



2022

BUSINESS REPORT



Last year was an exciting time for Gulf Winds. We worked to innovate our products and services, grow our impact within our local communities, and deliver even more value to you, our member-owners. Chris Rutledge, our President and CEO of more than 20 years retired, and I joined the Gulf Winds family, honored and humbled by the opportunity to help write our next chapter. The values instilled by our Board of Directors and shared by all at Gulf Winds have made our Credit Union a strong and secure financial institution. We are ready to build on our foundation and continue working to help members on their path to financial well-being.

Our successes in the past year signal our commitment to you. We earned Bauer's superior 5-star rating for the 114th straight quarter and maintained our asset size of over \$1 billion while increasing our net worth to 10%. We delivered a new Money Market Account and added an Adjustable-Rate Mortgage to our loan portfolio. Beyond the financials, our teams were dedicated to community impact and volunteered over 1,300 hours. The Gulf Winds Cares Foundation Scholarship Program was expanded to include an additional \$5,000 opportunity for students seeking higher education within a medical field. We also introduced a new feature for members with direct deposit where your funds may be automatically available up to two days sooner with Early Pay.

These accomplishments, along with many others from 2022, are the results of being intentional with our focus and strategic vision. Our teams' desire to always provide our members with safe, simple banking experiences that exceed expectations have us poised for continued, meaningful growth. We are committed to making business decisions that put you first and will always operate with practices that help us sustain financial health, no matter the economic climate.

Thank you for the warm welcome and the chance to understand your needs. As we look towards the future, our emphasis will remain on improving the member experience and serving the needs of our communities. This is made possible by the values that we share with you. Thank you again for granting us the opportunity to be your financial partner. We appreciate your membership.

A handwritten signature in black ink, appearing to read "Daniel Souers". The signature is fluid and cursive, with a large, stylized "D" and "S".

Daniel Souers, President/CEO

Report from the **INDEPENDENT AUDITOR**



316 South Baylen Street, Suite 300
Pensacola, FL 32502

To the Supervisory Committee of
Gulf Winds Credit Union

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Gulf Winds Credit Union and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

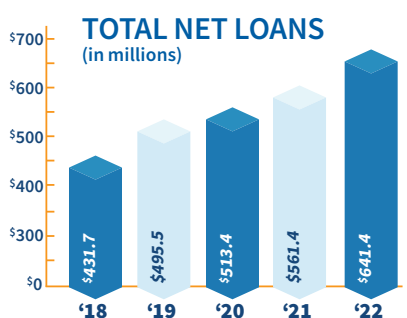
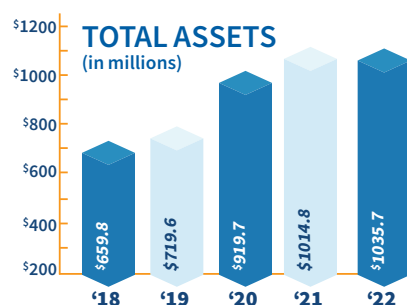
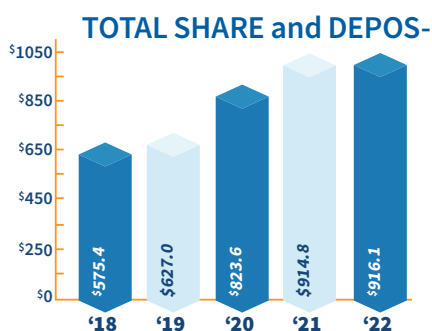
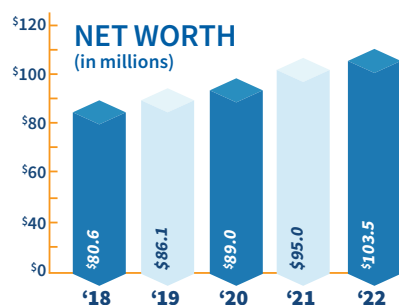
Opinion

We have audited the accompanying financial statements of Gulf Winds Credit Union, which comprise the statements of financial condition as of June 30, 2022 and 2021, and the related statements of comprehensive income (loss), changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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
December 13, 2022

2022 FINANCIAL REVIEW



Statement of Reserves and Undivided Earnings as of Dec. 31, 2022

REGULAR AND SPECIAL RESERVES

Regular Reserve	\$6,552,433
Undivided earnings	
Balance at beginning of year	87,382,283
Add: Net Income 2022	8,483,690
Total Undivided Earnings	\$95,865,973
Other Comprehensive Income	(36,153,971)
Total Members' Equity	\$66,264,436

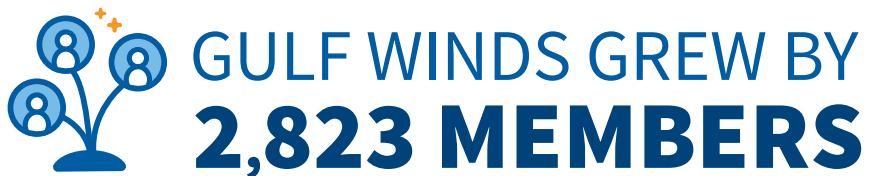
Statement of Condition for the Years Ended Dec. 31, 2022 & 2021

ASSETS	2022	2021
Earning Assets:		
Net Member Loans	\$641,400,642	\$561,344,764
Investments	283,785,062	310,762,569
Cash Equivalents	49,199,029	82,063,682
Total Earning Assets	974,384,733	954,171,015
Non-Earning Assets:		
Cash on Hand	7,454,487	8,080,262
Premises and Equipment, Net	16,676,972	17,401,740
Other Assets	37,134,255	35,130,315
Total Non-Earning Assets	61,265,714	60,612,317
Total Assets	\$1,035,650,447	\$1,014,783,332
LIABILITIES		
Members' Share and Savings Accounts:		
Shares	\$768,290,567	\$750,165,702
IRA Accounts	38,336,796	40,112,035
CDs	109,478,973	124,493,893
Total Members' Share and Savings Accounts	\$916,106,336	\$914,771,630
Accrued Expenses and Other Liabilities	53,279,675	10,763,877
Total Liabilities	\$969,386,011	\$925,535,507
Members' Equity:		
Reserves	6,552,433	6,552,433
Undivided Earnings	95,865,973	87,382,284
Accumulated Other Comprehensive Income (loss)	(36,153,971)	(4,686,891)
Total Members' Equity	\$66,264,436	\$89,247,826
Total Liabilities and Equity	\$1,035,650,447	\$1,014,783,332

Statement of Income for the Years Ended Dec. 31, 2022 & 2021

REVENUE FROM EARNING ASSETS	2022	2021
Interest Income on Loans	\$29,056,245	\$25,688,186
Investment Income	5,570,771	3,827,229
Total Revenue from Earning Assets	34,627,016	29,515,415
COST OF FUNDS		
Member Dividends	3,104,430	3,317,749
Interest on Borrowed Funds	231,248	588
Total Cost of Funds	3,335,678	3,318,337
GROSS MARGIN	31,291,338	26,197,077
Less: Provision for Loan Loss	(3,034,771)	(925,862)
Net Margin	28,256,567	25,271,215
NONINTEREST REVENUE	16,886,784	15,916,022
OPERATING EXPENSES		
Compensation and Benefits	18,340,050	16,402,901
Office Operations and Occupancy	17,891,339	18,577,891
Member Insurance	39,794	62,820
Total Operating Expenses	36,271,183	35,043,612
NON-OPERATING (GAINS)/LOSSES		
Net (gain) loss on sale of property & equipment	1,239	3,983
Net (gain) loss on sale of other real estate owned	515	16,626
Net (gain) loss on investments	386,724	68,755
Net Income / (Loss)	\$8,483,690	\$6,054,260

2022 PERFORMANCE



\$1 BILLION
IN TOTAL ASSETS



BAUERFINANCIAL
5-STAR RATED



1,325
VOLUNTEER
HOURS



201,701
CONVERSATIONS WITH MEMBERS
THROUGH THE CONTACT CENTER

114 CONSECUTIVE
QUARTERS



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