

## Message From The Chairperson Of The Board



As the Chairperson of the Board of Directors, it is my pleasure to present the 2020 Annual Report to the members of SF Fire Credit Union.

When thinking back to our humble origins in the back office at 17 Engine in 1951, I suspect our founders never would have thought that in 70 years, our credit union would have surpassed \$1.6 billion in assets. What a journey it has been, with our members and the credit union evolving together, to remain relevant and able to meet your financial services needs. Your loyalty and support continue to be a key factor to our success, through periods of prosperity – as well as the hardships and challenges brought upon us all by the Covid-19 pandemic.

I am proud of the accomplishments made this year. We successfully modernized the credit union's infrastructure this past year, and responded to the pandemic with agility and efficiency. As we see the end of this pandemic begin to appear on the horizon, I am grateful for the continued patience and support of our membership during these times, and the hard work and commitment of our staff.

In closing, I would like to reassure all of our members of our connection to the core values of our founders. Our purpose as a member-owned financial cooperative is to provide the best value and highest service level possible, while maintaining the safety and soundness of our credit union. Our commitment to this remains steadfast.

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John Sweeney  
Chairperson, Board of Directors

### Board Of Directors

<b>John E. Sweeney</b> Chairperson	<b>Bob Olson</b> Vice Chairperson	<b>Brook Baker</b> Secretary
<b>Robert Cappa</b> Director	<b>Anthony Diluzio</b> Director	
<b>Ettore Leale</b> Director	<b>Kim Weiss</b> Director	

### Audit Committee

<b>Robert Cappa</b> Chairperson	<b>Kim Weiss</b>	<b>John Diluzio</b>
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### Leadership Team

<b>Kathy Duvall</b> Chief Executive Officer	<b>John Basalla</b> Chief Risk Officer	<b>Blake Cairney</b> Chief Lending Officer
<b>Dawn Chute</b> Chief People Officer	<b>Glenn Gortney</b> Chief Member Experience Officer	
<b>Aaron Sato</b> Chief Financial Officer	<b>Anthony Vitale</b> Chief Information Officer	

# 2020 Annual Report



**70<sup>th</sup>** Annual Meeting  
of the Members

Founded in 1951 by firefighters for firefighters,  
we are a credit union dedicated to building  
financial success in our community.

## Message From The President & Chief Executive Officer



I would like to welcome each of you to SF Fire Credit Union's 70th Annual Meeting. As I begin my fifth year as the CEO of SF Fire Credit Union, I continue to be humbled by the number of members who make time to participate in this meeting, be it at our traditional in-person meeting, or virtually in response to the COVID-19 pandemic. Your loyalty and support will always be the key to our success and prosperity.

### Maintaining Safety & Soundness through the Pandemic Economy

The economic pressures brought on by the pandemic have impacted the Credit Union and its membership, with all of us making necessary changes to endure these challenging times. Understandably, members were saving more while spending and borrowing less. In tandem, the Credit Union adapted to decreasing demand and a historically low interest rate environment. I am pleased to reassure you that the Credit Union is weathering this financial storm, increasing our capital reserves by \$2.7 million (to \$131.1 million) in 2020, ending the year with a solid net worth ratio of 7.94%.

### Perseverance through a Challenging Year

As challenging as the year was, I am grateful for and proud of the perseverance demonstrated by the members and staff of Credit Union. Grateful for the patience and understanding of our members, as we rapidly pivoted to a remote work force while at the same time implementing multiple pandemic relief programs as quickly as possible. Proud of our employees, who deployed a long-planned internal system upgrade – amid a pandemic - which will be crucial for continued modernization and improvement of the level of service we provide.

### Loyalty of Members & Spirit of Generosity

I have also been amazed by the continuing loyalty of our members, and your spirit of generosity despite the financial pressures being faced by all. It is a privilege to be your financial institution of choice, and we are grateful for being given the opportunity to meet your borrowing needs. I marvel at your generosity, always answering the call for our local San Francisco Firefighters in peril, as well as the SF Firefighters Toy Program that has been providing joy and happiness to local families for decades. Our total donation to the Toy Program was approximately \$34,000 this past holiday season, with \$22,500 from the credit union and \$11,500 in contributions from members like you.

### Optimism & Evolution in 2021

I have optimism for what lies ahead in 2021, as vaccinations ramp-up and we see a return to normalcy in our daily lives and local economy. The new year will also bring evolution within the Credit Union, with a reorganization that will bring fresh perspectives, skills, and strategies to help us elevate the level of service we provide – be it in person, on the phone, or online. I look forward to what 2021 has in store for members and staff alike, and grateful that we are on this journey together.

*Kathy Duvall*

Kathy Duvall  
President and Chief Executive Officer

## Audit Committee Report

The Audit Committee independently evaluates the soundness of SF Fire Credit Union's operations and activities, ensuring that management implements sound internal controls and maintains practices and procedures that adhere to accepted general accounting principles. In doing so, they carry out the following primary responsibilities:

- Protection of members' funds and interests
- Safeguarding of assets
- Compliance with regulations, policies and procedures
- Reliability of financial records

The Committee meets regularly to review and discuss internal controls as well as auditing matters. It also retains an independent accounting firm to perform an annual financial audit and issue certified financial statements as they relate to the overall financial condition of SF Fire Credit Union. Our Audit Committee members are:

Robert Cappa

Kim Weiss

John L. Diluzio

As Chairperson of the Committee and based on the results of the 2020 annual audit performed by certified public accountants CliftonLarsonAllen LLP, I am pleased to share our conclusion that SF Fire Credit Union has adequate financial controls and is financially sound. A copy of their audit is available upon member request.

*Robert L. Cappa*

Robert Cappa  
Chairperson, Audit Committee

## Financial Summary And Highlights

While this year did not unfold as we all anticipated, our strong financial position has enabled the credit union to provide the safety and service that our members deserve.

Our loyal members continue to show their commitment and support as deposits grew to over \$1.5 billion, a record \$249.3 million or 19.8% increase over 2019. Our loan portfolio remained high at \$1.0 billion and our solid net worth position of \$131.1 million underscores our long-term financial strength and stability.

With your continued trust and support, we have been able to withstand and navigate through these unprecedented times together. Thank you for your membership and being part of the San Francisco Fire family. It is an honor and privilege to serve you.

*Aaron Sato*

Aaron Sato  
Senior Vice President  
Finance & Accounting

2020  
2019

### Total Assets (in millions)

\$1,652.1

\$1,396.3

### Total Loans, Net (in millions)

\$1,009.9

\$1,123.3

### Total Deposits (in millions)

\$1,506.9

\$1,257.4

### Total Reserves (in millions)

\$131.1

\$128.4

