



GROWING TOGETHER

**2017
ANNUAL
REPORT**

Resource One
CREDIT UNION

Member owned. Not-for-profit.

GROWING TOGETHER

IT STARTED WITH A SEED

An oak tree begins with a small seed – it is planted, watered, and cultivated. Over time, that seed grows into a large tree that provides shade and beauty to all those around it.

Resource One Credit Union began as a small seed 81 years ago – a group of members who wanted to better their lives. Now with over \$470 million in assets, we have branched out. As we move into 2018, we will continue to cultivate a strong relationship with our members – *Growing Together* to provide the products and services needed to build upon what we started 81 years ago.



CHAIRMAN'S REPORT

One of the accomplishments I was most proud of in 2017 was the introduction of our new President/CEO, Mary Beth Spuck. She joins us with great enthusiasm in addition to vast knowledge and experience. I look forward to working with her and watching her lead our credit union into the future.

I am pleased to report we experienced continued positive member growth for the eighth consecutive year; while focusing on what matters most – our members. We are dedicated to the process of continual improvement in all areas – including

technology, community outreach, and branch experience.

I want to thank the Board of Directors and members of our board committees for their commitment during this past year. These men and women are volunteers. Our board and staff work well together, and I look forward to what we will accomplish in 2018.

– **B. A. Goebel**, Chairman of the Board



GROWING TOGETHER

PRESIDENT'S REPORT

I am truly grateful to be a part of the Resource One family and look forward to an extraordinary future. Since December 2017, I have been meeting with each member of our credit union team and our Board of Directors to build a strategy for 2018 and beyond.

One of the things I look forward to in 2018 is the implementation of a new online loan application, which improves the time to apply for a loan and receive an answer. We also have plans to launch a new home banking system, with enhanced online and mobile features. Members will experience a vast improvement in transacting credit union business electronically.

I look forward to meeting as many members as possible – the more I can learn about how we can serve your financial needs, the better. I am committed to making sure we serve the right people, in the right place, at the right time.

To close, I want to thank Resource One Credit Union's Board of Directors, for their leadership and direction. Our credit union is in a great position to move into the future with confidence. Growing together, I know we'll be able to accomplish great things in 2018 and beyond.

– **Mary Beth Spuck**, President/CEO



ONE VISION, ONE MISSION

“At Resource One, we all have one vision and are moving toward achieving that vision – we are committed to it.”

– **Doug Bedner**, Chief Operating Officer

VISION: OUR MEMBERS' ONE RESOURCE

MISSION: “TOTAL MEMBER DELIGHT” THROUGH:

- Relevant Products
- Competitive Rates
- Value-Added Offerings
- Superior Service
- Preferred Financial Partner
- Memorable Experiences
- High-Tech High-Touch Relationships
- Security & Strength

“The decisions we make are focused on taking care of members as a whole – that is really what ‘Total Member Delight’ is all about. Our members truly feel ‘delighted’ as we offer products and services that benefit all.”

– **Lee Strickhouser**, Chief Lending Officer



GROWING TOGETHER

ONE RESOURCE AT A TIME

Growing together means we work as a team toward one goal – united as members and credit union employees. Our commitment to our members is to manage their resources appropriately and provide the best products and services possible to meet their needs as a whole.



HERE ARE A FEW OF OUR FINANCIAL HIGHLIGHTS FROM 2017:

- 8th consecutive year of positive member growth
- Earnings increased by 74% over 2016
- Robust loan growth

IN ADDITION TO OUR FINANCIAL SUCCESS IN 2017, WE WORKED TOGETHER TO PROVIDE:

- New checking/spending accounts with reduced fees and added benefits
- Enhanced bill pay service
- Sponsor community events reaching out to businesses as well as potential members in our communities
- Transitioned our leadership to a new President/CEO in December 2017

“ I am proud of our depth of reach into the community. We are becoming a household name. We are inclusive; when we host events, the community is invited to attend. ”

– Jennifer Grinder, Chief Sales & Marketing Officer

GROWING TOGETHER IN 2018 AND BEYOND

We look forward to 2018 with great anticipation. We are committed to providing technological enhancements with an even greater dedication to our membership. We are positioned to continue to grow and thrive as one of the best credit unions in the region. Working with our members, we will continue to flourish and be more than we thought possible from the first seed planted 81 years ago.



GROWING TOGETHER

COMMUNITY INVOLVEMENT

SOLES FOR CHANGE

In June, Resource One Credit Union participated in DE Day of Service by donating shoes to Soles for Change, a Credit Unions Care initiative. Our members and employees generously donated hundreds of shoes, which were collected at all of our branches beginning in May.

This initiative was to provide families in developing countries who have little to no income with gently used shoes that the recipients are able to repurpose and sell. Soles for Change represents an opportunity for individual families and their communities to develop micro-businesses in their area, helping to support devastated economies and create the possibility for true self-sustainability.



“ I am proud to work for an organization that cares about the community and especially the children at these hospitals. ”

– Dudsi Tharp, Operations Manager

CREDIT UNIONS CARE RIDE

In August, Resource One Credit Union participated and hosted the Credit Unions Care initiative, CU Ride. The CU Ride is a caravan of motorcycle riders and vehicles that deliver stuffed animals to local children's hospitals in Oklahoma, Arkansas, and Texas. Cornerstone Credit Union League, Resource One Credit Union, and other local credit unions joined in the Dallas CU Ride that delivered over 850 stuffed animals to Children's Medical Center of Dallas.

Resource One called upon our members and employees to help support the CU Ride by asking them to donate a new stuffed animal that would be given out during the event and received an overwhelming response. Participation in this event is part of our commitment to give back to the community, as well as our support of the Children's Hospital and the Credit Unions Care initiative.



OTHER EVENTS WE PARTICIPATED IN FOR THE COMMUNITY

Ferguson Road Initiative Litter Clean Up, Dallas, TX
FREE Community Shred Days, All branches
Cigna Sunday Streets, Houston, TX
Garland 5th Annual Cinco de Mayo Festival, Garland, TX
Tejano Heritage Festival, Irving, TX
Cedar Hill Concert Series, Cedar Hill, TX
Mesquite Summer Sizzle, Mesquite, TX
CU Cares Ride, Dallas, TX
CU Cares Soles for Change, All branches
Irving Main Street Days, Irving, TX
CU Summer Festival, Garland, TX
Addressing Mesquite Day, Mesquite, TX
Cedar Hill Country Day on the Hill, Cedar Hill, TX
Festival of Abilities, Houston, TX
Irving Holiday Extravaganza, Irving, TX
Cedar Hill Holiday on the Hill, Cedar Hill, TX
Salvation Army's Angel Program, All branches

GROWING TOGETHER

“ Our team at Resource One is committed to our members. We are members too, so we have a vested interest in being the best in the market. ”

– Jim Ladner, Chief Financial Officer



SUPERVISORY COMMITTEE REPORT

The primary responsibility of the Resource One Credit Union Audit Committee is to ensure that the credit union's Board of Directors and management establish practices and procedures which properly safeguard members' assets. The Audit Committee also assures the credit union operates in accordance with the rules and regulations set forth by the National Credit Union Administration (NCUA) and the Texas Credit Union Department (TCUD), internal controls are established and effectively maintained, and the Board of Directors' plans, policies, and procedures are properly administered. The committee helps to protect the interests of Resource One members by ensuring the credit union operates in a safe and sound manner.

Whitley Penn, LLP, CPAs, an independent auditing firm, was retained by the Audit Committee to perform the annual audit of Resource One's financial statements for the year ended December 31, 2017. The audit concluded

the financial statements present fairly and accurately the financial condition of the credit union and the credit union's accounting practices are in conformity with generally accepted accounting principles. Resource One received an unmodified opinion from the auditing firm. Based upon the results of the independent audit, I am pleased to report, the financial condition of Resource One Credit Union remains strong. The credit union is operating in accordance with all government regulations. Resource One's policies are soundly maintained and effectively implemented.

– **Jean Manuel**, Chairwoman
of the Audit Committee

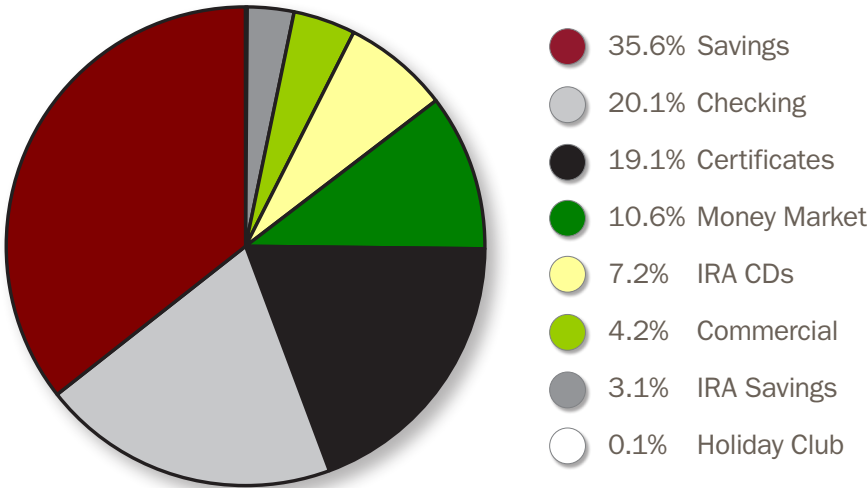


	2015	2016	2017
INCOME			
Interest on Loans.....	19,040,175	19,698,513	20,834,902
Interest on Investments	99,904	204,198	293,898
Other Income.....	11,802,145	12,590,837	14,472,258
TOTAL INCOME	30,942,224	32,493,548	35,601,058
EXPENSES			
Salaries and Benefits.....	11,007,327	11,467,722	11,737,338
Travel and Conference.....	136,264	138,953	137,075
Office Occupancy	2,299,035	2,198,153	2,263,302
Operations	7,140,653	7,794,545	8,226,764
Education and Promotion	1,349,786	1,249,174	1,352,125
Professional Services.....	1,220,951	1,300,123	1,367,075
Other Operating Expenses.....	737,466	845,501	715,062
TOTAL OPERATING EXPENSES	23,891,482	24,994,171	25,798,741
Interest on Borrowings	-	-	-
Board & Committee Member Fees*	-	-	-
(Gain)/Loss on Sale of Assets.....	6,978	(50,202)	40,535
NCUA Assessments and MCA Depletions.....	-	-	-
Provisions for Loan Losses.....	2,975,000	3,915,000	4,802,000
TOTAL NON-OPERATING EXPENSES	2,981,978	3,864,798	4,842,535
Dividends Paid on Deposits	1,750,987	1,855,988	1,870,986
NET INCOME (LOSS)	2,317,777	1,778,591	3,088,796
ASSETS			
Cash and Cash Equivalents	58,845,650	45,594,318	37,012,430
Investments	8,328,782	11,382,542	12,014,551
Loans.....	337,947,432	369,627,716	401,276,430
Allowance for Loan Losses	(3,076,314)	(3,101,922)	(3,480,347)
Land, Building and Improvements	15,715,653	14,362,506	13,965,605
Furniture and Equipment	1,809,675	1,864,404	2,100,412
Other Assets	13,490,742	12,768,440	13,385,376
TOTAL ASSETS.....	433,061,620	452,498,004	476,274,457
LIABILITIES			
Accounts and Notes Payable	3,440,776	4,494,051	4,596,714
Other Liabilities	1,116,363	1,265,652	1,243,583
TOTAL LIABILITIES	4,557,139	5,759,703	5,840,297
MEMBER DEPOSITS			
Member Shares and Savings.....	124,996,570	137,330,260	150,406,249
Other Deposits	260,940,244	265,056,960	272,218,598
TOTAL DEPOSITS	385,936,814	402,387,220	422,624,847
MEMBER OWNER EQUITY			
Regular Reserves.....	5,487,442	5,492,265	5,861,700
Undivided Earnings	37,080,225	38,858,816	41,947,613
MEMBER-OWNER EQUITY	42,567,667	44,351,081	47,809,313
TOTAL LIABILITIES AND EQUITY	433,061,620	452,498,004	476,274,457

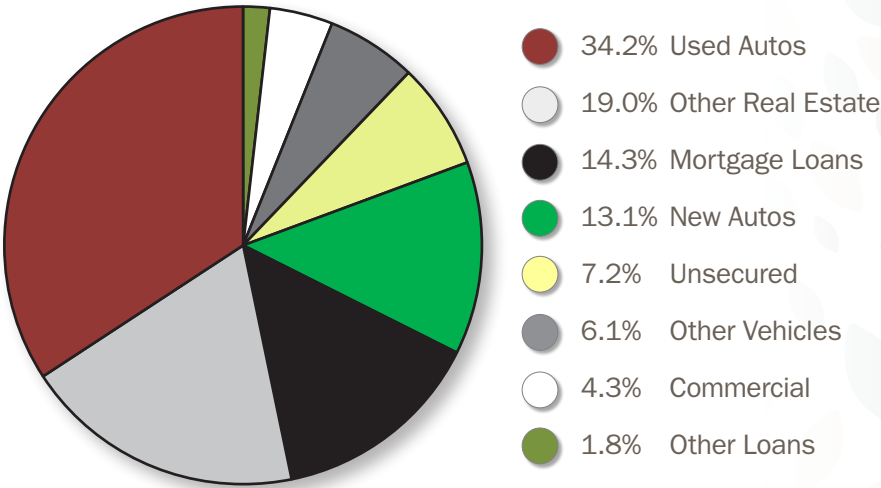
*There were no Board and Committee Member Fees incurred during 2015, 2016 and 2017. In 2018, Board and Committee Member Fees are projected to total \$33,050.

FINANCIAL HIGHLIGHTS

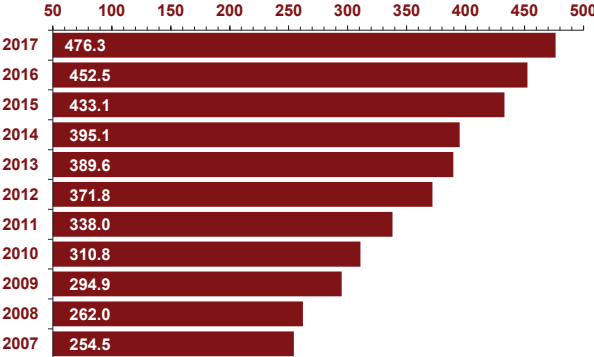
DEPOSIT MIX by Percentage



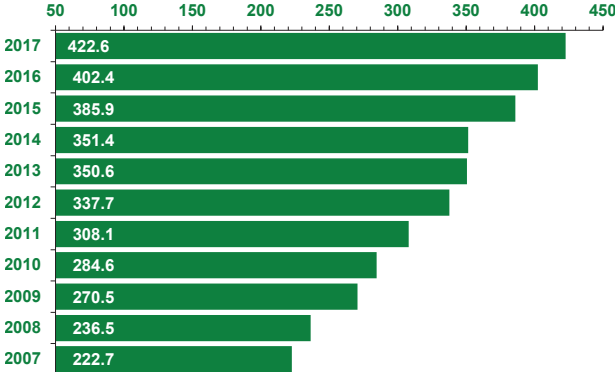
LOAN MIX by Percentage



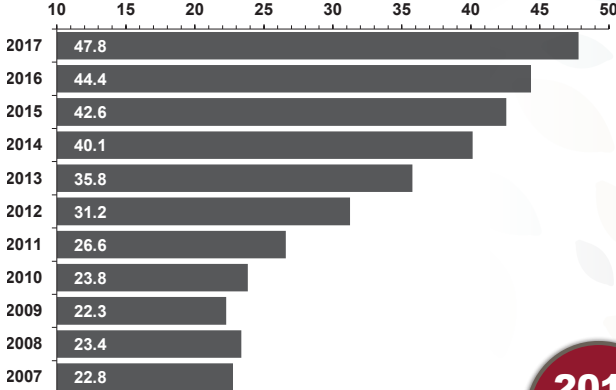
TOTAL ASSETS in Millions of Dollars



TOTAL DEPOSITS in Millions of Dollars



MEMBER OWNER EQUITY in Millions of Dollars



GROWING TOGETHER

2017 BOARD OF DIRECTORS

B.A. "TONY" GOEBEL

Term expires 2019
Chairman of the Board
Retired
7-Eleven, Inc.

GREG BLUNT*

Term expires 2018
Vice Chairman of the Board
Senior Vice President
CAGE, Inc.

CHRIS DEGELIA

Term expires 2019
Secretary of the Board
General Manager
InnerCity FiberNet

JANEY APPIA

Term expires 2019
Manager, Customer
Relations
7-Eleven, Inc.

KAREN HART*

Term expires 2018
Executive VP & Chief
Financial Officer
Cornerstone Credit Union
League

KEITH WILLSON

Term expires 2020
Retired Geophysicist

MICHAEL BUCKMAN

Term expires 2018
CEO
Buckman Advisors, LLC

CRAIG GANT, SR. ESQ.

Term expires 2020
Managing Partner
Gant & Hicks, PLLC

JEAN MANUEL*

Term expires 2018
Forensic Accountant

CREDIT UNION OFFICERS

MARY BETH SPUCK

President/CEO

JIM LADNER, CPA

Chief Financial Officer

DOUG BEDNER

Chief Operating Officer

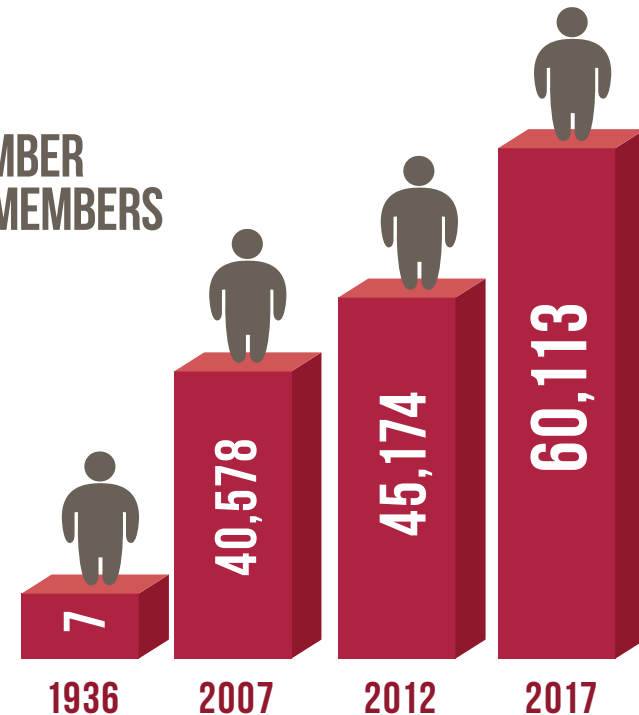
JENNIFER GRINDER

Chief of Sales and
Marketing Officer

LEE STRICKHOUSER

Chief Lending Officer

NUMBER OF MEMBERS



SERVICES OFFERED

SAVINGS

Regular Savings
Holiday & Summer Savings
Youth & Teen Savings
IRA/SEP Savings

CHECKING/SPENDING ACCOUNTS

CU Succeed
Prime Spending
Direct Spending
Daily Spending
Empower Checking

MONEY MARKET ACCOUNTS

R1 Money Market

CERTIFICATES OF DEPOSIT

Certificates of Deposit
Flex Term CDs
IRA/SEP CDs

CONSUMER LOANS

New & Used Auto
New & Used Recreational Vehicles
• RVs, Boats, Motorcycles, 5th
Wheels, Travel Trailers, Planes, etc.
VISA® Credit Cards
Share Secured Loans
Personal Loans
Lines of Credit
Credit Builder Loans

REAL ESTATE LOANS

Home Mortgage Loans
• First time buyer, FHA, VA, USDA,
and Conventional
Home Improvement & Equity

BUSINESS ACCOUNTS

Business Savings
Business Checking
Business Money Market
Business Flex CD

BUSINESS LOANS

Commercial Real Estate
Vehicles & Heavy Trucks
Equipment & Machinery
Lines of Credit
SBA Loans
Unsecured Term Loans

ADDITIONAL SERVICES OFFERED

Over 5,000 Shared Branching Locations
Nearly 30,000 ATMs with the CO-OP ATM Network
Online and Mobile Banking
My Money Manager
Prewards
Mobile Deposit
Pay a Person with PopMoney
R1 Cha-Ching Savings with:
• Local and Nationwide Retailer Discounts
• Cellphone Protection
• Roadside Assistance
• Travel Accidental Death Coverage
• Pharmacy, Vision, and Hearing Savings
• Credit Monitoring

DALLAS

CARROLLTON

2501 East Hebron Parkway, #300
Carrollton, TX 75010

GARLAND

302 West Centerville Road
Garland, TX 75041

MESQUITE

2750 North Galloway Avenue
Mesquite, TX 75150

CEDAR HILL

755 North Highway 67
Cedar Hill, TX 75104

GARLAND-NORTH

2475 Arapaho Road
Garland, TX 75044

SOUTHSIDE

1200 Belleview Street
Dallas, TX 75215

EAST DALLAS

8344 East R.L. Thornton Freeway, #110
Dallas, TX 75228

IRVING

2315 West Airport Freeway, #161
Irving, TX 75062

TECHNICAL OPERATIONS CENTER

7518 Ferguson Road
Dallas, TX 75228

HOUSTON

JONES ROAD

9211 Jones Road
Houston, TX 77065

OAK FOREST

1400 West 43rd Street
Houston, TX 77018

SPRING CYPRESS

22560 Tomball Parkway, #100
Houston, TX 77070



Member owned. Not-for-profit.

P.O. Box 660077 | Dallas, TX 75266-0077

Dallas 214.319.3100 | Houston 281.720.0550 | Nationwide 800.375.3674

www.r1cu.org | www.facebook.com/ResourceOneCU

