



Growing Together

2012 Annual Report



Smart Advice. Friendly Service. Locally Owned.



Federally Insured by NCUA

Letter from Our CEO

Why do people join Blackhawk Community Credit Union? Time and again, the answer comes down to trust. People trust the referral of a friend, so they join. An uncle who swears by Blackhawk opens an account for his nephew at birth. A couple trusts us because their home mortgage was processed without a hitch, despite difficult deadlines. A jaded bank customer trusts the proven success of financial cooperation and the shared purpose unique to credit unions. It is on this foundation of trust, which transcends generations, that we have grown and built our success - the strength of over 39,000 members combined with assets of over \$360 million.



*Sherri Stumpf,
Blackhawk Community
Credit Union CEO*

That success allows us to offer products of value to our members, with savings and lending programs geared to fit every purpose and budget. When people join Blackhawk Community Credit Union, they expect to achieve their financial goals. They trust us to look out for their best interests, eliminating the fine print and providing the products they need when they need them. Doing so feeds our success, while reaping benefits for our members. It's a relationship we've held sacred for almost 50 years and we will always strive to maintain it. Growing Together.

Because of our members, Blackhawk had an outstanding year in 2012. This resulted in record volumes in loans, savings, membership, income, and assets. Assets grew by over 6% to reach \$361 million and membership increased over 4% for a total of 39,017 members at year-end.

Throughout the year, we created a new Wealth Management department offering A+ and A rated investment products. We streamlined our savings and checking accounts and introduced new convenient technology with online banking and mobile banking.

We also created the Blackhawk Community Credit Union Foundation, which is a charitable organization committed to our communities. Giving back runs deep within our hearts. In 2012, our employees and members helped raise almost \$100,000 for various local charities, participated in numerous fundraising runs, and collected food, school supplies and toys. I am proud to report that as a team, our employees contributed hundreds of hours of volunteer time. We taught Junior Achievement classes, brought financial literacy curriculum to schools and community programs, and continued to operate our in-school branches.

In 2013, members can continue to see enhancements to our deposit products and further improvements to the entire mortgage process, resulting in faster closing times and the expansion of in-house appraisal services. Our goal is to constantly give members new reasons to come to Blackhawk Community Credit Union for their financial needs. Growing Together.

It was a truly extraordinary year made possible by the exemplary leadership of our volunteer Board of Directors and the diligent work of our staff. We owe collective gratitude to all for their roles in making this credit union a remarkable place for our members and the communities we serve.

A handwritten signature in black ink that reads "Sherri Stumpf". The signature is written in a cursive, flowing style.

Sherri Stumpf
President/CEO

Balance Sheet

as of December 31, 2012

Unaudited Numbers

	<u>12/31/2012</u>	<u>12/31/2011</u>
Assets		
Cash & Cash Equivalents	\$ 25,703,080	15,613,234
Loans (net)	258,410,937	258,117,350
Investments	54,603,329	43,633,429
Fixed Assets (net)	13,647,703	13,550,947
Other Real Estate Owned	1,107,037	2,785,683
NCUA Insurance Capitalization	3,272,871	3,156,753
Mortgage Servicing Rights	1,411,932	1,623,764
Accounts Receivable	1,445,561	1,653,773
Other Assets	1,915,895	473,200
Total Assets	<u>\$ 361,518,345</u>	<u>340,608,133</u>
Liabilities and Member Equity		
Shares & Deposits		
Shares	\$ 77,967,405	64,434,639
Share Drafts	51,746,436	46,411,748
Money Market Accounts	12,875,342	12,536,752
High Yield Savings	99,912,595	100,842,993
Certificates	61,683,430	60,702,292
IRA Accounts	27,516,201	26,523,940
Total Shares	<u>\$ 331,701,409</u>	<u>311,452,364</u>
Other Interest Liabilities	-	-
Non Interest Liabilities	4,536,618	4,399,437
Total Liabilities	<u>\$ 336,238,027</u>	<u>315,851,801</u>
Total Member Equity	25,280,318	24,756,332
Total Liabilities and Member Equity	<u>\$ 361,518,345</u>	<u>340,608,133</u>

Operating Statement

year ended December 31, 2012

Unaudited Numbers

Interest Income	
Loan Interest Income	\$ 13,940,175
Investment Income	630,576
Total Interest Income	<u>\$ 14,570,751</u>
Dividend and Interest Expense	
Dividend Expense	\$ 1,702,324
Interest Expense	-
Total Dividend and Interest Expense	<u>\$ 1,702,324</u>
Net Interest Margin before Provision	\$ 12,868,427
Provision for Loan Loss	<u>\$ 2,308,827</u>
Net Interest Margin after Provision	<u>\$ 10,559,600</u>
Total Non-Interest Income	\$ 7,462,088
Income before Non-Interest Expense	\$ 18,021,688
Non-Interest Expense	\$ 16,521,260
NCUSIF and Corp. CU Stabilization	310,924
Total Non-Interest Expense	<u>\$ 16,832,184</u>
Net Income	<u>\$ 1,189,504</u>
Net Income Excluding NCUSIF and Corp. CU Stabilization	\$ 1,500,428
Number of Members	39,017



CliftonLarsonAllen

Independent Auditor's Report

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, 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. The financial statements of Blackhawk Community Credit Union as of March 31, 2011 were audited by other auditors whose report dated June 15, 2011, expressed an unqualified opinion on those statements.

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, 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 20, 2012

Minneapolis, Minnesota

Growing Together

2012 Donations

We have seen a lot of change in our community over the past fifty years. However, one thing remains the same - our commitment to our community. Blackhawk Community Credit Union is actively engaged in and proud to collaborate with area groups, civic organizations, and community initiatives to support and enrich them. Throughout the year, we donate our time, talents and treasures to many projects.

Improving Lives

Agrace
Alzheimer's Support Center
American Cancer Society
American Heart Association
American Red Cross
Association for Prevention of Family Violence
Cancer Coalition of Rock County
Delavan Fire Department
ECHO
Edgerton Community Outreach
Edgerton Fire Department
Geneva National Foundation
Habitat for Humanity
Host a Family
KANDU Industries
Special Olympics
Stoughton Police Department, K9 Fund
Twin Oaks Shelter for the Homeless
United Way
Vets Roll Trip to Washington DC
Walworth County Emergency Homeless Shelter
YMCA

Local Events

American Cancer Society Relay for Life
Boys & Girls Club Steak & Burger
Dancing with the Stars
Chilimania
Coffee Break
Bert Blain Memorial Heart Walk
Labor Fest
MDA Tub Run
Pound the Pavement
Rock County 4H Fair
Rock County Realtors Dinner and Dance
Rotary Corn Roast
Sips N Sounds
Syttende Mai
UAW Golf Outing
Walworth County Fair
Westgate Corridor Block Party
YWCA Chef's Cookin' for a Cause

Our Youth

Blackhawk Community Credit Union Scholarships
Boys & Girls Club of Janesville
Children's Miracle Network
Cub Scouts
Craig High School Athletic Teams
Edgerton High School
Janesville PTO
Parker and Craig Closets
Parker High School DECA
Parker High School Athletic Teams
Stoughton Sports Boosters
Stoughton Youth Girls Basketball
Stoughton Youth Softball
Wisconsin Jump\$tart
Wisconsin Literacy

Blackhawk Community Events

Cram the Van with School Supplies
Holiday Spirit - Pass It On

Community Outreach

Delavan Historic Foundation
Delavan & Lake Geneva Chamber of Commerce
Edgerton Hospital Capital Fund
Edgerton Rotary Club
Forward Janesville
Friends of the Parks
Janesville Jets Hockey
Janesville Noon Rotary
Jaycees
Kiwanis Club of Stoughton
Phoenix Park Bandshell
Rock Aqua Jays
Rotary Gardens Holiday Light Show
Rotary International
Stoughton Chamber of Commerce
Stoughton Fireworks
Stoughton Norske Dancers
Zonta Club of Janesville

BLACKHAWK
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CREDIT UNION

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