

2022 Annual Report

We're
defined
by our
actions.



Respectfully. Yours.

**CREDIT
UNION**

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

It has been another remarkable year here at 7 17, following the philosophies and values that make this credit union one of the premier credit unions in the country. On behalf of our incredible staff, volunteers, and members, we could not be more pleased to deliver a snapshot of your credit union's achievements in 2022. From strong lending practices to increased membership to a myriad of notable accolades, our credit union has stood the test of time for 66 years and the future of this great organization of people serving people is bright, as we are on the cusp of converting to a new core operating system. It's a comprehensive upgrade that will bring us great technological opportunity while keeping the very characteristics that define us --personal touch, trust and respect.

Looking over the last year, we experienced strong lending. Loans drive the engine of any financial institution and in 2022, it was full steam ahead – as we dispersed a record \$560 million in loans to help meet members' needs to live the lives they dream of. While the credit union saw growth in areas such as mortgages, credit cards, home equities, and student loans, 7 17 led all local financial institutions for number of new and used auto loans financed. 4,300 vehicles were financed and we saw 46% more loans than the next highest lender. In Portage, Summit, and Stark Counties, 7 17 was fourth among lenders in that combined market with 4,000 additional loans. In regards to home equity, we saw a 36% increase in this arena and a 15% increase for mortgage loans. 7 17 dispersed \$55 million in commercial loan dollars to help small businesses in the communities we serve meet their objectives.

As an organization, we strive daily to ensure valuable and affordable financial services are provided with a professional and personal touch coupled with the finest technology. We can't help but believe it is why our membership growth continues. After crossing the 100,000 member mark in 2021, we gained another 7,000 members last year with 7 17 branches averaging a 4.7 out of 5 star rating across Google reviews. Our mystery shopping program ranks 7 17 among the top peer credit unions with a score of 4.87 out of 5.

For the second year in a row, 7 17 Credit Union was named a top 100 performing credit union in the United States by Global Market Insights, earning the top rating among Ohio credit unions. 7 17 was also named to Forbes' top credit unions based on consumer satisfaction surveys that spanned everything from trust to branch and digital services to customer service and advice. We again earned a five-star rating from Bauer Financial, which rates financial institutions on their financial strength.

A winning workplace continues to be a trademark for 7 17, making us a NorthCoast99 Award winner. That honor is awarded to 99 Northeast Ohio workplaces that have exceptional policies, practices, and benefits shown to attract and retain top performing employees.

On the financial front, we remained fiscally sound, closing the year with \$1.5 billion in assets. Only 8% of the nation's credit unions have reached the \$1 billion-asset milestone. While inflation, rising rates, and the potential for recession may create financial difficulties for consumers and business alike in 2023, 7 17 began this year with a net worth ratio of 13.6%, a measure of safety and soundness. This is nearly double the regulatory definition of a well-capitalized credit union. As such, 7 17 is well positioned to assist members through such challenges.

As the last sizeable financial institution headquartered in Trumbull county and one of the few remaining in the Mahoning valley, we are committed to serving our members and the broader community for decades to come.

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,	
	2022	2021
Assets		
Cash and Cash Equivalents	\$ 29,004,063	\$ 31,634,343
Investments	156,600,205	258,293,627
Member Loans (Net of Allowance for Loan Losses)	1,272,586,010	1,020,811,131
Premises and Equipment (Net)	24,790,684	22,730,078
Other Assets	57,630,110	55,741,347
Total Assets	\$ 1,540,611,072	\$ 1,389,210,526
Liabilities and Members' Equity		
Members' Share and Savings Accounts	1,241,807,610	1,178,960,562
Accrued Expenses and Other Liabilities	106,250,687	18,274,228
Total Liabilities	1,348,058,297	1,197,234,790
Members' Equity	192,552,775	191,975,736
Total Liabilities & Equity	\$ 1,540,611,072	\$ 1,389,210,526
Income Statement	Years ended December 31,	
	2022	2021
Interest Income		
Interest on Loans	\$ 54,701,689	\$ 47,977,485
Interest on Investments	2,350,386	1,344,553
	57,052,075	49,322,038
Interest Expense		
Members' Accounts and Borrowed Funds	3,899,369	3,401,961
Net Interest Income	53,152,706	45,920,077
Provision for Loan Losses	3,452,762	(787,264)
Net Interest Income After Provision for Loan Losses	49,699,944	46,707,341
Non-Interest (Income) Expense		
Compensation and Employee Benefits	34,014,472	32,699,645
Occupancy and Operation Expenses	19,461,934	18,287,608
Other Operating (Income) Expenses	(19,315,772)	(21,190,701)
	34,160,634	29,796,552
Net Income	\$ 15,539,310	\$ 16,910,789

The 2022 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; Paul Marshall, vice chairman; Raymond "Corky" Manofsky, second vice chairman; Cheryl DiGiacobbe, secretary/treasurer; Arlene Mathes, assistant secretary/treasurer; and Denise Boyes, director.

Thank You to our Volunteers

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

- Raymond "Corky" Manofsky, 52 years
- Joe Noark, 42 years
- Jack Wilster, 35 years
- Don Woodard, 34 years
- Cheryl DiGiacobbe, 21 years
- Arlene Mathes, 21 years
- Michael Anness, 9 years
- Jennifer Daniszewski, 9 years
- Paul Marshall, 6 years
- Robert Maiorano, 5 years
- George Papuga, 3 years
- Denise Boyes, serving her first year



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 2022 financial statements of 7 17. The 2022 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 2022 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.

