

Safe & Sound.

58 Years & Counting.

**BLACKHAWK
COMMUNITY**
CREDIT UNION

Letter from our President & CEO

Dear Members,

As we mark our 58th year as a credit union, I want to express my gratitude for both your business and your trust.

I am pleased to report that this past year's successful financial performance positions your credit union to be stronger than it has ever been in its history. As always, we remain committed to safeguarding your money and ensuring your financial security for years to come. Perhaps you have seen our billboards and message: Safe & Sound - 58 years and counting. This isn't a slogan for us, but a declaration of our strength as a financial institution and our commitment to being here for you and your family for generations to come. We want you to have peace of mind knowing that you are banking with a credit union that is secure and built to last.



LISA PALMA,
Blackhawk Community
Credit Union CEO

We recognize that the financial landscape is constantly changing and we are evolving with it. However, we remain true to our commitment of delivering exceptional and personalized member service from our employees who genuinely care about your financial success. Our mission is to empower our members to reach their financial goals. To achieve this, we are focused on operational excellence and in the middle of a strategic plan to design and implement robust processes and systems to ensure that you receive the highest level of service possible, every time and through every channel we offer. We are working continuously to improve our processes, enhance collaboration, and build a culture of performance and accountability. We have an outstanding leadership team and dedicated staff who are committed to delivering the best possible solutions to you.

As a community-based credit union, we are passionate about contributing to the communities we serve. Last year, we donated over \$100,000 to local non-profit organizations, and we will continue to prioritize supporting initiatives that help our communities.

Thank you for choosing us as your financial partner. We believe it's a privilege to provide you with the products, services, and support you need to achieve your financial goals. Together, we keep building a stronger future.

Sincerely,

Lisa Palma

BALANCE SHEET - DECEMBER 31

	UNAUDITED NUMBERS	
	2022	2021
ASSETS		
Cash & Cash Equivalents	\$ 110,011,849	\$ 260,999,560
Loans (net)	\$ 540,568,290	\$ 500,586,533
Investments	\$ 134,724,142	\$ 52,930,749
Fixed Assets	\$ 16,311,496	\$ 16,700,080
Repossessed Assets	\$ 59,705	\$ 23,733
Accounts Receivable	\$ 2,181,702	\$ 1,476,921
NCUA Insurance Capitalization	\$ 7,706,992	\$ 7,376,742
Mortgage Servicing Rights	\$ 2,745,368	\$ 2,269,540
Other Assets	\$ 5,421,191	\$ 7,342,279
Total Assets	\$ 819,730,736	\$ 849,706,137
LIABILITIES AND MEMBER EQUITY		
SHARES & DEPOSITS		
Shares	\$ 332,125,987	\$ 317,128,742
Share Drafts	\$ 174,014,014	\$ 169,017,643
Money Market Accounts	\$ 12,146,155	\$ 13,023,226
Wealth Builder	\$ 127,730,227	\$ 150,123,635
Certificates & IRA Accounts	\$ 100,122,749	\$ 129,127,823
Total Shares	\$ 746,139,132	\$ 778,421,069
Non-Interest Liabilities	\$ 12,697,964	\$ 7,248,990
Total Liabilities	\$ 758,837,096	\$ 785,670,059
Total Member Equity	\$ 60,893,640	\$ 64,036,078
Total Liabilities and Member Equity	\$ 819,730,736	\$ 849,706,137

INCOME STATEMENT - YEARS ENDED DECEMBER 31

	UNAUDITED NUMBERS	
	2022	2021
INTEREST INCOME		
Loan Interest Income	\$ 21,560,940	\$ 19,627,718
Investment Income	\$ 4,544,972	\$ 938,372
Total Interest Income	\$ 26,105,913	\$ 20,566,090
DIVIDEND AND INTEREST EXPENSE		
Total Dividend Expense	\$ 1,379,089	\$ 1,849,782
Interest Expense	\$ 35	\$ 10
Total Dividend and Interest Expense	\$ 1,379,124	\$ 1,849,792
Net Interest Margin before Provision	\$ 24,726,789	\$ 18,716,298
Provision for Loan Loss	\$ 410,701	\$ (461,144)
Net Interest Margin after Provision	\$ 24,316,089	\$ 19,177,442
Total Non-Interest Income	\$ 8,567,072	\$ 12,228,813
Income before Non-Interest Expense	\$ 32,883,161	\$ 31,406,255
Non-Interest Expense	\$ 22,246,754	\$ 22,359,754
Net Income	\$ 10,636,407	\$ 9,046,501

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Independent Auditor's Report

Supervisory Committee
Blackhawk Community Credit Union
Janesville, Wisconsin

Opinion

We have audited the accompanying financial statements (the "financial statements") of Blackhawk Community Credit Union (the "Credit Union"), which comprise the balance sheets as of March 31, 2022 and 2021, and the related statement of income, comprehensive income, members' equity, and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Blackhawk Community Credit Union as of March 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blackhawk Community Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Blackhawk Community Credit Union's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Blackhawk Community Credit Union's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Blackhawk Community Credit Union's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Wipfli LLP

Wipfli LLP
Aurora, Illinois
June 16, 2022



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