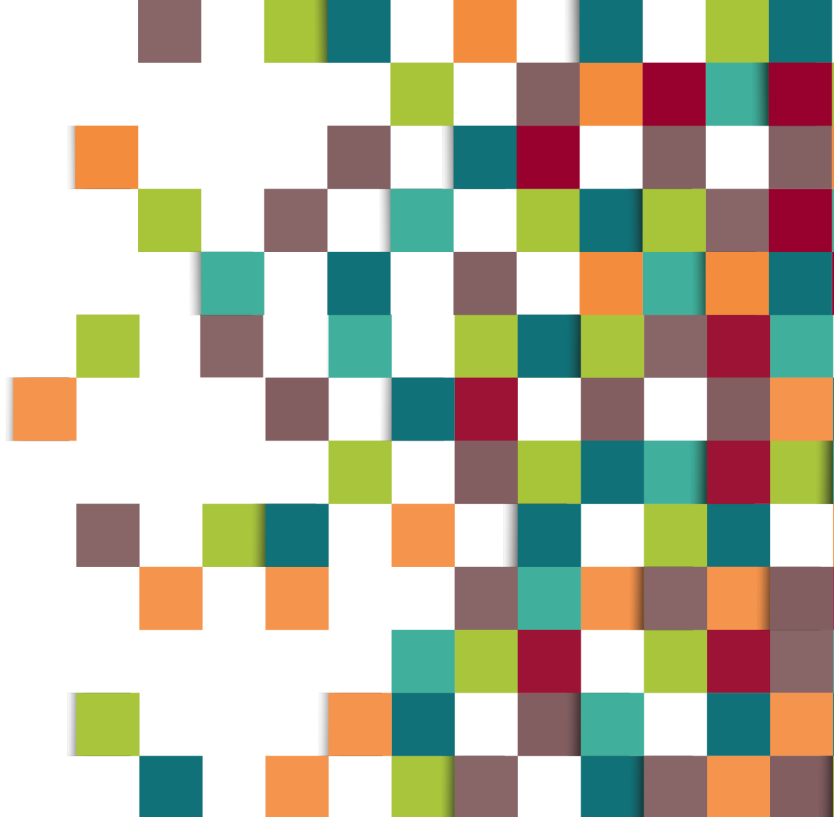




# ANNUAL REPORT



## CHAIRMAN'S REPORT

As the Chairman of the Board, I am pleased to report that, despite the challenges this year presented, the credit union had a very strong 2020. As a credit union, we were well positioned to provide the support and resources the members needed this year and our membership has grown to 123,912.

With so much unpredictability during the past year, ensuring the safety and stability of your credit union was one of our top priorities as a board. This includes establishing and reviewing policies and confirming we are compliant with regulations and guidelines as established by the National Credit Union Administration.

I would like to recognize my fellow board members and supervisory committee for the tremendous amount of work and effort they dedicated to the credit union this year and every year. Like many of you, we have had to adapt to new methods of working together to keep everyone safe and healthy. I am grateful to my fellow board members and the supervisory committee for their continued commitment and dedication to the credit union, regardless of the circumstances.

During the pandemic, we have continued to have regular, virtual meetings with Todd Adamson, the President and CEO, and the rest of the Cyprus Executive team. Our goal in these meetings is to represent the voice of our members, ensuring that your financial interests and security remain at the center of all of our decisions. Additionally, we work with the executive team to set and monitor strategic initiatives and objectives. Every decision we make is decided with the best interest of you, the members, at the center.

Finally, I want to thank each of you, our members. It's been a difficult year, but seeing the resiliency of those in our community is something I will always remember. We know you have many options out there when it comes to your financial needs and we would like to thank you for choosing Cyprus. We wish you and your loved ones a great upcoming year.

Sincerely,

Gayle Rosenberg  
Chairman of the Board

# PRESIDENT'S REPORT

In 2019, Cyprus introduced a new mission statement: "To be the MOST LOVED financial institution in Utah by improving the future of our **EMPLOYEES** and **MEMBERS**, while benefiting the **COMMUNITY** and **ENVIRONMENT**." The events and challenges surrounding the pandemic in 2020 gave us opportunities as a credit union to live and prove that mission statement.

## **MOST LOVED FOR OUR MEMBERS**

In an effort to help decrease some of the financial strain members may have experienced due to the pandemic, we introduced options to help on an individual level. We waived many fees and offered COVID-19 Relief Loans. Our Cyprus team also worked with many members to offer no-fee skip payments and loan restructuring and workouts. Our Business Services team also provided individual assistance to over 400 small businesses in Utah who took advantage of the Paycheck Protection Program.

To ensure our members continued to have access to their accounts, Cyprus adopted new safety measures to keep members and employees safe and healthy as well as providing additional resources towards digital options. As we continue to grow and technology evolves, rest assured that we are always working hard to keep your personal account information safe and secure.

We also knew that in the midst of a pandemic, our members still had financial needs. This year we saw membership grow by 6,705 and helped 22,089 members with their lending needs. Overall, as a credit union, we saw deposits increase by 20.0% and loans increase by 16.9%. Our capital ratio, which shows a credit unions strength and stability, ended the year at 11.2%. Which is well above the 7% threshold the NCUA has established for a credit union to be deemed well capitalized.

**“** *To be the MOST LOVED financial institution in Utah by improving the future of our **EMPLOYEES** and **MEMBERS**, while benefiting the **COMMUNITY** and **ENVIRONMENT**.* **”**



## **MOST LOVED FOR OUR EMPLOYEES**

Creating a safe and healthy workplace for our employees was also a top priority this past year. In addition to our upgraded cleaning procedures, we provided additional opportunities and equipment to allow more employees to work from home. Some departments which require in office work offered hybrid schedules to decrease the number of employees in an office space during the day.

For employees who needed to stay home sick or care for someone who was, Cyprus offered temporary COVID pay to help cover the financial burden of needing to take time off. We offered this support to our employees long before any federal guidelines requiring it were offered. Additionally, we introduced employee programs and initiatives focused on building and maintaining employee morale during stressful times.

## **MOST LOVED FOR OUR COMMUNITY**

Limitations to in person volunteer opportunities did not stop our commitment to the communities we serve. This year we placed a new emphasis on social media initiatives and providing financial support for organizations that support Utahns most in need. This included a virtual food drive for the Utah Food Bank, financial support to provide meals at the Ronald McDonald House, appreciation awards to essential heroes, and lunches to front line healthcare workers, just to name a few.

We also found ways to continue our support of financial literacy in schools. We created and launched a virtual financial literacy program offered free to any school in the state, launched a teacher grant program to provide financial resources for the classroom, and sent some teachers on a virtual shopping spree to purchase supplies for their students.

## MOST LOVED FOR OUR ENVIRONMENT

At our corporate headquarters, we launched a new recycling program in an effort to help decrease our carbon footprint. We also introduced employee education resources about being more green, started using biodegradable trash bags, and reduced our paper consumption by 8.7%. We would like to thank our Green Team committee for heading up many of these initiatives.

A year ago, we could not have predicted what 2020 had in store, but the support of our community and perseverance of our employees and members has been inspiring to watch.

As we close the chapter on another year, I'd like to take a moment to thank each and every one of you, our members and owners. We look forward to serving you for all of your financial needs. We know there are many options out there and we thank you for choosing us as your financial partner.

I would also like to recognize and thank the credit union members who serve in volunteer positions, both on our Board of Directors and our Supervisory Committee. They adapted quickly to the changes 2020 presented and didn't miss a beat in representing each of you. I thank them for the countless hours they give to represent you and ensure that our credit union remains strong and stable.

Finally, I'd like to recognize our employees. Despite all the obstacles thrown their way, they have remained committed to fulfilling our mission statement. I thank them for all they do to make Cyprus such a great place to work. I look forward to all the good we will do as a team in 2021 and beyond.

Respectfully submitted,



Todd Adamson  
President/CEO

# SUPERVISORY COMMITTEE REPORT

Cyprus Credit Union experienced an outstanding year in 2020 working with members to satisfy their financial needs during the Covid Pandemic, and the Supervisory Committee was pleased to be a part of this great organization. As a committee, we appreciate the management and staff of Cyprus and the Board of Directors for helping us to fulfill our responsibilities. The Supervisory Committee coordinates efforts with Internal Audit and an independent auditing firm annually to ensure that internal controls are in place and functioning effectively to protect the assets of the credit union and its members. In addition, the Committee also reviews the examinations of the NCUA and information technology firms. Internal audit follows up with credit union management to oversee timely implementation of their recommendations. The results of examinations from Internal Audit, the independent auditors, the NCUA and an independent information technology firm have been implemented to strengthen internal controls.

The financial statement audit for the twelve months ending June 30, 2020 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, 2020, 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.

Cyprus Credit Union management and staff are commended for maintaining sound accounting and administrative controls as evident from the favorable conclusions of financial reviews conducted over the past year. The Supervisory Committee is committed to serve the members and ensure the stability of the credit union.

Respectfully Submitted,



Bruce Mortensen  
Chairman, Supervisory Committee  
Respectfully Submitted,

# CYPRUS CREDIT UNION FINANCIALS

2018

2019

2020

## BALANCE SHEET

### ASSETS

Net Loans to Members	899,034,868	1,007,682,751	1,175,342,125
Accounts Receivable	2,667,934	3,127,270	3,636,462
Cash & Other Liquid Accounts	17,425,190	74,900,004	101,710,578
Investments	3,228,739	5,000,000	14,591,300
Premises & Equipment	28,244,319	32,462,781	41,302,714
Other Real Estate	-	-	-
Other Assets	25,363,153	26,741,762	35,071,856
<b>TOTAL ASSETS</b>	<b>975,964,204</b>	<b>1,149,914,569</b>	<b>1,371,655,034</b>

### LIABILITIES AND CAPITAL

Accounts Payable	19,053,721	7,277,646	8,437,677
Members' Savings & Deposits	845,241,429	1,016,647,802	1,219,754,429
Regular Reserves/Guarantee Fund	12,892,795	12,892,795	12,892,795
Other Reserves	98,776,258	113,096,325	130,570,133
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>975,964,204</b>	<b>1,149,914,569</b>	<b>1,371,655,034</b>

## OPERATING STATEMENT

### INCOME

From Loans	38,073,335	48,202,797	51,999,937
Investments	703,825	1,261,799	522,320
Other	20,558,914	24,112,469	35,012,200
<b>TOTAL INCOME</b>	<b>59,336,074</b>	<b>73,577,066</b>	<b>87,534,458</b>

### MEMBER EXPENSE

Dividends & Interest	6,032,645	10,731,617	10,746,335
Allowance for Loan Loss Reserves	3,734,652	4,448,309	7,167,898
<b>TOTAL MEMBER EXPENSE</b>	<b>9,767,297</b>	<b>15,179,926</b>	<b>17,914,232</b>

### OPERATING EXPENSE

Salaries & Employee Benefits	17,889,348	21,761,353	26,622,014
Other	16,573,455	19,497,149	21,865,964
<b>TOTAL OPERATING EXPENSES</b>	<b>34,462,803</b>	<b>41,258,502</b>	<b>48,487,979</b>

## HISTORICAL DATA

Number of Members	110,658	117,207	123,912
Number of Borrowers	44,835	47,899	49,782
Number of Loans Made	17,042	19,156	22,089
Amount Loaned During Year (New Money)	467,489,309	564,774,985	912,214,012
Amount Loaned Since October 1928	5,346,271,768	5,911,046,754	6,823,260,766
Number of Loans Outstanding	62,454	66,607	67,823
Average Loan Balance	12,660	13,271	15,116
Average Savings Balance	2,265	2,280	2,914



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