

A photograph of a man and a young boy in a park. The man, wearing a red and blue plaid shirt and blue jeans, is crouching on the right side of the frame, smiling as he holds a small tree sapling. The boy, wearing a striped shirt and blue pants, is crouching on the left side, looking up at the man with a smile. The background is a blurred park with trees and a path. The overall mood is warm and positive.

A Shared Past, A Strong Future.

BLACKHAWK
COMMUNITY
CREDIT UNION

2 0 1 9 A N N U A L R E P O R T

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,

A handwritten signature in cursive script that reads "Lisa Palma".

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

	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	11,366,010
High Yield Savings/Weathbuilder	111,888,199	113,158,134
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	\$ 20,688,552
Investment Income	\$ 3,573,659
Total Interest Income	\$ 24,262,210
DIVIDEND AND INTEREST EXPENSE	
Dividend Expense	\$ 3,973,374
Interest Expense	\$ 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.

Wipfli LLP

Wipfli LLP

June 11, 2020
Westchester, Illinois

A young boy with brown hair, wearing a blue and white striped shirt, is looking up at a thin sapling with green leaves. The background is a soft-focus park with trees and sunlight filtering through the leaves.

**BLACKHAWK
COMMUNITY**
CREDIT UNION

A Shared Past, A Strong Future.

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www.bhccu.org



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by NCUA