



2021

# BUSINESS REPORT

Last year was again defined by COVID-19 and the uncertainty of the pandemic. It has been an ongoing challenge unlike anything we have faced previously. However, our members and team members have been resilient. As you've heard, "when the going gets tough, the tough get going." It is in this spirit that Gulf Winds achieved some significant milestones in 2021.



For the first time, we surpassed the \$1 billion threshold in asset size. We're extremely proud of this milestone but are more proud of reaching it while accomplishing a 9.7/10 member satisfaction rating in 2021. We earned Bauer's superior 5-star rating for the 111th straight quarter, a signal of our strength and stability as an institution. We added important new features to our service offerings including CardSwap and Biller Direct to provide members a simpler and more effective way to manage their bills, online payments and subscriptions. We even introduced Credit Snap, a tool that allows you to pre-qualify for loans online with no impact to your credit score.

The accomplishments of 2021 continue our trajectory of growth and strengthen our record of providing members modern banking services. While our strong financial performance and adoption of new technology is something to celebrate, we remain true to the spirit of service on which we were founded.

In October, I'll be retiring after serving as your President and CEO for the last 20 years. I'm proud of what we've accomplished together, none of which would have been possible without your loyal patronage. Continue to stay safe and know that when it comes to your financial life, we'll be your partner every step of the way.

A handwritten signature in black ink that reads "Chris Rutledge". The signature is written in a cursive, flowing style.

Chris J. Rutledge, President & CEO

# Report from the **INDEPENDENT AUDITOR**



316 South Baylen Street, Suite 300  
Pensacola, FL 32502

To the Board of Directors  
Gulf Winds Credit Union

## ***Report on the Financial Statements***

We have audited the accompanying financial statements of Gulf Winds Credit Union, which comprise the statements of financial condition as of June 30, 2021 and 2020, and the related statements of comprehensive income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

## ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

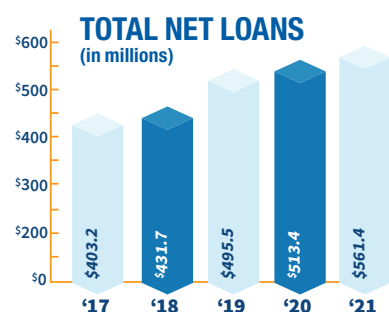
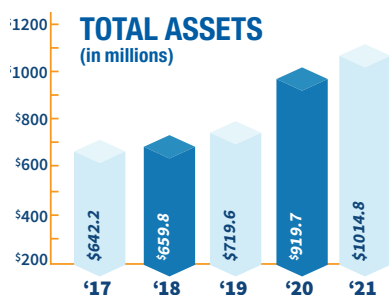
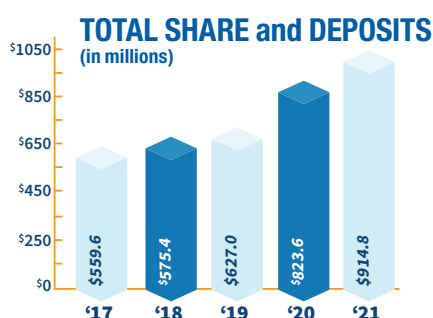
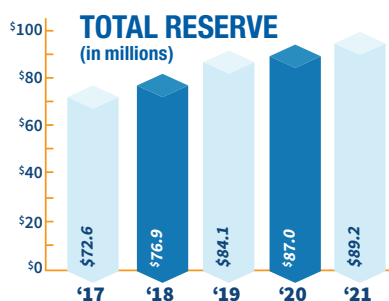
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gulf Winds Credit Union, as of June 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Warren Averett  
Pensacola, Florida  
October 5, 2021

# 2021 FINANCIAL REVIEW



## Statement of Reserves and Undivided Earnings as of Dec. 31, 2021

REGULAR AND SPECIAL RESERVES	
Regular Reserve	\$6,552,433
Undivided earnings	
Balance at beginning of year	81,328,024
Add: Net Income 2021	6,054,260
<b>Total Undivided Earnings</b>	<b>\$87,382,284</b>
Other Comprehensive Income	(4,686,891)
<b>Total Members' Equity</b>	<b>\$89,247,826</b>

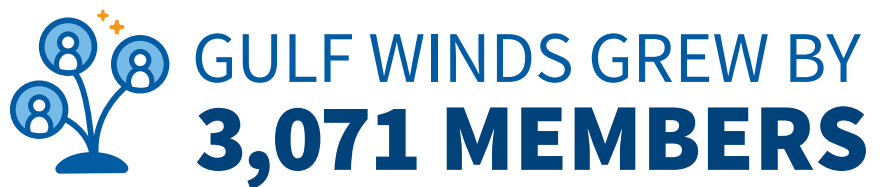
## Statement of Condition for the Years Ended Dec. 31, 2021 & 2020

ASSETS	2021	2020
<b>Earning Assets:</b>		
Net Member Loans	\$561,344,764	\$513,389,782
Investments	310,762,569	158,754,868
Cash Equivalents	82,063,682	190,693,769
<b>Total Earning Assets</b>	<b>954,171,015</b>	<b>\$862,838,419</b>
<b>Non-Earning Assets:</b>		
Cash on Hand	8,080,262	7,814,194
Premises and Equipment, Net	17,401,740	18,282,383
Other Assets	35,130,315	30,766,098
<b>Total Non-Earning Assets</b>	<b>60,612,317</b>	<b>\$56,862,675</b>
<b>Total Assets</b>	<b>\$1,014,783,332</b>	<b>\$919,701,094</b>
<b>LIABILITIES</b>		
<b>Members' Share and Savings Accounts:</b>		
Shares	\$750,165,702	\$645,438,728
IRA Accounts	40,112,035	38,007,996
CDs	124,493,893	140,118,148
<b>Total Members' Share and Savings Accounts</b>	<b>\$914,771,630</b>	<b>\$823,564,872</b>
Accrued Expenses and Other Liabilities	10,763,877	9,153,834
<b>Total Liabilities</b>	<b>\$925,535,507</b>	<b>\$832,718,706</b>
<b>Members' Equity:</b>		
Reserves	6,552,433	6,552,433
Undivided Earnings	87,382,284	81,328,024
Accumulated Other Comprehensive Income (loss)	(4,686,891)	(898,069)
<b>Total Members' Equity</b>	<b>\$89,247,826</b>	<b>\$86,982,388</b>
<b>Total Liabilities and Equity</b>	<b>\$1,014,783,332</b>	<b>\$919,701,094</b>

## Statement of Income for the Years Ended Dec. 31, 2021 & 2020

REVENUE FROM EARNING ASSETS	2021	2020
Interest Income on Loans	\$25,688,186	\$24,896,605
Investment Income	3,827,229	3,025,779
<b>Total Revenue from Earning Assets</b>	<b>29,515,415</b>	<b>27,922,384</b>
<b>COST OF FUNDS</b>		
Member Dividends	3,317,749	4,362,250
Interest on Borrowed Funds	588	7
<b>Total Cost of Funds</b>	<b>3,318,337</b>	<b>4,362,257</b>
<b>GROSS MARGIN</b>	<b>26,197,077</b>	<b>23,560,127</b>
Less: Provision for Loan Loss	(925,862)	(3,058,442)
<b>Net Margin</b>	<b>25,271,215</b>	<b>20,501,685</b>
<b>NONINTEREST REVENUE</b>	<b>15,916,022</b>	<b>13,863,958</b>
<b>OPERATING EXPENSES</b>		
Compensation and Benefits	16,402,901	15,945,702
Office Operations and Occupancy	18,577,891	15,691,709
Member Insurance	62,820	61,582
<b>Total Operating Expenses</b>	<b>35,043,612</b>	<b>31,698,993</b>
<b>NON-OPERATING (GAINS)/LOSSES</b>		
Net (gain) loss on sale of property & equipment	3,983	(3,478)
Net (gain) loss on sale of other real estate owned	16,626	0
Net (gain) loss on investments	68,755	(207,755)
<b>Net Income / (Loss)</b>	<b>\$6,054,260</b>	<b>\$2,877,883</b>

# 2021 PERFORMANCE



**\$1 BILLION**  
IN TOTAL ASSETS



BAUERFINANCIAL  
**5-STAR RATED**



**\$281 M**  
TOTAL LOAN  
PRODUCTION



**111** CONSECUTIVE  
QUARTERS



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