



Live Your *Legacy*

**BLACKHAWK
COMMUNITY**
CREDIT UNION



 Kenasha City Employees



2018 ANNUAL REPORT



Letter FROM OUR CEO



On behalf of all of us at Blackhawk Community Credit Union, we would like to say, "Thank You!" Your membership is what drives the success of our member-owned financial institution and it is what allows us to reinvest back in to our members and our communities. You hold in your hands a testament to the great year we have had and all that we have to look forward to in 2019 and beyond.

SHERRI STUMPF,
Blackhawk Community
Credit Union CEO

In 2018, we further strengthened our commitment to Kenosha by opening two new branches in addition to our first location, Kenosha City Employees Credit Union, in city hall. Our beautiful 75th Street branch is now open, and we completed the merger and remodel at County Credit Union. We also moved into our new Edgerton location to give members more parking and easier access to our drive through lanes.

We were pleased to receive several awards in 2018 at a nationwide and local level. Blackhawk was ranked 4th in the Forbes America's Best-In-State Credit Unions. We also earned a four-star rating by Bauer Financial. The Janesville Gazette announced that for the 8th year in a row, we were voted Best Financial Institution in Rock County by their readership.

In addition, our mortgage lending team continues to be top-ranked in the counties we serve and our wealth management team reached an all-time high in assets under management. Check out the adjoining page with the number of non-profit organizations we contributed to in every community that we serve. We also greatly enhanced our technological capabilities to better serve our membership with easy-to-use digital platforms, including our new mobile app with enhanced features and security. We streamlined our mortgage statements and added email receipt options. We also made some major upgrades to our infrastructure for data protection.

Looking to 2019 and beyond, we are excited to commence the remodeling of our new full-service location in Milton. We continue to improve our digital banking offerings, along with our suite of products, and are planning to roll out our new Community Cares debit card that will give back to our community with every purchase. As we move forward, our focus is always on you, our membership. Thank you for your business.

Very truly yours,

Sherri Stumpf

Sherri Stumpf
President/CEO



Your 2018-2019 BOARD OF DIRECTORS



MARY FREDERICK
CHAIRPERSON
Board Member since 2006
mfrederick@bhccu.org



SUE MCGINNISS
VICE CHAIR/TREASURER
Board Member since 2017
smcginniss@bhccu.org



JOHN JENKS
DIRECTOR/SECRETARY
Board Member since 2016
jjenks@bhccu.org



TIM SILHA
DIRECTOR
Board Member since 2014
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EDMUND HALABI
DIRECTOR
Board Member since 2014
ehalabi@bhccu.org



SARAH FEGRE
DIRECTOR
Board Member since 2017
sfegre@bhccu.org



STEVE KNOX
DIRECTOR
Board Member, 2009-2015
and 2018-present
sknox@bhccu.org



GLENN LEA
EMERITUS DIRECTOR
Board Member since 1965
glea@bhccu.org



ERIC ENTRINGER
ASSOCIATE DIRECTOR
Board Member since 2018
eentringer@bhccu.org

2018 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 2018.

BELOIT

Beloit Chamber of Commerce
Beloit Senior Fair
Family Promise of Greater Beloit

DELANVAN

Delavan Chamber of Commerce
Delavan Darien FFA Alumni
Delavan Historic Foundation
Friends of Phoenix Park Bandshell
SMILES
Twin Oaks Shelter

EDGERTON

Chilimania
Edgerton Community Fund
Edgerton Community Outreach
Edgerton Hospital Capital Fund
Edgerton Otters
Edgerton Rotary Club
Edgerton School District
Edgerton Yahara Fall Fest

KENOSHA

City of Kenosha
Coalition for Dismantling Racism
DARE
ELCA Outreach
Greater Milwaukee Committee
Harborfest
Kenosha Area Chamber of Commerce
Kenosha Boys and Girls Club
Kenosha Firefighters CARE Charity
Kenosha Kingfish
Kenosha Public Library
Kenosha Realtors
Kenosha Unified School District
Kenosha YMCA
Midwest Elite Angels
Muskego Storm Softball
Shalom Center
Town of Summers

JANESVILLE

A Right to Life Animal and
Equine Sanctuary
Adam Silha Memorial Fund
Agrace Hospice Care
ARISE Now
Badger Chordhawks
Biker's Blast for Veterans
Boys & Girls Club of Janesville
CASA
City of Janesville
Community Action
Community Foundation
Community Foundation
Women's Club
Cops & Bobbers
Cornerstone of Hope
Downtown Janesville, Inc.
ECHO
Festival on the Rock
Forward Janesville, Inc.
Freedom Fest
Friends of Noah
Gifts Men's Shelter
Glitz Cheerleading
Health Net of Rock County
Hedberg Public Library
Hoo's Woods
House of Mercy
Humane Society of Southern WI
Isaac Strong
Janesville Area Visitors &
Convention Bureau
Janesville Elks Lodge
Janesville Farmers Market
Janesville Figure Skating Club
Janesville Hockey
Janesville Jets
Janesville Kiwanis
Janesville Noon Rotary
Janesville Performing Arts Center
Janesville Police Department

Janesville VELO Club
Janesville Youth Baseball/Softball
Janesville Youth Football
Jegerlehner Family Fundraiser
Kandu Industries
Kicks for Kids
Meals on Wheels
Mercy Health System Foundation
Modern Widows Club
Parker High School Swim Team
Project 16:49
Rock Aqua Jays
Rock County Cancer Coalition
Rock County Foster Care
Rock County Historical Society
Rotary Botanical Gardens
School District of Janesville
SCWBA
SSM St. Mary's Foundation
UAW Local 95
UW Rock County Foundation
Westgate Corridor
Westside Girls Basketball Booster Club
Women4Wellness
Zonta Club of Janesville

MILTON

Milton Area Chamber of Commerce
Milton Area Youth Center
Milton Choir Parents
Milton FFA Alumni
Milton Football Cheerleaders
Milton Girls Soccer Auction
Milton Historical Society
Milton Hockey Booster Club
Milton Public Library
Milton Recreation
Milton United Methodist Church -
Community Lunch
Milton West Elementary
Milton Youth Wrestling
The Gathering Place



Year IN REVIEW

2018 was a wonderful year! Here are just a few of the highlights:

STOUGHTON

Children's Miracle Network
Dane County Humane Society
Kiwanis Club of Stoughton
Lions Club
Squats for Tots/PEP-Personal Essentials Pantry
St Ann's Festival
Stoughton Area Resources Team
Stoughton Chamber of Commerce
Stoughton School District
Stoughton Senior Expo
Syttende Mai
Toys for Tots

REGIONAL

Rock County Senior Fair
Rock-Green Realtor Association
Stataline Family Services
Stataline Family YMCA
United Way Blackhawk Region
Women's Fund Stataline Community Foundation
YMCA of Northern Rock County
YWCA Rock County

STATEWIDE

Aptiv
WI Credit Union League

NATIONWIDE

American Cancer Society
American Heart Association
American Red Cross
Children's Miracle Network
City of Hope
MDA

- SPRING**
- We presented 220 veterans with duffel bags filled with travel items for their VetsRoll trip to Washington, D.C.
 - We participated in the Annual Children's Miracle Network Bowl-A-Thon and helped them in raising more than \$5,100.
- SUMMER**
- We sponsored a tent at the Rock County 4-H Fair. Over 71,000 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 \$3,500.
- FALL**
- We announced our intention to build the Legacy Center in the heart of downtown Janesville.
 - We hosted American Red Cross Blood Drives with outstanding participation. Members, community partners & Blackhawk employees have donated approximately 43 gallons of blood.
- WINTER**
- 20 employees & their families helped ECHO deliver over 200 Thanksgiving baskets to local families. The baskets included turkey, gravy, stuffing, vegetables, pumpkin pie and homemade cookies.
 - "We Believe in the Magic of Christmas" was the theme for our holiday event. We donated a variety of essential items to Meals on Wheels, Boys & Girls Club, Toys for Tots, and clothes for homeless men with the help of Gifts Men's Shelter.

What's NEW IN 2019

Blackhawk Community Credit Union received the Large Business of the Year award from the Milton Area Chamber of Commerce. We purchased the building at 110 Parkview Drive, where we will relocate the Milton branch to better serve our growing membership. We also expanded our Beloit branch to be full service for our members.

Blackhawk announced that we will gift our administrative building on Kennedy Road to HealthNet of Rock County.

Balance Sheet AS OF DECEMBER 31, 2018

UNAUDITED NUMBERS

	2018	2017
ASSETS		
Cash & Cash Equivalents	\$ 13,272,019	14,673,625
Loans (net)	398,583,752	339,621,806
Investments	163,061,011	122,804,936
Fixed Assets (net)	17,798,753	18,073,628
Other Real Estate Owned	368,983	155,027
NCUA Insurance Capitalization	5,143,141	4,463,990
Mortgage Servicing Rights	2,245,773	2,195,662
Accounts Receivable	1,957,381	1,696,967
Other Assets	3,448,831	3,241,323
Total Assets	\$ 605,879,643	506,926,964
LIABILITIES AND MEMBER EQUITY		
SHARES & DEPOSITS		
Shares	\$ 171,659,531	146,797,993
Share Drafts	99,309,601	89,752,135
Money Market Accounts	11,366,010	11,176,412
High Yield Savings	113,158,134	116,814,149
Certificates	105,992,141	69,477,676
IRA Accounts	29,670,944	26,445,949
Total Shares	\$ 531,156,361	460,464,314
Other Interest Liabilities	20,917,945	-
Non Interest Liabilities	10,899,411	6,085,657
Total Liabilities	\$ 562,973,717	466,549,971
Total Member Equity	42,905,927	40,376,993
Total Liabilities and Member Equity	\$ 605,879,643	506,926,964

Operating Statement AS OF DECEMBER 31, 2018

UNAUDITED NUMBERS

INTEREST INCOME	
Loan Interest Income	\$ 16,773,553
Investment Income	\$ 4,003,987
Total Interest Income	\$ 20,777,540
DIVIDEND AND INTEREST EXPENSE	
Dividend Expense	\$ 3,122,250
Interest Expense	\$ 32,712
Total Dividend and Interest Expense	\$ 3,154,962
Net Interest Margin before Provision	\$ 17,622,578
Provision for Loan Loss	\$ 289,566
Net Interest Margin after Provision	\$ 17,333,012
Total Non-Interest Income	\$ 6,710,800
Income before Non-Interest Expense	\$ 24,043,812
Total Non-Interest Expense	\$ 21,160,732
Net Income	\$ 2,883,080
Number of Members	50,966



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, 2018. 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, 2018, 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, 2018, 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 29, 2018
Madison, Wisconsin



Smart Advice. Friendly Service.
Community Owned.

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