A Shared Past, A Strong Future.
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,

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

SUE MCGINNIS
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
### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$14,413,767</td>
<td>$13,272,019</td>
</tr>
<tr>
<td>Loans (net)</td>
<td>496,873,922</td>
<td>398,583,752</td>
</tr>
<tr>
<td>Investments</td>
<td>73,243,341</td>
<td>163,061,011</td>
</tr>
<tr>
<td>Fixed Assets (net)</td>
<td>20,606,975</td>
<td>17,798,753</td>
</tr>
<tr>
<td>Other Real Estate Owned</td>
<td>538,569</td>
<td>368,983</td>
</tr>
<tr>
<td>NCUA Insurance Capitalization</td>
<td>5,465,798</td>
<td>5,143,141</td>
</tr>
<tr>
<td>Mortgage Servicing Rights</td>
<td>1,605,683</td>
<td>2,245,773</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>2,267,065</td>
<td>1,957,381</td>
</tr>
<tr>
<td>Other Assets</td>
<td>4,861,516</td>
<td>3,448,831</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$619,876,636</td>
<td>$605,879,643</td>
</tr>
</tbody>
</table>

### LIABILITIES AND MEMBER EQUITY

#### SHARES & DEPOSITS

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares</td>
<td>$192,388,357</td>
<td>171,659,531</td>
</tr>
<tr>
<td>Share Drafts</td>
<td>110,539,027</td>
<td>99,309,601</td>
</tr>
<tr>
<td>Money Market Accounts</td>
<td>10,713,153</td>
<td>11,366,010</td>
</tr>
<tr>
<td>High Yield Savings/Weathbuilder</td>
<td>111,888,199</td>
<td>113,158,134</td>
</tr>
<tr>
<td>Certificates &amp; IRA Accounts</td>
<td>137,050,588</td>
<td>135,663,085</td>
</tr>
<tr>
<td><strong>Total Shares</strong></td>
<td>$562,579,324</td>
<td>531,156,361</td>
</tr>
<tr>
<td>Other Interest Liabilities</td>
<td>0</td>
<td>20,917,945</td>
</tr>
<tr>
<td>Non Interest Liabilities</td>
<td>7,704,400</td>
<td>10,899,411</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$570,283,724</td>
<td>562,973,717</td>
</tr>
<tr>
<td><strong>Total Member Equity</strong></td>
<td>49,592,913</td>
<td>42,905,927</td>
</tr>
<tr>
<td><strong>Total Liabilities and Member Equity</strong></td>
<td>$619,876,636</td>
<td>$605,879,643</td>
</tr>
</tbody>
</table>

### INCOME STATEMENT

#### INTEREST INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Interest Income</td>
<td>$20,688,552</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$3,573,659</td>
</tr>
<tr>
<td><strong>Total Interest Income</strong></td>
<td>$24,262,210</td>
</tr>
</tbody>
</table>

#### DIVIDEND AND INTEREST EXPENSE

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Expense</td>
<td>$3,973,374</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$103,895</td>
</tr>
<tr>
<td><strong>Total Dividend and Interest Expense</strong></td>
<td>$4,077,270</td>
</tr>
</tbody>
</table>

**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 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.

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
June 11, 2020
Westchester, Illinois