



We Believe In Community

2011 Annual Report



Smart Advice. Friendly Service. Locally Owned.

Letter from Our CEO

We celebrated Blackhawk Community Credit Union's 46th year of delivering on our promise to offer a great everyday value to our members. We are a not-for-profit financial cooperative that believes in providing you better rates with lower fees. Putting our members first is at the heart of all our efforts.

Our credit union is really a reflection of our communities and many of our members have been impacted by the tough economic times in recent years. Whether it is a decline in retirement savings, higher gas prices, or lower incomes, we all have seen the effects of a slow economy. In 2011, Blackhawk shared the burden with our members. It's probably not a surprise to anyone that the credit union continued to deal with bankruptcies and foreclosures at an alarming rate. The year began with a number of challenges dealing with loan delinquency, declining real estate values, and loan losses. As you will see in our financial statement on the following pages, 2011 was a tough year for Blackhawk and its members.

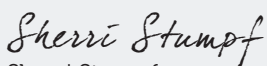
Without diminishing the severity of loss, it is important to understand there were two dominant factors affecting our financial condition. Blackhawk continues to pay extraordinary insurance premiums toward the stabilization of corporate credit unions. In 2011, the amount Blackhawk was assessed totaled \$790,000. Additionally, our conservative approach to the economic times is the largest contribution to the net loss. We set aside approximately \$2 million as a provision for future loan losses. Along with normal operating expenses, this combination resulted in an unusual loss for Blackhawk. Despite the challenges, Blackhawk remains a strong, secure, and growing financial institution. Most importantly, our capital ratio remained over 7%, which is considered "well capitalized" by the National Credit Union Administration.

Blackhawk accomplished a lot of important work last year. When times are difficult, it is not unusual for organizations to cut back support in their community. In contrast, Blackhawk has the strength to continue our commitment when it is needed the most. We choose to invest in our future by supporting local charities, financial literacy programs, scholarships, and expanded services to our membership. Unlike some competitors that raised fees or cut rewards programs, Blackhawk continues to add value to our membership by offering free services, reward debit and credit cards, and low rate loans. It is no wonder that Blackhawk was once again voted the #1 financial institution in Janesville in 2011!*

As we look into 2012, we have a bright future ahead. Our capital position is strong, we are growing in both members and deposits, and most importantly we are starting to see improvement in our members' overall financial health. Along with our new bill pay, Blackhawk will be upgrading its web services to bring more convenience to our members. Members can look forward to a new website, online and mobile banking services, new products for our small business members, and improved account opening and lending systems to make it easier to do business with us.

Blackhawk remains committed to our cooperative mission to improve the lives of the people in our community. Even though we continue to face economic uncertainty, we are confident that our fiscal strength, investment in people and services, and dedication to our core values will bring us through these challenging times. I want to thank our members for all of your support in 2011.

Thank you for your membership!



Sherri Stumpf
President/CEO



Sherri Stumpf,
Blackhawk Community
Credit Union CEO

* Janesville Gazette – 2011 Readers Choice Awards

Balance Sheet for year ending December 31, 2011

Unaudited Numbers

	12/31/2011	12/31/2010
Assets		
Cash & Cash Equivalents	\$ 15,613,234	\$ 29,638,967
Loans (net)	258,117,350	256,937,505
Investments	43,633,429	12,187,894
Fixed Assets (net)	13,550,947	14,224,135
Other Real Estate Owned	2,785,683	2,944,157
Accounts Receivable	1,653,773	1,385,073
Other Assets	5,253,717	5,014,247
Total Assets	\$ 340,608,133	\$ 322,331,978
Liabilities and Member Equity		
Shares & Deposits		
Shares	\$ 64,434,639	\$ 56,378,619
Share Drafts	46,411,748	39,168,800
Money Market Accounts	12,536,752	10,807,595
High Yield Savings	100,842,993	99,159,762
Certificates	60,702,292	60,109,772
IRA Accounts	26,523,940	25,583,588
Total Shares	\$ 311,452,364	\$ 291,208,136
Other Interest Liabilities	\$ -	\$ -
Non Interest Liabilities	4,399,437	4,604,173
Total Liabilities	\$ 315,851,801	\$ 295,812,309
Total Member's Equity	\$ 24,756,332	\$ 26,519,669
Total Liabilities and Member Equity	\$ 340,608,133	\$ 322,331,978

Operating Statement for year ending December 31, 2011

Unaudited Numbers

	Year To Date
Interest Income	
Loan Interest Income	\$ 14,231,027
Investment Income	431,659
Total Interest Income	\$ 14,662,686
Dividend and Interest Expense	
Dividend Expense	\$ 2,252,983
Interest Expense	1
Total Dividend and Interest Expense	\$ 2,252,984
Net Interest Margin before Provision	\$ 12,409,702
Provision for Loan Loss	\$ 4,435,867
Net Interest Margin after Provision	\$ 7,973,835
Total Non-Interest Income	\$ 5,734,460
Income before Non-Interest Expense	\$ 13,708,295
Non-Interest Expense	\$ 15,877,974
NCUSIF Premium and Corporate CU Stabilization	789,188
Total Non-Interest Expense	\$ 16,667,162
Net Income (Loss)	\$ (2,958,867)
Net Income Excluding NCUSIF and Corporate CU Stabilization	\$ (2,169,679)
Number of Members	37,376

Independent Auditor's Report

Board of Directors
Blackhawk Community Credit Union
Janesville, Wisconsin

We have audited the accompanying balance sheets of Blackhawk Community Credit Union as of March 31, 2011 and 2010, and the related statements of operations, members' equity, and cash flows for the years 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 audits.

We conducted our audits 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 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 audits provide a reasonable basis for our 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, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP
June 15 2011
Green Bay, Wisconsin

We Believe In Community

2011 Donations

We have seen lots of change in our community over the past 50 years. However, one thing remains the same – our commitment to communities. Blackhawk Community Credit Union is actively engaged in and proud to collaborate with area groups, civic organizations and initiatives to support and enrich our communities. Throughout the year, we donate our time, talents and treasures to many projects.

Affordable Housing

Rock County Habitat for Humanity
Walworth Emergency Homeless Shelter

Animal Welfare

Dane County Humane Society
Friends of Noah
Green County Humane Society
Lakeland Animal Welfare Society
Rock County Humane Society

Children at Risk

Boys & Girls Club
Camden Foundation, playground equipment
for disabled kids
Dori Bear Program, hospice care
Parker/Craig Closets
Rock County 4 H Fair
Stoughton Sports Boosters
Stoughton Youth Softball
The Youth Unite
Youth Fundraiser
Youth hockey events

Community Outreach

Delavan Area Chamber of Commerce
Delavan Good Samaritan Sponsor
Edgerton Heritage Days
Elks Club Spaghetti Dinner
Forward Janesville
Janesville Fire Department
Janesville Rotary Foundation
Kiwanis Club of Stoughton
Kandu Industries, jobs for adults with disabilities
Labor Fest, Inc
Meals on Wheels
New Life Assembly Freedom Fest
Rock County 5.0
Rock County Historical Society
Rock Valley Community Programs
Rotary Gardens Holiday Light Show
Ruby Violet Event, to support victims
of domestic abuse
Salvation Army
Shillelagh Foundation
St. Anns Stoughton Fall Fest
Stoughton Area Resource Team
Stoughton Chamber of Commerce Fundraiser

Stoughton Chamber of Commerce Light Show
Stoughton Holiday Fund
Stoughton Norwegian Dancers
Stoughton VFW
United Way
VFW Ladies Auxiliary
YWCA of Rock County

Fighting Hunger

29 South Café Thanksgiving Dinner
Delavan Food Pantry
ECHO
Edgerton Community Outreach/Food Pantry
Milton Community Action Food Pantry
Stoughton Food Pantry Classic

Financial Literacy/Schools

Edgerton High School Musical
Janesville Craig DECA
School District of Janesville
Student High School Branches

Health/Wellness

Alzheimers Support Center of Rock County
American Cancer Society
American Heart Association
Bert Blain Memorial Heart Walk
Children's Miracle Network
Edgerton Hospital Foundation
Muscular Dystrophy Association
Three Gates Inc., supporting families
with disabilities

Holiday Spirit Campaign

Pass it on

2011 College Scholarship Winners

Ryan Fenrick
Gretchen Genrich
Kirsten Hagemann
Amanda Hanson
Brant Hanson
Kaitlyn Maratik
Christian Paese



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Federally Insured by NCUA

