



# MEETING NEW CHALLENGES

# 2020 ANNUAL REPORT



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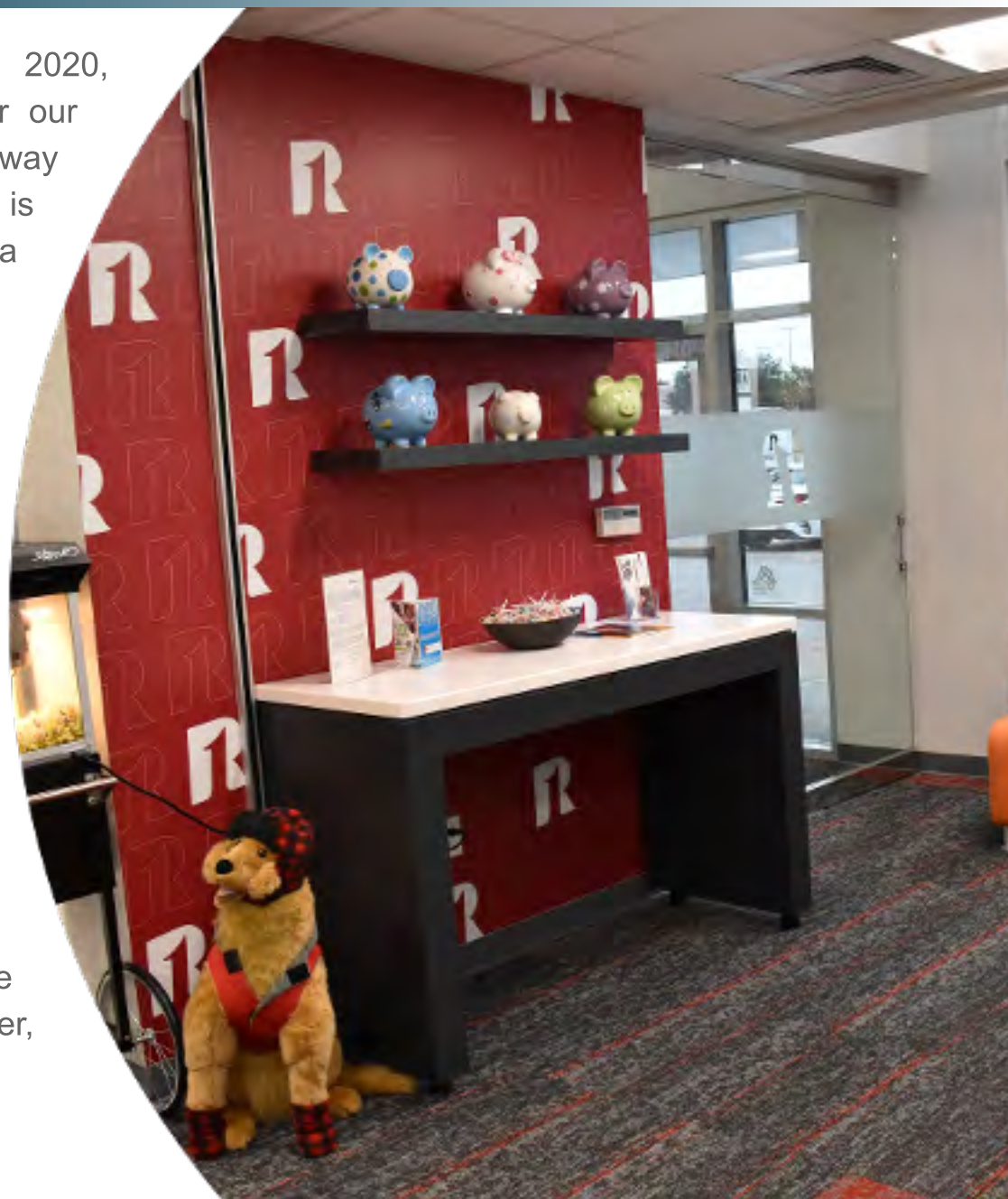


## Meeting New Challenges

With the many hardships that came with 2020, Resource One rose to the challenge to offer our various products and services in the safest way possible. Our members are our priority, which is why we overhauled our digital options to allow a wider variety of needs to be met from the comfort of their homes.

In addition to digital services, Resource One created and implemented a new series of loan types and modifications to help our members who struggled during the pandemic. By using loan deferments, Debt Protection with Life Plus, and more, we supported our members and provided them with much-needed peace of mind.

Our strengthened digital presence also allowed us to provide a new wave of virtual financial education webinars to our members and surrounding communities. With the rapid response to every new challenge, Resource One has grown to meet our member's needs better, and we will continue on this trend beyond 2021.



*In the midst of this COVID-19 crisis, with so much negative and selfish behavior being displayed, not to mention the worry created by this frightening new normal way of life, it was REFRESHING, INSPIRING and truly UPLIFTING to receive a phone call from my credit union just to check on me, to see how I'm faring during this time, to make me aware of the methods R1CU has in place for me to continue to handle my financial business and to see if I needed help with anything!!!! I've been a member since you were Sears Federal Credit Union (SEFCU) so I shouldn't be surprised, and I'm really not, but I'm inspired by the care and concern she showed for this R1CU member! I'll be a Resource One member forever!*

**Carrie J. - R1CU Member**



# Chair Report

Since childhood, I have found myself invested in the subject of space exploration. I have continued this passion of mine throughout the years, and time and time again, I watch in awe as humans continue to journey great lengths into the unknown. As I watched with pride the space rover, 'Perseverance,' successfully land on Mars, I could not help but think about the previous year and how this accomplishment compares so perfectly with Resource One Credit Union.

The word 'perseverance' accurately sums up our staff's combined efforts to keep pushing through a

year that had continuous obstacles that needed to be overcome. This trying year was something everyone had to adjust to. Perseverance is what allowed us never to give up and inspired us to find new and innovative ways to continue to serve our members.

My personal goals for the Credit Union shifted after March of 2020 due to the big bang of COVID-19. I was greatly concerned about our staff and financials. As Chair of the Board and the Board as a whole, we have an obligation to the institution; and the institution is nothing without its people. So, in the early months of the pandemic, my primary focus was on the staff

because, without them, there would be no Resource One. We worked towards keeping our staff safe and employed while also keeping our services accessible. Much later, we began to worry about capital and if it could cause financial issues for the Credit Union. It was a tricky path to keep our staff safe while also maintaining the Credit Unions financials. I am happy to say we navigated this objective successfully.

Just as life had changed, businesses were also not immune to these changes. Resource One had to make adjustments to how we do business. Members embraced a variety of services they might not have in the past, such as digital banking, mobile banking, ATM deposit, and even mobile deposit. With this in mind, I spent a lot of my time discussing innovation and technology for the Credit Union at the board level. We took the time to overhaul our website search engine, online appointment request, and other digital platforms to aid in the efficiency of solving problems and creating solutions for our membership. I have watched as these advancements met our needs and our memberships' future expectations. We launched improvements in 2020 that will continue to allow Resource One to grow and provide exceptional service as we have in the past.

Is the crisis over? No, many people continue to struggle from the gravity of the pandemic. That is why for 2021, like many others, I am looking forward to finding stability in this new atmosphere and lifestyle we are adapting to. I am most excited about improving our members' financial well-being and getting back to our core values, mission, and vision for the Credit Union.

Just like any mission into space, we made many discoveries during our journey. We will continue to train, learn, and prepare for our next exploration. If I had a final conclusion statement for 2020, it would be to thank our membership for your perseverance and tolerance as we explore uncharted territories. I also acknowledge the Executive Team and Board, who went above and beyond this past year and put in so much extra time to chart a course for the Credit Union. Lastly, I cannot say enough to thank our Resource One teams; they are truly the unsung heroes of this mission. Together, we will continue to strive to be a trusted partner for our community. That is our purpose, and that is what we are here for.

**Karen Hart**, *Chair of the Board*



Photo courtesy of NASA/JPL-Caltech

## President's Report

I want to take a minute and reflect on 2020. This time last year, none of us could have predicted how much our world would change. The global COVID-19 pandemic, economic uncertainty, and racial unrest affected every one of us in some way. However, this past year was filled with life lessons.

In less than a month, the pandemic caused lives to change both personally and professionally. We quickly pivoted over the course of two weeks to having staff working remotely and closing our branch lobbies. Our main initiatives were ensuring employment for our team members, enhancing services so members could interact with us digitally, and following and upholding local and state mandates to ensure our members' and staff's safety.

Although there were many challenges during this time, there were several moments that presented themselves to help our members.

- We assisted 372 business members in receiving over \$10 million in Paycheck Protection Program (PPP) loans through the Small Business Administration (SBA).

- We provided loan deferrals and mortgage forbearance for just over 7,000 members. This amounted to over \$5.5 million in loan payments.
- In addition, we provided financial coaching and education information in the form of our podcast, Financial Coffee, and our webinar series available on YouTube.
- Many members took advantage of consolidating debt and our historically low rates by refinancing their auto, mortgage, and personal loans from other institutions to Resource One.

Even with all the uncertainties, our team members continued to find ways to show their altruism. R1 staff took on the Pay It Forward challenge and made donations to our community partners, Vogel Alcove and Kids' Meals Inc.

As I have looked back over the last year, I am pleased to report that Resource One had a financially sound year. I cannot be more proud of our team's accomplishments and the employees who worked tirelessly to keep serving our members during this difficult and challenging year.

We are optimistic and excited to provide innovative, forward-looking services and financial solutions to help our members reach their financial goals. I fully anticipate 2021 to become a year of development, inclusion, and advancement in the ways we serve our members.

**Mary Beth Spuck**, *President and CEO*

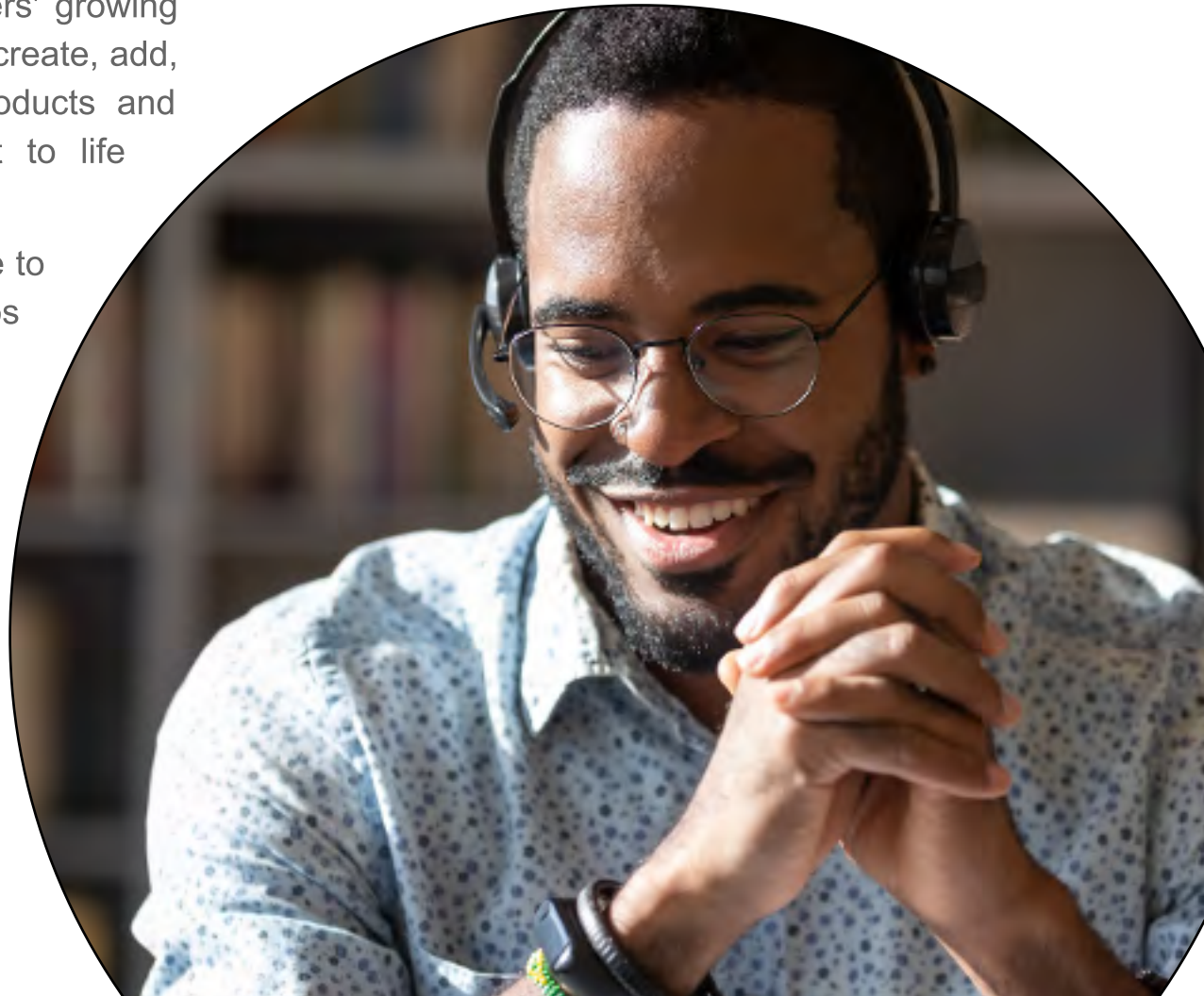


## Pandemic Response

We recognized that many of our members and their families across our entire membership would need more assistance than ever. As a result, our teams immediately began creating a Pandemic Response Plan that could meet many of our members' growing financial needs. All efforts were focused to create, add, and incorporate a whole new line of products and services to help our membership adjust to life during the 2020 pandemic.

Members impacted by COVID-19 were able to defer payments for their loans such as autos and mortgages, and many standard account fees were waived. Our business members had access to government assistance such as Personal Payment Protection loans and loan forgiveness applications, all of which were handled by the Resource One Commercial Lending Team. In addition, we added debt protection products to help with members who wanted an extra layer of defense if they experienced a financially-stressful life event.

Supplementary staff was added to the call center to help members remotely, and digital accessibility to services was upgraded to allow our members the safest possible methods to meet their needs.



*I spoke with one of your employees at the R1CU Mesquite Branch, Lisa Anderson. I called the branch to inquire about the process to get my bank card blocked due to fraudulent charges and the best way to get reissued via the drive thru due to the pandemic. She was great at helping me resolve. Following resolution of my initial reason for calling the branch, Lisa noticed my longevity with R1CU, which I've been a long time member since 1993 and thanked me for my business. I was mentioning to her that I've never wanted to change to a big bank to provide me service due to the personal service that R1CU offers, however I did wish there were other locations of R1CU because at times when I have to make a deposit or other business, I have to take off work early since the downtown Dallas branch was closed. I was so impressed with Lisa's eagerness and excitement to share with me services R1CU provides that I was not aware of. One being the Shared Branch Program that you offer that would allow me to make deposits, etc.. at other credit unions that are part of the program. I had no idea. She also shared the program that is offered regarding Co-op ATM Services. This is huge for my husband and I. We are so excited to know about these great perks that are offered. Lisa was an absolute joy to talk to and that fact that she took time to elaborate and share with me this additional information during a very busy time of the day was so impressive. A model employee and thru my 27 years doing business at this location, I've never written a testimonial. I wanted to ensure that I shared my pleasant experience. She deserves to be recognized for her outstanding customer service, Thank you Lisa! God Bless*  
**Stephanie F. - R1CU Member**



## In The Community in 2020

Resource One Credit Union is proud to work with our community partners to serve our members better and help support the surrounding community.

### Pay It Forward

Our staff participated in a Pay It Forward challenge issued by our CEO in July 2020. During the month, employees worked to perform acts of kindness within their communities. Free to choose where they wished to donate funds, many employees donated to charities, small local businesses, essential workers, or even someone suffering during the pandemic. Some employees worked individually while others worked together to pool funds to make more substantial donations.

*"The first thing I did was make meals for the homeless, which I try to do every Sunday. As I passed out the food, I gave out \$5 with a meal. Most of the homeless I meet were retired from the military. It felt good to give to people that need it more than I do." - Jacob Urbina, Member Experience Representative*

### Here are a few acts of kindness that were performed.



*"The accounting team decided to pool our money together and donate to a good cause, Genesis Women Shelter, a shelter for domestic violence victims. We were able to donate \$200 cash, children's clothes, and a load of supplies and nonperishable food items. I feel so blessed that we were able to help these women out, and we will continue to do more." - Angel Landfair, Controller*

*"Our team collected funds to purchase a gift certificate from a local pizza and pasta restaurant in my neighborhood that has seen a huge decrease in business since COVID. Additionally, the certificate was delivered to my local Fire Station...with enough on the gift for all 3 shifts to enjoy dinner or lunch. The restaurant and firefighters were both appreciative of the challenge and us helping support our local communities." - Elizabeth Seelbach, Director of Marketing & Digital Channels*



### CUNA Desjardin's Award

Resource One frequently works with the youth and schools to help teach finances and money management. Resource One received Regional 1st place for the 2020 Desjardin's Youth Financial Education Award, allowing us to compete at the national level winning 2nd place.

### Teddy Bear Drive

To honor the fallen Deputy Sandeep Dhaliwal, Resource One employees and members collected over 225 stuffed animals for the Harris County Sheriff's Officers. These bears are used to help comfort children that are scared or injured in a police-involved situation.



### Vogel Alcove

By partnering with Vogel Alcove, Resource One can help them provide homeless children a safe haven during the day, stability, nutrition, wellness checkups, and therapy. Last year, we were able to make donations to Vogel Alcove and volunteer to help with holiday events. Holiday events included a socially distanced Halloween Trunk or Treat and assistance with their Holiday Store so parents can shop, wrap, and give gifts to their families at no charge.

### Kids' Meals

The Houston staff at Resource One worked throughout 2020 to assist Kids' Meals Inc. with their mission to feed children under the age of six who face debilitating hunger due to extreme poverty in the Houston area. Team members collected and donated funds, packed lunches, and delivered meals to children who otherwise would not have access to lunch that day. Additionally, Employees delivered over 64 turkeys and collected food items to feed over 2,000 families during the Thanksgiving Holiday.



## Spring Cypress Grand Opening

In 2019, we began the process of moving our Spring Cypress location to a larger facility that would better serve our membership's needs. By January 2020, the Spring Cypress location successfully relocated to the more spacious and convenient location in Spring, TX, at 8720 Spring Cypress Rd. This location provides the space for additional services and more convenient access to our far Northwest Harris County members.

To celebrate, Resource One welcomed the community and membership to visit during the Grand Opening event. The festivities featured on-site document shredding, a coffee truck providing free drinks, and cash prize giveaways throughout the day. Our younger guests met with an Elsa impersonator, played games, and enjoyed bounce houses set up in the parking lot.

Resource One also supported local business members by inviting them to set up booths and promote their services during the event. Additionally, the Houston Northwest Chamber of Commerce joined the celebration by hosting a ribbon-cutting to commemorate the day.



## Educational Outreach

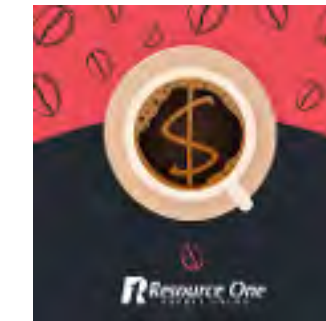
One of many goals Resource One focuses on each year is educating our members and the surrounding community about finances. This year, we changed many in-person events to be held virtually and focused on creating digital sources our members can reference.

### Budget Buddy

The Budget Buddy program was created to partner members by phone or virtual meeting with a Resource One certified financial counselor. Members can find a counselor that fit their specific needs, whether it be a life event or a proficiency, and make an appointment with their Budget Buddy at [www.r1cu.org/financial-coaching](http://www.r1cu.org/financial-coaching).

### Videos

Educational videos were created to cover topics that help teach our members about our services. The subjects covered continued to grow as our membership began to voice their needs. As the year progressed, video updates included scams to watch out for and how-to step-by-step guides. These videos are available to our members on our website, social media, and YouTube channel.



Financial Coffee Podcast

### Webinars

Resource One Mortgage Professionals worked together to provide our members the tools they need for a new home or refinance loan. Several classes were offered over the year, starting with in-person and then online-only later on in the year. These classes gave tips for before, during, and after the mortgage process and discussed members' questions live.

### Podcast

On the go, education was made easy with our staff members Vee and Erika as they discussed high-level topics in a way anyone can understand. With this addition, listeners learned about credit, teaching kids about money, and updates about how COVID-19 might affect their finances.

# Financial Statements (unaudited)

<b>INCOME</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>ASSETS</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Interest on Loans	21,645,520	23,806,353	25,797,909	Cash and Cash Equivalents	42,228,165	35,056,929	42,482,100
Interest on Investment	866,203	605,788	528,839	Investments	12,262,690	3,507,226	41,069,332
Other Income	15,242,964	16,040,883	14,394,460	Loans	409,833,540	472,719,564	527,722,676
<b>TOTAL INCOME</b>	<b>37,754,687</b>	<b>40,453,024</b>	<b>40,721,208</b>	Allowance for Loan Losses	(4,907,721)	(4,858,955)	(5,437,012)
<b>EXPENSES</b>				Land, Building and Improvements	13,583,901	15,839,719	15,288,595
Salaries & Benefits	11,928,293	13,718,907	13,944,279	Furniture and Equipment	2,199,157	1,920,413	2,056,564
Travel and Conference	277,523	251,272	21,522	Other Assets	13,653,607	17,034,392	19,021,448
Office Occupancy	2,217,461	2,324,796	2,315,395	<b>TOTAL ASSETS</b>	<b>488,853,339</b>	<b>541,219,288</b>	<b>642,203,703</b>
Operations	8,577,325	9,772,946	9,541,452	<b>LIABILITIES</b>			
Education and Promotion	1,528,589	1,423,500	738,772	Accounts and Notes Payable	4,794,296	3,171,165	(7,275,630)
Professional Service/Loan Servicing	1,435,899	2,313,995	2,244,321	Other Liabilities	1,537,540	1,412,879	(4,672,191)
Other Operating Expenses	761,386	158,815	(62,021)	<b>TOTAL LIABILITIES</b>	<b>6,331,836</b>	<b>4,584,044</b>	<b>(11,947,821)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>26,726,476</b>	<b>29,964,231</b>	<b>28,743,720</b>	<b>MEMBER DEPOSITS</b>			
Interest on Borrowings	244,119	2,644	-	Member Shares and Savings	157,417,609	162,313,502	197,192,300
Board & Committee Member Fees*	21,250	47,050	107,633	Other Deposits	274,926,498	323,848,773	404,000,597
(Gain) /Loss on Sale of Assets	-	2,914	(55,281)	<b>TOTAL DEPOSITS</b>	<b>432,344,107</b>	<b>486,162,275</b>	<b>601,192,897</b>
NCUA Assessments & MCA Depletions	-	-	-	<b>MEMBER OWNER EQUITY</b>			
Provisions for Loan Losses	6,447,000	5,965,082	4,778,388	Regular Reserves	6,030,426	4,953,504	4,953,504
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>6,712,369</b>	<b>6,017,690</b>	<b>4,830,740</b>	Undivided Earnings	44,146,970	45,519,464	48,661,837
Dividends Paid on Deposits	2,116,484	2,836,721	4,004,377	Accumulated Unrealized G/L on Investments	-	-	(656,714)
<b>NET INCOME (LOSS)</b>	<b>2,199,358</b>	<b>1,634,382</b>	<b>3,142,372</b>	<b>MEMBER OWNER EQUITY</b>	<b>50,177,396</b>	<b>50,472,968</b>	<b>52,958,627</b>
				<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>488,853,339</b>	<b>541,219,288</b>	<b>642,203,703</b>

\*Board and Committee Member fees are projected to total approximately \$108,000 in 2021.

# Financial Highlights

## DEPOSIT MIX

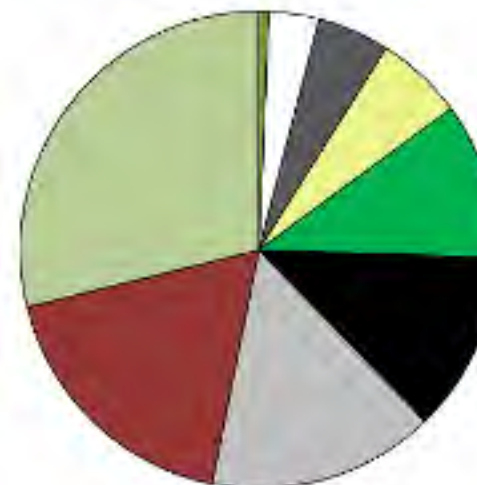
by Percentage



- 0.1% *Holiday Club*
- 2.0% *IRA Savings*
- 5.3% *Commercial*
- 5.8% *IRA CDs*
- 11.0% *Money Market*
- 21.4% *Checking*
- 21.6% *Certificates*
- 32.8% *Savings*

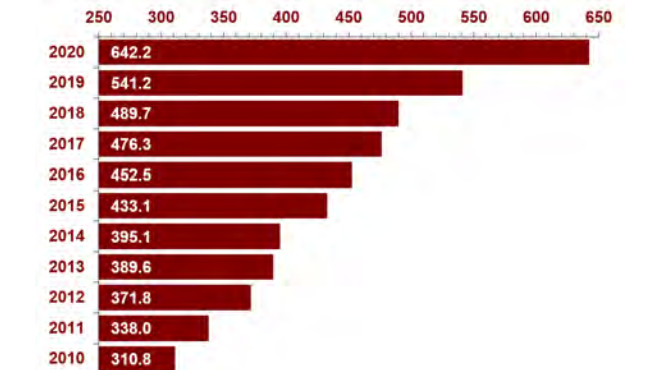
## LOAN MIX

by Percentage

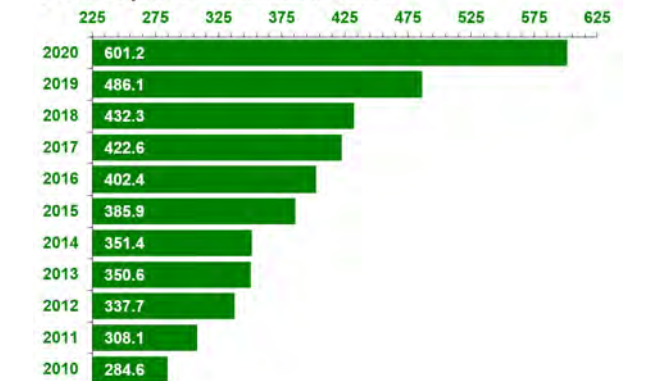


- 0.7% *Other Loans*
- 3.3% *Other Vehicles*
- 4.7% *Unsecured*
- 5.8% *Commercial*
- 10.3% *New Autos*
- 11.9% *Mortgage Loans*
- 14.9% *Indirect Autos*
- 17.5% *Other Real Estate*
- 28.0% *Used Autos*

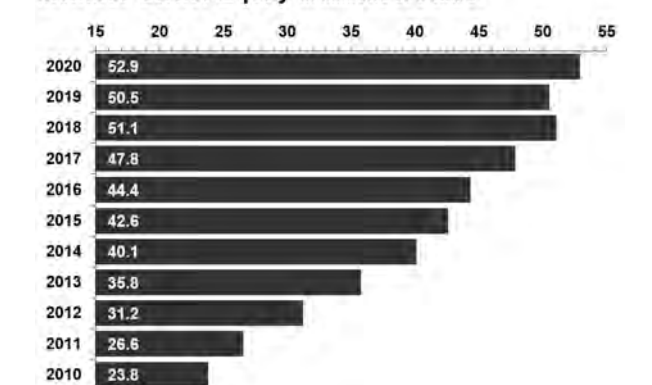
## Total Assets in Millions of Dollars



## Total Deposits in Millions of Dollars



## Member Owner Equity in Millions of Dollars





## Audit Committee Report

The Resource One Credit Union’s Audit Committee helps to protect the interests of Resource One members by ensuring the credit union operates in a safe and sound manner. The Audit Committee is responsible for ensuring that the credit union policies, procedures, and internal controls are adequately designed to protect the members’ assets. They ensure that the Board of Directors and management team effectively maintain and manage these policies and procedures. The Audit Committee also ensures that the credit union operates in accordance with the rules and regulations of the National Credit Union Administration (NCUA), and the Texas Credit Union Department (TCUD).

The Audit Committee is responsible for ensuring that the financial condition of the credit union is accurately presented in the credit union’s financial statements. The Audit Committee engaged the accounting firm of Dixon Hughes Goodman, LLP, CPAs, to perform the independent external audit of Resource One’s financial statements for the year ended December 31, 2020.

The Audit Committee is pleased to report that the annual independent audit performed by Dixon

Hughes Goodman, LLP, CPAs, concluded that the credit union’s financial statements fairly and accurately presented, in all material respects, the financial condition of the credit union, and the credit union’s accounting practices are in conformity with generally accepted accounting principles.

**Jean Manuel**, *Chair of the Audit Committee*



## Credit Union Board and Officers

### VOLUNTEER BOARD MEMBERS & TERMS

Name	Term Expiration
<b>Karen Hart</b> , <i>Chair of the Board</i>	2024*
<b>Greg Blunt</b> , <i>Vice Chair of the Board</i>	2024*
<b>Chris Degelia</b> , <i>Secretary and Treasurer</i>	2022
<b>Janey Appia</b> , <i>Board Member</i>	2022
<b>Keith Willson</b> , <i>Board Member</i>	2023
<b>Craig Gant</b> , <i>Board Member</i>	2023
<b>Tony Goebel</b> , <i>Board Member</i>	2022
<b>Jean Manuel</b> , <i>Board Member</i>	2024*

### CREDIT UNION OFFICERS

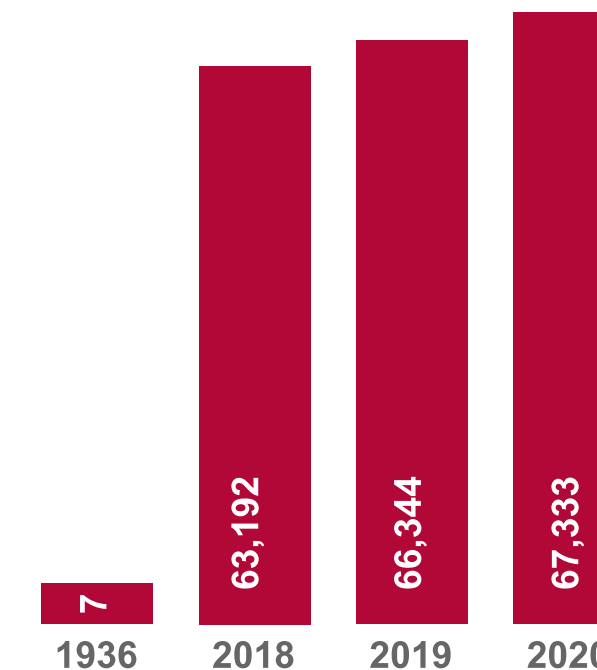
- Mary Beth Spuck**, *President & CEO*
- Brady Popp**, *Chief Lending Officer*
- Doug Bedner**, *Chief Operating Officer*
- Jennifer Grinder**, *Chief Experience Officer*
- Merrill Currier**, *Chief Information Officer*
- Tracey Jackson**, *Chief Financial Officer*

\*Dates reflect a new term beginning April 2021.

### 2020 CREDIT UNION OFFICER CHANGES

**Tracey Jackson** joined as Chief Financial Officer in May 2020

### NUMBER OF MEMBERS



## Services Offered

### BUSINESS ACCOUNTS

Business Checking  
Business Flex CD  
Business Money Market  
Business Savings  
Merchant Services  
Payroll Services  
Visa® Business Credit Cards

### BUSINESS LOANS

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

### CERTIFICATES OF DEPOSIT

Certificates of Deposit  
Flex Term CDs  
IRA/SEP CDs  
Save to Win®

### CHECKING/SPENDING

CU Succeed  
Daily Spending  
Direct Spending  
Empower Checking  
Prime Spending

### CONSUMER LOANS

Credit Builder Loans  
Home Improvement Personal Loans  
Indirect Auto  
Indirect Lease  
New and Used Auto  
New and Used Recreational Vehicles  
» RVs, Boats, Motorcycles, Fifth  
Wheels, Travel Trailers, Planes, etc.

Lines of Credit

Personal Loans  
Share Secured Loans  
Visa® Credit Cards

### MONEY MARKET

R1 Money Market

### REAL ESTATE LOANS

Home Improvement and Equity Loans  
Home Mortgage Loans  
» First-Time Buyer, FHA, VA, USDA,  
and Conventional

### SAVINGS

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

### ADDITIONAL SERVICES OFFERED

Over 5,600 Shared Branching Locations  
Nearly 30,000 ATMs within the CO-OP®  
ATM Network  
Digital Banking  
Mobile and Online Banking  
Mobile Deposit  
Mobile Wallet  
My Health Solutions  
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  
R1 Rewards®

## New Services and Products

### CONSUMER

**Debt Protection with Life Plus:** Protection for loan balance and/or loan payments against death, disability, or involuntary unemployment released October 13, 2020.

**Budget Buddies:** Resource One certified financial counselors and staff who committed to supporting you on every step of your journey, from earning to saving to planning for a purchase. Implemented in August of 2020.

**Rescue Resource:** A financial education resource for any situations. Implemented in August of 2020.

**Financial Coffee:** Podcast run by R1 employees giving financial tidbits and expert knowledge on money and finances. 1st podcast was released on February 25, 2020.

**Expert Webinar Series:** Webinar series to learn more about a variety of topics from our experts. First Expert Webinar on Buying a New Home was held on July 25, 2020.

### COMMERCIAL

**PPP Loans:** Created by the CARES Act of 2020, R1 began taking PPP loans in April of 2020.

**WE KNOW YOUR NAME,  
YOUR DREAMS, AND  
HOW TO GET THEM**

**OPEN YOUR EYES TO A CREDIT UNION®**



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## 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

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## Houston

### JONES ROAD

9211 Jones Road  
Houston, TX 77065

### OAK FOREST

1400 West 43rd Street  
Houston, TX 77018

### SPRING CYPRESS

8720 Spring Cypress Road  
Spring, TX 77379



P.O. Box 660077 | Dallas, TX 75266-007

Dallas 214-319-3100 | Houston 281-720-0550 | Nationwide 800-375-3674

[www.r1cu.org](http://www.r1cu.org) | [www.facebook.com/ResourceOneCU](https://www.facebook.com/ResourceOneCU)

