

2013 ANNUAL REPORT



**COMMUNITY
RESOURCE**
CREDIT UNION
Start here to get there.

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A MESSAGE FROM OUR CHAIRMAN AND PRESIDENT



Doug Osterhus
Chairman



David Frazier
President/CEO

2013: AN OUTSTANDING YEAR

The primary mission of Community Resource Credit Union is to help our members achieve financial well-being by providing high quality financial products and outstanding service. We made excellent progress toward these goals in 2013 with the opening of our new branch in Atascocita, improvements to our mobile banking platform, strong loan growth while maintaining high asset quality, sound financial management practices and outstanding audit results. Our employees continued their extensive volunteer activities in the communities we serve and were recognized in the community for their excellent service and financial expertise. We strive to make our financial products and customer service as convenient and economical for you as possible, since we believe that financial success means a better life for you, your family, your fellow members and our community as a whole. Our vision to enhance the quality of life for our members motivates us to continually improve our performance for you in the years ahead.

FINANCIAL PERFORMANCE

CRCU total assets grew 7.5% in 2013, from \$306M to \$329M. Return on average assets was 0.22%, with a corresponding net income of \$676,678. We continue to be a well-capitalized credit union, ending 2013 with a net worth ratio of 9.4%. Total loans to new and current members increased 14.9% and deposits grew 4.5%. Our credit quality continued to be excellent with a net charge-off ratio of 0.40% and delinquency ratio of 0.37%.

OPERATIONAL QUALITY

CRCU ensures compliance with state and federal regulations, policies, procedures and internal controls over financial reporting through a comprehensive audit process conducted by the National Credit Union Administration (NCUA), Texas Credit Union Department, the national CPA firms of Orth, Chakler, Murnane and Company and CliftonLarsonAllen LLP.

ATASCOCITA BRANCH

Our fifth branch, located in Atascocita at 6903 Atascocita Road, opened in November to provide additional convenience for existing members and a channel to reach out to new members. The 7,700 square foot facility, designed by Page Sutherland Page Architects, is a full service branch staffed with personal financial officers and member service representatives, as well as an investment advisor and mortgage and business lending personnel. We encourage you to stop by and visit our newest facility, which was designed to provide the highest level of member service and convenience.

SERVICE, QUALITY, CONVENIENCE & TRUST

Our goal has always been to give members the service and value of a local financial institution while also providing the same innovative products and convenience of larger banks. In 2013, our members rewarded us with some of the highest peer-based satisfaction ratings in the nation based on a survey by the Raddon Financial Group. We introduced Mobile Check Deposit, a service that provides members the ability to deposit a check

by taking a photo of it with their smartphone. CRCU was named the corporate partner of the year by both the Crosby-Huffman Chamber of Commerce and the Hispanic Chamber of Greater Baytown. Our credit union employees raised \$16,774 to benefit the Bay Area Relay for Life, and for the third consecutive year, was recognized by the Cornerstone Credit Union League for our commitment to community service. CRCU was also voted the best place to get financial advice by the readers of the *Baytown Sun*.

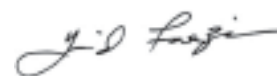
THANK YOU

All of us at CRCU—your volunteer Board of Directors, management and every employee—thank you for your membership and continued loyalty. We know you have choices in financial services, and we appreciate the confidence you have placed in us. We enter 2014 looking forward to making a positive, meaningful difference in the lives of our members, employees and our community.

Sincerely,



Doug Osterhus
Chairman



David Frazier
President/CEO



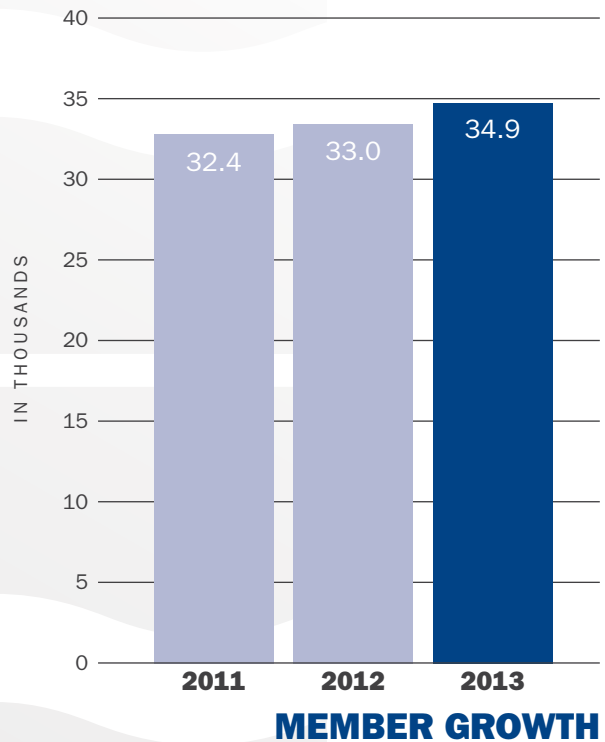
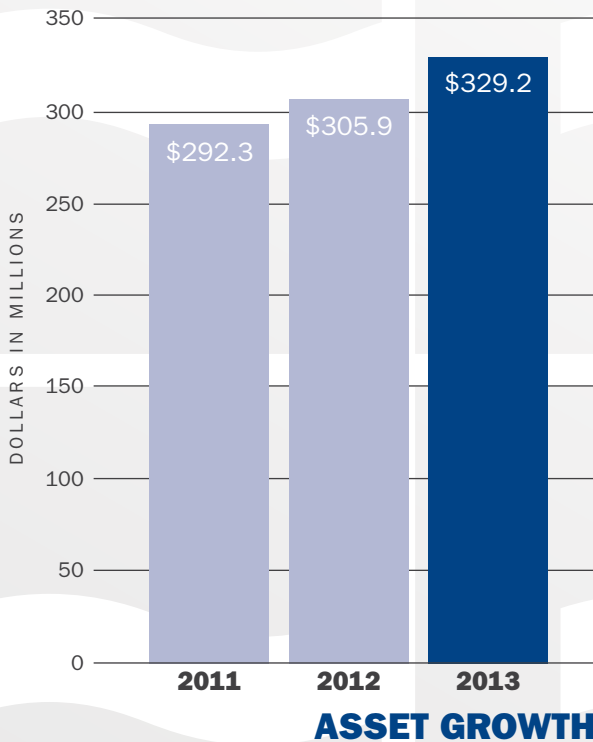
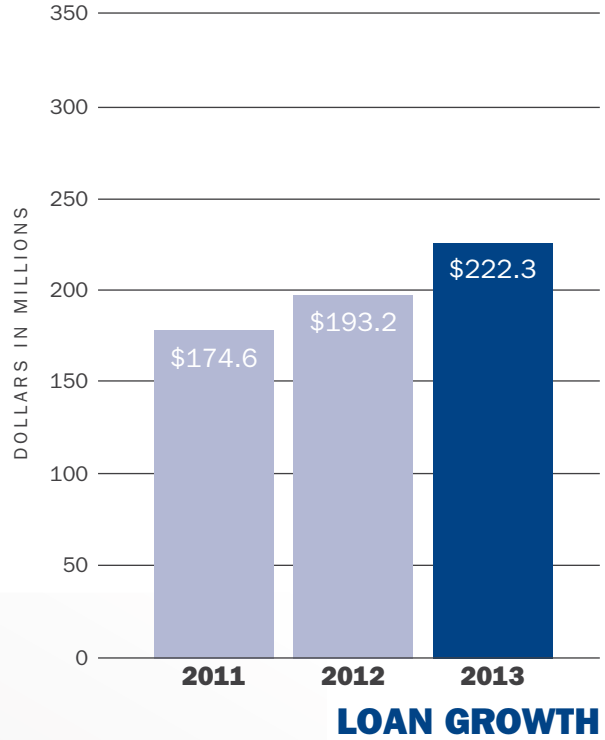
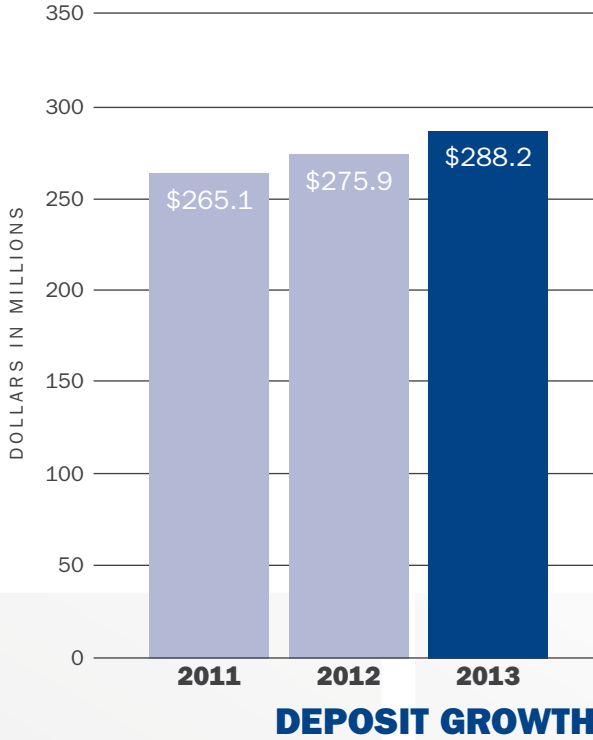
BALANCE SHEET

As of December 31,
2013 **2012**

ASSETS		
Cash	\$ 22,202,954	\$ 30,160,841
Investments	53,189,329	57,681,919
Loans (net)	222,318,033	193,221,167
Receivables	4,305,502	1,425,548
Accrued Income	1,116,088	1,089,315
Land	2,769,387	2,769,387
Building and Improvements (net)	12,771,081	7,840,487
Furniture and Equipment (net)	2,345,808	3,083,956
Other Assets	8,218,506	8,645,660
TOTAL ASSETS	\$ 329,236,688	\$ 305,918,280
LIABILITIES, MEMBERS' DEPOSITS AND RESERVES		
Liabilities		
Accounts Payable	\$ 2,681,077	\$ 1,889,455
Borrowed Funds	10,000,000	—
Total Liabilities	12,681,077	1,889,455
Members' Deposits		
Shares	95,277,136	86,123,850
Money Market Accounts	18,824,866	16,651,240
Checking	105,283,686	100,656,645
Certificates of Deposit	45,126,017	47,179,367
Individual Retirement Accounts	23,678,404	25,271,771
Total Members' Deposits	288,190,109	275,882,873
Reserves and Undivided Earnings	28,365,501	28,145,952
TOTAL LIABILITIES, MEMBERS' DEPOSITS AND RESERVES	\$ 329,236,688	\$ 305,918,280



FINANCIAL HIGHLIGHTS



SLATE OF NOMINEES



Ruben de Hoyos

A native of Baytown, Ruben is active in the community. He has served on the board of numerous organizations including: the American Cancer Association, Baytown Kiwanis Club, Friends of Lee College, Baytown Opportunity Center, Exxon Employee Club, Bay Area Resource Center, Hispanic Chamber of Commerce, Hispanic Education Access Committee, TAMACC Educational Development Foundation Board, Communities in School Board of Directors, American Diabetes Baytown Chapter Board of Directors, and Houston Galveston Area Economic Development Council. He joined the U.S. Navy during World War II, serving in the South Pacific. De Hoyos was employed by Humble Oil and Refining Company in 1947. He retired from the Exxon Chemical Plant in Baytown in 1986 as Operations Supervisor. He joined the Credit Union in 1948 and was named to the Board of Directors in 1993. De Hoyos received an Honorary Associate of Arts Degree from Lee College and was named the Volunteer of the Year in the Field of Education.



Doug Osterhus

Doug Osterhus is a graduate of Ross Sterling High School in Baytown and holds a BS degree in Chemical Engineering from the University of Texas at Austin and an MBA from the University of Houston. Osterhus retired from ExxonMobil in 2013 after almost 38 years of service. During his career he held various technical and commercial assignments in ExxonMobil's Chemicals, Lubes and Specialties, Gas and Power Marketing, Development, and Upstream Ventures companies, including eight years at the Baytown Olefins Plant. Osterhus first became involved with the Credit Union in 1967 when he opened a checking account there, which he still retains. During his assignment at BOP he volunteered on the audit committee in 1982 and was elected a director in 1984. He has served as Assistant Treasurer and Vice Chairman of the Board during his tenure and as Chairman of the Board from 1996 to 2008 and 2010 through 2013. He currently serves on the Executive and Business Lending Committees.



Connie Tilton

Connie Tilton was elected to the CRCU board in 2010. She works as the Public and Government Affairs Advisor for ExxonMobil, Inc. She is active in the community serving on several boards including Kiwanis, Bay Area Historical Society, and Economic Alliance Houston Port Region. Connie holds a Master of Business Administration from the University of Phoenix at Clear Lake. She resides in Baytown with her husband and two daughters.



BOARD OF DIRECTORS & ADMINISTRATION

BOARD OF DIRECTORS



Doug Osterhus
Chairman
Term expires 2014



Randall Sanders
Vice Chairman
Term expires 2016



Wayne Gray
Secretary/Treasurer
Term expires 2016



Dick Dawson
Director
Term expires 2016



Ruben de Hoyos
Director
Term expires 2014



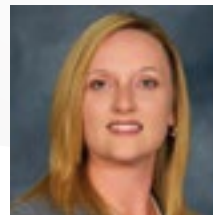
Jonna Cagle-Page
Director
Term expires 2015



Trudy Masters
Director
Term expires 2015



**Thomas D. "Tucker"
Coughlen, Director**
Term expires 2015



Connie Tilton
Director
Term expires 2014

ADVISORY DIRECTORS



John Henderson
Chairman Emeritus
Term expires annually



David Mohlman
Advisory Director
Term expires annually

ADMINISTRATION

David Frazier
President/Chief Executive Officer

Russell Ballard
Executive Vice President

Deena Smith
Senior Vice President/Chief Financial Officer

Steve Boylan*
Senior Vice President/Chief Operating Officer

Robert Head
Senior Vice President, Financial Advisor

Sharon McKinzie
Senior Vice President, Project Development

Mike Smith
Senior Vice President, Marketing,
Business Development and Facilities

Tamara Hudson
Vice President, Information Technology

Sandy Kennedy
Vice President, Human Resources

Brenda Weinberger
Vice President, Risk Management

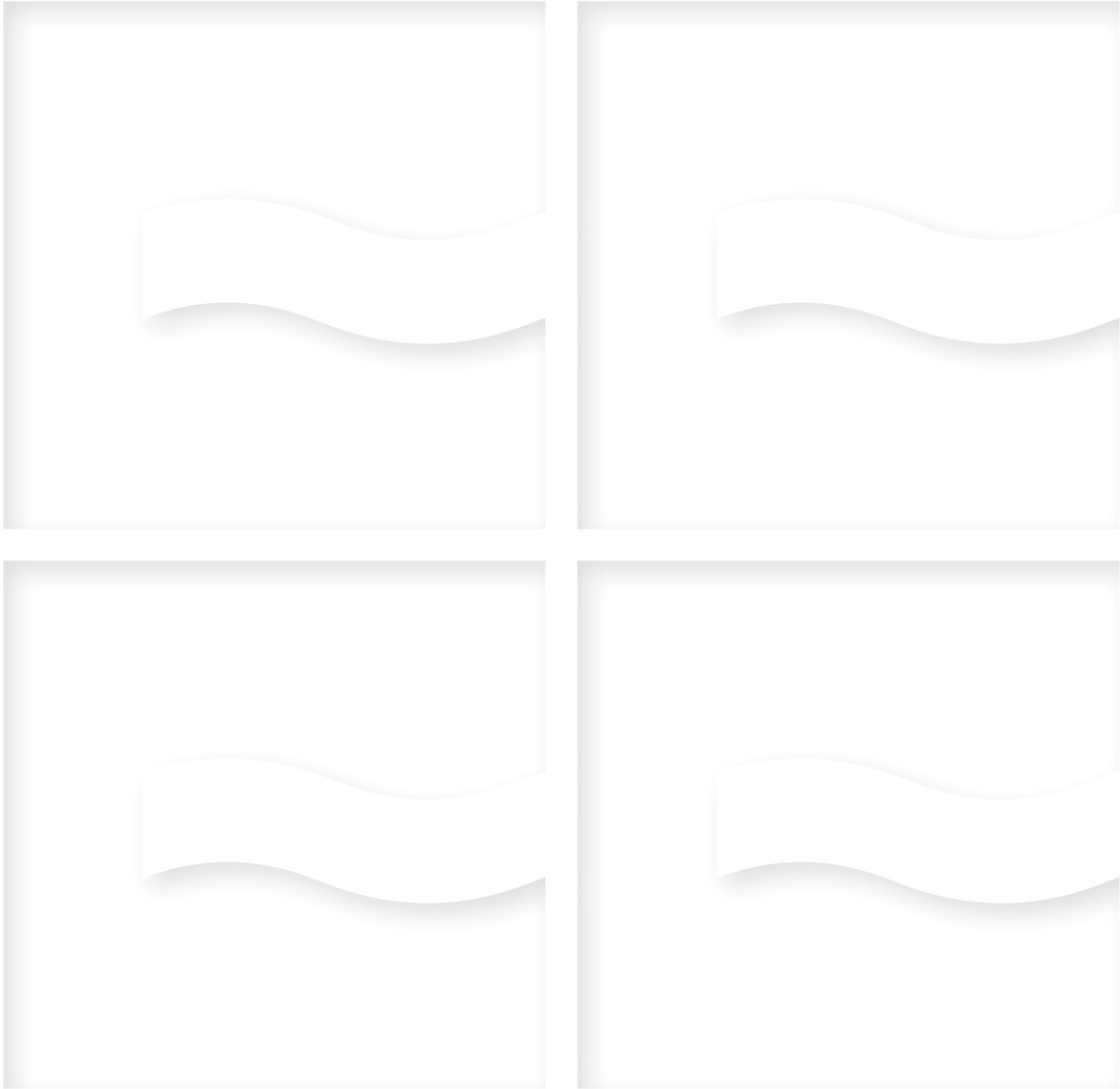
Mike Dahlquist
Vice President, Mortgage Lending

Joy Meyers
Vice President, Operations

Sharon Moore*
Vice President, Project Development

Aaron Rathbone*
Vice President, Business Services

**Staff additions since last report.*



DECKER BRANCH
2900 Decker Dr.
281.422.3611

ALEXANDER BRANCH
2700 N. Alexander Dr.
281.422.3611

GARTH BRANCH
6810 Garth Rd.
281.422.3611

CROSBY BRANCH
6218 FM 2100
281.462.2728

ATASCOCITA BRANCH
6903 Atascocita Rd.
281.462.2728

WWW.CRCU.ORG



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