



Real Solutions. Real Value.



ANNUAL REPORT 2016



reliantcu.com



Pamela P. Heald
President/CEO

We are pleased to report that Reliant Community Federal Credit Union experienced a successful year. Loans and deposits steadily grew, our capital position remained strong and more than 2,000 new members joined the credit union. All of this is possible because of innovative products and services that meet our members' needs, member loyalty and trust, and a team of dedicated staff and volunteers.



Jane Slack
Board Chairperson

2016 was a year that marked two significant milestones in Reliant's history to date. The first milestone took place during the year as the credit union surpassed assets over \$400 million for the first time in our 46-year history. Reliant's asset size grew to \$410.6 million, which is a 3.8% increase over 2015. Reliant remains safe, sound, and financially strong.

The second milestone was a new core system upgrade. This was a major undertaking that impacted our entire organization, involved all staff and required enormous amounts of time, energy, and resources. This was no small feat, and we could not be more proud of our Reliant team for their dedication and commitment. With the actual conversion behind us, we are now focused on using the system to gain greater efficiencies. We look forward to using this new system to better serve you and to provide us with the foundation for future technology as it becomes available.

While the core conversion was a major focus, we did not lose sight that technology continues to evolve and we want to provide you, our members, with added convenient services for your personal banking.

- We made Apple Pay™ available to members, allowing them to make purchases using their iPhones. This additional service is convenient and also enhances security when making purchases at a merchant, because card numbers are not actually captured.
- More members than ever continue to use their mobile devices to access their Reliant accounts. We offered an update to Reliant's mobile app that allows members to use fingerprint identification/Touch ID, and to view basic account details via an easy-access quick balance

screen. We also added new features to the functionality of the app, such as the ability to schedule recurring transfers and to use Popmoney right through the app.

- We added a new service to online banking called Shared Access. This feature allows a member to give another person access to his/her account to view balances, pay bills and/or transfer funds within the account.
- We began offering VA mortgages to our members, which provide financing and pricing benefits to our members who are currently serving or have previously served our country.

We are pleased to report that our focus to remain active in and support the communities we serve was alive and well.

The Donald K. Rhine Scholarship program awarded 12 students with scholarships based on the credit union philosophy of "people helping people." Reliant has been awarding scholarships since 1998, with funds raised by our annual Moore than a Race. To date we have awarded \$147,500 to deserving students who are members of the credit union.

Reliant staff and members alike participated in the City of Rochester's "Books and Bears" program. Our branches served as drop-off locations where hundreds of books and stuffed animals were donated, and in turn, given to the Rochester Police Department. Officers distribute the books and bears to children impacted by domestic violence. We were pleased to participate in the program and thrilled at the community response.

The year ended on a high note when we launched a promotion that aimed to help save our members money through auto buyout loans, one of the credit union's core competencies. The campaign was designed to save our members money while at the same time support a local charity. Throughout the promotion, which ran throughout November and December of 2016, whenever a member saved money by refinancing an existing auto loan with a lower-rate Reliant auto loan, Reliant pledged to donate 5% of the value of that savings amount. It was a pleasure and an honor to donate \$9,060 to Ronald McDonald House Charities of Rochester.

As we look to the future, Reliant remains committed to ensuring the financial well-being of our members. We are excited about the future and look forward to every opportunity to serve you and meet your financial needs. As always, we thank you for your continued trust and loyalty in Reliant Community Credit Union.

We thank you for your membership.



John Baker
Chairperson

2016 Supervisory Committee

John Baker
Chairperson

Sarah Cooke

Audrey Ferris

Jane Slack

The Supervisory Committee independently evaluates the soundness of Reliant Community Federal Credit Union's operations and activities. The committee's role is to ensure that management implements sound internal controls and maintains practices and procedures that adhere to accepted general accounting principles. The committee continues a focus on future succession planning.

The primary responsibilities that are carried out by the committee include

- Verification and protection of members' funds and interests
- Safeguarding of assets
- Compliance with regulations, policies and procedures
- Reliability of financial records

To support the committee in fulfillment of its responsibilities, audits are conducted by the credit union's internal auditor. These audits assess the adequacy of accounting and administrative controls; compliance with regulations, internal policies and procedures; and that systems are in place to safeguard assets and promote operational efficiency. The committee reviews the internal auditor's final

reports and addresses any outstanding issues. Based on the audit results in 2016, the Committee is satisfied that adequate internal controls are in place to protect member accounts.

The annual independent external audit of the financial statements for the fiscal year ending December 31, 2016 was conducted by Firley, Moran, Freer & Eassa, P.C. in accordance with Generally Accepted Accounting Principles. Their most recent findings indicate that Reliant Community Federal Credit Union continues to be financially and operationally strong.

NCUA, the regulatory agency of all federally insured credit unions, performed an examination earlier this year to determine the safety and soundness of Reliant. Result of this examination confirms that Reliant continues to operate in an efficient manner with sound policies and practices.

The Supervisory Committee appreciates the opportunity to serve the credit union membership and concludes that your credit union is operating in a financially sound manner. We congratulate the Board of Directors, management team, and employees for an outstanding year in 2016 and the successful implementation of a new core system.

Board of Directors



Jane Slack
Board Chairperson



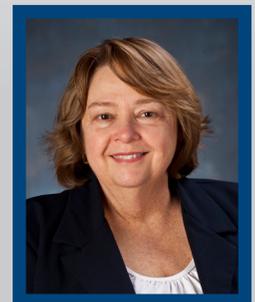
John Boogaard
Vice Chairman



Thomas Miller
Secretary/Treasurer



Francis Coots
Director



Cassandra Tilliman
Director

OUR VISION

Reliant will be recognized as the premier financial partner in the communities we serve.

OUR MISSION

Reliant Community Credit Union is member owned and member driven. We are committed to satisfying members' financial needs through competitive, innovative, value-added products delivered with high quality personal and professional service. We will manage the organization to maintain financial soundness, to encourage growth, and to challenge employees with rewarding work.

Financials – Income Statement and Ratios



Consolidated Summary of Operating Results and Selected Ratios

	Year ended December 31 (dollars in thousands)	
	2016	2015
Interest Income:		
Loans	\$ 13,086	12,740
Investments	918	684
Total Interest Income	14,004	13,424
Interest Expense:		
Shares	727	767
Borrowings	0	0
Total Interest Expense	727	767
Net Interest Income	13,277	12,657
Provision for Loan Losses	416	380
Service Fees, Credit/Debit Card Income and Other Income (Expense)	5,810	5,794
Operating Expenses:		
Compensation and Benefits	10,045	8,930
Operations and Processing Costs	5,152	5,003
Occupancy	1,171	1,119
Marketing	437	294
Other	460	339
Total Operating Expenses	17,265	15,685
Net Income	\$ 1,406	2,386
For the Year*		
Yield on Earning Assets	% 3.70	3.69
Dividends and Interest — Member Deposits	0.20	0.22
Interest Rate Spread	3.50	3.47
Return on Assets	0.35	0.61
Return on Members' Equity	3.66	6.56
Charge-Offs to Loans	0.11	0.12
At Year End		
Loans to Shares	% 81.53	81.66
Borrowings to Assets	0.00	0.00
Members' Equity to Assets	9.46	9.50
Delinquencies to Loans	0.26	0.20
Allowance to Loans	0.47	0.45

* Based on an average of year ending balances

Financials – Balance Sheet



Consolidated Summary of Financial Condition

Year ended December 31
(dollars in thousands)

	2016	2015
Assets		
Cash	\$ 6,649	6,531
Deposits at Federal Reserve and Corporate Credit Unions	16,492	21,983
Certificates of Deposit	10,996	0
Investments Available for Sale	62,044	62,907
Investments Held to Maturity	153	273
Investment in Federal Home Loan Bank, at Cost	313	291
Loans:		
Mortgage	75,838	73,873
Home Equity	32,749	33,977
Home Equity Lines of Credit	49,754	46,871
Vehicle	53,974	51,739
Credit Card and Other Lines of Credit	28,670	27,885
Member Business	26,029	24,644
Personal and Other	29,017	27,137
Allowance for Loan Losses	(1,379)	(1,286)
Net Loans	294,652	284,840
NCUA Share Insurance Fund Deposit	3,578	3,450
Property & Equipment, Net	10,214	10,356
Interest Receivable and Other Assets	5,564	4,924
Total Assets	\$ 410,655	395,555
Liabilities and Members' Equity		
Shares:		
Share Draft Accounts	\$ 69,916	68,296
Money Market Accounts	134,274	124,953
Regular Shares	99,813	91,950
Certificates	59,073	65,196
Total Shares	363,076	350,395
Accounts Payable and Accrued Liabilities	8,716	7,592
Long-Term Debt	0	0
Total Liabilities	371,792	357,987
Members' Equity	38,863	37,568
Total Liabilities and Members' Equity	\$ 410,655	395,555



Staff wore jeans in support of Miracle Jeans Day, a nationwide credit union event that raises funds for Children's Miracle Network Hospitals.



We donated funds to Ronald McDonald House Charities of Rochester through an end-of-year auto buyout promotion.



Reliant staff rang bells to support the Salvation Army's annual Red Kettle Campaign.



Our staff received extensive training to prepare them to serve our members with the new system upgrade!



Reliant's Donald K. Rhine Scholarship was awarded to 12 students who exemplified our "people helping people" philosophy. (Those who attended the reception are pictured here.)



We sponsored the Canandaigua BID's Santa House and wagon rides.



Reliant staff came together to celebrate holidays—in this case enjoying a pre-Thanksgiving meal!



Staff shared information about Reliant at events, including this booth at the Wayne County Career Carnival.



Reliant received the Sodus Rotary Appreciation Award for our support of the organization's activities and events.



Our website won Gold in the RBJ's 2016 Best of the Web Awards! (Winners from each category are pictured here.)



Our 7th annual Moore than a Race raised over \$13,000 for Reliant's Donald K. Rhine Scholarship program!



Reliant hosted and volunteered at the Literacy Volunteers of Wayne County's annual appreciation event.



We created a float for and sponsored the Stetson Club of Brockport's Holiday of Lights Parade.



Reliant hosted a drive for the City of Rochester's Books & Bears program, collecting thousands of items from staff & members.



We celebrated the successful completion of our core upgrade with cake (and maybe a happy dance or two)!