



2021 Annual Report

STRONGER TOGETHER



66th Annual Meeting Minutes

DAVID L KISIC
Secretary

The 66th Annual Membership Meeting was held virtually on Thursday, March 18, 2021 via MS Teams. Coretta Wallace, Chief Experience Officer, kicked off the meeting by welcoming members, board, and staff. Coretta then introduced Michael O’Hehir, Chairman of the Board of Directors, who called the meeting to order.

In accordance with the Bylaws of the Credit Union, David L. Kisic, Secretary of the Board of Directors, established a quorum was present. A motion was made and supported to accept the 65th Annual Meeting Minutes. The motion carried.

The reports from the Board of Directors and Management were presented. All reports were approved as printed in the 2020 Annual Report. Scholarship recipients were recognized. There were no old business items.

Susan Leslie, Nominating Committee Member, introduced the nominees for the Board of Directors: David Adams, Jr.; Paul Messimer; and Samuel Palise. Susan Leslie made a motion that the individuals be elected by acclamation. The motion carried.

A motion was made and carried to adjourn the meeting.



2021 STRONGER TOGETHER

MICHAEL A. O'HEHIR
Chairperson

With each passing year, we continue to realize that the rewarding work we do together to serve our members is never done. Last year, with the world facing the second year of an unprecedented pandemic was no exception. The economic landscape impacted Credit Union growth, member's personal finances and life as we knew it. However, as 2021 ended, Zeal is stronger than ever, with more than 67,000 members and more than \$848 million in assets. We will not stop here. Our passion, empathy and character make us stronger together every day.

We were deeply saddened by the passing of **Graham Edwards**, Zeal Director Emeritus, on October 19. Graham's long-time service - since 1969, and commitment to the Credit Union was exemplary and an inspiration to us all. Graham will be forever remembered with deep respect and appreciation.

After 27 years of service to the organization, **Joann Cain** announced her retirement from the Board of Directors in September. We are profoundly grateful to Joann for her many years of volunteerism and wish her the absolute best in her retirement.

Susan Leslie has been named to fill the open position. Susan has been serving on the Oversight Committee since 2009.



GRAHAM EDWARDS
Director Emeritus



JOANN CAIN
Treasurer





2021 STRONGER TOGETHER

MICHAEL A. O'HEHIR
Chairperson

Working together and being prepared for the unknown has been an integral part of Zeal's 68-year history. Zeal continues to be very well-capitalized, and we are able to persevere with strong leadership, an exceptionally caring team, and a supportive, strategic Board of Directors. Despite challenging times, we continue to look optimistically toward a strong future together.

Heading into 2022, we are still hard at work helping our members set and achieve financial goals. We know our members and employees work for more than just money. They work for their dreams, for someone who needs their help, or for the people they love. On behalf of the Board of Directors, I would like to thank you for choosing Zeal Credit Union. You have our commitment that we will continue to work hard together for your well-being.



2021 STRONGER TOGETHER

JULIE KREINBRING
President & CEO

Since Zeal Credit Union was founded in 1954, our mission has been to provide outstanding service to the hardworking Americans we serve. In 2021, we remained unwaveringly committed to that mission - and to our guiding principles to **LIVE with character, FEEL with empathy and ACT with passion.**

While facing a second year of a particularly challenging time, the Zeal team demonstrated that they have what it takes to prioritize safety and security, and meet member needs, all while fully supporting each other through it. By September, the commitment was palpable as the team made their way back to the office after a time that demanded remote work for many of us. Without missing a beat, the team proved that we are stronger together and celebrated an entire week of being “ONE Team.” During this time, our Zeal culture was undeniably solidified. We have a united group of amazing people who call Zeal their work home.

This past year, we set out to share stories of how the Zeal community embodies the principles we are driven by. We produced and shared video testimonial stories of passion and strength from team members and members alike who worked hard and overcame in a difficult time.

“Every interaction with members is an opportunity to make a positive impact in people’s lives.”



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President & CEO

Through the video series, which is now proudly displayed on our website, we met **Ryan** who shared his appreciation for the affordable loan that the Zeal team tailored toward his needs, in his quest to find a comfortable, wheelchair accessible van for his daughter; we met **Jack** who told us about the ways in which Zeal went above and beyond to provide a loan for the small business he worked so hard to build; we met **Ron** who was over the moon when he saved more than \$5,000 in interest by bringing his auto loan to Zeal from a competitor. And there were many more stories just like these.

In total, for the year, we were able to capture 17 remarkable stories. Our team also told us about their experiences with Zeal, and what they love about our members. Our team series features Zeal teammates like our Chief Operating Officer, **Sandy**, who shared the remarkable experience of how she carved out her Zeal career over the course of 38 years - from beginning as a summer high school intern to where she is now, a credit union leader; and from **Jasmine**, who shared her excitement about the team support she received as she grew in her position, and from **Colleen** who is wowed and in awe of the exceptional members we serve every day.

I am inspired every day by our team and by our membership. They not only persevere in the face of adversity, but they also go above and beyond, and they achieve remarkable things. Every. Single. Day.



2021 STRONGER TOGETHER

JULIE KREINBRING
President & CEO

This community has taken new experiences and continuously turned them into opportunities for growth, and for hope. Through member service and the products and services Zeal provides, we recognize that every interaction with our members is an opportunity to make a positive impact. In 2021, our loans grew to a record-breaking \$432,000,278 as we worked with members to help them realize their dreams.

At year-end, the Zeal team came together to reach out to our communities through [#ZealTheLove](#) when they shared their time, talent, and treasure to so many of our community's remarkable charitable organizations, who do so much to improve the lives of everyone in the communities they're part of. It was amazing and moving to see how much can be done when we work together.

I am so grateful for the continued support of the Zeal community - our members, team members, and volunteers. We are stronger together and promise to continue our commitment to providing you with the exceptional experiences that you so deserve. We genuinely appreciate all we have built together and optimistically look forward to what the future holds.





Oversight Committee

KAREN RAWLS

Oversight Committee Chairperson

The Oversight Committee ensures that the Credit Union's financial records are accurately maintained. We work closely with our CPA firm to provide an independent audit of the financial statements for the membership. The audits are conducted in accordance with generally accepted accounting principles and standards. The reports critically and systematically examine the internal controls, statements, records, accounting transactions and other financial records of the Credit Union. The CPA firm issued their opinion that the financial statements present fairly, in all material respects, the financial position of the Credit Union, in conformity with accounting principles generally accepted in the United States of America. In addition, the Oversight Committee oversees the internal audit function and reviews internal audit reports.

The State of Michigan Department of Insurance and Financial Services also conducts periodic examinations of the records of the Credit Union. The results of each examination are reported to the Board of Directors and the Oversight Committee. In addition to these safeguards, the National Credit Union Administration (NCUA), an agency of the U.S. government, insures deposit accounts of the Credit Union to at least \$250,000.





Treasurer's Report

KAREN RAWLS
Treasurer

Zeal Credit Union ended 2021 with assets at \$848,698,737. The growth in assets was primarily due to deposit growth of about 15.3% year over year. The deposit growth was due to the continuing economic impact of the pandemic. Increased savings coupled with lower spending by members increased both checking and savings account balances.

Even with the large growth in assets, Zeal Credit Union has a strong capital position of 12.70%. The capital ratio measures the financial strength and durability of the Credit Union and is considered well-capitalized under current government regulations. We had an overall net income of \$10,297,302 for 2021. Interest rates remained at all-time lows.

As we grow, we continue the demanding work that has made us a primary financial institution for our members and their financial future.



December 31, 2021 and 2020 Statements of Earnings and Financial Condition *(Unaudited)*

	2021	2020
Interest Income		
Loans	\$19,675,147	\$20,006,030
Investments	2,227,802	2,668,510
Total Interest Income	<u>21,902,949</u>	<u>22,674,540</u>
Interest and Dividend Expense		
Members' Shares and Savings	865,917	912,288
Borrowed Funds	173,403	220,109
Total Interest and Dividend Expense	<u>1,039,320</u>	<u>1,132,397</u>
Net Interest Income	<u>20,863,629</u>	<u>21,542,143</u>
Provision for Loan Losses	<u>877,000</u>	<u>3,215,000</u>
Other Income	<u>14,974,011</u>	<u>11,416,363</u>
Operating Expenses		
Compensation and Benefits	12,504,341	14,026,433
Data Processing	2,422,671	2,300,676
Audit and Insurance	520,843	511,365
Cost of Space	2,454,762	2,336,037
Forms and Supplies	268,451	341,492
Education and Training	336,862	267,480
Marketing	512,464	917,322
Communications	490,984	517,519
Collections	448,357	501,071
Administrative	1,745,527	1,573,445
Member Services	2,962,408	3,056,069
Total Operating Expenses	<u>24,667,670</u>	<u>26,348,909</u>
Non Operating Gain (Loss)	<u>4,332</u>	<u>(31,818)</u>
Net Income to Undivided Earnings	<u>\$10,297,302</u>	<u>\$3,362,779</u>

	2021	2020
Assets		
Loans to Members	\$432,000,278	\$381,960,745
Less Allowance for Loan Losses	(5,171,900)	(5,806,361)
Net Loans	<u>426,828,378</u>	<u>376,154,384</u>
Cash	7,713,949	7,771,798
Investments	353,691,440	307,322,424
Other Assets	60,464,970	58,558,338
Total Assets	<u>\$848,698,737</u>	<u>\$749,806,944</u>
Liabilities and Members' Equity		
Member Shares	343,420,543	291,005,894
Checking	145,281,363	130,938,592
Other Deposits/Certificates	221,434,213	194,149,608
Total Savings	<u>710,136,119</u>	<u>616,094,094</u>
Borrowed Money	20,000,000	23,000,000
Dividends Payable	4,613	4,631
Other Liabilities	10,482,808	10,943,271
Regular Reserves	16,665,230	16,665,230
Unrealized Gain(Loss) on Investments	281,524	2,268,577
Undivided Earnings	91,128,443	80,831,141
Total Liabilities and Members' Equity	<u>\$848,698,737</u>	<u>\$749,806,944</u>



Board of Directors



MICHAEL A. O'HEHIR
Chairman



PAUL MESSIMER
Vice-Chairman



DAVID L. KISIC
Secretary



KAREN RAWLS
Treasurer



DAVID ADAMS JR.
Director



SUSAN LESLIE
Director



SAMUEL R. PALISE
Director



KATHY RICHARDSON
Director



SHARON WRIGHT
Director



JULIE KREINBRING
CEO | President





Thank you

LIVE with character, FEEL with empathy and ACT with passion.