



Photo by Marsha Mood

Building Bridges

2013 Annual Report



Smart Advice. Friendly Service. Locally Owned.

Letter from Our CEO

To be a credit union that truly serves our community means building bridges and making meaningful connections. As we reflect on the credit union's accomplishments in 2013, we're pleased that this was an objective we achieved in many ways throughout the year.

In our advertising, we honored the hometown heroes that live locally among us and work hard every day to make our community a better place to live. Their values align with the credit union movement and we are honored to have heard their stories in our Hometown Heroes Nomination Campaign. We were fortunate enough to help our winner, Jaysen Jorgensen, support his mission to end teen homelessness with his work with the 16:49 Project. This is building bridges.



*Sherri Stumpf,
Blackhawk Community
Credit Union CEO*

We have made significant progress in pulling together as a team and improving the financial stability of the credit union. In the last three years in my tenure as CEO, we have corrected almost every financial metric to be in line with our peers, except our capital. We will be diligent in finding ways to replenish our capital and keeping the credit union strong far into the future. I am proud of how our employees have made it a priority to understand our financial position and contribute to its success. This is building bridges.

This year was a contract negotiations year with the UAW. The contract was settled in record time and with an almost-unanimous ratification. This is indicative of a mutually trusting relationship with the UAW. We support and encourage this relationship. This is building bridges.

Our commitment to the community also kept us busy this year. Our employees volunteered over 2,000 hours to various charities throughout the community. Whether it is money or resources, a helping hand, or simply a kind word, giving to others is at the heart of our organization. This is building bridges.

Our long-time Board Director, Glenn Lea, who has served this credit union as President and then as a Board Director announced his retirement earlier this year. His lifelong work with our organization is a testament to the credit union movement and what can be accomplished within a community that comes together. Glenn will continue to work with us on the Blackhawk Community Credit Union Foundation Board of Directors with a new role – to help guide the charitable investments the foundation makes in the community. We look forward to his contributions and thank him for his commitment. This is building bridges.

Blackhawk Community Credit Union was voted for a third year in a row as the Best Bank or Credit Union in Rock County by consumers through the Janesville Gazette. We feel building this bridge is the most important of all. Thank you for your trust in us. We appreciate your membership and look forward to serving you in 2014 and well beyond.

Sincerely,

A handwritten signature in black ink that reads "Sherri Stumpf".

Sherri Stumpf
President/CEO

Balance Sheet as of December 31, 2013

	<u>12/31/2013</u>	<u>12/31/2012</u>
Assets		
Cash & Cash Equivalents	\$ 16,797,396	25,703,080
Loans (net)	279,960,359	258,410,937
Investments	53,996,229	54,603,329
Fixed Assets (net)	13,368,028	13,647,703
Other Real Estate Owned	1,244,178	1,107,037
NCUA Insurance Capitalization	3,440,846	3,272,871
Mortgage Servicing Rights	1,231,741	1,411,932
Accounts Receivable	1,405,213	1,445,561
Other Assets	1,594,008	1,915,895
Total Assets	<u>\$ 373,037,999</u>	<u>361,518,345</u>
Liabilities and Member Equity		
Shares & Deposits		
Shares	\$ 89,745,665	77,967,405
Share Drafts	56,706,119	51,746,436
Money Market Accounts	12,896,243	12,875,342
High Yield Savings	99,633,262	99,912,595
Certificates	58,825,536	61,683,430
IRA Accounts	25,546,943	27,516,201
Total Shares	<u>\$ 343,353,769</u>	<u>331,701,409</u>
Other Interest Liabilities	-	-
Non Interest Liabilities	5,004,515	4,536,618
Total Liabilities	<u>\$ 348,358,284</u>	<u>336,238,027</u>
Total Member Equity	24,679,715	25,280,318
Total Liabilities and Member Equity	<u>\$ 373,037,999</u>	<u>361,518,345</u>

Operating Statement year ended December 31, 2013

Interest Income	
Loan Interest Income	\$ 13,011,905
Investment Income	714,177
Total Interest Income	<u>\$ 13,726,082</u>
Dividend and Interest Expense	
Dividend Expense	\$ 1,477,955
Interest Expense	-
Total Dividend and Interest Expense	<u>\$ 1,477,955</u>
Net Interest Margin before Provision	\$ 12,248,127
Provision for Loan Loss	\$ 751,156
Net Interest Margin after Provision	<u>\$ 11,496,970</u>
Total Non-Interest Income	\$ 6,933,911
Income before Non-Interest Expense	\$ 18,430,881
Non-Interest Expense	\$ 17,739,301
NCUSIF and Corp. CU Stabilization	275,268
Total Non-Interest Expense	<u>\$ 17,464,033</u>
Net Income	<u>\$ 691,581</u>
Net Income Excluding NCUSIF and Corp. CU Stabilization	\$ 966,848
Number of Members	41,192



CliftonLarsonAllen

Independent Auditor's Report

Blackhawk Community Credit Union engages CliftonLarsonAllen to perform a financial statement audit as of our fiscal year-end of March 31, 2013. 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 statement of financial condition of Blackhawk Community Credit Union as of March 31, 2013 and 2012, and the related statements of operations, members' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to present fairly, in all material respects, the financial position of Blackhawk Community Credit Union as of March 31, 2013 and 2012, and the results of its operations and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
July 25, 2013
Minneapolis, Minnesota



2013 Donations

In addition to granting over \$13,000 in scholarships to college-bound students, we were honored to give time, talents and treasures to these organizations in 2013.

FINANCIAL LITERACY

Love, Inc.

HEALTH CARE & DISABILITIES

Agrace
Alzheimer's Support Center
of Rock County
American Cancer Society
American Heart Association
Battle for Brielle
Edgerton Hospital Foundation
Health 4 Life
Healthnet of Rock County, Inc.
Kandu Industries, Inc.
Mercy Health System, Hospice Care
Mercy Health System, Hospital Auxiliary
Mercy Health System, House of Mercy
Muscular Dystrophy Association
National Multiple Sclerosis Society
Open Arms Free Clinic, Inc.
Rock County Cancer Coalition
Skaalen Benevolent Care Endowment
Three Gaits, Inc.
Wisconsin Nurse Coalition

YOUTH SERVICES

Blackhawk Scholarships
Blackhawk Technical College Foundation
Boy Scouts of America
Boys & Girls Club of Janesville and
Walworth County
Children's Miracle Network
Janesville School District,
Bags of Hope
Janesville School District,
Parker & Craig Closets
Junior Achievement
Milton Girls Soccer Booster Club
Parker Band
Project 16:49
Tider Football Booster Club
UW Rock County Foundation

ADVANCEMENT OF COMMUNITIES

Beloit Chamber of Commerce
Cedar Crest

ADVANCEMENT OF COMMUNITIES

Delavan-Darien Rotary Club
Delavan Historical Foundation
Delavan Lake Area Chamber of Commerce
ECHO
Edgerton Chamber of Commerce
Edgerton Fire Department
Edgerton Food Pantry
Edgerton Rotary Club
Forward Janesville
Freedom Fest
Friends of Phoenix Park Bandshell
Gifts Men's Foundation
Geneva National Foundation, Inc.
Habitat for Humanity
of Rock & Jefferson Counties
Hedberg Public Library
Heritage Days
Janesville Jets
Janesville Noon Lions Club
Janesville Police Department
Janesville Rotary Foundation
Kennedy PTO
Knitting Grandmas
Norwegian Dancers
Riverfront
Rock Aqua Jays
Rock Around the Block
Rock County 4H Fair
Rock County Humane Society
Rock River Repertory Theater
Rock Valley Community Programs
Rotary Botanical Gardens
Salvation Army
Stoughton Area Resource Team
Stoughton Chamber of Commerce
Stoughton Fire Department
Stoughton Food Pantry
Tri Community Center for Sterling North
UAW Local 95
United Way Blackhawk Region
VetsRoll
Westgate Corridor
YMCA of Northern Rock County
YWCA
Zonta Club of Janesville

BLACKHAWK
COMMUNITYTM
CREDIT UNION

Smart Advice. Friendly Service. Locally Owned.

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www.bhccu.org



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