

Chairman's Message Sharing the Vision

For close to 70 years, North Jersey Federal Credit Union has remained member-focused and is proud to play an important financial role in the lives of the membership who we serve. We share your vision of financial prosperity and are dedicated to you and your family, always putting people before profits.

In keeping with global changes and local competition, we at NJFCU continue to evolve our product offerings by developing more customized solutions and a more diverse range of products and services to meet your financial needs. At the same time, we continue living and communicating our values which have remained consistent throughout the years. This philosophy ensures continued success for all.

Looking back at 2004, NJFCU proudly states that the change to a community charter was a success. This would not have been possible without the ongoing strength and support from our current members and business affiliates – we THANK YOU for your continued confidence and trust. In addition to enabling members of the community to take advantage of the opportunity to enjoy exceptional benefits and services, we have surpassed our expected financial growth for the year.

As we move into 2005, we will continue to offer new and improved products and services, as well as offer expanded locations and delivery options to better assist you and your families. NJFCU recognizes that you handle your finances to live and do not live to handle your finances, and therefore we are dedicated to providing you with the most convenient services possible while maintaining the highest level of security.

Your accounts remain easily accessed via the web, branch locations, and your telephone. We share your visions and dreams for the future and we are committed to providing you with the necessary financial tools to help you realize those dreams. NJFCU is here to serve you!

We thank you for sharing in our continuous growth. Please invite all of your family members and friends to join NJFCU and together we can all look forward to reaching greater success in the future.

Frank Migliaccio
Chairman of the Board

Supervisory Committee Report

As a committee of volunteer members appointed by the Board of Directors, the Supervisory Committee meets periodically and ensures that an annual audit of NJFCU is done each year. Also, we oversee the credit union's regulatory compliance.

To fulfill our obligations we retained The Curchin Group, LLC, Certified Public Accounts, who performed a certified annual audit as of September 30, 2004. Their audit stated that NJFCU is in sound financial condition and that the financial statements were prepared in accordance with generally accepted accounting principals. Additionally, NJFCU is in compliance with the Federal Credit Union Act, the bylaws and the rules and regulations.

It is the belief of the Supervisory Committee that NJFCU continues to be operated soundly and safely. The financial statements in the 2004 Annual Report fairly reflect the financial condition of your credit union.

John Kirk
Chairman of the Supervisory Committee



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**711 Union Boulevard – HDQTRS.
Totowa, NJ 07512**

2004-2005 BOARD OF DIRECTORS

Chairman	Frank Migliaccio
Vice Chairperson	Helen Wienke-Mault
Financial & Recording Directors	Richard L. Block, President/CEO
	George Hampton
	Lorraine Kroll
	John Kirk
	Chuck Miller
	Eli M. Burgos
	Jose A. Perez

2004 Annual Report



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North Jersey Federal Credit Union – Year Ending 2004

President's Report

Statement of Income and Expenses

		2003	2004
Income	Interest on Loans	5,974,180	5,789,848
	Income from Investment	1,540,240	1,521,517
	Other Operating Income	1,576,151	1,709,208
	Non Operating Gain	0	994,736
	TOTAL	9,090,571	10,015,309
Expenses	Employee Compensation and Benefits	3,307,541	3,408,864
	Office Occupancy	397,005	466,604
	Office Operations	1,184,778	1,167,332
	Loan Servicing	406,137	352,022
	Professional and Outside Services	699,658	619,174
	Provisions for Loan Losses	(43,935)	222,700
	Educational and Promotional	182,317	402,793
	Other Expenses	183,291	192,422
	TOTAL	6,316,792	6,831,911
		Net Earnings (before dividends)	2,773,779
Distribution of Earnings	Dividends	1,759,240	1,456,949
	Reserve	0	0
	Undivided Earnings	1,014,539	1,726,449
Statement of Financial Condition			
Assets	Loans	81,622,692	82,966,703
	Allowance for Loan Losses	(385,716)	(214,996)
	Cash	3,154,659	3,373,051
	Accounts Receivable	503,613	629,858
	Investments	63,280,301	68,917,268
	Fixed Assets	7,865,923	8,190,809
	National Credit Union Share Insurance Fund	1,429,313	1,473,343
	Other Assets	534,398	2,016,661
	TOTAL	158,005,183	167,352,697
	Liabilities and Equity	Accounts Payable	(56,213)
Other Liabilities		465,524	347,003
Shares		142,383,315	149,742,579
Reserves		2,139,020	2,139,020
Undivided Earnings		13,073,537	14,795,374
TOTAL		158,005,183	167,352,697

This is my last annual report to you. As I leave to enjoy retirement, North Jersey Federal Credit Union is well-capitalized and showing loan growth.

NJFCU is in a secure financial position as we move into 2005. Our positive growth is reflected by the increase in shares of 5%, an assets increase of 6% and a loan increase of 13%. It is a testament to our employees' efforts in making our members happy and financially secure. We look forward to our grand opening celebration in Paterson and grand reopening celebration in Newark. NJFCU remains committed to giving our members the highest quality of service and both of these branches will assist us in achieving that goal.

Highlights of 2004 included:

- Implementation of business accounts and small business loans in order to better assist the communities we serve.
- Strengthening our senior team in the areas of marketing and human resources to better position NJFCU as a viable financial services alternative and employer.
- Restructuring of our business development efforts to help us better serve our business affiliates and grow NJFCU.

I want to reassure you that NJFCU is well-positioned and very solvent. We maintain a consistent high rating from the National Credit Union Administration (NCUA). From the first-rate facility it resides in, to the great and dedicated employees who serve the membership every day, NJFCU is committed to providing the best in member service excellence.

Richard Block
President/CEO