

Coast Guard
Mutual Assistance

Annual
Report



2002

*"We Look
After Our Own"*

Coast Guard Mutual Assistance

Coast Guard Mutual Assistance (CGMA) has a long history of helping the men and women of the United States Coast Guard.

Originally established in 1924 as The League of Coast Guard Women, the organization was to “minister to the general welfare of the commissioned officers, warrant officers, enlisted men and civilian employees of the Coast Guard and their immediate families.”

In 1941, Coast Guard Welfare was formally established and took over the mission from the League. In 1979, the name was changed to Coast Guard Mutual Assistance. Today, CGMA offers financial assistance to the entire Coast Guard family. Assistance normally takes the form of interest-free loans, grants, financial counseling, and referral to other sources of assistance.

CGMA is administered by the Board of Control at Coast Guard Headquarters in Washington, D.C., by Regional Directors in various CGMA regions throughout the country, and by Representatives at 133 selected duty stations. In most cases, people who need assistance submit their requests to a Representative.

Coast Guard Mutual Assistance helps thousands of members each year. In consequence, there has developed a keen awareness of the important role loans play in assisting members to meet their financial needs, as well as the pitfalls that await members who become over-burdened with debt and find repayment a hardship. The goal of CGMA is to be as responsive as possible to the needs of eligible applicants, treating each with sensitivity and understanding.

CGMA has cross servicing agreements with our sister aid societies—Air Force Aid Society, Army Emergency Relief and Navy-Marine Corps Relief Society—and the American Red Cross to provide military members with ready access to emergency assistance when needed.

Further information concerning Coast Guard Mutual Assistance is available on the CGMA-HQ Website: www.cgmahq.org.

“We Look After Our Own”

Message from the Chairman

Coast Guard Mutual Assistance has completed another active year, providing valuable assistance supporting the well being of people throughout the Coast Guard Family.

Once again, CGMA has demonstrated what an important resource it is in helping provide a vital safety net for families and individuals in time of need. In addition to the financial assistance it provides day in and day out, CGMA also fosters morale, encourages a sense of loyalty and helps individuals minimize the impact of financial crises on their ability to perform their duties.

In 2002, 7,000 loans and grants were provided, with a dollar value of \$6.6 million. Since its humble origin in 1924, CGMA has provided over \$115 million in financial assistance.

The success of CGMA in providing assistance is attributable to the diligence and dedication of the Board of Control, Regional Directors, and CGMA Representatives in their management and operation of this fine organization. I particularly extend my sincere thanks to all members of the Coast Guard Family and others who have contributed monetarily throughout the year. Without your generous support it would be difficult for CGMA to continue a long, honorable tradition of service and live up to its motto, "We Look After Our Own."

T. H. COLLINS
Admiral, U.S. Coast Guard
Chairman
Coast Guard Mutual Assistance

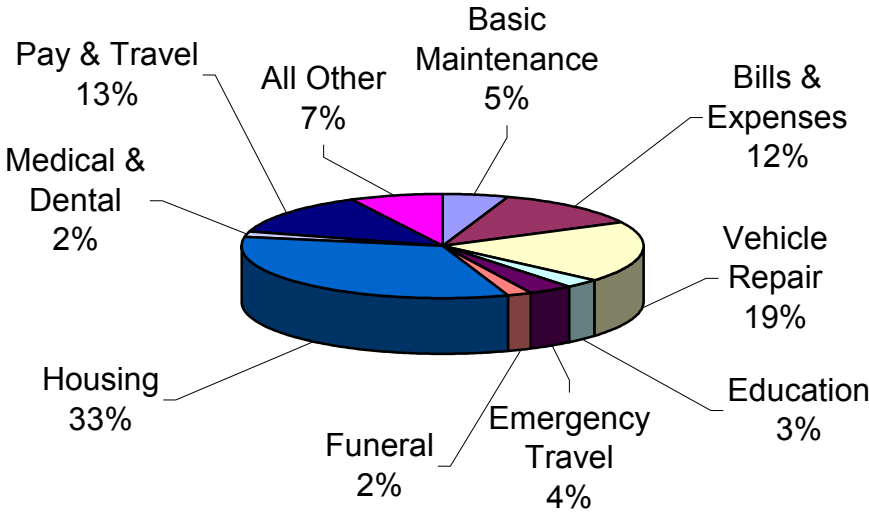
2002 Operating Highlights

Coast Guard Mutual Assistance (CGMA) had another busy year providing assistance totaling \$6.6 million dollars in 7,000 cases. Again, the need for CGMA was evident and demonstrated what a valuable resource CGMA is in providing a vital safety net for families and individuals, as well as fostering moral and encouraging a sense of loyalty. While the majority was for short-term emergencies and assistance, more than \$162,000 went for educational grants. Assistance dropped by about 2,500 cases from the previous year. This drop was primarily due to constraints that had to be imposed for 2002 on the popular Supplemental Education Grant program and suspension of the Education Grant program. These actions were necessary to bring cash outlays in line with revenues due to the significant decline in returns from the investment portfolio. Contributions increased to \$1,405,000, primarily the result of several very generous bequests and organizational contributions.

In 2002 – 6,983 people received **\$6,575,326** of financial assistance!

	Cases	Amount	Percentage
Active Duty	6,107	\$5,736,871	87.2%
Retired	179	\$268,406	4.1%
Civilian	344	\$326,258	5.0%
Reserve	314	\$192,589	2.9%
Auxiliary	20	\$15,325	0.2%
Family	4	\$9,913	0.2%
DOD	15	\$25,962	0.4%
Totals:	6,983	\$6,575,326	100%

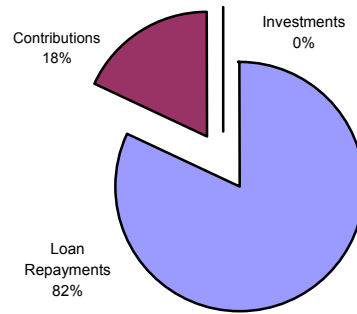
Assistance By Category



In addition to assistance provided directly to our members, Coast Guard Mutual Assistance helps its members by paying fees on their behalf for assistance from other sources. In 2002, CGMA paid \$16,000 in student loan origination fees on behalf of members. Coast Guard Mutual Assistance also paid \$3,000 in fees for services provided by Consumer Credit Counseling Service. Additionally, \$15,000 in outstanding loans were converted into grants during 2002 and \$123,000 in loans were declared uncollectible from members.

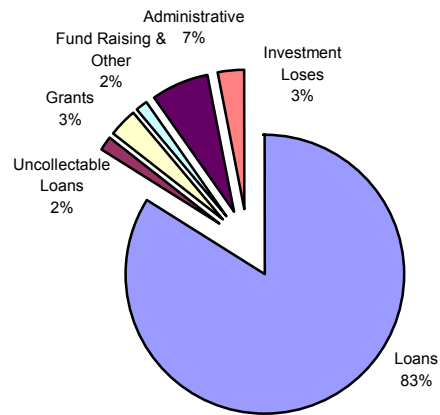
Source Of Funds

Loan Repayments	\$6,386,000
Contributions	\$1,405,000
Investments	<u>\$0</u>
	<u>\$7,791,000</u>



Use Of Funds

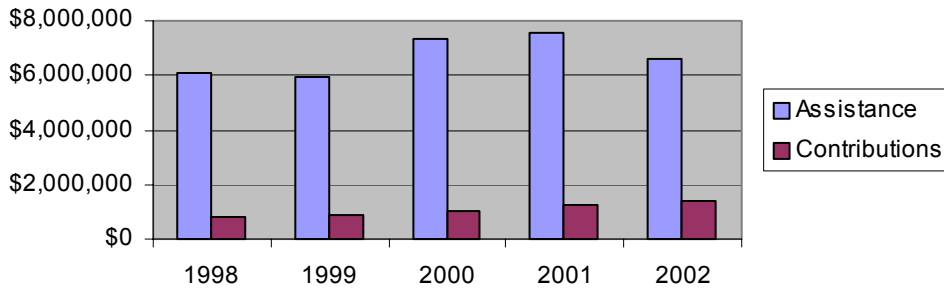
Loans	\$6,343,000
Uncollectable Loans	\$123,000
Grants	\$247,000
Fund Raising & Other	\$114,000
Administrative	\$500,000
Investment Loses	<u>\$225,000</u>
	<u>\$7,552,000</u>



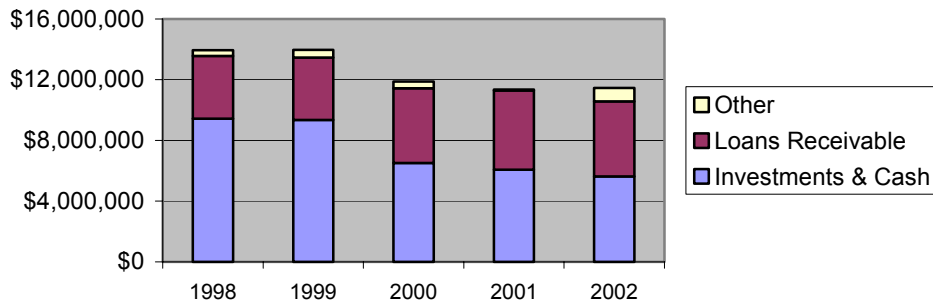
Trends

The need for assistance within the Coast Guard Family has grown steadily over the past several years. But, while contributions have grown, they have not kept pace with the growing needs. At the same time, returns from our investments have fallen substantially during the past several years. The total assistance provided has climbed from \$4 million to as high as \$7.5 million per year over the past 10 years. The outstanding loan balance doubled from \$2 million to \$5 million per year during the same period. Housing assistance has almost doubled from \$1.1 million to \$2 million per year in just the last three years. In the last five years, Coast Guard Mutual Assistance has provided \$32.5 million in assistance.

Assistance And Contributions



Net Assets



Assistance Provided By Region

CGMA Region	Loans		Grants		Total	
Academy	103	\$141,571	35	\$3,484	138	\$145,055
ATC Mobile	120	\$136,022	57	\$5,104	177	\$141,126
District 14	105	\$140,153	77	\$6,965	182	\$147,118
GANTSEC	94	\$182,733	27	\$2,575	121	\$185,308
HSC	166	\$229,827	48	\$6,775	214	\$236,602
ISC Boston	469	\$640,127	200	\$21,801	669	\$661,928
ISC Cleveland	329	\$339,623	137	\$15,679	466	\$355,301
ISC Ketchikan	105	\$135,259	34	\$3,428	139	\$138,687
ISC Kodiak	107	\$202,773	42	\$11,827	149	\$214,601
ISC Miami	601	\$651,949	217	\$19,656	818	\$671,605
ISC New Orleans	393	\$430,417	127	\$22,677	520	\$453,094
ISC Portsmouth	566	\$639,284	222	\$25,126	788	\$664,410
ISC San Pedro	234	\$333,109	69	\$6,468	303	\$339,577
ISC Seattle	449	\$483,269	111	\$17,187	560	\$500,456
ISC St. Louis	158	\$181,144	94	\$8,562	252	\$189,705
MLC Atlantic	15	\$17,100	35	\$4,701	50	\$21,801
MLC Pacific	471	\$691,108	142	\$24,592	613	\$715,701
TRACEN Cape May	202	\$225,378	59	\$8,453	261	\$233,830
TRACEN Petaluma	153	\$214,312	20	\$6,796	173	\$221,108
TRACEN Yorktown	169	\$189,280	35	\$3,951	204	\$193,231
Yard	122	\$110,654	33	\$6,037	155	\$116,691
CGMA-HQ	31	\$28,391	0	\$0	31	\$28,391
Total	5,162	\$6,343,482	1,821	\$231,844	6,983	\$6,575,326

Note: Grants include Supplemental Education Grants (SEG).

Statement of Financial Position

For Years Ended December 31, 2002 and 2001

Assets		
	2002	2001
Cash and cash equivalents	\$1,167,110	\$568,246
Pledges receivable	\$320,000	\$335,000
Investments	\$4,859,438	\$5,566,398
Deposit with United Student Aid Funds	\$6,148	\$70,000
Loans receivable – Net	\$4,953,117	\$5,022,003
Property and equipment – Net	\$166,851	\$192,280
Total Assets	\$11,472,664	\$11,753,927

Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ -	\$10,245
Accrued salaries and leave	\$11,926	\$20,428
Total Liabilities	\$11,926	\$30,673
Net Assets		
Unrestricted	\$11,140,738	\$11,388,254
Temporarily restricted	\$320,000	\$335,000
Total Net Assets	\$11,460,738	\$11,723,254
Total Liabilities and Net Assets	\$11,472,664	\$11,753,927

Independent Audit: The information on this page was extracted from our audited financial statements, which were audited by the firm Murray, Jonson, White & Associates, LTD, Certified Public Accountants, of Falls Church, Virginia. Copies of the report have been provided to all members of the Coast Guard Mutual Assistance Board of Control. Copies of the audit report are available by contacting the Director of Finance, Coast Guard Mutual Assistance, 4200 Wilson Blvd, Suite 610, Arlington, Virginia 22203.

Statement of Financial Activities

For Years Ended December 31, 2002 and 2001

	2002	2001
Revenues, Gains, and other Support		
Contributions		
Annual campaign collections	\$1,195,284	\$1,215,637
Other Donations and Misc.	\$210,019	\$95,232
Grants Repaid	\$8,742	\$29,898
Investments		
Interest and dividends	\$166,867	\$222,577
Realized and unrealized gains (losses)	(\$829,840)	(\$435,125)
Investment Management Fees	(\$44,605)	(\$52,616)
Donated facilities	\$95,845	\$52,528
Total Revenues, Gains, and Other Support	\$802,312	\$1,128,131

Expenses		
Program Expenses	\$846,127	\$1,810,911
Supporting Services		
General and Admin Expenses	\$155,419	\$152,107
Fund-raising expense	\$63,282	\$91,621
Total Expenses	\$1,064,828	\$2,054,639
Change in Net Assets	(\$262,516)	(\$926,508)
Net Assets at Beginning of Year	\$11,723,254	\$12,649,762
Net Assets at End of Year	\$11,460,738	\$11,723,254

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Board of Control

December 31, 2002

Officers

Chairman	Admiral Thomas H. Collins, USCG
President	Rear Admiral Kenneth T. Venuto, USCG
Vice President	Captain James E. Evans, USCG
Treasurer	Lieutenant Commander Anthony T. Vogt, USCG
Secretary	Mr. Thomas E. Omri

Members

Commissioned Officer	Captain James E. Evans, USCG
Commissioned Officer	Commander Pat Hannifin, USCG
Commissioned Officer	Lieutenant Commander Anthony J. Vogt, USCG
Reserve	Commander Kevin M. Pratt, USCGR
Chief Warrant Officer	Chief Warrant Officer Jamie Rambo, USCG
MCPOCG	Master Chief Petty Officer-CG Frank Welch, USCG
Chief Petty Officer	Master Chief Petty Officer Charles W. Bowen, USCG
Enlisted (E-6 or below)	Petty Officer First Class John E. Healey, USCG
Medical/TRICARE Specialist	Ms. Janice L. Gray
Family Support Specialist	Ms. Marta E. Denchfield
Civilian	Mrs. Maureen M. Melton
Retired Member	Captain Robert C. Houle, USCG (Ret.)
Auxiliary	Lieutenant Commander Charles E. Martin, USCG (Ret.)
Officer's Spouse	Mrs. Judith Brusseau
Enlisted Member's Spouse	Mrs. Jennifer Rechsteiner

Alternates

MCPOCG	Chief Petty Officer Rockwood Ennis, USCG
Chief Petty Officer	Master Chief Petty Officer Edna M. Doak, USCGR

Regional Directors

December 31, 2002

Academy	RADM Robert C. Olsen, USCG
ATC Mobile	CAPT William M. (Mike) Moore, USCG
Fourteenth District	RADM Ralph D. Utley, USCG
GANTSEC	CAPT Douglas P. Rudolph, USCG
Headquarters Support Command	CAPT Geoffrey D. Powers, USCG
ISC Boston	CAPT Theodore P. Montgomery, USCG
ISC Cleveland	CAPT Michael J. Pierce, USCG
ISC Ketchikan	CAPT Catherine M. McNally, USCG
ISC Kodiak	CAPT Robert L. Lachowsky, USCG
ISC Miami	CAPT Michael J. Lapinski, USCG
ISC New Orleans	CAPT Jeffrey Q. Gamble, USCG
ISC Portsmouth	CAPT Roger D. Gibson, USCG
ISC San Pedro	CAPT Ronald B. Hoffmann, USCG
ISC Seattle	CAPT Michael P. Selavka, USCG
ISC St. Louis	CAPT Kevin E. Schumacher, USCG
MLC Atlantic	RADM Dale G. Gabel, USCG
MLC Pacific	RADM Thomas H. Gilmour, USCG
TRACEN Cape May	CAPT Douglas J. Wisniewski, USCG
TRACEN Petaluma	CAPT Jack R. Smith, USCG
TRACEN Yorktown	CAPT John A. Gentile, USCG
Yard	CAPT William S. Cheever, USCG

Mission

Coast Guard Mutual Assistance strives to promote financial stability and general well being of the people it serves.

Scope

Coast Guard Mutual Assistance provides aid through counseling, interest-free loans and financial grants in times of certain emergency, housing, or educational needs. It assists active duty and retired military personnel of the Coast Guard; U.S. Public Health Service commissioned personnel serving with the Coast Guard; Coast Guard civilian employees; members of the Coast Guard Selected Reserve; and members of the Coast Guard Auxiliary, on behalf of themselves and their families; and the surviving spouses and dependant children of members of the Coast Guard who died while on active duty or in a retired status.

Contributions

Coast Guard Mutual Assistance does not receive any funds from the federal government, but is supported by voluntary contributions solicited during the annual fund-raising campaign and received from individuals and organizations throughout the year.

Contributions to CGMA are tax deductible under section 170(b)(1)(a) of the Internal Revenue Code. CGMA is tax exempt under section 501(c)(3) of the Code.



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