

# 2021 Balance Sheet & Income Statement



## Balance Sheet

as of December 31, **2021** **2020**

### ASSETS

#### Cash and Cash Equivalents

Cash	\$1,385,979	\$1,671,921
Overnight Investments	4,635,066	959,652
Due From Financial Institutions	117,988,875	89,653,742
<b>Total Cash &amp; Cash Equivalents</b>	<b>124,009,920</b>	<b>92,285,315</b>

#### Investments

Treasuries	36,005,448	-
Federal Agency Securities	52,363,061	51,895,348
Mortgage Backed Securities	29,261,941	46,451,075
Certificates of Deposit	20,499,000	31,999,000
Equity Investments	1,868,900	2,129,400
AFS Valuation Reserve	359,539	2,112,626
<b>Total Investments</b>	<b>140,357,889</b>	<b>134,587,449</b>

#### Loans

Credit Card	8,713,998	9,433,919
Other Unsecured	3,449,604	4,068,508
Share Secured	658,388	725,389
New Vehicle	15,205,893	12,994,427
Used Vehicle	21,252,247	21,151,274
First Mortgage	98,329,742	91,923,194
Other Real Estate	34,086,100	39,207,185
All Other	156,290	165,430

<b>Gross Loans</b>	<b>181,852,262</b>	<b>179,669,326</b>
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Allowance for Loan Losses	(576,788)	(660,594)
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<b>Total Loans, Net</b>	<b>181,275,474</b>	<b>179,008,732</b>
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#### Other Assets

NCUA insurance	3,715,285	3,262,384
Accrued Interest on Investments	421,792	409,667
Accrued Interest on Loans	320,830	323,776
Other Assets	1,216,578	1,431,783
Fixed Assets	6,917,880	7,356,645

<b>Total Other Assets</b>	<b>12,592,365</b>	<b>12,784,255</b>
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<b>Total Assets</b>	<b>\$458,235,648</b>	<b>\$418,665,751</b>
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### LIABILITIES AND EQUITY

#### Deposit

Regular Shares	\$266,155,327	\$229,037,217
Share Drafts	82,064,231	76,667,167
Money Market	27,261,050	26,005,670
Share Certificates	30,673,171	36,090,183
IRA Shares	7,199,001	7,561,901
IRA Certificates	7,235,284	7,314,641

<b>Total Deposits</b>	<b>420,588,064</b>	<b>382,676,779</b>
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All Other Liabilities	2,582,084	2,607,592
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<b>Total Liabilities</b>	<b>423,170,148</b>	<b>385,284,371</b>
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#### Equity

Regular Reserves	4,181,641	4,181,641
Undivided Earnings	30,524,320	27,087,113
Net Unrealized Loss on Investments AFS	359,539	2,112,626

<b>Total Equity</b>	<b>35,065,500</b>	<b>33,381,380</b>
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<b>Total Liabilities &amp; Equity</b>	<b>\$458,235,648</b>	<b>\$418,665,751</b>
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## Income Statement

as of December 31, **2021** **2020**

### INTEREST INCOME

Interest on Overnight Investments	\$629	\$2,557
Interest on Other Investments	2,206,393	2,851,667
Interest on Loans	6,570,392	6,845,789

<b>Total Interest Income</b>	<b>8,777,414</b>	<b>9,700,013</b>
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<b>Total Interest Expense</b>	<b>966,000</b>	<b>1,492,719</b>
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<b>Net Interest Income</b>	<b>7,811,414</b>	<b>8,207,294</b>
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Provision for Loan Losses	-	(104,000)
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<b>Net Interest Income After Provision for Loan Losses</b>	<b>7,811,414</b>	<b>8,103,294</b>
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### NON-INTEREST INCOME

Fee Income	277,801	252,965
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Other Operating Income	4,306,076	1,680,685
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Gain on the Sale of Loans	96,324	390,745
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Gain on the Sale of Investments	-	126,491
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Loss on Sale of REO	-	(28,208)
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<b>Total Non-Interest Income</b>	<b>4,680,201</b>	<b>2,422,678</b>
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### NON-INTEREST EXPENSE

Salaries	3,387,261	3,611,554
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Benefits	1,034,687	1,050,126
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Travel & Conference	1,587	4,094
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Office Occupancy	630,925	631,317
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Office Operations	2,418,243	2,554,952
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Marketing	373,196	301,579
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Loan Servicing	484,555	751,288
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Outside Services	617,334	445,383
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NCUA Insurance and Operating	82,177	96,077
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Other Operating	24,443	491
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<b>Total Non-Interest Expense</b>	<b>9,054,408</b>	<b>9,446,861</b>
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<b>Net Income</b>	<b>\$3,437,207</b>	<b>\$1,079,111</b>
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## Supervisory Committee Message

The Picatinny Federal Credit Union (PFCU) Supervisory Committee is statutorily regulated and is responsible for ensuring that the Board of Directors and Management of the Credit Union meet required financial reporting objectives and establish practices and procedures to safeguard members' assets.

As part of our duties, we have contracted with the CPA firm Nearman, Maynard, Vallez, CPAs to perform the certified annual audit as of December 31, 2021 and CliftonLarsonAllen LLP to perform the internal audit procedures. These audits include operational policies, procedures, and internal controls of the Credit Union. After careful reviews of all audit reports, the Supervisory Committee concludes that the Credit Union is financially sound and has complied with all Generally Accepted Accounting Principles and applicable Federal and State regulations.

Kim Jones  
Supervisory Committee Chairperson

# Letter from the Chairman

Dear Member,

As we reflect back on 2021, like 2020, we continued to navigate through the pandemic. We did our best to keep our employees and members safe while also continuing to provide the financial products and services that you have come to expect from your credit union. Early in the year, there were times that we had to close offices, disinfect, and bring in new staff because of COVID-19 restrictions. 2020 taught us a lot about how to handle these situations, and we were able to operate with minimal impact to you. We appreciate your patience and understanding during these unprecedented times.

While we prepared for 2021, the theme that came to mind was “back to business as usual.” Though we had some COVID-19 roadblocks along the way, we did try to stick to our theme. We continued to build upon our products and services, while also offering some new and improved digital solutions. In late 2020, we introduced a new online banking platform with features such as Zelle®, Transfer Now, Credit Sense, and Personal Finance Manager. The added security that came along with the new platform was first and foremost, as we consider the security of our member information a top priority. We use state of the art technology to verify your identity when logging in to your accounts and have seen a decline in the amount of fraud because of this. There is now a 24-hour helpline available for online banking as well. If you have difficulty logging in when our branches are closed, you can now get the help needed to get you back online. We also installed a new ATM in our Rockaway location that offers you additional functionality with deposits and allows you to choose which denominations you would like to receive for withdrawal. We plan to upgrade all of our ATMs to do the same over the next several years.

Expanding our membership is one of our top priorities. Our online account opening process was greatly enhanced in 2021. The application is responsive to all devices and allows prospective members to easily navigate through the account opening process. New members can even fund their account with a debit or credit card. Taking the friction out of our end user processes was a pressing concern in 2021 and will continue to be through 2022 and beyond.

While we improved some of our member facing channels, we also did some upgrading to internal processes and began to implement new software and workflows for our employees. Providing tools to make their jobs easier is essential so that they can concentrate on providing a great member experience to you.

As you can see from our financial reports, our assets grew by about \$40 Million, which increased our asset size to \$458 Million. We had a Net income of \$3.4 Million in 2021. We received reimbursements of \$2.4 million from the NCUA, which was a claim distribution from our investment in Members United Corporate Credit Union. Income from our regular course of business was a little over \$1 Million. We remain a well-capitalized financial institution.

In May of 2021, our CEO, Keith McCarthy, retired, and we began a search for a new CEO. We thank Keith for his hard work and dedication to Picatinny Federal Credit Union during his tenure and wish him well in his retirement. In February 2022, we welcomed our new CEO, Tony Molina. Tony comes to us with a strong background in finance, bank operations and leadership. With his experience, enthusiasm and member focus, he will be leading our team into the future. We look forward to continuous growth and expansion under his leadership.

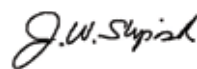
The Board of Directors and PFCU Management Team have started to build a Strategic Plan that will provide the direction for the credit union into the future. This plan will be completed by the end of the year, and we are looking forward to sharing some of these initiatives with you at our next meeting. One of these efforts that we can share now is a plan to renovate the Denville and Mt. Olive branches. Our intent is to enhance the ability of our Member Experience Professionals to provide the utmost in care and assistance to PFCU membership and their financial needs. We are excited that all of our branches will have the same look and feel with an open and inviting atmosphere.

So, you can see that 2021 was a year in which your credit union has strived to improve member safety and security while investing in advanced products and services and promoting the best in quality.

We want to thank all of you, our members, for your continued loyalty and support. We look forward to a long and personally rewarding future together.

Very Truly Yours,

Joe Shiposh  
Chairman of the Board



## BOARD OF DIRECTORS

Chairman ..... Joe Shiposh  
Vice Chairperson ..... Nancy Mueller-Davis  
Treasurer ..... Jay Decker  
Assistant Treasurer ..... Gary Caltabilotta  
Secretary ..... Leon Moreau, IV  
Director ..... Matthew Adams  
Director ..... Joe Carroll

## BOARD OF DIRECTORS (continued)

Director ..... Anthony Hawthorne  
Director ..... Kim Jones  
Director ..... Valerie Morgan  
Director ..... Ray Rokicki

## CREDIT UNION CEO

President & CEO ..... Tony Molina

## SUPERVISORY COMMITTEE

Chairperson ..... Kim Jones  
Committee Member ..... Frank Cautero  
Committee Member ..... Dominick Moreo  
Committee Member ..... Lawrence Pinder  
Committee Member ..... Rudolph Sabatino

## MISSION

*Caring about our family of members by offering financial solutions to help them achieve their goals and realize their dreams.*

## Branches & Locations

Denville Branch M, T, TH, F 9:00AM - 5:00PM  
340 E. Main Street W 10:00AM - 5:00PM  
Denville, NJ 07834 Sat 8:30AM - 12:00PM  
ATM (Drive Up)

Rockaway Branch M, T, TH, F 9:00AM - 5:00PM  
100 Mineral Springs Drive W 10:00AM - 5:00PM  
Dover, NJ 07801 Sat 8:30AM - 12:00PM  
ATM

Mt. Olive Branch M, T, TH, F 9:00AM - 5:00PM  
10 International Drive South W 10:00AM - 5:00PM  
Flanders, NJ 07836 Sat 8:30AM - 12:00PM  
ATM (Drive Up)

Parsippany Branch M, T, TH, F 9:00AM - 5:00PM  
200 Baldwin Road W 10:00AM - 5:00PM  
Parsippany, NJ 07054 Sat 8:30AM - 12:00PM  
ATM

Arsenal Branch M, T, TH, F 8:00AM - 4:00PM  
Building 30 South W 10:00AM - 4:00PM  
Picatinny Arsenal, NJ 07806 ATM

