

LENDING

In 2022, we improved our Rewards Mastercard to now offer a cash back option. Hundreds of additional Members now choose Towpath Credit Union for their credit card needs. Our knowledgeable Mortgage Team closed \$4.9 million in new mortgages by helping many first-time home buyers find the home of their dreams and helping others save money by refinancing their existing mortgages.

Our experienced Lending Team helped members finance new cars, weddings, professional development, home improvements, and so much more in 2022. It's important that we work to improve the financial wellness of our communities, and last year we increased our loan portfolio by 21% with over \$23 million in loans extended.

The Towpath CU Member Solutions team seeks to find solutions when our Members are faced with financial challenges. In 2022, our credit quality metrics were at some of the best levels ever, and this is due to the positive solutions this team created for those members. Our goal is to keep our borrowers in their cars, in their homes, maintaining both their credit union relationship and their overall credit health.

FINANCIAL STRENGTH

During 2022, we saw aggressive interest rate hikes to curb runaway inflation, record breaking loan growth, and a chase for liquidity across financial institutions. We ended the year in a borrowing position like many other credit unions, but we were able to pay off our loan shortly into 2023 due to our strategic share growth initiatives. Towpath ended the year with \$191.7M in assets, which translates to over 7% growth from 2021. Outstanding loans totaled \$120M by year end. Some of this growth was the result of a merger we completed during the year, which added healthy capital and over one thousand new Members. Along with the capital from the merger we were able to add another \$515K in Net Income for 2022. Our current capital ratio is 10.55% which keeps us steadily well-capitalized in the eyes of our State of Ohio regulators.

Get in touch.

Call or Text: (330) 664-4700

Email: hello@towpathcu.com

Visit: towpathcu.com



@towpathcu



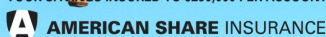
2022 ANNUAL REPORT

2022 BOARD OF DIRECTORS:

- Lester Carney, Chairman
- Ernest Steele, Vice Chairman
- Judi Hill, Secretary
- Marcella Grande, Treasurer
- John Crockett, Director
- Jim Talley, Director
- Kelly Peters, Director



YOUR SAVINGS INSURED TO \$250,000 PER ACCOUNT



By members' choice, this institution is not federally insured, and if the institution fails, the Federal Government does not guarantee that depositors will get back their money. MEMBERS' ACCOUNTS ARE NOT INSURED OR GUARANTEED BY ANY GOVERNMENT OR GOVERNMENT-SPONSORED AGENCY.



EQUAL HOUSING
OPPORTUNITY



ASSETS	2022	2021	2020
Cash	\$4,137,897	\$18,785,220	\$31,017,515
Loans to Members	\$120,374,935	\$97,264,548	\$91,994,618
Investments	\$55,547,588	\$52,296,624	\$22,275,827
Insurance Reserves	\$2,121,083	\$1,764,085	\$1,464,302
Land, Building and Equipment Net of Depreciation	\$4,132,745	\$4,125,373	\$4,229,033
Accrued Income, Prepaid Expenses & Other Assets	\$5,369,572	\$4,490,653	\$4,212,327
TOTAL ASSETS	\$191,683,820	\$178,726,504	\$155,193,623

LIABILITIES AND MEMBERS' EQUITY			
Accounts Payable and Other Liabilities	\$6,105,330	\$1,248,885	\$1,276,282
Members' Savings	\$165,813,166	\$158,367,649	\$135,652,877
Reserves & Undivided Earnings (internally prepared)	\$19,765,324	\$19,109,969	\$18,264,464
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$191,683,820	\$178,726,504	\$155,193,623

CERTIFIED ANNUAL AUDIT

Towpath Credit Union engages the Certified Public Accounting (CPA) firm of Lillie and Company to perform an audit of the Credit Union's financial statements. The objective of this audit is to ensure that 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, 2022, statement of financial condition is fairly stated in accordance with GAAP.

Towpath Credit Union remains financially strong and dedicated to its members. It has been my pleasure to serve you in this capacity.

Marcella Grande, Treasurer

MESSAGE FROM THE BOARD CHAIR & CEO:

*Lester Carney, Chairman of the Board of Directors
Michael Sferro - President & Chief Executive Officer*

2022 was a year of transition for Towpath Credit Union. Our long-time Chief Executive Officer, Rose Bartolomucci, retired after a remarkable career in the credit union movement. The Board of Directors named Michael Sferro, who has been with the credit union since 2014, as President & CEO. Rose, you have built Towpath Credit Union into a strong and innovative financial institution, focused on always putting people first. We are humbled to carry on your legacy and look forward to continuing to build upon the foundation you built. We wish you the best in your well-deserved retirement.

Through a strategic merger, we welcomed the Members of Goodyear Employees Credit Union to the Towpath CU family in 2022. We want to thank the Board of Goodyear Employees Credit Union, as well as their former CEO and manager, Robin Smyth, for trusting Towpath to take care of your nearly 1,000 Members.

The Board of Directors and Executive Team have established a strategic plan that ensures our story continues far into the future. The plan establishes three strategic pillars. First: vitality. As a strong, well-capitalized financial institution, Towpath Credit Union's strength and stability have positioned us well to serve and continue serving our community. Our financial vitality will always be our priority, maintaining safety and soundness, and providing you peace of mind that your well-earned trust in us will remain.

Second: innovation. The vitality of the credit union has enabled us to innovate to better serve your needs. We know that your trust in us is founded in our capability to serve your needs, and we are embarking on a 12-month project of innovation to bring you a digital experience that is both state of the art and safe and secure. Stay connected with us to learn more throughout the year on what these exciting innovations will look like.

Third: philosophy. Our position as a locally run, Member-owned financial cooperative means that we always put people above profit. Empowering our Members to live more vibrant lives through improved financial well-being is what we are all about. Treating everyone equally and providing a chance to save money and get ahead is woven into the DNA of this and every credit union. Diversity, equity, and inclusion for all is at the core our philosophy. These strategic pillars, vitality, innovation, and philosophy, or as we call them, VIP, form the foundation for our strategic roadmap.

Thank you to our Board of Directors for your dedication and service to our credit union. Thank you to our Towpath Credit Union staff – your work matters, and you are appreciated. Finally, thank you to our Members. You are why we exist, and it is our honor, privilege, and pleasure to serve you.