



**CYPRUS**  
CREDIT UNION

## 2013 ANNUAL REPORT

### PRESIDENT'S REPORT

I am happy to report that 2013 was a great year for Cyprus Credit Union and our members. Because of our competitive rates, great products and superior service we had over 5,100 (net) members join the credit union. We are now providing financial services to over 81,500 members through a network of 17 branches, our local call center, and a growing number of electronic services.

During 2013 we funded over 12,000 new loans for a year-end total of over \$242 million. Assets increased by over \$20 million, with total assets ending the year at over \$630 million. Our capital ratio, an indicator of financial stability, increased from 8.95% to 10.07%. The National Credit Union Administration, our federal regulator, considers a credit union well capitalized at 7%. Our total capital increased by \$8 million bringing us to a year-end total of over \$63 million.

In December 2013, a good friend and longtime board member Dayle Flandro passed away. Dayle served on the credit union's board for over 37 years and contributed greatly to the credit union's success. Dayle was well known in the credit union community and liked by everyone. We will certainly miss his dedication, knowledge and commitment.

To make it easier for you to do business with us, last year we added a smart phone mobile app along with text banking for non-smart phone users. You can now use your cell phone to check balances, transfer money, pay bills and more, all without going into a branch. Our new check deposit feature within our mobile app is currently being tested by a small group of members and should be available to mobile app users within a

few months. Last year we also implemented a program that allowed members to sign their loan documents online instead of making a trip into a branch. By the end of 2014 we plan to have almost all documents available to sign online. In the future if you need to change account information, sign on a new loan or credit card, or any other important documents, you will be able to securely login to a web site and sign them electronically from wherever you are. This is a simple and very secure process.

*“As consumers and businesses you have a lot of choices in who you use for your financial services and we are honored and grateful you have chosen Cyprus Credit Union.”*

Last year we had the opportunity to merge with another fantastic Utah credit union, St. Mark's Employee Credit Union. St. Mark's Employee Credit Union was established in 1960 to serve the employees of St. Mark's Hospital. At the time of the merger, St. Mark's had just over 1,000 members, almost \$3 million in loans and over \$7 million in assets. We now have a full service branch inside St. Mark's Hospital that will continue to serve St. Mark's staff as well as Cyprus members. We look forward to offering St. Mark's members the excellent service they've come to expect and provide all the new products and services Cyprus has to offer.

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Cyprus Credit Union is member owned and does not have stockholders. The Credit Union is controlled by a volunteer Board of Directors and Supervisory Committee. The Board is voted in by members at our annual meeting and each board member is required to attend Board meetings and other events throughout the year without being paid for their time. Both the Board and Supervisory Committee work diligently with management and staff to ensure member needs are met in a safe and sound way.

As consumers and businesses you have a lot of choices in who you use for your financial services and we are honored and grateful you have chosen Cyprus Credit Union. It is with this trust that we dedicate ourselves to

providing you the best products and services available at rates that are among the best in Utah.

On behalf of our Board of Directors, Supervisory Committee, management and staff, we thank you for being a member and we look forward to meeting all your financial needs now and in the future. As our Jingle goes, "Your future is our future."

Respectfully Submitted,



Todd Adamson  
President/CEO

## SUPERVISORY COMMITTEE REPORT

Cyprus Credit Union continues to recognize the slow pace at which the economy is recovering. Decisions made by management and the Board of Directors have strengthened the credit union's position in the current lethargic economy. As a committee, we appreciate management, the staff of the Credit Union, and the Board of Directors for helping us to fulfill our responsibilities. All of them have done an excellent job in ensuring the members' money is safe and secure. I am happy to see the consistent effort of management and staff in assisting our members with their financial concerns. We want our members to feel comfortable coming to us for assistance. I would like to thank the Supervisory Committee members and the Internal Audit staff for all their service and input to ensure the soundness of internal controls.

The Supervisory Committee coordinates efforts annually with Internal Audit and an independent auditing firm to ensure that internal controls are in place to protect the assets of the credit union and its members. The Committee also reviews the examinations of governmental agencies with credit union management and the Board of Directors for appropriate follow up.

The financial audit for the twelve months ending June 30, 2013 was completed by Tanner, LLC an independent auditing 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, 2013, 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 stability of the credit union.

Respectfully Submitted,



Garth H. Tyler  
Chairman, Supervisory Committee



1920's

## Cyprus Credit Union Through the Years

1930's



1950's



19

# CHAIRMAN'S REPORT

**I**n 2013 Cyprus Credit Union experienced another year of strong, positive growth. We saw increases in all areas of the credit union indicating our members are continuing to choose us first for their savings and lending needs. I am confident that we continue to be successful because we remain true to our core value of honesty and integrity in all things. We put our member's needs above all else and make decisions with your best interests in mind. We understand your needs and have built a solid reputation, with over 85 years of experience, as the local credit union you can trust.

As Utah's oldest credit union, we take pride in our legacy of service to our members and community. We are fortunate to have many members, employees and volunteers who have been with the credit union for many, many years. I'm sad to report that in 2013 we said goodbye to friend and longtime board member Dayle Flandro. Dayle passed away in December and leaves behind a long legacy of service. He served on our Board of Directors for more than 37 years and was a member of Cyprus for more than 55 years. He served on many committees and always took an active role in ensuring the credit union was making sound decisions and moving toward the future. He will be missed by everyone at the credit union.

On behalf of the Board of Directors I would like to

***“ I'm proud to be part of an organization with a long history of integrity, financial soundness and an unwavering commitment to exceptional service. ”***

thank our hardworking staff for their fine efforts throughout the past year. Our Board of Directors, Supervisory Committee, management and staff work diligently to provide exceptional service to our members at each and every opportunity. I am proud to be part of an organization with a long history of integrity, financial soundness and an unwavering commitment to exceptional service.

I would also like to thank each and every one of our members. Your continued trust and support are what make Cyprus the strong cooperative financial institution we are today. In 2013 credit union membership exceeded 80,000. We welcomed more than 5,000 of your family, friends and neighbors to Cyprus Credit Union. Thanks to your continued support we're able to provide expanded services, additional convenience and make meaningful contributions to our community. Thank you for your loyalty to our not-for-profit cooperative and for choosing to be a member of Cyprus Credit Union.

As we look forward to the future you can be assured that you will continue to receive the highest level of convenience and service from your credit union. Cyprus is safe, sound and well positioned to deliver the value you deserve. Along with the Board of Directors, Supervisory Committee, and Cyprus Credit Union's management and staff, I wish you a happy and successful 2014.

Sincerely,



Gayle Rosenberg  
Chairman of the Board



# CYPRUS CREDIT UNION FINANCIALS

2011

2012

2013

## BALANCE SHEET

### ASSETS

Net Loans to Members	374,713,073	413,835,472	438,400,671
Accounts Receivable	1,424,746	1,384,542	1,422,833
Equipment	1,764,702	1,447,350	1,406,109
Building & Real Estate	24,130,431	23,851,661	21,481,808
Prepaid Expenses	393,358	399,763	453,511
Investments	116,212,460	122,769,445	115,520,637
Other Assets	7,596,421	9,954,169	12,938,682
Cash & Other Liquid Accounts	34,947,954	36,882,171	39,197,878
<b>TOTAL ASSETS</b>	<b>561,183,144</b>	<b>610,524,573</b>	<b>630,822,130</b>

### LIABILITIES AND CAPITAL

Accounts Payable	3,466,731	4,293,936	3,931,278
Members' Savings & Deposits	511,616,752	554,539,185	565,840,240
Regular Reserves/Guarantee Fund	12,210,375	12,892,795	12,892,795
Other Reserves	33,889,286	38,798,657	48,157,817
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>561,183,144</b>	<b>610,524,573</b>	<b>630,822,130</b>

## OPERATING STATEMENT

### INCOME

From Loans	22,161,730	22,187,019	21,059,726
Investments	1,650,704	1,344,082	1,270,852
Other	12,993,611	15,068,852	15,286,334
<b>TOTAL INCOME</b>	<b>36,806,045</b>	<b>38,599,954</b>	<b>37,616,911</b>

### MEMBER EXPENSE

Dividends & Interest	6,060,807	4,886,076	3,793,623
Allowance for Loan Loss Reserves	3,012,623	1,303,793	1,409,761
<b>TOTAL MEMBER EXPENSE</b>	<b>9,073,430</b>	<b>6,189,869</b>	<b>5,203,384</b>

### OPERATING EXPENSE

Salaries & Employee Benefits	11,044,586	12,491,109	11,590,849
Other	13,178,050	13,549,610	12,631,775
<b>TOTAL OPERATING EXPENSES</b>	<b>24,222,636</b>	<b>26,040,718</b>	<b>24,222,624</b>

## HISTORICAL DATA

Number of Members	71,724	76,522	81,679
Number of Borrowers	35,272	38,563	41,063
Number of Loans Made	8,491	11,064	12,273
Amount Loaned During Year (New Money)	145,454,967	236,303,574	235,426,125
Number of Loans Outstanding	44,016	46,668	51,282
Average Loan Balance	7,940	7,005	7,166
Average Savings Balance	1,806	1,983	2,020



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