



Building FOR OUR FUTURE
AND *Honoring* OUR PAST

BLACKHAWK
COMMUNITY™
Family of Credit Unions

COUNTY Credit Union

Kenosha City Employees

VIKING Student Credit Union

COUGAR Student Credit Union

next step

2017 ANNUAL REPORT

Letter FROM OUR CEO

As we look to the future, there are many community milestones that remind us to pay homage to our past. These important milestones reflect the change and resiliency of the Janesville community. They also serve as inspiration for our long-term strategic plans, including the **Legacy Center** that will honor the generations of our members with lifelong careers dedicated to General Motors, Fisher Body and the UAW.

The credit union also recently achieved its own milestones. In 2017, we reached **\$500 million in assets**, now classifying us as a large credit union within our industry. We also welcomed our **50,000th member**. These accomplishments motivate us to continue to find new ways to serve you better.

Our **Next Step** lending program has really made a difference. This is a program for people who have some type of challenge to overcome that has caused their credit score to suffer. We work with these folks individually to not only get them the loan they need for a new house or new car, but to recover their credit quality and improve their score and their life.

This is an excerpt from a letter from one of our members. We helped his mother through Next Step:

I am writing this letter on behalf of my mother to express my gratitude for the second chance loan program which greatly helped my mother in a desperate time of need. You see, when my mother told me about the second chance program I thought it was too good to be true. I was never so happy to be wrong.

You believed my mother was a good candidate for this second chance program and were absolutely right. Since signing up and completing the program, my mother is a proud owner of a new-ish car, which she loves. With her new car she is now able to safely transport my daughter. Before, I wouldn't allow my daughter in her car because I was concerned for the safety of the vehicle. Thanks to you, my mother is now able to pick up her granddaughter from kindergarten.

I want to thank you for helping my mother with your program, for giving me peace of mind regarding my mother's safety, and for going above and beyond to help. Thank you.

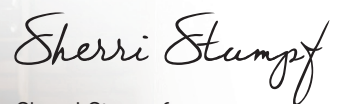
In addition to the Next Step program, we are doing our part by offering alternatives to payday lending. With the help of legislators, we are now able to offer **small dollar loans** for very short periods of time. For example, if someone has car repairs and needs \$400 for 3 months, we can now offer this type of loan. Payday lenders can charge as much as 300% interest. It has been known to trap people into a negative financial loop for years.

We've also branched out in the **Kenosha** market. Now with the **merger of County Credit Union**, we have three full service branches. Kenosha is a city similar to Janesville and is rapidly growing, so we believe we can make an impact there.

Since our last annual meeting, we also opened Janesville **Southside** and new **Edgerton** locations to offer more convenience to our members.

Thank you for your membership and continued trust in us.

Sincerely,



Sherri Stumpf
President/CEO



SHERRI STUMPF,
Blackhawk Community
Credit Union CEO



Your 2017-2018 BOARD OF DIRECTORS



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mfrederick@bhccu.org



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Board Member since 2017
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2017 DONATIONS

2017 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 2017.

FINANCIAL LITERACY

Beloit School District
Beloit Stateline Literacy Council
Edgerton/Milton Reality Fair
Janesville School District
Money Matters

HEALTH CARE & DISABILITIES

Agrace Hospice & Palliative Care
Alzheimer's & Dementia Alliance
American Cancer Society
American Heart Association
American Red Cross
Camden Foundation
Edgerton Hospital Foundation
Epilepsy Foundation
Healthnet of Rock County, Inc.
Kandu Industries, Inc.
Mercy Health System,
Hospice Care
Mercy Health System,
House of Mercy
Muscular Dystrophy Association
National Multiple
Sclerosis Society
Riverfront
Rock County Cancer Coalition
SMILES
Special Olympics
St Mary's Hospital Foundation
Stoughton Hospital Foundation
Susan G. Koman Foundation

YOUTH SERVICES

Big Brothers/Big Sisters of
Rock, Walworth &
Jefferson Counties
Bikers Against Child Abuse
Blackhawk Scholarships
Boy Scouts of America
Boys & Girls Club of Janesville
and Walworth County
Casa of Rock County
Children's Miracle Network
Delavan Youth Football
Edgerton High School
Indian Trails High School
Janesville Craig & Parker DECA
Janesville Figure Skating Club
Janesville Hockey Club
Janesville School District,
Bags of Hope

Janesville School District,
Parker & Craig Closets
Janesville Youth Baseball/Softball
Junior Achievement
Kenosha Boys & Girls Club
Milton Choir
Milton Basketball Booster Club
Milton Hockey Booster Club
Milton Recreation
Milton Track & Field
Parker High School Programs
Project 16:49
Red Devil Softball Club
Rock County Foster Care
Somers School Community
St. Ann's School
St. William Parish Boy Scout
Troop 539
Tider Football Booster Club
UW Rock County Foundation

ADVANCEMENT OF COMMUNITIES

American Legion
Arts Council of Edgerton
Badger Chordhawks
Greater Beloit Chamber
of Commerce
Community Foundation of
Southern Wisconsin
Cornerstone of Hope
Delavan Cinco de Mayo
Delavan-Darien Rotary Club
Delavan Historical Foundation
Delavan-Delavan Lake Area
Chamber of Commerce
Downtown Janesville, Inc.
ECHO
Edgerton Chamber of Commerce
Edgerton Community Fund
Edgerton Fire Department
Edgerton Community Outreach
Edgerton Heritage Days
Edgerton Police
Edgerton Rotary Club
Family Services
Forward Janesville
Freedom Fest
Friends of Phoenix
Park Bandshell
Friends of Silverwood Park
Gifts Men's Shelter
Geneva National Foundation, Inc.

Hedberg Public Library
Humane Society of
Southern Wisconsin
Janesville Elks Lodge
Janesville Farmers Market, Inc.
Janesville Jets
Janesville Noon Lions Club
Janesville Performing Arts Center
Janesville Police Department
Janesville Police
Professionals Association
Janesville Rotary Foundation
Kenosha Kingfish
Kenosha Police and Fire
Milton Chamber of Commerce
Milton Food Pantry
Milton Historical Society
Milton Knights of Columbus
Milton Public Library
Modern Widows Club
Paddy's Paws
Rock Aqua Jays
Rock County 4H Fair
Rock County Historical Society
Rock Valley Community Programs
Roscoe Area Chamber
of Commerce
Rotary Botanical Gardens
SCWBA
Salvation Army
Stateline Foundation
Stoughton Area Resource Team
Stoughton Chamber
of Commerce
Stoughton Fire Department
Stoughton Kiwanis
Stoughton Lions Club
The Gathering Place
Tri Community Center for
Sterling North
Twin Oaks Shelter
UAW Local 95
United Way Blackhawk Region
United Way of Kenosha County
VetsRoll
Vietnam Veterans of America
Walworth Co. Deputy Sheriffs
Westgate Corridor
YMCA of Northern Rock County
YWCA of Rock County
Zonta Club of Janesville

Year IN REVIEW

2017 was a wonderful year! Here are just a few of the highlights:

- SPRING**
- Presented 200 veterans with duffel bags filled with travel items for their VetsRoll trip to Washington DC.
 - We participated in the Annual Children's Miracle Network Bowl-A-Thon and helped them in raising more than \$9,600.
- SUMMER**
- Sponsored a tent at the Rock County 4H Fair. Over 55,000 people were in attendance and had a chance to play games and win prizes in our tent.
 - We had 25 employees and their families participate in the Bert Blain Memorial Heart Walk this year raising \$3,800.
- FALL**
- Opened our first Blackhawk branch in Kenosha and a new location for our Edgerton branch.
 - Hosted our first American Red Cross Blood Drive with outstanding participation. Because of that we've gone on to host two other drives and continue to have one every 2 months.
- WINTER**
- 20 employees & their families helped ECHO deliver over 200 Thanksgiving baskets to local families. Baskets included turkey, gravy, stuffing, vegetables, pumpkin pie and homemade cookies.
 - Our holiday event, the 12 Days of Giving, where each of our branches chose a charity to sponsor. Blackhawk awarded extra money for the branch that raised the highest percentage of donations to add to their total donations.

What's NEW IN 2018

2018 is starting out great!

Blackhawk Community Credit Union has merged with County Credit Union in Kenosha. The merger will be complete in May.

We've also sponsored our very own walkway with benches and a time capsule on Court Street down by the river.



Balance Sheet

AS OF DECEMBER 31, 2017

UNAUDITED NUMBERS

	2017	2016
ASSETS		
Cash & Cash Equivalents	\$ 14,673,625	30,178,843
Loans (net)	339,621,806	327,780,261
Investments	122,804,936	74,121,464
Fixed Assets (net)	18,073,628	13,859,418
Other Real Estate Owned	155,027	207,652
NCUA Insurance Capitalization	4,463,990	3,940,076
Mortgage Servicing Rights	2,195,662	2,301,837
Accounts Receivable	1,696,967	1,555,667
Other Assets	3,241,323	2,014,558
Total Assets	\$ 506,926,964	455,959,775
LIABILITIES AND MEMBER EQUITY		
SHARES & DEPOSITS		
Shares	\$ 146,797,993	127,831,699
Share Drafts	89,752,135	83,650,899
Money Market Accounts	11,176,412	11,664,339
High Yield Savings	116,814,149	113,322,874
Certificates	69,477,676	53,130,919
IRA Accounts	26,445,949	24,032,796
Total Shares	\$ 460,464,314	413,633,527
Other Interest Liabilities	-	-
Non Interest Liabilities	6,085,657	6,348,852
Total Liabilities	\$ 466,549,971	419,982,379
Total Member Equity	40,376,993	35,977,397
Total Liabilities and Member Equity	\$ 506,926,964	455,959,775

Operating Statement

AS OF DECEMBER 31, 2017

UNAUDITED NUMBERS

INTEREST INCOME	
Loan Interest Income	\$ 14,177,020
Investment Income	\$ 2,462,485
Total Interest Income	\$ 16,639,505
DIVIDEND AND INTEREST EXPENSE	
Dividend Expense	\$ 1,774,609
Interest Expense	\$ 718
Total Dividend and Interest Expense	\$ 1,775,327
Net Interest Margin before Provision	\$ 14,864,178
Provision for Loan Loss	\$ 508,614
Net Interest Margin after Provision	\$ 14,355,564
Total Non-Interest Income	\$ 6,465,411
Income before Non-Interest Expense	\$ 20,820,975
Total Non-Interest Expense	\$ 19,155,071
Net Income	\$ 1,665,904
Number of Members	48,337



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, 2017. 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, 2017, 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, 2017, 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 15, 2017
Madison, Wisconsin

BLACKHAWK
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