

CYPRUS CREDIT UNION ANNUAL REPORT



CHAIRMAN'S REPORT

On behalf of the Board of Directors at Cyprus Credit Union, it is my pleasure to report that 2022 was another year of growth and success for the credit union. This success comes from the support of each of you and from the credit union's commitment to being the most loved credit union for our members, employees, community and environment. Whether you are a long-time member, or recently joined the credit union, we are thankful to you for your membership.

The Board of Directors provides direction and oversight of the credit union and is comprised of volunteer members. We are tasked with promoting the stability of our institution by participating in the strategic planning of the credit union and by enacting organizational policies. It is our responsibility to ensure that these policies prioritize the best interests of our members while complying with government regulations and guidelines from the National Credit Union

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Administration (NCUA). The Board is also charged with regularly reviewing these policies to ensure that they are compliant, effective, and enforced. Performing these duties can at times be a significant undertaking. I'm grateful to each Board member for their dedication to fulfilling these responsibilities and their willingness to work as a team.

As a board, we regularly meet with President/CEO Todd Adamson, the Supervisory Committee, and the executive leadership team to plan future strategic initiatives and monitor progress toward our current objectives. In his role as President/CEO, Todd Adamson reports directly to the Board. I am confident in saying that the decisions he makes on a daily basis are shaped by his dedication to the members of Cyprus and their welfare.

I take pride in knowing that the credit union is committed to the well-being of not only its members but its employees as well. Last year, I reported that American Banker had named Cyprus one of the 50 best credit unions to work for in the United States. I am thrilled to report that Cyprus received this distinction once again in 2022 for the third year in a row. This is a testament to the hard work and dedication of our staff,

as well as the strong culture of teamwork and mutual support within our organization.

I also want to recognize and thank the Supervisory Committee for their hard work in safeguarding the assets of our members and confirming that they are managed with the utmost care. Like the Board of Directors, the Supervisory Committee is formed by volunteer members who give freely of their time and expertise for the good of Cyprus. They are an integral part of ensuring the soundness of the credit union.

Finally, I would like to convey my personal commitment to carrying out my duties with integrity and to the best of my abilities in the year ahead. I am excited for the

opportunities that 2023 will bring to our credit union and have no doubt that we can meet any challenge and see success through teamwork, cooperation, and the support of you, our members.

Sincerely,



Gayle Rosenberg
Chairman of the Board

PRESIDENT'S REPORT

I'm pleased to report 2022 was another year of growth and success for Cyprus Credit Union. This growth and success is because of you, our members, and your continued trust and support. This past year saw notable growth in membership, with credit union membership growing to 132,029 and assets surpassing \$1.7 billion. Capital ratios are a measurement of a credit union's financial safety and soundness. The NCUA, who insures the deposits at the credit union, considers a capital ratio of 7.00% to be a well-capitalized credit union. I'm pleased to report that Cyprus ended the year with a capital ratio of 10.93%, which shows just how sound and secure our credit union is.

In 2022, we grew our branch footprint to serve new markets in Washington and Davis county. In June, our much-anticipated Hurricane location opened as the credit union's first branch in Washington County. Currently, it also serves as the only Shared Branching location in Hurricane. The grand opening of the North Salt Lake branch followed in October, establishing our first standalone branch in Davis County. I'm excited for the opportunities these two new locations will provide to better serve our members throughout the state and to strengthen our community relationships in both southern and northern Utah.

As a member-owned, not-for-profit organization, Cyprus is always focused on making it easy to bank with us. This includes investing in tools and technologies to improve the Cyprus banking experience. Two such features were added to our Home and Mobile Banking service in 2022: SavvyMoney and comprehensive Budgeting and Financial Tools. SavvyMoney provides members with checking accounts free access to their TransUnion credit scores and reports as well as credit monitoring, credit coaching, financial education

resources, and more. Our new Budgeting and Financial Tools feature takes money management to the next level by giving members the ability to analyze cash flow, set automated smart budgets, track spending trends, and manage balances and debts across multiple financial institutions.

As we expand our online services and stay current with new technologies, the security of your assets and personal information remains our top priority. Our I.T. and fraud specialists are committed to keeping Cyprus secure; however, it is also crucial that each of us, whether member or employee, is educated on how to stay safe from fraud and scams. This year, Cyprus is increasing its efforts to provide easily-accessible, online resources to increase awareness of current fraud trends and how you can defend against them. You will be able to find these resources on the home page of CyprusCU.com throughout the year.

In addition to our commitment to deliver excellent banking services to our members, the credit union recognizes the importance of giving back to the communities we serve as well as taking care of the environment. In 2022, Cyprus donated over \$135,000 to Utah-based community and charitable organizations. Additionally, Cyprus employees volunteered over 500 hours working side by side with Utah charities to improve our communities. We've participated in food drives, fundraisers, diaper drives, Angel Tree, mobile pantries, and more. We've joined trail cleanups and tree-planting events to improve the health of our community spaces and the environment, and we've continued forward with our goals to reduce paper usage, promote recycling, and increase our focus on reducing water usage as we landscape new Cyprus buildings.

Our dedication to the community is also reflected in our efforts to support local students and schools. This year, Cyprus will award up to 15 scholarships to high school seniors here in Utah. We are also continuing with our Educator Mini-Grant program, with up to eight mini-grants for classroom enhancements awarded to Utah teachers each month throughout the school year. Cyprus representatives continue to teach financial literacy to Utah high school students, and we look forward to making financial learning as simple and accessible as possible through the creation of additional virtual and online educational resources and tools that will be available to all Cyprus members and educators throughout the state. These initiatives are just a few of the ways we support the schools, students, and educators in our communities.

In closing, I want to express my sincere gratitude to our volunteer Board of Directors and Supervisory

Committee for their dedication and commitment to the credit union. Your hard work and tireless efforts are seen and appreciated and play a vital role in the growth and stability of our organization. I also want to express my appreciation to Cyprus employees, who work every day to live our mission of being the most loved credit union. Finally, I want to thank each of you, our members, for your continued support, loyalty, and contributions to Cyprus. It is truly a pleasure to serve you. I wish each of you success and all the best in 2023.

Respectfully submitted,



Todd Adamson
President/CEO

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee and Board of Directors of Cyprus Federal Credit Union realize that strong internal controls are necessary to protect the accounting and administrative functions of the Credit Union. It is our priority that these controls are reviewed and tested in coordination with the Internal Audit Department and Compliance functions of the credit union. Cyber threats are addressed by the Information Technology management and staff of the Credit Union and are tested by independent companies to strengthen the credit union's ability to withstand these threats. We changed our automation technology testing company to Doeren Mayhew this year to gain a fresh outlook on our ability to withstand cyber threats and are implementing their recommendations. We commend and appreciate credit union management and staff in their efforts and the Board of Directors' emphasis to ensure that accounting and automation technology policies and procedures are in place and functioning. All have done an excellent job ensuring that members' accounts are safe and secure. Credit union management and staff continue to assist our members with their financial concerns and respond timely to their needs. I personally thank the Supervisory Committee members and Internal Audit staff for all their service and input to ensure the soundness of internal controls.

The Supervisory Committee also coordinates efforts annually with Internal Audit and reviews the results of internal audits to determine that appropriate action is taken by credit union management to improve operations and controls. We also contract with an outside auditing, and information system firms to

ensure that appropriate controls are in place and an annual independent audit is performed. The Committee reviews the examinations of governmental agencies with credit union management and the Board of Directors for appropriate follow up.

The financial statement audit for the twelve months ending June 30, 2022 was completed by Doeren Mayhew, an independent accounting firm. The auditors concluded that the financial statements present fairly, in all material respects, the financial position of Cyprus Federal Credit Union as of June 30, 2022, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles. The auditors also reviewed the internal control structure of Cyprus Credit Union and their recommendations have been implemented to further strengthen these controls.

Credit union management is commended for maintaining sound accounting and administrative practices. The Supervisory Committee is committed to serve the members and ensure the financial stability of the credit union.

Respectfully Submitted,



Bruce Mortensen
Chairman, Supervisory Committee

CYPRUS CREDIT UNION FINANCIALS

2020

2021

2022

BALANCE SHEET

ASSETS

Net Loans to Members	1,175,342,125	1,319,590,767	1,582,292,206
Accounts Receivable	3,636,462	4,246,518	5,651,075
Cash & Other Liquid Accounts	101,710,578	94,991,133	34,272,933
Investments	14,591,300	21,548,688	43,226,256
Premises & Equipment	41,302,714	48,406,380	56,143,485
Other Real Estate	-	-	-
Other Assets	35,071,856	42,158,159	39,061,959
TOTAL ASSETS	1,371,655,034	1,530,941,646	1,760,647,914

LIABILITIES AND CAPITAL

Accounts Payable	8,437,677	10,672,428	195,573,102
Members' Savings & Deposits	1,219,754,429	1,352,680,066	1,387,084,020
Regular Reserves/Guarantee Fund	12,892,795	12,892,795	12,892,795
Other Reserves	130,570,133	154,696,356	165,097,997
TOTAL LIABILITIES & CAPITAL	1,371,655,034	1,530,941,646	1,760,647,914

OPERATING STATEMENT

INCOME

From Loans	51,999,937	55,406,225	63,024,746
Investments	522,320	651,049	907,833
Other	35,012,200	31,078,077	26,053,229
TOTAL INCOME	87,534,458	87,135,351	89,985,807

MEMBER EXPENSE

Dividends & Interest	10,746,335	8,071,798	10,957,932
Allowance for Loan Loss Reserves	7,167,898	2,150,587	3,927,530
TOTAL MEMBER EXPENSE	17,914,232	10,222,384	14,885,462

OPERATING EXPENSE

Salaries & Employee Benefits	26,622,014	31,701,634	30,977,446
Other	21,865,964	25,272,168	25,140,608
TOTAL OPERATING EXPENSES	48,487,979	56,973,802	56,118,054

HISTORICAL DATA

Number of Members	123,912	122,649	132,029
Number of Borrowers	49,782	61,787	66,019
Number of Loans Made	22,089	26,720	20,956
Amount Loaned During Year (New Money)	912,214,012	1,028,229,494	719,778,180
Amount Loaned Since October 1928	6,823,260,766	7,851,490,260	8,571,268,440
Number of Loans Outstanding	67,823	70,310	75,130
Average Loan Balance	15,116	18,699	20,950
Average Savings Balance	2,914	3,387	3,076



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