



Rivermark[®]
COMMUNITY CREDIT UNION



2019 **ANNUAL REPORT**



“Your credit union strives to accomplish the mission of ‘building financial empowerment together’.”

PRESIDENT'S REPORT

Photo: Seth Schaefer, president/CEO

Welcome to the 69th Annual Meeting of Rivermark Community Credit Union.

With events surrounding the recent pandemic, members have once again looked to the credit union to provide solid financial solutions and advice. Rivermark has stepped forward to provide no interest income loss loans, flexibility in paying loans, tools for debt consolidation with payment/fee relief, and a safe harbor for deposits. At the same time, we are enabling our employees with flexible work environments and assistance. Our technology platforms have enabled us to continue face-to-face member interactions at every branch with the most available hours in the communities we serve. Frankly, credit unions are built for the hard times and our ability to hold conversations with our members – even remotely – is still the bedrock of our relationship. As I write this, the outcome of the current situation is unknown. However, I do know that the financial strength of Rivermark will continue to help, just as we have done for almost seventy years.

Your credit union strives to accomplish the mission of ‘building financial empowerment together’. Financial education and wellness programs were expanded last year, including empowering employees through the Financial Counselor Certification Program from the Credit Union National Association. This knowledge creates deeper conversations with members to discover paths through financial difficulties as well as creating ways to financial goals, such as home ownership.

Our community efforts support financial empowerment through a focus on food insecurity, housing insecurity, and children's health and welfare. \$160,721 was contributed through our volunteer hours, donations, and sponsorships of worthy causes! Highlights of the year include raising a record

2.5 million pounds of food for the Oregon Food Bank via the KGW Great Food Drive; granting \$20,000 to JOIN PDX to help create more sustainable housing in our area; and \$25,000 in fundraising for children's health benefiting the Children's Miracle Network / Doernbecher Hospital. Rivermark employees volunteered 1,486 hours towards non-profits.

Strategically, Rivermark is focused on three areas to build financial empowerment: a best-in-class checking account with the flexibility of moving money easily; getting members into housing, and helping our local businesses thrive. Wrapping those efforts within a digital-first outlook, we hope to continue to provide accessible solutions with branch support. You will begin to see more products and services in each of these areas. By being local, we adapt to the needs of our members while providing a world-wide reach. This personal approach, knowing you by name, knowing where you are in your financial journey, makes Rivermark special. We pride ourselves on the accessibility of our services and the hours which we are available to help.

Total assets for the credit union ended at \$869 million, an increase of 1.40%. Deposits increased 1.21% to \$755.9 million. The focus on housing produced first mortgage growth of \$35.8 million (+8%) while the business focus produced 3.33% growth in commercial deposits and 92.2% in commercial loans.

Net income for the year was \$13.1 million with a 1.50% return on average assets. The strong income moved our capital to assets ratio to 11.60% - a very strong capital position by all regulatory standards. Higher levels of income were primarily driven by improvements in credit quality and the continued growth of debit and credit card usage. To reflect the strong year, overdraft and courtesy pay fees were restructured and/or eliminated, saving members over \$500,00 a year.

-Seth Schaefer, President/CEO

EXECUTIVE TEAM

(As of 12/13/2019)

Seth Schaefer, Chief Executive Officer
Scott Burgess, Chief Executive Officer Emeritus
Brian Griffis, Chief Financial Officer
Rich Muckey, Chief Lending Officer
Cori Poland, Chief eXperience Officer

BOARD OF DIRECTORS

(As of 12/13/2019)

Dennis Fullan, Chair
Kim Bickford, Vice Chair
Matthew Baird, Secretary
Steve Lucas
Bill Roberts
Gary Frayn
Josh Stephenson
Tony Kullen
Rob LaVigne

SUPERVISORY COMMITTEE

(As of 12/13/2019)

Morgan Braze, Chair
Alex Roth
Steve Holland
Gordon Feighner
Rebecca Hoffenberg

RIVERMARK COMMUNITY

The name Rivermark has always been followed by Community. Our dedication to serving our neighbors has been in our lifeblood all along, and in 2019, we were more active than ever! We focused on finding innovative partnerships and bridging connections with nonprofits using our core values and professional skills for the greater good. We know that dollars make a difference, but we strive for more at Rivermark, so we're pairing these dollars with action by leveraging our strengths to make this impact go further.

In 2019 Rivermark staff volunteered a whopping 1,486 hours! Combined with donations and sponsorships, Rivermark's total community impact is over \$160,721. Volunteerism is an important element of our community giveback and helps make this region a great place to live and work.

RIVERMARK COMMUNITY FUND

In 2019, we made a shift in the focus of the Fund based on needs we've witnessed in our community. Beginning with a \$20,000 grant to JOIN PDX, the Fund's mission is to help create more sustainable housing in our area.



PHOTO:
Rivermark
Volunteers,
Habitat for
Humanity



PHOTO:
JOIN PDX

RIVERMARK COMMUNITY *(continued)*

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JOIN PDX, places 25-30 folks into homes every week! 83% of JOIN households remain stable 12 months later. Their effective approach was a key reason they were awarded the grant and why we are eager to pair those dollars with action this year. Our recent Warmth Drive collected over 1,600 winter weather items for those experiencing homelessness. JOIN PDX dispersed these items to those in need.

HUNGER

Rivermark has been invested in fighting hunger in our area for years. Our employees regularly volunteer at the Oregon Food Bank, Meals on Wheels, Store to Door, and we are a proud sponsor of the KGW Great Food Drive.

The 2019 Food Drive achieved the highest donation weight yet. Thanks to generous support we helped raise a record 2,574,608 pounds of food which translates to over 2.1 million meals.

HEALTH

Rivermark has a long history of supporting children's health. In 2019 we participated in a variety of time-honored fundraising events and a few new events.

Rivermark sponsored the CU4Kids Cornhole Tournament and Hops for Hope benefiting the Children's Miracle Network. Overall, we donated \$25,000 in support of children's health.

We hosted our first Diaper Drive to benefit the PDX Diaper Bank, collecting over 2,000 diapers for local families. We also hosted 3 blood drives through Bloodworks Northwest.

HOUSING

In 2019 Rivermark was able to participate in two Habitat for Humanity build events. Employees rolled up their sleeves and went to work contributing to building homes for those in need.

EDUCATION

Rivermark was hard at work delivering education to our community this year through sponsorships, volunteer hours and events. We sponsored the Twilight Run, The Dalles Backpack Program, and volunteered with Friends of the Children. We sponsored the annual TEDxMt.Hood event, giving our 2016 Community Fund grant recipient, TiE Young Entrepreneurs, a chance to take the stage and present their innovative ideas.

We hosted our first-ever Financial Fitness Fair. This free event brought together Rivermark experts and community partners to answer financial questions in a relaxed speed-dating style. We also hosted our first Kids Community Day for children to learn about finances through interactive games.

OUR COMMUNITY

Rivermark was active in our community in 2019 including sponsoring Pride Northwest for the first time and volunteering with nonprofits like Friends of Trees, Clackamas Dogs Foundation, and the Oregon Humane Society. We also sponsored the Portland Shred/RX Event and the La Strada dei Pastelli Chalk Art Festival.

LOOKING AHEAD

At Rivermark we have volunteer committees full of passionate staff who—on top of serving members—brainstorm and carry out new ways to engage Team Rivermark in helping our community. Thanks to these community champions, we continue to increase staff volunteer hours by an average 92% year-over-year since we started tracking in 2016.

It's because of these compassionate innovators that we exceed ambitious goals in fundraising for vital causes in housing, hunger, health, and education. We will continue to expand our financial wellness program and provide volunteer financial educators within the community. In addition to exciting new events in the works, we look forward to continuing our support of the KGW Great Food Drive and fundraising for Doernbecher Children's Hospital.

Our 2020 goals for community development are more ambitious, and we'll work together to accomplish them. We welcome you to join us in these initiatives and look forward to another year of co-operative growth and positive impact.



24,297

Meals provided by employees during the 2019 KGW Great Food Drive.



2,576

Pounds of food donated by members and employees during the 2019 KGW Great Food Drive.

SUPERVISORY COMMITTEE

Your Supervisory Committee was comprised of five members at year-end 2019, whose names appear on page two of this Annual Report. The Committee's responsibility is to oversee and verify that the Credit Union has established and maintains an internal framework that ensures compliance with laws and regulations and the reliability and integrity of financial statements.

We fulfill this responsibility in primarily two ways: we meet regularly with our Internal Auditor and we engage an external audit firm to audit the financial statements. We selected Moss Adams LLP, Certified Public Accountants to perform an independent audit of Rivermark Community Credit Union's financial statements in accordance with generally accepted auditing standards.

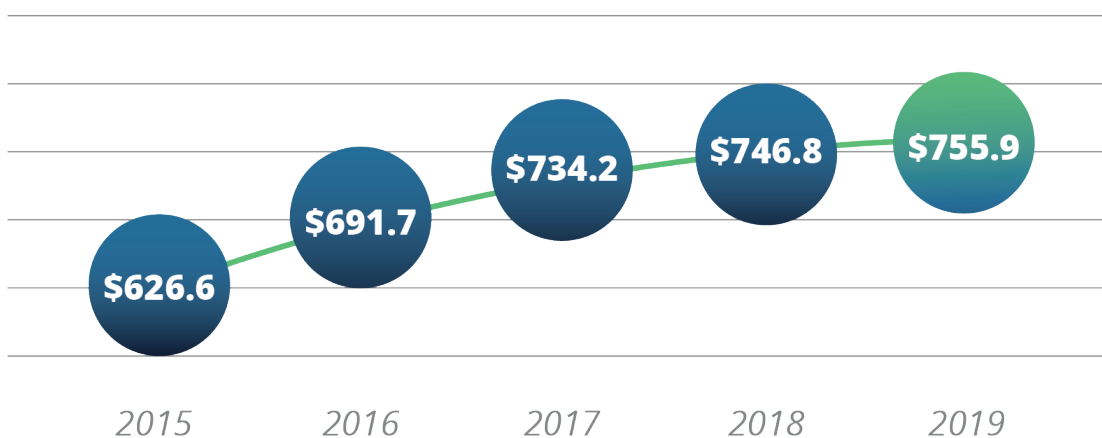
In their opinion, the financial statements present fairly, in all material respects, the financial position of Rivermark Community Credit Union as of December 31, 2019, and the results of its operations and cash flows. A copy of the complete audited financial statements are available at the administrative office of Rivermark Community Credit Union. Committee members attend and participate in the Board of Directors meetings. The Committee itself also meets regularly. At those meetings, we review the work of the Internal Auditor, management, and the external auditor to ensure that the Committee's responsibilities are properly discharged.



PHOTO:
Rivermark
Volunteers,
KGW Food Drive

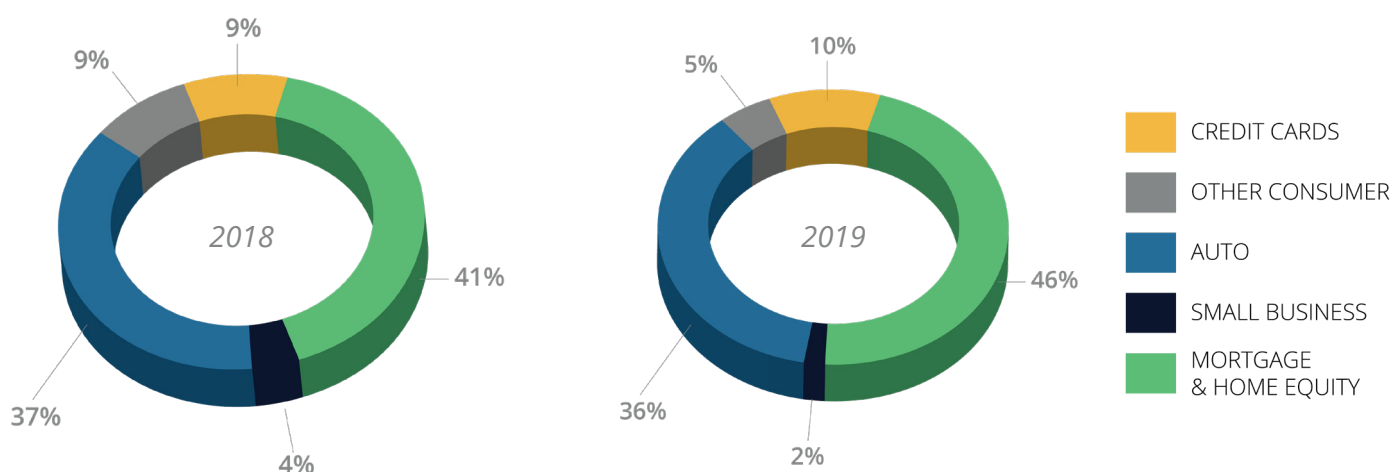
DEPOSITS

In Millions



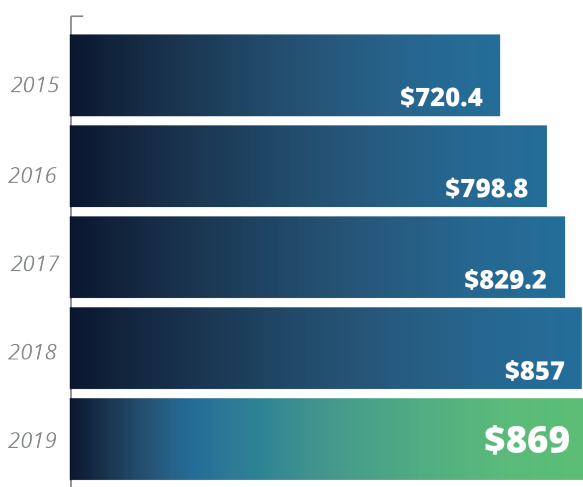
LOANS

Balances



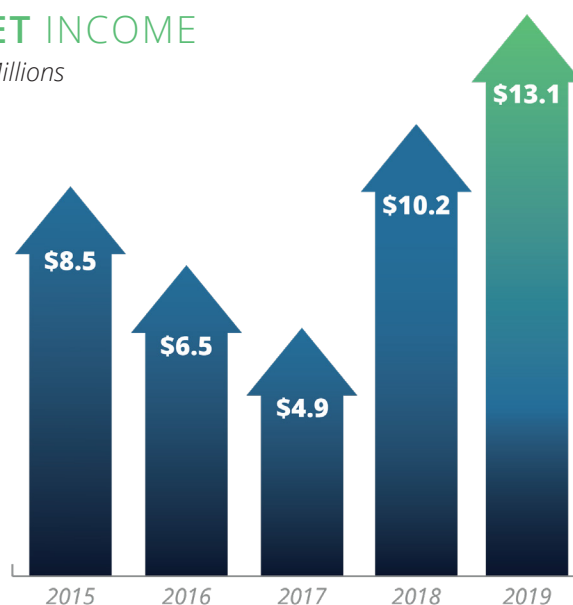
ASSETS

In Millions



NET INCOME

In Millions



FINANCIAL SUMMARY

STATEMENT OF INCOME*	2019	2018
Interest on Member Loans	33,650,415	32,941,125
Income in Investments	4,564,849	3,075,655
Total Interest Income	38,215,264	36,016,780
Interest & Dividends Paid to Members	3,157,787	2,444,292
Other Interest Expense	198,805	193,412
Provision for Loan Loss Expense	2,102,472	5,839,969
Interest Income after Interest Expense Provision	32,756,200	27,539,107
Non-interest Income	17,865,245	18,355,818
Non-Interest Expense	37,513,131	35,652,775
Net Income	13,108,314	10,242,151

STATEMENT OF FINANCIAL CONDITION*	2019	2018
Loans to Members	607,300,538	646,227,465
Cash	55,335,821	37,448,167
Investments	167,745,722	134,658,212
Premises & Equipment	14,442,247	15,521,634
Accrued Income	3,012,876	2,802,521
NCUSIF Deposit	7,194,608	7,150,515
Other Assets	14,076,427	13,265,828
Total Assets	869,108,239	857,074,342

LIABILITIES AND MEMBER EQUITY*	2019	2018
Accounts Payable	9,453,109	8,304,396
Loans Payable	2,000,000	15,000,000
Total Liabilities	11,453,109	23,304,396
Total Deposits	755,867,364	746,849,267
Reserve Accounts	14,186,249	14,186,249
Undivided Earnings	86,628,571	73,520,251
Accumulated Gain/Loss on Investments	972,946	(785,820)
Total Equity	101,787,766	86,920,680
Total Liabilities & Equity	869,108,239	857,074,342

*Audited



Rivermark

COMMUNITY CREDIT UNION

CREEKSIDE ADMINISTRATION OFFICE

8505 SW Creekside Pl., Beaverton, OR 97008

GEMINI LENDING CENTER

9125 SW Gemini Drive #100
Beaverton, OR 97008

CEDAR HILLS

2905 SW Cedar Hills Blvd
Beaverton, OR 97005

GRESHAM

1058 NW Sleret Avenue
Gresham, OR 97030

HAPPY VALLEY

15963 SE Happy Valley Town Center Drive
Happy Valley, OR 97086

MAUPIN

501 Deschutes Avenue
Maupin, OR 97037

NEWBERG KIOSK

2414 Portland Road
Newberg, OR 97132

PORTLAND

2537 SE Hawthorne Blvd
Portland, OR 97214

PROGRESS RIDGE

14985 SW Barrows Road
Beaverton, OR 97007

THE DALLES

1240 W 6th St.
The Dalles, OR 97058