



RIVERMARKCU.ORG
503.626.6600 • 800.452.8502
PO BOX 4044 BEAVERTON, OR 97076



 **Rivermark**[®]
COMMUNITY CREDIT UNION

2018
ANNUAL REPORT



Rivermark volunteering at the Oregon Food Bank.



Rivermark delivering our donation to JOIN PDX.



7 Branch locations including our newest Cedar Hills Branch



Rivermark employees celebrating work friendships.



\$118,159

Contributed to sponsorships for local organizations



1,700,000

Meals provided during the KGW Great Food Drive



2,006,738

Pounds of food donated by members and employees



Ribbon Cutting for Cedar Hills Branch.



219

Incredible Rivermark employees

PRESIDENT'S REPORT

Welcome to the 68th Annual Meeting of Rivermark Community Credit Union. We are extremely proud that Rivermark continues to make a positive difference in our members' lives through our cooperative structure. In 2018, our 90,000 members received \$14.5 million in direct member benefits (calculated by accounting for differences between not-for-profit credit union and for-profit bank fees and rates). That's an additional \$161 saved annually by each member! The fact of the matter is that more Americans deserve to know what a credit union can do for them, and we're excited to tell our story to our communities and expand the Rivermark difference.

From a strategic prospective, 2018 was a very busy year. Aside from a President/CEO transition, the organization focused on operational effectiveness, transforming our lending experience, and smart growth. With a focus on member experience, we moved several initiatives forward to enhance our member financial wellness programs, incorporate more member feedback into our decision-making processes, provide a unique and seamless auto buying program, and continue to position the credit union for long-term financial success.

Total assets for the credit union ended at \$857 million, an increase of 3.36%. At the end of 2017, a strategic decision to withdraw from the auto dealer finance program in favor of a program which better benefits members during the car buying process has led to a planned decrease in loans and membership. Deepening existing relationships is a key component to the strategy, meaning that new memberships gathered at dealerships with only an auto loan will decrease – thus the change in our numbers. Overall loans were down 4.75% with payoffs; overall membership was down 1.18%. Long term, our direct member growth is positive and the changes in the loan portfolio will allow Rivermark to diversify in other areas of lending, including real estate and commercial loan options.

We will continue to focus on opportunities to serve our members anywhere, anytime.

Net income for the year was \$10.2 million with a 1.21% return on average assets. The strong income moved our capital to assets ratio to 10.23% - 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. Expenses remained relatively flat.

In a crowded marketplace, we strive to differentiate from other financial institutions through access and convenience. Without a branch on every corner, it's important that



Seth Schaefer, President/CEO

members can conduct their financial business with a strong and accessible support system. To that end, Rivermark employees serve members through phone and face to face conversations from 8 am to 8 pm Monday – Friday and 10 am to 6 pm on Saturday. Members' direct interaction with their credit union before 9 am and after 5 pm is unique in our marketplace – and a full 20% of all transactions happen during these extended hours. On the electronic side, 72% of members used online banking in the past six months – including an amazing 70% of member usage via a mobile device. We will continue to invest in these channels which allow control and transparency in financial matters.

Rivermark continues to be deeply involved with the communities we serve. From Maupin to Newberg, our employees are engaged in worthy causes, contributing 759 hours of volunteer time (these hours are paid by the credit union) and \$13.4k in cash contributions to the Rivermark Community Fund. As an organization, Rivermark contributed \$118k to community causes while also aiding in collecting over two million pounds of food for the KGW Great Food Drive. At the member level, we worked with those facing hardships due to wildfires, government furloughs, and tragic life events to ensure that solutions were available to ease the burden.

Looking forward, we will continue to focus on opportunities to serve our members anywhere, anytime with incredible financial solutions. Leveraging our local roots with a world-wide reach allows our employees to listen and utilize the benefits of the credit union for the greatest good. Thank you for your membership in Rivermark Community Credit Union!

-Seth Schaefer, President/CEO

SUPERVISORY COMMITTEE REPORT

Your Supervisory Committee was comprised of four members at year-end 2018, whose names appear on page six 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, 2018, 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.

-Morgan Braze, Supervisory Committee Chair



Rivermark volunteers at the Rivermark Golf Tournament.

RIVERMARK IN THE COMMUNITY

At Rivermark, we care deeply about our members, our community and each other. That's why we have continued our longstanding partnerships with local non-profit organizations, while forging new relationships in the communities we serve.

2018 offered us opportunities to increase our positive impact through our key fundraising initiatives like the Annual Rivermark Charity Golf Tournament, benefiting the Rivermark Community Fund, and the KGW Great Food Drive, both of which generated our most successful results yet!

We continue to promote local, small businesses and entrepreneurs through the Rivermark Community Fund. This year, the Rivermark Community Fund granted \$20,000 to The Next Door, which supports economic development throughout the Columbia Gorge.



759

Hours volunteered by employees in 2018



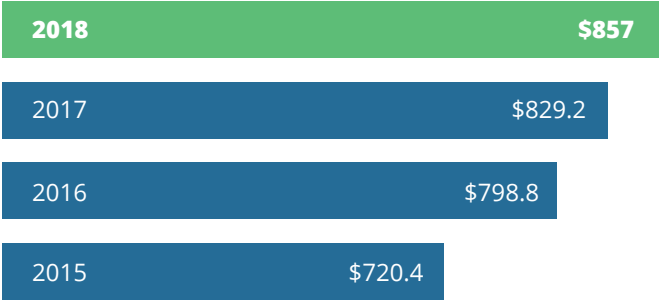
Rivermark volunteers at the Twilight Run.



Rivermark presenting the 2018 Grant to The Next Door.

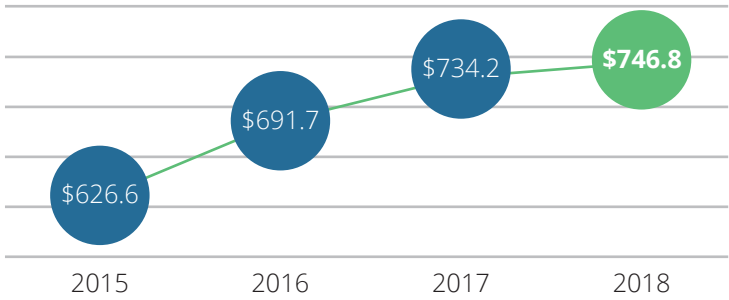
ASSETS

In Millions

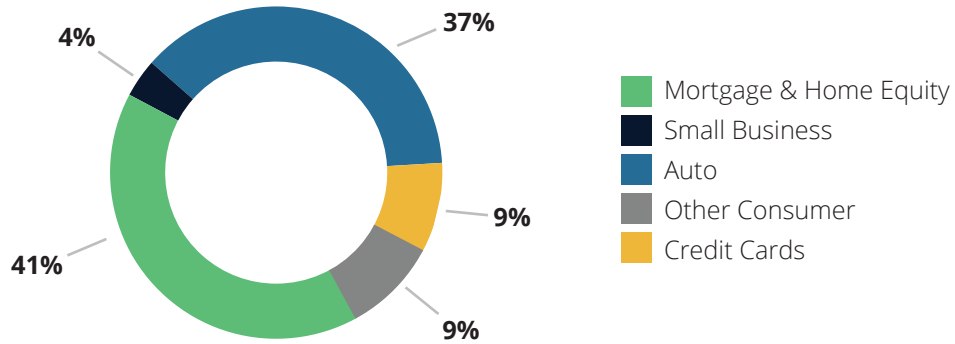


DEPOSITS

In Millions

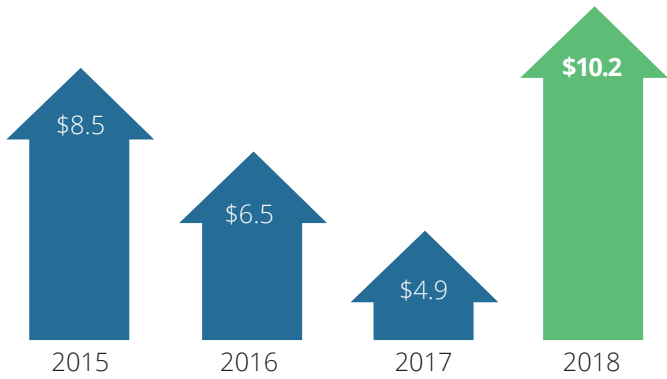


LOANS



NET INCOME

In Millions



108%
Increase Year
Over Year

FINANCIAL SUMMARY

Statement of Income*	2017	2018
Interest on Member Loans	33,929,354	32,941,125
Income in Investments	1,123,850	3,075,655
Total Interest Income	35,053,204	36,016,780
Interest & Dividends Paid to Members	2,722,845	2,444,292
Other Interest Expense	235,835	193,412
Provision for Loan Loss Expense	8,718,663	5,839,969
Interest Income After Interest Expense Provision	23,375,861	27,539,107
Non-Interest Income	16,674,239	18,355,818
Non-Interest Expense	35,130,625	35,652,775
Net Income	4,919,475	10,242,151

Statement of Financial Condition*	2017	2018
Loans to Members	678,840,746	646,227,465
Cash	60,577,257	37,448,167
Investments	50,106,469	134,658,212
Premises & Equipment	15,859,864	15,521,634
Accrued Income	2,620,017	2,802,521
NCUSIF Deposit	6,935,708	7,150,515
Other Assets	14,244,490	13,265,828
Total Assets	829,184,551	857,074,342

Liabilities and Member Equity*	2017	2018
Accounts Payable	14,462,638	8,304,396
Loans Payable	3,500,000	15,000,000
Total Liabilities	17,962,638	23,304,396
Total Deposits	734,201,662	746,849,267
Reserve Accounts	14,186,249	14,186,249
Undivided Earnings	63,278,101	73,520,251
Accumulated Gain/Loss on Investments	-444,099	-785,820
Total Equity	77,020,251	86,920,680
Total Liabilities & Equity	829,184,551	857,074,342

*Audited

EXECUTIVE TEAM

(As of 12/31/2018)
Seth Schaefer, Chief Executive Officer
Scott Burgess, Emeritus
Brian Griffis, Chief Financial Officer
Cori Poland, Chief eXperience Officer

BOARD OF DIRECTORS

(As of 12/31/2018)
Steve Lucas, Chair
Kim Bickford, Vice Chair
Bill Roberts Jr, Secretary
Dennis Fullan
Gary Frayn
Matthew Baird
Josh Stephenson
Tony Kullen
Rob LaVigne

SUPERVISORY COMMITTEE

Morgan Braze, Chair
Steve Holland
Gordon Feighner
Kara Oaks



Rivermark at Putt for Mutts fundraiser.