

FOCUSED ON TOMORROW

BLACKHAWK  
COMMUNITY  
CREDIT UNION™

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CREDIT UNION™

2015 ANNUAL REPORT

Federally Insured by NCUA

# LETTER FROM OUR 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  
President, CEO



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

# BALANCE SHEET

as of December 31, 2015

Unaudited Numbers

	<u>12/31/2015</u>	<u>12/31/2014</u>
<b>ASSETS</b>		
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
<b>Total Assets</b>	<u>\$ 419,195,213</u>	<u>389,173,944</u>
<b>LIABILITIES AND MEMBER EQUITY</b>		
<b>SHARES &amp; DEPOSITS</b>		
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
<b>Total Shares</b>	<u>\$ 381,579,509</u>	<u>354,763,894</u>
Other Interest Liabilities	-	-
Non Interest Liabilities	4,368,231	4,303,152
<b>Total Liabilities</b>	<u>\$ 385,947,740</u>	<u>359,067,046</u>
Total Member Equity	33,247,473	30,106,898
<b>Total Liabilities and Member Equity</b>	<u>\$ 419,195,213</u>	<u>389,173,944</u>

# OPERATING STATEMENT

as of December 31, 2015

Unaudited Numbers

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



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## 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





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