



Because
AT BLACKHAWK WE'RE FAMILY.



BLACKHAWK
COMMUNITYTM
Family of Credit Unions

 **next step**

 **Kenosha City Employees**

 **VIKING**
STUDENT CREDIT UNION

 **COUGAR**
STUDENT CREDIT UNION



Sherri Stumpf,
Blackhawk Community
Credit Union CEO

Letter FROM OUR CEO

People always ask me how credit unions are different from banks, since we offer the same products and services. Credit unions were first formed around the cooperative model that has seven guiding principles. The difference is in these principles, which continue to steer us today.

They include:

- Membership is voluntary and open to the groups we serve.
- Members have a voice with their vote.
- When you become a member, you also become an owner.
- The organization is independent and self-reliant.
- We provide information and education with no strings attached.
- There is cooperation between other credit unions.
- We give back to the community.

At Blackhawk, we strive to accomplish all of these principles. However, we live for the principle of giving back to the community with the responsibility of doing it on your behalf and making you proud to be a member.

Profits made by the credit union are given back to you, and the entire membership, through lower fees, lower interest rates on loans, higher dividends on savings and support of non-profit agencies within the communities we serve. On the following page, it's our honor to apprise you of all the ways your membership contributes to making a difference.

We do this because we consider you our family. Family looks out for one another and is there when others may not be. We see it as our social responsibility to always ask ourselves if we can help when a need arises. This is how our new Next Step lending products were founded.

When loan requests don't fit our traditional underwriting, we are dedicated to taking another look. Next Step isn't just a loan. It's a plan to help members achieve their financial goals. Recently, we had the privilege of helping a family who dedicated themselves to caring for their aging parents. In addition to losing their parents, they also lost a job. As they were grieving and recovering, their finances and credit took a toll. With a new job and an inherited home, no bank would invest in them. We helped them make a plan and gave them a home loan.

This is the credit union difference.

Thank you for being a part of our family.

Sincerely,

Sherri Stumpf

Sherri Stumpf
President/CEO

Your 2016-2017 BOARD OF DIRECTORS



MARY FREDERICK
CHAIRPERSON
Member since 1976
Board Member since 2006
mfrederick@bhccu.org



SHANNON RILEY
VICE CHAIRPERSON
Member since 2008
Board Member since 2014
sriley@bhccu.org



TOM OSMOND
TREASURER
Member since 1969
Board Member since 1983
tosmond@bhccu.org



MARGARET FENRICK
SECRETARY
Member since 1976
Board Member since 2006
mfenrick@bhccu.org



GLEN LEA
EMERITUS DIRECTOR
Member since 1965
Board Member since 1965
glea@bhccu.org



TIM SILHA
DIRECTOR
Member since 1976
Board Member since 2014
tsilha@bhccu.org



EDMUND HALABI
DIRECTOR
Member since 1988
Board Member since 2014
ehalabi@bhccu.org



JOHN JENKS
DIRECTOR
Member since 1996
Board Member since 2016
jjenks@bhccu.org



2016 DONATIONS

2016 Donations

In addition to granting over \$15,000 in scholarships to college-bound students, we were honored to give time, talents and treasures to these organizations in 2016.

FINANCIAL LITERACY

Faith Works
Beloit School District
Beloit Stateline Literacy Council
Edgerton/Milton Reality Fair
Janesville School District
Money Matters

HEALTH CARE & DISABILITIES

Agrace Hospice & Palliative Care
American Cancer Society
American Heart Association
American Red Cross
Camden Foundation
Edgerton Hospital Foundation
Epilepsy Foundation
Healthnet of Rock County, Inc.
Independent Disability Services
Kandu Industries, Inc.
Mercy Health System,
Hospice Care
Mercy Health System,
House of Mercy
Muscular Dystrophy Association
National Multiple
Sclerosis Society
Riverfront
Rock County Cancer Coalition
Skaalen Benevolent Care
Endowment
Smiles
Special Olympics
St Mary's Hospital Foundation
Three Gaits, Inc.

YOUTH SERVICES

Big Brothers/Big Sisters of
Rock, Walworth &
Jefferson Counties
Blackhawk Scholarships
Boy Scouts of America
Boys & Girls Club of Janesville
and Walworth County
Casa of Rock County
Children's Miracle Network

Delavan Youth Football
Edgerton High School
Green Beret Marching Band
Janesville Figure Skating Club
Janesville Hockey Club
Janesville School District,
Bags of Hope
Janesville School District,
Parker & Craig Closets
Janesville Youth Baseball/Softball
Junior Achievement
Milton Choir
Milton Basketball Booster Club
Milton Girls Soccer Booster Club
Milton Hockey Booster Club
Milton Track & Field
Parker High School Programs
Project 16:49
St. William Parish Boy Scout
Troop 539
Tider Football Booster Club
UW Rock County Foundation

ADVANCEMENT OF COMMUNITIES

American Legion
Arts Council of Edgerton
Greater Beloit Chamber
of Commerce
Cedar Crest
Cornerstone of Hope
Dane County Humane Society
Delavan Cinco de Mayo
Delavan-Darien Rotary Club
Delavan Historical Foundation
Delavan-Delavan Lake Area
Chamber of Commerce
ECHO
Edgerton Chamber of Commerce
Edgerton Community Fund
Edgerton Fire Department
Edgerton Community Outreach
Edgerton Heritage Days
Edgerton Rotary Club
Forward Janesville
Freedom Fest

Friends of Phoenix
Park Bandshell
Gifts Men's Foundation
Geneva National Foundation, Inc.
Hedberg Public Library
Janesville Elks Lodge
Janesville Jets
Janesville Noon Lions Club
Janesville Performing Arts Center
Janesville Police Department
Janesville Rotary Foundation
Milton Chamber of Commerce
Milton Food Pantry
Milton Historical Society
Milton Public Library
Rock Aqua Jays
Rock County 4H Fair
Rock County Historical Society
Rock County Humane Society
Rock Valley Community Programs
Rotary Botanical Gardens
SCWBA
Salvation Army
Stateline Foundation
Stoughton Food Pantry
Stoughton Kiwanis
Stoughton Area Resource Team
Stoughton Area Veterans
Memorial Park
Stoughton Chamber
of Commerce
Stoughton Fire Department
Stoughton Food Pantry
Stoughton Police Department
Stoughton VFW
Tri Community Center for
Sterling North
Twin Oaks Shelter
UAW Local 95
United Way Blackhawk Region
VetsRoll
Vietnam Veterans of America
Westgate Corridor
YMCA of Northern Rock County
YWCA of Rock County
Zonta Club of Janesville

Year IN REVIEW

2016 was a wonderful year! Here are just a few of the highlights:

- SPRING**
- There are over 45,000 Blackhawk family members as of Spring 2016
 - We participated in the Annual Children's Miracle Network Bowl-A-Thon and helped them in raising more than \$8,800.
 - We were voted Best Financial in The Gazette's Readers Choice Awards for the sixth year running.
- SUMMER**
- Janesville Police Department awards Outstanding Service plaque for Paws for a Cause program supporting the Janesville K9 unit.
 - Our very own Lisa Wittig was an Honorary Survivor speaker and headed up our team at the American Cancer Society's Relay for Life this year. We raised over \$6,600 for this wonderful cause.
 - We had 25 employees and their families participate in the Bert Blain Memorial Heart Walk this year raising \$3,800.
- FALL**
- Over 500 members joined us for our annual Membership Appreciation Picnic.
 - We had 18 employees participate in United Way's Day of Caring where teams worked on various projects within the community.
 - We partnered with ECHO providing turkeys and helping deliver Thanksgiving baskets to people in our community.
- WINTER**
- We were honored for the second year in a row to receive the First Place, Judges Choice at the Forward Janesville Jolly Jingle Parade.
 - We partnered with Janesville School District and other local businesses to help provide Bags of Hope to area families.
 - We made sure no names were left on the Salvation Army's Angel Tree to ensure that all the children would receive a Christmas Gift.

What's NEW IN 2017

2017 is a year full of change!

Blackhawk Community Credit Union is expanding. We just broke ground on our new branch on the Southside of Janesville which should be opening later this summer.

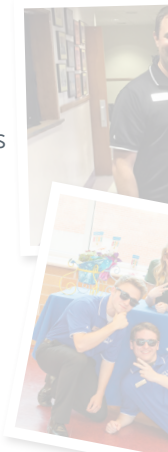


Our new Southside branch will be located at 1545 Center Ave., Janesville.

In January we merged with Kenosha City Employees Credit Union. We continue to grow with plans to open our very own Blackhawk branch in Kenosha later this year.



Bobbie Wilson, Kim Granger, Sherri Stumpf and Donna Peterson at the Kenosha Municipal Building.



Balance Sheet AS OF DECEMBER 31, 2016

UNAUDITED NUMBERS

| | 2016 | 2015 |
|--|-----------------------|--------------------|
| ASSETS | | |
| Cash & Cash Equivalents | \$ 30,178,843 | 18,120,032 |
| Loans (net) | 327,780,261 | 308,880,563 |
| Investments | 74,121,464 | 69,603,997 |
| Fixed Assets (net) | 13,859,418 | 13,590,671 |
| Other Real Estate Owned | 207,652 | 219,860 |
| NCUA Insurance Capitalization | 3,940,076 | 3,721,161 |
| Mortgage Servicing Rights | 2,301,837 | 2,078,879 |
| Accounts Receivable | 1,555,667 | 1,396,153 |
| Other Assets | 2,014,558 | 1,583,897 |
| Total Assets | \$ 455,959,775 | 419,195,213 |
| LIABILITIES AND MEMBER EQUITY | | |
| SHARES & DEPOSITS | | |
| Shares | \$ 127,831,699 | 116,942,000 |
| Share Drafts | 83,650,899 | 75,072,669 |
| Money Market Accounts | 11,664,339 | 12,108,214 |
| High Yield Savings | 113,322,874 | 103,142,386 |
| Certificates | 53,130,919 | 50,479,681 |
| IRA Accounts | 24,032,796 | 23,834,559 |
| Total Shares | \$ 413,633,527 | 381,579,509 |
| Other Interest Liabilities | — | — |
| Non Interest Liabilities | 6,348,852 | 4,368,231 |
| Total Liabilities | \$ 419,982,379 | 385,947,740 |
| Total Member Equity | 35,977,397 | 33,247,473 |
| Total Liabilities and Member Equity | \$ 455,959,775 | 419,195,213 |

Operating Statement AS OF DECEMBER 31, 2016

UNAUDITED NUMBERS

| | |
|---|----------------------|
| INTEREST INCOME | |
| Loan Interest Income | \$ 13,237,276 |
| Investment Income | \$ 882,274 |
| Total Interest Income | \$ 14,119,550 |
| DIVIDEND AND INTEREST EXPENSE | |
| Dividend Expense | \$ 1,467,134 |
| Interest Expense | \$ 737 |
| Total Dividend and Interest Expense | \$ 1,467,872 |
| Net Interest Margin before Provision | \$ 12,651,678 |
| Provision for Loan Loss | \$ 237,186 |
| Net Interest Margin after Provision | \$ 12,414,492 |
| Total Non-Interest Income | \$ 7,078,567 |
| Income before Non-Interest Expense | \$ 19,493,059 |
| Total Non-Interest Expense | \$ 16,513,040 |
| Net Income | \$ 2,980,018 |
| Number of Members | 45,912 |



INDEPENDENT AUDITOR'S REPORT

Blackhawk Community Credit Union engaged Wipfli LLC to perform a financial statement audit as of our fiscal year-end of March 31, 2016. This is their opinion of our financial statements as of that date.

Audit, Risk and Compliance Committee and Board of Directors
Blackhawk Community Credit Union
Janesville, Wisconsin

We have audited the accompanying financial statements of Blackhawk Community Credit Union, which comprise the balance sheet as of March 31, 2016, and the related statements of income, comprehensive income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blackhawk Community Credit Union as of March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP
June 15, 2016
Madison, Wisconsin



608-755-6065 800-779-5555
www.bhccu.org



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