



# 2017 ANNUAL REPORT

## CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am pleased to report that 2017 was another great year for Cyprus Credit Union. I would like to thank my fellow volunteer Board Members and the Supervisory Committee for the time and energy they contribute to ensure that Cyprus continues to grow and succeed.

As the Chairman of the Board, I work with the elected Board Members and Supervisory Committee to provide oversight and direction for the credit union. One of our main responsibilities is the establishment, review, and enforcement of our policies. Additionally, we are responsible for ensuring we are compliant with regulations and guidelines established by the National Credit Union Administration (NCUA). Alongside Todd Adamson and the Cyprus management team, we work to make sure that these policies are being reviewed and enforced.

Twice a year, the Board meets with the Supervisory Committee, the CEO, and all senior management to create and identify strategic plans for the future as well as review progress on current goals. These meetings allow us to identify where we currently stand, as well as the steps we can take to continue to strengthen the credit union for our members. Through our interactions with both Todd and the senior management team, we truly believe that your credit union is in the best hands.

*“As we oversee the operations of the credit union, stability and security are our top concerns.”*

As we oversee the operations of the credit union, stability and security are our top concerns. Deposits made to Cyprus are insured up to \$250,000 by the NCUA and our internal teams are working around the clock to safeguard both you and your finances.

This past year, Cyprus Credit Union has grown to more than 100,000 members and over \$800,000,000 in assets. As we continue to grow, our mission as a Board will always be to represent you. Thank you for your support of each of us on the board and for your contributions to the success of the credit union. It is because of you that 2017 was such a great year. We look forward to serving you in 2018 and beyond.

Sincerely,

A handwritten signature in blue ink that reads "Gayle Rosenberg".

Gayle Rosenberg  
Chairman of the Board

# PRESIDENT'S REPORT

I am pleased to report that 2017 was another outstanding year. We know that you have several options when it comes to your financial needs and I want to personally thank you for choosing us.

This past year, we continued to see strong growth as we welcomed many new members to the credit union. Overall, membership at Cyprus increased 6% in 2017. This year was also our most solid for loan growth as we saw our loan portfolio increase by 19%. We are proud that we were able to fund over 17,000 new loans to members, helping you to achieve your dreams. Furthermore, over 1,000 members fulfilled their goal of purchasing a new home. We thank every member that comes to us for their lending needs.

2018 looks to be an exciting year as we celebrate our 90th anniversary. Founded in 1928, Cyprus Credit Union was started by 22 Kennecott Copper Company employees with assets totaling less than \$100. Today, we have over 100,000 members and have exceeded \$800,000,000 in assets. We are the longest serving credit union in Utah with a diverse membership and 19 convenient locations. None of this would be possible without your continuous support over the last nine decades. As we look toward the future, we remain dedicated to providing the best financial solutions, products, and resources to our members.

In order to continue our commitment of delivering superior customer service to our member base, we are expanding our branch locations. Our new Tooele branch opened towards the end of 2017. We have a strong member base in Tooele County and look forward to providing them with better accessibility to their credit union. In March, we will be breaking ground on our new Draper location at Bangerter Crossing. This branch will feature new technology in order to provide effective and efficient ways of doing business with us. We hope these new locations will offer our members with further convenience for all of their financial needs.

*“As we begin a new year, I would like to extend my gratitude to each of you.”*

Coming soon, our Tooele and Draper branches will feature In-Lobby Teller machines. These machines will allow members to complete simple transactions in a quick and proficient way. We are also in the beginning stages of implementing remote video assistance in select branches so you will be able to access all of our financial resources from the branch most convenient to you. As an added benefit, we will be updating our website applications to make it easier to open accounts than ever before.

As we continue to grow and technology evolves, rest assured that we are always working hard to keep your personal account information secure. Our professional Information Technology Department and Fraud Department continue to use the latest technology and software available to make sure that your personal information is protected. Additionally, our secure computer networks are at work 24/7 to keep our systems safe and secure.

As a proud member of the community, we are always looking for ways to give back. Through your generous contributions, we have donated to charities throughout the state of Utah as well as hundreds of pounds of food to those in need. Our employees also spend many hours teaching high school financial literacy classes and helping local students learn the importance of a post high school education. Through our scholarship program, we honored eight deserving high school seniors with a \$1,000 scholarship for their college education. Without your generosity, none of these programs would be possible. We would also like to recognize our employees who put in hundreds of hours of volunteer time throughout our community.

## Cyprus Credit Union Through the Years

1920's

1930's

1940's

1950's



As we begin a new year, I would like to extend my gratitude to each of you. It is because of you that we are always striving to go the extra mile. We are thankful that you are a part of the Cyprus Credit Union family and look forward to serving you for years to come.

I would also like to recognize our fellow members who serve in volunteer positions, both on our Board of Directors and our Supervisory Committee. They put in countless hours to represent you and ensure that our credit union remains strong and stable. I would like to express my special appreciation to our Chairman, Gayle Rosenberg. 2017 marked his 40th year of volunteer ser-

vice to the credit union and we thank him for all of his contributions.

Finally, I would like to acknowledge our staff. Every day, they come to work with the sole focus of creating a better credit union for each of you. I thank them for all they do to make Cyprus such a great place.

Respectfully submitted,



Todd Adamson  
President/CEO

## SUPERVISORY COMMITTEE REPORT


Cyprus Federal Credit Union recognizes the need to strengthen internal controls to defend against cyber threats to our financial institution. Decisions made by management and the Board of Directors continue to strengthen the credit union's ability to mitigate these threats. 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. The consistent effort of management and staff in assisting our members with their financial concerns is commendable. 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 statement audit for the twelve months, ending June 30, 2017, was completed by Tanner, LLC, 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, 2017, 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,



Bruce Mortensen  
Chairman, Supervisory Committee



1970's



1980's

1990's



2000's

# CYPRUS CREDIT UNION FINANCIALS

2015

2016

2017

## BALANCE SHEET

### ASSETS

Net Loans to Members	576,432,883	635,756,688	757,189,393
Accounts Receivable	1,623,549	1,727,136	2,108,661
Cash & Other Liquid Accounts	51,898,200	66,416,218	23,085,995
Investments	53,321,779	44,534,084	28,768,378
Premises & Equipment	21,358,508	22,129,530	21,062,981
Other Real Estate	1,774,880	-	-
Other Assets	17,132,217	19,628,735	22,266,946
<b>TOTAL ASSETS</b>	<b>723,542,017</b>	<b>790,192,390</b>	<b>854,482,354</b>

### LIABILITIES AND CAPITAL

Accounts Payable	4,959,377	5,826,519	6,328,431
Members' Savings & Deposits	639,999,058	699,504,390	751,011,545
Regular Reserves/Guarantee Fund	12,892,795	12,892,795	12,892,795
Other Reserves	65,690,787	71,968,686	84,249,583
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>723,542,017</b>	<b>790,192,390</b>	<b>854,482,354</b>

## OPERATING STATEMENT

### INCOME

From Loans	24,208,079	26,100,457	30,207,644
Investments	892,390	1,000,211	824,226
Other	16,258,494	17,964,538	19,329,752
<b>TOTAL INCOME</b>	<b>41,358,963</b>	<b>45,065,206</b>	<b>50,361,622</b>

### MEMBER EXPENSE

Dividends & Interest	3,438,000	3,702,188	4,332,611
Allowance for Loan Loss Reserves	2,034,748	2,574,426	2,834,727
<b>TOTAL MEMBER EXPENSE</b>	<b>5,472,748</b>	<b>6,276,613</b>	<b>7,167,338</b>

### OPERATING EXPENSE

Salaries & Employee Benefits	13,479,988	15,401,295	16,731,713
Other	14,316,653	15,673,666	15,536,531
<b>TOTAL OPERATING EXPENSES</b>	<b>27,796,641</b>	<b>31,074,961</b>	<b>32,268,244</b>

## HISTORICAL DATA

Number of Members	96,055	99,033	105,184
Number of Borrowers	36,081	38,180	41,809
Number of Loans Made	13,869	14,459	17,321
Amount Loaned During Year (New Money)	297,354,111	319,954,205	437,645,340
Amount Loaned Since October 1928	4,121,182,914	4,441,137,119	4,878,782,459
Number of Loans Outstanding	51,378	53,755	58,307
Average Loan Balance	10,172	10,618	11,541
Average Savings Balance	2,050	2,179	2,256



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