

A large, light blue compass rose graphic is centered on the page. It features a circular dial with degree markings and several directional lines extending from the center. The background of the entire page is a light blue wavy pattern.

2017 Annual Report

New Directions

Riverfront
FEDERAL CREDIT UNION



BOARD OF DIRECTORS

John W. Kline
Chairman

Kelly Edwards
Vice Chairman

Donald Bailey
Treasurer

Ginger Thomas
Secretary

Cody Johnson
Director

Noah Seyfert
Director

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Director

Louis Tamburro
Director

Hallie Guiseppe
Director



A MESSAGE FROM **THE CHAIRMAN OF THE BOARD**

For an organization to succeed, we must put ourselves in a position to succeed. Four years ago, Riverfront embarked in a New Direction realizing that the old ways of operating a credit union were not viable for the future. This past year we recognized the benefits of our New Direction which has helped strengthen our balance sheet with increased revenues mainly through an increased loan portfolio and other revenue streams while controlling our expenses and lowering our efficiency ratio. Our allowance account for losses is well funded and our liquidity position is well structured and we maintain a net worth that is well above stated requirements. We are also making steady gains with membership growth.

Now, as we face the future with a strong year behind us, our New Direction requires that we expand our profile in the communities we serve and continue to work hard as an organization to continue our progress to deliver the very best products and services available to our members. Behind these many products and services that are offered is a very dedicated professional staff along with an excellent Executive Management team that are committed to delivering the highest quality member experience.

Growth is essential for Riverfront's long-term success and as we continue in our New Direction, we are poised to grow the credit union to serve a greater consumer base. Our Executive Management and Board of Directors has a continued commitment to a smart growth strategy through revenue productivity and efficiencies that will allow us to provide and deliver the highest quality products and services that will enhance and add value to the member experience here at Riverfront.

As an organization, we are also committed to offer competitive pricing and have the lowest possible necessary fees and will continue to grow our market share in our core financial products of auto, mortgage and credit card lending and be competitive with deposits rates.

As a member-based financial institution, we consider it a great privilege and responsibility to help our members to meet their financial needs.

John W. Kline
Chairman of the Board



A MESSAGE FROM **THE PRESIDENT/CEO**

Coming off a successful 2017 and moving into the second quarter of 2018, I'm pleased to report our New Direction is going full steam ahead. The credit union is in a strong growth position and our progress is in no small part due to the concerted efforts of our Board of Directors, management team and staff. Our members also play a part in ensuring our continued success by placing their trust in Riverfront as their preferred financial partner. The feedback we've received over the last several months has given us new insight into what members are looking for in terms of products and services, and how we can make doing business with us easier and more convenient for them in the years ahead.

For the past several months, our management team and staff has been looking for better ways to enhance and continue to deliver great member service and cutting edge products. With that in mind, Riverfront created some helpful video tutorials to show members how to use Riverfront's convenient electronic services to manage their finances. They can be found on Riverfront's YouTube channel. We'll continue to add to our library as they are developed. Don't worry, we'll continue to remind you through all of our social media channels. If you don't yet follow us on social media, I will again invite you to do so as it provides a wealth of information. Plus, you never know what we'll post there - it may be a chance to win something, or simply an announcement regarding great rates on a product you need.

In early second quarter, we'll be rolling out our new Cash Rewards Visa Credit Card, which allows members to earn cash back on everyday purchases. Many members have expressed an interest in this type of card for quite some time. We believe this will help us remain competitive with other financial institutions in our local area. Also, to make members feel like a valued part of our team, we're in the process of creating a new incentive to foster brand loyalty. Soon they'll have the opportunity to receive top-level status here with our new relationship pricing program. So the more they use our Riverfront products and services, the more they'll save overall.

Another exciting product we're adding to our line-up is a new 80/20 mortgage. For many, this could be the perfect loan to help purchase a new home with no money down and no PMI. For our members looking to make home improvements or add more curb appeal, we'll not only help finance these projects, but also refer them to some incredibly talented and reliable contractors through our pre-vetted merchant partners program.

At Riverfront, our mission isn't only to put our members on a better financial path by providing them with the best products and services to meet their needs, but we are also dedicated to making a difference in the communities in which we serve. We do so by not only collecting and donating goods and providing monetary support to various local nonprofit entities, but also by volunteering our time to help others. In 2017, we provided support for local school lunch programs and made a difference in working with Operation Badge 27, Corp Fitness, New Journey Outreach, IM ABLE, Opportunity House, SAFE Berks and many others. We're not about to stand on the sidelines when there's a way to support worthy causes in our area. Be on the lookout for additional community efforts this year in coordination with organizations such as Habitat for Humanity and Berks Crime Alert.

Riverfront has many things to celebrate as the seasons change. But most of all we celebrate our members, because without them we wouldn't be here. Our number one priority is putting each of them on the path to a brighter financial future.

Tim D McLeod
President/CEO



A MESSAGE FROM **THE SUPERVISORY COMMITTEE**

The 2017 and to date, the 2018 Supervisory Committee members are myself, Robert Ebling, Ernie Musser and the Chairman of the Committee, Irwin Levan. Under the tutelage of Irwin, the Supervisory Committee at Riverfront became more efficient in 2017 by condensing the amount of times they would meet and still fulfil their required NCUA responsibilities.

Some of these responsibilities are, but aren't limited to:

- Determining that the financial condition of the credit union is accurately presented
- Ensuring that internal controls are established and effectively maintained
- Confirming that policies and control procedures to safeguard against error, carelessness, fraud and self-dealing have been established
- Approving the annual external audit, internal audit function and verification of member accounts are the activities generally used to carry out these responsibilities

Thanks to their experience, professionalism and service, the Supervisory Committee engaged Reinsel Kuntz Leshner to complete audits and reviews in 2017 and 2018.

As the first quarter comes to a close, the supervisory committee will look to build on success from 2017 with the ever-present goal of enhancing the financial life of our members in 2018.

Thank you to all of you for your faithfulness to Riverfront and for maintaining the principles of the credit union.

Thank you,

Cody Johnson

Supervisory Committee Member



STATEMENT OF FINANCIAL CONDITION

<i>Assets</i>	December 31,	
	2017	2016
Loans to members, net	\$ 95,620,291	\$ 100,591,483
Cash and cash equivalents	1,870,530	1,671,197
Interest bearing accounts	19,650,983	35,515,863
Securities available for sale	48,213,375	31,177,934
Accrued interest receivable	435,785	312,745
Property and equipment, net	1,955,579	2,144,768
NCUSIF deposit	1,563,253	1,571,228
Prepaid expenses and other assets	<u>1,044,034</u>	<u>1,122,171</u>
Total Assets	<u>\$ 170,353,830</u>	<u>\$ 174,107,389</u>
 <i>Liabilities and Members' Equity</i>		
Liabilities		
Members' shares and savings accounts	\$ 153,909,093	\$ 158,745,239
Accounts payable and accrued expenses	<u>698,688</u>	<u>516,951</u>
Total liabilities	154,607,781	159,262,190
Members' equity	<u>15,746,049</u>	<u>14,845,199</u>
Total Liabilities and Members' Equity	<u>\$ 170,353,830</u>	<u>\$ 174,107,389</u>