

# CYPRUS CREDIT UNION ANNUAL REPORT

# 2023



## CHAIRMAN'S REPORT

On behalf of the Cyprus Credit Union Board of Directors, I am pleased to submit this report for the year 2023. As a board, it is our responsibility to make strategic plans for the credit union, create organizational policies, and review policy to confirm alignment with regulations and guidelines. We also work closely with the Supervisory Committee, President and CEO Todd Adamson, and the executive management team to track our progress toward meeting strategic goals and to ensure the stability of the credit union and its assets.

In 2023, Cyprus celebrated 95 years of serving our members and communities. When Cyprus was organized in October 1928, the credit union began with 22 members and \$62 in assets. Over 95 years, we have grown to over 134,000 members and over \$1.7 billion in assets. Throughout these years of growth, the credit union

“*Throughout these years of growth, the credit union has always stayed true to its founding roots of people helping people achieve their financial and life goals.*”

has always stayed true to its founding roots of people helping people achieve their financial and life goals.

In 2023, Cyprus received a particularly noteworthy recognition. Cyprus was named a “Best Credit Union in the State of Utah” by Forbes. Forbes looked at more than 4,900 credit unions in the United States and 147 were awarded this designation. In addition, for the fourth year in a row, Cyprus received national recognition as a “Best Credit Union to Work For” in the U.S. by American Banker. These recognitions attest to Cyprus’ amazing management, employees, and volunteers who are operationally and strategically focused on providing the best service and institutional stability possible to Cyprus’ members, along with a commitment to give back to the community and reduce our impact on the environment. In addition, we continually recognize the confidence and trust Cyprus’ members put in this organization and the responsibility that comes with that trust. With Cyprus’ members at the center of our focus, Cyprus’ management, employees, and volunteers are dedicated to continue providing stability, innovation, services, and interactions to make Cyprus your most loved financial institution in the state.

The board of directors and supervisory committee are comprised entirely of volunteers who freely give their time and expertise to Cyprus. I want to recognize and give them thanks for their invaluable contributions as they work for the good of Cyprus' members. I would also like to thank the executive management team as well as all of Cyprus' employees for their commitment, skills, and efforts employed to serve Cyprus' members.

In closing, I express my sincere gratitude to members of the Cyprus community. The dedication and support of Cyprus' members have always been the sustaining force behind Cyprus' success and growth for the last 95 years. This success and growth allow Cyprus to provide

the financial services it does today to help members achieve their financial and life goals and to be proud to belong to Cyprus. With you, we look forward to continued success and growth in 2024!

Sincerely,



Richard Stapler  
Chair, Board of Directors

## PRESIDENT'S REPORT

Looking back on 2023, I would first and foremost like to thank the members of Cyprus Credit Union for another exciting year. Your continued trust and support are the reasons for the credit union's success. Thank you for joining us as we grow together and fulfill our commitment to being the most loved financial institution in Utah.

In my letter last year, I underscored the credit union's continued dedication to supporting Utah students, teachers, and schools. We understand the power of education and the impact it can have on the lives of our members and the community at large. Initiatives such as our college scholarships for high school seniors, our Educator Mini-Grants, and the Cyprus Shows Up for Teachers program are just some of the ways we reinforce the upcoming generations and their educators.

We are particularly aware of the importance of financial literacy among youth. With almost one in three Utahns aged 19 or younger, Utah is the youngest state in the country. For students with little to no financial instruction throughout grade school or high school, money is an especially common stressor following graduation. Those who have not built financial literacy in their youth may be more likely to fall victim to scams, take out high-interest loans, and accrue unnecessary debt during their adult years.

Recognizing the financial challenges that many young adults face, Cyprus is committed to ensuring that financial literacy resources are accessible to students in the years prior to setting out on their own. Studies show that financial education does more than simply reduce financial stress. Those with greater financial literacy are also more likely to spend responsibly, save for emergencies, and plan for retirement.

I am thrilled by the strides the credit union has taken in 2023 to make financial literacy resources readily available in schools throughout all of Utah. This past June, Cyprus announced a five-year partnership with Stukent, a leader in education technology platforms and financial education. As part of this partnership, Cyprus has committed to sponsor Stukent's Personal Finance Curriculum in Utah, ensuring that every high school in Utah has access to applicable financial education free of charge. It is exciting to see a growing number of schools utilizing this valuable resource.

Cyprus also rolled out our Personal Finance Series in 2023. This series of seven short videos serves as an introduction to finances and banking and can be used as a teaching aid for parents and teachers alike. The Personal Finance Series is conveniently available on our website along with the other educational tools we offer, including the opportunity for teachers to request a Cyprus guest speaker to teach financial literacy courses in their classrooms. This is an excellent way for us to collaborate with teachers and schools, connect with youth, and provide instruction on what matters most to them. Classes cover saving to buy their first car, preventing identity theft, building a budget, understanding credit, and more. In this way,

“*Your future is our future*” is not just our motto, but a reminder that we all succeed when we invest in the future together.

we hope to promote financial literacy in an engaging way that will give young individuals the confidence to navigate the world of finance going forward.

Initiatives like these are possible thanks to the dedication of our Cyprus team. I'd like to take a moment to thank our Board of Directors and Supervisory Committee, both of which are comprised of volunteers who give so much of their personal time and efforts for the good of the credit union and its members. I also want to extend my thanks to our wonderful employees who diligently serve our members and make Cyprus a great place to work.

As we look ahead to another year, it remains a fundamental part of Cyprus Credit Union's mission to improve the lives of our members and benefit the community. It is our firm belief that increasing financial literacy through education not only empowers upcoming

generations but strengthens our communities as a whole. "Your future is our future" is not just our motto, but a reminder that we all succeed when we invest in the future together.

Respectfully submitted,



Todd Adamson  
President/CEO

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee and Board of Directors of Cyprus Federal Credit Union realize that strong internal controls are necessary to protect the accounting and administrative functions of the credit union. It is our priority to see that these controls are reviewed and tested in coordination with the credit union's Internal Audit Department and compliance functions. Cyber threats are addressed by the management and staff of the Information Technology Department and are tested by independent companies to strengthen the credit union's ability to withstand these threats. We commend and appreciate Cyprus management and staff in their efforts, as well as the Board of Directors' emphasis in ensuring that accounting and automation-technology policies and procedures are in place and functioning. All have done an excellent job ensuring that members' accounts are safe and secure. Cyprus management and staff continue to assist our members with their financial concerns and respond to their needs in a timely manner. I personally thank the Supervisory Committee and Internal Audit staff for their service and input to ensure the soundness of internal controls.

The Supervisory Committee annually coordinates with the Internal Audit Department to review the results of internal audits and confirm that appropriate action is taken by credit union management to improve operations and controls. We also contract with an outside auditing and information-system firm to conduct an independent annual audit and ensure that appropriate controls are in place. The committee engaged independent accounting firm Doeren Mayhew to perform an audit of the credit union's information systems. The audit was completed

with very few findings, and the IT department is in the process of addressing the auditors' findings and recommendations. The committee 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 12-month period ending June 30, 2023 was completed by Doeren Mayhew. The audit concluded that Cyprus' financial statements fairly present the credit union's financial position in all material respects as of June 30, 2023. The results of Cyprus Credit Union's operations and cash flows for the year then ended in conformity with generally accepted accounting principles. The auditors also reviewed the credit union's internal control structure and their recommendations have been implemented to further strengthen these controls.

Cyprus management is commended for maintaining sound accounting and administrative practices. The Supervisory Committee is committed to serving the members and ensuring the financial stability of the credit union.

Respectfully Submitted,



Bruce Mortensen  
Chairman, Supervisory Committee



# CYPRUS CREDIT UNION FINANCIALS

2021

2022

2023

## BALANCE SHEET

### ASSETS

Net Loans to Members	1,319,590,767	1,582,292,206	1,534,831,188
Accounts Receivable	4,246,518	5,651,075	6,763,356
Cash & Other Liquid Accounts	94,991,133	34,272,933	75,580,609
Investments	21,548,688	43,226,256	18,919,640
Premises & Equipment	48,406,380	56,143,485	62,656,159
Other Real Estate	-	-	-
Other Assets	42,158,159	39,061,959	44,800,391
<b>TOTAL ASSETS</b>	<b>1,530,941,646</b>	<b>1,760,647,914</b>	<b>1,743,551,343</b>

### LIABILITIES AND CAPITAL

Accounts Payable	10,672,428	195,573,102	106,930,941
Members' Savings & Deposits	1,352,680,066	1,387,084,020	1,447,667,269
Regular Reserves/Guarantee Fund	12,892,795	12,892,795	12,892,795
Other Reserves	154,696,356	165,097,997	176,060,338
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>1,530,941,646</b>	<b>1,760,647,914</b>	<b>1,743,551,343</b>

## OPERATING STATEMENT

### INCOME

From Loans	55,406,225	63,024,746	80,971,836
Investments	651,049	907,833	2,632,088
Other	31,078,077	26,053,229	27,704,046
<b>TOTAL INCOME</b>	<b>87,135,351</b>	<b>89,985,807</b>	<b>111,307,970</b>

### MEMBER EXPENSE

Dividends & Interest	8,071,798	10,957,932	28,886,637
Allowance for Loan Loss Reserves	2,150,587	3,927,530	6,706,186
<b>TOTAL MEMBER EXPENSE</b>	<b>10,222,384</b>	<b>14,885,462</b>	<b>35,592,823</b>

### OPERATING EXPENSE

Salaries & Employee Benefits	31,701,634	30,977,446	33,292,956
Other	25,272,168	25,140,608	30,604,600
<b>TOTAL OPERATING EXPENSES</b>	<b>56,973,802</b>	<b>56,118,054</b>	<b>63,897,556</b>

## HISTORICAL DATA

Number of Members	122,649	132,029	134,957
Number of Borrowers	61,787	66,019	64,693
Number of Loans Made	26,720	20,956	13,041
Amount Loaned During Year (New Money)	1,028,229,494	719,778,180	387,883,002
Amount Loaned Since October 1928	7,851,490,260	8,571,268,440	8,959,151,442
Number of Loans Outstanding	70,310	75,130	73,405
Average Loan Balance	18,699	20,950	21,093
Average Savings Balance	3,387	3,076	2,438



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