

Catholic Values You Can **Still** Bank On



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**Ocean Financial
Federal Credit Union**
Catholic Values You Can Bank On®

51ST ANNUAL REPORT

REPORT TO THE MEMBERSHIP

Your financial well-being is at the heart of everything we do.

At Ocean Financial Federal Credit Union, we are proud of the changes we experienced in 2019 and of the ones we were preparing to make in 2020.

One of the first changes we made in 2019 was in our executive leadership. In May, 2019, Joseph Tedesco joined the credit union to lead the Ocean Financial team as the new President/CEO.

It was under this new leadership that we changed our mission from a focus on products and services to a focus on you – our member-owners:

Our members' financial well-being is at the heart of all we do at Ocean Financial Federal Credit Union. Inspired by our Catholic values, Ocean Financial strives to be a trusted partner for our members and our community.

In 2019, we made the decision not to pursue the new building located at 440 Atlantic Avenue. This was simply because we didn't feel the resources required would be of value for you. Because the need for space remained, however, we found office space for our back-office teams such as Accounting and Marketing, just to name a few. This will allow our member-facing teams to better serve you in the branches and make room for an expanded Contact Center.

The course to move forward in 2020 must move us, constantly and with a sense of urgency towards our "North Star," which is delivering long-term sustainability and growth and to be a trusted financial partner for all of you. With our member-owners in mind at all times we must focus our time, effort and resources on the things which guide us towards that goal.

That became even more true when the COVID-19 pandemic began. We acted quickly and our drive-up windows remained open to service your needs. We worked from home to ensure loans were closed, accounts were opened and we were available to assist you and answer your questions.

In 2020, we still plan to update and expand some products and launch some new ones. If there is a product you think we should have, let us know! We'll look into it and see if it's something that we can add to our current products and services.

Catholic values you can bank on.

Several years ago, when we rebranded, we made a point of adding a tagline to our logo – Catholic values you can bank on. Catholic values are what support Ocean Financial's vision & mission, shape our culture and demonstrate what is important to us.

- 1. Love:** Our priority, above all else, is our members. Ocean Financial puts the member first, ahead of all else.
- 2. Integrity:** We honor our commitments to our members. We don't take our commitments lightly; we will do everything we possibly can to meet expectations. We do the right thing, always.
- 3. Honesty:** Ocean Financial demonstrates honesty by what we say and by what we do every day for our members. Being honest sets an example and influences the people around us. Honesty leads to another core value, trust.
- 4. Trust:** Trust is always doing the right thing. What is best for our members is what is best for us, too. Ocean Financial strives to be the trusted partner for our members.
- 5. Charity:** Ocean Financial follows the philosophy of credit unions of "people helping people." We give back to our community and Long Island charities through time, talent and treasure: volunteering, providing assistance and aiding through donations.
- 6. Commitment:** We devote ourselves to our members' financial well-being by working tirelessly to make a difference through quality, excellence and service.

The more things change, the more they stay the same.

What hasn't changed, and what never will, is our commitment to each of you and our devotion to what makes us your credit union.

We are now in our 51st year of service to you and no matter what, or who, changes, you can count on us to make sure you remain financially healthy.

We are enthusiastic about the year ahead of us. On behalf of everyone at Ocean Financial Federal Credit Union, thank you for your continued support, loyalty and membership.



Joseph Tedesco
President/CEO



Paul Wigand
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, 2019 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

Tim Johnson

Thomas Killeen

Statements of Financial Condition

As of December 31, 2019 2018

Assets	Cash and cash equivalents	\$1,479,956	\$1,828,039
	Investment securities:		
	Equity Securities	\$82,776	\$0
	Available for sale, net	\$83,779,327	\$66,743,465
	Held to maturity, net	\$3,907,749	\$403,592
	Other investments	\$35,079,183	\$35,691,757
	Federal Home Loan Bank of New York stock	\$256,200	\$260,500
	Loans receivable, net of allowance for loan loss	\$187,220,485	\$194,176,680
	Accrued interest receivable	\$909,156	\$859,838
	Premises and equipment, net	\$5,234,902	\$5,099,833
	National Credit Union Share Insurance Fund deposit	\$2,696,297	\$2,683,567
	Assets acquired in liquidation	\$0	\$333,463
	Prepaid expenses and other assets	\$1,189,865	\$1,412,183
	Total assets	\$321,835,896	\$309,492,917
Liabilities	Members' shares and savings accounts	\$297,000,574	\$287,829,377
	Accrued expenses and other liabilities	\$700,752	\$645,866
	Total liabilities	\$297,701,326	\$288,475,243
Members' Equity	Appropriated regular reserves	\$1,007,161	\$1,007,161
	Unappropriated earnings	\$26,026,711	\$24,863,512
	Accumulated other comprehensive loss	\$(2,899,302)	\$(4,852,999)
	Total members' equity	\$24,134,570	\$21,017,674
	Total liabilities and members' equity	\$321,835,896	\$309,492,917

Statements of Income

For the years ended December 31, 2019 2018

Interest Income	Interest on loans receivable	\$8,310,100	\$7,457,454
	Interest on investments	\$2,482,520	\$2,214,711
	Total interest income	\$10,792,620	\$9,672,165
Interest Expense	Members' shares and savings accounts	\$3,072,200	\$2,275,936
	Net interest income	\$7,720,420	\$7,396,229
Provision for Loan Losses		\$455,367	\$347,706
	Net interest income after provision for loan losses	\$7,265,053	\$7,048,523
Non-Interest Income	Card income	\$693,412	\$682,959
	Service charges	\$463,939	\$424,348
	Miscellaneous income	\$43,301	\$200,176
	Insurance income	\$8,227	\$11,840
	Gain on disposition of assets acquired in liquidation, net	\$0	\$10,356
	Total non-interest income	\$1,208,879	\$1,329,679
Non-Interest Expense	Compensation and benefits	\$3,672,855	\$3,459,898
	Occupancy and operations	\$2,003,948	\$1,995,434
	Professional and outside services	\$636,498	\$682,182
	Education and promotion	\$447,893	\$509,370
	Loan servicing expense	\$340,672	\$257,524
	Travel and conference	\$109,383	\$99,936
	Loss on sale of foreclosed assets, net	\$96,118	\$0
	Loss on sale of disposition of assets acquired in liquidation, net	\$1,987	\$0
	Other components of net periodic pension cost	\$1,380	\$0
	Write down of investments	\$0	\$24,636
	Total non-interest expense	\$7,310,734	\$7,028,980
	Net Income	\$1,163,198	\$1,349,222

MEMORIES AND MILESTONES

Your Leadership Team:

Joseph Tedesco
President/CEO

Lisa Mingoia
Chief Financial Officer

David Franco
Chief Information Officer

Patricia Daley
Director of Marketing & Member Development

Angela Fulgieri
Director of Branch Operations & Member Experience

Daniel Goosk
Director of Lending

Jennifer Stone
Director of Human Resources

Rudy Zilli
Deposit Operations Manager

Your Ocean Financial Team:

Jennifer Abrams
Teller

Christine Barlow
Deposit Operations Specialist

Eileen Cahill
Project Manager

Barbara Casap
Member Service Rep

Theresa Clarke
Teller Supervisor

Norma DeJesus
Member Service Rep

Margaret Doyle
Teller

Rosemarie Eifler
Teller

Phil Faller
Lending Officer

Jennifer Fort
Graphic Designer

Jeffrey Goldbort
Senior IT Support Specialist

Joann Gullotti
Member Service Rep

Natale Guniewicz
Teller

Gail Jackson
Teller Supervisor

Bebi Karim
Principal Bookkeeper

Lorraine Keegan
Quality Assurance & Legal Processing Specialist

Elizabeth Lora
Seaford Branch Manager

Teresa Mazzeo
Deposit Operations Specialist

Gary Olson
Recovery Specialist

Kathleen Powers
Compliance Officer

Michael Peck
Member Service Rep

Tracey Revere
Oceanside Branch Manager

Marie Rullo
Lending Manager

Vicki Sanders
Lending Support Rep

Nicholas Sardelli
Junior IT Support Specialist

Nancy Scavone
Controller

Carol Stuber
Member Service Rep

Cyndie Thompson
Senior Loan Officer

Michael Torres
IT Support Specialist

Deborah Weidler
Recovery Specialist



President/CEO Joe Tedesco stands among the coats collected for the Interfaith Nutrition Network in September 2019.



(pictured L. to R.) President/CEO Joe Tedesco, Director of Human Resources Jennifer Stone & Branch Manager Tracey Revere gather the presents donated by members for the Annual Angel Tree at Christmas.



Scholarship Chairman and Board of Director Don Maresca honors the Patrick McNeill Scholarship recipients. (Pictured L. to R.: Maggie McGarry, Don Maresca, Margaret Peknic, Morgan Gilligan. Missing from picture: Daniel Annunziato)