

Coast Guard Mutual Assistance

**Annual
Report**



2008

**We Look
After Our Own**

Coast Guard Mutual Assistance

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

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.

CGMA provides financial assistance to thousands of Coast Guard individuals and families each year. Assistance normally takes the form of interest-free loans, grants, financial counseling, and referral to other sources of assistance. Eligibility extends to Active Duty, Retired and Selected Reserve military personnel, Civilian employees, Auxiliary members, and members of the US Public Health Service serving with the Coast Guard, all on behalf of themselves and their families, as well as the surviving spouses and dependent children of those who died while on active duty or in a retired status.

CGMA is administered by the Board of Control at Coast Guard Headquarters in Washington, D.C., by 22 Regional Directors in various CGMA regions throughout the country, and by Representatives at 138 selected duty stations. In most cases, people who need assistance submit their requests to a Representative.

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 Active Duty military members with round-the-clock access to emergency assistance when needed.

Further information concerning Coast Guard Mutual Assistance is available at www.cgmahq.org.

We Look After Our Own

Message from the Chairman

It is my pleasure to present the Coast Guard Mutual Assistance (CGMA) Annual Report for 2008. The CGMA has a long history of providing essential financial aid to members of the Coast Guard community. Facing a major economic downturn, several hurricanes and flooding situations, and the continued high op-tempo across the entire Service, it was a demanding year.

Despite those challenges, CGMA provided over \$4.9 million in direct financial assistance, including \$764,000 in loans and grants to our Guardians who were impacted by Hurricanes Gustav and Ike. An additional \$31,000 provided free certified financial counseling and other resources through member agencies of the National Foundation for Credit Counseling, federal student loan origination fee reimbursements, respite care, survivor benefit information, and newborn baby layettes.

During trying times, we gain a greater appreciation for the spirit of generosity and dedication of those who continue to “Look After Our Own” by contributing to CGMA. Despite the economic climate, contributions in 2008 remained at the \$2 million level; virtually the same as last year. Although market conditions resulted in a 17% reduction in the investment portfolio, CGMA reports a healthy net worth of \$15.8 million at year end and is fully prepared to help to those in need.

The accomplishments of 2008 would not have been possible without the diligent efforts of the people who gave their time and expertise to keep CGMA running efficiently. Thank you to all the Regional Directors, CGMA Representatives, Assistant Representatives, Campaign Workers, and Board of Control Members who made this possible!

CGMA remains well positioned to continue its valuable support of the Coast Guard family. As guardians, we must look after our own shipmates and CGMA is one of the best ways to do that. Thank you for all you do for the Coast Guard and the Nation.

Semper Paratus!



Thad W. Allen
Admiral, U.S. Coast Guard
Chairman
Coast Guard Mutual Assistance



Operating Overview

Since 1924, Coast Guard Mutual Assistance (CGMA) has been a source of essential financial aid to those in need within the Coast Guard community. Over the years, CGMA has provided over \$148 million in financial assistance. In the past five years, CGMA has provided interest-free loans totaling \$24.2 million and personal and education grants totaling \$3.5 million in more than 33,000 cases.

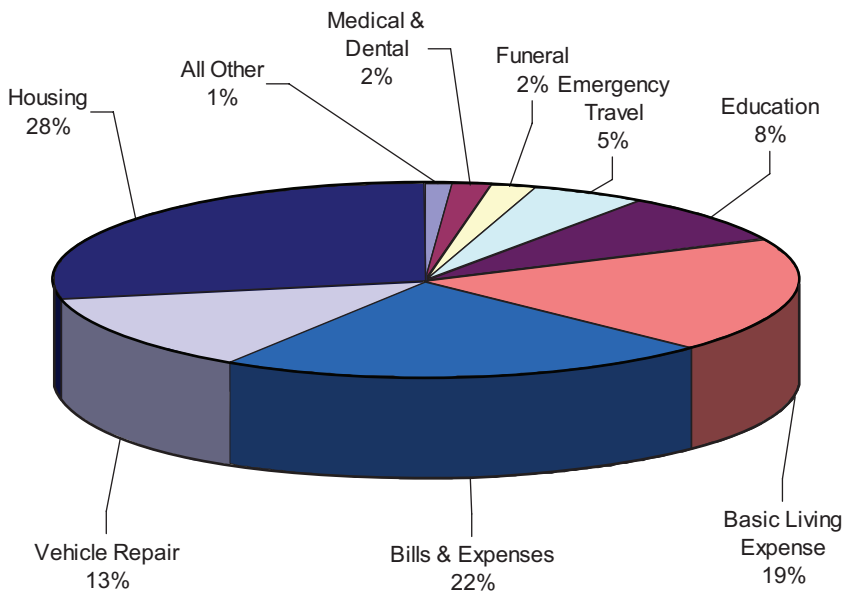
Assistance

During 2008, Coast Guard Mutual Assistance provided over 5,900 interest-free loans and grants totaling in excess of \$4.9 million. This total was comprised of almost \$4.5 million in interest-free loans, over \$395,000 in education grants, and \$89,000 in personal grants. \$763,000 was provided in hurricane disaster relief; more than half of these loans were converted to grants.

	<u>Number of Cases</u>	<u>Amount</u>	<u>Amount Percentage</u>
Active Duty	4,981	\$ 4,138,568	83.4%
Retired	201	\$ 235,319	4.7%
Civilian	420	\$ 347,792	7.0%
Reserve	297	\$ 163,689	3.3%
Auxiliary	25	\$ 33,412	0.7%
Widow & Others	12	\$ 17,975	0.4%
DOD	27	\$ 25,943	0.5%
Totals:	<u>5,963</u>	<u>\$ 4,962,698</u>	<u>100%</u>

Personnel in pay grades E-6/GS-7 and below received 84% of the total assistance provided.

Housing Expenses formed the largest category of assistance in 2008, representing 28% of the total assistance dollars provided. Bills and Expenses accounted for the next largest category at 22%, followed by Basic Living Expense at 19%. The highly utilized Supplemental Education Grant (SEG) program provided over \$395,000 in grants, disbursed to approximately 3,000 recipients.



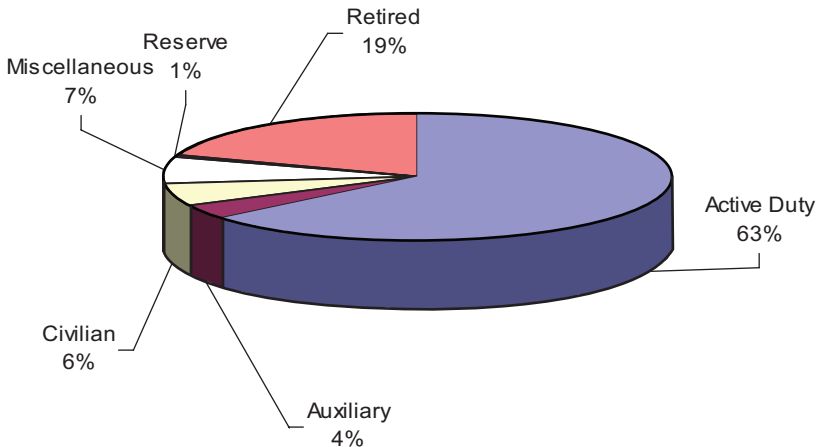
In addition to direct financial assistance through loans or grants, CGMA also helps its clients by reimbursing or paying fees on their behalf for assistance from other sources. In 2008, CGMA provided funding for personal financial management counseling and training, layettes for new-born infants to junior enlisted expectant parents and to others who completed “budgeting for babies” classes, education loan origination fee reimbursements, respite care, and survivor benefits, all at a cost of over \$31,000.

Contributions

Though CGMA works closely with the Coast Guard, it is an independent non-profit corporation and receives no appropriated or non-appropriated government funds. In order to continue performing its vital role, CGMA needs a steady infusion of funds from voluntary contributions.

Contributions are accepted throughout the year from Coast Guard or other individuals and organizations. During 2008 CGMA received over \$2 million in contributions.

Overall Contributions



Once again this year, active duty personnel composed the largest group of contributors, providing 63% of the total.

Each year, during the month of April, CGMA conducts a fundraising campaign soliciting contributions from military personnel (Active, Reserve and Retired), civilian employees, and members of the Coast Guard Auxiliary. Campaign cash contributions and allotment/payroll deduction pledges totaled \$1.84 million in 2008.

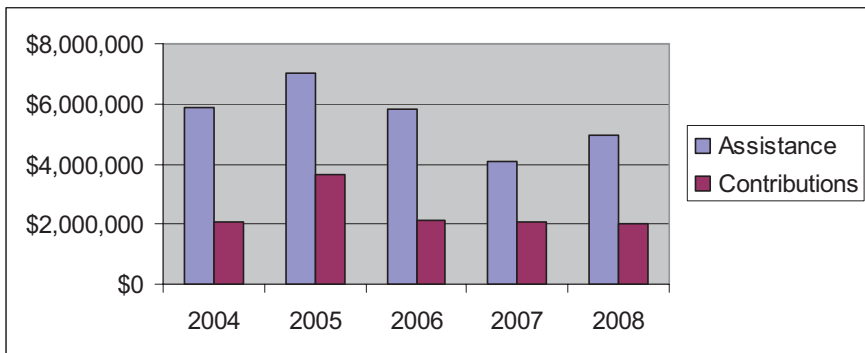
Campaign Contributions

Active Duty	\$	1,246,382
Retired	\$	372,610
Civilian/MWR/CDC/CGES	\$	136,414
Reserve	\$	17,511
Auxiliary	\$	59,082
Special Events	\$	8,280
Grand Total:	\$	<u>1,840,279</u>

Contributions by allotment/payroll deduction from Active Duty members, Retired Military members and Civilian Employees accounted for 85% of the 2008 campaign related contributions.

Contributions Compared with Assistance

During the past five years, Coast Guard Mutual Assistance provided an average of \$5.5 million annually in interest-free loans and grants. During the same period, annual charitable contributions to CGMA averaged \$2.4 million. As the following chart indicates, financial assistance has exceeded contributions several times over.

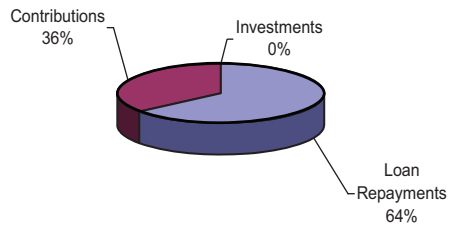


Source and Use of Funds

Coast Guard Mutual Assistance received \$5.7 million in funds during the year and used \$6.5 million. Loan repayments were the largest single source of funds. Due to economic conditions, investments did not produce any income for 2008.

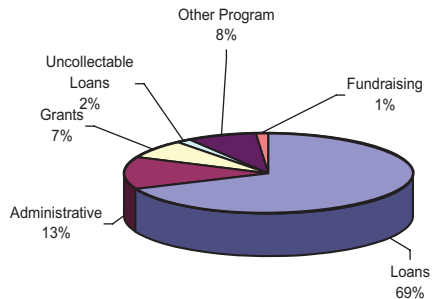
Source of Funds

Loan Repayments	\$3,671,094
Contributions	\$2,036,765
Investments	<u>\$0</u>
	<u><u>\$5,707,859</u></u>



Use of Funds

Loans	\$4,477,768
Administrative	\$859,442
Grants	\$485,069
Uncollectable Loans	\$102,302
Other Program	\$515,753
Fundraising	<u>\$91,177</u>
	<u><u>\$6,531,511</u></u>

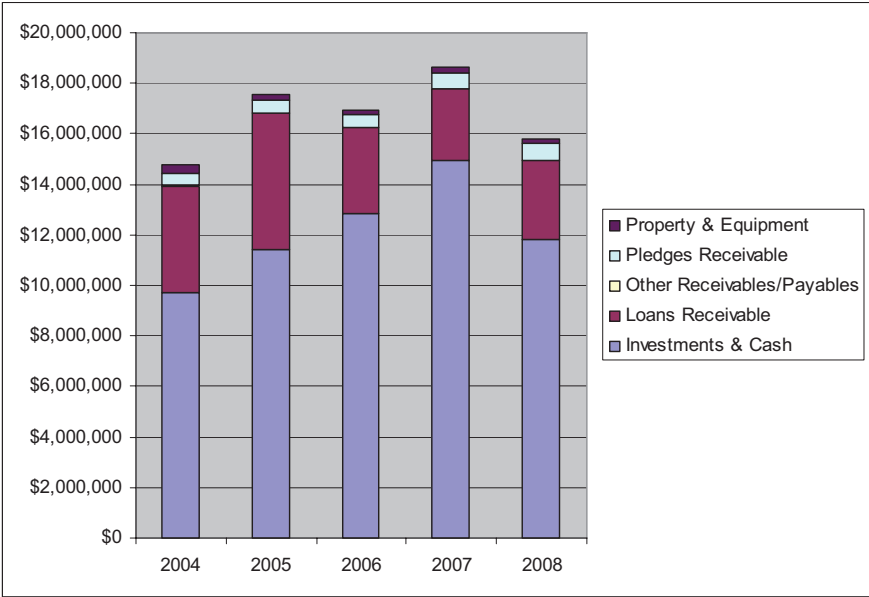


For every dollar contributed in 2008, over \$2.40 was given in assistance to Coast Guard members.

Net Worth

Coast Guard Mutual Assistance ended the year in a sound financial position with a net worth of \$15.8 million. Numbers dropped slightly from prior years due to the 2008 economic downturn.

The CGMA staff and the Finance Committee closely monitor and regularly meet with the investment manager to review investment portfolio performance. CGMA’s overall investment objective is to maximize return, consistent with minimizing risk to preserve capital.



Assistance by Region

CGMA Region	Loans		Grants		Total	
Academy	15	\$17,708	48	\$6,018	63	\$23,725
ATC Mobile	98	\$120,590	150	\$23,457	248	\$144,047
CGMA-HQ	35	\$38,301	4	\$11,696	39	\$49,997
District Fourteen	62	\$108,422	84	\$11,742	146	\$120,163
HSC	110	\$177,396	140	\$26,158	250	\$203,554
ISC Alameda	308	\$596,025	225	\$32,087	533	\$628,111
ISC Boston	273	\$415,979	297	\$55,232	570	\$471,210
ISC Cleveland	173	\$229,524	180	\$24,258	353	\$253,782
ISC Ketchikan	40	\$63,591	70	\$9,801	110	\$73,392
ISC Kodiak	57	\$99,234	83	\$10,890	140	\$110,124
ISC Miami	318	\$435,465	373	\$59,251	691	\$494,716
ISC New Orleans	406	\$734,077	202	\$40,454	608	\$774,531
ISC Portsmouth	226	\$309,819	354	\$47,377	580	\$357,196
ISC San Pedro	136	\$215,187	124	\$19,110	260	\$234,296
ISC Seattle	193	\$258,757	176	\$23,322	369	\$282,079
ISC St Louis	83	\$113,489	124	\$16,841	207	\$130,330
MLC Atlantic	6	\$13,000	89	\$10,501	95	\$23,501
MLC Pacific	21	\$50,376	27	\$3,141	48	\$53,517
Sector San Juan	26	\$49,944	18	\$3,796	44	\$53,740
TRACEN Cape May	54	\$63,187	44	\$8,969	98	\$72,156
TRACEN Petaluma	134	\$209,479	77	\$13,725	211	\$223,204
TRACEN Yorktown	56	\$63,495	85	\$16,867	141	\$80,362
Yard	72	\$94,724	80	\$10,379	152	\$105,103
Totals:	2,902	\$4,477,768	3,054	\$485,069	5,956	\$4,962,838

Note: Grants are a combination of Personal Grants and Supplemental Education Grants (SEG).

Statements of Financial Position

For years ended December 31, 2008 and 2007

	2008	2007
Assets		
Cash and cash equivalents	\$676,549	\$1,308,344
Pledges receivable	\$650,000	\$610,000
Investments	\$11,146,524	\$13,514,501
Accrued Dividends and Interest	\$65,736	\$108,248
Loans Receivable – Net	\$3,124,355	\$2,868,957
Other Receivables	\$700	\$3,133
Property and equipment – Net	\$171,094	\$205,189
Total Assets	\$15,834,958	\$18,618,372
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$11,211	-
Accrued salaries and leave	\$38,961	\$29,504
Total Liabilities	\$50,172	\$29,504
Net Assets		
Unrestricted	\$15,037,704	\$17,874,821
Temporarily restricted	\$747,082	\$714,047
Total Net Assets	\$15,784,786	\$18,588,868
Total Liabilities and Net Assets	\$15,834,958	\$18,618,372

Statements of Financial Activities

	2008	2007
Revenues, Gains, and other Support		
Contributions		
Annual campaign collections	\$1,898,017	\$1,842,878
Other Donations and Misc.	\$138,747	\$198,954
Grants Repaid/Collection Agency Payments	\$14,141	\$40,935
Investments		
Interest and dividends	\$441,885	\$515,891
Realized and unrealized gains (losses)	(\$3,271,346)	\$492,605
Investment Management Fees	(\$78,807)	(\$92,797)
Donated facilities	\$107,022	\$107,189
Total Revenues, Gains, and Other Support	(\$750,341)	\$3,105,655
Expenses		
Program Expenses	\$1,686,540	\$1,109,463
Supporting Services		
General and Admin Expenses	\$216,831	\$198,308
Fundraising expense	\$150,370	\$137,427
Total Expenses	\$2,053,741	\$1,445,198
Change in Net Assets	(\$2,804,082)	\$1,660,457
Net Assets at Beginning of Year	\$18,588,868	\$16,928,411
Net Assets at End of Year	\$15,784,786	\$18,588,868

Independent Audit: Coast Guard Mutual Assistance Financial Statements for the years ended December 31, 2008 and 2007, were audited by independent auditors from 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 22203-1804.

Board of Control

December 31, 2008

Officers

Chairman	Admiral Thad W. Allen, USCG
President	Rear Admiral Jody A. Breckenridge, USCG
Vice President	Master Chief Petty Officer Emily L. Jennings, USCG
Treasurer	Chief Warrant Officer John C. Baker, USCG
Secretary	Mr. Barry M. Boisvere

Members

Commissioned Officer	Commander John P. Newby, USCG
Commissioned Officer	Commander Sean R. Murtagh, USCG
Commissioned Officer	Lieutenant Jeffrey R. Bray, USCG
Chief Warrant Officer	Chief Warrant Officer John C. Baker, USCG
MCPOCG	Master Chief Petty Officer CG Charles W. Bowen, USCG
Chief Petty Officer	Master Chief Petty Officer Emily L. Jennings, USCG
Enlisted (E-6 or below)	Petty Officer First Class Michael E. Clarke, USCG
Enlisted (E-6 or below)	Petty Officer First Class Jeanni C. Lewis, USCG
Reserve	Chief Warrant Officer George Paidousis, USCGR
Civilian	Mr. Gary A. Seffel
Retired	Senior Chief Petty Officer Gregory A. Pankau, USCG (Ret.)
Auxiliary	AUX Ordice A. Gallups
Commissioned Officer's Spouse	Mrs. Michelle R. Bosau
Enlisted Member's Spouse	Mrs. Marilyn B. Smith
Medical/TRICARE Specialist	Lieutenant Timothy M. Merrell
Family Support Specialist	Mr. Rodney B. Whaley

Alternates

MCPOCG	Chief Petty Officer Crystal A. Sparks, USCG
Chief Petty Officer	Master Chief Petty Officer Mark H. Allen, USCGR

Regional Directors

December 31, 2008

Academy	RADM J. Scott Burhoe, USCG
ATC Mobile	CAPT Steven C. Truhlar, USCG
District Fourteen	RADM Manson K. Brown, USCG
Headquarters Support Command	CAPT Jack R. Smith, USCG
ISC Alameda	CAPT Keith J. Turro, USCG
ISC Boston	CAPT Matthew T. Ruckert, USCG
ISC Cleveland	CAPT Michael D. Hudson, USCG
ISC Ketchikan	CAPT Graham S. Stowe, USCG
ISC Kodiak	CAPT Mark S. Carmel, USCG
ISC Miami	CAPT Christine D. Balboni, USCG
ISC New Orleans	CAPT Peter K. Oittinen, USCG
ISC Portsmouth	CAPT Steven J. Andersen, USCG
ISC San Pedro	CAPT James P. Sommer, USCG
ISC Seattle	CAPT Robert J. Klapproth, USCG
ISC St. Louis	CAPT George J. Stephanos, USCG
MLC Atlantic	RADM Ronald T. Hewitt, USCG
MLC Pacific	RADM Timothy S. Sullivan, USCG
Sector San Juan	CAPT Eduardo Pino, USCG
TRACEN Cape May	CAPT Cari B. Thomas, USCG
TRACEN Petaluma	CAPT Christopher J. Hall, USCG
TRACEN Yorktown	CAPT Anne T. Ewalt, USCG
Yard	CAPT John P. Kaplan, USCG

Contributors to Coast Guard Mutual Assistance

Coast Guard Mutual Assistance extends sincere appreciation for the wonderful support received throughout 2008, especially during the Annual Fundraising Campaign. In particular, CGMA wishes to acknowledge the generous contributions given by the following individuals, companies and organizations:

Corporate and Organization Contributors of \$1,000 or More

C.P.O. Club of Rochester
CG Officers Spouses Club of Washington, DC
Precision Machined Products Association
Rome Finance Company, Inc.
The Century Club of San Diego
The USAA Foundation
TriWest Healthcare Alliance
U.S. Coast Guard Academy Chapel (Protestant Community)
U.S. Coast Guard Auxiliary Division 6
USCG Auxiliary Flotilla 25 1NR

Individual Contributors of \$1,000 or More

Mr. William F. Abt, Jr.
Mr. & Mrs. Christopher Cowley
Dr. Marvin E. Hollowell, Jr.
Mr. Tom D. Kievit
Ms. Elaine J. Merten
Mrs. G. William Miller
Mr. & Mrs. Stephen M. Morrison
Ms. Kathleen A. Pratt
Mr. Daniel Samelson
CAPT & Mrs. Alan B. Smith, USCG (Ret)

Author Royalties – *Character in Action*

Donald T. Phillips
ADM James M. Loy, USCG (Ret.)

Memorial Contributions

Received in Memory of...

Mr. Hampton E. Beasley, Jr.
Mr. Paul Brame, Jr.
Mr. Richard Break
Mr. Charles Camitsch
CWO Allen W. Craven
CAPT William F. Cass
Mr. G. Wayne Coffman
Mr. James R. Collins
SN John S. DeMurley
Mr. Harry S. Diers
Ms. Dorothy M. Diers
SN Victor DuBois
Mr. Richard A. Fedoroff
SCPO Robert Flynn
COMO De Furbee
Mr. Russell F. Glendenning
Mr. John W. Green
CAPT Kwang Ping Hsu
Mr. Raymond C. Jackey
Ms. Sharon A. Jaworski
Mr. Jefferson A. Johnston

Mr. Robert Knoble
Mr. Kenneth J. Koeppen
SCPO Donald Kuster
Mr. Tom Meyer
Mr. G. William Miller
CDR Charles M. Montanese
Mr. Harvey Morgan
Mr. Adam W. Ostapenko
Mr. James M. Price
PO1 Pat Ramsey
Mr. Samuel L. Ranson
Mr. David A. Rex
Ms. Mary Anne Rice
Mr. Richard Runde
Dr. Leon Scicchitano
Mr. Harry Seibold
PO2 David Suchman
ENS Christopher Symons
CWO William K. Turner
Ms. Susan Weintraub
Mr. Grant T. Wimer



COAST GUARD MUTUAL ASSISTANCE
4200 Wilson Blvd., Suite 610
Arlington, VA 22203-1804

www.CGMAHQ.org
1- 800-881-2462