



2023
ANNUAL REPORT



inspirefcu.org

PRESIDENT/CEO REPORT

Financial Results and Performance Update

As we turn the page on 2023, I could not be more pleased to report an extraordinarily strong year in our financial performance results, along-side the continuing evolution of Inspire Federal Credit Union. 2023 marks our ninth consecutive year in achieving double-digit growth in both member deposits and loans. This growth, in turn, has allowed us to reach a credit union record high in terms of total assets, reaching \$334,591,114. All key financial metrics that measure the health and overall safety of our credit union show that we have a responsible fiscal management plan in place and continue to execute on our overall strategy. The result is we will continue to offer meaningful value back to our members and community, which are the pillars of our foundation and success.

Since my arrival in 2014 as President/CEO, we have embraced a vision of building a high performing credit union, delivering a relationship focused approach to banking, supported by a staff who is fully committed to this approach. Our member focused model has made an impact on our ability to attract and grow significant market share with small businesses in our community, while deepening relationships with our consumer market we have historically served so well. Our talented banking team continues to lead the way in Bucks County, building brand awareness and community trust.

Market Share Growth

When comparing relative market share growth of Inspire FCU to 39 other financial institutions in Bucks County (Banks and Credit Unions), using industry performance reports for the period Sept. '22 – Sept. '23, Inspire FCU not only out-performed the market, but achieved results that were at the very top of all financial institutions.

Deposit Market Share:

Market Deposit Growth: (-) 2.370%
Inspire FCU Deposit Growth: +10.354%
Inspire FCU vs. Market: +12.724%

Loan Market Share:

Market Deposit Growth: +4.603%
Inspire FCU Deposit Growth: +19.688%
Inspire FCU vs. Market: +15.085%

Balance Sheet Growth

Total assets of the credit union were \$334.5 million, compared to \$299 million at the end of 2022. Asset growth was primarily driven by strong deposit growth, specifically in the small business market, supported by strong net income, allowing the increase in equity to support the deposit growth, keeping our net worth above regulatory requirements.

Total loans increased to \$251 million, up from prior year end of \$217.5 million. We saw robust growth in the consumer channel related to home loans and auto loan originations, supported by continued growth in business loans. The growth in these channels is a direct reflection of our talented lending team and relationship focused staff out in the community, partnering with local businesses, dealerships and realtors, working hard to create new relationships for Inspire FCU.

We will continue to focus on deposit retention, delivering value to our members. We are incredibly grateful for our loyal members who place their trust in us each day. Despite the interest rate environment in 2023 and volatile market conditions, our liquidity position remains strong, ensuring safe and sound operations.

Looking Ahead to 2024

Inspire FCU is an organization built on relationships. We will continue to build upon this solid foundation, knowing it positions us for success and a stronger future. We will continue to focus on enhancements to our digital banking tools, both in the consumer and business channels, making banking easier, quicker, and safer for all our members. Unlike many local institutions, we will not ignore or abandon our branches. We are continuing to evaluate adding to our branch network as part of our 2024 strategy.

In terms of expansion, I am excited to announce that just a few days ago, our regulator approved us to add Philadelphia County to our field of membership. Our new membership eligibility in 2024 will include those who live, work, or attend school in both Bucks and Philadelphia Counties. Over the coming months we will be communicating more about how we plan to welcome Philadelphia County into the Inspire family.

In closing, I want to thank everyone who makes our success possible — the Board of Directors, the staff and most of all, our members, who trust us each and every day. We strive to be a real, true, community financial institution. We make it a priority to listen to the feedback of each of you, and to create a banking experience that meets your needs. We believe that the success of the community is equally important as the success of the credit union. With integrating the credit union into the community, we have realized growth and found this to be true. We want to be more than a credit union to the community — we are your partner in banking and partner in making our community stronger. We invest in culture, where employees are important, and we hope that shines through in each and every interaction you have with our team.

If you have feedback on how we can better serve you, please contact me at ceo@inspirefcu.org.



James M. Merrill
President/CEO

CHAIRMAN REPORT

As we are well into the new year of 2024 at Inspire FCU, 2023 is far from being forgotten. As we reflect on this past year, the Board of Directors at Inspire FCU remains thankful to our members and celebrate your continued commitment to our financial institution.

The year of 2023 was yet another that Inspire FCU experienced continued significant accomplishments. As the year brought industry and economic uncertainty with cautious financial projections, the leadership at Inspire FCU navigated, along with the full Board endorsement, making the right decisions at the right times. Inspire FCU would not be denied yet another year of double-digit growth, as experienced the previous 8 years.

Further, during 2023, the Board continued in its role of providing oversight to the Inspire leadership team. This included participation in annual strategic planning, quarterly goal-setting and objective reviews, monthly performance reviews, along with several committees that align with specific Inspire Management staff. The strategic philosophies that had been established for years leading up to 2023, which contributed to the repeated prior successes, not only remained, but are now further committed for years to come. This, along with the talent of our CEO and leadership team, a members-first culture, a passion to deliver a best-in-class experience, is sure to chart a continued successful long-term future for you, our members, and overall organization.

Thank you again, to our members who continue to demonstrate trust in both the Board of Directors and the overall Inspire FCU organization. You can be assured that you have the full commitment from us, your Board of Directors, to fulfill our responsibilities in oversight and partnership throughout 2024 and for years to come.



Marc Daretto
Chairman of the Board
Inspire Federal Credit Union

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee at Inspire Federal Credit Union is composed of five members and serves as a standing committee to the Board of Directors. The role of the Supervisory Committee is to:

1. Ensure that the Board and Management meet required financial reporting objectives and establish policies and procedures to safeguard member assets;
2. Determine internal controls are established, the records are promptly and accurately prepared, plans established by the Board are properly administered and policies are sufficient to safeguard member assets;
3. Ensures Credit Union adheres to the filing requirements for reports filed with the NCUA as well as oversees the annual independent audit.

In summary, our main goal is to protect your funds and interests. To that goal, we are happy to report positive progress.

Hamilton & Babitts consulting, a professional accounting firm, was engaged to conduct the Comprehensive Annual Audit of Inspire Federal Credit Union. The audit was started in February 2024 for the fiscal year ending December 2023. This audit was completed in accordance with guidelines issued in the Supervisory Committee Manual for Federal Credit Unions.

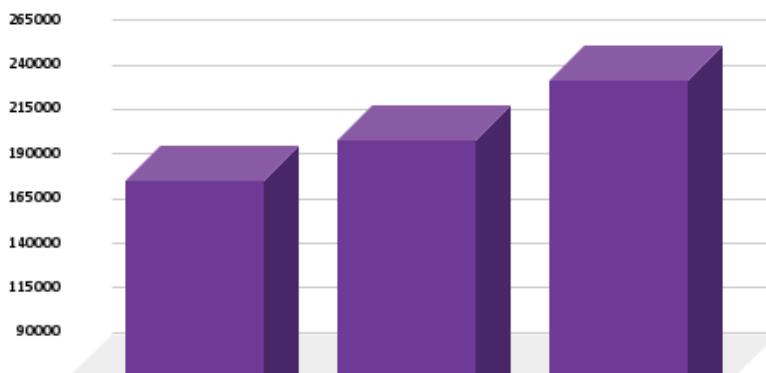
We take our responsibility of oversight seriously. Our committee is excited to be a part of the Credit Union and we look forward to contributing to Inspire Federal Credit Union's continued growth and success.

Respectfully submitted,

Supervisory Committee



2023 TREASURER'S REPORT



Assets

Cash and Cash Equivalents	\$34,075,287
Investments	\$31,056,613
Total Loans Receivable	\$251,399,258

Loans Held-for-Sale

Loans Receivable, Net	(\$1,691,740)
Loans Held-for-Sale	-
NCUSIF Deposit	\$2,415,312
Fixed Assets	\$7,864,385
All other Assets	\$9,471,999
Total Assets	\$334,591,114

Liabilities and Members' Equity

Total Shares and Deposits	\$262,502,465
Borrowed Funds	\$40,500,000
Other Liabilities	\$6,376,083
Total Liabilities	\$309,378,548

Members' Equity

Total Members' Equity	\$25,212,566
Total Liabilities and Members' Equity	\$334,591,114
Net Worth	\$26,545,023
Net Worth Ratio	8.20%

Interest Income

Interest on Loans	\$13,076,042
Interest on Investments	\$1,624,855
Total Interest Income	\$14,700,897

Interest Expense

Dividends on Share Accounts	\$3,593,972
Borrowed Funds	\$1,244,155
Total Interest Expense	\$4,838,127
Net Interest Income	\$9,862,770
Provision for Loan Loss	\$1,128,000
Net Interest Income After PLL	\$8,734,770
Non-interest income	\$2,430,123
Non-interest expense	\$9,578,617
Non-Operating Gain (Loss)	\$335,168
Net Income	\$1,921,444



We stay committed to our involvement in our **community**.



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