



Yolo Federal
Credit Union

2023

**INNOVATE
TO ELEVATE**

**ANNUAL
REPORT**

INNOVATE OR ELEVATE

TRANSFORMING HOW MEMBERS BANK
WITH INNOVATIVE TECHNOLOGY,
FOCUSED ON HELPING MEMBERS
ACHIEVE FINANCIAL SUCCESS.



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LEADERSHIP

SENIOR MANAGEMENT

Jenee Rawlings
President/CEO

Matt Lane
Chief Financial Officer

Kelley Jacobsen
Chief Operating Officer

Matt Isika
Chief Lending Officer

David Plaut
Chief Information Officer

Marcela Bautista
Vice President Human Resources

Jewel Trottier
Vice President Risk Management

ANNUAL

BOARD OF DIRECTORS

William Schemel
Chairman

David Thompson
Vice Chairman

Robin D. Shofner
Treasurer

Robyn Rominger
Secretary

Byron MacConnell
Director

Bruce Muramoto
Director

Alison Flory
Director

Xochitl Rodriguez Murillo
Associate Director

SUPERVISORY COMMITTEE

Shelley Sammut
Chairperson

Eric Dowdy

Alfonso Voychez

REPORT



PRESIDENT'S REPORT

In 2023, Yolo Federal Credit Union's dedicated employees continued to serve our members and foster financial stability. Despite the challenges posed by the ever-evolving financial landscape, we achieved significant milestones and implemented important initiatives that align with our mission of helping our members achieve financial success.

We experienced a steady increase in membership throughout 2023. We welcomed 767 net new members, reflecting a 3.6% growth compared to the previous year. Our

commitment to providing affordable and accessible loans to our members remained unwavering. The total loan portfolio increased by 6.72% in 2023, with more than \$16 million dollars disbursed in various loan products throughout our community.

Our most significant accomplishment was our investment in cutting-edge technology to transform how members bank and streamline operations. The successful implementation of our new core operating system and digital banking platform resulted

in notable improvements in operational efficiency and the member experience.

Yolo Federal Credit Union was recognized as the Best Credit Union and Best Mortgage Company in Yolo County, highlighting our dedication to excellence in financial services, community engagement, and innovation.

As we reflect on the accomplishments of 2023, we are excited about the opportunities ahead. We remain committed to our mission of serving our members, adapting to evolving financial

landscapes, and continuing to be a trusted financial partner for our growing membership in Yolo, Sacramento, El Dorado, and Placer counties.

Thank you to our members, staff, and community partners for making 2023 a successful and impactful year.



Jenee Rawlings
PRESIDENT/CEO



CHAIRMAN'S REPORT

This has been a year of transitions for your credit union. We lost a long-time volunteer from our Board of Directors with the passing of Captane (Cap) Thomson. We are grateful for Cap's many years of service to the credit union. We welcomed a new volunteer to the Board, Alison Flory, whom many of you know from Yolo Arts.

We also went through a complete data processing system replacement. Our old system was

showing its age, and the vendor was reluctant to continue providing support. It was time for us to part ways with that company.

There is always some inconvenience for the users when such a change is made, as everyone gets accustomed to different ways of doing things. However, the new system allows us to support additional services and keep up with the changing needs of our members. From the perspective of your governing board, this massive conversion, which required the

In 2023, our dedication to community service remained unwavering as we extended support through donations, sponsorships, and volunteer work with local nonprofits. It's this commitment that earned us the honor of being voted Best Credit Union in Yolo County for the 23rd year.

Voted on by Daily Democrat readership



Our marketing team achieved excellence by winning a prestigious CUNA Diamond Award for their Fuel Up Friday Social Media Promotion.

cooperation of several different vendors, was amazing.

There were a few minor 'glitches' along the way, as one would expect, but the planning and execution of the conversion was amazing. Our staff did a fine job planning the process and preparing data for the change. It went so well that other credit unions have been in touch with us to ask how they can organize their own system conversion processes. Of course, we are a cooperative

organization, and we are pleased to help.

Through this process, the impact on our business was minimal. We ended the year with excellent financial results and are well-positioned for whatever economic circumstances may come our way. We continue to outperform other credit unions in the area, and we will be seeing many enhancements in how we do business due to our new data processing system.

With the amazing efforts of our dedicated management team and staff, and the patience and understanding of our members, this conversion went very well.

Many thanks!

**William Schemel
Chairman**

SUPERVISORY COMMITTEE'S REPORT

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

The Supervisory Committee engaged with an independent CPA firm, Turner, Warren, Hwang & Conrad AC, to complete the financial audit and account verification for the year ending December 31, 2023. Based upon the latest internal audits, the independent external audit, and the NCUA examination report, the



I have been a member at Yolo Federal Credit Union for more than 30 years, and I have been pleased and happy with the customer service they provide.



— Sylvina Frausto
Member Since 1988

Supervisory Committee concludes that the Credit Union's policies, procedures, and Management practices are sound. We are confident that Yolo Federal will continue to maintain a high level of financial safety and soundness for our members.

We want to thank the Board of Directors, the Management Team, and the employees of Yolo Federal for their continued dedication to fulfilling our members' financial needs today and into the future.

Supervisory Committee

Shelley Sammut, Chairperson
Eric Dowdy
Alfonso Voychez

COMMITMENT TO MEMBERS'

At Yolo Federal, safeguarding members' sensitive information is a top priority, which is why we invest in cutting-edge technology to provide a secure and seamless banking experience.

In today's digital age, where fraud schemes are becoming increasingly sophisticated, we remain dedicated to staying ahead of the curve to protect members from potential risks. Our Online and Mobile Banking platforms feature robust security measures to ensure the confidentiality and integrity of member information.

We encourage members to protect themselves by customizing their Online and Mobile Banking tools like Alerts and Card Controls. These tools can be used to proactively monitor and manage accounts.

In addition to these measures, I want to highlight our Fraud Survival Guide, a comprehensive resource hub. The Fraud Survival Guide is designed to empower members with the knowledge and tools necessary to protect themselves against phone, text, and email fraud. From tips on recognizing phishing emails to steps for



SECURITY

reporting suspicious activity, this guide serves as a go-to resource for staying vigilant. This important resource is available on our website at YoloFCU.org.

Thank you to our members for choosing Yolo Federal as their trusted financial partner.

David Plaut
CHIEF INFORMATION OFFICER

TREASURER'S REPORT

Last year proved challenging as financial institutions faced numerous obstacles at once, some of which have not been problematic for decades. Increased competition with demands for improved technology and a volatile rate environment are just a few. The rate increase and net growth in loans of \$16.5 million or 6.72% for the year drove loan interest revenue up by 60% or \$4.1 million.

The increase in revenue offset the growth in operating expenses. Some of the increased expense was from the technology upgrade to many credit union systems. These enhancements will provide greater value to the membership and increased efficiency of operations.

An accounting regulation took effect in 2023 that required financial institutions to calculate loan loss reserves with a forward-looking



I love the personal touch you get with Yolo Federal, they care about their customers.



— Lisa Buckman
Member Since 2000

approach. This caused a mandatory one-time adjustment to retained earnings of \$614,932, or 0.42% of net capital. The year ended strong with net capital of 10.89%, which was 0.28% greater than the previous year.

The strong financial position with improved technology has prepared the credit union to serve our members well in the coming years.

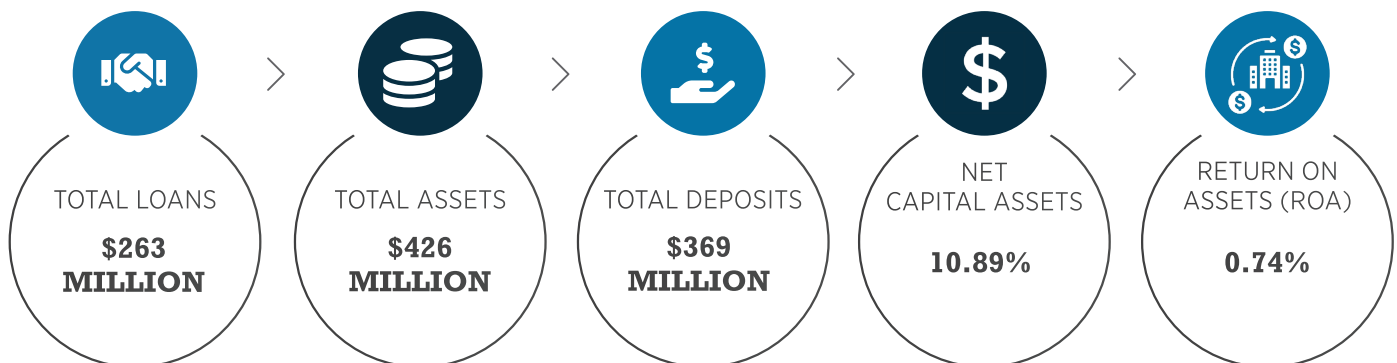
Robin D. Shofner
Treasurer



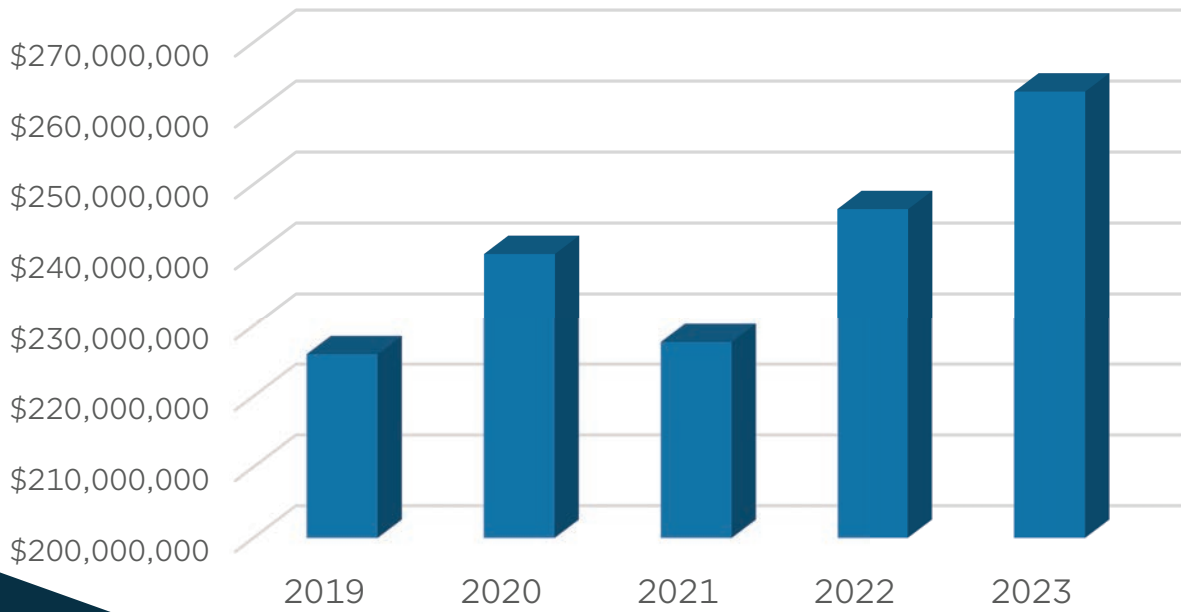
In Loving Memory of
Captane “Cap” Thomson
Volunteer Director
July 4, 1930 – July 30, 2023

ANNUAL REPORT

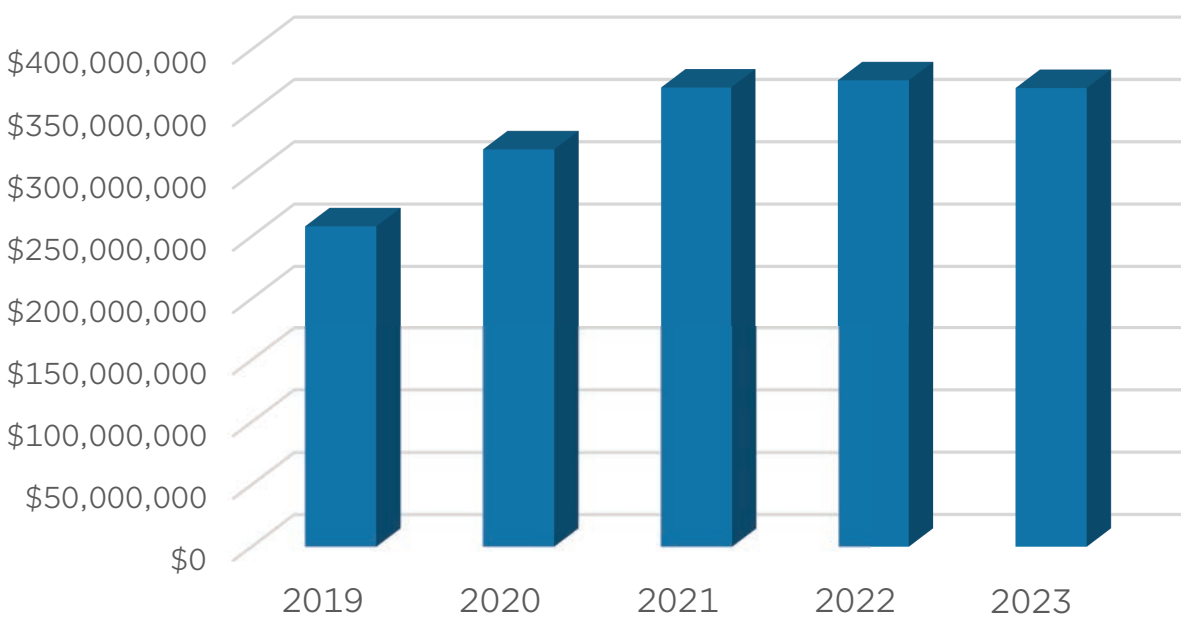
FINANCIALS



TOTAL LOANS



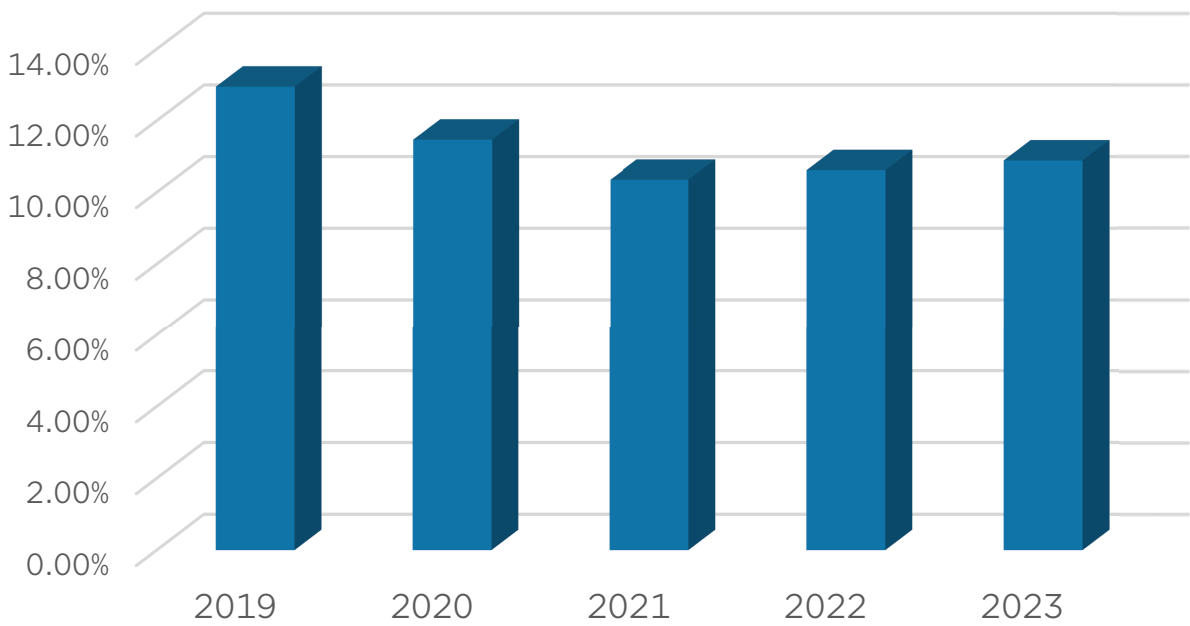
TOTAL DEPOSITS



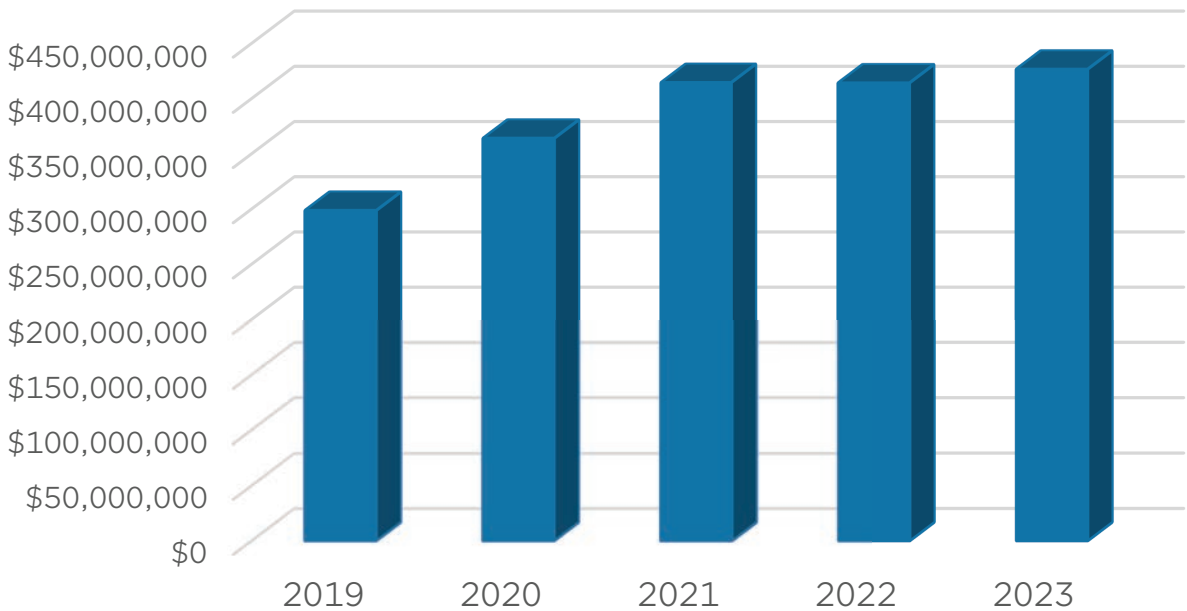
Members highly recommend Yolo FCU. Net Promoter Score: 72.25.

Invested \$95,000 into communities through donations & sponsorships.

NET CAPITAL ASSETS



TOTAL ASSETS



Welcomed 767
Members to Yolo Federal.

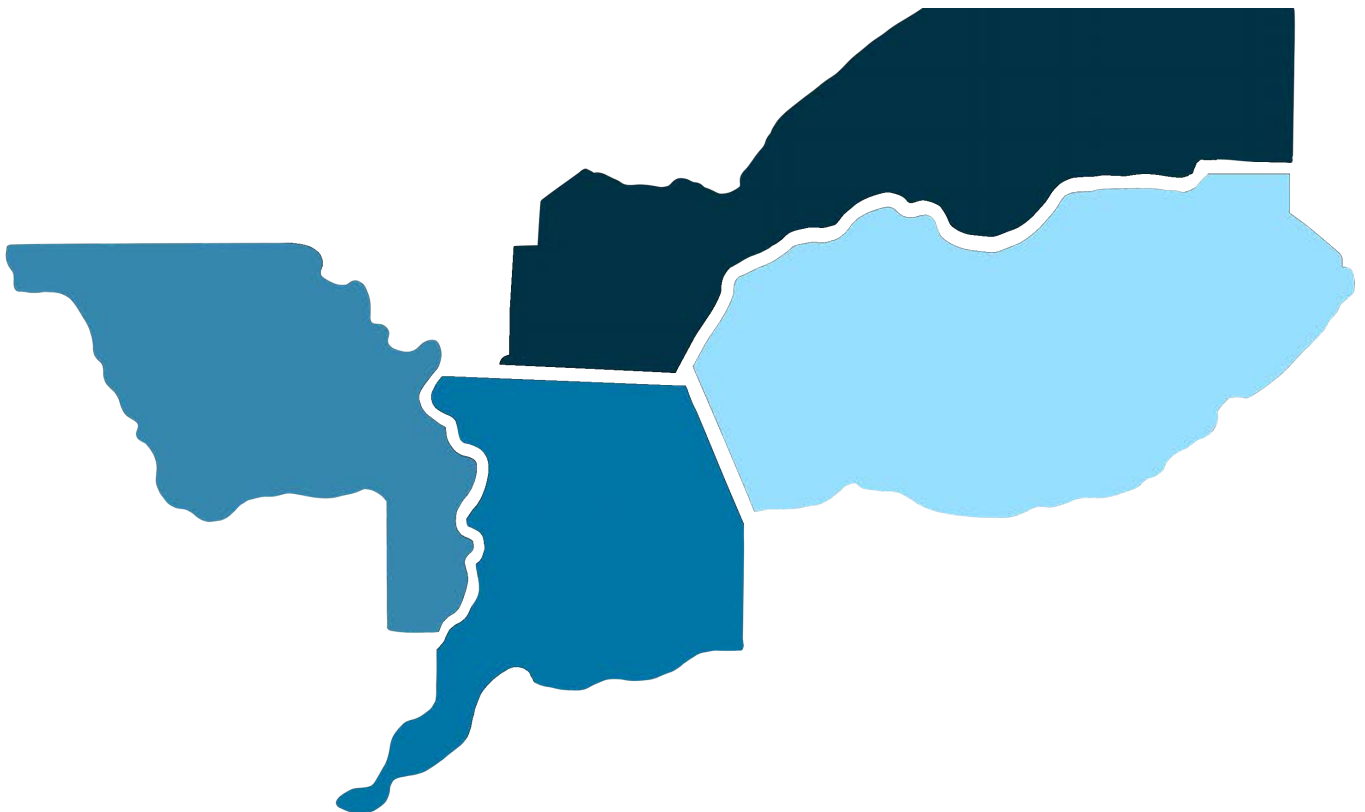
Helped members achieve
their financial goals.

Grew Yolo Federal assets
by more than \$12 Million.

	2019	2020	2021	2022	2023
Assets					
Cash	\$ 9,919,653	\$ 12,587,006	\$ 10,425,947	\$ 11,190,848	\$ 14,837,949
Deposits in Banks/S&L's	14,880,000	15,128,000	10,172,000	6,945,000	2,484,000
Deposits in other CU's	496,000	1,240,000	992,000	2,993,000	1,743,000
NCUSIF Capitalization	2,496,638	2,793,170	3,303,977	3,520,109	3,438,079
Other Investments	27,924,597	76,060,912	146,746,961	123,226,930	122,719,927
Consumer Loans	77,869,441	63,910,237	68,883,131	84,518,495	101,527,232
VISA Loans	11,878,694	10,542,668	9,894,444	10,241,990	9,680,968
Real Estate Loans	114,664,444	145,326,955	132,690,802	134,156,522	135,066,017
Other Loans	21,514,879	20,394,422	16,176,982	17,574,928	16,779,537
Total Loans	225,927,458	240,174,282	227,645,359	246,491,935	263,053,754
Less Allowance for Loan Losses	(1,346,253)	(1,498,051)	(1,660,623)	(1,766,488)	(2,400,626)
Land and Buildings	7,731,934	7,663,719	7,398,649	7,110,915	6,968,653
Other Fixed Assets	1,061,021	829,616	626,875	654,815	2,341,015
All Other Assets	9,528,176	8,982,841	8,744,107	13,668,358	11,275,287
Total Assets	\$ 298,619,223	\$ 363,961,495	\$ 414,395,252	\$ 414,035,423	\$ 426,461,038

	2019	2020	2021	2022	2023
Liabilities & Capital					
Regular Shares	\$ 118,217,916	\$ 155,981,887	\$ 194,526,714	\$ 193,112,356	\$ 166,853,298
Checking/Money Market	113,793,440	138,846,856	149,860,473	158,135,400	135,795,185
IRA Accumulation	4,700,690	4,324,219	4,800,582	6,302,203	5,701,694
IRA Certificates	2,641,279	2,448,971	2,081,487	1,920,280	2,130,442
Share Certificates	18,646,894	18,173,947	18,138,474	15,691,653	58,564,103
Total Shares	258,000,219	319,775,880	369,407,730	375,161,892	369,044,722
Notes & Interest Payable	-	-	-	-	16,000,000
Accounts Payable	1,887,452	2,063,910	3,103,569	5,652,406	5,464,683
Total Liabilities	1,887,452	2,063,910	3,103,569	5,652,406	21,464,683
Unrealized Gain/Loss AFS	67,486	370,815	(1,001,316)	(10,737,407)	(10,505,703)
Total Other Comprehensive Income	67,486	370,815	(1,001,316)	(10,737,407)	(10,505,703)
Regular Reserves	2,408,591	2,408,591	2,408,591	2,408,591	2,408,591
Undivided Earnings	36,255,475	39,342,299	40,476,678	41,549,941	44,048,745
Total Liabilities & Capital	\$ 298,619,223	\$ 363,961,495	\$ 414,395,252	\$ 414,035,423	\$ 426,461,038

	2019	2020	2021	2022	2023
Income & Expense					
Loan Income	\$ 9,965,444	\$ 9,674,829	\$ 8,722,304	\$ 8,591,495	\$ 11,175,375
Investment Income	1,133,813	812,258	1,132,832	1,551,527	3,723,198
Other Income	3,996,431	4,489,755	4,074,130	3,971,896	4,189,912
Total Income	15,095,688	14,976,842	13,929,265	14,114,918	19,088,485
Salaries & Benefits	4,940,918	5,550,492	5,833,876	5,745,807	6,853,355
Other Operating Expenses	5,912,302	5,921,845	6,011,711	6,749,268	7,320,823
Non-Operating (Income) exp	(102,975)	(186,815)	280,643	33,305	93,487
Provision for Loan Losses	478,285	357,565	387,088	247,914	517,052
Cost of Funds	260,468	246,931	281,569	265,361	1,184,226
Net Transfer to Reserves	-	-	-	-	-
Net Income after Reserves	\$ 3,606,690	\$ 3,086,824	\$ 1,134,379	\$ 1,073,263	\$ 3,119,543



Members
+ 3.58%

Loans
+6.72%

Assets
+ 3.00%

“

We're excited to expand our charter to include Sacramento, El Dorado, and Placer counties, extending our commitment to 'people helping people' and providing financial services to new communities.

”

— Kelley Jacobsen
Chief Operating Officer



IN 2023, OUR DEDICATION TO COMMUNITY SERVICE REMAINED UNWAVERING AS WE EXTENDED SUPPORT THROUGH DONATIONS, SPONSORSHIPS, AND VOLUNTEER WORK WITH LOCAL NONPROFITS. IT'S THIS COMMITMENT THAT EARNED US THE HONOR OF BEING VOTED BEST CREDIT UNION IN YOLO COUNTY ONCE AGAIN.





Our Operations team mixed fun with learning by participating in a mummy competition to encourage teamwork and spark creativity.



DISCOVER

All Staff Meeting for our Technology Enhancement Weekend.



DI





THE

CONFERENCE

“THE SUCCESSFUL IMPLEMENTATION OF OUR NEW CORE OPERATING SYSTEM AND DIGITAL BANKING PLATFORM RESULTED IN NOTABLE IMPROVEMENTS IN OPERATIONAL EFFICIENCY AND THE MEMBER EXPERIENCE.”

— Jenee Rawlings
President/CEO



Helping you achieve financial
success since 1954.

Woodland

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465 Pioneer Avenue

Davis

501 G Street

West Sacramento

2240 Lake Washington Boulevard, Ste. 100

Winters

168 East Grant Avenue

(530) 668-2700

YoloFCU.org