

Annual Report 2023



Forrit
CREDIT UNION



Mission

Forward Together. Each member. Each moment.

Vision

We're flipping the script. We help our members to break the cycle of living paycheck to paycheck. Your financial freedom is our purpose.

Values

Creativity

Small gets it done. We're a tiny package with lots of attitude.

Authenticity

You be you. We'll be us. Let's all do our thing.

Simplicity

We make it easy to do business with us.

Empowerment

Great things are possible. And together, we can make them happen.

Diversity

We lead with what we believe. Fairness, equality, sustainability, and doing what's right.



Report to

our members

Forrit Credit Union's Mission is Forward Together. Each Member. Each Moment. We view every moment as an opportunity to grow, and we won't stop making tomorrow a better place for our members. The dedication we've shown over the past year, along with our forward-looking approach, demonstrates our commitment to living out this mission every single day.

HOW WE GOT HERE

In 2023, we have launched several initiatives to better position the credit union for future growth. Adapting to the challenges of a recessionary climate, we simplified our products and rate structure with a clear focus on supporting our members, a move that strongly reflects our commitment to our vision, "We're flipping the script. We help our members to break the cycle of living paycheck to paycheck. Your financial freedom is our purpose."

Our ongoing partnership with Century High School in providing financial education to local students remains essential to empower the next generation to make informed decisions and foster long-term financial health. This impactful collaboration was made possible through the invaluable contributions of volunteers, highlighting the strengths of collective action in driving significant impact.

In parallel, our commitment to social responsibility is reflected in our steadfast support of Blanchet Houe. By volunteering at Blanchet House, we not only demonstrate our commitment to serving the community but also contribute to a meaningful initiative aimed at addressing homelessness and food insecurity. This embodies the credit union philosophy, "People Helping People."

We are pleased to announce that 2023 was another year of strong capital for Forrit Credit Union. We maintained capital well above the threshold to be considered Well Capitalized by the NCUA. We ended 2023 with a Net Worth capital ratio of 10.80%. This helps us to maintain our status as a safe and sound institution. A 7% Net Worth capital Ratio is required by National Credit Union Administration (NCUA) to be considered a "Well Capitalized" credit union. We are well above the required level to be considered a very healthy credit union.

WHERE WE GO NOW

One of the initiatives we launched in 2023 was to relocate our downtown Portland branch. We're excited to announce the relocation of our downtown Portland branch to the Rockwood neighborhood in Gresham, Oregon. Positioned strategically in close proximity to Portland, the vibrant city is known for its welcoming community vibe and diverse culture, fostering a sense of inclusivity and belonging for both residents and visitors alike. The new branch location will provide the same convenient access as our Reedville Crossing branch. We cordially invite you to join us in celebrating this significant milestone. Please stay tuned for the grand opening invitation as the date draws near.

As always, the safety and soundness of Forrit Credit Union continue to be the top focus of your Board of Directors. Thank you for your continued support and trust in Forrit Credit Union to be your financial partner.

Lorene Bay - Board Chair

Justin Olson - President/CEO





**Credit
Manager**

Report

As Credit Manager, I am happy to report that the Credit Union continues to serve all segments of our membership with their lending needs. I conduct regular reviews of our lending practices and programs to ensure we continually operate within established lending policies and that we adhere to all state and federal lending regulations. I also develop new programs whenever needed to ensure the Credit Union can assist our members financial needs. Additionally, I serve on our Loan Committee, which performs reviews of all loan requests that were not approved by individual loan officers. I perform quarterly reviews of individual loan requests to ensure we continue to meet the needs of our members. Of the 806 loan applications processed in 2023 only 93 or 11.5% were declined. Our overall loan delinquency continues to remain low at 1.35%. Our 2023 net charge off amount increased to \$282,457 for the year from \$65,073. Net charge-offs for the year were 0.43% of outstanding loans, which is slightly higher than our peer's ratio of 0.33%. All these number are strong in comparison to our peers and that is a great reflection on our wonderful membership. Thank you for allowing us to serve you with your lending needs.

Justin Olson – Credit Manager





Supervisory Committee

Report

The Supervisory Committee has the responsibility of monitoring the financial soundness and welfare of the Forrit Credit Union and its members. The Committee ensures compliance with regulatory and financial requirements by which the Credit Union is governed and regulated.

The Committee hired an independent audit firm, Daren B. Tanner, P.C., who reports directly to the Committee to complete the agreed upon procedures (AUP) audit to meet these responsibilities and requirements. Based on the AUP, audit the Credit Union met all requirements and operates in a sound fiscal manner. The auditor also conducted a negative member verification process and found no unusual activity.

All five (5) Committee members met the annual Bank Secrecy Act (BSA) training requirements, attended Board meetings virtually on a regular basis, and held five (5) virtual Committee meetings. The Committee continues to review internal audits and controls, and risk management processes. The Committee validates that Forrit Credit Union operates in a fiscally prudent manner in all aspects of its operation.

Terry M. Smith, Chairman, Supervisory Committee

Statement of Forrit CU Financial Condition

As of December 31*	2023	2022
ASSETS		
Loans (net)	\$64,197,916	\$67,402,752
Cash	\$5,735,648	\$3,465,459
Investments	\$26,613,208	\$28,867,693
Accrued Income	\$255,032	\$208,654
Prepaid & Deferred	\$220,205	\$214,633
Fixed Assets	\$956,357	\$1,043,924
Other Assets	\$972,248	\$974,150
TOTAL ASSETS	\$98,950,614	\$102,177,264
LIABILITIES		
Accounts Payable	\$269,532	\$156,710
Off-Balance Credit Exposure	\$1,755	-
Notes Payable	-	-
Taxes Payable	\$16,001	\$25,000
Accrued Expense	\$407,255	\$367,234
Deferred Income	-	-
Member Savings		
Other Savings Accounts	\$51,165,760	\$61,002,622
Share Certificates	\$15,527,399	\$6,657,334
TOTAL LIABILITIES	\$67,387,702	\$68,208,900
MEMBERS EQUITY		
Membership Shares	\$20,878,708	\$23,375,757
Regular Reserves	\$1,484,000	\$1,484,000
Undivided Earnings	\$9,200,204	\$9,108,607
TOTAL MEMBERS' EQUITY	\$31,562,912	\$33,968,364
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$98,950,614	\$102,177,264

*Condensed and Consolidated for Forrit Credit Union & CU Home Loan Center, LLC

Statement of Operating Income & Expenses

As of December 31*	2023	2022
OPERATING EXPENSE		
Compensation	\$1,511,490	\$1,323,802
Taxes & Benefits	\$421,751	\$396,225
Travel & Conference	\$38,936	\$28,300
Business & Publication Costs	\$23,655	\$25,153
Office Occupancy	\$305,022	\$273,555
Office Operating	\$355,652	\$319,996
Advertising & Promotions	\$195,712	\$195,777
Loan Servicing	\$216,576	\$221,407
Professional & Outside Services	\$776,836	\$751,100
Provision for Loan Loss	\$311,421	\$48,550
Provision for Investment Loss	-	-
Members Insurance	-	-
State Examination Fee	\$9,584	\$9,498
Cash Over (Short)	(\$55)	\$1,036
Interest on Borrowings	\$873	\$2,602
Annual Meeting	\$3,999	\$572
Miscellaneous	\$31,827	\$54,982
TOTAL OPERATING EXPENSES	\$4,203,279	\$3,652,555
DIVIDEND/INTEREST EXPENSES		
Dividends	\$2,800	\$3,803
Interest on Deposits	\$344,661	\$116,761
Total Operating, Dividends, Interest Expenses	\$4,550,739	\$3,773,119
Gain/(loss) on Sale Assets	-	-
NCUSIF Stabilization Expense	-	-
Non Operating Income	\$222,637	
TOTAL EXPENSES	\$4,328,102	\$3,773,119
INCOME		
Interest on Loans	\$3,005,011	\$2,517,725
Income from Investments	\$819,335	\$281,022
Miscellaneous Operating Income	\$727,726	\$869,993
TOTAL INCOME	\$4,552,072	\$3,668,740
NET GAIN	\$223,970	(\$104,379)



Years at a Glance

Year	Loans (\$)	Shares (\$)	Assets (\$)
2018	51,589,173	78,218,601	88,294,566
2019	46,785,301	74,251,698	85,101,160
2020	51,504,847	84,599,407	95,503,118
2021	62,926,151	94,448,171	105,145,157
2022	67,507,725	91,035,713	102,177,264
2023	64,462,470	87,571,867	98,950,614

% Change

	Loans	Shares	Assets
1-year	-5%	-4%	-3%
5-year	25%	12%	12%

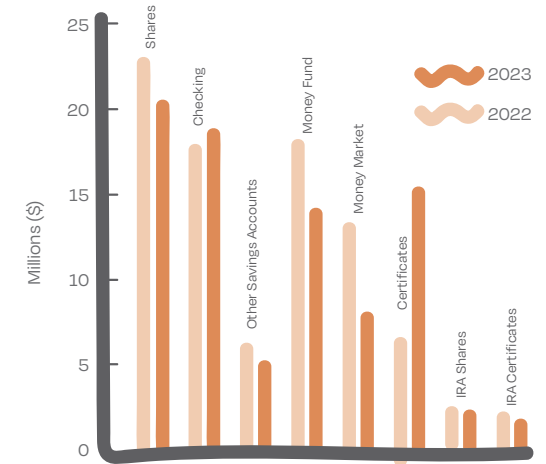
Statement of Retained Earnings

For the Year Ended December 31, 2022

	Balance 12/31/22	Net Income Applied	Balance 12/31/23
Appropriated Statutory	\$1,484,000	-	\$1,484,000
Unappropriated	\$9,108,607	(\$132,373)	\$9,200,204
Total	\$10,592,607	(\$132,373)	\$10,684,204

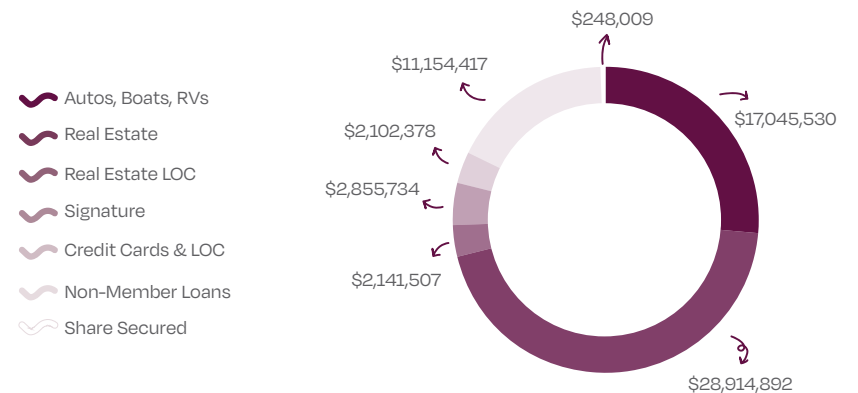
Deposit Distribution

(December 31, 2023)



Loan Distribution

(December 31, 2023)

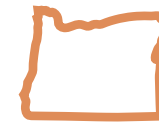


2023
Community

Impact
Report



17
Hours of financial
education



18
Community
events



1,969
People
impacted



249
Volunteer hours
from Forrit staff



\$1,520
Credit union
supported initiatives



\$7,572
Credit Unions For Kids



\$8,552
Local community
organizations



\$17,644
Total contributed
to our community



Forrit
CREDIT UNION

Board of Directors

- ◇ Lorene Bay, Chair
- ◇ Bill Kirchner, 1st Vice Chair
- ◇ Lynn Voigt, 2nd Vice Chair
- ◇ Michel Mouzong, Secretary
- ◇ Patty Hyatt
- ◇ Eileen Patton
- ◇ Kristina Kallen

Supervisory Committee

- ◇ Terry Smith, Chair
- ◇ Lisa Howard, Vice Chair
- ◇ Yvonne Vallette, Secretary
- ◇ Lisa Callahan
- ◇ Chandra Wilson

Leadership team

- ◇ Justin Olson, President/CEO
- ◇ Wendy Russell, Director of Finance
- ◇ Andrew Ackman, Director of Information Technology
- ◇ Cindy Packard, Director of Member Services
- ◇ Sarah Buck, Director of Experiences
- ◇ Yuki Lam, Director of Marketing

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