

2024 Balance Sheet & Income Statement



Morris County | Essex County | Somerset County | Union County

**PicaCreditUnion.com serving our
members for 85 years 1939-2024**

picatinny 
*federal credit union

Balance Sheet

as of December 31, 2024 2023

ASSETS

Cash and Cash Equivalents

Cash	\$1,311,803	\$1,319,299
Due From Financial Institutions	43,579,256	20,102,068
Overnight Investments	1,333,780	1,748,304
Total Cash & Cash Equivalents	\$46,224,839	\$23,169,671

Investments

Treasuries	\$50,268,957	\$62,832,560
Federal Agency Securities	12,400,607	23,098,775
Mortgage Backed Securities	53,881,783	63,460,154
Certificates of Deposit	14,750,000	20,000,000
Equity Investments	2,598,300	3,352,500
AFS Valuation Reserve	(4,066,716)	(5,856,816)
Total Investments	\$129,832,931	\$166,887,173

Loans

First Mortgage	\$120,978,424	\$123,044,097
Other Real Estate	69,469,753	57,473,883
New Vehicle	18,866,173	27,252,094
Used Vehicle	31,220,928	35,740,678
Share Secured	544,778	656,674
Credit Card	9,386,708	9,374,274
Other Unsecured	6,367,400	5,480,510
All Other	255,456	223,415
Gross Loans	\$257,089,620	\$259,245,625
Allowance for Loan Losses	(1,077,939)	(1,025,832)
Total Loans, Net	\$256,011,681	\$258,219,793

Other Assets

NCUA Insurance	\$3,542,606	\$3,673,945
Accrued Interest on Investments	335,284	549,096
Accrued Interest on Loans	732,648	695,894
Other Assets	3,977,122	2,593,928
Fixed Assets	8,629,750	7,506,806
Total Other Assets	\$17,217,410	\$15,019,669
Total Assets	\$449,286,861	\$463,296,306

LIABILITIES AND EQUITY

Deposit

Regular Shares	\$213,407,947	\$231,266,138
Share Drafts	80,639,485	82,536,417
Money Market	19,056,105	23,521,198
Share Certificates	59,226,659	36,660,741
IRA Shares	5,981,559	6,418,135
IRA Certificates	6,127,992	5,990,343
Total Deposits	\$384,439,747	\$386,392,972
Borrowings	\$23,000,000	\$38,000,000
All Other Liabilities	6,801,491	6,658,561
Total Liabilities	\$414,241,238	\$431,051,533

Equity

Regular Reserves	\$4,181,641	\$4,181,641
Undivided Earnings	34,930,698	33,919,947
Net Unrealized Loss on Investments AFS	(4,066,716)	(5,856,815)
Total Equity	\$35,045,623	\$32,244,773
Total Liabilities & Equity	\$449,286,861	\$463,296,306

Income Statement

as of December 31, 2024 2023

INTEREST INCOME

Interest on Overnight Investments	\$56,141	\$20,215
Interest on Other Investments	5,146,570	4,779,670
Interest on Loans	12,616,639	10,300,058
Total Interest Income	\$17,819,350	\$15,099,943

INTEREST EXPENSE

Deposits	\$2,599,604	\$1,292,393
Borrowings	1,396,187	1,152,643
Total Interest Expense	\$3,995,791	\$2,445,036
Net Interest Income	\$13,823,559	\$12,654,907
Provision for Loan Losses	(412,000)	(293,000)
Net Interest Income After Provision for Loan Losses	\$13,411,559	\$12,361,907

NON-INTEREST INCOME

Fee Income	\$404,479	\$388,583
Other Operating Income	2,009,650	2,731,668
Loss on Sale of Investments	-	(5,000)
Loss on the Sale of Loans	(19,527)	(18,338)
Loss on Sale of REO	(8,799)	(5,434)

Total Non-Interest Income	\$2,385,803	\$3,091,479
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NON-INTEREST EXPENSE

Salaries	\$5,380,043	\$5,393,207
Benefits	1,626,252	1,453,234
Travel & Conference	(13,953)	37,932
Office Occupancy	723,235	651,308
Office Operations	4,118,539	3,598,966
Marketing	617,149	553,521
Loan Servicing	776,928	698,074
Outside Services	1,237,360	1,072,082
NCUA Insurance and Operating	86,862	75,748
Other Operating	234,196	193,813
Total Non-Interest Expense	\$14,786,611	\$13,727,885
Net Income	\$1,010,751	\$1,725,501

Supervisory Committee Message

The Picatinny Federal Credit Union (PFCU) Supervisory Committee is statutorily regulated by NCUA. We are 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 Doeren Mayhew Assurance to perform the certified annual audit and CliftonLarsonAllen LLP to perform the internal audit procedures which include operational policies, procedures, and internal controls of the Credit Union.

After careful review 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.

Nancy Mueller-Davis
Supervisory Committee Chairperson

Letter from the CEO & Chairman

Dear Member,

In 2024, Picatinny Federal Credit Union celebrated 85 years of serving our members. We were very proud of that milestone, and so we took the opportunity to introduce many great new products and services. But, just as importantly, we also spent time planning for the modernization of our technology to enhance future operations and improve member experiences.

Despite having to navigate an economy that was uncertain in 2024, your credit union never lost sight of our number one passion: to keep our members' best interests in mind and help them achieve their financial goals and realize their dreams.

We all know that technology is ever changing, and standing still in such an environment invites dire consequences. So, we continued to stay up to date and enhance our mobile app, online banking platform, and website or what we generally call our digital channels.

In July, we upgraded our phone system and introduced our Contact Center which features a dedicated staff to enhance exceptional service over the phone, through email, and through online messaging. We are pleased that with this improvement, 100% of member calls are handled efficiently thereby minimizing dropped calls and missed messages. Members can choose to wait for a representative or simply enter their number to receive a call back when it is their turn in the queue.

As we move forward, we will be adding chat, screen sharing, and video conferencing to our Contact Center. This will allow our members who cannot visit a branch to have similar personal experiences to those who visit in person, especially members in Essex, Somerset, and Union counties.

A new online banking theme was rolled out in August. This new look to our web and mobile applications offers increased security and better functionality. Since security is our number one priority, we updated login requirements to improve member account safety by making them stronger and less vulnerable to fraudulent attacks. It may have been a bit challenging in the beginning as some members were forced to change their login credentials, but we know that the outcome is a safer online experience. We thank everyone for working through it with us.

In October, we presented an update to PFCU Protect, which is our application to manage debit and credit cards. Members now have one place to go to manage their cards, and it is accessible via our mobile app, mobile web, and on their desktop. They can view statements, make payments, place travel notifications, view pending transactions, manage alerts, turn cards on and off, and even link to the uChoose Rewards site. It's a one-stop shop for everything card-related, and we are happy to report that more members have been using the system since the change. We highly recommend setting up alert notifications for transactions to alleviate fraud should a card be compromised.

In our lending area, we introduced a new online mortgage application that is easy to use and allows for a quick upload of documents through a secure online portal. The portal also allows us to communicate with applicants, making the mortgage process less time-consuming and more interactive. With this new technology, mortgage applications can

be moved to the closing stage in record time. If you, family members, or friends are looking to purchase or refinance your home, we encourage you to apply with us. The new technology along with our flat fee program and our partnership with Home Advantage, which provides everything from MLS listings to property valuations and cash rewards, will be sure to save you money.

Another valuable service we began to offer in 2024 is the Prepaid Vehicle Maintenance Program. This service is available for any vehicle and can greatly reduce your maintenance costs. It offers roadside assistance, key fob replacement, battery replacement, and helps to cover oil changes, tire rotation, brakes and much more. We want our members to be able to save money on vehicle maintenance, so we thought this would be a nice addition to all the protection services we offer.

As you can see, we were very busy in 2024 making it easier to bank with confidence at PFCU. We hope that you are enjoying these and all the improvements your credit union has made.

In 2025, we are beginning the process to convert our core banking system which is the central software platform that handles our most critical operations such as managing customer accounts, processing transactions, calculating interest, and maintaining records. After painstaking research, we chose providers who are leaders in technology and can help us to serve our members most effectively. This comprehensive and major undertaking has been in the works since 2023 and is scheduled to go live to the membership in the summer of 2026. We will start communicating early next year about what to expect.

While continuing to enhance our products, services, and technology, we are also mindful in making sure the credit union is financially sound. We are proud to say that although 2024 was economically challenging, we had another successful year. Our net income was \$1,010,751 and we improved our net worth from 8.22% to 8.74%, remaining well capitalized. Although we did not grow our loan portfolio, because of a lack of loan demand brought on by current higher market rates, we were able to replace lower interest rate loans with higher rates, increasing our net interest margin from 2.74% to 3.04%. We provided higher yield share certificates to our members, allowing them to lock in for a term at an attractive rate. Our Finance Team is constantly engaged in researching economic trends and making sure the right financial decisions are made, keeping our members' best interests in mind.

We want to thank you, our members, for continuing to choose PFCU for your financial needs. And be sure to tell your family and friends about our story. Word of mouth is one of our best advertising tools. Looking forward, we are confident that our members will continue to enjoy the true financial benefits of membership with even higher levels of safety, value, and convenience in 2025 and beyond.

Rob Albrecht
Chief Executive Officer



Joe Shiposh
Chairman of the Board



Board of Directors

Chairman..... Joe Shiposh
Vice Chairperson..... Nancy Mueller-Davis
Treasurer..... Jay Decker
Secretary..... Leon Moreau, IV
Assistant Treasurer..... Dino Cappello

Board of Directors (continued)

Director..... Valerie Morgan
Director..... Joe Carroll
President & CEO..... Rob Albrecht

Supervisory Committee

Committee Chairman..... Nancy Mueller-Davis
Committee Member..... Rudolph Sabatino
Committee Member..... Ann Subrizi



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

340 E. Main Street
Denville, NJ 07834

M, T, TH, F 9:00AM - 5:00PM
W 10:00AM - 5:00PM
Sat 8:30AM - 12:00PM ATM (Drive Up)

Rockaway Branch

100 Mineral Springs Drive
Dover, NJ 07801

M, T, TH, F 9:00AM - 5:00PM
W 10:00AM - 5:00PM
Sat 8:30AM - 12:00PM ATM

Mt. Olive Branch

10 International Drive South
Flanders, NJ 07836

M, T, TH, F 9:00AM - 5:00PM
W 10:00AM - 5:00PM
Sat 8:30AM - 12:00PM ATM (Drive Up)

Parsippany Branch

200 Baldwin Road
Parsippany, NJ 07054

M, T, TH, F 9:00AM - 5:00PM
W 10:00AM - 5:00PM
Sat 8:30AM - 12:00PM ATM

Arsenal Branch

Building 30 South
Picatinny Arsenal, NJ 07806

M, T, TH, F 8:00AM - 4:00PM
W 10:00AM - 4:00PM ATM

For a complete set of 2024 audited financial statements & footnotes contact: Ray Silfies, Chief Financial Officer, Picatinny Federal Credit Union, 100 Mineral Springs Drive, Dover,

NJ 07801, rsilfies@picacreditunion.com. The 5300 quarterly report filed with the NCUA for Picatinny Federal Credit Union for December 31, 2024 can be obtained at

www.NCUA.gov under Credit Union Data. Our charter number is 3291.

The address for the NCUA is: NCUA, 3375 Duke Street, Alexandria, VA 22314-3428.