



Building on Community

2019 ANNUAL REPORT



Federally insured by NCUA.



SERVING OUR COMMUNITIES **FIRST**

Resource One Credit Union prides itself on being your trusted financial partner, but we know trust is built from more than just providing quality financial services. Credit unions were built on the principle of “People Helping People,” and at Resource One, our prime motivation is you, our members.

That is why we partnered with Vogel Alcove, an organization that enriches the lives of children facing homelessness through education and health services. The Resource One team supports Vogel Alcove through volunteerism and through employee-funded donations. Serving our communities is the motivation to provide financial counselors and resources, sponsor reality fairs to prepare teens and young adults for the real world, and host bi-annual shred days to educate the community about the importance of destroying identifying documents.

We know a thriving community is one in which everyone comes together, and Resource One strives to bring the communities we serve together through each exchange. Last year, 2019, was full of opportunities to support our communities, and we look forward to continuing that mission in 2020.

CHAIR OF THE BOARD

REPORT

This past year has been one of growth and evaluation at Resource One Credit Union. The Board has been hard at work enhancing our offerings. With the move of our Spring Cypress branch, we are providing our members accessibility and additional services while implementing new strategic initiatives, and furthering our commitment to the communities we serve.

We want to ensure we are providing the best value to our members at each location, and that includes remaining ahead of the curve with our technology. We upgraded our online banking last year, providing new enhancements, and are constantly evaluating new products and services to decide what is most valued by our members.

What really drives me as Chair of the Board is Resource One's commitment to our communities. We are developing new partnerships in all of the communities we serve. It is important that everyone has access to a stable financial institution, and our Board is committed to providing accessible financial resources and opportunities to underserved communities.

Whether from a financial or community standpoint, nothing would get done without a great team. I am proud of Resource One's staff and their commitment to developing a dedicated and optimistic employee culture. It is evident every single employee cares about our members' financial well-being, and that encourages me to further the Resource One Mission and Vision every day.

As we look ahead to 2020, expect to see more of Resource One's commitment to our members, because you are our greatest asset.

KAREN HART, *Chair of the Board*



PRESIDENT & CEO

REPORT

What an impressive year 2019 has been for Resource One Credit Union. As we look back to review our accomplishments, the momentum we set up in 2018 culminated into a unified workplace where everyone is working toward the same goal: to help improve our members' daily lives, particularly as we lower their cost of credit and provide avenues for building savings.

As a result of our member deposits, we provided \$135 million in financing for 4,668 cars and \$41 million for 281 mortgages and home equity loans. Cobie G., a member for over 35 years, described their experience: "Over the years, I have opened and paid off many loans there at Resource One, from my home mortgage, many car loans, to personal loans, and I could not have asked for a better credit union to have a working relationship with. Each loan transaction that we have experienced there has always been handled in a very professional and timely manner, with great rates, I might add." The programs we offer help our members with their everyday needs, from their vehicle to a home. We continued expanding our offerings last year at each branch, where our mortgage team implemented new programs that helped people qualify to buy homes. It is always rewarding to help someone finish the journey to unlock their new front door.

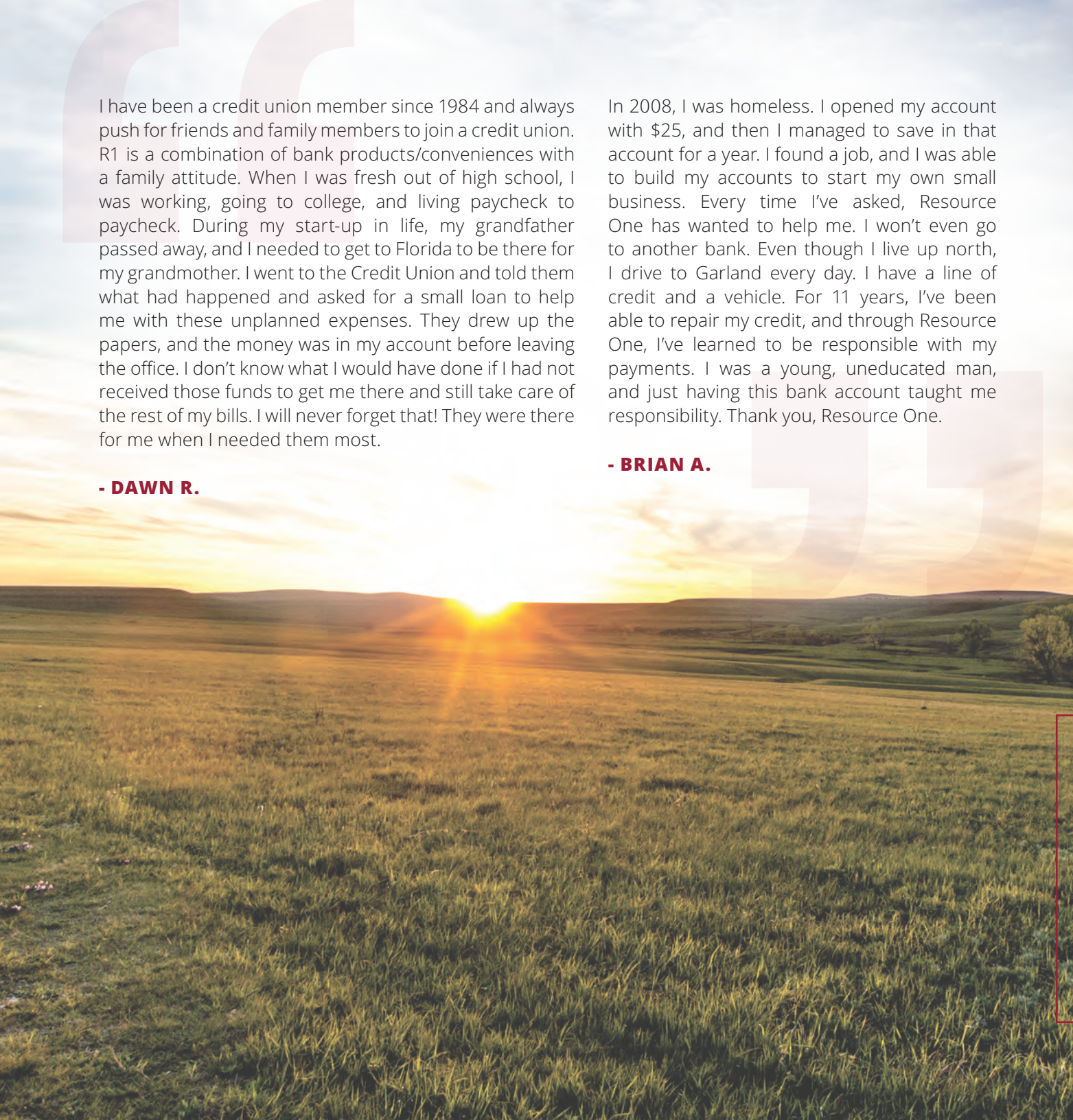
Our teams worked diligently to launch a new online and mobile banking platform last year, making it simpler for our members to access their accounts and money. We enhanced our product offerings by adding the R1 Rewards® Visa® Signature Credit Card for our members to give their buying power a punch with cash back on purchases. Additionally, we added the Save to Win® Certificate of Deposit that provides you with a chance to win just for saving every month.

We empowered our small business owners by providing \$7.7 million in member business loans. In part, some of these loans were a result of offering our business members the Resource One Visa® Business Credit Card that provides businesses with buying-power convenience.

Though I am proud of all these things, what motivates me most each day is seeing our teams come together to find new ways to build on community. Melinda D. shared, "From the first day I walked into Resource One, I felt welcome. From that moment, I knew that I had found my forever financial home. I love that you give back to your community and have great events for the community." With financial literacy at the heart of our mission, we conducted 10 financial education programs reaching 1,827 teens and young adults. Whether it is through teaching financial literacy courses in the community or doing reality fairs for young adults and teens, I am pleased with the sense of community we have cultivated in our Credit Union. That translates to our members, who feel valued with each interaction they have with a Resource One employee, which translates to our overall community.

You have made Resource One Credit Union your financial partner. Thank you for recognizing the benefits of owning a mission-driven, not-for-profit, financial cooperative. By banking with us, your money stays right here, strengthening and adding to the economic vitality of Dallas and Northwest Harris counties.

MARY BETH SPUCK, *President & CEO*



I have been a credit union member since 1984 and always push for friends and family members to join a credit union. R1 is a combination of bank products/conveniences with a family attitude. When I was fresh out of high school, I was working, going to college, and living paycheck to paycheck. During my start-up in life, my grandfather passed away, and I needed to get to Florida to be there for my grandmother. I went to the Credit Union and told them what had happened and asked for a small loan to help me with these unplanned expenses. They drew up the papers, and the money was in my account before leaving the office. I don't know what I would have done if I had not received those funds to get me there and still take care of the rest of my bills. I will never forget that! They were there for me when I needed them most.

- DAWN R.

In 2008, I was homeless. I opened my account with \$25, and then I managed to save in that account for a year. I found a job, and I was able to build my accounts to start my own small business. Every time I've asked, Resource One has wanted to help me. I won't even go to another bank. Even though I live up north, I drive to Garland every day. I have a line of credit and a vehicle. For 11 years, I've been able to repair my credit, and through Resource One, I've learned to be responsible with my payments. I was a young, uneducated man, and just having this bank account taught me responsibility. Thank you, Resource One.

- BRIAN A.

OUR VISION

The leading financial resource serving our communities.

OUR MISSION

Helping members achieve their financial goals by being a trusted provider of valued and cost-effective financial services.

CORE VALUES

Integrity
Educators
Passionate
Altruistic
Resolution Focused

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Our purpose is really about cultivating relationships. We want to help people wherever they are, and I think that is part of being a credit union.

MARY BETH SPUCK

President & CEO

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RECORD LOAN GROWTH

The year 2019 was a tremendous period of growth for lending, with Resource One Credit Union seeing more than 15% in loan growth year over year. Chief Lending Officer Brady Popp called it a “historic year – if not the most organic growth in the history of the organization.” Most of the volume originated from home loans, either by refinancing or first-time buyers. The remaining growth came from lending to small businesses and religious organizations, as well as personal and auto loans.

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There are not many jobs where you get to come in and loan money to help someone purchase their first car, fund their dream wedding, become a homeowner, or take a vacation of a lifetime. I enjoy helping our members achieve their dreams and bringing value to them with the products we offer.

BRADY POPP, *Chief Lending Officer*

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RETURNING YOUR INVESTMENTS

Resource One Credit Union knows being your financial best is about more than great products and services – it is also about where your money is going. That is why we strive to provide valuable community events and educational resources. We held more reality fairs this year and introduced new events to share our expertise with the community. That is why you know your money is in good hands – because it is being invested right back into the place you call home.

“

We continue to look for the best opportunities to expand in the community and give back in ways that are meaningful and provide the best return for our members. Because, ultimately, it is our members' money we are reinvesting in the community.

JENNIFER GRINDER, *Chief Experience Officer*

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COMMUNITY INVOLVEMENT

Resource One Credit Union is determined to provide quality events, resources, and programs, not just to our members, but to all those in the communities we serve.

HERE IS HOW WE MADE AN IMPACT THIS YEAR:



OVER
500 HOURS

of employee volunteer time was invested into the communities

EMPLOYEES
DONATED OVER
\$5,000
to our communities



10 REALITY FAIRS EDUCATED
1,800 STUDENTS

134,000 LBS
of documents were shredded (estimated)



RESOURCE ONE PROVIDED OVER
\$200,000

to our communities through donations and sponsorships

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We participated in a day of fun games, food, and activities at our Fall Festival. It was a lot of fun, and watching those kids play was hilarious. They were living their best lives.

JENNIFER GRINDER

Chief Experience Officer

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Connecting with our community displays the Credit Union's values and builds relationships.

DOUG BEDNER

Chief Operating Officer

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COMMUNITY FESTIVALS

Our Fall Festivals were such a hit that we introduced a festival to kick off the spring. We held a Spring It On Festival at two locations, our Oak Forest and Cedar Hill branches.

We invited everyone in the community to attend these events and were pleased with the number of people who showed up. Guests enjoyed food, music, and entertainment, and the children were busy with plenty of activities.

We invited members to set up booths to promote their businesses, because we know that when our communities succeed, so do we.

2019 COMMUNITY EVENTS

- ▶ Day 1 Dallas
Vogel Alcove
- ▶ Mesquite Chamber of
Commerce Breakfast
- ▶ Reality Fair
Trinity Basin Preparatory
- ▶ Reality Fair
Cedar Hill
- ▶ Reality Fair
Lone Star College
- ▶ Spring Shred Day
Multiple Branches
- ▶ Spring It On Celebration
Multiple Branches
- ▶ Reality Fair
North Lake College
- ▶ R1 Annual Meeting
- ▶ Festival of Abilities
Oak Forest
- ▶ Health Care & Resource Fair
- ▶ Garland Chamber
YP Casino Night
- ▶ Oak Cliff Chamber Small
Business/Legislative Summit
& Vendor Fair
- ▶ Golf Tournament
Garland Chamber of Commerce
- ▶ Fall Festival
Multiple Branches
- ▶ National Night Out
Multiple Branches
- ▶ Commercial Networking Mixer
Houston
- ▶ Country Days
Cedar Hill
- ▶ Reality Fair
Eastfield College
- ▶ Reality Fair
Mountain View College
- ▶ Mortgage
Homebuyer Class
- ▶ Fall Shred Day
Multiple Branches
- ▶ Cedars Open Studios
Southside

REALITY FAIRS

Throughout 2019, Resource One Credit Union sponsored several Reality Fairs for local high schools and junior colleges. These events are a way to introduce teens and young adults to what it is like to navigate their monthly expenses in "the real world."

These educational events start by each student choosing a hypothetical career. From there, our teams guide them through financial responsibilities such as housing, paying bills, and unexpected life events.

Resource One representatives are proud to inform students on how to make smart money decisions. We are excited to continue offering advice and expertise to students through our Reality Fairs in 2020.

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The goal is more than just profits; it is to serve others, and our Reality Fairs are a great example of how we execute that.

MERRILL CURRIER
Chief Information Officer

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AUDIT 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 that 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.

Dixon Hughes Goodman, 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, 2019. The audit concluded the financial statements present fairly and accurately the 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*



FINANCIAL STATEMENTS

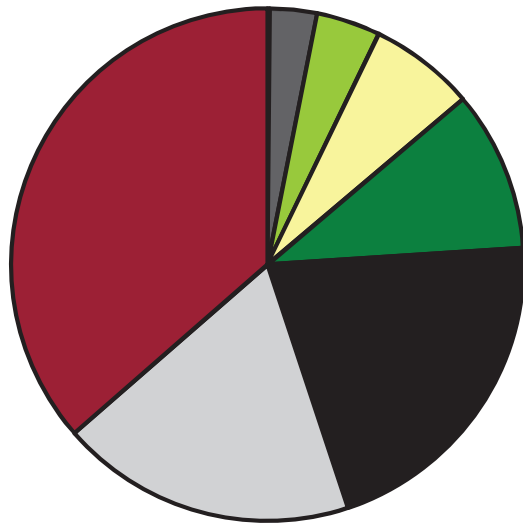
(unaudited)

INCOME	2017	2018	2019
Interest on Loans	20,834,902	21,645,520	23,806,353
Interest on Investment	293,898	866,203	605,787
Other Income	14,472,258	15,242,964	16,040,883
TOTAL INCOME	35,601,058	37,754,687	40,453,024
Expenses			
Salaries and Benefits	11,737,338	11,928,293	13,718,907
Travel and Conference	137,075	277,523	298,322
Office Occupancy	2,263,302	2,217,461	2,324,796
Operations	8,226,764	8,577,325	9,772,946
Education and Promotion	1,352,125	1,528,589	1,423,500
Professional Services	1,367,075	1,435,899	2,313,995
Other Operating Expenses	715,062	761,386	158,815
TOTAL OPERATING EXPENSES	25,798,741	26,726,476	30,011,281
Interest on Borrowings		244,119	2,644
Board & Committee Member Fees*	-	21,250	47,050
(Gain)/Loss on Sale of Assets	40,535	-	2,914
NCUA Assessments and MCA Depletions	-	-	-
Provisions for Loan Losses	4,802,000	6,447,000	5,965,082
TOTAL NON-OPERATING EXPENSES	4,842,535	6,712,369	5,970,640
Dividends Paid on Deposits	1,870,986	2,116,484	2,836,721
NET INCOME (LOSS)	3,088,796	2,199,358	1,634,382

*Board and Committee Member fees are projected to total approximately \$80,000 in 2020.

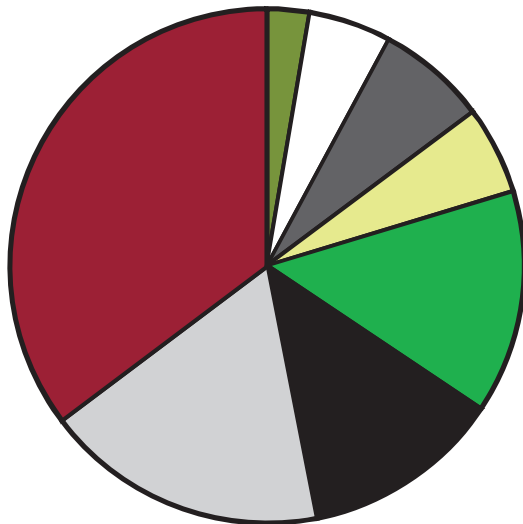
ASSETS	2017	2018	2019
Cash and Cash Equivalents	37,012,430	42,228,165	35,056,929
Investments	12,014,551	12,262,690	3,507,226
Loans	401,276,430	409,833,540	472,719,564
Allowance for Loan Losses	(3,480,347)	(4,907,721)	(4,858,955)
Land, Building, and Improvements	13,965,605	13,583,901	15,839,719
Furniture and Equipment	2,100,412	2,199,157	1,920,413
Other Assets	13,385,376	13,653,607	17,034,392
TOTAL ASSETS	476,274,457	488,853,340	541,219,288
Liabilities			
Accounts and Notes Payable	4,596,714	4,794,296	3,171,165
Other Liabilities	1,243,583	1,537,540	1,412,880
TOTAL LIABILITIES	5,840,297	6,331,836	4,584,044
Member Deposits			
Member Shares and Savings	150,406,249	157,417,609	162,313,502
Other Deposits	272,218,598	274,926,498	323,848,773
TOTAL DEPOSITS	422,624,847	432,344,107	486,162,275
Member Owner Equity			
Regular Reserves	5,861,700	6,030,427	4,953,504
Undivided Earnings	41,947,613	44,146,970	45,519,465
MEMBER OWNER EQUITY	47,809,313	50,177,397	50,472,968
TOTAL LIABILITIES AND EQUITY	476,274,457	488,853,339	541,219,288

FINANCIAL HIGHLIGHTS



Deposit Mix by Percentage

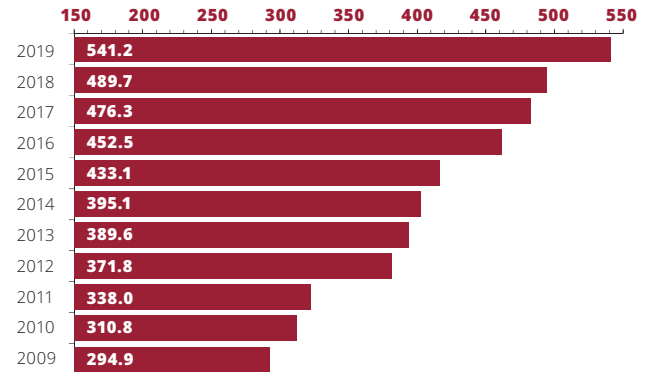
- Holiday Club – 0.1%
- IRA Savings – 2.4%
- Commercial – 3.9%
- IRA CDs – 6.6%
- Money Market – 8.7%
- Checking – 20.2%
- Certificates – 24.8%
- Savings – 33.4%



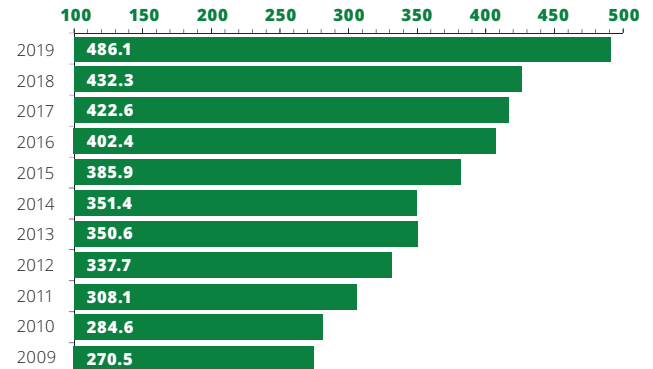
Loan Mix by Percentage

- Other Loans – 1.6%
- Commercial – 5.5%
- Unsecured – 7.6%
- Other Vehicles – 4.2%
- New Autos – 16.6%
- Mortgage Loans – 11.4%
- Other Real Estate – 18.2%
- Used Autos – 35.0%

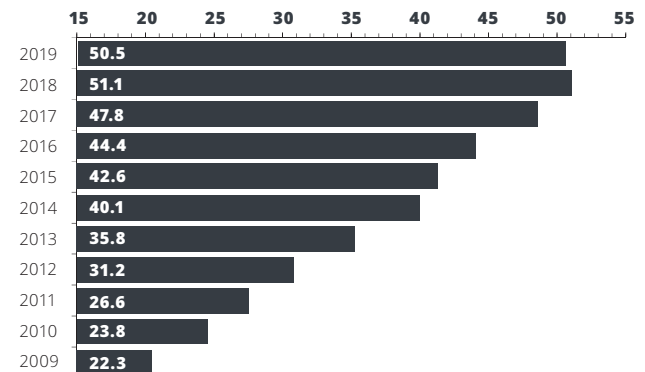
Total Assets in Millions of Dollars



Total Deposits in Millions of Dollars



Member Owner Equity in Millions of Dollars



VOLUNTEER BOARD MEMBERS AND TERMS

Name	Term Expiration
Karen Hart , <i>Chair of the Board</i>	2021
Greg Blunt , <i>Vice Chair of the Board</i>	2021
Chris Degelia , <i>Secretary and Treasurer</i>	2022
Janey Appia , <i>Board Member</i>	2022
Keith Willson ,* <i>Board Member</i>	2020
Craig Gant ,* <i>Board Member</i>	2020
Tony Goebel , <i>Board Member</i>	2022
Jean Manuel , <i>Board Member</i>	2021

*Board Members standing for re-election in 2020.

CREDIT UNION OFFICERS

Mary Beth Spuck, *President & CEO*

Brady Popp, *Chief Lending Officer*

Doug Bedner, *Chief Operating Officer*

Jennifer Grinder, *Chief Experience Officer*

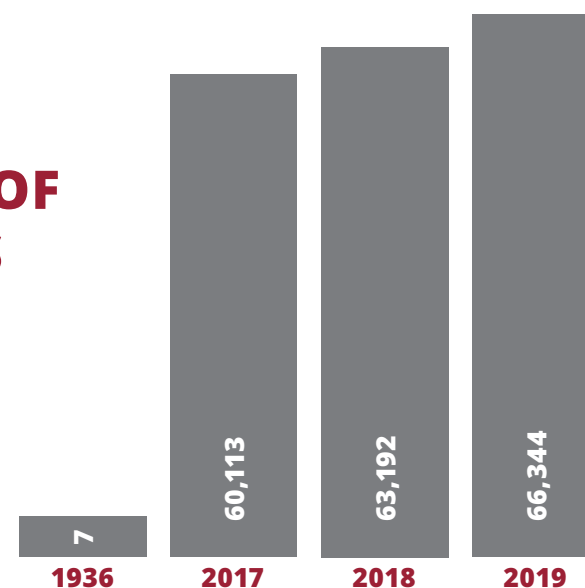
Merrill Currier, *Chief Information Officer*

Vacant, *Chief Financial Officer*

2019 CREDIT UNION OFFICER CHANGES

- ▶ Jim Ladner departed as Chief Financial Officer in March 2019
- ▶ Cherie Goosen joined as Chief Financial Officer in August 2019
- ▶ Cherie Goosen departed as Chief Financial Officer in December 2019

NUMBER OF MEMBERS



SERVICES OFFERED

SAVINGS

Regular Savings
Holiday and Summer Savings
Youth and 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 and Used Auto
New and Used Recreational Vehicles
» RVs, Boats, Motorcycles, Fifth Wheels,
Travel Trailers, Planes, etc.
Visa® Credit Cards
Share Secured Loans
Personal Loans
Lines of Credit
Credit Builder Loans
Home Improvement Personal Loans

REAL ESTATE LOANS

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

BUSINESS ACCOUNTS

Business Savings
Business Checking
Business Money Market
Business Flex CD

BUSINESS LOANS

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

ADDITIONAL SERVICES OFFERED

Over 5,600 Shared Branching Locations
Nearly 30,000 ATMs within the CO-OP®
ATM Network
Online and Mobile Banking
My Money Manager, retired 3/19/19
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

2019 NEW SERVICES AND PRODUCTS

CONSUMER

Digital Baking: New online banking and mobile app were released on March 19, 2019

Save to Win®: Save to Win® was released on April 1, 2019

My Health Solutions: My Health Solutions was released on June 1, 2019

R1 Rewards®: R1 Rewards® Visa® Signature Credit Card was released on July 1, 2019

Mobile Wallet: Mobile Wallet was released on September 1, 2019

Indirect Lease: Partnership with D&M Leasing to provide auto lease loans

Indirect Auto: Partnership with dealerships to provide auto loans

COMMERCIAL

Visa® Business Credit Card: Visa® Business Credit Card released on June 1, 2019

Merchant Services: Merchant Services powered by BancCard® Merchant Services released on June 1, 2019

Payroll Services: Payroll Services powered by PAYCHEX® released on August 1, 2019

Dallas

CARROLLTON

2501 East Hebron Parkway, #300
Carrollton, TX 75010

CEDAR HILL

755 North Highway 67
Cedar Hill, TX 75104

EAST DALLAS

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

GARLAND

302 West Centerville Road
Garland, TX 75041

GARLAND - NORTH

2475 Arapaho Road
Garland, TX 75044

IRVING

2315 West Airport Freeway, #161
Irving, TX 75062

MESQUITE

2750 North Galloway Avenue
Mesquite, TX 75150

SOUTHSIDE

1200 Belleview Street
Dallas, TX 75215

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

8720 Spring Cypress Road
Spring, TX 77379

*Relocated January 1, 2020, from
22560 Tomball Parkway, #100, Houston, TX 77070



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