



2020
Annual Report

Our
members
make us
stronger.



Respectfully. Yours.

CREDIT
UNION



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

For the last 63 years, 7 17 Credit Union has worked diligently to protect the financial well-being of our members. As individuals and families across the Valley faced a wide range of difficulties in 2020, 7 17 remained financially strong and ready to serve without interruption.

Over the course of 2020, we installed 26 Personal Teller Machines (PTMs) in the drive-thrus of eight of our branches and our first free-standing, Express PTM, in Weathersfield Township. This technology has allowed us to provide 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 24/7. A Personal Service Representative can assist members with their transaction via two-way video or members can use the machine in self-service mode.

Just as 7 17 was the first financial institution in the area to introduce ATM technology in the late 1970s, we were the first to introduce the PTM technology in the Mahoning Valley. By the end of 2021, all of our branch locations with drive-thrus will have PTMs.

The credit union's digital technology was also 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.

Despite the pandemic, 2020 was a year of strong growth for the credit union. Credit union membership grew by more than 7% to nearly 94,000 members as deposits grew 17%. 7 17's assets increased to \$1.26 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.

In 2020, 7 17 saw record loan production of \$465 million with mortgage lending leading the way. Through the first half of 2019 – the most recent data available, 7 17 was the leading mortgage lender in Trumbull and Mahoning counties booking a total of 469 mortgage loans. The second and third top lenders closed 360 and 145 mortgage loans respectively.

While growth was strong among retail relationships, businesses also continued taking advantage of the credit union's business-friendly products and services. New free business checking account openings increased by 49%. Commercial lending remained strong with \$60 million in new loan production.

While many businesses faced layoffs over the course of the pandemic, 7 17 not only avoided layoffs or furloughs, but actually increased our workforce by 5% to 317 employees. In light of stronger societal focus on social injustice, we increased our existing effort to more fully focus on diversity, equity and inclusion, and introduced a Diversity, Equity and Inclusion Advisory Committee comprised of employees from every level of the organization. The committee is tasked with reviewing the organization's policies and practices through the lens of inclusivity.

The credit union remained dedicated to serving not only our members, but also our community. Over the course of 2020, employees donated more than \$50,000 and volunteered many hours of their time to organizations such as the American Heart Association, United Way, Relay for Life and more.

Lastly, as a community-minded financial institution, 7 17 is determined to help members and local communities navigate these challenging times. In an effort to provide much needed support, 7 17 made three \$10,000 donations to the Second Harvest Food Bank of Mahoning Valley, the Trumbull County United Way and Family and Community Services, Inc. The credit union also matched a \$10,000 grant from the Ohio Credit Union Foundation to provide \$20,000 to assist those financially affected by the pandemic with daily needs including utilities, food and more. We also helped address the challenges presented by the pandemic with free skip payments, loan modifications and fee waivers for our members.

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.

Gary Soukenik
Gary Soukenik, President & CEO

Jack Wilster
Jack Wilster, Chairman of the Board of Directors

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, 50 years
- Joe Noark, 40 years
- Jack Wilster, 32 years
- Don Woodard, 31 years
- Cheryl DiGiacobbe, 27 years
- Arlene Mathes, 27 years
- Michael Anness, 7 years
- Jennifer Daniszewski, 7 years
- Paul Marshall, 4 years
- Robert Maiorano, 3 years
- George Papuga, 1 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 2020 financial statements of 7 17. The 2020 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 2020 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.

Summary Financial Data

Balance Sheet	December 31,	
	2020	2019
Assets		
Cash and Cash Equivalents	\$ 28,277,985	\$ 21,342,518
Investments	225,371,165	104,419,779
Member Loans (Net of Allowance for Loan Losses)	927,459,322	921,906,568
Premises and Equipment (Net)	23,130,763	20,525,533
Other Assets	54,988,916	46,117,746
Total Assets	\$ 1,259,228,151	\$ 1,114,312,144
Liabilities and Members' Equity		
Members' Share and Savings Accounts	1,063,484,427	907,266,787
Accrued Expenses and Other Liabilities	18,030,679	42,948,881
Total Liabilities	1,081,515,106	950,215,668
Members' Equity	177,713,045	164,096,476
Total Liabilities & Equity	\$ 1,259,228,151	\$ 1,114,312,144
Income Statement	Years ended December 31,	
	2020	2019
Interest Income		
Interest on Loans	\$ 48,325,153	\$ 48,414,617
Interest on Investments	1,211,799	1,831,207
	49,536,952	50,245,824
Interest Expense		
Members' Accounts and Borrowed Funds	6,408,693	6,422,654
Net Interest Income	43,128,259	43,823,170
Provision for Loan Losses	3,907,155	4,369,222
Net Interest Income After Provision for Loan Losses	39,221,104	39,453,948
Non-Interest (Income) Expense		
Compensation and Employee Benefits	30,905,906	28,236,133
Occupancy and Operation Expenses	15,816,223	15,932,175
Other Operating (Income) Expenses	(20,394,951)	(16,771,969)
	26,327,178	27,396,339
Net Income	\$ 12,893,926	\$ 12,057,609

The 2020 Audited Consolidated Financial Statements and Independent Auditor's Report thereon can be found for reference on our website at www.717cu.com/annualreport.



