



**summit**  
CREDIT UNION

**2020 ANNUAL REPORT**

# CHAIR/CEO REPORT

DAVE RESZEL, BOARD CHAIR  
KIM SPONEM, CEO & PRESIDENT



2020...from perfect vision to blurred vision to retrospect. If there is one thing we can say about 2020 it is that Summit Credit Union was there for its members. While the country was shutting down, we reached out to businesses and members quickly and effectively.

- Within days we were offering loan deferrals for businesses impacted by the shutdown.
- We created a “Get Me Through” line of credit that would be there when members needed it, giving peace of mind to 2,150 members.
- We provided members the option to skip a payment on their credit cards and worked with members on deferring loan payments.
- We were one of the first to offer Paycheck Protection Program (PPP) loans, helping 1,400 businesses survive and continue to pay their employees. These loans enabled paychecks to about 5,000 employees. In fact, Summit Credit Union processed the most number of PPP loans of any credit union in the state of Wisconsin and was in the top 3 of financial providers of PPP loans overall.
- We transitioned staff from closed branch lobbies to our Contact Center where we handled more than double the typical call and email volume.
- For everyone’s safety, we found ways to close mortgages and offer other lobby services through our drive ups and employed new digital tools for signatures and documentation.
- When we could safely do so, and with protocols in place, we opened some lobbies by appointment only.
- Members took advantage of our digital options throughout the year, and we are excited to share that we’ll be making digital services even easier in 2021.

*“This will help a small business owner like me mitigate cash flows in keeping my business viable during the COVID-19 pandemic crisis. As a long-time member, words cannot express my gratitude to Summit Credit Union for being a beacon of light, a community financial first responder in really caring for my financial well-being.”*

Most importantly, we were there for our members, both individuals and businesses. There are countless stories and we'll share two here.

A newly divorced mom needed to refinance her house in her own name. Our Summit employee helped her through every step, came in on days off, if needed, and when the member's tire was blown, offered to come to her driveway to help her get her papers signed. The member said, **"2020 was awful, and you ended it with hope at the end of the tunnel. I'm forever grateful to you. Now I will be able to stay in my home under my name. I think I am going to cry. Thank you."**

We worked with one business member with four restaurants and about 160 employees between them. With our help navigating the PPP loan process for each restaurant, the owner was able to keep the restaurants open and pay employees, even as they could not operate normally. It's incredibly rewarding to all of us at Summit to help our members reach these outcomes.

At Summit Credit Union, diversity is our strength. Our founders were diverse when we were formed as CUNA Credit Union in 1935. While we have since changed our name, our charter and focus continues on, creating a fair, equitable, and inclusive environment for members and our team. We continue this important journey as we strive to do better.



Artwork by local artist, Mike Lroy, helps Summit spread our message. © Mike Lroy & Summit Credit Union

Even in the face of a pandemic, we continued to grow in 2020. We doubled our mortgage volume over the year before, so more members saved money, were more financially secure and were in the homes of their dreams. We are proud to be the #1 mortgage lender in Southern Wisconsin.<sup>1</sup> For member convenience and growth, we opened five branches in 2020: Mount Horeb, Mount Pleasant, Middleton, Pewaukee and Sun Prairie West, and we began our purchase of a bank branch that, as of March 1, 2021, is Summit's Monroe branch.

We'll close with thanks to our Board of Directors for leadership and support, our employees who continue, in all circumstances, to work hard for our members' financial success, and to all of you for your membership and trust through this historic year. We learned a lot in 2020 and look forward to putting our new understandings to work for you.

**Dave Reszel** | Board Chair

**Kim Sporem** | CEO & President



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<sup>1</sup>#1 mortgage lender based on number of mortgages recorded with counties' registers of deeds.

**INCOME STATEMENT FOR THE YEARS ENDING  
DECEMBER 31, 2020 & 2019**

	<b>2020</b>	<b>2019</b>
<b>INTEREST INCOME</b>		
Loans	\$ 127,175,463	\$ 125,239,554
Securities and Interest Bearing Deposits and Cash Equivalents	7,654,097	8,450,249
Total Interest Income	134,829,560	133,689,803
<b>INTEREST EXPENSE</b>		
Members' Share and Savings Accounts	23,703,057	20,367,196
Borrowed Funds	12,165,415	12,705,770
Total Interest Expense	35,868,472	33,072,966
<b>NET INTEREST INCOME</b>	<b>98,961,088</b>	<b>100,616,837</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>14,342,500</b>	<b>7,965,000</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>84,618,588</b>	<b>92,651,837</b>
<b>NON-INTEREST INCOME</b>		
Service Charges and Fees	11,134,901	12,309,454
Other Non-Interest Income	26,111,465	23,242,488
Mortgages Servicing Rights Income	10,095,649	4,761,594
Net Gain on Sales of Loans	37,972,194	7,435,578
Net Gain on Sales of Investments	34,634	—
Other Non-Operating Gain (Loss) Income	—	17,721
Total Non-Interest Income	85,348,843	47,766,835
<b>NON-INTEREST EXPENSE</b>		
General and Administrative		
Employee Compensation and Benefits	57,462,355	48,838,984
Office Occupancy and Operations	31,202,447	28,659,063
Other Operating Expenses	20,655,776	17,926,956
Net Loss on Sale of Fixed Assets	387,683	4,377
Net (Gain) Loss on Sale of Foreclosed Assets	—	89,530
Other Non-Operating Expense	1,204,116	1,198,395
Total Non-Interest Expense	110,912,377	96,717,305
<b>NET INCOME</b>	<b>\$ 59,055,054</b>	<b>\$ 43,701,367</b>

STATEMENT OF FINANCIAL CONDITION AS OF  
DECEMBER 31, 2020 & 2019

	2020	2019
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 451,974,967	\$ 398,733,125
Deposits in Other Financial Institutions	21,195,011	20,695,011
Securities – Available for Sale	487,554,714	137,773,003
Other Investments	14,678,159	18,365,413
Loans Held for Sale	28,084,477	20,291,943
Loans, Net	3,127,657,599	2,923,045,496
Accrued Interest Receivable	9,092,443	7,859,830
Foreclosed and Repossessed Assets	396,428	843,547
Property and Equipment, Net	132,857,025	123,475,834
NCUSIF Deposit	29,761,005	24,061,444
Mortgage Servicing Rights	11,196,952	7,798,765
Other Assets	11,856,680	6,660,984
<b>Total Assets</b>	<b>\$ 4,326,305,460</b>	<b>\$ 3,689,604,395</b>
<b>LIABILITIES</b>		
Members' Shares and Savings Accounts	\$ 3,394,806,029	\$ 2,741,216,069
Borrowed Funds	388,750,000	480,500,000
Accrued Expenses & Other Liabilities	52,394,768	44,054,096
<b>Total Liabilities</b>	<b>\$ 3,835,950,797</b>	<b>\$ 3,265,770,165</b>
<b>MEMBERS' EQUITY</b>		
Regular Reserves	26,984,573	26,984,573
Undivided Earnings	456,339,701	397,284,647
Accumulated Other Comprehensive Income	1,030,339	(6,435,040)
Acquired Equity	6,000,050	6,000,050
<b>Total Members' Equity</b>	<b>490,354,663</b>	<b>423,834,230</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$ 4,326,305,460</b>	<b>\$ 3,689,604,395</b>

**RISK MANAGEMENT COMMITTEE REPORT**

Summit Credit Union's Risk Management Committee engaged the firm of CliftonLarsonAllen to audit the Credit Union as of December 31, 2020. They concluded that the financial statements present fairly the results of Summit's operations and its financial position according to generally accepted accounting principles. A copy of this audit report is available upon request.

**Risk Management Committee Members:**

Dennis Sauey, Director	Mark Molitor, Committee Member
Mike Schenk, Past Chair	Alan Schecher, Committee Member
Charlie Murty, Committee Member	

# TREASURER'S REPORT

BOB LINDNER, TREASURER



Summit Credit Union achieved significant growth and financial progress in 2020. Among the highlights were:

- Total assets grew by \$637 million, to \$4.33 billion. Our annual growth rate of assets was 17%.
- Member savings increased by \$654 million, to \$3.39 billion, for an annual growth rate of 24%. Member savings, checking and money market balances grew the fastest.
- Net loans outstanding to members grew by \$205 million, or 7%. Our fastest-growing loan categories were mortgage loans, business loans and vehicle loans.

Our 2020 growth rates were higher than the average growth rates for credit unions nationwide. Our growth 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 \$220 million in total revenue during 2020. 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 2020 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 \$59 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 11% on December 31, 2020. 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 2020

Total assets grew to  
**\$4.33 BILLION**

Member savings increased to  
**\$3.39 BILLION**

Loans to members grew to  
**\$3.16 BILLION**

# 2020 HIGHLIGHTS

As a financial cooperative, we exist for our members' financial well-being, not to profit stockholders. In 2020, it became even clearer just how important that is to empowering our members financially. We created safe and easy ways for you to access the guidance, tools and products to help reduce financial stress and own your financial wellness.

Even in a pandemic, we surpassed the 200,000-member milestone and \$4 billion in assets. Here are just a few of the ways Summit empowered members during this unprecedented year.

## Education and Guidance

- Delivered financial wellness support to nearly 400,000 people
  - 16,431 people accessed financial education programs
- Helped Season 12 Project Money families increase savings by \$48,753 and decrease debt by \$40,863
- Helped members with over \$640 million in investments through our Summit Financial Advisors program

## Member Savings and Value

- Distributed \$2.5 million in Cash Boomerang payouts — our cash give back program for qualifying members
- Saved each member household, on average, \$440 over banking with for-profit banks in WI<sup>3</sup>
- Provided 36,119 consumer loans for a total of almost \$1 billion
- Members saved more than \$17.4 million<sup>4</sup> by getting their mortgage at Summit
- Among the 335 US credit unions with \$1-10 billion in assets in the United States, Summit is ranked:
  - In the top 3% for member returns (value to members)
  - 7<sup>th</sup> in return to borrowers (value to borrowers)
  - 8<sup>th</sup> in member services usage

## 2020 Summit Awards and Recognition

- Best of Madison: Best credit union and best mortgage company  
Madison Magazine
- STAR of Madison: Bank/Credit Union
- Best Financial Institution: Lake Mills, Waunakee, Sun Prairie
- Top Workplace: #1 Large Employer in Madison  
Wisconsin State Journal
- #1 mortgage lender in Southern Wisconsin<sup>1</sup>
- #1 SBA lender in Wisconsin among credit unions<sup>2</sup>
- 10<sup>th</sup> year in a row as Executive Choice Award for Credit Unions  
In Business Magazine



- Silver LEED certification awarded by the U.S. Green Building Council for our headquarters building



Insured by NCUA

<sup>1</sup>Callahan & Associates Return of Member Index, March 2020. <sup>2</sup>#1 mortgage lender based on number of mortgages recorded with counties' registers of deeds. <sup>3</sup>SBA Lender of the Year Award for Credit Unions as awarded by the Small Business Administration of Wisconsin in February 2021. <sup>4</sup>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, 2020. <sup>5</sup>Savings over a 12-month period ending December 31, 2020. Savings calculation includes: 5-year adjustable rate mortgage, 15-year fixed and 30-year fixed mortgage.

# BOARD OF DIRECTORS



**DAVE RESZEL**  
**BOARD CHAIR**

Retired Executive  
Milwaukee Journal Sentinel



**MARY TURKE**  
**VICE CHAIR**

Managing Partner Attorney  
at Law, Turke & Strauss, LLP



**DAN KAISER**  
**SECRETARY**

Senior Vice President Product  
Innovation & Development,  
CUNA Mutual Group



**BOB LINDNER**  
**TREASURER**

Vice President, Director of Credit  
Union Business Development,  
Madison Investment Advisors



**STEFANIE NORVAISAS**  
**TREASURER ELECT**

Vice President of Strategy  
& Principal, Delve



**MIKE SCHENK**  
**PAST CHAIR**

Deputy Chief Advocacy  
Officer for Policy Analysis  
& Chief Economist, CUNA



**JOHN LITSCHER**  
**DIRECTOR**

Partner & Private Wealth  
Planner, The Capital Group



**MIKE O'BRIEN**  
**DIRECTOR**

Local Sales Manager,  
Journal Broadcast Group



**ABBIE RODRIGUEZ**  
**DIRECTOR**

Senior Vice President  
for Customer Success,  
CUNA Mutual Group



**SAMIRA SALEM**  
**DIRECTOR**

Senior Policy Analyst,  
CUNA



**DENNIS SAUEY**  
**DIRECTOR**

Retired Business Owner,  
Norse Leasing Corporation

# SENIOR MANAGEMENT

**Kim Sponem**, CEO & President

**Kelly Erbach**, SVP – Business Technology Solutions

**Rebecca Gerothanas**, Chief Operations Officer

**Chris Hefter**, Chief Information Officer

**Nancy Kasten**, SVP – Human Resources & Organizational Development

**Ric Mathias**, SVP – Sales & Lending Operations

**Keith Peterson**, Chief Financial Officer

**Chris Schell**, Chief Marketing Officer

SummitCreditUnion.com  
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OWN IT

  
summit  
CREDIT UNION