



mazuma®

# ANNUAL REPORT 2020

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## SUPERVISORY COMMITTEE MESSAGE

As we all know, 2020 was a challenging year. Amidst all the change that was happening last year, the Mazuma Supervisory Committee has been working to ensure that with the assistance of Greg Lambert from our outside auditor firm Doeren Mayhew that Mazuma complies with federal laws, regulations, and National Credit Union Administration requirements. It might not sound like a glamorous job, but it ensures that your accounts are properly safeguarded.

We are excited to report that once again Mazuma continues to maintain superior levels of financial security while continuing to provide quality service to you, the Members. The financial institution that you have chosen has proven once again to be in sound financial condition and operations by federal and state laws and regulations as well as credit union regulations and internal policies.

Thank you for the honor to serve you as Chair of the Supervisory Committee. I want to thank Elizabeth Franklin, Rollie Scott, Catherine Cole, and Harry Heflin for their service to Mazuma on the Supervisory Committee in 2020. It has also been a pleasure to work closely with Mazuma internal auditors Michael Shreck, Vice President of Risk Management, and Johh Ulrey, Senior Internal Auditor.

I look forward to serving Mazuma and upholding its superior reputation in the credit union space in the future.

Lynn Matthews  
Supervisory Committee Chair

## BOARD CHAIR MESSAGE

Greetings, Mazuma Members!

The year 2020 will go down in history for all of us as a year of change, a year of loss, a year of crisis, a year of challenge. But it was also a year of learning, a year of realizing what is truly important in our lives.

Mazuma Credit Union has endured all of these through the last year and remains very strong. The Leadership Team, our CEO, and our Board has worked diligently to assure a safe, reliable venue to be your one-stop place for your financial needs. Every Team Member at Mazuma has also worked tirelessly to ensure the success and well-being of our members during this time.

But we could not have done anything without you, our member.

While we are eager to look ahead to a more normal time, it is important that we not forget those who did not make it through this pandemic. My sincerest condolences go to those who lost loved ones in this time.

Your Credit Union is here to help you through the tough times as well as the great times. We are proud to be your trusted credit union and look forward to the future together. Thank you for being a member. I thank you for the opportunity to be on your Board of Directors and to serve as your Board Chair. It is my pleasure.

Russ Petry  
Board Chair



# PRESIDENT/CEO MESSAGE



Dear Valued Mazuma Members,

Thank you for being a part of our Credit Union Family! Although 2020 was filled with unexpected challenges and extraordinary circumstances, this unique time in our history also affirmed the unwavering commitment and care that we all have for each other and the communities that we get to serve. Credit Unions were formed as not-for-profit financial cooperatives to fulfill a very important social purpose and need and operate under a "People Helping People" philosophy. It is times like these that allow this philosophy to shine and for Mazuma to serve you and your fellow Members in even more meaningful ways.

I am so very grateful for our Mazuma Team as they worked hard to ensure that your Credit Union was able to navigate through a multitude of issues stemming from the pandemic with an impressive amount of dedication, agility, resilience, and strength. This allowed us the opportunity to weather this storm in a way we can all be proud of and it also positioned us to keep the momentum going in 2021 and beyond. Our financials and operations are strong, despite the difficult economic and societal atmosphere, which makes our abilities to continue to assist our Members and our Community through it all that much more awe-inspiring!

## 2020 STRATEGIC PRIORITIES

Our Strategic Priorities, created prior to any of the challenges we encountered, withstood the test of this new environment and emerged just as important, if not more, than they were before.

## MAZUMA EXPERIENCE

The experiences that we create for our Team, Members and Communities are at the forefront of all that we do! In 2020, your Mazuma Team expanded to more than 220 Team Members to better serve and support you through all our various delivery channels. We were able to keep our entire Team intact with no layoffs or reductions in workforce which is something to celebrate during such a difficult year for everyone. In addition, we launched a whole host of Member Assistance Offerings to help with all the financial needs that were emerging as the year progressed. Our Community Give-Back also reached new heights including a \$100,000 donation to the Kansas City COVID Relief Fund, thousands of volunteer hours worked under our 40 Hours for Good Program, and grants provided through our Mazuma Foundation to local organizations also serving significant needs throughout our great city!

**"Credit Unions were formed as not-for-profit financial cooperatives to fulfill a very important social purpose and need and operate under a 'People Helping People' philosophy."**

## FINANCIAL PERFORMANCE

Our Financial Performance is a key indicator as to whether we are best fulfilling our purpose of Making Kansas City a Better Place to Live, Work, and Bank and 2020 was a wonderful display of this success, as can be seen in the Financial Report. The ways in which we were able to meet our Members lending and savings needs and the value we were able to provide to our Members over what is offered by other Financial Institutions further emphasizes the Credit Union difference. Our financial strength will also allow us to continue to support our Team, Members,

and Community as we recover from these unprecedented times together.

## OPERATIONAL EXCELLENCE

Our focus in ensuring that our programs, process improvement efforts and operational capabilities are continuously improving paid off with another solid set of audits and exams, the launch of additional digital offerings for our Members, and more enhancements made to our systems. We will continue to place priority on the areas that are most important to you and thank you for responding to our surveys asking for your feedback!

In closing, I cannot express enough gratitude to our Team, our volunteer Board of Directors, our Members, and our Community Partners for all that is being done to create the amazing Credit Union that we all get to be a part of! Although 2021 is starting to provide some light at the end of this tunnel, we are always here to serve you and your family in any and all ways that we can

and are honored that you have chosen us to partner with! Thank you for being a Mazuma Member and a part of the Credit Union movement!

Warm Regards,

A handwritten signature in cursive script that reads "Deonne Christensen".

Deonne Christensen  
President/CEO

# MAZUMA EXPERIENCE – TEAM

2020 was truly one of the most unique years we've experienced in our collective lifetimes. In the midst of that wild ride, at Mazuma, we've stayed focused on serving you, our Members. It's been a challenging time, yet meaningful, and we're deeply honored and grateful that you're part of our Mazuma Family. We've worked hard for you and are committed to keeping our eye on teamwork, choosing a positive and grateful outlook, and focusing on a creative and learning mindset. We know if we do these things we will truly live out our purpose of making Kansas City a better place to Live, Work, and Bank.

Making sure our Mazuma Team was holistically well cared for and inspired, informed, and equipped to serve our Members remained our focus in 2020. During the pandemic, we mobilized our team in new and innovative ways to serve you safely in both remote and hybrid ways while adjusting nimbly as the pandemic evolved. In a time when some organizations were challenged to maintain their entire team or faced difficult financial situations, the commitment of Mazuma to our people, our careful Financial Management, and the safety and soundness of our Credit Union allowed us to have our full team available to serve you in new ways. And, in 2020, we achieved over 80% Team Member Retention and growing engagement scores year over year as people continue to build their careers at Mazuma.

We also provided additional support for our Team as they navigated the new challenges of the pandemic with its care of family members, support for childcare and schooling, and additional financial strain within families. We offered our branch team members some additional compensation during the heart of the pandemic as a thank you for their service. Additionally, we provided the opportunity for 0% Team Member loans, offered the ability to

payout Paid Time Off each pay period, provided additional medical leave options, worked with Team Members that may have depleted their Paid Time Off hours, and offered flexibility, empathy, and understanding for managing virtual work and school/childcare for their children. We also provided robust whole body wellness offerings including additional mental health support, resources, and onsite and virtual stress management sessions, and an abundance of fun wellness challenges and activities throughout the year.

The care for and by our Team didn't stop there though. We provided money to each Team Member to support local Kansas City Businesses. In the spirit of our core values, on an ongoing basis our "MazAngels" lend a hand to other Mazumans when they need it most. Whether a Team Member was going through the illness of the pandemic this past year or just in need of a boost in food, household items, or other services or support, this self-organized group gathered and delivered donated supplies as well as served other Mazumans. Earlier in the pandemic, when masks were harder to source, another group of Mazumans stepped in to help! These Mazter Seamstresses in conjunction with WellCo made cloth masks for other Mazumans and community members. The compassion and action-oriented spirit of Mazumans shone brightly all year.

In a year in which we were challenged in new ways and more physically distant from one another than ever, we continued to invest in our Mazuma culture and infused new and innovative ways to keep our team connected, inspired, and informed so that we can be at our best for you, our Members. Whatever life throws our way, we remain focused on cultivating an outstanding culture and committed to growing along with our beautifully diverse Kansas City-area community. We know that like each Member of our Mazuma Family we are privileged to work with, our Mazuma Team Members each have unique and inherent gifts and talents to share and we strive to foster an environment where that potential is fully utilized and celebrated.



**Michelle Wood**

Chief Culture Officer  
and Diversity & Inclusion Officer



At Mazuma, we want diverse opinions and perspectives to be brought to life so that we can continue to grow and evolve for our Membership.

Beyond our various Mazuma Teams, we have numerous committees that come together from across the Credit Union to share ideas and insights that help energize and enhance what we do. You can read more about some of our grassroots, Team Member-led committees that focus on key areas of our Mazuma Experience below. They were certainly creative and infused much vibrance to Mazuma this year.

Mazuma's various internal committees are a driving force of our organization's culture. Each of our committees is focused on not only lifting our Teams up but in turn helping to guide our Teams to better serve you, our Members. In addition to the MazAngels and Mazter Seamstresses, our Mazuma committees are made up of:

**Culture Crew** focuses on keeping us energized and focused on living our core values and purpose. They create connectedness and smiles at every turn.

**WellCo** leads the charge for whole body wellness focusing on nutrition, physical fitness, and mental and emotional well-being. Mazuma's

**Financial Wellness Committee** provides insight and focus on Financial Wellness for Members, Team Members, and our Community.

**Political Action Squad** raises advocacy awareness of credit union issues at the local, state, and national level and provides ways to get involved.



**Legacy Committee** is comprised of Team Members with over 150 years of combined service to Mazuma! They are dedicated to researching and sharing Mazuma's history from our beginnings in 1948 to the present day through personal stories, photographs, letters, and other artifacts.

**UNITY Council** is a group of Mazumans focused on helping us intentionally explore, embrace, and celebrate diversity in all its forms, creating an environment of true belonging at Mazuma.

**Mazuman of the Month Committee** honors a Mazuman that goes above and beyond in exhibiting our core values.

**Mazuma Band & BBQ Team** add sound and flavor to the Mazuma Experience at Member and Community events.

Together, these committees help to form the Mazuma Experience that you receive each and every day from our Team Members.

Each of these committees and individual Team Members are making an enduring impact on Mazuma and our Community as we continue challenging ourselves to serve you in ever-evolving ways. Thank you for your ongoing relationship with Mazuma, it means the absolute world to us. Wishing you and your family wellness this season.

In Gratitude and Health,

Michelle Wood  
Chief Culture Officer and Diversity & Inclusion Officer



# MAZUMA EXPERIENCE – MEMBERS

One of the ways that we gain feedback, measure how we are doing and align our focus, and resources in the areas of most importance to you, is through our Member Experience Surveys. In 2020, we ended the year with a MXP Score of 4.73 with 2702 total surveys completed. While this is under our goal of 4.75, we are celebrating the Year over Year improvements as can be seen below!

Year	# of surveys	Total Individual	Total Experience
2017	2,471	4.48	4.54
2018	2,387	4.73	4.69
2019	3,124	4.77	4.71
2020	2,702	4.79	4.73

It is also important to note that our total individual Team Member score landed at 4.79 which shows not only the focus on Member Experience with our Teams and their positive interactions, but

that we are working hard on the right things behind the scenes to make it even easier to do your banking! Thank you so much for all of the feedback and know that it has helped to direct the efforts we are making to become the best that we can be for you!

## MEMBER VALUE

Despite extreme deposit rate drops and other declining economic conditions, we continued our commitment to provide the best deposit and loan rates throughout the year in addition to maintaining a lower fee structure than our competitors. We also rolled out the new Online Appointment Booking Software which allows you to book an appointment at any of our branches at the time that works best for you!

## MEMBER ASSISTANCE OFFERINGS

In addition to the services that we offer to you as a Member, we also jumped into action to find ways to ease the burden of the financial uncertainty, increased unemployment, and other stressors caused by the pandemic. These Member Assistance offerings included an expansion of our Skip a Pay program, a variety of loan modification options, short term unsecured loans, 0% CD secured loans, early withdrawal penalties waived on short term certificates, higher levels of fee refunds, and proactive support in helping our Members file for insurance to cover loan payments due to the circumstances. Each and every situation is different and we are so honored to have been able to be a Financial First Responder for whatever the needs may have been!



This year as we all adjusted to a new normal spending more time at home and focused on wellness, Mazuma was passionate in finding additional unique ways to serve our Members. From enhancements made to our online banking offerings and the ability to schedule personalized appointments in our branches to defining Member assistance offerings that eased the burden of financial uncertainty and unemployment, we as a Mazuma Family are and remain enthusiastically dedicated in our service to you, our Members.

## SMALL BUSINESSES

We are proud to have been able to support over 200 small businesses throughout Kansas City with their Payment Protection Program (PPP) and other loan needs that cropped up due to the Pandemic which was represented in over 8% overall business loan growth. In addition, we continued to expand our Small Business Banking program to include the offering of online banking for our SBB Members. We also provided each of our Mazuma Team Members with extra funds to spend at local businesses throughout the year and lifted our business community up throughout our social media and other marketing channels as we went!

**Serri Helm**

Chief Member Officer



# MAZUMA EXPERIENCE COMMUNITY

Mazuma Credit Union's commitment to local communities was founded around the understanding that social responsibility is not a matter of choice but one of necessity, if we are to become a thriving organization. Through our commitment to social responsibility Mazuma leverages our passion, leadership and innovation to address the challenges affecting our communities. Our Corporate Social Responsibility program focuses on financial education, community investment and development and support of the arts to foster enrichment of the communities in which we do business and live.



## CSR MONETARY GIVEBACK – MAZUMA FOUNDATION

Giving back to our community is more than what we do, it's who we are at our core. As part of our commitment to our Members and our Community, The Mazuma Foundation works to provide resources and grants to non-profit organizations throughout the Kansas City Metro area. Supporting the Arts, Financial Education, and Community Development, the Mazuma Foundation was established in 2015 to provide unwavering commitment to our community through annual monetary donations. In addition to the \$100,000 donation to the Kansas City Regional COVID-19 Response and Recovery Fund, we are honored to award ten 501(c)(3) non-profits with grants for the 2020 fiscal year!

Year	# of Grants	Amount Given
2016	8	\$25,000
2017	9	\$45,000
2018	6	\$30,000
2019	10	\$90,000
2020	10	\$125,000

## VOLUNTEERING

We believe that all Mazumans should have the opportunity to Give Back to our Community. That's why through our 40 Hours For Good initiative, we give our Team Members 40 paid hours each year to volunteer with local organizations of their choice. While 2020 looked a little different for volunteering, we are proud to have volunteered 3,881 hours to over 50 organizations throughout the Kansas City metro area.

**3,881** Mazumans were able to volunteer a total of **3,881 Hours in 2020**

In 2020, The Mazuma Foundation was able to donate over \$125,000 in Monetary Donations to Kansas City Non-Profit Organizations



In the month of October, Mazuma was able to volunteer for 20 organizations across 5 counties in the Kansas City Metro.



Mazuma also made contributions exceeding \$50,000 across all of our partnerships that include ArtsKC, Big Brothers Big Sisters, UMKC, and Jack & Jill Financial Literacy just to name a few.



# FINANCIAL PERFORMANCE

Despite the events of last year, your Credit Union continues to persevere and become stronger through the support of you, our Members! 2020 was a year that no one could have expected, however, your management team quickly acted to adjust our priorities for the year which ultimately allowed us to navigate through the pandemic and even support our local communities more significantly than ever before. With several waves of economic stimulus, we saw the balance sheet of the Credit Union expand considerably, pushing the assets of Mazuma well over \$800 million seeing nearly 20% growth over the last year! While many of our financial institution counterparts struggled, Mazuma, with its well-diversified balance sheet, was able to continue to grow our lending as well as achieving a new record of \$582 million in loans and growing more than 10%. This growth is certainly something to be proud of as a Member of the Credit Union and could not have been done without the ongoing support and trust of you, our Members.

As we enter 2021, the themes that were present in 2020 have upheld into this year with both economic uncertainty internationally and inflated business values, all of which will ensure that 2021 will continue to be interesting. Despite the exceptional growth last year, we were able to keep a strong level of capital finishing the year at 9.93%, meaning your Credit Union remains steady and resilient to weather any storm our current economic environment may throw at us. We believe that rates will continue to be flat and low throughout this year and anticipate that this will allow for another successful year in lending to our Members. As we begin to see the end of COVID-19, we are hopeful that 2021 will be another strong year for your Credit Union and we look forward to serving you and our communities!



19% ↑



10% ↑



20% ↑

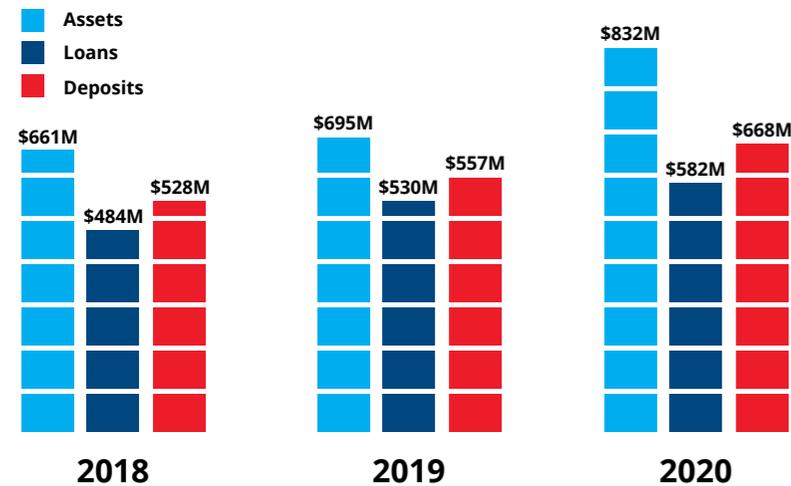
## Year Over Year Growth



**Justin Mouzoukos**

Chief Financial Officer

## FINANCIAL HIGHLIGHTS



## Balance Sheet as of December 31st, 2020 (highlighted areas)

Assets	2017	2018	2019	2020
Loans to Members	\$471,092,240	\$484,851,974	\$526,768,962	\$582,528,591
Investments	\$84,954,899	\$104,113,177	\$94,585,390	\$146,142,267
Fixed Assets	\$27,203,123	\$27,813,066	\$26,890,779	\$27,811,364
Other Assets	\$43,594,955	\$44,350,869	\$46,392,996	\$75,803,120
Total Assets	\$626,845,217	\$661,129,086	\$694,638,127	\$832,285,342

Liabilities and Equity	2017	2018	2019	2020
Liabilities	\$59,057,770	\$68,782,063	\$66,717,194	\$81,220,399
Deposits	\$511,647,971	\$528,222,471	\$556,146,301	\$668,460,452
Equity	\$56,139,476	\$64,124,552	\$71,774,632	\$82,604,491
Total Liabilities and Equity	\$626,845,217	\$661,129,086	\$694,638,127	\$832,285,342
Members	62,209	64,650	70,168	70,168

## Income Statement Year Ended December 31st, 2020

Income	2017	2018	2019	2020
Loan Income	\$21,978,097	\$25,793,050	\$28,054,799	\$28,562,645
Investment Income	\$1,684,065	\$1,847,204	\$2,734,276	\$1,128,637
Other Income	\$17,180,341	\$18,861,856	\$18,292,214	\$14,686,863
Total Income	\$40,842,503	\$46,502,110	\$49,081,289	\$49,154,621

Expenses	2017	2018	2019	2020
Operating Cost	\$33,053,084	\$33,286,297	\$34,956,011	\$33,467,505
Dividends and Interest	\$3,281,670	\$5,040,774	\$6,701,563	\$5,455,021
Total Operating Cost	\$36,334,754	\$38,327,071	\$41,657,574	\$38,922,526
Net Income	\$4,507,749	\$8,175,039	\$7,423,715	\$10,232,095

\*2020 is unaudited due to the earlier nature of the Annual Meeting

# OPERATIONAL EXCELLENCE

## BUSINESS CONTINUITY & DISASTER RECOVERY

Our Credit Union quickly shifted into a comprehensive remote work environment without missing a beat and was able to be there in the ways that were most needed by our Members. Despite the volatile circumstances, this past year was a shining example of success in the areas of Business Continuity and Disaster Recovery! The way in which your Credit Union adapted and responded to everything was phenomenal and the positive service, financial and operational results are a further affirmation of the commitment to the health, safety and wellbeing of our Team, Members, Credit Union and our local Communities.

## CYBER & INFORMATION SECURITY

The pandemic further displayed the need for elevated focus and investment around cyber and information security for businesses. The advancements that Mazuma made in this area alone last year is staggering and one to highly celebrate! Best in class technical solutions (monitoring, intelligence, preventative, and reactive) were

implemented in every segment of our infrastructure. We will continue to build out this necessary component as data breaches and other threats continue to emerge and we couldn't be more proud of the robust framework and standards that have been put into place to protect you and our Credit Union.

## PROCESS IMPROVEMENT

Process Improvement - In 2020, we made a concerted effort to identify and enhance current processes for our Team and our Members, especially as the pandemic put pressure on the way in which business had to be transacted. Processes improved gave us a total time savings of approximately 1,592 hours annually which allows us to continue to strengthen our operations and reinvest back into our Member service needs as we grow!

These efforts will be ongoing as we strive to make all aspects of banking as easy as we can for you! In addition, our commitment to investing in improvements throughout our branch network was ongoing to ensure our branches were as safe, clean, and welcoming as possible for you!

## AUDITS & EXAMS

All of these efforts, and more, allowed us to celebrate another year of strong audits and exams across all areas of your Credit Union!



# CREDIT UNION IMPACT

## THE CREDIT UNION MOVEMENT

At our core, Credit Unions exist solely for our Members and the Communities we serve. In order to best serve these Communities, it is imperative that we are active in political advocacy to ensure that the needs of our Members are met. In Missouri and Kansas, credit unions serve over 2.65 million individuals, so it is vital to our economy to ensure our Members' needs are best met, in good times and, more importantly, in challenging times. Credit Unions across Missouri and Kansas have been able to provide over \$160 million in PPP Loans, which was only made possible through working with our representatives to advocate for our Members.

## MAZUMA ADVOCACY

While 2020 posed unique challenges, the Political Action Squad at Mazuma was more determined than ever to represent our communities. Though our efforts looked different this year, with many meetings with state and local representative moving to a virtual setting, the overall message remains the same- that we are People Over Profit. Thanks to advocacy efforts, Mazuma has been able to help 200 businesses secure over \$2.3 million in PPP Loans. We will continue to have important conversations with our elected officials on behalf of our Members and Communities and are proud to support our Kansas City Community.

Want to learn more? [Click the state to see the full statistics](#)

# WHAT'S TO COME

Although the pandemic put a pause on many of the projects and initiatives that we had planned for 2020, we have picked back up on these wonderful things and are happy to share what is to come in 2021!

## NEW BRANCH

In line with years of Member requests, we are excited to announce the grand opening of our 12th Branch in Kansas City North later this fall!

## CALL CENTER TECHNOLOGY

Another round of focused improvements in our Call Center technologies to further enhance your Phone Banking experience! Thank you for your continued feedback. It matters and is allowing us to invest in the system that best meets your needs.

## ACCOUNT OPENING SOLUTION

Implementation of a streamlined system to enable you to open new or additional accounts in a way that is faster, easier and more user-friendly online and in person!

## CONTACTLESS CARDS

We are expanding our card options in order to ensure that we are offering you the most advanced technologies, especially in this new ever-evolving environment! With this, we are looking forward to launching Contactless Cards and rolling out One Click Card Ordering later this year!

## SMALL BUSINESS BANKING

Small Businesses are the heart of our great city and as such, our commitment to providing support and small business products and services is increasing!



## SPORTING KC PARTNERSHIP

We have been proud partners of SportingKC for the last few years and this commitment is growing! We look forward to this upcoming soccer season and the opportunity to extend invitations to join us for some of these experiences!

## MORTGAGE DEPARTMENT

We have been honored to serve thousands of Members this past year with either a new home purchase or refinance of an existing home loan. This is one of the most valuable ways we can serve you as a Member and as such, we are continuing to invest in this department so that we can be your first and top choice for all of your Mortgage needs!

## ADDING TO KANSAS CITY

In addition, we can't wait to get back out into the community to provide Financial Education and support to all of our local community groups and partners and to add to the vibrancy of our communities with our Mazuma Food Truck & Trailer!





## CONTACT US

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