

**Che Founder,**  
Central High School



**Brandon Riddle,**  
Seneca High School



**Class Act Federal Credit Union**

**Executive Management**

- Lynn Huether, President/CEO
- Tom Anonson, Executive Vice President
- L. Hobbs Cheek, Chief Financial Officer
- Daniela Sarver, Vice President Information Technology
- Kevin Johns, Vice President of Sales & Service
- Stephen Green, Vice President of Lending
- Ashley Bean, Vice President of Compliance

**Board of Directors**

- Jeremy Hudson, Chairperson
- Ruth Ann Reteneller, Chair Elect
- Gloria Pennington, Past Chair
- Kris Hamilton, Secretary/Treasurer
- Robert Rodosky, Parliamentarian
- Elizabeth Caples, Director
- Beverly Westphal, Director

**Supervisory Committee**

- Ruth Ann Reteneller, Chair
- Terri Boss
- Mark Hartman
- Bryce Hibbard

**Quality Control Committee**

- Beverly Westphal, Chair
- Stephen Green
- Ashley Bean
- Bridgett Kramer

**2020 Board of Directors**



Jeremy Hudson  
Chairperson



Ruth Ann Reteneller  
Chair Elect



Gloria Pennington  
Past Chair



Kris Hamilton  
Secretary/Treasurer



Robert Rodosky  
Parliamentarian



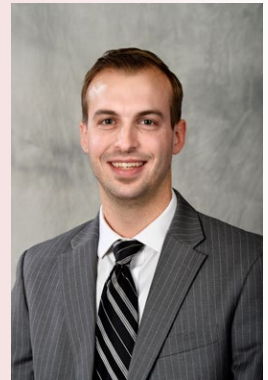
Elizabeth Caples  
Director



Beverly Westphal  
Director

**Report of the Board of Directors**  
Jeremy Hudson, Chairperson

Since 1954, Class Act has served the financial needs of school employees, students and parents of our local schools throughout Jefferson County, Bullitt County, Oldham County, Shelby County, Nelson County and Spencer County. Our dedication to the education community has allowed us to build a strong organization, providing services exclusively to families of employees and students at dozens of public and private schools, colleges, and universities within our field of membership. We are dedicated to advancing the educational needs of our teachers and students, by offering real work experience to high school students participating in the Class Act Academies of Finance, providing the Banzai online financial literacy curriculum in the schools, and funding the University of Louisville Teacher Residency Program. Our continued partnership with JCPS had allowed us to become a vital part of the community's growth, diversity, and equity for all students within our local school system.



During the challenges of last year, Class Act not only survived, but thrived by assisting members, and we remain more financially sound than ever. When the pandemic hit, we quickly implemented solutions like emergency relief loans, skip-a-pay options to defer loan payments, lowered monthly requirements for Honors Checking Accounts, and adjusted fees where possible to assist members. As of this report, Class Act proudly serves over 19,000 members, maintains over \$300,000,000 in assets, and has experienced very little in loan loss over the past year. As some organizations continue to expand their territory, Class Act remains committed to those individuals who made us successful in the first place. We proudly give back to the community we serve, we thank you from the bottom of our hearts for being a valued member of Class Act and look forward to serving you well into the future.



**President's Report**  
Lynn Huether, President/CEO

With a rich history of providing competitive financial products and services, Class Act Federal Credit Union continues evolving to serve its members and the surrounding communities. As the pandemic impacted the world around us, Class Act stepped up to meet the needs of our members by providing things like emergency relief loans and loan payment deferrals, in addition to waiving fees and reducing the Honor's Checking qualification requirements during the economic shutdown. We also took decisive actions to ensure the safety of our members and staff. Every effort was made to safeguard our staff by providing social distancing guidelines and alternative work schedules. This allowed an opportunity for those employees, working at home to focus on training, and led to 12 employees receiving their CUNA Financial Counseling Certifications so that we are better prepared to serve our members.

We remain committed to serving our local educational community. Class Act stepped up to support the Louisville Teacher Residency program launched in partnership with JCPS and the University of Louisville. This collaborative project is designed to increase the pool of diverse, highly skilled teachers, particularly in low performing, urban schools. Class Act's financial support provides 30 scholarships for individuals selected to the program. These residents will undergo an accelerated program to receive a master's degree and teaching certification in one year in exchange for their commitment to teach in a high-needs JCPS school where teachers are needed most. Class Act also continues to support the Teach Kentucky program that recruits teachers from all over the country to provide and serve the local needs of our students with financial products as they start their careers. We also remain a strategic business partner with JCPS supporting the Academies of Louisville. The Class Act Finance Academy has two high school credit union branches that provide engaging, real-life business experience to the students participating in the program. We also award two annual scholarships to seniors participating in the Class Act Finance Academy.

Class Act will persist in serving our communities and look for ways to further impact the educational needs of those that are underserved by providing teachers with the tools and training they need to impact our local schools. The Banzai and Finance 101 programs are remote learning curriculums to assist in providing financial literacy to students and teachers, providing them with the basic financial knowledge to be successful in life. Other services added this year included our Savings Goals and Financial Wellness widgets on our mobile application to support remote users, as well as adding student loan services. Class Act looks forward to being our members' first choice for a lifetime of financial services and we look forward to meeting with you soon.





## Quality Control Committee Report

**Beverly Westphal, Committee 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 \$133,166,050.

The Credit Union processed 3,105 loans in 2020 which represents a 11% decrease from the prior year. However, the loans made totaled \$60,908,522, representing an increase of 41% from the previous year. Real estate first mortgage loans grew by 26% as interest rates remained at record lows. Unsecured loans accounted for the highest number of loans, yet the balances decreased by 14%. Additionally, credit card balances also decreased by 16%. While the unsecured loan balances decreased, they still provided a welcome boost to the overall yield of our loan portfolio.

Members experienced many challenges in 2020 due to the COVID pandemic. We offered members payment deferments and emergency loans to get through this trying time. The Credit Union continued to effectively manage its delinquencies and charge-offs. The loan delinquency ratio for December 2020 was 0.40%, and the net charge-off ratio was 0.39%, compared to peer averages of 0.56%, and 0.36% respectively.

Even through a difficult year, we were able to grow our loan portfolio nearly 10 million dollars, representing a 7.2% increase in total loans to members. As always, we appreciate you keeping Class Act in mind for all of your family's borrowing needs.

## 2020 Supervisory Committee Report

**Ruth Ann Reteneller, 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 2020 members of Class Act's Supervisory Committee included: Ruth Ann Reteneller, Terri Boss, Mark Hartman, and Bryce Hibbard. Hobbs Cheek, the 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 was asked to conduct the annual audit of our financial statements of December 31, 2020. We also retained Doeren Mayhew to conduct quarterly internal audits, during which they examined credit union operations and compliance with policies and procedures adopted by our 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. The last NCUA examination was as of March 31, 2020. Based upon an exemplary rating, the time between reviews continues to be 18 months. The committee would like to thank Class Act for the opportunity to serve and learn through this process. A special thanks to Hobbs and Lynn for their unfailing willingness to clarify and teach us, as we perform these services.



**Tracy Hunt,**  
Marion C Moore



## Statistical Information

	2020	2019
Number of Members	19,298	18,938
Number of Accounts	42,136	41,133
Number of Loans Made	3,105	3,492
<b>Amount Loaned</b>	<b>\$60,908,522</b>	<b>\$43,301,766</b>

**Rachelle Douglas,**  
Male High School



## Balance Sheet

	2020	2019
<b>Assets</b>		
Loans	\$133,166,050	\$123,650,165
Cash & Equivalents	\$2,374,530	\$2,418,812
Investments	\$112,010,193	\$78,443,909
Fixed Assets	\$7,993,789	\$8,403,302
NCUSIF Deposit	\$2,318,951	\$2,006,365
Other Assets	\$14,237,905	\$11,955,117
<b>Total Assets</b>	<b>\$272,101,418</b>	<b>\$226,877,670</b>

## Liabilities & Members' Equity

Total Shares	\$246,643,151	\$202,184,130
Other Liabilities	\$1,724,758	\$1,982,528
Total Liabilities	\$248,367,909	\$204,166,658
Regular Reserves	\$2,054,052	\$2,054,052
Undivided Earnings	\$21,679,456	\$20,656,959
<b>Total Members' Equity</b>	<b>\$23,733,509</b>	<b>\$22,711,012</b>
<b>Total Liabilities, Shares, &amp; Members' Equity</b>	<b>\$272,101,418</b>	<b>\$226,877,670</b>

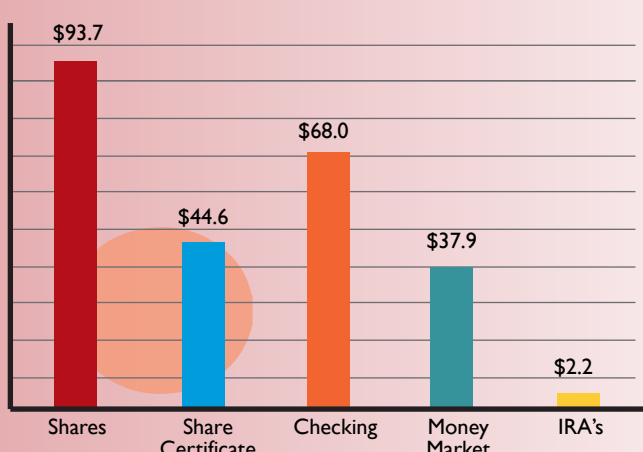
## Income Statement

Interests on Loans	\$7,227,443	\$7,256,054
Income on Investments	\$1,158,789	\$1,635,526
Other Income	\$4,017,207	\$4,150,586
<b>Total Income</b>	<b>\$12,403,439</b>	<b>\$13,042,166</b>

## Expenses

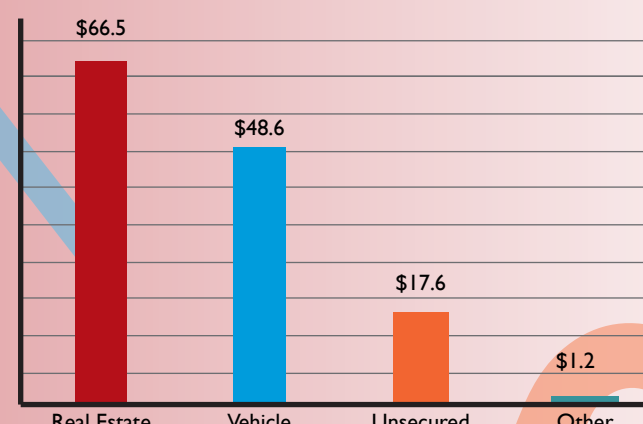
Salaries & Benefits	\$4,045,960	\$4,935,648
Office Operating Expenses	\$5,692,925	\$4,485,758
Total Operating Expenses	\$9,738,885	\$9,421,406
Dividends to Members	\$1,426,087	\$1,179,260
Transfers to Reserves		
& Undivided Earnings	\$1,238,467	\$2,441,500
<b>Total Distribution</b>	<b>\$12,403,439</b>	<b>\$13,042,166</b>

## Share Portfolio (in millions)



Shares	\$93,748,274
Share Certificate	\$44,669,506
Checking	\$68,012,208
Money Market	\$37,961,295
IRA's	\$2,251,868
<b>Total Shares</b>	<b>\$246,643,151</b>

## Loan Portfolio (in millions)



Real Estate	\$66,555,439
Vehicle	\$48,676,467
Unsecured	\$17,684,558
Other	\$1,215,850
<b>Total Loans</b>	<b>\$134,132,314</b>

## Class Act FCU Member Services

### Deposit Products

Regular Share Savings Account  
Youth Savings Account  
Summer Savings Account  
Christmas Savings Account  
Special Savings Account

Honors Checking Account  
Student Honors Checking Account  
Classic 55 Club Checking Account  
Money Market Account  
Trust Account

Individual Retirement Account  
Educational Savings Account  
Share Certificate  
Bump-Up Share Certificate

### Loan Products

Personal Loan  
Auto & Motorcycle Loans  
Boat/RV Loans  
LifeStyle Access Loan

Platinum Visa Credit Card  
Overdraft Protection  
Personal Line of Credit  
Smart Choice Short Term Loan  
First Mortgage Loan

5/5 Adjustable Rate Mortgage  
Second Mortgage Loan  
Home Equity Line of Credit

### Services

Accidental Death and Dismemberment Insurance  
ACH Origination  
Auto Link Car Buying Service  
Courtesy Pay  
Credit Life & Disability Insurance  
Debit Card  
Direct Deposit  
Secure eSign Service  
e-Statements

Express Line Audio Teller  
GAP Automobile Loan Protection  
Group Term Life Insurance  
Mechanical, or Extended Warranty Protection  
Notary Public Service  
Online Account Opening  
Online Bill Pay  
Online & Mobile Banking

Payroll Deduction  
Recuperative Care Insurance  
Safe Deposit Boxes  
Shared Branch Network  
Signature Guarantee  
Remote Deposit  
Visa Gift Card  
Wire Transfers

**Class Act**  
FEDERAL CREDIT UNION

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