



2021 ANNUAL REPORT

MISSION STATEMENT

Provide value to members by offering secure, convenient, and competitive financial services; and build lasting relationships through a staff of responsible, ethical professionals

Board of Directors

CAPT Jerry Doherty

USCG (Ret.)

Chairman



CAPT Rob McCrimmon

USCG (Ret.)

Vice Chairman



Mr. Paul Cayere

Director



CDR E. E. Chambers

USCG (Ret.)

Treasurer



**Ms. Margaret
Smith-McCollum
Director**

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, it is once again that the economic uncertainties resulting from the pandemic have our focused attention this year.

It remains a scary time for our members. The cost of nearly everything is higher, and forecast to go higher still as inflationary pressures from supply chain bottlenecks and the war in Ukraine drive up the cost of goods and services. We are again holding our Annual Meeting virtually, because the pandemic is still with us. But, like last year and the 60 years before that, Sea West remains strong and ready to serve your financial needs.

As you can see from our financial reports, once again and despite everything going on with the pandemic and the economy, the fantastic employees of Sea West figured out a way to keep delivering excellent service to our members while still managing to make a small profit. Our total assets remain at more than \$400 million, with \$350 million in deposits and shares, and we put those assets to work, with a record loan-to-share ratio of 66%, and a well below the peer average delinquencies rate of 0.02% at year end. We also made a record number of loans to members, with 960 members borrowing \$145 million. We are strong members serving other strong members! By all objective measures, 2021 was a great year for Sea West, and the state of our Credit Union is exceptional.

As to the future continuity of Board leadership, I have sad news and promising news. I am sad to report that we've lost our long-standing and dedicated Board Secretary, Captain Richard Consigli, USCG Retired, who left us on February 26th, 2022, while at sea on the Pacific Ocean. Rick served Sea West for more than 20 years, with the aim of helping members of the Coast Guard, other military organizations, and their families. Rick's understanding of our regulatory framework and Sea West's finances will be dearly missed. I am also honored to report that our remaining current Board and Committee members have agreed to continue to serve, and that former Board Vice Chair and current Asset and Liability Committee Chair Paul Cayere has agreed to return to the Board to fill the vacancy. Thus your Board leadership also 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

I am pleased to report Sea West Coast Guard FCU continues to be an exceptionally strong financial institution. At year-end 2021 the Credit Union's net worth ratio was 17.3%, well above the peer average of 10.3%. This is the measuring stick that is most often used to gauge a financial institution's strength.

As always, our members come first! When we make a decision to add products and services, we consider the member impact. Of primary importance is our members' privacy and security. We are continually investing in state-of-the-art Cyber Security defenses, testing firewalls, and constantly monitoring and analyzing our electronic traffic. In the past year, we spent over half a million dollars in new technology to ensure your personal information is kept secure.

As a cooperative, not-for-profit financial organization, Sea West is here for our members. The Credit Union continues to pay higher than market yields on savings and certificate deposits. Fees charged members continue to be significantly lower than practically all other financial institutions. At 0.31%, Sea West's ratio of fee income to assets is 1.02% below the peer average of 1.33%.

I am hopeful we are nearing the endemic stages of the pandemic and things are slowly returning to normal. I commend the extraordinary efforts and perseverance employees of Sea West exhibited in providing top quality service to our membership. With our employees' commitment, Sea West kept our doors open throughout 2021 while providing a full range of financial services.

In 2021, the Credit Union earned its 126th consecutive Bauer Financial Performance 5-Star Award for "Exceptional Performance".

We are honored to serve current and former members from all branches of the military and their families. We appreciate the support of our membership 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 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 that insures member deposits.

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

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

We remain appreciative of our SeaWest Coast Guard Federal Credit Union members and we look forward to 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

LTC Jason Kuroiwa, USA (Ret.)
Member

CDR Wallace H. Whatley USN (Ret.)
Member

Treasurer's Report

With an exceptionally strong Net Worth/Asset Ratio of over 17% SeaWest CG is in excellent financial condition and Sea West CG continues to be a secure investment choice.

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

In addition to enabling SeaWest CG to offer very competitive savings and loan rates, our reserves act as a cushion to offset the effects of economic downturns.

Your deposits at SeaWest 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 SeaWest Coast Guard Federal Credit Union.

Sincerely,

CDR Emmerson E. Chambers
USCG (Ret.)
Treasurer

Vision Statement

Be the financial institution that our members go to first and use the most.

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

	2021	2020
Assets		
Loans to Members Participation	\$233,209	\$172,908
Loans	-0-	-0-
Allowance For Loan Losses	(611)	(558)
Cash On Hand and Investments	190,868	230,491
Deposits in NCUSIF*	2,826	2,621
Fixed Assets	964	1,002
Other Assets	1,704	1,643
Total Assets	\$428,960	\$408,106
Liabilities & Equity		
Dividends Payable	\$ -0-	\$ -0-
Other Liabilities	891	1,373
Total Liabilities & Equity	\$ 891	\$ 1,373
Member Savings		
Term Savings Certificates	\$ 94,917	\$ 97,429
Primary Savings	180,510	159,800
Checking	52,545	47,620
IRA Savings	10,817	10,352
IRA Term Certificates	14,102	15,820
Holiday Club Savings	69	66
Total Member Savings	\$352,960	\$331,087
Reserves		
Required Reserves	\$ 3,941	\$ 3,941
Unrealized Gain on Investments	846	2,091
Undivided Earnings	70,322	71,705
Total Reserves**	\$75,109	\$75,647
Total Liabilities & Member's Equity	\$428,960	\$408,106
* National Credit Union Share Insurance Fund, a U.S. Government Insured Fund.		
** Net Worth = Total Reserves less Unrealized Gain on Investments, or \$74.2 million at year-end 2021 and \$73.5 million at year-end 2020		
Statement of Income and Expenses For the Years Ended December 31st (in thousands)		
	2021	2020
Income		
Interest on Loans	\$ 6,639	\$ 6,505
Income from Investments	2,857	3,652
Other Operating Income	1,317	856
Other Non-Operating Income	20	25
Total Income	\$ 10,833	\$ 11,038
(Less) Dividends Paid on Member's Savings and Certificates	\$ 2,932	\$ 3,564
Expenses		
Salaries & Benefits	\$ 4,515	\$ 4,424
Office Operating	1,619	1,548
Provision for Loan Losses	181	-
Education & Promotion	159	100
Office Occupancy	216	214
Professional Services	110	69
Association Dues	18	18
All Other Expenses	375	671
(Less) Total Expenses	\$ 7,193	\$ 7,044
NET INCOME	\$ 708	\$ 430