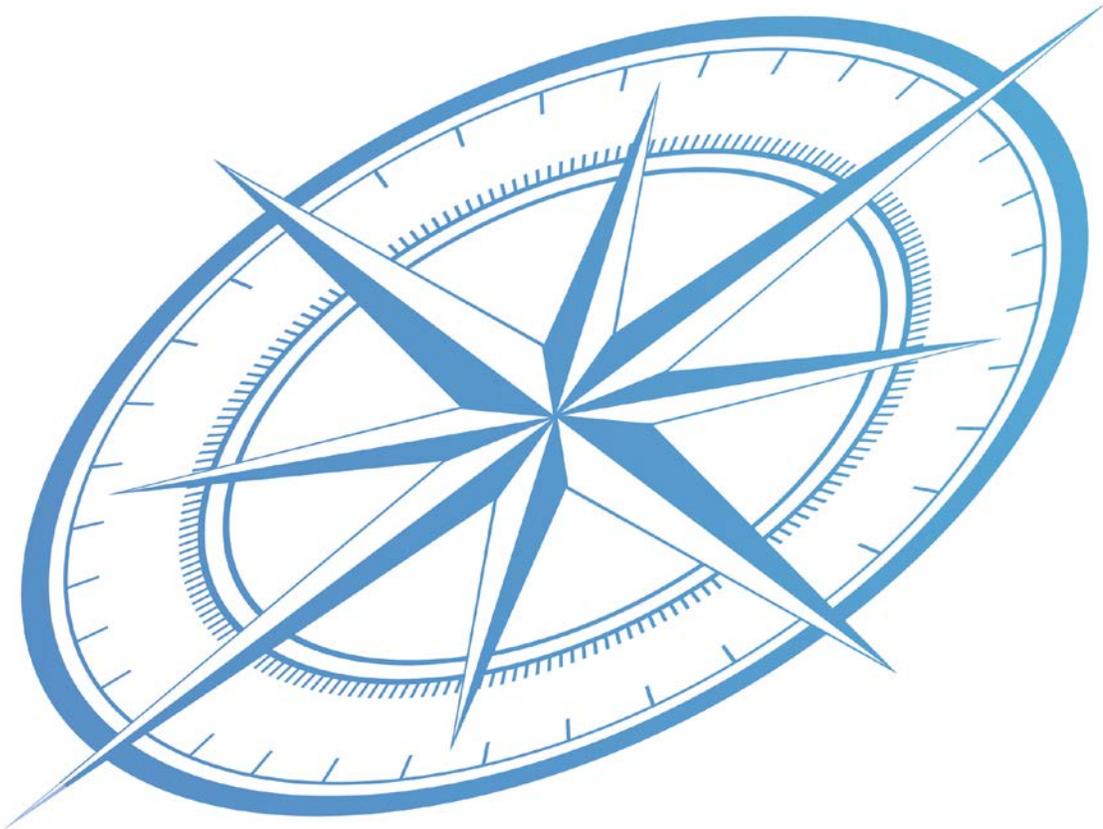


2015 Annual Report

New Directions



Board of Directors

John W. Kline

Chairman

Kelly Edwards

Vice Chairman

Donald Bailey

Treasurer

Ginger Thomas

Secretary

Hallie Guiseppe

Director

Noah Seyfert

Director

Gayle Sincavage

Director

Louis Tamburro

Director

Roy Towles

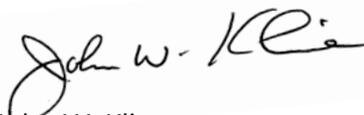
Director

A Message from the Chairman of the Board

Like many financial institutions, we have spent much of the past six years in defensive mode following the financial crisis. However, during the last two years here at Riverfront, we have changed that and are now on the offense. One of our first priorities was to renew our team's focus on growing the credit union and addressing the need to grow the balance sheet, mostly through loans. And, just as last year, I am pleased to say that we again have had an unprecedented year of loan growth. Having a quality loan underwriting process and an asset recovery process allows us to yield the benefits of increasing our net interest income. As we continue to have this type loan growth, we continue to fund our appropriate allowance accounts to match our increasing loan risks. Expenditures continue to outpace our income and as mentioned in last year's report, to improve our service levels and in order to continue to make improvements with our products and services, funds are needed to accomplish this. We remain well capitalized which allows us to continue our efforts of building a much better and stronger organization. Our biggest project and main focus over the past year is the upgrade to a new core processor which will replace our old legacy system. This conversion which is slated for a May 1st cutover will help provide some economies of scale, put us on a more level playing field with some of the bigger players in the financial industry by allowing us to provide and offer additional and much better products and services than we are offering today. Our IT department, along with others, has been working diligently over the past year to make this conversion as seamless as possible.

Progress is defined as the motion of moving forward to a destination and this one word 'progress', best describes what is happening here at Riverfront. We as a team, the board and management continue to focus on our long term growth and financial outlook that will position the credit union for years to come. We continue to build on our accomplishments and continue to commit again to our progressive long term approach to our final destination.

We recognize the role we as a financial institution can play in our member's financial well-being and will continue our focus to create loyalty by deepening our relationships with them. We will continue to make every effort to uphold the mission and vision of this credit union by again improving the quality and the value of being a member of Riverfront.



John W. Kline
Chairman of the Board

A Message from the President/CEO

The New Direction is alive and well!

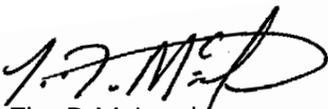
Since my arrival, we have been at work establishing a plan to move Riverfront Federal Credit Union into a new era of greater member service and financial growth; I am happy to report that we are seeing the fruits of our labor. Last year I discussed the start of several initiatives that would help place our member in a better financial position and the credit union on a path of strength and growth. Over the past year, we have had tremendous success in continuing the development of several aspects of the operation. Among the numerous tasks that have been started, we have completed several initiatives that will provide our members with cutting edge services and position the credit union for a vibrant future. The foundation is set.

None of this is completed without a stellar group of employees that are diligently in pursuit of building all of the principle components that are required for the new direction to operate successfully. However, it all starts with our Board of Directors and our Volunteers. The Board set out and is determined to see Riverfront FCU move into the future successfully. I applaud them as they allow me and my management team to “dream big” and bring the operation to a higher standard of member service.

All of the successes that we have experienced thus far were modernizing some dated processes and on-boarding new service delivery channels; primarily the electronic delivery channels. Although these were much needed to accomplish the task and provide the route for successful delivery, our impending data processing conversion is the pinnacle point that will help us bring it all together. As the Chairman stated, we have spent a lot of time over the last year preparing for the conversion to the new operating system; this has been an arduous task to say the least. The Information Systems department, the department managers and subject matter experts have worked tirelessly preparing all of our member data for a smooth and accurate transition.

On May 1, we will turn “off” the old system, and turn “on” the new. This will be a remarkable milestone in Riverfront’s history as the new operating system will enable us to do many things that will make your financial life better. Equally important, we are doing everything possible to eliminate potential issues, creating a seamless transition to the new system. I give you my personal assurance that every member and all data will flawlessly migrate onto the new system.

Going forward, be on the lookout for more great products and services, but equally important, be on the lookout for greater speed and enhanced technology in our effort to serve you. Additionally, as we move forward, we will continue to produce an operation that progressively gets better. We are here to serve our member owners and provide a safe and effective place to meet or exceed your financial needs. After all, our primary job is to make your financial life better.



Tim D McLeod

President/CEO

A Message from the Supervisory Committee

The role of the Supervisory Committee is an important one and is similar in many respects to the role of an internal auditor. We serve to protect the interests of our members. We assume the responsibility for ensuring that a quality system of checks and balances is maintained. Our committee consists of five members appointed annually by the Board of Directors.

The committee's primary duties and responsibilities include:

- Engaging an independent auditing firm to complete an annual audit of the credit union's financial statements
- Monitoring regulatory compliance
- Ensuring that the credit union's directors and staff fulfill their fiduciary responsibility

In 2015, the Supervisory Committee engaged Reinsel Kuntz Leshner LLP to complete quarterly reviews of the following areas:

- Related party transactions and lending
- Closed account confirmations
- Nonfinancial activity
- Delinquent accounts
- Corporate credit card activity
- Dormant account activity
- Travel and conference expenses

The Supervisory Committee performed the following duties:

- Met with senior management for Q&A sessions
- Engaged Reinsel Kuntz Leshner LLP to assist the Supervisory Committee in 2016 with quarterly reports based on the agreed-upon procedures
- Performed surprise cash counts of teller cash drawers, vaults and ATM machines at all branch locations
- Conversated with team members to establish open communication between staff and committee members and assess branch procedures and environment as seen from the team member perspective
- Attended trainings, board meetings and strategic planning sessions

Current Supervisory Committee Members:

Irwin Levan – Chairman, Robert Ebling, Ernie Musser, Hallie Guisepppe and Cody Johnson

Hallie Guisepppe

Supervisory Committee Member

Statement of Financial Condition

Assets	December 31,	
	2015	2014
Loans to members, net	\$ 98,660,689	\$ 64,387,385
Cash and cash equivalents	1,527,132	3,026,941
Interest bearing accounts	18,377,564	19,346,284
Securities available for sale	49,616,182	77,437,163
Accrued interest receivable	347,645	356,650
Property and equipment, net	657,083	577,481
NCUSIF deposit	1,500,091	1,530,546
Prepaid expenses and other assets	<u>1,812,732</u>	<u>591,766</u>
Total Assets	<u>\$ 172,499,118</u>	<u>\$ 167,254,216</u>
 <i>Liabilities and Members' Equity</i>		
Liabilities		
Members' shares and savings accounts	\$ 155,960,996	\$ 150,392,112
Accounts payable and accrued expenses	<u>661,419</u>	<u>542,846</u>
Total liabilities	156,622,415	150,934,958
Members' equity	<u>15,876,703</u>	<u>16,319,258</u>
Total Liabilities and Members' Equity	<u>\$ 172,499,118</u>	<u>\$ 167,254,216</u>