

CYPRUS CREDIT UNION



CHAIRMAN'S REPORT

On behalf of the Board of Directors of Cyprus Credit Union, it is my privilege to report another year of success, growth, and stability for our organization. Whether you are a long-time member or have recently joined our credit union, we are thankful to each of you for your continued support. We recognize the trust you place in us as we work toward our mission of being Utah's most loved financial institution.

In our roles as elected, volunteer board members, my colleagues and I are responsible for providing direction and oversight for the credit union. At times, this entails facing unique or unexpected challenges. Though there has been a fair share of these during the second year of pandemic, I am honored to have been part of a team that has met each of these challenges head-on while fulfilling our regular duties. These include implementing and reviewing policies and ensuring that Cyprus is compliant with the rules and regulations set by the National Credit Union Administration (NCUA). Together with Todd Adamson (President/CEO), senior management, and the Supervisory Committee, we work to set strategic initiatives, monitor progress toward our goals, and enforce established policies and regulations. With every decision we make, the members of Cyprus are always our top priority.

The credit union remains dedicated to being the most loved financial institution in Utah. One of the ways we can accomplish this is by having employees who excel at their jobs. To do this, we have been focused on being a great place for employees to work. I am pleased to report that the credit union received both local and national recognition for being a best place to work in 2021. For the second year in a row, Cyprus was named one of the 50 best credit unions to work for in the United States by American Banker. On a local level, the credit union was recognized as the 2021 Best Place to Work by ChamberWest Chamber of Commerce. It is wonderful to know that our employees feel valued, secure, and appreciated at Cyprus. I want to thank each of them for their contributions to the credit union. They are vital to the operations of our organization and help to create a positive and uplifting culture.

The Board of Directors also works closely with the

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Supervisory Committee. This past November, our team felt the loss of Ryan Duckworth, a member of that committee. For 23 years, Ryan volunteered his time to help make the credit union better. Ryan's expertise in accounting helped Cyprus grow and thrive during the years he served. He left behind a lasting example of professionalism, wisdom, and friendship which will be remembered by us all.

As chairman of the board, I would again like to thank our members for making 2021 a successful year. I also extend my gratitude to each member of the board, Supervisory Committee, and all Cyprus employees

for their dedication and hard work. Your many contributions are invaluable and help us maintain a strong foundation for the members of Cyprus. I look forward to another year of working with each of you to ensure we provide the best resources to the members of our credit union.

Sincerely,



Gayle Rosenberg
Chairman of the Board

PRESIDENT'S REPORT

I am pleased to report 2021 as a year of growth and remarkable accomplishment for Cyprus Credit Union. Without a doubt, the driving force behind this success is you, our members. I want to thank each of you for your continued support and for choosing Cyprus as your financial partner. We know you trust us and I'm happy to report that our credit union is strong, growing, and secure. In 2021, we saw our assets grow to over \$1.5 billion, and our capital ratio—a measurement of safety and soundness—ended the year at 11.33%. The NCUA (our regulatory body) considers a capital ratio of 7% to be well capitalized.

One of the largest tasks we undertook last year was performing system upgrades to our core system. Though the completion of this project took place in November, it followed months and many long hours of planning, building, testing, and training. Thank you to our wonderful Cyprus team for their hard work in ensuring the upgrades were well-built and carried out smoothly. These improvements will allow us to continue delivering quality member service by increasing our overall efficiency, reducing system downtime, and allowing us to stay current with new technologies. This will in turn enable us to offer more benefits, better products, and continuous innovations to our members.

This year, we are excited to begin rolling out some of these innovations through expanding the financial tools found in our Home and Mobile Banking systems. In early 2022, members will be able to aggregate accounts and loans from most financial institutions into their Cyprus Home and Mobile Banking. This tool will make it more convenient for members to get a clear and complete overview of their finances in a single place.

It will be accompanied by a new budgeting tool, which will allow members to create automated budgets based on the activity in their Cyprus accounts. These and additional tools will assist members in monitoring their net worth and cash flow to help in their financial well-being. These enhancements are just some of many we are working on. Please know that the safety and security of your data remains our number one focus as we continue to look for ways to improve and enhance.

Another area where the credit union is focused on growth and enhancement is in our physical branch networks. As a credit union, we are actively working to increase our branch reach in existing markets while expanding our services to new markets. Our new branch designs are made with the members in mind. Our goal is to create branches that empower you to bank as you wish while providing the highest levels of member service that you would expect from Cyprus. As we build new branches, we will also focus on existing branches by updating them with our latest technology and architectural design.

As always, the community remains one of Cyprus' primary focuses. In 2021, Cyprus employees volunteered more than 450 hours at over 300 events and activities. It has been a privilege for our team to give back to the community through clothing drives, mobile food pantries, fundraisers, the Utah Food Bank, document-shredding events, the Angel Tree program, and more. We look forward to continuing our support of Utah students, teachers, and schools this year. Our Educators Mini-Grant program will continue into this spring, providing financial assistance to teachers for classroom projects or supplies. Cyprus employees

continue visiting local schools to educate youth on financial literacy and to recognize teachers who have demonstrated exceptional diligence to their important roles in our schools. Additionally, we are again offering college scholarships to members who are high school seniors. These are just some of the ways we show our support to quality education as well as the students and educators in the community. We are excited to continue these initiatives and more in 2022.

While we have had a lot to celebrate in 2021, this year has not been without its challenges. In November, we mourned the loss of our friend and colleague, Ryan Duckworth. Ryan was a volunteer member of the Supervisory Committee for over two decades and gave his time providing expertise to the credit union, helping to make it a better institution. He will be greatly missed by the Cyprus community. Our thoughts and heartfelt sympathy are with his family and friends.

As I close out this report, I would like to thank the Board of Directors and the Supervisory Committee for the time they volunteer for our members. Each of them shows dedication in representing the best interests of our membership. I'd also like to thank credit union management and employees for their hard work, dedication, and enthusiasm in making Cyprus the most loved financial institution in Utah. Finally, and most importantly, I want to thank each of you, our members, for your trust and support of the credit union. We are a strong and vibrant institution because of each of you. I celebrate all of our accomplishments from 2021 and look forward to even more in 2022.

Respectfully submitted,



Todd Adamson
President/CEO

SUPERVISORY COMMITTEE REPORT

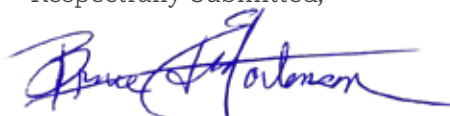
Cyprus Credit Union enjoyed an excellent year in 2021 and the Supervisory Committee was pleased to share in this experience. Each year brings unique circumstances and with the ongoing challenges related to the Covid epidemic and new system implementation, this year was no exception. We recently suffered the loss of a long term member of our committee, Ryan Duckworth, to Covid and appreciate all the time and effort he spent on behalf of the Credit Union. Our sympathy goes out to his wife and family. I personally thank the Internal Audit staff, Supervisory Committee members, management and staff of Cyprus and the Board of Directors for helping us to fulfill our responsibilities.

This year we coordinated the efforts of Cyprus Internal Audit and an independent auditing firm 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 and Internal Audit also followed up with Cyprus management on the examinations of the NCUA and information technology firms 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. In addition, the new financial system included enhancements to monitor internal controls more effectively.

The financial statement audit for the twelve months ending June 30, 2021 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, 2021, 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.

We commend Cyprus Credit Union management and staff for maintaining excellent accounting and administrative controls. The Supervisory Committee is committed to serve the members and help ensure the financial safety and soundness of the credit union.

Respectfully Submitted,



Bruce Mortensen
Chairman, Supervisory Committee



CYPRUS CREDIT UNION FINANCIALS

2019

2020

2021

BALANCE SHEET

ASSETS

Net Loans to Members	1,007,682,751	1,175,342,125	1,319,590,767
Accounts Receivable	3,127,270	3,636,462	4,246,518
Cash & Other Liquid Accounts	74,900,004	101,710,578	94,991,133
Investments	5,000,000	14,591,300	21,548,688
Premises & Equipment	32,462,781	41,302,714	48,406,380
Other Real Estate	-	-	-
Other Assets	26,741,762	35,071,856	42,158,159
TOTAL ASSETS	1,149,914,569	1,371,655,034	1,530,941,646

LIABILITIES AND CAPITAL

Accounts Payable	7,277,646	8,437,677	10,672,428
Members' Savings & Deposits	1,016,647,802	1,219,754,429	1,352,680,066
Regular Reserves/Guarantee Fund	12,892,795	12,892,795	12,892,795
Other Reserves	113,096,325	130,570,133	154,696,356
TOTAL LIABILITIES & CAPITAL	1,149,914,569	1,371,655,034	1,530,941,646

OPERATING STATEMENT

INCOME

From Loans	48,202,797	51,999,937	55,406,225
Investments	1,261,799	522,320	651,049
Other	24,112,469	35,012,200	31,078,077
TOTAL INCOME	73,577,066	87,534,458	87,135,351

MEMBER EXPENSE

Dividends & Interest	10,731,617	10,746,335	8,071,798
Allowance for Loan Loss Reserves	4,448,309	7,167,898	2,150,587
TOTAL MEMBER EXPENSE	15,179,926	17,914,232	10,222,384

OPERATING EXPENSE

Salaries & Employee Benefits	21,761,353	26,622,014	31,701,634
Other	19,497,149	21,865,964	25,272,168
TOTAL OPERATING EXPENSES	41,258,502	48,487,979	56,973,802

HISTORICAL DATA

Number of Members	117,207	123,912	122,649
Number of Borrowers	47,899	49,782	61,787
Number of Loans Made	19,156	22,089	26,720
Amount Loaned During Year (New Money)	564,774,985	912,214,012	1,028,229,494
Amount Loaned Since October 1928	5,911,046,754	6,823,260,766	7,851,490,260
Number of Loans Outstanding	66,607	67,823	70,310
Average Loan Balance	13,271	15,116	18,699
Average Savings Balance	2,280	2,914	3,387



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