



Celebrating Catholics Helping Catholics

BOARD OF DIRECTORS

Donald Maresca
Chairman

Muriel Gennosa
Vice Chairwoman

Paul Wigand
Secretary/Treasurer

Jay T. Korth
Director

Michael S. Sloan
Director

Patrick Smith
Director

Kevin Timoney
Director



50TH ANNUAL REPORT • APRIL 28, 2019

REPORT TO THE MEMBERSHIP

Ocean Financial is excited to celebrate our 50th Anniversary with the people who made it all possible, you – our member/owners. We have never forgotten that we work for you. The faith you have displayed in us from Day One is not only the reason we are here today, but also why we are so optimistic about our future.

Our original charter in 1969 was for members of the Fr. Joseph O'Connell council and their families only. In the early nineties we started to add other K of C councils before getting a charter for all the Knights of Columbus councils in New York State. St. Anthony's was the first parish to be included in our charter followed by others until the entire Diocese of Rockville Centre was added in 2014. Catholic schools and organizations also make up our charter, including the recently added Catholic Cemeteries. We believe our members appreciate us never straying from our Catholic common bond.

When you read our 2018 year end financials you see our credit union is strong after a solid year earning over \$1.35 million. Our assets stand at \$309 million, our loan portfolio is \$196 million and we have over \$25 million in reserves which translates into a capital to asset ratio over 8%.

In 2018, we made significant investments in protecting your data. Our back office infrastructure saw us updating hardware and servers to enhance our defense against any kind of cyber-attack. On the front line we updated our ATMs with anti-skimming protection while rolling out CardValet, a service where you receive real time alerts on card transactions. CardValet lets you set spending limits and turn your cards on/off for increased security controls.

For 50 years we have focused on delivering the products and services our members need. From passbooks to electronic banking, car loans to business loans our goal is to provide quality service 24/7 to any Catholic who wants to support and be part of our financial cooperative.

When you reach a 50-year milestone, there are many people to acknowledge yet it always comes back to our members. You could bank elsewhere but the idea of helping other Catholics as opposed to making bank stockholders wealthier resonates with you. We won't let you down!

We want to recognize all our volunteers over the years, Board and committee members who gave of their time attending meetings, approving policies and dealing with auditors and regulators. Your work is important, it made a difference and we are grateful.

It is most appropriate to also thank all our employees, past and present. You conveyed every day to our members that we cared and wanted to help. You created a relaxed friendly atmosphere that was never taken for granted. Your dedication and belief in our work continues to positively impact thousands of lives each day.

It started 50 years ago with Joe Garay, Sr. asking "where does a guy go to borrow 50 bucks." Fast forward and today our journey continues as a full service financial institution owned and operated by our Catholic community. We believe our original founders as well as our 4th generation of members today would agree that Ocean Financial is a special place different from all others. A place where you do feel a sense of family, where you will always be treated fairly, a place you can rely on.



Joseph Garay
President / CEO



Don Maresca
Chairman of the Board

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee monitors the Credit Union's operations and procedures on behalf of the membership. Our responsibilities include overseeing the direction and focus of the internal audit function, initiating an annual external audit of the Credit Union's financial records and control structure, commissioning member account verification and ensuring an ongoing review of closed accounts.

Each year we have an annual audit performed by an independent CPA firm to ensure that the Credit Union's financial statement accurately and fairly presents the financial condition of the Credit Union and that Management practices and procedures safeguard members' assets.

Based on the results of the annual audit by Nearman, Maynard, Vallez, Certified Public Accountants, it is the opinion of the Supervisory Committee that Ocean Financial continues to be financially strong and operationally effective with sound policies and procedures.

The financial statements as of December 31, 2018 fairly present, in all material respects the Credit Union's financial position, results of operations and cash flows.

SUPERVISORY COMMITTEE
P.O. Box 431, Oceanside, NY 11572

Lisa McGuinness, Chairwoman
Thomas Killeen

Susan Bralower
Michael Sloan

FINANCIAL HIGHLIGHTS

Statements of Financial Condition

	As of December 31,	2018	2017
Assets			
Cash and cash equivalents		\$26,943,052	\$23,264,624
Investment securities:			
Available for sale, net		\$66,743,465	\$84,651,211
Held to maturity, net		\$403,592	\$397,000
Other investments		\$10,576,744	\$8,274,907
Federal Home Loan Bank of New York stock		\$260,500	\$254,200
Loans receivable, net of allowance for loan loss		\$194,176,680	\$185,446,508
Accrued interest receivable		\$859,838	\$856,448
Assets acquired in liquidation		\$333,463	\$333,450
Premises and equipment, net		\$5,099,833	\$5,233,644
National Credit Union Share Insurance Fund deposit		\$2,683,567	\$2,736,261
Prepaid expenses and other assets		\$1,412,183	\$1,716,833
Total assets		\$309,492,917	\$313,165,086
Liabilities			
Members' shares and savings accounts		\$287,829,377	\$291,738,108
Accrued expenses and other liabilities		\$645,866	\$471,804
Total liabilities		\$288,475,243	\$292,209,912
Members' Equity			
Appropriated regular reserves		\$1,007,161	\$1,007,161
Unappropriated earnings		\$24,863,512	\$23,514,290
Accumulated other comprehensive loss		\$(4,852,999)	\$(3,566,277)
Total members' equity		\$21,017,674	\$20,955,174
Total liabilities and members' equity		\$309,492,917	\$313,165,086

Statements of Income

	For the years ended December 31,	2018	2017
Interest Income			
Interest on loans receivable		\$7,457,454	\$6,881,811
Interest on investments		\$2,214,711	\$2,205,759
Total interest income		\$9,672,165	\$9,087,570
Interest Expense			
Members' shares and savings accounts		\$2,275,936	\$1,858,792
Net interest income		\$7,396,229	\$7,228,778
Provision for Loan Losses		\$347,706	\$4,333,333
Net interest income after provision for loan losses		\$7,048,523	\$2,895,445
Non-Interest Income			
Other operating income		\$858,884	\$641,319
Fee income and charges		\$460,439	\$439,987
Gain on disposition of assets acquired in liquidation		\$10,356	-
Gain on sale of investments		-	\$9,543
Total non-interest income		\$1,329,679	\$1,090,849
Non-Interest Expense			
Compensation and benefits		\$3,459,898	\$3,431,460
Occupancy and operations		\$1,995,434	\$1,813,895
Professional and outside services		\$682,182	\$651,544
Education and promotion		\$509,370	\$794,026
Loan servicing expense		\$257,524	\$291,955
Travel and conference		\$99,936	\$112,725
Write down of investments		\$24,636	\$60,000
Loss on sale of foreclosed assets		-	\$277,787
Total non-interest expense		\$7,028,980	\$7,433,392
Net Income (loss)		\$1,349,222	\$(3,447,098)

MEMORIES AND MILESTONES



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1. 49th Annual Meeting At the Ocean Financial 49th Annual Meeting held on April 22, 2018, Board Members Muriel Gennosa and Paul Wigand were re-elected for three-year terms.

Pictured (l-r): Kevin Timoney, Director; Michael Sloan, Director; Paul Wigand, Treasurer/Secretary; Don Maresca, Chairman; Guest Speaker Monsignor James Vlaun; Lisa Mingoia, CFO; Jay Korth, Director

2. Catholics Day at CitiField Sunday, August 5th was Catholic Day at Citi Field. Ocean Financial joined other organizations such as Catholic Charities, Catholic Health Systems and the Diocese of Rockville Centre.

Pictured: Employees of Ocean Financial and their families at CitiField

3. Membership Drive at Mercy Medical Center in Rockville Centre Ocean Financial spreads credit union awareness.

4. Scholarship Recipient Emily Rail of St. Anthony's High School was one of the recipients of the annual Patrick McNeill Scholarship, pictured here with Don Maresca.

5. 2018 Food Drive Thanks to the generous donations from our members and staff for our Annual Food Drive, we were able to provide to the St. Anthony's food pantry in Oceanside and Our Lady of Perpetual Help's food pantry in Lindenhurst.

Pictured (l-r): Diane Ronessi, Grace Tapinis and Nancy Pellegrino, volunteers from the St. Vincent de Paul Chapter that runs the Our Lady of Perpetual Help food pantry, join Ocean Financial's Rudy Zilli to catalog the food donations.

6. Long Island Herald Senior Expo Angela Fulgieri, Director of Staff Development & Member Experience, presented information on Senior ID theft.

7. Angel Tree 2018 Ocean Financial took part in the Angel Tree Program from Salvation Army this year. With the generous help from our members and staff we were able to make the Christmas wishes of 30 children in need a reality.

President / CEO Joseph Garay with Angel Tree donations.