A Shared Past, A Strong Future.



2 0

1

9

A N

Ν

U

Α

L R

E P

0

R

Т

LETTER FROM OUR CEO



LISA PALMA, Blackhawk Community Credit Union Interim CEO

Dear Members,

With how much our everyday lives have changed since last year, we can now look back on 2019 and see how our continual commitment to delivering convenient and personalized service is coming to fruition in a new normal:

- Many of you call our new full-service location in Milton, staffed with local employees who care, your branch – and drive through – of choice.
- We are now securely texting with you, so that you can receive fast responses about all of your banking needs.
- Closing your loans is happening through the convenience of email and the security of our online documents.
- Our mobile banking app is regularly being updated with new features, including secured conversations that bring the knowledge and expertise of our team straight to your phone.

We haven't stopped there. This year, we are commemorating 55 years of proud history. As the pandemic has changed our lives, we have changed, too. The credit union has a dedicated team that regularly reviews how we serve you in the safest ways possible. We introduced a new responsive website with online branch scheduling, so you can visit us when it works best for you. We have also invested in our employees with competitive wages and benefits at a time when it is needed most.

As we show respect to our 55 years of history with you and your family, we are looking forward. The pandemic is impacting many lives and we have created a Member Resource Center on our website to answer your questions and give you tools if you should have financial challenges. We are putting our resources into our team and technology to give you expert advice and accessibility. We are running the organization with fiscal responsibility. Your accounts are secure and your credit union is solid. We are focused on you.

We have: A shared past, a strong future.

We stand ready to serve you and our entire membership as we navigate the future together. Thank you for your trust in us and your business.

Sincerely,

Preme

Lisa Palma



YOUR 2019-2020 BOARD OF DIRECTORS



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



SUE MCGINNISS VICE CHAIR Board Member since 2017 smcginniss@bhccu.org



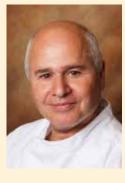
JOHN JENKS DIRECTOR/SECRETARY Board Member since 2016 jjenks@bhccu.org



STEVE KNOX DIRECTOR/TREASURER Board Member, 2009-2015 and 2018-present sknox@bhccu.org



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



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



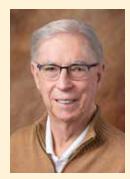
SARAH FEGRE DIRECTOR Board Member since 2017 sfegre@bhccu.org



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



ERIC ENTRINGER ASSOCIATE DIRECTOR Board Member since 2018 eentringer@bhccu.org



TIM CULLEN ASSOCIATE DIRECTOR Board Member since 2018 tcullen@bhccu.org

BALANCE SHEET AS OF DECEMBER 31, 2019

UNAUDITED NUMBERS

	UNAUDITED NUMBERS		
	2019	2018	
ASSETS			
Cash & Cash Equivalents	\$ 14,413,767	13,272,019	
Loans (net)	496,873,922	398,583,752	
Investments	73,243,341	163,061,011	
Fixed Assets (net)	20,606,975	17,798,753	
Other Real Estate Owned	538,569	368,983	
NCUA Insurance Capitalization	5,465,798	5,143,141	
Mortgage Servicing Rights	1,605,683	2,245,773	
Accounts Receivable	2,267,065	1,957,381	
Other Assets	4,861,516	3,448,831	
Total Assets	\$ 619,876,636	605,879,643	
LIABILITIES AND MEMBER EQUITY			
SHARES & DEPOSITS			
Shares	\$ 192,388,357	171,659,531	
Share Drafts	110,539,027	99,309,601	
Money Market Accounts	10,713,153 111,888,199	11,366,010 113,158,134	
High Yield Savings/Weathbuilder Certificates & IRA Accounts	137,050,588	135,663,085	
Total Shares	\$ 562,579,324	531,156,361	
Other Interest Liabilities	0	20,917,945	
Non Interest Liabilities	7,704,400	10,899,411	
Total Liabilities	\$ 570,283,724	562,973,717	
Total Member Equity	49,592,913	42,905,927	
Total Liabilities and Member Equity	\$ 619,876,636	605,879,643	

INCOME STATEMENT AS OF DECEMBER 31, 2019

		UNAUDITED NUMBERS	
INTEREST INCOME Loan Interest Income Investment Income	\$ \$	20,688,552 3,573,659	
Total Interest Income	\$	24,262,210	
DIVIDEND AND INTEREST EXPENSE Dividend Expense Interest Expense	\$ \$	3,973,374 103,895	
Total Dividend and Interest Expense	\$	4,077,270	
Net Interest Margin before Provision	\$	20,184,941	
Provision for Loan Loss	\$	638,299	
Net Interest Margin after Provision	\$	19,546,642	
Total Non-Interest Income	\$	6,525,857	
Income before Non-Interest Expense	\$	26,072,500	
Total Non-Interest Expense	\$	23,361,328	
Net Income	\$	2,711,172	
Number of Members		51,331	



INDEPENDENT AUDITOR'S REPORT

Board of Directors Blackhawk Community Credit Union Janesville, Wisconsin

We have audited the accompanying financial statements of Blackhawk Community Credit Union (the "Credit Union"), which comprise the balance sheet as of March 31, 2020 and 2019, and the related statements of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 State. 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.

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, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Wippei LLP

Wipfli LLP

June 11, 2020 Westchester, Illinois



A Shared Past, A Strong Future. 608-755-6065 800-779-5555 www.bhccu.org



Federally Insured by NCUA