

2021
Annual Report

Trust
is about
being true
to your word.



Respectfully. Yours.

CREDIT
UNION

Report of the President & CEO and the Chairman of the Board

As one of the few remaining financial institutions headquartered in the Mahoning Valley and the only sizeable one still based in Trumbull County, 7 17 Credit Union remains committed to providing our members and the communities we serve with quality and affordable financial tools to help them reach their financial goals.

7 17 reached a major milestone at the end of 2021 when our membership surpassed 100,000 account holders. The milestone echoes the personalized service reflected in our high member satisfaction and loyalty scores, our commitment to the communities we serve and convenience through technology that rivals large regional and national banks.

Our Personal Teller Machines (PTMs) provided members a safe way to interact face-to-face with a Personal Service Representative via video during these unprecedented times. Similar in appearance to an ATM, PTMs allow members to conduct almost any transaction that can be performed inside a branch from the convenience and safety of their vehicle. A Personal Service Representative can assist members with their transaction via two-way video or members can use the machine in self-service mode.

The credit union's digital technology remained pivotal in ensuring members had continual access to their accounts. 7 17's online banking, telephone banking and mobile banking app, which is the top-rated banking app in Northeast Ohio, offered members alternative options for accessing their accounts without jeopardizing their health and safety. Over the course of 2021, the credit union broadened the use of remote signatures, allowing members the convenience and freedom to start and finish loans without ever stepping foot inside a branch if they choose.

In late fall, 7 17 filled a void in the downtown Warren community and opened a new branch on West Market Street. This new location allows the credit union to better serve the small businesses in the downtown area and provides an opportunity for the underbanked.

In the spring, our Board of Directors unveiled The Gary Soukenik Financial Center, which sits at the site of the credit union's original branch location on Larchmont Avenue in Warren.

The board bestowed the honor on Gary in recognition of his 40 years of service and leadership to the credit union, the broader credit union movement and the local community.

The financial center houses retirement and investment services, commercial lending, loan origination services and more. The 7 17 Credit Union museum and conference room also resides inside the financial center and showcases the credit union's strong history of growth since its founding in 1957.

Deposits grew by 11%, loan growth grew by 10% and 7 17's assets increased more than 10% to nearly \$1.4 billion. The year ended with a Net Worth Ratio, a key measure of safety and strength, of 14%, double the 7% defined as "well-capitalized" under federal law.

Local businesses continued to take advantage of the credit union's business-friendly products and services. New free business checking account openings increased by 25% and business deposits grew by more than 20%. The credit union helped local businesses grow through the disbursement of more than \$143 million in business loans.

And while many businesses faced staffing issues, 7 17 not only avoided layoffs or furloughs, but actually increased our workforce by 3% to 328 employees.

Credit union employees demonstrated their commitment to our communities by raising and donating more than \$40,000 and volunteering many hours to organizations such as the American Heart Association, United Way and the Relay for Life over the course of 2021.

As we embark on a new year, 7 17 Credit Union remains committed and securely positioned to assist our members in meeting their financial goals and to support the communities we serve.

Respectfully yours,

Gary Soukenik
Gary Soukenik, President & CEO

Jack Wilster
Jack Wilster, Chairman of the Board of Directors

Summary Financial Data

Balance Sheet	December 31,	
	2021	2020
Assets		
Cash and Cash Equivalents	\$ 31,634,343	\$ 28,277,985
Investments	258,293,627	225,371,165
Member Loans (Net of Allowance for Loan Losses)	1,020,811,131	927,459,322
Premises and Equipment (Net)	22,730,078	23,130,763
Other Assets	55,741,347	54,988,916
Total Assets	\$ 1,389,210,526	\$ 1,259,228,151
Liabilities and Members' Equity		
Members' Share and Savings Accounts	1,178,960,562	1,063,484,427
Accrued Expenses and Other Liabilities	18,274,228	18,030,679
Total Liabilities	1,197,234,790	1,081,515,106
Members' Equity	191,975,736	177,713,045
Total Liabilities & Equity	\$ 1,389,210,526	\$ 1,259,228,151
Income Statement	Years ended December 31,	
	2021	2020
Interest Income		
Interest on Loans	\$ 47,977,485	\$ 48,325,153
Interest on Investments	1,344,553	1,211,799
	49,322,038	49,536,952
Interest Expense		
Members' Accounts and Borrowed Funds	3,401,961	6,408,693
Net Interest Income	45,920,077	43,128,259
Provision for Loan Losses	(787,264)	3,907,155
Net Interest Income After Provision for Loan Losses	46,707,341	39,221,104
Non-Interest (Income) Expense		
Compensation and Employee Benefits	32,699,645	30,905,906
Occupancy and Operation Expenses	18,287,608	15,816,223
Other Operating (Income) Expenses	(21,190,701)	(20,394,951)
	29,796,552	26,327,178
Net Income	\$ 16,910,789	\$ 12,893,926

The 2021 Audited Consolidated Financial Statements and Independent Auditor's Report thereon can be found for reference on our website at www.717cu.com/annualreport.

The Board of Directors

At your credit union, volunteers are the voice of the membership. Volunteers, elected by you, serve on your Board of Directors, which sets policy and oversees the direction of the credit union. Directors are charged with the responsibility of operating your credit union for the common good of us all, the members/owners. Volunteers also serve on the Supervisory Audit Committee. Directors, as well as appointed committee members, are members just like you. They devote countless hours to make sure that 7 17 Credit Union continues to provide you with the financial security and superior service you have come to expect.

The members of the Board of Directors are: Jack Wilster, chairman; Raymond "Corky" Manofsky, vice chairman; Joe Noark, second vice chairman; Cheryl DiGiacobbe, secretary/treasurer; Arlene Mathes, assistant secretary/treasurer; and Paul Marshall, director.

Thank You to our Volunteers

Thank you to all our volunteers for all their years of service:

- Raymond "Corky" Manofsky, 51 years
- Joe Noark, 41 years
- Jack Wilster, 34 years
- Don Woodard, 33 years
- Cheryl DiGiacobbe, 20 years
- Arlene Mathes, 20 years
- Michael Anness, 8 years
- Jennifer Daniszewski, 8 years
- Paul Marshall, 5 years
- Robert Maiorano, 4 years
- George Papuga, 2 years



Management's Responsibility for Financial Statements

The management of 7 17 Credit Union, Inc. is responsible for the preparation and integrity of the financial statements and all other financial information presented in this report. These financial statements have been prepared in accordance with accounting principles generally accepted in the United States, and include, where necessary, amounts that are based upon management's best estimates and judgments.

7 17 maintains a system of accounting and internal controls, including an internal auditing function, to provide reasonable assurance that assets are safeguarded and transactions are properly recorded. Established written policies and procedures serve as the basis for these controls. They are implemented by trained, skilled personnel with appropriate segregation of duties and are monitored through a comprehensive internal audit program. As needed, these policies and procedures are modified in response to changes in business conditions and recommendations by the independent accountants and the internal auditors.

Nearman, Maynard, Vallez, Certified Public Accountants, were retained as independent auditors to audit the 2021 financial statements of 7 17. The 2021 Audited Consolidated Financial Statements and Independent Auditor's Report thereon can be found for reference on our website at www.717cu.com/annualreport.

The Supervisory Audit Committee, a body consisting of volunteers from among the ranks of our membership, review the reliability of the auditing process on behalf of the interests of all 7 17 members. The Supervisory Audit Committee meets regularly with management, the internal auditors and the independent auditors to discuss internal controls and accounting, auditing and financial reporting matters.

Gary Soukenik
Gary Soukenik, President & CEO

Shelly Pawcio
Shelly Pawcio, CPA, Senior Vice President & CFO

Report of the Supervisory Audit Committee

The responsibility of the Supervisory Audit Committee is to help assure, for the benefit of the credit union and its members/owners, the safety of deposits, the soundness of management and fairness to all members.

In connection with its responsibilities, the committee met with management, the internal auditors and representatives of Nearman, Maynard, Vallez, the credit union's independent auditor, to review and discuss the adequacy of the credit union's internal controls and its financial reporting objectivity.

The committee discussed with Nearman, Maynard, Vallez the auditor's independence from the credit union and its management. These two groups also discussed matters required to be discussed by the *Statement on Auditing Standards No. 114 (The Auditor's Communication With Those Charged With Governance)* of the Auditing Standards Board of the American Institute of Certified Public Accountants.

Based upon these discussions and reviews, the Supervisory Audit Committee has recommended to the Board of Directors that summary financial data be included in this annual report, and that the 2021 Audited Consolidated Financial Statements and Independent Auditor's Report thereon be available for reference on our website at www.717cu.com/annualreport.

Don Woodard
Don Woodard
Chairman, Supervisory Audit Committee



The members of the Supervisory Audit Committee are: Don Woodard, chairman; Michael Anness; Jennifer Daniszewski; Robert Maiorano; and George Papuga.

