



  
**summit**  
CREDIT UNION  
Equity in Money™

**2022 ANNUAL REPORT**



# Chair/CEO Report



MARY TURKE  
BOARD CHAIR



KIM SPONEM  
CEO & PRESIDENT

**W**e are proud to share that 2022 was another historic year at Summit. We saw unprecedented use of our products and services in nearly every aspect of the credit union, helping more members achieve their financial goals with the added value you get when you are a member of Summit Credit Union. Through our award-winning financial wellness programs and our day-to-day interactions with members, we help people get on track financially and stay on track.

We recognize the challenges women have with lower incomes than men due to a variety of circumstances, including time off to care for others, fewer women in higher level positions, and the tendency for lower pay in women-dominated fields compared to fields dominated by men. This makes it more difficult for women to secure a strong financial future. At Summit, we are working to close that gap so more women can avoid poverty in retirement. Financial strength and stability go hand in hand with pay equity.

## **Your credit union remains one of the strongest financial institutions.**

As we grow, you can continue to feel good about the safety and security of your money with Summit. We have very low exposure to uninsured deposits or bond investments and hold significant funds in low-risk assets for quick availability when needed. Summit has consistently earned a 5-star rating from industry analyst Bauer Financial. We are local, serving people and businesses in Wisconsin, and our net worth is well above 7%, which the NCUA considers well-capitalized. We are glad to bring the value of peace of mind to our members.

## Here are some of the exciting things we did in 2022

### **Bought a strong bank that focuses on businesses**

We completed the largest credit union acquisition of a bank in Wisconsin's history with Commerce State Bank, a successful organization with a strong, well-performing commercial and residential real estate loan portfolio. The acquisition added expertise in commercial and industrial lending and deposit management services. Adding those strengths to our stellar mortgage capabilities, retail operations and business portfolio will bring tremendous value to our members and more people in Wisconsin.

### **Grew**

Because our growth enables us to benefit more people, we are happy to share that in 2022 our assets grew by 29% to \$6.2 billion, loans to members by 40% and member deposits by 25%. And we welcomed more than 34,000 new members, including more than 5,700 from Commerce State Bank.

### **Made things easier**

In May, we introduced exciting changes and new features to your Summit online and mobile banking. That included one dashboard to see all your Summit accounts, customization controls so you can view your accounts the way you'd like, new alerts and security options, and more!

### **Saved you money**

Summit members saved more than \$32,800,000 over banking with for-profit banks in Wisconsin in 2022 – an average savings of \$142 per member and \$297 per household.<sup>1</sup>

### **Added locations**

We now have branches in Weston, West Bend, Sheboygan, Cedarburg, and Elm Grove, all providing financial education every day at these and 50 other Summit locations around Wisconsin.

## Some ways we built stronger communities together in 2022

### Supported sustainable economic development

In 2022, we focused a lot of our efforts on innovative solutions: Black Business Hub, The Center for Black Excellence and Culture, McKenzie Center, and One City Schools in addition to our prior commitments to Madison College and Centro Hispano. We are excited to be a catalyst for sustainable economic growth, including the transformation happening on Madison's south side, because we believe it will make Madison, the surrounding area and beyond stronger and better for everyone.

This year, we supported Centro Hispano of Dane County's Latina Savings Project, which aims to provide financial education and access to products that empower and support Latina women in building emergency savings and ensuring a secure retirement. Examples include helping them open an IRA, start a business and build confidence in budgeting. In the program's celebration event, the women shared that it was more than financial education to them – that it changed their lives and was helping set up future generations for success.

### Expanded financial education as a workplace benefit

Our workplace financial education program provides employers with a benefit of empowering financial education to help their employees reduce financial stress. At the end of 2022, Summit's Financial Wellness for Employees was available in the workplaces of 81 Wisconsin employers with more than 98,000 employees.

**Thank you** to the amazing team at Summit for making a difference for our members. Thank you to our Board of Directors for your vision and direction. And thank you, members. As a financial cooperative, we grow when we benefit your financial wellbeing in a way that inspires you to share Summit with others. Thank you for being part of making a positive difference for your financial life and for others through your membership in Summit Credit Union.



Mary Turke | Board Chair



Kim Spone | CEO & President

# Treasurer's Report



**STEFANIE NORVAISAS**  
**TREASURER**

**S**ummit Credit Union achieved significant growth and financial progress in 2022. Among the highlights were:

- Total assets grew by \$1.4 billion, to \$6.2 billion. Our annual growth rate of assets was 29%.
- Deposits increased by \$965 million, to \$4.8 billion, for an annual growth rate of 25%. Member certificates, money market and checking balances grew the fastest.
- Loans outstanding to members grew by \$1.4 million, or 40%, to \$5.0 billion. Our fastest-growing loan categories were business loans, mortgage loans and vehicle loans.

Our 2022 growth rates were higher than the average growth rates for credit unions nationwide, partly thanks to our acquisition of Commerce State Bank. Our growth also reflects our commitment to member service as well as our continuing efforts to offer rates and fees that are among the most attractive in our market areas.

The Credit Union earned \$231 million in total revenue during 2022. Our largest revenue source is interest earned on loans to members.

Our revenue was used to pay dividends on member accounts and also operating expenses incurred in providing services to members. Our operating expenses for 2022 were smaller than is typical for a credit union our size, and that efficiency allows us to return more to members while also building our capital base. Our Credit Union earned \$51 million in net income after expenses, which was added to the Credit Union's capital, or net worth, to provide additional financial stability and to fund future growth.

Our ratio of net worth to total assets stood at a very strong 10% on December 31, 2022. Summit Credit Union is well-positioned to continue providing high-quality, affordable financial services to its members from a foundation of sound financial management.

## IN 2022

Total assets grew to  
**\$6.2 BILLION**

Deposits increased to  
**\$4.8 BILLION**

Loans to members grew to  
**\$5.0 BILLION**

## FINANCIAL STATEMENTS

### INCOME STATEMENT FOR THE YEARS ENDING DECEMBER 31, 2022 & 2021 (IN THOUSANDS)

	2022	2021
<b>INTEREST INCOME</b>		
Loans	\$ 159,678	\$ 127,797
Securities and Interest Bearing Deposits and Cash Equivalents	12,202	6,760
<b>Total Interest Income</b>	<b>171,880</b>	<b>134,557</b>
<b>INTEREST EXPENSE</b>		
Members' Share and Savings Accounts	17,583	12,692
Borrowed Funds	14,547	9,620
<b>Total Interest Expense</b>	<b>32,130</b>	<b>22,312</b>
<b>NET INTEREST INCOME</b>	<b>139,750</b>	<b>112,245</b>
<b>(CREDIT) PROVISION FOR LOAN LOSSES</b>	<b>5,732</b>	<b>(6,595)</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>134,018</b>	<b>118,840</b>
<b>NON-INTEREST INCOME</b>		
Service Charges and Fees	16,978	14,147
Other Non-Interest Income	32,121	32,693
Mortgage Servicing Rights Capitalized	2,974	9,191
Net Gain on Sale of Loans	4,038	27,749
Mortgage Servicing Income, Net	2,778	344
Net Gain on Sale of Investments	—	123
Net (Loss) Gain on Sale of Foreclosed Assets	(36)	48
Other Non-Operating Income	368	147
<b>Total Non-Interest Income</b>	<b>59,221</b>	<b>84,442</b>
<b>NON-INTEREST EXPENSE</b>		
General and Administrative		
Employee Compensation and Benefits	70,914	64,561
Office Occupancy and Operations	39,540	35,083
Other Operating Expenses	31,420	26,204
Net Loss on Sales of Fixed Assets	9	9
Other Non-Operating Expense	—	52
<b>Total Non-Interest Expense</b>	<b>141,883</b>	<b>125,909</b>
<b>NET INCOME</b>	<b>\$ 51,356</b>	<b>\$ 77,373</b>

## STATEMENT OF FINANCIAL CONDITION AS OF DECEMBER 31, 2022 & 2021 (IN THOUSANDS)

	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 276,343	\$ 266,596
Deposits in Other Financial Institutions	695	2,695
Securities - Available for Sale	550,133	707,661
Other Investments	36,058	16,617
Loans Held for Sale	6,428	26,313
Loans, Net	4,991,275	3,552,684
Accrued Interest Receivable	14,375	9,288
Foreclosed and Repossessed Assets	1,405	390
Premises and Equipment, Net	144,590	133,704
NCUSIF Deposit	39,717	33,734
Mortgage Servicing Rights	14,137	15,042
Credit Union Owned Life Insurance	—	50,629
Goodwill and Intangible Assets	118,957	1,003
Other Assets	30,397	14,227
<b>Total Assets</b>	<b>\$ 6,224,510</b>	<b>\$ 4,830,583</b>
<b>LIABILITIES</b>		
Members' Share and Savings Accounts	4,799,419	3,834,303
Borrowed Funds	805,407	384,750
Accrued Expenses and Other Liabilities	71,932	56,021
<b>Total Liabilities</b>	<b>\$ 5,676,758</b>	<b>\$ 4,275,074</b>
<b>MEMBERS' EQUITY</b>		
Regular Reserves	—	26,985
Undivided Earnings	612,054	533,713
Accumulated Other Comprehensive Loss	(70,302)	(11,189)
Acquired Equity	6,000	6,000
<b>Total Members' Equity</b>	<b>547,752</b>	<b>555,509</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$ 6,224,510</b>	<b>\$ 4,830,583</b>

### SUPERVISORY/RISK COMMITTEE REPORT

Summit Credit Union's Supervisory/Risk Committee engaged the firm of CliftonLarsonAllen to audit the credit union as of December 31, 2022. They concluded that the financial statements fairly represent the results of Summit's operations and its financial position according to generally accepted accounting principles, and issued an unmodified opinion. A copy of this audit report is available upon request.

### Supervisory/Risk Committee Members

Dennis Sauey, Director  
Mike Schenk, Treasurer Elect  
Mark Molitor, Committee Member

Charlie Murty, Committee Member  
Alan Schecher, Committee Member

Financial strength and stability go hand in hand with pay equity. So, we are committed to helping close the wealth gap between women and men for the good of our members and our communities. A major contributor to the wealth gap, the gender pay gap means women earn less than men over a lifetime, which can lead to poverty, especially in retirement. See Summit's Equity in Money™ page on our website for more on how Summit is making a difference.

Women age 65 or older are about 43% more likely than men to live on an income below the poverty level.

— U.S. Department of Labor



We made mortgages more adaptable and easier, rolling out our popular 15/15 Adjustable-Rate Mortgage (ARM) and setting a record in the number of first mortgages we service locally – 25,500 at the end of 2022.

Summit, Camp Randall and UW Athletics are long-standing Wisconsin traditions. We're excited to come together to reach and support more people in Dane County and the state with the new Summit Credit Union Fifth Quarter Patio at Camp Randall's South End Zone, a place to enjoy football games, weddings, business meetings and events.

As part of a cooperative, the more business you do with Summit, the more you get back. This year, 72,845 Summit members received money back in the form of a member dividend for a total of **\$2.5 MILLION**.



Since we began this annual public financial education challenge in 2009, Project Money contestants have collectively increased savings by \$569,064 and reduced debt by \$588,712, sharing their journey and lessons to inspire thousands of others along the way.



**GETTING STRONGER!**

We grew from 76 to 106 multilingual employees in 2022.

We welcomed 11 new businesses who serve over 22,000 employees to our workplace financial empowerment program, bringing us to a total of 81 workplaces across the state with more than 98,000 employees.





# 2022 Awards & Recognition



Accepted into the **Global Alliance for Banking on Values**, a network of “values-based” financial institutions putting finance to work for positive economic, social and environmental change.



## Top 100 Best Credit Unions

By Bankdash, based on accessibility, account fees, community, dividends, membership trends, member engagement and operational strength.



## Dane County Climate Champion

By Dane County Office of Energy and Climate Change for Summit’s headquarters (which uses 25% less energy than a similar building) and for our support of employee and member sustainability efforts.



## Top Choice Award

For Financial Planning (Milwaukee), as voted by readers of Milwaukee Journal Sentinel.



## Best of Monona Award

#1 in Best Financial Institution category and #2 in Best Customer Service category, as voted by Herald-Independent readers.



## Best of Sun Prairie

Best Financial Institution and Best Financial Advisor (Mark Gernetzke), as voted by readers of The Star.



## Best of Waunakee

Best Financial Institution, as voted by readers of Waunakee Tribune.



## Top Workplace USA

(Topworkplaces.com) Recognized as one of the best workplaces in 2022.



## Top Workplace in Madison Area

Awarded by Wisconsin State Journal to companies demonstrating excellence in employee engagement and a strong company culture, based on employee input.



## Madison Magazine's Best of Madison

Silver in Credit Union category, as voted by readers of Madison Magazine.



## Executive Choice Award for Credit Unions

Awarded by In Business Magazine to top business-to-business vendors in the Greater Madison area.



## People's Choice

#1 in Credit Union category and in the Top 3 for Best Wealth Management, Best Customer Service and Best Mortgage Broker categories, as voted by readers of Madison.com.



## Wisconsin's No. 1 Small Business Administration (SBA) Lender

among credit unions for the 12th consecutive year.



## Summit Credit Union's Board of Directors

*Back row, left to right:* Dan Kaiser, Vice-Chair; Mike O'Brien, Director; Mike Schenk, Treasurer-Elect; Dave Reszel, Past Chair; Bob Lindner, Secretary; John Litscher, Director

*Front row, left to right:* Samira Salem, Director; Abbie Rodriguez, Director; Mary Turke, Board Chair; Stefanie Norvaisas, Treasurer; Dennis Sauey, Director

## Senior Management

**Kim Sponem**, CEO & President  
**Kelly Erbach**, SVP – Business Technology Solutions  
**Rebecca Gerothanas**, Chief Operations Officer  
**Chris Hefter**, Chief Information Officer  
**Ann Knutson**, SVP – Human Resources and Organizational Development

**Ric Mathias**, SVP – Sales & Lending Operations  
**Keith Peterson**, Chief Financial Officer  
**Kevin Piette**, Chief Commercial Business Officer  
**Chris Schell**, Chief Marketing Officer



**SummitCreditUnion.com | 800-236-5560 | 608-243-5000**



Insured by NCUA.

1 Savings over the average cost of doing business with a for-profit banking institution in WI. CUNA Economics & Statistics Department, customized analysis of member benefits for Summit Credit Union, for 12 months ending December 31, 2022. 2 The Wisconsin's #1 Mortgage Lender designation is based on the number of loans originated in 2021, gathered from the Home Mortgage Disclosure Act data compiled annually by the Consumer Financial Protection Bureau. The results of the data were obtained through the Consumer Financial Protection Bureau's website: <https://ftic.cfpb.gov/data-publication/modified-lar/2021>. LEI: 254900NTAC4H10MG5U23. 3 No minimum balances are required to be eligible for the program. Any fees/charges applied to an account will reduce the account balance and result in less dividends earned. A checking account must be open as of 9/30 of year of payment to be eligible for the program. Only members in good standing at the date of the payout will receive as long as the Cash Boomerang computes to \$10 or more, with a maximum of \$1,000. Cash Boomerang is not guaranteed. Cash Boomerang is a dividend and subject to tax reporting. 4 SBA Lender of the Year awarded by the Small Business Administration of Wisconsin, most SBA loans 7(a) through a credit union in WI. © Summit Credit Union 2023