\$290,933,440	\$287,676,369
Cash and Cash Equivalents	2,806,934	3,717,272
Interest-Bearing Accounts	57,622,420	23,148,352
Securities Available for Sale	13,278,891	6,817,145
Accrued Interest Receivable	1,609,414	1,368,724
Property, Equipment, and Leasehold Improvements, Net	6,247,082	6,071,095
NCUSIF Deposit	3,314,094	3,019,613
Prepaid Expenses/Other Assets	13,936,113	13,077,133
Total Assets	\$389,748,388	\$344,895,703

Liabilities and Members' Equity

Members' Shares and Savings Accounts	\$361,390,049	\$318,538,958
Accounts Payable and Accrued Expenses	2,011,054	1,620,549
Accrued Dividends Payable	75,221	130,591
Total Liabilities	363,476,324	320,290,098
Members' Equity	26,272,064	24,605,605
Total Liabilities and Members' Equity	\$389,748,388	\$344,895,703

Statement of Income

	For the year ended December 31st 2020	For the year ended December 31st 2019
Interest Income		
Interest on Loans	\$15,007,320	\$16,629,905
Interest on Investment Securities and Interest-Bearing Accounts	236,885	664,789
Total Interest Income	\$15,244,205	\$17,294,694

Interest Expense

Dividends on Members' Shares and Savings Accounts	\$862,284	\$1,222,904
Interest on Borrowed Funds	15	149
Total Interest Expense	862,299	1,223,053
Net Interest Income	14,381,906	16,071,641
Provision for Possible Loan Losses	2,915,747	4,462,787
Net Interest Income After Provision For Possible Loan Losses	\$11,466,159	\$11,608,854

Non-Interest Income

Share Fees	\$4,212,051	\$4,371,615
Loan Fees	516,252	539,484
Card Service Fees	1,871,519	1,796,990
Loss on Other Assets Held for Sale	(355,560)	(232,834)
Other	1,449,849	1,072,158
Total Non-Interest Income	\$7,694,111	\$7,547,413

Non-Interest Expenses

Employee Compensation and Benefits	\$7,096,653	\$7,385,837
Travel and Conferences	144,288	199,566
Office Occupancy	713,483	757,416
Office Operations	1,383,808	1,536,192
Educational and Promotional	277,346	406,963
Loan Servicing	3,019,084	2,391,305
Professional and Outside Services	4,694,365	4,742,398
Member Insurance	25,777	34,822
Operating Fees	21,000	18,124
Miscellaneous Operating	337,542	288,706
Total Non-Interest Expenses	\$17,713,346	\$17,761,329
Net Income	\$1,446,924	\$1,394,938