

• 2024 • ANNUAL REPORT



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Chair Elect



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Past Chair



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Beverly Westphal
Parliamentarian



Robert Rodosky
Director



Lisa McIntosh
Director

Chair's Report Ruth Ann Reteneller

We have a beach theme this year, which got me to thinking about ways Class Act compares to the beach. The beach is the boundary where the land and the ocean meet. The ocean contains sharks, can spawn hurricanes, and never stops washing over the beach. But it inspires us to seek opportunities, take risks, and enjoy its many bounties. We live on the land where we work hard to make a living, where we make our plans, and dream our dreams. Class Act is the bridge that brings those worlds together.

It's that middle space that can share with us our dreams and finds ways to make those dreams come true. It provides that buffer so that when life washes over us like a tsunami, we are not washed away. It's a pillar we can grab that keeps us safe and then offers to us the gifts of the financial sea whether those gifts be affordable loans, financial counseling, a chance for a new home, an opportunity to bank online--or even a chance to get a loan for a boat.

Many of us have been members of Class Act for a VERY long time. It's a membership business that has grown from a school closet enterprise in 1954 to a class act business association comprised of over 21,000 members who own it, direct it, help each other, and constantly strive for improvement. We do that from seven locations, three of which are full service branches located in high schools at Doss, Southern, and Jeffersontown. We might have started as a teacher organization but our field of membership now serves people from all walks of life, who live throughout the United States with one thing in common...supporting education.

How did we get so much better, so much bigger, and so much more capable of taking care of those members? Class Act does many things behind the scenes. We utilize state of the art computer systems. On a monthly basis, your board scrutinizes policies, examines the financial statements, listens closely to what auditors and examiners have to say, and always seeks to make decisions based on what is best for the membership. We teach our staff about the credit union movement and its creed of people helping people. And we help them excel at their jobs, giving them the chance to improve and advance in their Class Act credit union career.

Most importantly, we listen to you, the members and owners of this organization.

Lynn Huether, our fearless, strong, capable, and superbly knowledgeable leader will share some specific things Class Act has done this past year in her President's Report. It's her leadership that manages this lighthouse on the beach. It's her guidance that keeps us focused and informed. For all of that effort, we greatly appreciate her.

People helping people. That's what we are about. That's what you are about. So, on behalf of the Board of Directors, thank you for your membership. Class Act needs your participation, support, patience, and suggestions. Please answer those questionnaires when they come. And please reach out if you would like to give some of your time to serve as a credit union volunteer. It's a whole lot of fun doing good things with good people for a good purpose. . . YOU, our credit union member-owners!

President's Report

Lynn Huether

As I reflect on the past year, I'm proud to report that Class Act Federal Credit Union continues to demonstrate strength, stability, and a deep commitment to our founding mission: to serve the education community and empower our members to achieve financial success.

Class Act ended the fiscal year in a strong financial position, with steady growth in both assets and membership. Total assets surpassed \$300 million, and we welcomed nearly 2,500 new members, many of whom are students, educators, and family members who share our values. Loan growth remained solid, particularly in auto, mortgage and personal loans, and our capital ratio remains well above regulatory standards.

This year, we focused on delivering greater value and efficiency to our members. We did this not only through our competitive rates, but through personalized service and financial tools that make a real difference. We expanded our financial literacy workshops through the Financial Wellness Academy, helping hundreds of members improve their credit, and launched new mobile and online features that give our members greater control over their finances.

We continue to modernize our systems to serve our members where they are. We implemented Card Controls to allow members to protect their debit and credit cards in the event they are lost or stolen. We've developed faster online loan approvals using AI decisioning models, resulting in a record year in loan volume and allowing us to reach those members who truly need us. And we've improved our fraud detection technology as this becomes one of the most prevalent risks in our industry. These upgrades have not only improved convenience but also helped safeguard our members' assets and provide financial security.

One of the most exciting initiatives we've undertaken this year has been the launch of our Multilingual Financial Services Department. We recognized that language should never be a barrier to financial empowerment. With dedicated bilingual staff and materials now available in Spanish, we're actively removing obstacles and welcoming a broader, more diverse community into the credit union movement. It's not just about translation – it's about connections, inclusion, and dignity in every interaction.

Class Act remains rooted in education. We deepened our partnerships with local schools and universities – supporting financial literacy in our classrooms through our Heroes of Education initiative. This continues to be one of our most successful programs in helping to get much-needed funds into the classrooms that need it to create a financially empowered community.

As we look to the future, our focus is clear: grow with purpose, lead with innovation, and never lose sight of the people behind every account and loan. The financial landscape is evolving quickly, but so are we. With our dedicated team, loyal members, and forward-thinking Board, I'm confident Class Act is ready to meet the challenges and opportunities ahead.



Quality Control Committee Report

Beverly Westphal, Chair

The Quality Control Committee is responsible for overseeing your Credit Union’s lending operations and ensuring that decisions are made in the best interest of all the members. We closed the year with total net loans outstanding at \$220,227,838.

The Credit Union processed 5,512 loans in 2024 totaling \$71,378,002. Vehicle loans grew 5%. Real estate loans grew 5%. Unsecured loans accounted for the highest number of loans, and the balances increased 15%. The increase in unsecured loan balances provided a healthy boost to the overall yield of our loan portfolio.

One exciting product highlight was the revamp of our 100% Yours Home Loan program. This unique offering allows qualified members to purchase a home with no down payment by combining a first mortgage and a fixed-rate home equity loan to finance up to 100% of the purchase price. With competitive rates and flexible terms, this program makes homeownership more accessible than ever for our members.

The Credit Union continued to effectively manage its delinquencies and charge-offs. The loan delinquency ratio for December 2024 was 0.72%, and the net charge-off ratio was 0.45%, compared to peer averages of 0.78%, and 0.53% respectively.

We had an outstanding year and were able to grow our loan portfolio by 13 million dollars, representing a 6% increase in total loans to members. As always, we appreciate you keeping Class Act in mind for all your family’s borrowing needs.

Supervisory Committee Report

Terri Boss, Committee Chair

State and Federal regulations, as well as the bylaws of Class Act Federal Credit Union require that the Board appoint a Supervisory Committee to oversee an ongoing audit of the Credit Union’s operations. The members of Class Act’s Supervisory Committee included: Terri Boss, Jeremy Hudson, and Bryce Hibbard. Hobbs Cheek, Chief Financial Officer for our credit union, served as the staff liaison to our committee.

The Supervisory Committee does not perform audits itself. Rather we search for and retain the services of Certified Public Accountants to conduct these audits for Class Act. Doeren Mayhew completed the annual audit of our financial statements as of December 31, 2024. We also retained the services of Doeren Mayhew to conduct quarterly internal audits, during which they examined credit union operations and compliance with policies and procedures adopted by the Board of Directors.

In addition to the audits performed by Doeren Mayhew, the National Credit Union Association (NCUA) conducts a periodic examination of Class Act Federal Credit Union, and the last examination was conducted as of December 31, 2023.



Income Statement	2024	2023
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Income		
Interest on Loans	\$13,463,203	\$11,209,388
Income on Investments	1,924,433	1,398,262
Other Income	1,924,433	5,566,828
Total Income	\$20,833,102	\$18,174,478

Expenses	2024	2023
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Salaries & Benefits	\$5,712,463	\$5,488,311
Office Operating Expenses	8,567,622	8,228,917
Total Operating Expenses	14,280,085	13,717,228
Dividends to Members	3,701,178	2,211,291
Transfers to Reserves & Undivided Earnings	2,851,839	2,245,959
Total Distribution	\$20,833,102	\$18,174,478

Balance Sheet	2024	2023
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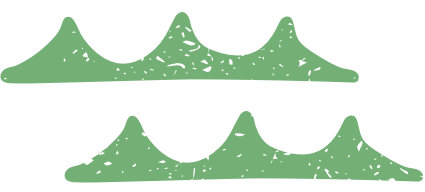
Assets		
Loans (Net)	\$220,227,838	\$207,275,254
Cash & Equivalents	2,868,012	2,985,576
Investments	65,068,812	64,196,713
Fixed Assets	7,023,553	6,870,312
NCUSIF Deposit	2,760,038	2,688,821
Other Assets	20,204,360	16,900,191
Total Assets	\$318,152,613	\$300,916,867

Liabilities & Members' Equity	2024	2023
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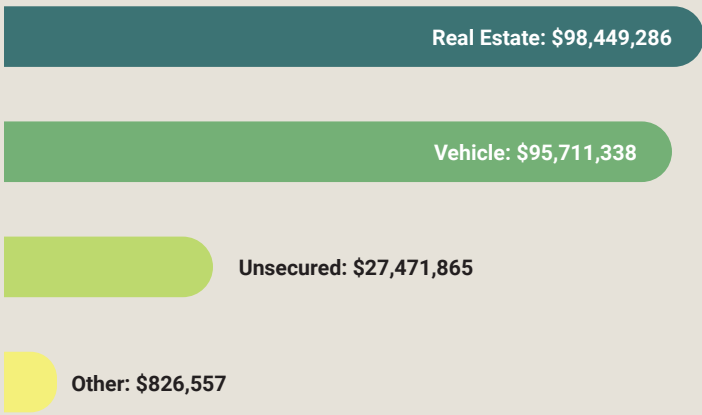
Total Shares	\$280,012,232	\$268,853,798
Other Liabilities	3,290,201	2,998,576
Total Liabilities	283,302,433	271,842,374
Regular Reserves	0	0
Undivided Earnings	32,897,673	31,045,834
Total Members' Equity	34,850,180	29,074,493
Total Liabilities, Shares & Members' Equity	\$318,152,613	\$300,916,867

Statistical Information	2024	2023
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Number of Members	22,086	21,023
Number of Accounts	48,869	46,471
Number of Loans Made	5,512	4,463
Amount Loaned	\$71,738,002	\$73,044,694

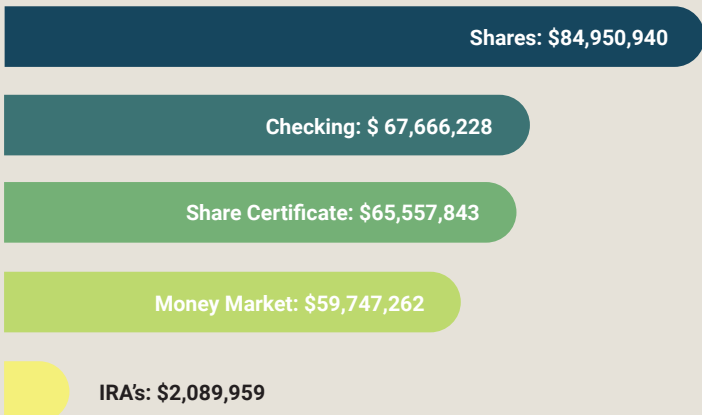


Loan Portfolio (in millions)



Total Loans: \$222,459,046

Share Portfolio (in millions)



Total Shares: \$280,012,232