



2015 ANNUAL REPORT

PRESIDENT'S REPORT

It is my honor to report that this year has been one of exceptional growth and stability for your credit union. This would not have been possible without your membership and continued trust in us.

This year we welcomed 11,771 members to our Cyprus family. This represents an increase of over 6 percent, raising our total membership to more than 96,000.

As the economy continues to improve, we have seen our membership increase their saving to become more financially prepared for the future. This has resulted in a growth of \$32.4 million in member deposit balances. As a credit union, this helped our total assets grow to more than \$723 million, which is a 6 percent increase. Because of these investments, more people than ever have also been able to make their dreams a reality through our competitive loan financing. We were able to provide members with nearly 14,000 new loans totaling almost \$300 million—a 12 percent increase over 2014.

Because the dedicated efforts of our Board, Supervisory Committee and staff to provide the highest levels of service and value to our members, we were able to accomplish several notable achievements this year.

New Home Banking System: We made further improvements to our home banking site to enable it to be responsive in maintaining a consistent look and feel whether accessing it through a desktop, tablet, or mobile device. You now have access to the same features, tools, and interface on your phone that were previously available only on your desktop or tablet.

Remote Deposit: We also introduced remote deposit, which allows you the convenience of depositing checks from wherever you use our Cyprus Credit Union mobile banking app. This secure service is free to use and most funds are available the same day. Depositing your checks through the app is just as safe as depositing them at the branch. If you don't have our mobile banking app, I encourage you to download it from your mobile app store, or stop by a branch for assistance.

Expanded Hours: This year we expanded the operating hours of our branches, call center, and back office support departments to help provide you even higher levels of member service. Most branches are now open Monday through Friday from 9 a.m. to 6 p.m. and from 9 a.m. to 3 p.m. on Saturdays. Our friendly call center representatives have extended their hours to help you with your account Monday through Friday from 8 a.m. to 7 p.m. and on Saturdays from 9 a.m. to 3 p.m. We thank our employees for their dedication to high-quality service and professionalism which has enabled us to effectively implement these additional operating hours to better serve our members.

Giving Back to Our Community: "People helping people" has been the credit union philosophy since its founding. This year we continued living what we believe through increased charitable donations, made possible by you and through the donations of our employees. This year we were able to provide more than \$150,000 to help make a difference in the communities where our membership lives.

Continued...

Working hand in hand with our senior management team, the Supervisory Committee and the Board of Directors, we have identified several key initiatives for 2016 that we are excited to launch in our continual quest for the highest quality products and services for our members. These include:

Mobile Loan and Membership Applications: Within the Cyprus CU mobile app, members will soon be able to apply for membership or loans directly in mobile banking. This will be especially convenient for obtaining loan pre-approvals.

Credit Card Management: Using our mobile app, members will have access to manage their credit card account which will enable them to freeze or unfreeze cards and give them the ability to limit transactions by location or merchant type. We will also be introducing new chip cards which will further increase card security.

Branch Scheduling: In 2016 we will be introducing the ability to schedule appointments with our employees at the branch or online. This will save you time by eliminating most wait times at the branch and further our efforts to provide each of you the highest levels of member service.

“You are the reason we continue to strive for excellence in all we do.”

At the start of this new year, I want to express my sincere appreciation to you as a devoted member of our Cyprus family—you are the reason we continue to strive for excellence in all we do. Thank you also to our members who serve in volunteer positions on the Supervisory Committee and the Board of Directors. They give generously of their time and energy to serve in these roles that are critical to the success of our organization. I also want to thank our dedicated staff who work each day to go the extra mile to provide the highest levels of professionalism and service to our members.

Respectfully submitted,



Todd Adamson
President/CEO

SUPERVISORY COMMITTEE REPORT

Cyprus Federal Credit Union continues to recognize the slow pace at which the economy is recovering. Decisions made by Management and the Board of Directors continue to strengthen the credit union's position in this current recovering 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, 2015 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, 2015, 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

CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am pleased to report that 2015 has been another successful year for the credit union. I am grateful to each of our volunteer Board members for the time and energy they gave to help us continue growing and succeeding as an organization.

As a Board, it is our responsibility to ensure that policies are established, regularly reviewed, and properly enforced. It is also our charge to make sure that we are compliant with government regulations and guidelines established by the National Credit Union Administration (NCUA). We work hand in hand with Todd Adamson, president and CEO of Cyprus to assure these policies are being followed and updated.

In his role as president and CEO, Todd Adamson is directly accountable to the Board of Directors, which serves as the governing body of our organization. As shown in his monthly reports to the Board, he takes his responsibility to the Board and our members seriously. First and foremost in his mind are two questions that drive his decision making: how will this impact our members and is it in the members' best interest?

The Board meets biannually with the Supervisory Committee, CEO and all senior management to formulate strategic plans and review our progress toward current organizational goals. These meetings

allow us to measure where we are and determine the best ways to work together in building a stronger, more viable credit union for our members.

Through our review of operations, we can assure you that Cyprus is operating in a safe and secure way in order to continue serving the changing needs of our members. Not only are our deposits insured up to \$250,000 by the NCUA, but we have several internal teams working diligently to make sure you and your financial assets are protected.

This past year, Cyprus Credit Union has grown to more than 96,000 members strong. We are grateful for your individual contributions to our organization and for your sustaining of us, as your Board members. It is our mission to continue providing a sound voice for you and the credit union and to deliver the service and value you deserve. Thank you for making 2015 a great year at Cyprus. I look forward to the changes and growth we will most certainly see this coming year.

Sincerely,



Gayle Rosenberg
Chairman of the Board



“We can assure you that Cyprus is operating in a safe and secure way in order to continue serving the changing needs of our members.”

CYPRUS CREDIT UNION FINANCIALS

2013
2014
2015

BALANCE SHEET

ASSETS

Net Loans to Members	438,400,671	510,912,643	576,432,883
Accounts Receivable	1,422,833	1,503,883	1,623,549
Cash & Other Liquid Accounts	39,197,878	39,966,604	51,898,200
Investments	115,520,637	91,652,665	53,321,779
Premises & Equipment	22,532,432	21,897,439	21,358,508
Other Real Estate	355,485	1,853,237	1,774,880
Other Assets	13,392,193	15,046,477	17,132,217
TOTAL ASSETS	630,822,130	682,832,947	723,542,017

LIABILITIES AND CAPITAL

Accounts Payable	3,931,278	4,387,110	4,959,377
Members' Savings & Deposits	565,840,240	607,552,491	639,999,058
Regular Reserves/Guarantee Fund	12,892,795	12,892,795	12,892,795
Other Reserves	48,157,817	58,000,551	65,690,787
TOTAL LIABILITIES & CAPITAL	630,822,130	682,832,947	723,542,017

OPERATING STATEMENT

INCOME

From Loans	21,059,726	21,985,803	24,208,079
Investments	1,270,852	1,080,924	892,390
Other	15,286,334	15,132,567	16,258,494
TOTAL INCOME	37,616,911	38,199,295	41,358,963

MEMBER EXPENSE

Dividends & Interest	3,793,623	3,714,421	3,438,000
Allowance for Loan Loss Reserves	1,409,761	953,898	2,034,748
TOTAL MEMBER EXPENSE	5,203,384	4,668,319	5,472,748

OPERATING EXPENSE

Salaries & Employee Benefits	11,590,849	12,494,087	13,479,988
Other	12,631,775	13,005,857	14,316,653
TOTAL OPERATING EXPENSES	24,222,624	25,499,944	27,796,641

HISTORICAL DATA

Number of Members	81,679	89,302	96,055
Number of Borrowers	41,063	44,910	36,081
Number of Loans Made	12,273	13,911	13,869
Amount Loaned During Year (New Money)	235,426,125	249,500,696	297,354,111
Amount Loaned Since October 1928	3,574,328,107	3,823,828,803	4,121,182,914
Number of Loans Outstanding	51,282	56,604	51,378
Average Loan Balance	7,166	7,619	10,172
Average Savings Balance	2,020	2,007	2,050



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