

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: Michael Cooney, Lawrence Kraft.

Nominating Committee
 Russel Farrar - Rich Carroll
 Samantha Bovat

Respectfully submitted by:
 Samantha Bovat, Chairperson

2016 FINANCIAL REPORT

RIVER VALLEY CREDIT UNION BALANCE SHEET DECEMBER 31, 2016		RIVER VALLEY CREDIT UNION INCOME STATEMENT DECEMBER 31, 2016	
ASSETS:		INCOME:	
CASH	\$1,400,526	INTEREST INCOME:	Y-T-D ACTUAL
DUE FROM CORP. CU's	599,885	INTEREST ON LOANS	\$4,369,479
		INTEREST ON INVESTMENTS	22,216
TOTAL CASH & DUE	2,000,411	TOTAL INTEREST INCOME	4,391,695
CD INVESTMENTS	0	INTEREST EXPENSE:	
OTHER INVESTMENTS	5,770,771	DIVIDENDS ON SHARES	108,417
LOANS:		DIVIDENDS ON CERTIFICATES	38,994
REAL ESTATE SECURED	52,924,747	INTEREST ON BORROWINGS	15,868
SECURED CONSUMER	19,171,118	TOTAL INTEREST EXPENSE	163,279
UNSECURED CONSUMER	5,965,825	NET INTEREST INCOME	4,228,416
BUSINESS LOANS	5,148,151	BEFORE LOAN LOSS PROV	
TOTAL BEFORE RESERVES	83,209,841	PROVISION FOR LOAN LOSSES	589,000
RESERVE FOR LOAN LOSSES	(632,101)	NET INTEREST INCOME	3,639,416
TOTAL NET LOANS	82,577,740	FEE INCOME:	
FIXED ASSETS	3,494,472	TOTAL LOAN FEES	300,048
OTHER ASSETS	1,742,911	TOTAL SHARE ACCOUNT FEES	1,075,937
TOTAL OTHER ASSETS	5,237,383	TOTAL OTHER FEES & MISC.	833,692
TOTAL ASSETS	\$95,586,305	TOTAL FEE INCOME	2,209,677
	=====	NON-INTEREST EXPENSES:	
LIABILITES & EQUITY:		EMPLOYEE COMPENSATION	3,036,870
SHARE DRAFTS	\$18,562,569	OFFICE OCCUPANCY	458,807
REGULAR SHARES	45,892,944	ATM PROGRAM COSTS	29,795
MONEY MARKET ACCOUNTS	5,196,233	DATA PROCESSING COSTS	288,491
CERTIFICATES	9,251,803	OPERATING EXPENSES	1,183,720
OTHER SHARES	5,923,422	OTHER EXPENSES	434,606
TOTAL SHARES	84,826,971	TOTAL NON-INT EXPENSES	5,432,289
FHLB BORROWINGS	3,400,000	NET INCOME BEFORE ASSES.	416,804
OTHER LIABILITES	192,248	NCUA ASSESSMENT	0
RETAINED EARNINGS	6,750,282	NET INCOME	\$416,804
NET INCOME YEAR TO DATE	416,804		=====
TOTAL EQUITY	7,167,086		
TOTAL LIABILITES & EQUITY	\$95,586,305		
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River Valley Credit Union Annual Report
 for 2016, issued April, 2017

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

ANNUAL REPORT

I am very pleased to report that 2016 was a good year for River Valley Credit Union. One of the most important factors in the credit union's overall health is loan growth, and in 2016 our loan balances increased by more than four million dollars. We showed good increases in deposits and membership as well.

In the cycle of employment we have experienced something that many other credit union's have been dealing with, and that is employee turnover. Interestingly, a good portion of our teller turnover isn't actually turnover at all, it is advancement within the organization, and we're quite pleased that we have been able to advance our top quality employees. To address other factors in turnover we created a proactive approach by having one of our most knowledgeable and well-rounded employees take on the role of company trainer. That role has gone to Maeve Stack Jenks, and she has done a masterful job of meeting training issues head-on.

Credit Union services is an area that is sensitive to technological changes, and we were able to introduce "Remote Deposit Capture" capabilities in 2016. This service allows members to deposit checks simply by photographing them on their i-phones or Smartphones. A more detailed overview of Remote Deposit Capture is on the back panel of this report.



Jeffrey J. Morse
 CEO/President

In closing, I'd like to congratulate River Valley's very capable staff and Board of Directors for their commitment to the credit union's continued success.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee conducted its annual verification of the membership accounts of River Valley Credit Union for the year 2016. 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 2016 ANNUAL MEETING



Michael Cooney
Board Chairman

1. Board Chairman Michael Cooney called the meeting to order at 6:30 PM on Friday, April 29th, 2016 at the Brattleboro American Legion on Linden Street in Brattleboro, VT.
2. The following directors were present: James Bedard, Michael Cooney, Jeff Morse, Deborah Carpenter, Robin Sweetapple, Michael Rogers, Rich Carroll, Russel Farrar, 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 Jon Neurock, seconded by Steve Adams, the directors and attending members approved the minutes from the 2015 annual meeting. These minutes were included in the annual report that was distributed at the entry to the annual meeting.
6. CEO Jeff Morse 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 which were all answered in a satisfactory manner by CEO Jeff Morse. A motion to approve the President's, Treasurer's, and Supervisory Committee's reports was made by Bob Furman, seconded by Karen Cedergren and approved by the board and attending members.
7. Nominating committee chairman Deborah Carpenter presented the committee's slate of directors. Three year terms: Robin Sweetapple, Rich Carroll, Samantha Bovat and Jeffrey Morse. A motion was made by Karen Cedergren, seconded by Melissa LaBounty, 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 Bob Furman, seconded by Shelia Wood, and approved by the attending members.
9. On a motion by Bob Furman, seconded by Karen Cedergren, by majority vote the meeting was adjourned at 6:52 PM.

Respectfully submitted
by Robert A. Furman

2017 LIST OF OFFICERS

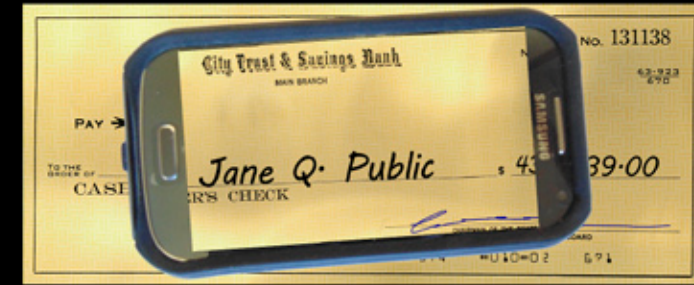
Board of Directors Term

Chairperson	Michael Cooney	2017
Vice Chairperson	Deborah Carpenter	2018
Treasurer	Michael Rogers	2018
Secretary	Lawrence Kraft	2017
Director	James Bedard	2018
Director	Jeffrey Morse	2019
Director	Russel Farrar	2018
Director	Robin Sweetapple	2019
Director	Samantha Bovat	2019
Director	Rich Carroll	2019

Supervisory Committee Term

Chairperson	James Valente	2018
Member	George Anthes	2017

Remote Deposit Capture



In 2016, River Valley Credit Union introduced "Remote Deposit Capture". This service allows RVCU members in good standing with checking accounts to download a phone App to enable I-phones and Smartphones to photograph checks for deposit with the credit union. The convenience of this service has proven to be very popular. The service was gradually introduced to members while our accounting department carefully monitored transactions and the functionality, stability, and accuracy of the system. After this monitoring period ended, Remote Deposit Capture was introduced more generally to our members and usage immediately grew. Today, Remote Deposit Capture is one of the fastest growing services that River Valley offers.

2017 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 2016 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.