



2020

BUSINESS REPORT

We started 2020 full of anticipation, which quickly gave way to uncertainty with the onset of COVID-19. The pandemic changed everything for our nation, our members, and our Credit Union. The past year challenged all of us, but together, we are persevering. As you can see in this report, which outlines Gulf Winds' financial standing at the close of 2020, we are Safe, Sound & Secure. We stand ready to help our members live their best financial lives.



I am proud to say that Gulf Winds achieved some important milestones in 2020, despite all the obstacles. For starters, our membership grew by almost 3,000 members to more than 74,000. This growth continues as we accept new members daily throughout our expanding field of membership, which now stretches across all North Florida and into the southern regions of Alabama and Georgia. We earned Bauer's superior 5-star rating for the 106th straight quarter, a signal of our strength and stability as an institution. We redesigned our online loan application to make it easier and quicker than ever to fund loan requests from our members. We also updated our statements, providing our members further clarity on their financial standing.

In response to the pandemic, we expanded our drive-thru services and started offering appointments in our branches. We modified our Contact Center to protect the safety of our team without interrupting this valuable service. Our financial resources offered relief for our members impacted by the economic downturn, and we provided meaningful support to many community partners and organizations.

Moving forward, we will continue to make member-focused, prudent decisions to improve your experience. Our investment in technology remains a priority. Not surprisingly, our digital tools saw record use this past year and we look forward to providing you even more new resources allowing you to conveniently bank anytime, anywhere.

Since our founding in 1954, we have weathered many storms together. We do not know what challenges are ahead, but you can be sure we will remain a dependable partner that can take on anything. On behalf of the Board of Directors, Supervisory Committee, and the entire Gulf Winds team, thank you for choosing Gulf Winds as your financial partner.

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, 2020 and 2019, 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.

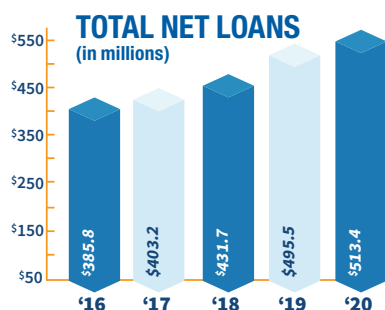
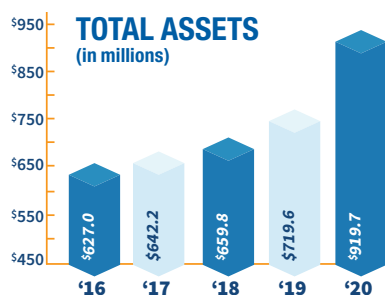
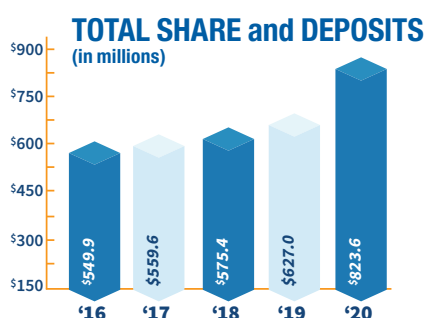
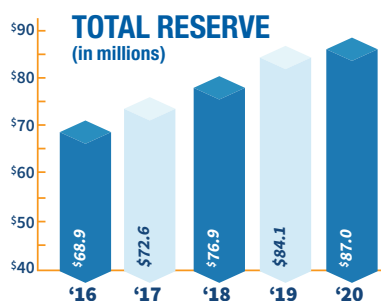
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2020 and 2019, 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
September 14, 2020

2020 FINANCIAL REVIEW



Statement of Reserves and Undivided Earnings as of Dec. 31, 2020

REGULAR AND SPECIAL RESERVES	
Regular Reserve	\$6,552,433
Undivided earnings	
Balance at beginning of year	78,450,141
Add: Net Income 2020	2,877,883
Total Undivided Earnings	\$81,328,024
Other Comprehensive Income	(898,069)
Total Members' Equity	\$86,982,388

Statement of Condition for the Years Ended Dec. 31, 2020 & 2019

ASSETS	2020	2019
Earning Assets:		
Net Member Loans	\$513,389,782	\$495,533,152
Investments	158,754,868	119,709,017
Cash Equivalents	190,693,769	54,760,665
Total Earning Assets	\$862,838,419	\$670,002,834
Non-Earning Assets:		
Cash on Hand	7,814,194	9,524,872
Premises and Equipment, Net	18,282,383	17,767,045
Other Assets	30,766,098	22,259,799
Total Non-Earning Assets	\$56,862,675	\$49,551,716
Total Assets	\$919,701,094	\$719,554,550
LIABILITIES		
Members' Share and Savings Accounts:		
Shares	\$645,438,728	\$476,113,031
IRA Accounts	38,007,996	33,900,488
CDs	140,118,148	116,940,566
Total Members' Share and Savings Accounts	\$823,564,872	\$626,954,085
Accrued Expenses and Other Liabilities	9,153,834	8,527,973
Total Liabilities	\$832,718,706	\$635,482,058
Members' Equity:		
Reserves	6,552,433	6,552,433
Undivided Earnings	81,328,024	78,450,141
Accumulated Other Comprehensive Income (loss)	(898,069)	(930,082)
Total Members' Equity	\$86,982,388	\$84,072,492
Total Liabilities and Equity	\$919,701,094	\$719,554,550

Statement of Income for the Years Ended Dec. 31, 2020 & 2019

REVENUE FROM EARNING ASSETS	2020	2019
Interest Income on Loans	\$24,896,605	\$22,518,786
Investment Income	3,025,779	3,947,773
Total Revenue from Earning Assets	\$27,922,384	\$26,466,559
COST OF FUNDS		
Member Dividends	4,362,250	3,463,998
Interest on Borrowed Funds	7	460
Total Cost of Funds	4,362,257	\$3,464,458
GROSS MARGIN	\$23,560,127	\$23,002,101
Less: Provision for Loan Loss	(3,058,442)	(2,962,359)
Net Margin	20,501,685	\$20,039,742
NONINTEREST REVENUE	\$13,863,958	\$14,525,460
OPERATING EXPENSES		
Compensation and Benefits	15,945,702	14,415,064
Office Operations and Occupancy	15,691,709	14,552,087
Member Insurance	61,582	63,625
Total Operating Expenses	\$31,698,993	\$29,030,776
NON-OPERATING (GAINS)/LOSSES		
Net (gain) loss on sale of property & equipment	(3,478)	5,914
Net (gain) loss on sale of other real estate owned	0	3,427
Net (gain) loss on investments	(207,755)	171,456
Net Income / (Loss)	\$2,877,883	\$5,353,629

2020 PERFORMANCE



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106 CONSECUTIVE
QUARTERS



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