

# Membership Privileges



## FROM THE PRESIDENT Celebrating 80 Years (1941-2021)

**Jerry Schmidt**  
President & CEO

As spring arrives in South Dakota, BHFCU celebrates 80 years of service to members and an exciting expansion of our service area. We recently received approval from our federal regulator, the National Credit Union Administration, to serve additional communities in Wyoming, Montana, and eastern South Dakota. The expansion was adopted by our Board of Directors March 25, 2021.

BHFCU's new service area includes many small communities and a few larger cities, namely Billings, Sheridan, Casper, Gillette, and Cheyenne. The counties added include: Lake, Yankton, Clay, and Union Counties in South Dakota; Crook, Campbell, Weston, Niobrara, Platte, Laramie, Converse, Natrona, Johnson, and Sheridan Counties in Wyoming; and, Big Horn and Yellowstone Counties in Montana. We are excited to serve our new neighborhood!

In May, we will celebrate our 80th Annual Meeting and there will be a Board of Directors election. For the past 80 years, volunteer Board Members have donated their time and expertise to help direct the course of this credit union. We appreciate their dedication and commitment to BHFCU, and know their efforts will continue to contribute to our success.

*As a member-owner, your voice will help shape the future of BHFCU*

This year's election includes four highly-qualified candidates to fill three open positions. I encourage you to complete and return the ballot enclosed with this newsletter, or go to [bhfcu.com](http://bhfcu.com) and complete the easy, online ballot. Remember, as a member-owner, your voice will help shape the future of BHFCU.

We look forward to continuing our legacy of service to members, and supporting the communities we serve. In honor of our 80th Anniversary, I want to take this opportunity to share a few fun facts and events that occurred since BHFCU was chartered in 1941. Thank you for your membership and for choosing BHFCU as your financial partner.

- 1941** Official Charter approved
- 1953** Marian Berry, BHFCU's first employee, worked out of her home
- 1963** Opened office in downtown Rapid City
- 1969** Duane Ellingson hired as manager, becomes first President of CU
- 1972** Credit Union office extensively damaged in flood
- 1983** Roger Heacock promoted to replace retiring President Ellingson
- 1987** BHFCU becomes largest credit union in South Dakota
- 1996** BHFCU's website launches
- 1999** Adopted a Community Charter
- 2010** Black Hills FCU Charitable Fund, Inc. formed
- 2015** Expanded service to include areas in eastern South Dakota
- 2021** Jerry Schmidt promoted to replace retiring President/CEO Roger Heacock



## LOAN RATES\*

New & Nearly New Vehicles (2019-NEW)	
36 Months.....	2.60%
60 Months.....	2.75%
72 Months.....	3.00%
78 Months.....	3.64%

**Example:**

36 monthly payments of \$28.91 per \$1,000 borrowed  
 60 monthly payments of \$17.86 per \$1,000 borrowed  
 72 monthly payments of \$15.20 per \$1,000 borrowed  
 78 monthly payments of \$14.42 per \$1,000 borrowed

New Vehicles (\$25,000+)	
84 Months.....	3.99%

**Example:**

84 monthly payments of \$13.97 per \$1,000 borrowed

New ATV's, Personal Watercraft, & Snowmobiles	
48 Months.....	4.04%

**Example:**

48 monthly payments of \$22.60 per \$1,000 borrowed

New & Used RV Loans	
96 Months.....	5.19%
144 Months.....	5.95%

**Example:**

96 monthly payments of \$12.75 per \$1,000 borrowed  
 144 monthly payments of \$9.74 per \$1,000 borrowed

First Mortgage Loans (Up to 30 years)  
 Fixed or Adjustable Rate Mortgages, Construction Loans, Building Site Loans, SD Housing Loans, 1-4 Family Residential Rental Loans, and more available.

\*Rates stated as Annual Percentage Rate (APR). Rates effective as of Feb. 1, 2021 and are subject to change without notice. Stated rate is our lowest rate for the term or product shown. Rates may vary depending on your credit worthiness. Please ask for details regarding how your rate is determined. Other rates and terms available. Some restrictions apply.

## CERTIFICATE RATES\*\*

6 Month Certificate	
\$500-24,999.....	0.05%
\$25,000 plus.....	0.15%

12 Month Certificate	
\$500-24,999.....	0.15%
\$25,000-99,999.....	0.25%

24 Month Certificate	
\$500-24,999.....	0.30%
\$25,000-99,999.....	0.40%

30 Month Certificate***	
\$500-24,999.....	0.30%
\$25,000-99,999.....	0.40%

48 Month Certificate	
\$500-24,999.....	0.50%
\$25,000-99,999.....	0.60%

60-72 Month Certificate	
\$500-24,999.....	0.70%
\$25,000-99,999.....	0.80%

\*\*IRA Certificates available for the minimum balances, terms, and rates as above.

Rates stated as Annual Percentage Yield (APY). All dividends compounded daily and paid monthly. Penalty for early withdrawal. Rates are accurate as of Feb. 1, 2021 and are subject to change without notice.

\*\*\*30 Month Certificates feature a Bump-A-Rate option.

Our rates and terms are subject to change and are only partially represented in the charts above. For all current rates, visit [bhfcu.com](http://bhfcu.com) or call 718-1818 or 800-482-2428.

## 2021 VIBZ SCHOLARSHIP WINNERS

In 2003, BHFCU began the VIBZ Scholarship Program as part of our ongoing commitment to promote education and financial literacy. Since then, BHFCU has awarded over 100 scholarships to local students. This year, we celebrate the accomplishments of ten scholarship recipients.

Demonstrating outstanding commitment, leadership, community service, and academic achievement, the following recipients will each receive a one-time scholarship of \$2,000 to attend an accredited vocational school, college, or university during the 2021 – 2022 academic year:

**Ava Krush**  
*Hot Springs High School*

**Dilyn Terkildsen**  
*Philip High School*

**Brycen Cheney**  
*Wall High School*

**Abbie Grupe**  
*Rapid City Stevens High School*

**Bridget Schneller**  
*Home School*

**Aisulu Malik**  
*Rapid City Stevens High School*

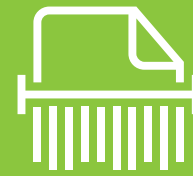
**Sophia Janssen**  
*St. Thomas More High School*

**Mehrezat Abbas**  
*Rapid City Central High School*

**Machelle Wicks**  
*Custer High School*

**Cameron Ausmann**  
*Wall High School*

BHFCU congratulates this year's recipients on their outstanding accomplishments!



# SHRED DAY

**MAY 15, 2021**  
*Saturday 8am – Noon*

*2700 N. Plaza Dr  
 Rapid City, SD*

*Find more details at  
[bhfcu.com/ShredDay](http://bhfcu.com/ShredDay)*

## REC VEHICLES SPECIAL

**90-DAY NO-PAY + .50% LOAN RATE DISCOUNT**



90 Days to First Payment Special and Loan Rate Discount of .50% applies to new BHFCU loans and will be reduced from member's qualifying rate. Discount applies to motorhomes, campers, travel trailers, 5th wheels, motorcycles, snowmobiles, ATVs, personal watercraft, aircraft & boats. The special does not apply to balloon payments, or loans with balances greater than \$40,000. Interest will accrue during the 90-day payment deferral period. It may not be used on current BHFCU loans or internal refinancing. Offer valid through April 30<sup>th</sup>, 2021. Offer subject to credit approval. Some restrictions apply. Call or Text 605-718-1818 or 800-482-2428 for details.

PO Box 1420  
Rapid City, SD 57709-1420

*Special Edition*  
**BOARD OF DIRECTORS  
ELECTION**  
» Ballot Inside or Vote Online!

 Like us on Facebook for news and updates!

**WANT  
TO BUY  
A NEW  
HOME?**

Now Available!  
**100% Financing**  
Mortgage Option  
Serviced In-House



We Can Finance  
**Up To 95%**  
of a Home's Value  
After Improvements



**TIME TO  
UPDATE  
YOUR  
HOME?**

**READY  
TO  
BUILD A  
HOME?**

We Offer an All-In-One  
Land, Construction,  
& Home Loan with  
**Only 5% Down**



## MISSION STATEMENT

We Improve Lives

## BOARD OF DIRECTORS

Jason Green, *Chair*

Allen Zandstra, *Vice Chair*

Karen Holloway, *Treasurer*

Brenda Allibone, *Secretary*

Lynn Hammerstrom, *Director*

George Jewett, *Director*

Mark Wixon, *Director*

## SUPERVISORY COMMITTEE

Joanne Pease, *Chair*

Greg Hollibaugh, *Secretary*

Matt Fitting, *Member*

Joel Landeen, *Member*

Troy Mengel, *Member*

## EXECUTIVE MANAGEMENT

Jerry Schmidt

*President & CEO*

DeeAnn Dietrich

*SVP/Chief Lending Officer*

Jarrold Reisner

*SVP/Chief Financial Officer*

John Buxton

*SVP/Chief Information Officer*

Holly Jones

*SVP/Chief Administrative Officer*

## HOLIDAY CLOSINGS

– May 31 –  
Memorial Day

– July 5 –  
Independence Day  
(observed)

## FINANCIAL UPDATE

(As of February 28, 2021)

Number of Members	80,447
Shares	\$1,525,738,869
Loans	\$1,046,369,277
Net Worth	\$171,055,032
Total Assets	\$1,717,133,027



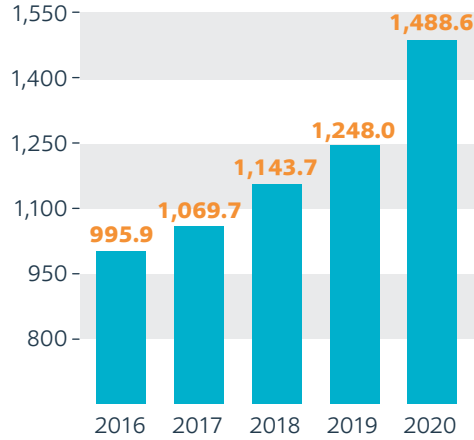
Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government

# PERFORMANCE REPORTS

as of December 31, 2020

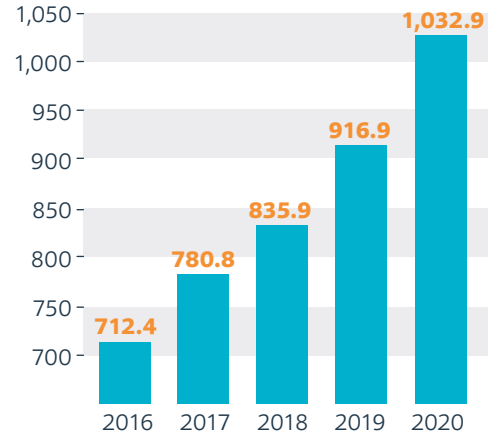
## SHARES

(Amounts Stated in Millions)



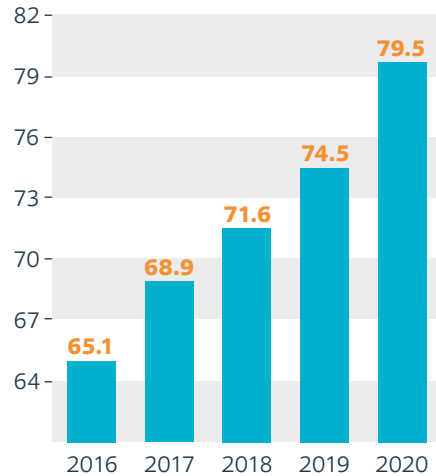
## LOANS

(Amounts Stated in Millions)



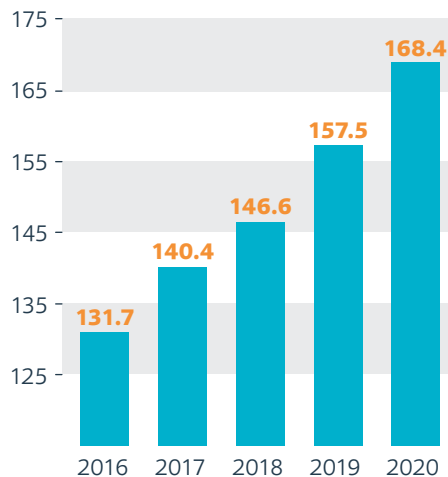
## MEMBERS

(Amounts Stated in Thousands)



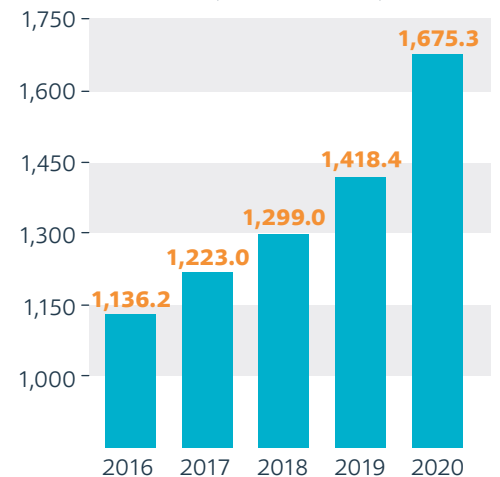
## NET WORTH

(Amounts Stated in Millions)



## ASSETS

(Amounts Stated in Millions)



## FINANCIAL STATEMENT

	2020 ACTUAL	2019 ACTUAL
<b>&gt;ASSETS</b>		
Loans to Members, Net	\$ 1,027,664,010	\$ 913,309,870
Cash & Receivables	21,491,756	12,997,417
Investments	497,659,282	365,885,172
Building, Furniture, & Equipment	72,057,811	73,518,173
Other Assets	56,429,642	52,668,716
<b>TOTAL ASSETS</b>	<b>\$ 1,675,302,501</b>	<b>\$ 1,418,379,348</b>
<b>&gt;LIABILITIES &amp; EQUITY</b>		
Accounts & Notes Payable	\$ 5,251,971	\$ 4,335,442
Other Liabilities	9,048,615	7,810,036
<b>TOTAL LIABILITIES</b>	<b>\$ 14,300,586</b>	<b>\$ 12,145,478</b>
<b>&gt;MEMBER EQUITY</b>		
Member Shares	\$ 1,488,619,441	\$ 1,248,017,882
Unrealized Gain/(Loss) on Investments	3,951,330	743,320
Total Reserves & Undivided Earnings	168,431,144	157,682,355
<b>TOTAL EQUITY</b>	<b>\$ 1,661,001,915</b>	<b>\$ 1,406,443,557</b>
<b>TOTAL LIABILITIES &amp; MEMBER EQUITY</b>	<b>\$ 1,675,302,501</b>	<b>\$ 1,418,379,348</b>

## INCOME & EXPENSE STATEMENT

	2020 ACTUAL	2019 ACTUAL
<b>&gt;OPERATING INCOME</b>		
Total Loan Income	\$ 43,696,355	\$ 40,997,495
Total Investment Income	7,286,400	9,601,456
Total Other Income	22,437,593	16,775,579
<b>TOTAL OPERATING INCOME</b>	<b>\$ 73,420,348</b>	<b>\$ 67,374,530</b>
<b>&gt;OPERATING EXPENSES</b>		
Employee Compensation	\$ 22,774,379	\$ 19,302,944
Employee Benefits	6,720,466	5,743,152
Travel & Conference	137,045	355,654
Association Dues	99,640	91,288
Office Occupancy	4,096,630	4,132,715
Office Operating	9,533,411	8,659,626
Education & Promotion	1,108,939	1,226,071
Loan Servicing	4,081,188	3,781,310
Professional & Outside Services	860,690	866,494
Black Hills Financial Services Program	56,578	53,296
Provision for Loan Losses	2,687,238	2,449,389
Member Insurance	--	--
NCUA Operating Fee	386,430	349,940
Miscellaneous	22,118	75,457
<b>TOTAL EXPENSES</b>	<b>52,564,752</b>	<b>47,087,336</b>
<b>Net Income Before Dividends</b>	<b>\$ 20,855,596</b>	<b>\$ 20,287,194</b>
Dividends	10,390,434	13,682,455
Interest on Borrowed Funds	\$ --	\$ --
<b>Net Income from Operations</b>	<b>10,465,162</b>	<b>6,604,739</b>
Other Non-Operating Income	\$ 494,877	\$ 3,876,595
Gain/(Loss) on Sale of Investments	140,551	--
Gain/(Loss) on CUSO	(43,223)	(53,147)
<b>Net Income</b>	<b>10,958,476</b>	<b>10,428,187</b>
<b>Expense to Average Asset Ratio</b>	<b>\$ 3.39%%</b>	<b>\$ 3.47%</b>
<b>&gt;STATISTICAL INFORMATION</b>		
Number of Members	79,496	74,479
Total Loans Granted in Year	15,723	13,207
Total Amount Loaned	648,225,374	492,140,438
Number of Loans Made Since Organization	\$ 557,668	\$ 541,945
Amount Loaned Since Organization	7,483,948,922	6,879,126,117
Increase in Total Loans	\$ 12.66%	\$ 9.68%
Increase in Total Shares	19.28%	9.12%
Increase in Total Membership	6.74%	4.07%



# BOARD OF DIRECTORS 2021 ELECTION CANDIDATE BIOS



In accordance with Black Hills Federal Credit Union's bylaws, the Board Chair appointed a Nominating Committee to nominate a slate of candidates to fill the three vacancies on BHFCU's Board of Directors.

## NOMINATING COMMITTEE NOMINATES FOUR

The Nominating Committee has nominated the following BHFCU members who have expressed the desire to serve on the Credit Union Board of Directors and have qualified as candidates:



**AMY  
NEWSTROM**

### EMPLOYMENT

Manlove Psychiatric Group

### POSITION

Nurse Practitioner  
and Licensed Counselor

### EDUCATION

South Dakota State University: Masters of Nursing, Masters of Counseling, Human Resources and Development, Doctorate of Nursing Practice, Post-Masters Psychiatric Nurse Practitioner; South Dakota State University and University of Montana: B.S. in Nursing and B.A. in Human Biology.

### CANDIDATE STATEMENT

I'm a long-time member of Black Hills Credit Union and have been a satisfied customer. I would like the opportunity to learn more about the institution and use my skills to serve fellow customers and our community. My background is primarily in healthcare; however, I have the desire to learn more about different systems. I have served on committees and boards in varying capacities and believe these experiences would help to enhance my abilities as a member of the Board of Directors for Black Hills Federal Credit Union. I'm dedicated to the Rapid City community and would greatly appreciate this opportunity to continue my involvement.



**JASON  
GREEN**  
(incumbent)

### EMPLOYMENT

Monument Health, Inc.

### POSITION

Associate General Counsel

### EDUCATION

Loyola Chicago School of Law: L.L.M. Health Law; University of South Dakota School of Law: J.D. SD; School of Mines & Technology: B.S. Interdisciplinary Science

### CANDIDATE STATEMENT

Thank-you for allowing me to serve the credit union's members for the last 10 years! I ask that you continue to allow me to serve as a Board member. My top priority as a Board member will continue to be protecting the members' assets while assuring the credit union serves the members with the best financial tools available. The credit union has recently transitioned to new executive leadership following the retirement of our long-time CEO. Strong oversight of management by the Board is more important now than ever. With two Board members retiring this year, maintaining a strong presence of experienced leadership on the Board is necessary to assure member service remains at the forefront of the credit union's decision-making process. My experience as a Board member, education, and professional background make up a strong set of qualifications to help the Board meet the members' expectations.

Thank-you for your support.



**KATHLEEN  
HELMER**

### EMPLOYMENT

VA Black Hills Health Care System

### POSITION

Accountant

### EDUCATION

University of Mary: MSSL Master of Science in Strategic Leadership; BS Business Administration

### CANDIDATE STATEMENT

I look forward to the opportunity to serve as a board member of a remarkable institution.

I plan to retire from the Federal government sometime in late 2021 after working at VA Black Hills for the past 13 years and a government employee for 17 years. In my current job as an accountant at the Fort Meade VA, I have learned so much by auditing payments to the State Veteran Homes in South Dakota and Nebraska and acting as accounts payable in this position.

I have served in the capacity as a chairperson of many boards to include the North Dakota Cattlewomen, Northern Hills American Business Women, and in my church on the staff parish committee as well as the worship committee. My qualifications of past experience would be an asset as a BHFCU board member and I would be excited to be a part of this banking institution.



**THOMAS  
LIVERMONT**

### EMPLOYMENT

Personal Group, Inc.

### POSITION

President/CEO

### EDUCATION

University of South Dakota: Bachelor of Science-Animal Science and Business

### CANDIDATE STATEMENT

I grew up on my family's ranch in Bennett County and attended SDSU. After graduation, I worked as a Farm Credit Services loan officer, Bureau of Indian Affairs Economic Development Officer, and Norwest/Wells Fargo ag/business banker. In 2002, I purchased my current business that is currently based in Pierre and Rapid City.

I became a member of BHFCU in 1988 but closed it when my family moved. This gave me an appreciation of all the services BHFCU offered compared to other financial institutions. When BHFCU started a branch in Pierre, I immediately re-established my membership.

Having worked in banking and running my own business, I hope my background will provide the viewpoint from an employer and business owner to the board in establishing future policies, goals, and objectives. I have served on numerous boards and understand the roles, responsibilities, and limitations of the board in the operation of the organization.

# VOTING ONLINE IS SIMPLE, SECURE AND TAKES JUST SECONDS!

To vote online, use your primary member number as your username and the last four digits of the member's Social Security number as your password. For business memberships, use the last four digits of your Employer ID number (EIN).

**VOTE ONLINE > [bhfcu.com](https://bhfcu.com)**

*Through May 7, 2021*

## **WHY SHOULD YOU VOTE?**

As a BHFCU member, you are an owner of the Credit Union and have the right to vote for the volunteers who comprise our Board of Directors. Each individual primary member is entitled to one vote. Use yours to help choose the volunteers who will help lead BHFCU!

## **YOUR VOTE IS IMPORTANT!**

All votes are sent securely and confidentially to the Tellers of Election. Must be age 18 or older to vote.