



FirefightersFirst
CREDIT UNION
It's yours.

2019

ANNUAL REPORT

MISSION

To improve the financial lives of our Fire Family



FirefightersFirst
CREDIT UNION

CONTENTS

- 1 BOARD OF DIRECTORS & EXECUTIVE TEAM
- 2 BOARD CHAIR & CEO REPORT
- 4 TREASURER'S REPORT
- 5 OUR MEMBER-OWNERS COME FIRST
- 6 SUPERVISORY COMMITTEE REPORT
- 8 FINANCIALS
- 10 ANCILLARY BUSINESSES
- 13 FIRE FAMILY FOUNDATION
- 14 PROFIT SHARING



2019 BOARD OF DIRECTORS | EXECUTIVE TEAM

2019 BOARD OF DIRECTORS

L. Scott Gribbons

Board Chair
Captain, Los Angeles Fire Department

John Buck

First Vice Chair
Retired Battalion Chief, Los Angeles Fire Department

Richard Frawley

Second Vice Chair
Battalion Chief, Milpitas Fire Department

Ronald D. Jackson

Treasurer
Retired Battalion Chief, Los Angeles Fire Department

Greg Porter

Secretary
Retired Captain, Los Angeles Fire Department

John Cermak

Fire Chief, North County Regional Fire Authority

Patrick L. Engel

Retired Battalion Chief, Los Angeles Fire Department

Marshall Hatch

Captain, Ventura County Fire Department
Regional Training Center

Jeff Haughy

Lieutenant, Oakland Fire Department

Jerry Horwedel

Retired Captain, Los Angeles Fire Department

Sheldon McKowan

Retired Captain, Los Angeles Fire Department

Larry Metz

Retired Staff Assistant, Los Angeles Fire Department

Andrew Patai

Firefighter, Las Vegas Fire Department

Wayne Schuetz

Captain, Los Angeles Fire Department

Marv Williams

Retired Captain, Los Angeles Fire Department

SUPERVISORY COMMITTEE

Bryan Nassour

Chair, Supervisory Committee
Captain, Los Angeles Fire Department

Mike Arguelles

Retired Battalion Chief, Los Angeles Fire Department

Sharon Draper

Retired Executive Assistant, Firefighters First Credit Union

CREDIT UNION EXECUTIVE TEAM

Dixie Abramian

President/Chief Executive Officer

Richard Dillon

Chief Financial Officer

Dyan Mashman

SVP, Information Technology

Kelly Ramsay

SVP, Marketing

2019 BOARD CHAIR AND CHIEF EXECUTIVE OFFICER REPORT TO THE MEMBERSHIP

As we enter our 85th year, we are reminded of our journey, which began at the depth of the great depression in 1935 above the old Fire Station 28 in downtown Los Angeles. A few senior firemen pooled their money in a cigar box to help younger firefighters in need. This common bond created personal and trusting relationships, which became the foundation of our credit union. Our mission remains steadfast to improve the financial lives of our Fire Family.

Today, we serve our members in all fifty states with 661 fire departments represented. We are by far the largest, firefighter exclusive Credit Union in the country with almost \$1.5 billion in assets and close to 50,000 members. Our strategic growth focusing solely on professional firefighters has made us a stronger organization while positioning us well for the future. Our successful national expansion is a testament to our members as well as to local and regional leaders within the fire industry.

We ended 2019 in a strong financial position with a 9.17% capital ratio and over \$10.5M in net income. This allowed us to provide \$2.1M in profit sharing back to our members last year. We remain a safe and sound organization.

Our members continue to enjoy a broad and competitive array of products and services, including financial investments, trust, and insurance services. In addition, we are expanding intentionally with presence in California, Arizona, Nevada, New Mexico and Washington states. We recently opened our doors to Washington State and will soon have a regional office in the state. Members will also soon enjoy the convenience of an office in Santa Clarita, California, and we will go back home across the street to 1520 Colorado Boulevard to serve members from our original regional office in the Los Angeles area.



L. SCOTT GRIBBONS
Board Chair



DIXIE T. ABRAMIAN
Chief Executive Officer

We remain committed exclusively to firefighters, executing everything with uncompromising integrity and competence, and remain relentless in our pursuit of legendary service. Internally, we continue to automate and streamline our operations allowing for greater efficiency and personal member service. In 2019, our members asked for and we launched an online Business Banking Platform; and, a new Video Banking Channel allowing for more personal communication between our members and our employees. We survey and seek feedback from our members regularly, and we are proud to be among the highest rated financial institutions in member satisfaction and loyalty (as validated by a third party).

Through our work, we continue to sponsor hundreds of fire community events every year and through the Fire Family Foundation, we provide scholarships and financial assistance to firefighters and their families when in need.

Thank you to our members, Board of Directors, and employees for your loyalty, dedication, and continued support of Firefighters First Federal Credit Union.

Respectfully submitted,

A handwritten signature in black ink that reads "L. Scott Gribbons".

L.S. Gribbons
Board Chair

A handwritten signature in black ink that reads "Dixie T. Abramian".

Dixie T. Abramian
Chief Executive Officer

2019 ANNUAL TREASURER'S REPORT



RONALD D. JACKSON
Board Treasurer

I am pleased to announce that 2019 was another successful year for Firefighters First Federal Credit Union (FFFCU). At year-end, assets totaled \$1.488B with net income of \$8.3M (after refunds). FFFCU also returned \$2.192M to our owner/members as part of our profit-sharing program.

In addition to maintaining strong financial metrics, FFFCU added 4,873 new members offering exclusive membership to paid professional firefighters and their families in all 50 states. At year-end, FFFCU had 49,816 members.

One of the highlights of the Credit Union's fiscal performance is our loan portfolio. With a loan to share ratio of 94.58%, FFFCU has over \$1.268B in total loans outstanding. Our capital ratio after profit sharing is above 9% and our delinquency ratio remains exceptionally low at .11%.

As we pursue our mission of "Improving the Financial Lives of our Fire Family," the FFFCU Board of Directors and Administrative Team is committed to providing a legendary banking experience with the highest level of service. We provide our members a full spectrum of financial products at competitive rates. FFFCU also offers investment, insurance, estate planning and business lending services to our member owners.

We will continue to invest member resources appropriately and efficiently as we grow while working within the framework of our core values. The Credit Union is financially sound and well positioned for another successful year in 2020.

Respectfully,

A handwritten signature in black ink that reads "Ronald D. Jackson". The signature is fluid and cursive.

Ronald D. Jackson
Treasurer

OUR MEMBER-OWNERS COME FIRST

"I have been a grateful member since 1975. I would not have what I have today without the help of Firefighters First Credit Union."

- Thomas D.

"Thank you for having people who make your customers feel important! Not only that, but also cared for. I am excited to share my experience with all Fire Families."

- Robert K.

"Integrity is the bottom line in business and Firefighters First Credit Union is integrity oriented."

- James L.

"No other financial institution can (or WILL) give the personalized service that's provided by Firefighters First. Firefighters are part of a unique fraternity/sorority, and Firefighters First provides specialized services and products."

- Douglas L.

"Firefighters First Credit Union always provides me with outstanding service. I am always treated with respect, and know that my concerns are important... More than just a number, but an actual person."

- Catherine S.

2019 ANNUAL SUPERVISORY COMMITTEE REPORT



BRYAN R. NASSOUR
Committee Chair

The Supervisory Committee consists of three members who take their responsibility very seriously. We are dedicated to ensuring that Firefighters First Federal Credit Union remains a safe and sound institution thereby continuing to provide legendary service and opportunities to our members. During the past year, the Credit Union was audited by an independent certified public accounting firm as well as our federal regulator (NCUA). Both exams reflect that the Credit Union continues to be safe, strong, compliant, and financially sound.

Our staff is continuing to further their education by staying abreast of all new and current regulations that are set for us by the Federal Government. All internal auditors are certified through Credit Union National Association (CUNA), and all Supervisory Committee members remain informed of regulatory updates and audits.

The Committee meets with the internal auditors on a regular basis to monitor the ongoing internal audits initiated and conducted throughout the year. Our intent is to identify and correct the issues while they are still minor in nature. We appreciate the hard work from our team and cooperation shown by our employees.

We are very pleased to report that the Credit Union continues in its fine tradition of providing for its members now and in the future.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Bryan R. Nassour', written in a cursive style.

Bryan R. Nassour
Supervisory Committee Chair



LOS ANGELES
FIRE DEPT.

CLASS 1

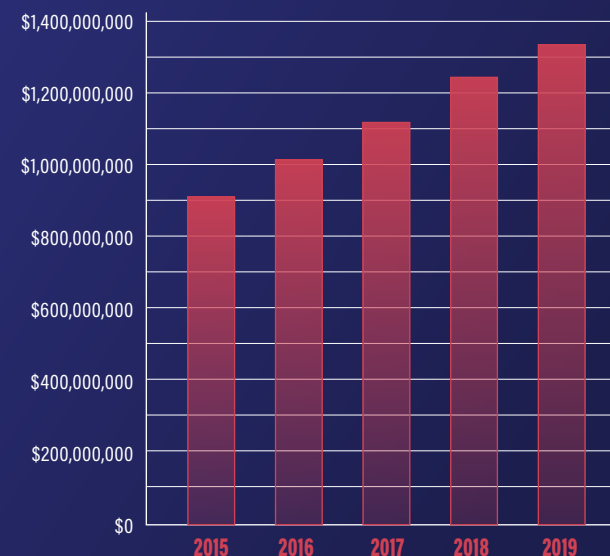
60771

2019 FINANCIALS

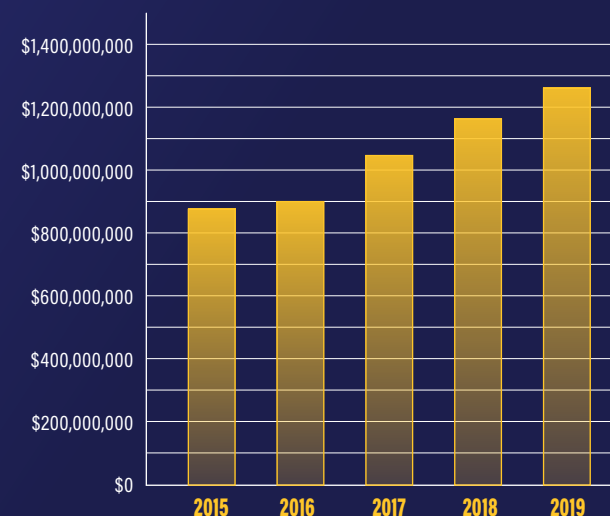
Unaudited Consolidated Income Statement - After Refund

INTEREST INCOME	FY 2019	FY 2018	Diff	Variance
Interest Income on Loans	50,363,983	43,845,239	6,518,744	14.87%
Less Interest Refunds	1,030,417	1,017,638	12,779	1.26%
Income from Investments	3,651,272	2,300,924	1,350,347	58.69%
Total Interest Income	52,984,837	45,128,526	7,856,311	17.41%
INTEREST EXPENSE				
Dividends	14,362,817	9,258,129	5,104,688	55.14%
Extraordinary Dividends	1,017,766	1,004,567	13,199	1.31%
Total Interest Expense	15,380,583	10,262,696	5,117,887	49.87%
NET INTEREST INC (Before Provisions)	37,604,254	34,865,830	2,738,424	7.85%
Provisions for Loan Loss	431,338	1,207,070	(775,732)	-64.27%
Provisions for Share Loss	43,640	101,217	(57,578)	-56.89%
NET INTEREST INCOME	37,129,276	33,557,543	3,571,734	10.64%
NON-INTEREST INCOME				
Interchange Income	6,791,060	6,250,417	540,643	8.65%
Fee Income	1,442,169	1,384,370	57,799	4.18%
Real Estate Fee Income	1,800,424	1,264,152	536,272	42.42%
Tenant Income	1,009,227	1,318,653	(309,426)	-23.47%
Other Operating Income	3,332,845	3,257,824	75,020	2.30%
Total Non-Interest Income	14,375,725	13,475,417	900,308	6.68%
OPERATING EXPENSES				
Employee Compensation	16,223,485	14,742,278	1,481,207	10.05%
Employee Benefits	3,979,434	3,682,779	296,655	8.06%
Travel and Conference Expense	644,839	791,281	(146,442)	-18.51%
Office Occupancy Expenses	3,580,839	3,417,179	163,660	4.79%
Office Operations Expenses	4,397,008	4,490,393	(93,386)	-2.08%
Marketing Expenses	733,362	751,638	(18,276)	-2.43%
Loan Servicing Expense	3,754,583	3,834,115	(79,532)	-2.07%
Professional Services	7,066,001	6,036,064	1,029,937	17.06%
Operating Fees	234,374	286,200	(51,826)	-18.11%
Miscellaneous Operating Expenses	2,886,873	1,697,559	1,189,314	70.06%
Total Operating Expenses	43,500,797	39,729,487	3,771,310	9.49%
Non-Operating Gain (Loss)	309,397	206,809	102,588	49.61%
Gain/(Loss) on Investments	0	316,956	(316,956)	-100.00%
NET INCOME / (LOSS)	8,313,601	7,827,237	486,364	6.21%

Share Growth



Loan Growth



2019 FINANCIALS

Unaudited Consolidated Statement of Financial Condition

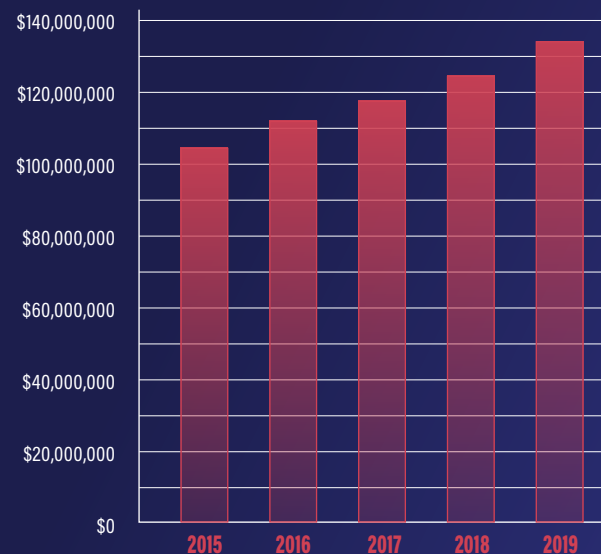
ASSETS

	YE 2019	YE 2018
Loans Outstanding	1,267,490,962	1,178,957,137
Allowance for Loan Loss	(4,293,125)	(4,363,567)
Loan Origination Fees	(555,803)	(508,540)
Loan Prepaid Cost	1,112,361	784,574
FASB 91	4,711,533	3,591,426
Total Loans	1,268,465,928	1,178,461,030
Loans Held for Sale	381,000	0
Total Investments	12,282,126	11,337,920
Total Cash	124,050,005	110,677,913
Land and Building	21,413,106	23,036,451
Software	272,100	511,383
Furniture and Fixtures	1,195,077	1,528,270
Building in Progress	791,956	60,072
Total Accrued Income	3,589,655	3,094,154
NCUSIF Insurance	11,340,178	10,250,303
All Other Assets	44,880,571	41,566,100
TOTAL ASSETS	1,488,661,702	1,380,523,596

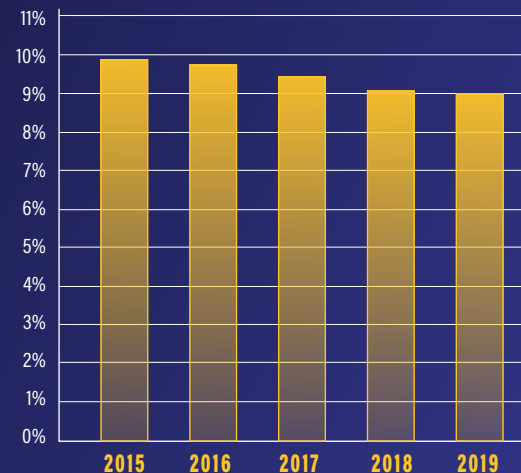
LIABILITIES & EQUITY

	YE 2019	YE 2018
AP and Other Liabilities	14,020,573	12,830,578
Share Savings	194,843,528	181,307,872
Checking	208,578,463	183,245,735
Money Market	516,039,129	506,093,092
Certificates	363,050,482	315,674,051
IRA Accounts & CDs	57,568,950	55,770,055
Total Shares and Certificates	1,340,080,552	1,242,090,805
Non Controlling Interest	233,339	237,232
Regular Reserves	41,734,816	41,734,816
Undivided Earnings	84,277,950	75,800,712
Unrealized Gain (Loss) on Investment	871	2,216
Net Income	8,313,601	7,827,237
TOTAL LIABILITIES & EQUITY	1,488,661,702	1,380,523,596

Regular Reserves



Capital Ratio



THE FULL SUITE OF PERSONAL, BUSINESS, INVESTMENT, INSURANCE, AND TRUST SERVICES FOR OUR MEMBERS

Whatever you need...

PRODUCTS

- Auto Loans
- Boat Loans
- Business Loans
- Fire Station Loans
- Mortgage Loans
- RV and Toy Loans
- Signature Loans

- Checking Accounts
- Individual Retirement Accounts (IRAs)
- Money Market Account
- Savings Accounts
- Share Certificates

- Debit and Credit Cards
- Home Equity Lines-of-Credit (HELOC)

SERVICES

- Bill pay
- Direct Deposit
- Estate Planning
- Money Management
- Retirement Planning
- Vehicle, Home, Business and life Insurance

And more!

*Non-deposit investment products and services are offered through CUSO Financial Services, L.P. ("CFS"), a registered broker-dealer (Member FINRA/SIPC) and SEC Registered Investment Advisor. Products offered through CFS: **are not NCUA/NCUSIF or otherwise federally insured, are not guarantees or obligations of the credit union, and may involve investment risk including possible loss of principal.** Investment Representatives are registered through CFS. The Credit Union has contracted with CFS to make non-deposit investment products and services available to credit union members.

**As of 12/31/2019.

***Trust services are provided by Members Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency, Trust and investment products are not deposits of or guaranteed by the trust company, a credit union or credit union affiliate, are not insured or guaranteed by the NCUA, FDIC, or any other governmental agency, and are subject to investment risks, including possible loss of the principal amount invested.

.....
Firefighter Insurance Services, Firehouse Financial, and Trust Services are not insured by NCUA.



Fire Family Foundation is a nonprofit 501(c)(3) organization, Tax ID #36-4613248, and is the charitable hand of Firefighters First Credit Union.



Available through CFS*
1,665 members with investment accounts**
\$272,000,000 assets under management



#0G87848
FirefighterInsuranceServices.com



Trust Services

In partnership with MEMBERS Trust Company***
FirefightersFirstCU.org/Trust-Services



Business Services



PARAMEDIC

104

ONCE

AFD LAFF

WE LOVE AND SUPPORT OUR FIRE FAMILY.



TO OUR FIREFIGHTING COMMUNITY: WE HAVE YOUR BACK!

The Foundation continues its mission to assist firefighters and their families in times of need through the Firefighter Relief Fund, by offering scholarships, and supporting other Fire Charities.

To learn more visit [FireFamilyFoundation.org](https://www.FireFamilyFoundation.org) and follow Fire Family Foundation on social media.



Fire Family Foundation provided
NEARLY \$120,000
in assistance

Fire Family Foundation is a nonprofit 501(c)(3) organization, Tax ID #36-4613248, and is the charitable hand of Firefighters First Credit Union. All donations to the Foundation are tax deductible to the full extent of the law. Affiliate of Firefighters First Credit Union.

2019 Scholarship Winners



Fire Boot Classic



Wine Tasting Social



WE SHARE OUR PROFITS **WITH OUR MEMBER-OWNERS**

It's Yours. It's Our Tradition.

Firefighters First Credit Union
reimbursed

**OVER
\$590,600**

ATM fees*

Firefighters First Credit Union
members earned

**OVER \$2
MILLION**

in profit sharing in 2019!**

*ATM rebate program details: Firefighters First Credit Union will reimburse you for ATM surcharge fees incurred when making a withdrawal using your Firefighters First Debit Card. Fees will be reimbursed for your first five (5) ATM transactions that incur a surcharge fee, per calendar month. Fees will be reimbursed the same day unless your ATM withdrawal is after 3:00 pm Pacific Time (PT). Withdrawals after this time or on a non-business day will post on the next business day along with the fee reimbursement. To qualify for this program, you must have a combined direct deposit total of at least \$500 per month and you must make your ATM withdrawal from your Firefighters First personal or business checking account.

**Profit Sharing is at the discretion of the Board of Directors.



40

CLASS 1
FIRE DEPARTMENT
CITY
OF LOS ANGELES



FirefightersFirst

CREDIT UNION

815 Colorado Blvd.
Los Angeles, CA 90041

800-231-1626

FirefightersFirstCU.org

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA
National Credit Union Administration, a U.S. Government Agency

**EQUAL OPPORTUNITY
LENDER**

Federally Insured by NCUA