

2021 ANNUAL REPORT



2021 Highlights

For 2021 many of our goals focused on adding tools and implementing upgrades to many of our products and services. These changes were designed to bring convenience and accessibility to our membership.

Digital changes to better assist members in accessing their financial information include ATMs with new capabilities, Video Banking, and a credit monitoring tool within online banking.

We also focused on expanding our accounts and loan services to better fit the needs of our members and communities. For example, Spending Accounts received new perks based on member feedback. Additionally, Citizenship Loans were added to help individuals finance the costs associated with citizenship and ITIN lending to those in our field of membership who do not have a Social Security number (SSN).

As we approach 2022, we will continue to listen to our members and use the feedback we receive to guide the future decisions of Resource One Credit Union. We hope to have made a difference in our members' financial lives with the changes we made in 2021, and we will continue to add new products and services as we see a growing need for them.



Chair Report

As I reflect on 2021, I think about the word "stability." We were able to continually provide first-rate service to our members while facing the continued ups and downs of the pandemic. I am proud of the financial strength and resources we continued to deliver to our membership while looking for ways to grow and enhance products and services.

Our teams worked hard this past year to deliver high quality service to our members and we continue to look for new and improved benefits to help our members and the community.

The Board's goals are clear, maintain financial stability, protect the members' money, stay relevant in the marketplace, and find new ways of growing and serving the membership and communities. This past year, we have developed new partnerships to help support our communities, such as the one we are growing with Dallas Area Interfaith.

This past year, we also added new services, such as Video Banking, and re-vamped Spending Accounts to serve our membership and attract new members. It's been an exciting year with all we achieved in 2021. Additionally, the Board and I evaluated the many products and services we currently offer, branch operations, technology, and more to ensure our offerings are still prevalent to our members' needs.

I am looking forward to the amazing opportunities as a Credit Union to serve our members and community. We are looking at significant enhancements in both technology and software, all of which allow us to serve our members better in 2022. Our Credit Union continues to be a leader in our community, and we look forward to serving the membership at higher levels each year.

Karen Hart

Chair of the Board

President's Report

Through hard work, innovation, and member loyalty, Resource One finished the challenging year of 2021 stronger than ever. As a result, the numbers reflect the growth.

- Total loan balances grew 4.9% to \$553M
- Total deposits grew 11.5% to \$670M
- Total assets grew 15.0% to \$738M
- Membership grew to 67,537

Resource One's strength goes beyond just the numbers. Our staff worked to help our members meet various financial goals and needs throughout the year.

- We helped 185 business members with over \$5.1M in Payroll Protection Program (PPP) loans
- We helped 282 members with a new mortgage or refinanced for a total of \$54M
- We helped 4,274 members with an auto loan for a total of \$149M

- \$3.7M in member dividends paid
- Members saved a total of \$7M from our low-interest rates on the loans that we offer vs banks¹

Meanwhile, we continue to help our communities and members by providing financial education to our future leaders through Reality Fairs and our membership through personal financial coaching, podcasts, blogs, and videos. We also support our community organizations, such as Vogel Alcove and Kids' Meals. Organizations that help support the children in need in the community.

As we progress into 2022, we look forward to re-introducing in-person events like our community shred days and continuing to focus on our members. We will be sharing more information on our website and social media pages for our upcoming 2022 events.

¹Information independently certified by Datatrac, the National Credit Union Administration (NCUA), and the Credit Union National Association (CUNA), which estimated the Resource One Credit Union provided \$7,836,141 in direct financial benefits to its 67,146 members during the twelve months ending September 2021, when compared to the average rates and yields of Dallas-Fort Worth-Arlington Metro and Houston-Sugar Land-Baytown Metro market average.

President's Report

Another initiative we will be focusing on is our members' experience. We are laying the foundation for more convenient services that involve overhauling our phone system and payment systems. Soon, our members will be able to enjoy these new and improved features to make managing their finances easier. Additionally, our staff's goal is to spend over 1,000 hours volunteering in our communities and helping educate over 200 members on financial education.

None of these things could be accomplished without you, your membership, and your investment in Resource One Credit Union. Again, we thank you for your loyalty and look forward to another year of growth and helping you achieve your financial goals.

Mary Beth Spuck

President and CEO





For 85 years Resource One Credit Union has been dedicated to helping our communities and providing financial education to our growing membership.



REMINISCING ON 85 YEARS OF R1

In 2021, Resource One Credit Union celebrated its 85th anniversary. Watch our anniversary video to hear from our member/owners about why they love R1, how the Credit Union has changed, and their hopes for its future.



Scan the QR code
to view the video.

In The Community



Vogel Alcove

Employees were able to assemble over 450 lunch sacks and deliver several boxes of individual food items to help children experiencing homelessness in Dallas.



Kids' Meals Inc.

Employees collected and donated boxes of Ziploc sandwich bags. This donation will help contribute to the lunches delivered to the children of Houston experiencing extreme hunger.



CDFI Grant

R1CU was honored to receive a Community Development Financial Institutions grant to fund projects designed to support the Credit Union's surrounding communities.

R1CU plans to deploy the funds back into the communities through initiatives and projects such as Hispanic outreach, low income community support, and financial education.



Blood Drive

Employees participated in a blood drive to help those in need of transfusions.



Events & Volunteering

Employees attended events and donated their time to volunteer in our communities while practicing public safety guidelines.

During 2021, our employees were able to volunteer over 64 hours of their time to help local charities and non-profit organizations.

Educational Outreach



Budget Buddies

The Budget Buddy program continues to allow Resource One certified financial counselors to help members by phone or virtual meeting.

During 2021, 10 employees earned their Financial Counselor Certification.

At no cost to our members, they can find a counselor that fits their specific needs and make an appointment with their Budget Buddy at www.r1cu.org/financial-coaching.



Mortgage Webinars

Resource One Mortgage Professionals created and hosted a virtual version of their New Home Buyer and Home Refinance workshops.

These classes gave tips for before, during, and after the mortgage process and discussed questions live.



Lending Webinars

Resource One added several virtual classes to help educate members and other attendees on lending practices.

These classes included topics on Auto Buying vs. Leasing, Commercial Services, and Credit Card vs. Personal Loans.



Financial Education

Employees worked to create over 240 minutes of digital content on YouTube and Anchor to help educate our members and community on everything they need to know about trending financial topics.



Benefits of Membership

Resource One Credit Union is honored to receive the Datatrac Great Rate Award®, certifying that we consistently outperformed the average rates of Dallas and Houston metro financial institutions. As a not-for-profit institution focused on helping our members save money, R1 is proud to have provided our members with over \$7 million in savings in only 12 months!

We are able to provide these savings through lower loan rates, higher savings rates, and fewer fees than other financial institutions.

The Credit Union National Association (CUNA) estimates that R1CU provided \$7,836,141 in direct financial benefits to its 67,146 members during the twelve months ending September 2021.

**These benefits are equivalent to \$117 per member
or \$245 per member household.²**

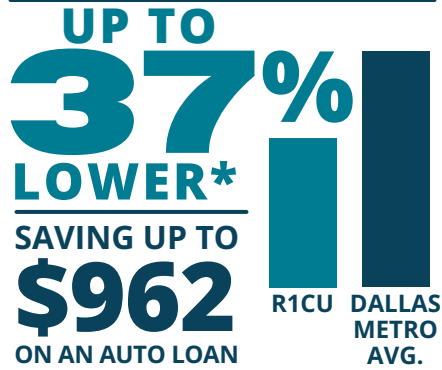
**R1CU Members saved
\$7,836,141
in 2021!¹**



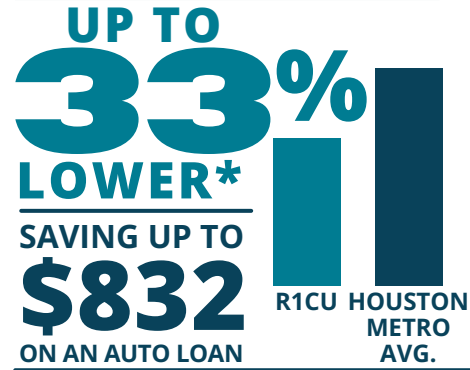
¹Rates and fees as of September 2021. ²Assumes 2.1 credit union members per household. Datatrac Great Rate Awards® certify that deposit and loan rates outperform the market average for comparable products. For more information, please visit <https://www.datatrac.net/GreatRateAward.aspx>.

Benefits of Membership

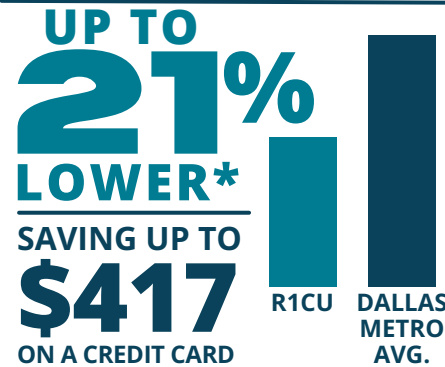
DALLAS METRO AUTO LOANS



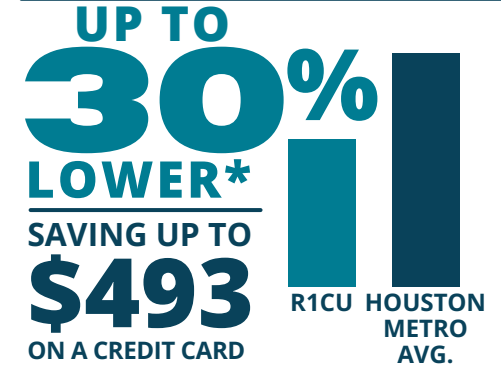
HOUSTON METRO AUTO LOANS



DALLAS METRO CREDIT CARDS



HOUSTON METRO CREDIT CARDS



*Information independently certified by Datatrac, the National Credit Union Administration (NCUA), and the Credit Union National Association (CUNA), which estimated the Resource One Credit Union provided \$7,836,141 in direct financial benefits to its 67,146 members during the twelve months ending September 2021, when compared to the average rates and yields of Dallas-Fort Worth-Arlington Metro and Houston-Sugar Land-Baytown Metro market average.

Financial Statements (audited)

Income	2019	2020	2021
Interest on Loans	23,806,353	25,797,909	24,977,752
Interest on Investment	605,788	528,839	1,098,296
Other Income	<u>16,040,883</u>	<u>14,394,460</u>	<u>16,491,213</u>
TOTAL INCOME	40,453,024	40,721,208	42,567,261
Expenses			
Salaries & Benefits	13,718,907	13,944,279	15,305,885
Travel and Conference	251,272	21,522	60,583
Office Occupancy	2,324,796	2,315,395	2,282,735
Operations	9,772,946	9,541,452	8,909,567
Education and Promotion	1,423,500	738,772	635,898
Professional Services/Loan Servicing	2,313,995	2,244,321	1,730,396
Other Operating Expenses	<u>158,815</u>	<u>(62,021)</u>	<u>1,405,225</u>
TOTAL OPERATING EXPENSES	29,964,231	28,743,720	30,330,289
Interest on Borrowings	2,644	-	6,833
Board & Committee Member Fees*	47,050	107,633	90,903
(Gain)/Loss on Sale of Assets	2,914	(55,281)	32,177
NCUA Assessments & MCA Depletions	-	-	-
Provisions for Loan Losses	<u>5,965,082</u>	<u>4,778,388</u>	<u>3,013,365</u>
TOTAL NON-OPERATING EXPENSES	6,017,690	4,830,740	3,143,279
Dividends Paid on Deposits	<u>2,836,721</u>	<u>4,004,377</u>	<u>3,682,359</u>
NET INCOME (LOSS)	<u>1,634,382</u>	<u>3,142,372</u>	<u>5,411,335</u>

Assets	2019	2020	2021
Cash and Cash Equivalents	35,056,929	42,482,100	46,490,479
Investments	3,507,226	41,069,332	104,662,448
Loans	472,719,564	527,722,676	553,122,064
Allowance for Loan Losses	(4,858,955)	(5,437,012)	(5,753,352)
Land, Building and Improvements	15,839,719	15,288,595	15,153,823
Furniture and Equipment	1,920,413	2,056,564	2,038,436
Other Assets	<u>17,034,392</u>	<u>19,021,448</u>	<u>23,954,713</u>
TOTAL ASSETS	<u>541,219,288</u>	<u>642,203,703</u>	<u>739,668,611</u>

Liabilities	2019	2020	2021
Accounts and Notes Payable	3,171,165	(7,275,630)	4,705,922
Other Liabilities	1,412,879	(4,672,191)	3,022,001
Uninsured Secondary Capital	-	-	5,000,000
TOTAL LIABILITIES	4,584,044	(11,947,821)	12,727,923

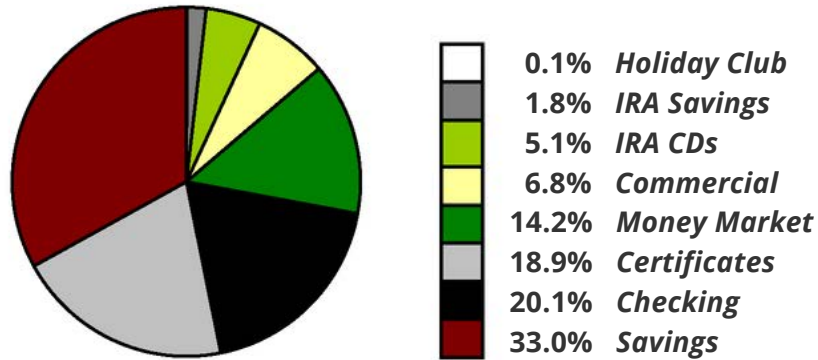
Member Deposits	2019	2020	2021
Member Shares and Savings	162,313,502	197,192,300	197,192,301
Other Deposits	<u>323,848,773</u>	<u>404,000,597</u>	<u>472,628,205</u>
TOTAL DEPOSITS	486,162,275	601,192,897	669,820,506

Member Owner Equity	2019	2020	2021
Regular Reserves	4,953,504	4,953,504	4,953,504
Undivided Earnings	45,519,464	48,661,837	54,073,176
Accum G/L - Investments	-	(656,714)	(1,906,498)
MEMBER OWNER EQUITY	<u>50,472,968</u>	<u>52,958,627</u>	<u>57,120,182</u>
TOTAL LIABILITIES & EQUITY	<u>541,219,288</u>	<u>642,203,703</u>	<u>739,668,611</u>

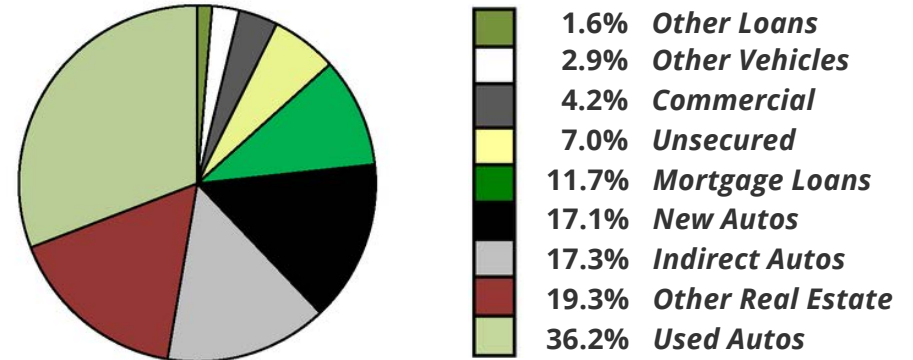
*Board and Committee Member Fees are projected to total approximately \$152,000 in 2022.

Financial Highlights

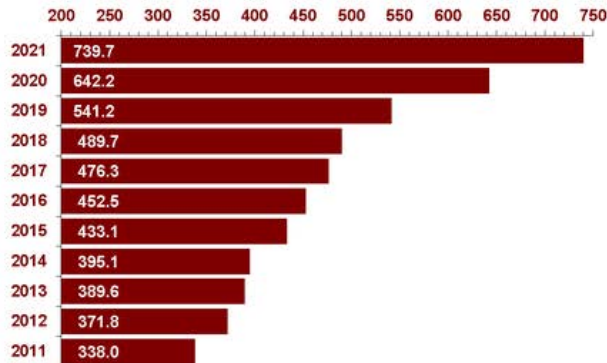
DEPOSIT MIX by Percentages



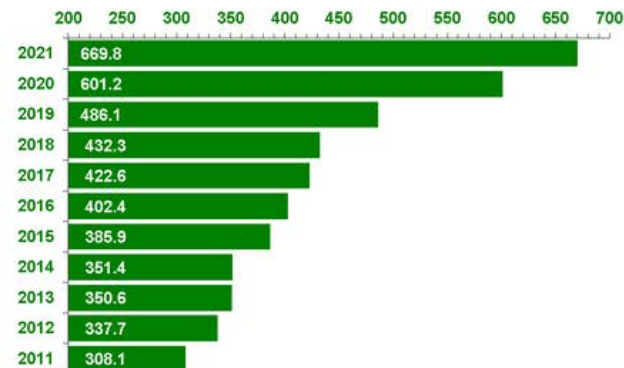
LOAN MIX by Percentages



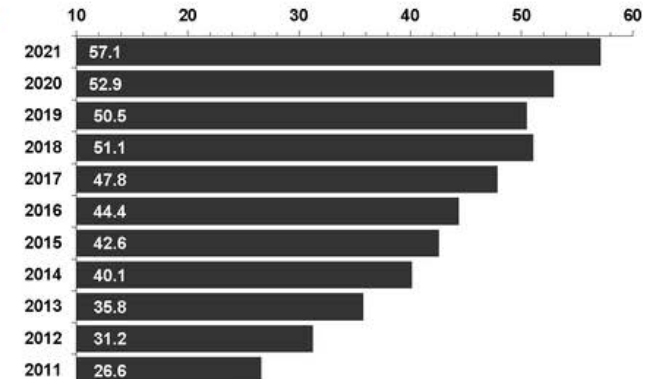
Total Assets in Millions of Dollars



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, 2021.

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

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

*Board Members standing for re-election in 2022.

CREDIT UNION OFFICERS

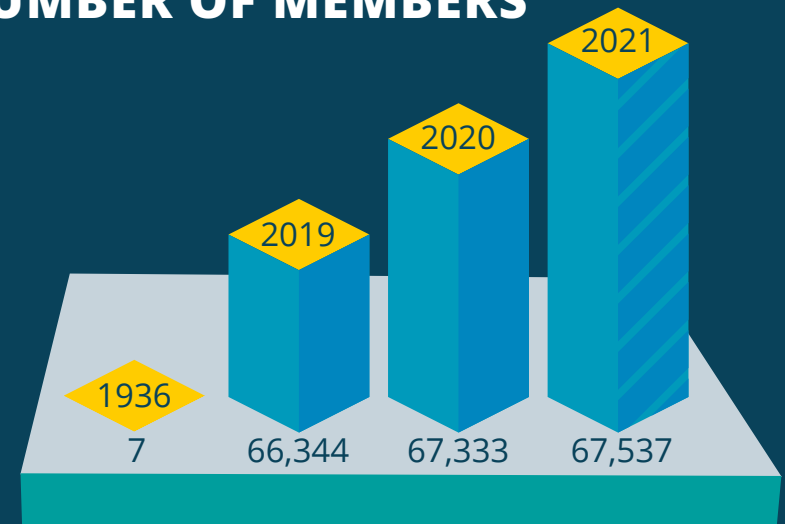
Mary Beth Spuck, *President and CEO*
Brady Popp, *Chief Strategy Officer*
Doug Bedner, *Chief Lending Officer*
Jennifer Grinder, *Chief Retail Officer*
Merrill Currier, *Chief Information Officer*
Tracey Jackson, *Chief Financial Officer*

CREDIT UNION OFFICER CHANGES

On February 1, 2021 the following officer changes took place:

- Brady Popp transferred from Chief Lending Officer to Chief Strategy Officer
- Doug Bedner transferred from Chief Operating Officer to Chief Lending Officer
- Jennifer Grinder transferred from Chief Experience Officer to Chief Retail Officer

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
PPP Loans
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

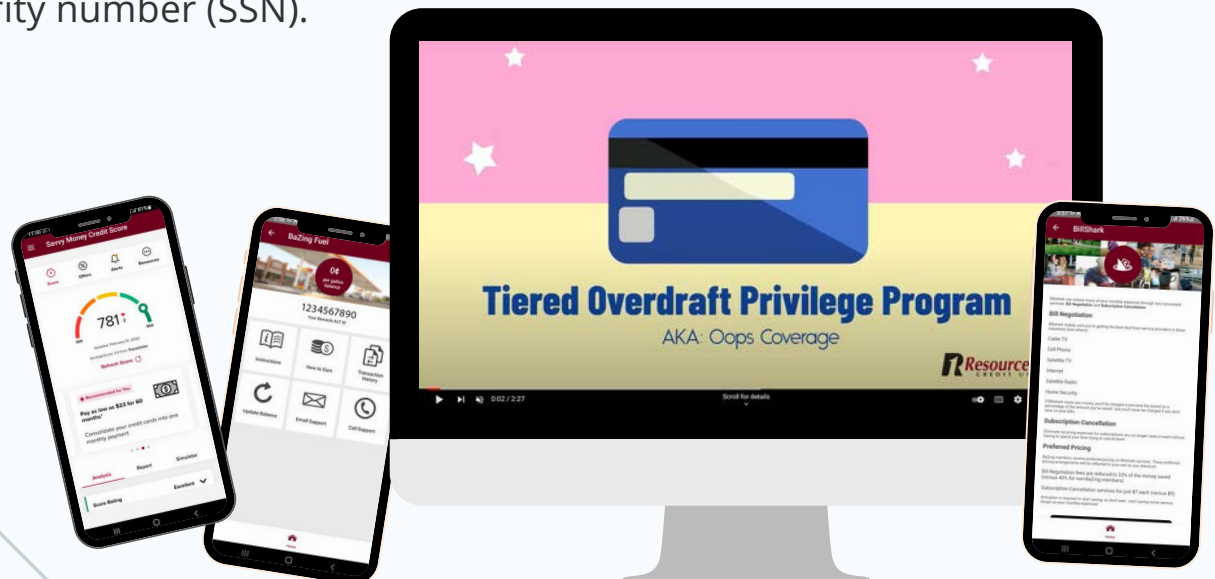
ADDITIONAL SERVICES OFFERED

Over 5,600 Shared Branching Locations
Over 30,000 ATMs within the CO/OP®
ATM Network
Budget Buddies
Debt Protection with Life Plus
Digital Banking
Expert Webinar Series
Financial Coffee™ Podcast
Mobile and Online Banking
Mobile Deposit
Mobile Wallet
My Health Solutions
Pay a Person with Popmoney®
Rescue Resource™
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

- Citizenship Loans:** Loans to help individuals and families succeed financially during the citizenship journey.
- Video Banking:** Service that allows members to meet with member experience representatives virtually.
- Upgraded ATMs:** New ATMs with increased availability in addition to deposit and withdrawal capabilities.
- Tiered Overdraft:** Covers transactions that would otherwise return due to an insufficient available balance.
- Bazing Fuel:** R1 Cha-Ching Savings. Earn up to 10 /gal for up to 20 gallons each month with 15 debit swipes.
- Billshark:** R1 Cha-Ching Savings. Service to negotiate various household services on your behalf.
- Credit Score by SavvyMoney:** Credit monitoring tool for our members within online and mobile banking.
- ITIN Lending:** Lending to those in our field of membership who utilize an Individual Taxpayer Identification Number (ITIN) in lieu of a Social Security number (SSN).



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

SOUTH GARLAND

302 West Centerville Road
Garland, TX 75041

NORTH GARLAND

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



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

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

