

MISSION STATEMENT

Sea West Coast Guard FCU's mission is to provide value to member-owners by building lasting relationships, offering secure, convenient, and competitive financial services through a staff of responsive, ethical professionals.

Board of Directors

CAPT Jerry Doherty
USCG (Ret.)
Chairman



CAPT Rob McCrimmon
USCG (Ret.)
Vice Chairman



CAPT Richard Consigli
USCG (Ret.)
Secretary



CDR E. E. Chambers
USCG (Ret.)
Treasurer



CDR Robert Cathey
USCG (Ret.)

Chairman's Report

While the primary purposes of our Annual Meeting are to review our Credit Union's performance over the past year and to plan for our future by establishing the continuity of Board leadership, I would be remiss to ignore our present economic conditions.

It's a scary time for our members. Shelter-in-place orders and social distancing are challenging our way of life, not just our way of holding this meeting. I want to assure you that it is not, however, a scary time for your Credit Union. We have navigated these waters before, most recently though the recession following the credit crisis in 2008, and we know both the way to safely get through this economic crisis and how to come out the other side of the storm that may follow, strong and ready to serve your needs.

As you can see from our financial reports, we had a great year in 2019. We posted gains in members, loans, shares, and total assets, and our net worth-to-assets ratio, arguable the single most important indicator of financial strength, was a healthy 19.6% at year end.

We also continued to invest in technology, improving service to our members while aggressively maintaining the highest standards of security, to protect both your financial assets and your personal information. And that investment is serving us well through this crisis, including allowing us to host the virtual portions of our Annual Meeting. We are, indeed, helping our members *Go Beyond*.

We face tough headwinds. I can confidently forecast that we're going to spend some of our net worth this year. Not a lot, at least as far as we can tell, but some. I can also confidently assure you that, even after spending some of that net worth, when we emerge from this economic crisis – and we will - SeaWest will still be one of the strongest, soundest, and most well capitalized Federal Credit Unions in the nation. And it's that financial strength that enables us to provide exceptional benefits to you, our members.

As to the future continuity of Board leadership, I am sad to report that we lost Salvador Romo, Jr., our dear friend, long-time Board member, and always the most stalwart champion of the financial needs of our representative member, Seaman Gublatz. Sal can never be replaced, but I am heartened to report that our Supervisory Committee quickly provided us with both temporary and permanent relief for our Board changes this past year, and that your Board leadership remains strong.

Thank you for being a member of Sea West Coast Guard Federal Credit Union, thank you for supporting our Annual Meeting, and thank you for trusting us with your financial future.

Sincerely,

Jerry Doherty, Captain, USCG (Ret.)
Board Chair

President/CEO Report

Throughout 2019, Sea West CG fulfilled our mission and vision statements by going beyond the norm to assist our member-owners in multiple ways.

During the government shutdown in January, Sea West CG disbursed over \$500,000 in zero interest rate unsecured loans to our core group, USCG active duty and civilian employees. These loans were expedited to ease the burden on Coast Guard families who did not receive pay during the shutdown.

In 2019, Sea West CG disbursed over \$50 million in loans helping hundreds of members purchase, refinance and stay in their homes at interest rates consistently below market, including expedited VA home loans.

In addition, both membership and member deposits increased in 2019. We experienced an increase of over \$15 million in member certificate deposits. This increase was led by our unique 60-month Above Market Rate Certificate that has provided hundreds of members with an insured above market yield during these uncertain times.

Sea West CG realized a record loan-to-share ratio in 2019. This means more member deposits were lent to members needing loans than ever before. Significantly, Sea West CG continues to pay higher than market yields on deposits and lower than market rates on loans. In 2019, Sea West CG earned its 118th consecutive Bauer Financial Performance 5-Star Award for "Exceptional Performance", a very prestigious award.

As times and technology have evolved, Sea West has continued to invest in state-of-the-art software and hardware to ensure that our members Personally Identifiable Information (PII) is protected. We continue our commitment to maintaining a strong cybersecurity program.

Sea West CG is proud to serve active duty, retirees, and veterans from all branches of the military, and their families. We are honored to serve those who serve and have served.

Sea West's success in 2019 reflects the commitment of our staff to provide quality service and products to our members. We appreciate the support of our member-owners and look forward to serving you in the years ahead.

Sincerely,

Tom Doherty
President/CEO

Supervisory Committee Report

The Supervisory Committee oversees the work of internal and external auditors and is responsible for ensuring that member assets are adequately safeguarded, accurate records are maintained, and proper business practices are followed. Our efforts also ensure compliance with the rules and regulations of the National Credit Union Administration, an agency of the U.S. Government.

The Committee conducts an annual audit of the overall financial status of Sea West CG and verifies member accounts. To assist in this function, we engaged the services of Nearman, Maynard, Vallez, CPAs. We are pleased to report that their audit of the Credit Union's financial statements and member accounts found Sea West CG to be performing well.

As a Committee, we are pleased to report that the Credit Union remains fiscally sound and continues to operate in compliance with all credit union laws and regulations and generally accepted accounting principles.

We remain appreciative of our Sea West Coast Guard Federal Credit Union member-owners and we look forward to our continued success in the years to come.

Sincerely,

CDR Robert Cathey, USCG (Ret.)
Chairman

RADM Daniel J. Murphy, USCGR (Ret.)
Member

CDR Kevin W. Mohr, USCG (Ret.)
Member

Margaret Smith-McCollum
Member

LTC Jason Kuroiwa, USA (Ret.)
Member

Treasurer's Report

With an exceptionally strong Net Worth/Asset Ratio of over 19% Sea West CG is in excellent financial condition. Sea West CG continues to be a secure investment choice.

Remaining true to our credit union philosophy, Sea West CG utilizes deposits to offer low rate loans to our member-owners and due to our strong Capital/Asset Ratio, are able to pay very competitive yields on deposit accounts. Deposits not loaned out are placed in short term, secure investments. Sea West CG has not and will not place funds in risky investments.

Sea West CG has continually increased reserves over its history. In addition to enabling Sea West CG to offer very competitive savings and loan rates, our reserves act as a cushion to offset the effects of economic downturns. In 2019 Sea West CG again added to our reserves.

Your deposits at Sea West CG remain extraordinarily well protected and insured. The National Credit Union Administration (NCUA), an agency of the U.S. Government, insures each type of member savings account up to \$250,000. This means your funds are insured for up to \$250,000 on your individually owned accounts, your ownership share of all joint accounts, and your IRA accounts.

It certainly makes good sense for members to do all their banking at Sea West Coast Guard Federal Credit Union.

Sincerely,

CDR Emmerson E. Chambers
USCG (Ret.)
Treasurer

Vision Statement

We aspire to be the financial institution that our members go to first and utilize the most and we will continue to have a positive impact on our member's financial lives and in the military communities we serve.

Statement of Financial Condition As Of December 31st (in thousands)

	2019	2018
Assets		
Loans to Members	\$158,980	\$140,940
Participation Loans	-0-	-0-
Allowance For Loan Losses	(624)	(665)
Cash On Hand and Investments	211,630	218,886
Deposits in NCUSIF*	2,560	2,592
Fixed Assets	778	624
Other Assets	1,689	1,586
Total Assets	\$375,013	\$363,963
Liabilities & Equity		
Dividends Payable	\$ -0-	\$ -0-
Other Liabilities	1,631	1,664
Total Liabilities & Equity	\$ 1,631	\$1,664
Member Savings		
Term Savings Certificates	\$ 91,429	\$ 76,715
Primary Savings	141,058	146,136
Checking	41,783	41,457
IRA Savings	10,474	11,607
IRA Term Certificates	15,094	14,385
Holiday Club Savings	56	238
Total Member Savings	\$299,893	\$290,538
Reserves		
Required Reserves	\$ 3,941	\$ 3,941
Undivided Earnings	69,547	67,820
Total Liabilities & Member's Equity	\$375,013	\$363,963

*National Credit Union Share Insurance Fund, a U.S. Government Insured Fund.

Statement of Income and Expenses For the Years Ended December 31st (in thousands)

	2019	2018
Income		
Interest on Loans	\$ 6,145	\$ 5,678
Income from Investments	4,728	4,231
Other Operating Income	896	1,120
Other Non-Operating Income	15	25
Total Income	\$ 11,784	\$ 11,054
(Less) Dividends Paid on Member's Savings and Certificates	\$ 3,485	\$ 2,385
Expenses		
Salaries & Benefits	\$ 3,989	\$ 3,589
Office Operating	1,698	1,730
Provision for Loan Losses	-0-	165
Education & Promotion	234	75
Office Occupancy	219	212
Professional Services	96	57
Association Dues	17	16
All Other Expenses	837	821
(Less) Total Expenses	\$ 7,089	\$ 6,710
NET INCOME	\$ 1,211	\$ 1,959

