



2022

ANNUAL REPORT



inspirefcu.org

PRESIDENT/CEO REPORT

As I reflect on 2022, I want to begin by expressing my sincere gratitude to you, our loyal members. From the very beginning on my tenure, now nine years in the making, I knew there was something special about Inspire Federal Credit Union. Inspire FCU has always been more than about just the financial services and products we provide — it stands for community. From day one, there has been a clear desire to be part of building a better community. This keeps me **INSPIRED** each day about our future and the continued impact that we make together. No two members are the same — each of you have your own unique needs, goals and aspirations. However, as a community, we come together and build better futures.

As I update you on our continued progress in 2022, it comes with the celebration of another successful year, despite the rapid pace of change that continues to influence our industry. As technology, delivery channels and member expectations all continue to evolve, one thing remains constant — our commitment to deliver exceptional service and value to our members. Reliability and consistency are the cornerstones of our commitment and mission to serve you. We continue to invest tremendously in our staff. We have a loyal, dedicated and tremendously talented team within all departments of the organization. Our investment in them is an investment in you — we will continue to develop a winning culture that comes through to you in each and every interaction.

We also continue to recognize the need to capitalize on delivering on state of the art technology. We understand how technology and electronic delivery channels are changing the banking experience and we continue to strive to deliver faster, more modern, virtual experiences for you to manage your finances. We spent most of 2022 planning to roll out a new digital banking platform, offering a more robust experience with enhanced abilities to move money and manage your financial affairs. As our vision to improve our digital channels continues into 2023, be certain, we will continue to execute on our overall strategic vision of empowering you with the option to conduct banking activities wherever you choose — in the branch, over the phone in our Member Experience Center or via our evolving digital banking channels.

In closing for this year, looking back always sets you up to look forward and provides a glimpse of what lies ahead. I fully expect 2023 to be another year of growth and evolution for Inspire FCU. I have engaged with our Board of Directors to develop a Strategic Plan that will guide us in our journey. The plan supports our unwavering commitment to our members and provides us a roadmap to continue to grow as a viable and stable, community-focused financial institution. It is my goal to successfully deliver on this promise and continue to turn possibilities into realities. Thank you for your loyalty, support and trust you place in Inspire. You are why we are here, and it is our pleasure and a complete joy to be your partner on this journey.



James M. Merrill
President/CEO

CHAIRMAN REPORT

Welcome to 2023 at Inspire FCU. To start off, a big THANK YOU to our members, those within our very community, for without you there would be no Inspire.

At Inspire, because of how the organization is built, we have become accustomed to witnessing and experiencing, on an annual basis, both significant accomplishments and at times, overcoming challenges. With the repeated year over year growth as a community financial institution, we have accomplished this regardless of what the year may bring. From a successful Core Migration to even an unexpected pandemic, these have been just a couple of significant events during my tenure on the Board of Directors. This past year introduced a leadership change on the Board of Directors. With my nomination and acceptance to the Chairman position, continuity becomes key in ensuring continued success and maintaining a positive momentum in goals and priorities. With that, I am pleased to report that this goal has been achieved. A special note of appreciation to the entire Board along with a heartfelt thanks to our previous Chairman, Chichi Ahia. Chichi has continued to demonstrate his commitment to the organization and to the board to ensure the necessary support throughout this past year.

During 2022, the Board continued in its role of providing oversight to the Inspire leadership team, from our participation in annual Strategic Planning, Quarterly Goals and Objective reviews, monthly performance reviews, along with several committees that align with specific Inspire Management staff. Ensuring top performers are both secured in key positions and Inspire FCU is continued to be positioned for success is of utmost importance to the board. As part of our obligations to the membership in these areas, the personnel committee presented to the full Board, with unanimous approval, our continued and on-going support of our CEO, Jim Merrill, and his leadership team. Jim is a proven leader within the Credit Union Industry and his talents and abilities have yielded very favorable results for Inspire FCU. With the continued support of the Board and our membership, we are confident Inspire FCU will continue to benefit from Jim's growth vision and leadership for years to come. The conclusions and take aways from our last Strategic Planning Session have yielded strong goals and objectives that are sure to make 2023 exciting and continues in the theme of financial growth and just as important, commitment to our community.

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 2023 and for years to come.



Marc Diretto
Chairman of the Board
Inspire Federal Credit Union

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee at Inspire FCU 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 2023 for the fiscal year ending December 2022. 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.

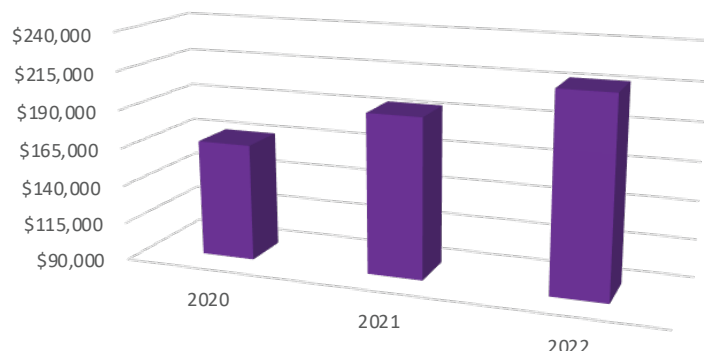
Respectfully submitted,

Supervisory Committee

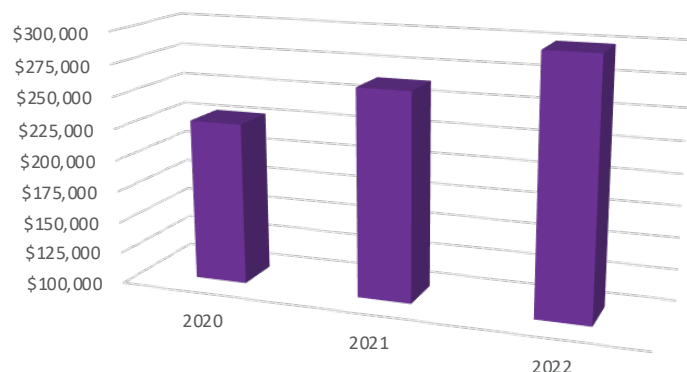


2022 TREASURER'S REPORT

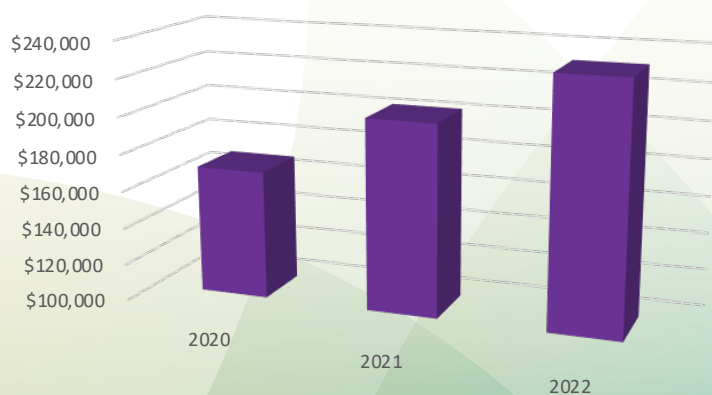
Loans



Assets



Shares and Deposits



Assets

| | |
|---------------------------|--------------|
| Cash and Cash Equivalents | \$28,655,720 |
| Investments | \$32,826,562 |

Loans Held-for-Sale

| | |
|-----------------------|----------------------|
| Loans Receivable, Net | \$216,740,218 |
| NCUSIF Deposit | \$2,189,933 |
| Fixed Assets | \$8,132,266 |
| All other Assets | \$10,850,091 |
| Total Assets | \$299,394,790 |

Liabilities and Members' Equity

| | |
|---------------------------|----------------------|
| Total Shares and Deposits | \$232,230,797 |
| Borrowed Funds | \$36,500,000 |
| Other Liabilities | \$6,067,864 |
| Total Liabilities | \$274,798,661 |

Members' Equity

| | |
|---------------------------------------|---------------|
| Total Members' Equity | \$24,596,088 |
| Total Liabilities and Members' Equity | \$299,394,749 |
| Net Worth | \$25,370,000 |
| Net Worth Ratio | 8.48% |

Interest Income

| | |
|------------------------------|---------------------|
| Interest on Loans | \$9,497,879 |
| Interest on Investments | \$986,477 |
| Total Interest Income | \$10,484,356 |

Interest Expense

| | |
|-------------------------------|--------------------|
| Dividends on Share Accounts | \$1,141,191 |
| Borrowed Funds | \$554,486 |
| Total Interest Expense | \$2,084,195 |
| Provision for Loan Loss | \$873,500 |
| Net Interest Income | \$8,400,160 |
| Non-interest income | \$2,418,865 |
| Non-interest expense | \$8,557,281 |
| Net Income | \$1,805,332 |



Phone Number
215.788.5270

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



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