



**Riverfront**  
FEDERAL CREDIT UNION

# 2018 Annual Report

## A Message from the **Chairman of the Board**

As Chairman of the Board, it gives me great pleasure to give this yearly report to our members on the state of the credit union once again. Here at Riverfront, we continue the progress of moving forward. We are committed to our long-term growth strategies. Both the Executive team and the Board agree it is critical for us to look to the future and work to enhance our relevance and ensure that we have sustainable growth. To ensure that we are successful, we will need to keep providing products, services and technology that our members of any age demand.

Our yearly audits and examinations along with our financial statements indicate that we are financially sound and strong. We are well capitalized and have a net worth ratio well above required limits. We continually evaluate and fund our provision for loan losses, continually seek new revenue streams and control our expenses. Having a healthy balance sheet allows us to continue to proceed with our new direction to position the credit union to be a top tier financial institution in our community.

Riverfront is unlike other financial providers in that we put the needs of our members who are our owners ahead of everything else. Our business model as a not-for-profit financial institution allows us to use our profits to enhance the member experience in providing products and services that put them in a better financial position.

We believe it is both our responsibility and privilege being a community chartered credit union to give back to the communities that we serve. The credit union along with its employees strive to present a positive impact by volunteering and donating to social and community causes.

As our members' demands evolve and how they conduct their finances, we must continually evolve also.

Over this past year, we have added many new products and services and continually seek ways to serve our members in the most convenient ways.

As we continue in our new direction we must tell our story to the communities we serve. We encourage our members to help us tell others about their experiences with Riverfront, to be advocates for the credit union.

As we continue our march into the future, the board of directors and executive management are dedicated to the betterment of the credit union with prudent financial management and sound strategies with investment in resources and technology.



**John W. Kline**

## A Message from the **Supervisory Committee**

The supervisory committee members are myself, Robert Ebling, Ernie Musser and the Chairman of the Committee, Irwin Levan. The Supervisory Committee at Riverfront continued to fulfill their required NCUA responsibilities in this ever-changing environment.

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 and quarterly agreed-upon procedures, as well as 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 RKL, LLP to complete quarterly agreed-upon procedures and an annual audit of the credit union's financial statements. As of and for the year ended December 31, 2017 the independent auditor's report indicated that the credit union's financial statements presented fairly, in all material respects, the financial position of Riverfront Federal Credit Union. The 2018 audit report has not been received as of this writing; however, we expect the independent auditor's report to contain the same opinion as for 2017.

As the first quarter comes to a close, the supervisory committee will look to build on success from 2018 with the ever-present goal of enhancing the financial life of our members in 2019.

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



**Cody Johnson**

# A Message from the **President/CEO**

What a memorable year! I think it's safe to say, the new direction is alive and well! First, we celebrated our 70th year in business and there are so many to thank for this impressive milestone – our members, our employees, our Board of Directors. It was a year worth celebrating, and we did just that from January through December.

It was also a year punctuated by a whirlwind of activity, so much so that while writing this, it occurred to me how busy we were! From the introduction of new products and services to the always-amazing community involvement of our team members, we racked up another year of impressive accomplishments.

Among those achievements was another year generating over a million dollars in net income and continued growth in our overall loan portfolio. The overall portfolio unpaid principal balance increased by 1%, and within the portfolio, unpaid balances in direct consumer loans grew 23%. In addition, our updated technology systems continued to have a notable impact. We significantly increased electronic and mobile banking usage and now successfully engaged over 65 percent of the credit union's membership in e-statements.

As a result of suggestions we received from our membership survey, we rolled out new products and services in 2018. One of them was the Cash Rewards Visa Credit Card, which allows members to earn cash back on everyday purchases. Would you like a picture on your debit card? We can do that since we launched instant-issue debit cards and are able print new cards at the branch while you wait. Gone are the days of waiting for a new or replacement card to arrive in the mail! From a favorite photo to a favorite cause, a member can apply that personal touch to the front of their card.

Moreover, we continued our efforts to provide cost effective mortgage solutions to our members. Now, accompanying our 15, 20 and 30 year fixed rate mortgages, we introduced a new home loan product called an 80/20. It gives borrowers the ability to purchase a new home with no money down and no PMI (private mortgage insurance). We are paving the pathway to homeownership for all of our members. Also, if you are looking to do home improvements, we are always adding to our Merchant Partner Program so that you have cost effective, reliable service providers for home improvements, or needed services. For those that think homeownership and good credit can never be a reality, we continued our ongoing efforts to put all of our members on a better financial path. Through our financial counseling efforts, we were able to help members better understand how it all works and how to make it better. A member can now schedule an appointment with a financial counselor at the click of a mouse via our website.

Even kids had a chance to get in on the action. We invited children from kindergarten through 12th grade to pick up a coin bank during the summer and fill it, then bring it to one of our branches in August and deposit their money into an account. They were then entered into a drawing to win an iPad.

Of course, we continued to remain focused on our community by participating in a wide variety of charitable causes. Among others, the most notable were our annual "Awareness Makes Cents" Breast Cancer Awareness Campaign to raise funds to battle this disease and "Dog Days of Summer" event at the Humane Society of Berks County, and just about everything in between.

In addition, we donated needed items to the City of Light Ministries, Berks County Diaper Bank and Blankets of Hope to name a few of the entities we support in the communities that we serve. We also conducted a financial literacy workshop for youths. And that's just skimming the surface! I am extremely proud of all the volunteer activities that our employees are involved with.

Looking back, I can say without hesitation that we had a year worthy of a 70th anniversary celebration. And I look forward to many more fruitful years to come.



**Tim D. McLeod**

## 2019 **Board of Directors**

**John W. Kline** Chairman

**Kelly L. Edwards** Vice Chairman

**Hallie Guiseppe** Treasurer

**Ginger Thomas** Secretary

**Noah Seyfert** Director

**Gayle Sincavage** Director

**Louis Tamburro** Director

**Cody Johnson** Director, Supervisory Committee

**Ashley N. Chambers** Director

# Statement of Financial Condition

## Assets

December 31, **2018**

December 31, **2017**

Loans to Members, Net	\$ 96,532,074	\$ 95,620,291
Cash and Cash Equivalents	1,624,398	1,870,530
Interest Bearing Accounts	13,188,863	19,650,983
Securities Available for Sale	56,900,235	48,213,375
Accrued Interest Receivable	512,267	435,785
Property and Equipment, Net	1,792,464	1,955,579
NCUSIF Deposit	1,589,976	1,563,253
Prepaid Expenses and Other Assets	<u>2,474,044</u>	<u>1,044,037</u>
<b>Total Assets</b>	<b><u>\$ 174,614,321</u></b>	<b><u>\$ 170,353,833</u></b>

## Liabilities and Members' Equity

### Liabilities

Members' shares and savings accounts	\$ 157,455,738	\$ 153,909,093
Accounts payable and accrued expenses	<u>862,324</u>	<u>698,688</u>
Total Liabilities	158,318,062	154,607,781
<b>Members' Equity</b>	<u>16,296,259</u>	<u>15,746,052</u>
<b>Total Liabilities and Members' Equity</b>	<b><u>\$ 174,614,321</u></b>	<b><u>\$ 170,353,833</u></b>

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