

Credit Committee

The Credit Committee recommends loan policies for approval by the Board of Directors. The responsibilities of the Credit Committee are to review loan applications, review all loans granted, review rejected loans, and to recommend loan policies for approval by the Board of Directors.

In 2013, the Committee approved 2,922 loan applications. The loans that were approved totaled \$25,630,289.88.

Many thanks to the Committee for their time and for a job well done.

Veronica Cromer, Chair

Nominating Committee

The Nominating Committee is appointed by the Board of Directors to recruit qualified candidates and is made up of 3 directors who will not be standing for re-election in the upcoming year.

Each year the three year term of one third of the members of your Board of Directors expires. Annually a call for member nominations is conducted. This year there were no respondents to the call and therefore your Board of Directors appointed John Crockett to fill the remaining seat.

Your 2014 Board of Directors include: Carole Orosz, Lester Carney, John Crockett, Richard Hager, Judi Hill and Ernest Steele.

Carole Orosz, Ernest Steele

Annual Certified Audit

Towpath Credit Union employs the Certified Public Accounting firm of Lillie & Company. They perform an audit of the credit union's financial statements. The objective of this audit is to determine the credit union's financial statements are presented fairly in accordance with Generally Accepted Accounting Principles (GAAP). In the opinion of our Certified Public Accountants, the December 31st, 2013 statement of financial condition is fairly stated in accordance with GAAP.

Towpath Credit Union remains financially safe and sound. As a financial institution in the community, we are poised to maintain our position of stability despite a tough economy. It has been my pleasure to serve you in this capacity.

Ernest Steele, Treasurer



Fairlawn
2969 Smith Road
Fairlawn, Ohio 44333

Akron
645 N. Main Street
Akron, Ohio 44310

Portage Lakes
2500 N. Turkeyfoot Rd.
Akron, Ohio 44319

www.towpathcu.com

2013

ANNUAL
REPORT



Chairman/CEO Report

Towpath Credit Union is financially healthy and positioned to grow into the future with innovative and affordable products and services. Let us express our gratitude for the opportunity to serve you, the members of Towpath Credit Union. We truly appreciate and thank you for the support you have shown your Credit Union over the years.

We are pleased to report that this past year we have enjoyed increased membership, an increased capital position, a great loan growth (balanced across auto, mortgage and business lending), a good return on average assets, and assets of more than \$112 million.

Our excellent performance is the direct result of Towpath's expertise and careful strategic planning, both of which enabled us to aggressively capitalize on the advantages afforded by an ever-changing economic landscape. Our strategic approach has carried us through an economically challenging few years and allowed us to perform significantly better than our peers.

Towpath's net worth is just one example of its strength. Our reserves are strong, our staff is experienced, and we continue to remain committed that the array of products, services and tools we provide our members will be convenient and relevant.

As we move forward in 2014, we will continue to increase our lending efforts:

- We will continue auto loan promotions as well as small business lending.
- We will increase residential real estate product offerings.
- We will have money to lend to our members and our loan rates will continue to be competitive.
- We will expand our technology capabilities to provide convenience and access for our members.

Every week we hear new stories on how we have helped members financially with creative solutions to their needs. We will continue to provide Summit County with strong financial solutions.

We look forward to the year ahead and extend sincere thanks to our valued members who put their trust in Towpath Credit Union.

Carole Orosz
Chairman of the Board

Rose Bartolomucci
President/CEO



Statement of Financial Condition December 31, 2013, 2012 and 2011

| Assets | 2013 | 2012 | 2011 |
|--|----------------------|----------------------|----------------------|
| Cash | 11,187,402 | 16,977,374 | 11,721,712 |
| Loans to Members | 50,468,048 | 46,519,184 | 51,236,298 |
| Investments | 44,877,429 | 45,267,435 | 43,051,903 |
| Insurance Reserves | 1,313,307 | 1,288,003 | 1,270,415 |
| Land, Buildings and Equipment Net of Depreciation | 2,772,817 | 2,921,723 | 3,253,484 |
| Accrued Income, Prepaid Expenses and Other Assets | 3,275,799 | 1,264,155 | 1,528,100 |
| | \$113,894,802 | \$114,237,874 | \$112,061,912 |
| Liabilities and Members' Equity | | | |
| Accounts Payable and Other Liabilities | 678,609 | 585,435 | 472,657 |
| Members' Savings | 100,255,036 | 101,116,580 | 99,271,578 |
| Reserves and Undivided Earnings (internally prepared) | 12,961,157 | 12,535,859 | 12,317,680 |
| | 113,894,802 | 114,237,874 | 112,061,915 |

Your Credit Union's Growth at a Glance

| | Total Assets | Total Loans |
|------|---------------------|--------------------|
| 2004 | 58,683,409 | 25,794,850 |
| 2005 | 57,339,091 | 38,764,253 |
| 2006 | 57,895,547 | 42,294,804 |
| 2007 | 61,617,417 | 37,917,922 |
| 2008 | 59,912,617 | 34,456,024 |
| 2009 | 67,734,593 | 35,443,167 |
| 2010 | 72,209,894 | 31,486,515 |
| 2011 | 112,061,916 | 51,236,298 |
| 2012 | 114,237,874 | 46,519,184 |
| 2013 | \$113,894,802 | \$50,468,048 |

