

2023 ANNUAL REPORT



TRUST. COMMITMENT. INTEGRITY.



MYFORTLIBERTYFCU.ORG

TRUST

to earn it and keep it – this is our foundation.

COMMITMENT

we pledge to bring you our very best every day.

INTEGRITY

we will operate with honesty, fairness, and respect.

FORT LIBERTY FEDERAL CREDIT UNION 2024 ANNUAL MEETING

ORDER OF BUSINESS

MARCH 19, 2024

3:00 PM

WELCOME

Invocation Willie M. Dickens, *1st Vice Chairman*
Call Meeting to Order Herbert L. Swarts, *Chairman*

OLD AND NEW BUSINESS

Ascertainment of a Quorum Karen C. Elsom, *Secretary*
Approval of Minutes of Last Annual Meeting Karen C. Elsom, *Secretary*
Nominating Committee Report Willie M. Dickens, *1st Vice Chairman*
Election of Directors Herbert L. Swarts, *Chairman*

REPORT OF OFFICIALS

Chairman's Report Herbert L. Swarts, *Chairman*
Treasurer's Report David A. Hunt, *Treasurer*
Supervisory Committee Report Brenda K. Britt, *SC Chair*

REPORT OF THE PRESIDENT

President's Report Todd G. Kenthack, *President/CEO*

ACKNOWLEDGMENT OF ACHIEVEMENTS

Employee Anniversaries Todd G. Kenthack, *President/CEO*

OTHER BUSINESS

Adjournment Herbert L. Swarts, *Chairman*

MINUTES OF THE ANNUAL MEMBERSHIP MEETING

MARCH 21, 2023

ATTENDANCE:

27 members and guests

BOARD OF DIRECTORS AND GUESTS:

Herbert L. Swarts Chairman and wife, Sue
Willie M. Dickens..... 1st Vice Chairman
James L. Sinclair2nd Vice Chairman
Karen C. Elsom Secretary

John E. Tyson, *Chief Financial Officer*
R. Neal Spivey, *Chief Lending Officer*
Troy C. Martens, *Chief Marketing Officer*
Bryan B. Shriver, *Chief Technology Officer*
Ashlee Battocletti, *Chief Member Experience Officer*
L. Alex Terry, *VP of Information Systems*

David A. Hunt.....Treasurer
Peter R. Leinenweber..... Director
Philip B. Rutherford..... Director
Todd G. KenthackPresident/CEO

Jeff M. Tally, *VP of Finance & Administration*
Joshua Bisson, *VP of Lending & Collections*
Greg Waters, *Director of Facilities*
Brenda K. Britt, *Supervisory Committee Chair*
Lela McKissick, *Supervisory Committee Member*

I. CONVENED - INVOCATION

The 2023 Annual Membership Meeting of the Fort Bragg Federal Credit Union convened at 3:00 PM. Chairman Swarts welcomed all members and thanked them for taking the time to attend.

Chairman Swarts asked 1st Vice Chairman Mr. Willie Dickens to deliver the invocation.

II. OLD AND NEW BUSINESS

Chairman Swarts called upon Secretary Elsom to ascertain if the number of members in attendance met the annual meeting quorum requirements. Secretary Elsom confirmed that a quorum was present.

Secretary Elsom referred to the minutes from the 2022 annual meeting contained in the 2022 Annual Report and requested a motion for approval. A motion was made and seconded. Motion: Passed.

Chairman Swarts then called on the Nominating Committee Chairman James Sinclair to deliver the Nominating Committee Report. Committee Chairman Sinclair informed members that the committee had received and approved the applications of incumbent directors: Willie Dickens, Peter Leinenweber, Philip Rutherford, and Karen Elsom. No credit union members sought nomination through the petition process.

Chairman Swarts stated that, in accordance with the Credit Union's bylaws, when there is only one member nominated for each position to be filled, the Chair may take a voice vote at the annual meeting. A motion was made and seconded to elect the nominees to new three-year terms. Motion: Passed.

Chairman Swarts informed members that his report was in the Annual Report and asked if anyone had questions. None were asked. He then called upon David Hunt to deliver the Treasurer's Report.

Treasurer Hunt informed the membership that his report was in the Annual Report and welcomed any questions. None were asked. He thanked all members in attendance.

Chairman Swarts then asked Supervisory Committee Chair Brenda Britt to deliver the Supervisory Committee Report. Chair Britt indicated her report was in the Annual Report, made several comments about the committee's role and activities, and stated that, based on results of independent auditors, it is the opinion of the Supervisory Committee that Fort Bragg FCU continues to be financially strong and well managed.

Chairman Swarts then asked President/CEO Todd Kenthack to deliver the President's Report. Mr. Kenthack welcomed all members in attendance. He acknowledged the credit union's strong financial performance over the last year and thanked the volunteers and all employees for their outstanding service and dedication to FBFCU and its members. With new facilities planned for the next year and the success of the credit union's recent field of membership expansion, he believes the future is bright for FBFCU.

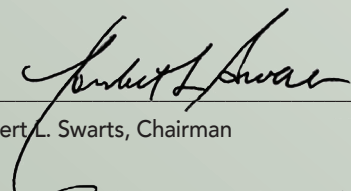
Mr. Kenthack referred to the Employee Anniversaries section of the Annual Report and recognized the 5 employees who reached employment milestones, ranging from 5 to 25 years, during 2022. He informed attendees that each employee would receive a gift (selected by the employee) from the credit union for this service achievement. He thanked them for their hard work and loyalty.

Chairman Swarts and the Board of Directors presented the Doris E. O'Brien Volunteer of the Year Award to Secretary Karen Elsom. Chairman Swarts explained that all volunteers vote each year for the most outstanding volunteer. He stated Ms. Elsom was selected as this year's recipient in recognition of her outstanding participation throughout 2022 and six years of service on the Supervisory Committee.

Chairman Swarts then recognized our employees for producing the annual report and for their assistance in preparing for the meeting. He also thanked Director Greg Waters and the facilities team for their help setting up the meeting.

There being no further business, a motion was made and seconded to adjourn the meeting. Motion: Passed.

The 2023 Fort Bragg Federal Credit Union Annual Meeting adjourned at 3:25 PM.



Herbert L. Swarts, Chairman



Karen C. Elsom, Secretary

CHAIRMAN'S REPORT

Thank you for attending the 2024 Fort Liberty Federal Credit Union Annual Membership Meeting. As a member-owner, you are the most important element of our financial cooperative and the reason why we are here today. Fort Liberty Federal Credit Union is a unique forward-thinking organization providing financial services to the most important individuals in our Nation: Airborne and Special Operation soldiers, their families, and the surrounding counties and communities. It is truly an honor to serve an organization with such brave members, competent and caring employees, and the best management in the credit union movement.

As you can see by the enclosed financials, our Credit Union had another phenomenal year. The Board of Directors were very pleased with the gains that were made. Loans reached another all-time high, membership continued to increase, and our financial ratios remain favorable versus our peers. It's no small achievement that we have increased our assets over the last year by nearly \$7 million, even with rising inflation and interest rates. We thank everyone responsible.

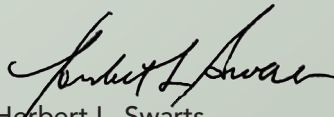
Our CEO, Todd Kenthack, who is in his eighth year of leadership, continues to raise the bar in terms of new product offerings and service enhancements for our members. With his recommendation, for the fifth consecutive year the Board of Directors authorized the payment of Loyalty Dividends to recognize our most loyal members. This year's distribution was \$1,000,000, which resulted in a five-year total "give-back" of \$4,750,000.

In 2024 and beyond we look forward to continued growth and success. We are seeing positive signs with our membership expansion efforts in the seven counties we serve. Progress continues on a new full-service branch in Southern Pines, and we anticipate a grand opening this summer. In July of last year, our name was changed to Fort Liberty Federal Credit Union as a result of the renaming of Fort Bragg. We are proud our new name will continue to represent strength and stability, as well as our heritage.

Again, Fort Liberty Federal Credit Union remains very strong, and will continue to take care of the financial needs of our growing membership. The Board would like to thank all our dedicated

volunteers including our Supervisory Committee, which has been instrumental in assuring that we are following all laws and regulations. We want to especially thank our employees and managers for their dedication and hard work. And of course, thank you to all our current members for doing their part by trusting us with their financial needs and for directing potential new members to our Credit Union.

Fort Liberty Federal Credit Union's values are based on Trust, Commitment, and Integrity, and these values will continue to guide our actions and decisions each day. If you have recommendations for improvements and enhancements to the Credit Union, please share them with any employee or a member of the management team. You can be sure your comments will receive careful attention. We hope that all our members have a prosperous and healthy year.



Herbert L. Swarts
Chairman, Board of Directors

TREASURER'S REPORT


Fort Liberty Federal Credit Union continued its commitment to our members by operating in a safe and sound manner during 2023, resulting in impressive financial performance. We received positive reports related to our Credit Union's financial condition from our independent auditors, Doeren Mayhew, and our federal regulator, NCUA. Our net income for the year was \$7,001,411, after paying out over \$1,000,000 to members in Loyalty Dividends in December. Total assets ended at \$579.9 million, a \$7 million increase from year-end 2022. We are expecting continued growth

in the years ahead with our expansion into new communities. Our net worth (capital) ratio of 11.97% remains strong and we are considered a well-capitalized credit union by NCUA. And finally, total loans grew by almost \$11 million to reach \$419 million, another all-time high for our Credit Union. Continued loan growth remains a top priority for 2024.

Please know that you can count on the Board of Directors and Management team to make financially sound decisions to ensure your Credit Union continues to grow and prosper. Our Mission

Statement reinforces our commitment to provide exceptional financial services to our military and civilian members and the communities we serve.

Thank you for your continued membership and loyalty.



David A. Hunt
Treasurer

SUPERVISORY COMMITTEE REPORT

Your Supervisory Committee is appointed by the Board of Directors based on the authority granted in the Credit Union's Bylaws and is comprised of member volunteers of the Credit Union dedicated to ensuring the accuracy of financial data and the protection of the Credit Union's assets. At present, your volunteers serving on the committee include Ms. Brenda Britt, Chair; Ms. Damita Rucker-Ash Vice Chair; Ms. Lela McKissick, Secretary and Ms. Karen Elsom, the Board Representative. The Supervisory Committee continued its practice of monthly meetings throughout the fiscal year. We are pleased to report that the business affairs of your Credit Union are handled accurately and comply with federal and state regulations.

An important duty of the Supervisory Committee is to supervise the audit operations of the internal audit staff comprised of the Director of Audit & Compliance Services and the Staff Auditor. Audit & Compliance Services is functionally aligned to your Supervisory Committee and administratively aligned to your Credit Union's Chief Executive Officer. It is their duty to assist the Committee in monitoring daily activities to help ensure compliance with governmental regulation, Board of Directors' policies, and Management directives. This is accomplished through regular reviews of the Credit Union's

internal controls at varying intervals on an ongoing basis. None of the Audit Department's reviews conducted this past year revealed any material issues or significant control weaknesses. Any minor issues identified were satisfactorily addressed and resolved expeditiously.

To assist in the execution of these responsibilities, the Committee engaged an external audit firm. Doeren Mayhew, CPAs and Advisors is currently auditing our Credit Union's financial status for the year ending December 31, 2023. The audit objectives are to determine the reliability and integrity of our Credit Union's financial operating information and to review our Credit Union's compliance with accounting principles generally accepted in the United States of America (GAAP/USA). The final year-end 2022 audit report was issued by Doeren Mayhew, CPAs and Advisors last year. As in the past, an unmodified opinion was issued on the financial statements of the Credit Union. This means that the financial statements fairly represent the financial results achieved during 2022 and that the practices and procedures followed are in accordance with GAAP/USA.

Throughout the year, the committee/audit staff reviews and responds in writing to all letters and emails it receives from the membership. Both the membership and the management of Fort Liberty FCU benefit from this open communication

since your individual concerns are addressed on a personal basis and your comments help to ensure that Fort Liberty FCU maintains the highest level of service to its members.

The National Credit Union Administration (NCUA), the regulatory agency for all federally chartered credit unions, also performs periodic supervisory examinations.

Based on the results of the Annual Report of Independent Auditors and the Annual Report from the IT Auditors, it is the opinion of your Supervisory Committee that Fort Liberty FCU continues to be financially strong and well managed, with sound policies and programs.

In closing, the Supervisory Committee congratulates the Credit Union staff, Management, Board of Directors and Members for another successful year. Most importantly, the Committee wishes to thank our members for their continued patronage and support. The Supervisory Committee looks forward to continuing to perform its oversight duties in ensuring that your credit union remains financially sound and secure.

Respectfully Submitted,



Brenda K. Britt
Supervisory Committee, Chair

EMPLOYEE ANNIVERSARIES

Congratulations

FIVE YEARS

Neal Spivey
Melanie Criswell

TWENTY YEARS

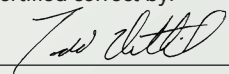
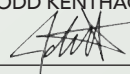
Judy Davis

THIRTY-FIVE YEARS

Sherrie Stephenson
Alex Terry
Sheila Thompson

FORT LIBERTY FEDERAL CREDIT UNION STATEMENT OF FINANCIAL CONDITION

As of December 31, 2023

ASSETS	LIABILITIES AND MEMBERS' SHARES AND EQUITY
CASH:	LIABILITIES:
Cash on Hand \$ 3,387,305	Accounts Payable \$ 7,200,655
Cash on Deposit \$ 40,341,586	Other Liabilities \$ 810,746
Total Cash \$ 43,728,891	Total Borrowings \$ 25,000,000
INVESTMENTS:	Total Liabilities \$ 33,011,401
US Agency Obligations \$ 60,418,654	MEMBERS' SHARES:
Certificate Deposits \$ 6,972,000	Regular Shares \$ 224,796,373
All Other Investments \$ 6,972,000	Share Drafts \$ 140,968,818
Total Investments \$ 71,143,335	Money Markets \$ 22,148,933
LOANS:	IRA Shares \$ 15,134,214
Credit Cards \$ 8,100,863	Share Certificates \$ 78,701,661
Unsecured Lines of Credit \$ 12,192,344	Total Shares \$ 481,749,999
Vehicles \$ 207,608,686	MEMBERS' EQUITY:
Real Estate \$ 148,618,442	Regular Reserve \$ 0
Commercial \$ 38,078,830	Undivided Earnings \$ 69,397,791
Other Secured \$ 4,389,454	Accumulated Other
Loans Held for Sale \$ 0	Comprehensive Gain (Loss) \$ (4,294,885)
Gross Loans \$ 418,988,619	Total Equity \$ 65,102,906
Less: Allowance for Loan Losses \$ (3,555,144)	TOTAL LIABILITIES AND MEMBERS' SHARES AND EQUITY
Net Loans Outstanding \$ 415,433,475	\$ 579,864,305
OTHER ASSETS:	We certify, to the best of our knowledge and belief, this statement and the related statements are true and correct and present fairly the financial position and the results of operations for the periods covered. Certified correct by:
Land and Buildings \$ 11,308,489	 January 31, 2024
Other Fixed Assets \$ 5,025,958	TODD KENTHACK, PRESIDENT/CEO DATE
NCUA Share Insurance Deposit \$ 4,522,802	 January 31, 2024
Accrued Interest \$ 1,414,834	JOHN TYSON, CFO DATE
All Other \$ 27,286,522	
Total Other Assets \$ 49,558,605	
TOTAL ASSETS \$ 579,864,305	

FORT LIBERTY FEDERAL CREDIT UNION STATEMENT OF INCOME

	DECEMBER 31, 2023	QUARTER TO DATE	YEAR TO DATE
INTEREST INCOME			
Interest on Loans \$ 1,727,052	\$ 1,727,052	\$ 5,073,360	\$ 19,581,322
Income from Investments \$ 233,794	\$ 233,794	\$ 674,811	\$ 2,185,118
Unrealized Gains (Losses) on Equity Securities \$ 3,180	\$ 3,180	\$ 28,189	\$ 49,359
Total Interest Income \$ 1,964,027	\$ 1,964,027	\$ 5,776,360	\$ 21,815,799
INTEREST EXPENSE			
Dividends on Shares \$ 1,387,742	\$ 1,387,742	\$ 2,055,906	\$ 3,987,261
Interest on Borrowed Money \$ 129,985	\$ 129,985	\$ 376,933	\$ 1,581,495
Total Interest Expense \$ 1,517,727	\$ 1,517,727	\$ 2,432,839	\$ 5,568,756
Provision for Loan Losses \$ 206,142	\$ 206,142	\$ 828,142	\$ 1,578,017
Net Interest Income \$ 240,157	\$ 240,157	\$ 2,515,379	\$ 14,669,026
NON-INTEREST INCOME			
Fee Income \$ 336,499	\$ 336,499	\$ 985,815	\$ 3,932,937
Other Operating Income \$ 211,982	\$ 211,982	\$ 652,094	\$ 2,600,592
Other Non-operating Income \$ 0	\$ 0	\$ 0	\$ 21,530
Total Non-interest Income \$ 548,480	\$ 548,480	\$ 1,637,909	\$ 6,555,059
NON-INTEREST EXPENSE			
Employee Compensation \$ 431,589	\$ 431,589	\$ 1,262,274	\$ 4,934,313
Employee Benefits \$ 118,538	\$ 118,538	\$ 391,183	\$ 1,603,116
Travel and Conference \$ (527)	\$ (527)	\$ 13,556	\$ 184,713
Office Occupancy \$ 72,416	\$ 72,416	\$ 206,185	\$ 815,561
Office Operations \$ 353,306	\$ 353,306	\$ 1,038,666	\$ 3,858,020
Education and Promotion \$ 70,935	\$ 70,935	\$ 154,069	\$ 507,259
Loan Servicing \$ 60,115	\$ 60,115	\$ 256,397	\$ 1,157,126
Professional and Outside Services \$ 58,811	\$ 58,811	\$ 191,282	\$ 799,894
Federal Operating Fee \$ 7,578	\$ 7,578	\$ 22,734	\$ 90,023
Other Operating Expenses \$ 12,261	\$ 12,261	\$ 56,183	\$ 272,649
Total Non-interest Expense \$ 1,185,022	\$ 1,185,022	\$ 3,592,529	\$ 14,222,674
NET INCOME (LOSS) \$ (396,384)	\$ (396,384)	\$ 560,759	\$ 7,001,411



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(1.866.793.5328)

VOLUNTEERS AND OFFICERS

BOARD OF DIRECTORS

Herbert L. Swarts, *Chairman*
Willie M. Dickens, *1st Vice Chairman*
James L. Sinclair, *2nd Vice Chairman*
Karen C. Elsom, *Secretary*
David A. Hunt, *Treasurer*
Pete R. Leinenweber, *Director*
Philip B. Rutherford, *Director*

SUPERVISORY COMMITTEE

Brenda Britt, *Chair*
Damita Rucker-Ash, *Vice-Chair*
Lela I. McKissick, *Secretary*

OFFICERS

Todd G. Kenthack, *President/CEO*
John E. Tyson, *Executive Vice President/
Chief Financial Officer*
R. Neal Spivey, *Chief Lending Officer*
Troy C. Martens, *Chief Marketing Officer*
Bryan S. Shriver, *Senior Vice President of
Technology*
Sherrie D. Stephenson, *Vice President of
Credit Administration*
Jeff M. Tally, *Vice President of Finance*
L. Alex Terry, *Vice President of
Information Systems*
Tammy M. McLean, *Vice President
of Sales and Service*

LOCATIONS

SKIBO ROAD BRANCH

1650 Skibo Road
Fayetteville, NC 28303

HEFNER BRANCH

4172 Hefner Drive
Fort Liberty, NC 28310

BASTOGNE BRANCH

4020 Bastogne Drive
Fort Liberty, NC 28307

RAEFORD BRANCH

7840 Raeford Road
Fayetteville, NC 28304

RAMSEY BRANCH

6300 Ramsey Street
Fayetteville, NC 28311

SANFORD LENDING CENTER

3268 NC Highway 87 South
Sanford, NC 27332

Coming Soon!

SOUTHERN PINES

107 Brucewood Road
Southern Pines, NC 28387



Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, National Credit Union Administration, a U.S. Government Agency. Fort Liberty Federal Credit Union is an equal opportunity housing lender.