



2017 ANNUAL REPORT

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

CDR Salvador Romo, Jr.
USCG (Ret.)
Chairman



Mr. Paul Cayere
Vice Chairman



CAPT Richard Consigli
USCG (Ret.)
Secretary



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



CAPT Jerry Doherty
USCG (Ret.)

Chairman's Report

I am pleased to report that Sea West Coast Guard Federal Credit Union had another positive year. In 2016 the Credit Union surpassed \$350 million in assets and increased Sea West CG's net worth/asset ratio to 19.43%.

The net worth/asset ratio is the fundamental ratio used to measure a financial institution's strength. At 19.43% Sea West CG's ratio is well above the industry average of 10.95%. In 2016 the Credit Union realized net income of \$1.7 million.

Sea West CG remains committed to providing quality financial products and services to our member-owners. During 2016 we introduced new, convenient, competitive products, with the lowest possible fees. These include a state-of-the-art mobile banking application (Mobile Money) and a remote deposit application (Mobile Deposit) that offers the ability to deposit checks from home, office, or anywhere you can access the internet. In addition, we upgraded our free bill pay service (Sea West Bill Pay) to make use of advanced technology; improved Virtual Branch to provide for submission of loan applications through the internet; and upgraded our loan processing system to accept web based signatures. Loan documents can now be completed anytime, anywhere via the internet.

It is our mission to ensure that your personal information and the assets you have entrusted to us are securely protected. This is and will remain an absolute principle of your Credit Union. In 2016 we invested significantly in cybersecurity defenses and will continue to invest in protecting our member-owners.

Sea West Coast Guard Federal Credit Union has proudly served members of the United States Coast Guard, retirees and their families since 1959. We hope you will pass on the benefits of membership at Sea West CG to your family members.

Sincerely,

CDR Salvador Romo, Jr.
USCG (Ret.)
Chairman

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President/CEO Report

Sea West Coast Guard Federal Credit Union continues its long-standing commitment to maintaining a secure financial institution for our member-owners. At the end of 2016 Sea West CG earned its 106th consecutive Bauer Financial Performance 5-Star Award for “Exceptional Performance”, a prestigious award for which very few financial institutions qualify.

2016 was a very good year. Member-owners added to their savings deposits and we significantly increased loans to our members. Additionally, we increased our reserves, further strengthening our financial condition.

Our exceptionally strong financial condition enables Sea West CG to consistently offer member-owners high savings rates and low loan rates and to keep fees significantly lower than other financial institutions.

During 2016 Sea West CG continued to offer secure, convenient, and competitive products and services to benefit our membership. These products included our successful above market rate Certificate of Deposit. Additionally, Sea West CG expanded our real estate loan products to include Jumbo real estate loans. VA real estate loans are available to assist active duty members and veterans in purchasing their homes.

For 58 years Sea West CG has been serving the men and women of the United States Coast Guard and other branches of the U.S. Military – both active duty and retirees. In late 2016 we requested approval from the National Credit Union Administration (NCUA) to also include in our field of membership all honorably discharged veterans from any branch of the U.S. Military. The Credit Union recently received authorization to do so and looks forward to providing banking services to those who have served our country.

In 2016 staff worked diligently to provide quality service to our members and to meet their banking needs. All of us at Sea West CG 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

LCDR Robert Kelly, USCG (Ret.)
Member

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

CAPT Rob McCrimmon, USCG (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, because of 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 2016 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

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

Assets	2017	2016
Loans to Members	\$138,183	\$136,481
Participation Loans	-0-	-0-
Allowance For Loan Losses	(736)	(622)
Cash On Hand and Investments	215,591	211,267
Deposits in NCUSIF*	2,547	2,480
Fixed Assets	679	669
Other Assets	1,699	1,346
Total Assets	\$357,963	\$351,621
Liabilities & Equity		
Dividends Payable	\$ -0-	\$ -0-
Other Liabilities	1,819	1,652
Total Liabilities & Equity	\$ 1,819	\$ 1,652
Member Savings		
Term Savings Certificates	\$ 63,051	\$ 57,898
Primary Savings	156,572	157,708
Checking	40,098	39,331
IRA Savings	12,981	13,632
IRA Term Certificates	13,487	13,014
Holiday Club Savings	68	72
Total Member Savings	\$286,257	\$281,655
Reserves		
Required Reserves	\$ 3,941	\$ 3,941
Undivided Earnings	65,946	64,373
Total Liabilities & Member's Equity	\$357,963	\$351,621
<i>*National Credit Union Share Insurance Fund, a U.S. Government Insured Fund.</i>		
Statement of Income and Expenses For the years ended December 31st (in thousands)		
Income	2017	2016
Interest on Loans	\$ 5,657	\$ 5,585
Income from Investments	3,204	2,682
Other Operating Income	960	1,101
Other Non-Operating Income	18	9
Total Income	\$ 9,839	\$ 9,377
(Less) Dividends Paid on Member's Savings and Certificates	\$ 1,796	\$ 1,642
Expenses		
Salaries & Benefits	\$ 3,227	\$ 2,967
Office Operating	1,653	1,548
Provision for Loan Losses	437	220
Education & Promotion	75	87
Office Occupancy	175	210
Professional Services	75	131
Association Dues	17	16
All Other Expenses	764	852
(Less) Total Expenses	\$ 6,423	\$ 6,031
NET INCOME	\$ 1,620	\$ 1,704

