

2018 FINANCIAL REPORT

RIVER VALLEY CREDIT UNION
BALANCE SHEET
DECEMBER 31, 2018

	Actual 12/31/2018	Actual 12/31/2017	Dollar Difference	Percentage Difference
ASSETS:				
CASH	\$1,204,190	\$1,066,353	\$137,837	12.93%
DUE FROM CORP. CU's	863,063	761,962	\$101,101	13.27%
TOTAL CASH & DUE	2,067,253	1,828,315	\$238,938	13.07%
CD INVESTMENTS	0	0	\$0	0.00%
OTHER INVESTMENTS	6,706,180	6,336,589	\$369,591	5.83%
LOANS:				
REAL ESTATE SECURED	62,222,569	60,702,241	\$1,520,328	2.50%
SECURED CONSUMER	25,668,210	21,575,250	\$4,092,960	18.97%
UNSECURED CONSUMER	7,882,371	6,668,407	\$1,213,964	18.20%
BUSINESS LOANS	6,253,353	5,684,627	\$568,726	10.00%
TOTAL BEFORE RESERVES	102,026,503	94,630,525	\$7,395,978	7.82%
RESERVE FOR LOAN LOSSES	(779,726)	(760,533)	(\$19,193)	2.52%
TOTAL NET LOANS	101,246,777	93,869,992	\$7,376,785	7.86%
FIXED ASSETS	3,382,910	3,388,003	(\$5,093)	-0.15%
OTHER ASSETS	1,721,342	1,647,976	\$73,366	4.45%
TOTAL OTHER ASSETS	5,104,252	5,035,979	\$68,273	1.36%
TOTAL ASSETS	\$115,124,462	\$107,070,875	\$8,053,587	7.52%
LIABILITIES & EQUITY:				
SHARE DRAFTS	\$24,001,899	\$21,082,102	\$2,919,797	13.85%
REGULAR SHARES	52,715,764	49,199,784	\$3,515,980	7.15%
MONEY MARKET ACCOUNTS	3,821,457	4,599,778	(\$778,321)	-16.92%
CERTIFICATES	11,542,711	8,272,167	\$3,270,544	39.54%
OTHER SHARES	7,756,628	7,780,777	(\$24,149)	-0.31%
TOTAL SHARES	99,838,459	90,934,608	\$8,903,851	9.79%
FHLB BORROWINGS	5,200,000	7,800,000	(\$2,600,000)	-33.33%
OTHER LIABILITIES	319,077	245,727	\$73,350	29.85%
RETAINED EARNINGS	8,090,540	7,167,088	\$923,452	12.88%
NET INCOME YEAR TO DATE	1,676,386	923,452	\$752,934	81.53%
TOTAL EQUITY	9,766,926	8,090,540	\$1,676,386	20.72%
TOTAL LIABILITIES & EQUITY	\$115,124,462	\$107,070,875	\$8,053,587	7.52%

RIVER VALLEY CREDIT UNION
INCOME STATEMENT
DECEMBER 31, 2018

	Y-T-D ACTUAL
INCOME:	
INTEREST INCOME:	
INTEREST ON LOANS	\$5,813,698
INTEREST ON INVESTMENTS	89,642
TOTAL INTEREST INCOME	5,903,340
INTEREST EXPENSE:	
DIVIDENDS ON SHARES	130,385
DIVIDENDS ON CERTIFICATES	51,988
INTEREST ON BORROWINGS	94,890
TOTAL INTEREST EXPENSE	277,263
NET INTEREST INCOME BEFORE LOAN LOSS PROV	5,626,077
PROVISION FOR LOAN LOSSES	375,000
NET INTEREST INCOME	5,251,077
FEE INCOME:	
TOTAL LOAN FEES	366,497
TOTAL SHARE ACCOUNT FEES	1,119,622
TOTAL OTHER FEES & MISC.	1,049,785
TOTAL FEE INCOME	2,535,904
NON-INTEREST EXPENSES:	
EMPLOYEE COMPENSATION	3,519,741
OFFICE OCCUPANCY	497,297
DEBIT CARD EXPENSES	443,821
DATA PROCESSING COSTS	316,066
OPERATING EXPENSES	806,993
OTHER EXPENSES	526,677
TOTAL NON-INT EXPENSES	6,110,595
NET INCOME BEFORE ASSES.	1,676,386
NCUA ASSESSMENT	0
NET INCOME	\$1,676,386



River Valley Credit Union Annual Report
for 2018, issued April, 2019

ANNUAL REPORT

*a word from River Valley's
President and CEO*

I am pleased to report that River Valley Credit Union had an exceptional 2018. Deposits were up, our consumer lending department broke records nine out of the twelve months, and earnings were the best we have ever experienced. These factors have contributed to an increase in dividends for our members. We have seen recent increases in interest paid on savings as a direct result of multiple favorable conditions from 2018. A number of years ago we laid the groundwork to take advantage of the eventual rise in interest rates. At times it seemed as if those increases would never come. However, our patience has paid off and now we are benefitting from the more favorable rate atmosphere.



Jeffrey J. Morse
CEO/President

We continued to forge ahead with new technology in 2018, adding Remote Deposit Capture for our members who have business checking. We have also made strides in cyber security by offering our credit card and debit card holders the ability to turn their cards on and off. This feature is called SecurLOCK, a unique free security application that is easily controlled from your smart phone.

Throughout 2018 we negotiated and prepared for a new, more visible office in Bellows Falls. We're pleased to announce that those efforts have borne fruit and we have closed on the property known as the Sunoco station at the foot of Red Light Hill. Our new office will be built and opened later in 2019.

I'd like to thank our staff and board of directors for their heartfelt investment in our unique not-for-profit financial cooperative. Their commitment continues to be something rare and very special in a complex and challenging world.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee conducted its annual verification of the membership accounts of River Valley Credit Union for the year 2018. The Supervisory Committee contracted for an independent, outside audit for the credit union. This examination was made in compliance with Title 8, Vermont Statutes Annotated, Section 2063. The VT Department of Financial Regulation and the National Credit Union Association conducted their routine examination of general operations. In addition to the annual audit, the committee engages a firm to conduct a variety of internal audit functions throughout the year. These audits have shown that River Valley Credit Union's record keeping and internal processes are in excellent order, and the staff should be complimented. The Supervisory Committee would also like to commend the staff on an excellent job in adhering to policies and procedures as well as providing a prompt response to the auditing process.

The committee conducted surprise audits, cash counts and tested security training at various branches. It is the opinion of the Supervisory Committee that financial statements presented to the membership reflect the true financial position of the River Valley Credit Union.

The Supervisory Committee is appointed by the Board of Directors.

James Valente, esq
Supervisory Committee Chairman

MINUTES OF 2018 ANNUAL MEETING



Michael Cooney
Board Chairman

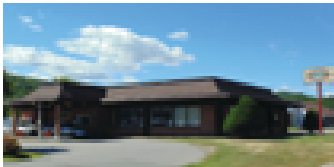
- River Valley Credit Union 2018 Annual Meeting, April 27th, 2018
1. Board Chairman Michael Cooney called the meeting to order at 6:30 PM on April 27th, 2018 at the Brattleboro American Legion on Linden Street in Brattleboro, VT.
 2. The following directors were present: James Bedard, Michael Cooney, Deborah Carpenter, Mike Rogers, Russel Farrar, Rich Carroll, and Samantha Bovat.
 3. A quorum was present and verified by Robert Furman.
 4. Chairman Michael Cooney introduced the board of directors and thanked the staff for making the annual meeting arrangements.
 5. On a motion by Bob Furman, seconded by Terry Gulick, the directors and attending members approved the minutes from the 2017 annual meeting. These minutes were included in the annual report that was distributed at the entry to the annual meeting.
 6. CEO Jeff Morse introduced the staff by department and office, then commented on the state of River Valley Credit Union, then presented the President's Report, the Supervisory Committee Report, and the Treasurer's Report. Member Howard Fairman had several questions pertaining to cyber security, which were all answered in a complete and satisfactory manner by CEO Jeff Morse. Dan Baliotti from Wilmington posed the question of RVCU opening an office in that locale, and CEO Jeff Morse explained the size of the current credit union and what type of asset level can sustain that size. Mr. Morse said that when the time was right that River Valley would be very open to an expansion into Wilmington. A motion to approve the President's, Treasurer's, and Supervisory Committee's reports was made by Bob Furman, seconded by Terry Gulick and approved by the board and attending members.
 7. Nominating committee chairman Rich Carroll presented the committee's slate of directors. Three year terms: Deb Carpenter, Michael Rogers, James Bedard and Russel Farrar. As no petitions were received by the board Secretary for nominations, a motion was made by Karen Cedergren, seconded by Terry Gulick, and approved by the attending members to accept the proposed nominations.
 8. Board of Directors Chairperson Michael Cooney requested a motion to authorize the Board of Directors to borrow as necessary, up to 20 percent of River Valley Credit Union's assets. This motion was made by Karen Cedergren, seconded by Terry Gulick, and approved by the attending members.
 9. On a motion by Bob Furman, seconded by Terry Gulick, by majority vote the meeting was adjourned at 7:05 PM.

Respectfully submitted
by Robert A. Furman

2018 LIST OF OFFICERS

Board of Directors Term		
Chairperson	Michael Cooney	2020
Vice Chairperson	Deborah Carpenter	2021
Treasurer	Michael Rogers	2021
Secretary	Robin Sweetapple	2019
Director	Russel Farrar	2021
Director	James Bedard	2021
Director	Samantha Bovat	2019
Director	Rich Carroll	2019
Supervisory Committee Term		
Chairperson	James Valente	2021
Member	George Anthes	2020
Member	John Meyer	2020
Member	Nader Hashim	2020

Our five convenient offices



Brattleboro



Springfield



Putney



Bellows Falls



Townshend

NOMINATING COMMITTEE REPORT

The Nominating Committee is appointed by the Board of Directors and proposes the following members as candidates for open offices: BOARD OF DIRECTORS: 3 year terms: Samantha Bovat, Richard Carroll, Robin Sweetapple.

Nominating Committee
James Bedard - Deborah Carpenter
Russel Farrar

Respectfully submitted by:
Deborah Carpenter, Chairperson

2019 ANNUAL MEETING AGENDA

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|---|---|
| 1. Ascertainment of a quorum | 7. Report of the Nominating Committee. |
| 2. Incorporation of notice of meeting minutes. | 8. Elections. |
| 3. Approval or correction of minutes of 2018 meeting. | 9. Motion of limits of borrowing power. |
| 4. Chair's report. | 10. Unfinished business. |
| 5. Treasurer's report. | 11. New business. |
| 6. Report of the Supervisory Committee. | 12. Adjournment. |

The above order of business may be suspended at any annual meeting upon majority vote of the members present.