

MISSION STATEMENT

Sea West Coast Guard FCU's mission is to 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



CAPT Richard Consigli
USCG (Ret.)
Secretary



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



Ms. Margaret
Smith-McCollum
Director

Chairman's Report

Again this year, 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 the ongoing pandemic and the economic uncertainties resulting from it that seem to command all attention.

It's still a scary time for our members, though not nearly as it was when we met last year. We have vaccines, the number of cases are trending down, and our communities are looking forward to reopening. We're not clear of the storm yet, but we can see a bright horizon ahead, and we are steadily making way in that direction. We are again holding our Annual Meeting virtually this year, but there is very real optimism that we will be able to join together in person for our next one. Not different from last year, however, is the fact that Sea West remains strong and ready to serve your needs.

When we met last year, I forecast that we would need to spend some of our net worth to get through the economic crisis. As you can see from our financial reports, our net worth ratio - arguably the most important single indicator of financial strength - did drop slightly from last year but, I am quite happy to report, not for the reasons I had predicted. We didn't need to spend any of our net worth. In fact, 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, and our net worth therefore actually grew by just over \$400,000. But the net worth ratio is computed by dividing our total net worth by our total assets, and in what can only be attributed to the confidence of you, our members, our total assets grew even faster \$33 million, topping \$400M for the first time in the Credit Union's history. When you take a slightly increased net worth and divide it by a much more significantly increased total assets, you end up with a smaller ratio - but that is by no means an indication of trouble. We gained members, increased our loans, increased our shares, added services for our Active Duty members in Long Beach, Petaluma, and on Yerba Buena Island, and added youth accounts to attract and retain our future members. By all objective measures, 2020 was a great year for Sea West, and the state of our Credit Union is strong.

As to the future continuity of Board leadership, I am pleased to report that our current Board members have agreed to continue to serve, and that several new members have volunteered to serve on our Supervisory and Asset and Liability Committees, so 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 glad to report Sea West Coast Guard FCU is strong as ever and will continue to provide more and improved services in 2021. We are grateful to have 2020 behind us and hopeful the COVID-19 pandemic will soon be in the past as well. In keeping with the founding philosophy of credit unions "People helping People," the employees of Sea West jumped into action when the pandemic hit. Staff delivered remarkable assistance to the membership. Employees, many front-line staff with young children and other dependents, were unwavering in their determination to continue providing members the essential service they deserve. The Credit Union contracted for daily sanitization, implemented telecommuting for those staff that could work from home, and reduced shift sizes to ensure social distancing – without reducing pay.

At year end 2020 the Credit Union's net worth ratio of 18.0%, well above the peer average of 10.5%. This was a result of hard work by all staff. During the year, our Lending department originated and funded \$86.5 million in loans, a new record, and successfully modified/deferred 247 member loans due to COVID-19. This includes over \$70 million in mortgages which helped hundreds of members purchase, refinance and stay in their homes at interest rates consistently below market, including expedited VA home loans.

Additionally, fees charged members again decreased. At 0.22%, Sea West's ratio of fee income to assets is 1.10% below the peer average of 1.32%. This represents, on average, over \$4 million in fees Sea West does not charge members that others would.

Sea West continues to pay higher than market yields on savings and certificate deposits. In 2020, the Credit Union earned its 122nd consecutive Bauer Financial Performance 5-Star Award for "Exceptional Performance".

Sea West's commitment to investing in and maintaining a strong cybersecurity program is second to none. Members' Personally Identifiable Information (PII) is protected 24/7.

We are honored to serve current and former members from all branches of the military and their families. We appreciate the support of our entire 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 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 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 the Credit Union to be performing well.

As a Committee, we are pleased to report that Sea West 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 Sea West 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

