



Yolo Federal
Credit Union

2022

ANNUAL REPORT





***“Reimagining
the Member
Experience.”***

TABLE OF CONTENTS

Leadership.....	3
President's Report.....	5
Chairman's Report.....	7
Supervisory Committee's Report.....	9
Treasurer's Report.....	11
Annual Report Financials.....	13
Financial Trends.....	17

LEADERSHIP

SENIOR MANAGEMENT

Jenee Rawlings
President/CEO

Matt Lane
Chief Financial Officer

Matt Isika
Vice President Lending

Marcela Bautista
Vice President Human Resources

Kelley Jacobsen
Vice President Marketing & Operations

David Plaut
Vice President Information Technology



BOARD OF DIRECTORS

William Schemel
Chairman

David Thompson
Vice Chairman

Captane Thomson
Treasurer

Robyn Rominger
Secretary

Byron MacConnell
Director

Bruce Muramoto
Director

Robin Shofner
Director

SUPERVISORY COMMITTEE

Shelley Sammut
Chairperson

Eric Dowdy

Alfonso Voychez

PRESIDENT'S REPORT

This year brought exciting changes for Yolo FCU. We re-evaluated our service strategy and reimagined the member experience in a post-COVID world. One of the most significant projects we completed was the replacement of our entire fleet of ATMs. We are among the first in our market to offer Interactive Teller Machines (ITMs) with video teller technology.

With expanded functionality, we have greatly enhanced the member experience and positioned ourselves as a market leader. Our new video-enabled ITMs are available at all our branch locations and we have received rave reviews. This new technology means that our members can now do more than just the few transactions that traditional ATMs can do. Members can now choose from a multitude of self-service options as well as on-demand video teller assistance when needed.

We know that digital evolution will continue to accelerate. We have started planning and preparing for a technology upgrade in the summer of 2023. The innovative technology upgrade will improve our ability to serve our members' needs.

With our future and mission in mind, we also expanded our field of membership. After nearly seven decades of serving Yolo County, we are excited to welcome those who live, work, go to school, or worship in Sacramento, El Dorado, or Placer Counties. We have been voted the top credit union in Yolo County for 22 years, and we look forward to extending our commitment to the prosperity of our expanding community.



Jenee Rawlings
PRESIDENT/CEO



CHAIRMAN'S REPORT

Many of us who have been credit union members for a long-time recall when things were a lot simpler. When I joined, we had two kinds of deposit accounts—Savings and Christmas Club—and three types of loans—Unsecured, Auto, and Share-Secured. The needs of our members, and the regulations under which we operate, have changed significantly over the years. One of the goals of the credit union has always been to bring its members the best available services and products.

Years ago, we acquired a state-of-the-art data processing system, which offered the flexibility we needed to meet the challenges of new account types, new kinds of loans, and different forms of member interactions. It is now time for an upgrade, which is why we are undergoing a technology upgrade this year. I am sure most have noticed that our ATMs have changed a bit recently. This is part of a 'reimagining' of how we can address the evolving needs of our members as the industry changes.

We have also sought and obtained approval to expand our geographical base. Folks living, working, going to school, or worshiping in a few more counties may now become members. I am sure we have all noticed that, for the most part, it is rare anymore that we need to visit a branch facility. We no

longer have our deposits logged into a passbook, and many of our checks clear electronically once the check is scanned. We have a lot of members now who have never written a check.

The evolving changes in the financial industry generally, and the needs of our members, require that we stay on our toes. With our new technology, and excellent management team and staff, we will continue to explore new ways of providing financial services, and new forms of financial services, as circumstances commend. One of our core strengths has always been the ability to adapt quickly to a changing economic environment.

The Board of Directors is confident that the changes underway will improve our ability to meet member needs as the economic circumstances and available services change. Our technology upgrade and amazing staff are here to do that—to preserve financial safety, institutional liquidity, and yield. It is a tall order, certainly, but The Board of Directors, as your representatives, insists on nothing less.

William Schemel
CHAIRMAN

2022



Our Human Resources Team remained vigilant in recruiting top talent to join Yolo Federal.



SUPERVISORY COMMITTEE'S REPORT

Yolo Federal Credit Union's Supervisory Committee consists of a group of volunteers who are responsible for ensuring oversight of the safety and soundness of the credit union. We use three primary channels to monitor and verify the safety and soundness of the credit union: internal audits, external (independent) audits, and results of the periodic examination by the National Credit Union Administration (NCUA).

The Supervisory Committee contracts with Turner, Warren, Hwang & Conrad AC, an independent CPA firm. They are tasked to complete the financial audit and account verification annually. The committee goes through an intensive process in selecting the best CPA firm for the credit union. Based upon internal audits, the independent external audit, and the NCUA examination report, the Supervisory Committee concludes that the credit union's policies, procedures, and management's practices are sound. We remain confident that Yolo FCU will maintain a high level of financial safety and soundness.

We are grateful to Yolo FCU's Board of Directors, management, and staff for their dedication to ensuring that the Credit Union remains a safe and sound institution fulfilling your financial needs today and into the future.

We also thank our members for your continued support and trust in Yolo Federal Credit Union.

SUPERVISORY COMMITTEE

Shelley Sammut, CHAIRPERSON

Eric Dowdy

Alfonso Voychez

REIMAGINED



In 2022, our team *“Reimagined the member experience.”* From reopening Sycamore Pointe to promoting our new Interactive Teller Machines.

TREASURER'S REPORT

The year ended with strong financial performance, considering rising rates and an uncertain economic environment. Net income of \$1,073,262 and a minor change in assets for the year increased net capital by 0.27% to 10.62%.

Total assets ended 2022 at \$414,035,422; this was a slight decline of nine basis points or \$359,828 compared to the prior year. The main driver of the asset reduction was unrealized losses on the investment portfolio. Unrealized losses climbed by \$9.7 million. Without the increase in unrealized losses from the investment portfolio, total assets would have increased for the year.

Lending was strong during 2022, with a net increase of \$18.8 million. There was growth in all loan products except first mortgages and business loans. Similarly, the deposit portfolio increased by \$5.7

million year-over-year, with Checking, Money Market, and IRA Accounts growing the most.

The outlook for 2023 is positive, with the expectation of continued growth and a healthy financial position.

Captane P. Thomson
TREASURER



2022

ADVENTURE

Around The World



With our leaders at the helm, we took off on a new adventure with the launch of a technology upgrade.



ANNUAL REPORT

FINANCIALS



Throughout 2022, we continued to serve our community in various ways including donations, sponsorships, and by volunteering with local nonprofits. Our commitment to our community is one of the reasons we were once again voted as Best Credit Union in Yolo County.

Voted on by Daily Democrat readership



2022



ANNUAL REPORT

FINANCIALS

ASSETS

	2018	2019	2020	2021	2022
Cash	\$8,033,521	\$9,919,653	\$12,587,006	\$10,425,947	\$11,190,848
Deposits in Banks/S&L's	26,289,675	14,880,000	15,128,000	10,172,000	6,945,000
Deposits in other CU's	2,976,000	496,000	1,240,000	992,000	2,993,000
NCUSIF Capitalization	2,427,574	2,496,638	2,793,170	3,303,977	3,520,109
Other Investments	18,299,994	27,924,597	76,060,912	146,746,961	123,226,930
Consumer Loans	74,849,171	77,869,441	63,910,237	68,883,131	84,518,495
VISA Loans	10,693,567	11,878,694	10,542,668	9,894,444	10,241,990
Real Estate Loans	110,940,586	114,664,444	145,326,955	132,690,802	134,156,522
Other Loans	18,919,291	21,514,879	20,394,422	16,176,982	17,574,928
Total Loans	215,402,615	225,927,458	240,174,282	227,645,359	246,491,935
Less Allowance for Loan Losses	(1,232,057)	(1,346,253)	(1,498,051)	(1,660,623)	(1,766,488)
Land and Buildings	7,724,545	7,731,934	7,663,719	7,398,649	7,110,915
Other Fixed Assets	1,065,302	1,061,021	829,616	626,875	654,815
All Other Assets	8,859,586	9,528,176	8,982,841	8,744,107	13,668,358
Total Assets	\$289,846,755	\$298,619,223	\$363,961,495	\$414,395,252	\$414,035,423

LIABILITIES & CAPITAL

	2018	2019	2020	2021	2022
Regular Shares	\$112,622,169	\$118,217,916	\$155,981,887	\$194,526,714	\$193,112,356
Checking/Money Market	110,448,107	113,793,440	138,846,856	149,860,473	158,135,400
IRA Accumulation	4,662,810	4,700,690	4,324,219	4,800,582	6,302,203
IRA Certificates	3,295,696	2,641,279	2,448,971	2,081,487	1,920,280
Share Certificates	22,136,979	18,646,894	18,173,947	18,138,474	15,691,653
Total Shares	253,165,761	258,000,219	319,775,880	369,407,730	375,161,892
Notes & Interest Payable	-	-	-	-	-
Accounts Payable	1,766,387	1,887,452	2,063,910	3,103,569	5,652,406
Total Liabilities	1,766,387	1,887,452	2,063,910	3,103,569	5,652,406
Unrealized Gains/Loss AFS	(142,768)	67,486	370,815	(1,001,316)	(10,737,407)
Regular Reserves	2,408,591	2,408,591	2,408,591	2,408,591	2,408,591
Undivided Earnings	32,648,784	36,255,475	39,342,299	40,476,678	41,549,941
Total Liabilities & Capital	\$289,846,755	\$298,619,223	\$363,961,495	\$414,395,252	\$414,035,423

—Assets as of December 31, 2022—

INCOME & EXPENSE

	2018	2019	2020	2021	2022
Loan Income	\$8,830,850	\$9,965,444	\$9,674,829	\$8,722,304	\$8,591,495
Investment Income	1,235,528	1,133,813	812,258	1,132,832	1,551,527
Other Income	3,827,593	3,996,431	4,489,755	4,074,130	3,971,896
Total Income	13,893,971	15,095,688	14,976,842	13,929,265	14,114,918
Salaries & Benefits	4,462,521	4,940,918	5,550,492	5,833,876	5,745,807
Other Operating Expenses	4,970,442	5,912,302	5,921,845	6,011,711	6,749,268
Non-Operating (Income) exp	(240,269)	(102,975)	(186,815)	280,643	33,305
Provision for Loan Losses	187,006	478,285	357,565	387,088	247,914
Cost of Funds	269,258	260,468	246,931	281,569	265,361
Net Transfer to Reserves	-	-	-	-	-
Net Income after Reserves	\$4,245,013	\$3,606,690	\$3,086,824	\$1,134,379	\$1,073,263

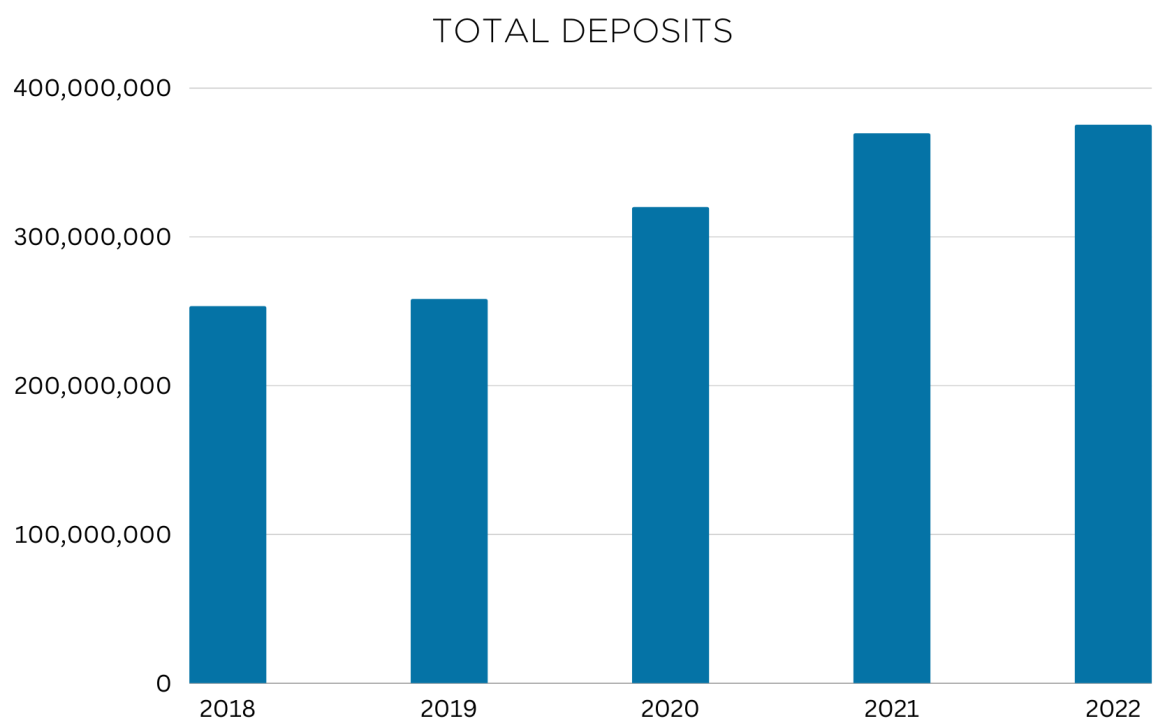
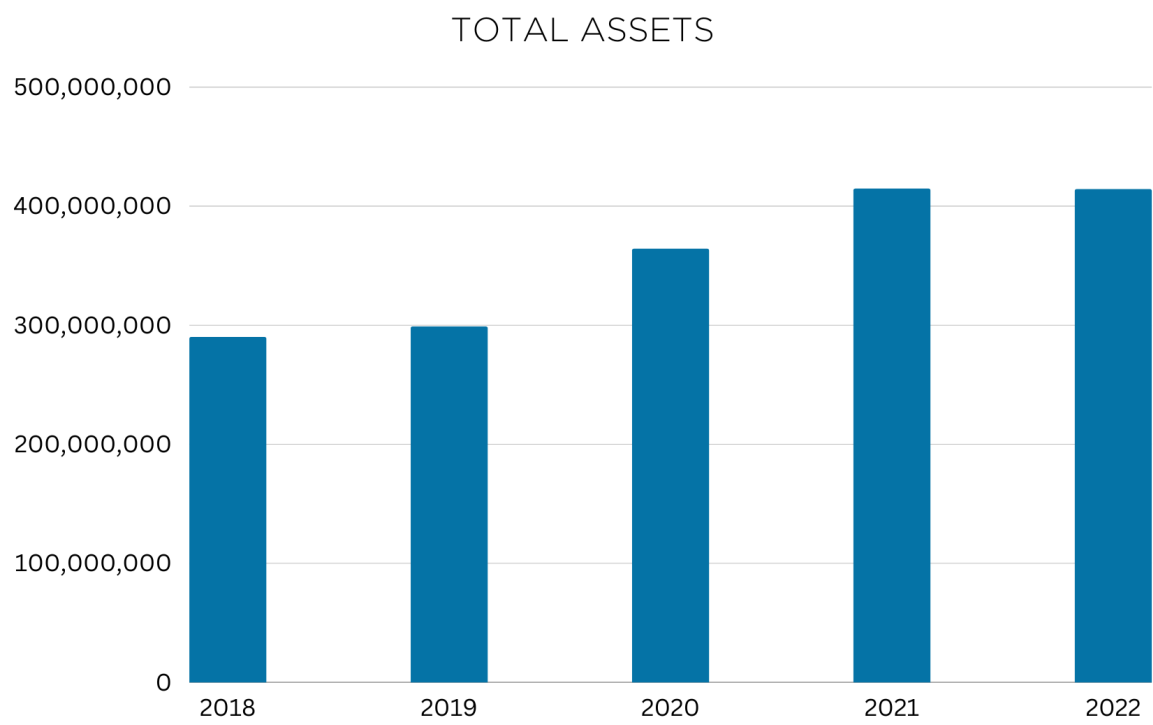


Penny, our prizefighting pig, was at the forefront of helping our members save money.

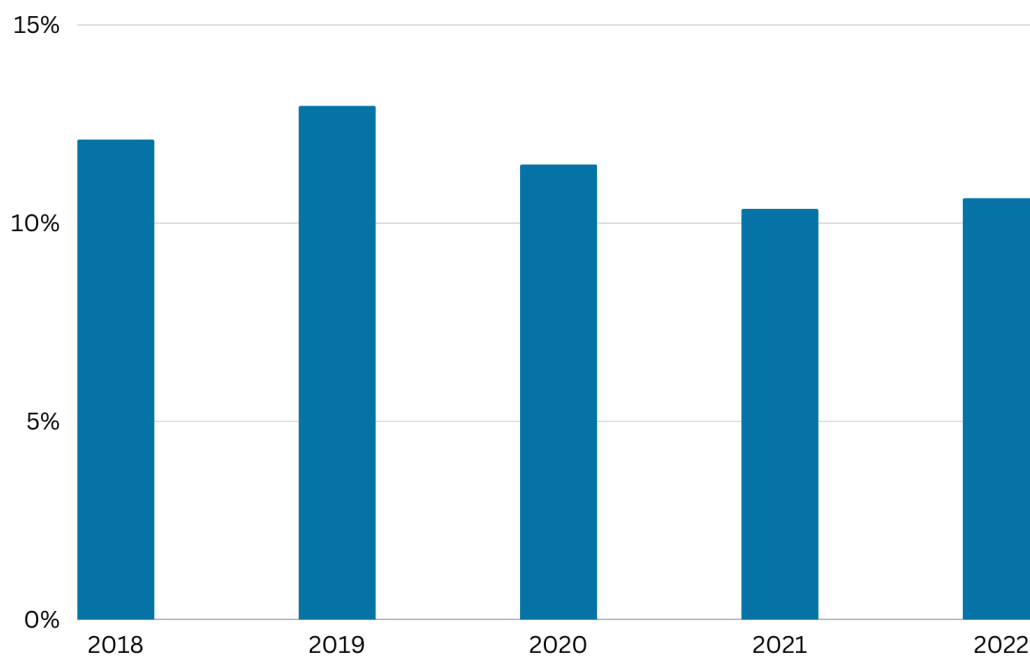


2022

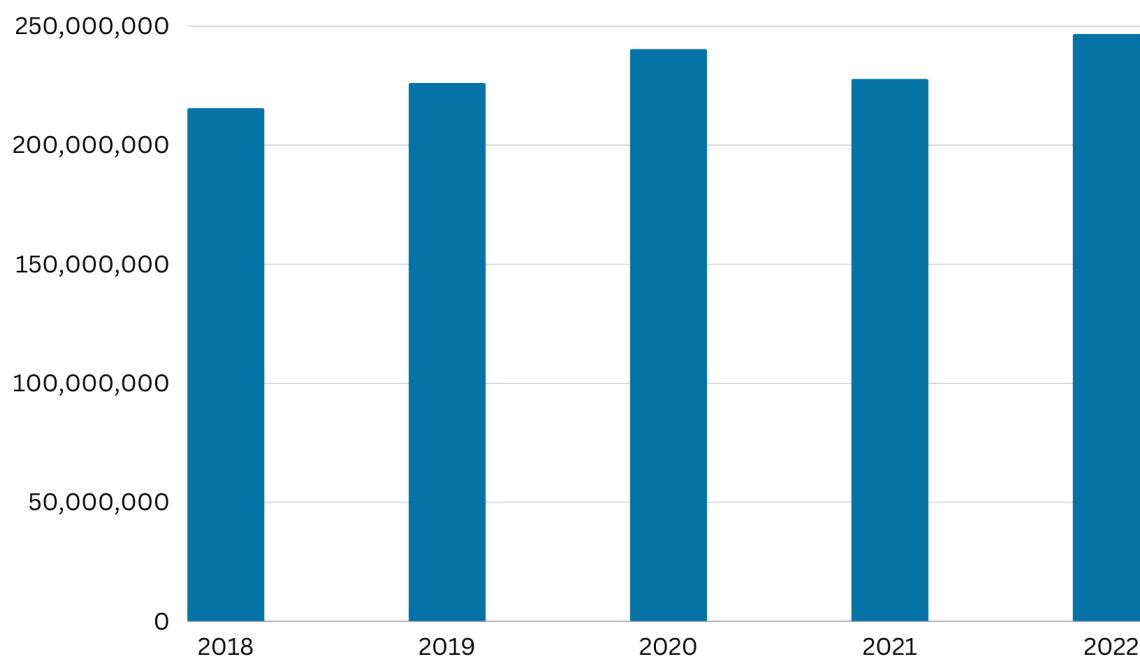
FINANCIAL TRENDS



NET CAPITAL TO ASSETS



TOTAL LOANS





Helping our members achieve
financial success since 1954.

Woodland
266 W. Main Street
465 Pioneer Avenue

Davis
501 G Street

West Sacramento
2240 Lake Washington Boulevard, Ste. 100

Winters
168 East Grant Avenue

(530) 668-2700

Federally insured by NCUA | Equal Housing Lender | NMLS 401954