# FOCUSED ON TOMORROW

BLACKHAWK COMMUNITY CREDIT UNION™

2015 ANNUAL REPORT

# LETTER FROM OUR CEO

*Sherri Stumpf,*
*Blackhawk Community Credit Union CEO*

We celebrated the 50-year legacy of Blackhawk Community Credit Union last year with a member event each month culminating all the way to the holiday season with our capstone event of the 50 Wishes Campaign. We granted 50 individual wishes throughout the community. Every one of us at the credit union was touched by the overwhelming opportunities where we could make a difference. It was our privilege to be welcomed into people's homes to make their holiday season brighter. We were honored to donate a bullet-proof vest for Fred, a K-9 with the Janesville Police Department, iPads for children with special needs, radio ads for a local cancer benefit, a warm quilt for someone homebound, a day of respite for a military mother, and many more.

In addition to living our values of giving back, our financial performance has never been stronger. In 2015, we reached a milestone of over $400 million in assets while meeting every one of our financial goals. Our unprecedented net income contributes to growing our capital and positions our credit union for the future.

This year marks year one of the next 50 years and we are conscious of the new legacy we are creating. We Are Focused On Tomorrow.

By being focused on tomorrow, we are continuing our dedication to community involvement and financial strength. They are the foundation of this organization and at the heart of our success.

Our industry is ever-evolving and we will continue to deliver new ways of banking, including channels, like mobile wallets, so we remain connected and convenient to you, our membership, and how you want to do business with us. Jointly with technology, we always make investments in security and data privacy, so you have world-class tools you can trust.

The credit union industry is seeing mergers happen more often than ever before. Smaller organizations simply need the economies of scale that come with a larger organization. We have recently expanded into the cities of Beloit and Milton with our Smart Branch, which is a branch design that offers the latest in banking technology, along with our knowledgeable and friendly staff.

You can count on us to be focused on tomorrow, always creating a path to be your financial partner of the future.

Thank you for your membership.

Sincerely,

Sherri Stumpf

Sherri Stumpf
President, CEO

# BALANCE SHEET

as of December 31, 2015

Unaudited Numbers

| | | 12/31/2015 | 12/31/2014 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash & Cash Equivalents | $ | 18,120,032 | 16,071,886 |
| Loans (net) | | 308,880,563 | 311,298,622 |
| Investments | | 69,603,997 | 38,911,866 |
| Fixed Assets (net) | | 13,590,671 | 13,295,128 |
| Other Real Estate Owned | | 219,860 | 831,463 |
| NCUA Insurance Capitalization | | 3,721,161 | 3,542,276 |
| Mortgage Servicing Rights | | 2,078,879 | 1,895,423 |
| Accounts Receivable | | 1,396,153 | 1,200,572 |
| Other Assets | | 1,583,897 | 2,126,708 |
| Total Assets | $ | 419,195,213 | 389,173,944 |
| **LIABILITIES AND MEMBER EQUITY** | | | |
| **SHARES & DEPOSITS** | | | |
| Shares | $ | 116,942,000 | 102,627,162 |
| Share Drafts | | 75,072,669 | 62,241,358 |
| Money Market Accounts | | 12,108,214 | 11,481,658 |
| High Yield Savings | | 103,142,386 | 99,808,511 |
| Certificates | | 50,479,681 | 54,327,351 |
| IRA Accounts | | 23,834,559 | 24,277,855 |
| Total Shares | $ | 381,579,509 | 354,763,894 |
| Other Interest Liabilities | | – | – |
| Non Interest Liabilities | | 4,368,231 | 4,303,152 |
| Total Liabilities | $ | 385,947,740 | 359,067,046 |
| Total Member Equity | | 33,247,473 | 30,106,898 |
| Total Liabilities and Member Equity | $ | 419,195,213 | 389,173,944 |

# OPERATING STATEMENT

as of December 31, 2015

Unaudited Numbers

| | | |
|---|---|---|
| **INTEREST INCOME** | | |
| Loan Interest Income | $ | 12,925,571 |
| Investment Income | $ | 816,153 |
| Total Interest Income | $ | 13,741,723 |
| **DIVIDEND AND INTEREST EXPENSE** | | |
| Dividend Expense | $ | 1,309,103 |
| Interest Expense | $ | 205 |
| Total Dividend and Interest Expense | $ | 1,309,309 |
| Net Interest Margin before Provision | $ | 12,432,415 |
| Provision for Loan Loss | $ | 120,213 |
| Net Interest Margin after Provision | $ | 12,312,202 |
| Total Non-Interest Income | $ | 6,772,831 |
| Income before Non-Interest Expense | $ | 19,085,032 |
| Total Non-Interest Expense | $ | 14,730,138 |
| Net Income | $ | 4,354,895 |
| Number of Members | | 44,027 |

## INDEPENDENT AUDITOR'S REPORT

*Blackhawk Community Credit Union engaged Wipfli LLC to perform a financial statement audit as of our fiscal year-end of March 31, 2015. 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 financial statements of Blackhawk Community Credit Union, which comprise the balance sheet as of March 31, 2015, and the related statements of income, comprehensive income, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

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.

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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

*Wipfli LLP*

Wipfli LLP
June 30, 2015
Madison, Wisconsin

BLACKHAWK COMMUNITY CREDIT UNION

Smart Advice. Friendly Service.
Locally Owned.

# 2015 Donations

In addition to granting over $15,000 in scholarships to college-bound students, we were honored to give time, talents and treasures to these organizations in 2015.

## FINANCIAL LITERACY

Faith Works
Beloit School District
Beloit Stateline Literacy Council
Edgerton/Milton Reality Fair
Janesville School District
Money Matters
The Literacy Connection

## HEALTH CARE & DISABILITIES

Agrace Hospice & Palliative Care
American Cancer Society
American Heart Association
American Red Cross
Camden Foundation
Edgerton Hospital Foundation
Epilepsy Foundation
Healthnet of Rock County, Inc.
Independent Disability Services
Kandu Industries, Inc.
Mercy Health System, Hospice Care
Mercy Health System, House of Mercy
Muscular Dystrophy Association
National Multiple Sclerosis Society
Open Arms Free Clinic, Inc.
Riverfront
Rock County Cancer Coalition
Skaalen Benevolent Care Endowment
Smiles
Special Olympics
St Mary's Hospital Foundation
Three Gaits, Inc.

## YOUTH SERVICES

Big Brothers/Big Sisters of Rock, Walworth & Jefferson Counties
Blackhawk Scholarships
Boy Scouts of America
Boys & Girls Club of Janesville and Walworth County
Casa of Rock County
Children's Miracle Network
Edgerton High School
Janesville School District, Bags of Hope
Janesville School District, Parker & Craig Closets
Junior Achievement
Milton Girls Soccer Booster Club
Parker High School Programs
Project 16:49
Tider Football Booster Club
UW Rock County Foundation

## ADVANCEMENT OF COMMUNITIES

American Legion
Greater Beloit Chamber of Commerce
Cedar Crest
Dane County Humane Society
Delavan Cinco de Mayo
Delavan-Darien Rotary Club
Delavan Historical Foundation
Delavan-Delavan Lake Area Chamber of Commerce
ECHO
Edgerton Chamber of Commerce
Edgerton Fire Department
Edgerton Food Pantry
Edgerton Heritage Days
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
Janesville Jets
Janesville Noon Lions Club
Janesville Outdoor Skate Park
Janesville Police Department
Janesville Rotary Foundation
Milton Chamber of Commerce
Milton Public Library
Rock Aqua Jays
Rock County 4H Fair
Rock County Humane Society
Rock Valley Community Programs
Rotary Botanical Gardens
SCWBA
Salvation Army
Stateline Foundation
Stoughton Food Pantry
Stoughton Kiwanis
Stoughton Area Resource Team
Stoughton Area Veterans Memorial Park
Stoughton Chamber of Commerce
Stoughton Fire Department
Stoughton Food Pantry
Stoughton Police Department
Stoughton VFW
Tri Community Center for Sterling North
UAW Local 95
United Way Blackhawk Region
VetsRoll
Vietnam Veterans of America
Westgate Corridor
YMCA of Northern Rock County
YWCA of Rock County
Zonta Club of Janesville

BLACKHAWK COMMUNITY CREDIT UNION™

Smart Advice. Friendly Service.
Locally Owned.

608-755-6065 800-779-5555
*www.bhccu.org*