

**mainstreet** CREDIT UNION

# Annual Report

# 2023



# Our Message

## Board of Directors Chair and President & CEO

As we look back on 2023, our journey through a challenging economic landscape was marked by steadfast dedication to serving you, our members. Amidst an environment of prolonged inflation, higher interest rates, and quantitative tightening, our focus on providing tailored advice and support has been more critical than ever. Our commitment to our core values has ensured that we continue to offer the best advice, products, and services, enabling our members to achieve their personal and financial goals.

Hearing directly from you highlights the impact of our efforts:

***'Your staff are the best. Always go the extra mile to help. I will never bank anywhere else.'***

***'My wife and I were thrilled with the service offered. This was a breath of fresh air.'***

***'I would recommend Mainstreet Credit Union as a banking option to anyone who appreciates authentic personal banking. We could feel that we were interacting as real people with a genuine person.'***

***'Very good feeling. You feel like a person not a number!'***

***'I found Mainstreet very open and willing to help. They listened to my needs and have exceeded my expectation. The customer service I got was well above the customer service I would receive from a big bank.'***

These voices from our community are a testament to our shared values and the relationships we've built together. It's your feedback and trust that have led to an impressive 94% overall satisfaction score among our members. Each testimonial affirms our commitment to excellence and motivates us to continue enhancing our services, ensuring Mainstreet Credit Union remains a place where every member feels valued, known, and supported.

In navigating the complexities of today's financial landscape, we've faced our share of challenges head-on. While the higher interest rate environment boosted our interest income, it also increased the rates on deposits, prompting many of our members to shift their funds into term deposits. Additionally, the presence of an inverted yield curve, where short-term rates surpass long-term rates, presented a unique challenge not only to us but across the financial sector. Despite these hurdles, which have strained credit unions everywhere with squeezed net interest margins and heightened expenses, Mainstreet Credit Union stands out for its resilience and strategic agility. Our management of these conditions has shielded us from much of the broader sector's struggles. We can highlight \$1.6 million gain in our high-quality liquid asset portfolio resulting in a comprehensive income that surpassed last year's achievements. With a proactive approach to liquidity at the start of 2023, we were able to support a loan growth of 7.4% and expand our total assets by 4.7%—a testament to our strength and stability in a period marked by scarcity of growth.

## Our Focus on Member Experience

With member experience guiding our decisions, this past year has seen innovative strides and meaningful growth for both our members and the credit union. Our dedication to enhancing your banking experience and financial well-being has yielded remarkable achievements. Alongside our continued investment in employee development, technology and enhanced security, we've had some other noteworthy achievements this year.

We streamlined our operations to better serve you, eliminating 132 barriers that made it harder to bank with us. Now, whether you're opening an account, getting a loan, or making transactions, it's simpler and more straightforward.

We introduced debit Mastercard, providing you with greater flexibility and security for your transactions, both online and in-store, and prepared for the launch of our Open Anytime self-serve platform, which marks a milestone in our mission to offer you banking services on your terms, available 24/7 with the convenience and efficiency you deserve.

We were one of the first financial institutions in Ontario to offer the First Home Savings Account (FHSA), providing an opportunity for members to achieve their dreams of homeownership. This innovative savings tool facilitates more efficient saving with its tax-advantaged features and represents our commitment to supporting your milestones and financial aspirations.

Additionally, our investments in the physical spaces where we meet and serve you are progressing well. The renovation of our London Road branch in Sarnia and the development of our new Petrolia branch are designed with your comfort and accessibility in mind, aiming to create welcoming spaces where you can engage with our services and community.

Finally, in a tangible demonstration of our commitment to delivering value, we reduced service charges from \$3.2 million to \$2.9 million. This reduction represents our continuous effort to enhance affordability and our belief in fair and transparent banking.

## Sharing our Success

In 2023, our dedication to sharing success with our members and communities remained stronger than ever. We returned over \$1 million to our members, exceeding our target of 20% of our operating income. This was achieved through interest on investment, member, and patronage shares at an exceptional rate of 5.71% this year. Notably, we adapted our dividend strategy to benefit our members even more, paying dividends based on the average of our highest rates plus 1% due to the unique rate environment.

Our commitment extended into the communities we serve, with 5% of our operating income—almost \$189,000—supporting various local events. This year, we were proud to support several initiatives like the YMCA Fill the Bus, sending 67 kids to camp across all of our communities, the United Way Stair Climb to help marginalized individuals in our region and Pride festivals in Chatham, Sarnia and Strathroy. We hosted lunch and learns with the Sarnia Chamber and facilitated 16 educational sessions to help our community learn about several financial topics. In addition to financial assistance, the volunteerism and strong community ties demonstrated by our team members reflect the heart of Mainstreet Credit Union. With our team contributing a total of 1500 volunteer hours across 81 events, it's evident that our dedication to our communities remains strong. You can take a deeper dive into our community impact on page 7.

## Looking forward

As we look towards the future after a year of growth and learning, we are excited to continue our journey of change and innovation. At Mainstreet Credit Union, we are committed to navigating the evolving financial landscape with our members' best interests at heart. Our core values—making every member feel known, ensuring they are valued, providing easy and personalized banking experiences—will guide us as we move forward.

We are dedicated to deepening our understanding of your needs, enhancing our ability to serve you in ways that truly matter. By investing in technology that simplifies banking, offering products that meet your financial goals, and maintaining our role as a cornerstone of community support, we aim to position Mainstreet Credit Union as a leader in member-focused banking. The road ahead is filled with opportunities for growth and improvement. Together, with your feedback and our commitment to our values, we will continue to evolve, ensuring Mainstreet Credit Union remains a place where you are not just a member, but a valued part of our community. We look forward to making the future even brighter, together.



  
Chris Inniss  
President & CEO



  
Tomo Matesic  
Board Chair

# Year in Review





# 2023 in review



## \$1M+

Over \$1 million **shared with our members & communities**

## 132

**points of friction removed** for members

## 8

free wealth education **webinars completed**



## 2,104 **new members**

## 31

new employees

## 5

### **new products & services**

introduced to members

First Home Savings Account (FHSA)  
Debit Mastercard  
Interac E-Transfer Receive Function  
Private Wealth  
Business Account Manager for our Chatham region



### **Branch Channel** Strategy Development

**1** branch relocation

**Petrolia**  
grand opening mid 2024

**1** branch renovation

**Sarnia (London Rd)**  
grand re-opening late 2024



**81** events  
**1,500** volunteer hours  
**\$188,600** donated



# Community Engagement

At Mainstreet Credit Union we care about investing in our members and our local communities.

We support local programs, groups, events, services, teams, and more in order to help grow and strengthen the places we live, work, and play.

Through our donations, volunteering, sponsorships, scholarships, and more, it is our way of saying thank you to the cities and towns that sustain and support us.

## Our Investment Highlights

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\$30,000 sponsor	<b>Mainstreet Sarnia Sting VIP Junior Experience</b>	Every local Sting hockey game, Mainstreet sponsors a youth and their family to get a VIP Sting experience for a memorable night
\$16,000 donation	<b>United Way Dress Down program</b>	Mainstreet matched all staff donations for a Dress Down Day, raising funds for United Way in each region
\$10,000 sponsor	<b>Chatham-Kent 'Mainstreet' Stage</b>	The town of Chatham-Kent put together a mobile stage for community groups to use for events, sponsored by Mainstreet
\$10,000 sponsor	<b>Chatham Special Olympics</b>	Mainstreet is the gold sponsor for the upcoming 2024 Special Olympics in our Chatham region
\$10,000 sponsor	<b>Parkhill Main Street Grand Re-Opening Celebration</b>	Main sponsor of the event, celebrating the re-opening of Parkhill's Main Street construction project
\$10,000 donation	<b>YMCA of Southwestern Ontario 'Fill the Bus' campaign</b>	Helping send 67 kids to Summer camp
\$5,700 donation	<b>Sarnia Block Party in support of Blue Water Health Foundation</b>	2-day event, with 40 volunteer hours, supporting mental health and addictions
\$4,000 donation	<b>Brigden Fall Fair Thanksgiving weekend event</b>	Mainstreet staff volunteered over 100 hours running the Community Tent and providing entertainment to young families
\$4,000 donation	<b>Free community movie nights in Strathroy-Caradoc</b>	Our Strathroy and Mt. Brydges branches sponsored free movie nights in parks throughout the Municipality of Strathroy-Caradoc
\$3,500 donation	<b>SheLeads Chatham</b>	An event that is designed to educate, inspire and empower all women-identifying individuals in Chatham
\$3,000 donation	<b>Corunna's Captain Kidd Days</b>	Mainstreet kicked off the event, hosting a free family outdoor movie night with snacks and a box-car building contest for kids
\$3,000 donation	<b>Credit Union Day open house celebrations</b>	Our branches celebrated by giving back in their communities - school supplies, bus passes, food banks, local shelters, etc.
\$3,000 donation	<b>Strathroy Chiros Care Community Over Cancer event</b>	10th annual event, hosted by Damen Optimal Health, assisting local families
\$2,500 donation	<b>Chatham-Kent's Festival of Giving</b>	Mainstreet staff volunteered 120 hours at the weekend music event that supports the Chatham-Kent Youth Wellness Hub Ontario
\$2,500 donation	<b>Noelle's Gift to Children, 'Smash Hits' book distribution to youth</b>	Books were shared to local JK - Grade 1 classrooms, supporting the Sarnia charity
\$2,500 donation	<b>United Way Stair Climb</b>	10-person climb team with 6 people serving snacks and refreshments to climbers

# Diversity, Equity and Inclusion (DEI) at Mainstreet

We know that a diverse, equitable, and inclusive company is a more innovative and successful one. Across Mainstreet's teams, products, and beyond, we seek to embrace diversity of background, perspective, culture, and experience.

The DEI Committee at Mainstreet was established in 2022 and exists so that we may foster a culture where every employee and member feel valued, supported, and inspired to achieve their individual and financial goals.

We are proud to celebrate the difference between and within every employee and member and have a zero-tolerance policy of discrimination, racism, and harassment.

## Goals

- Improve awareness of diversity & inclusion at Mainstreet
- Promote diversity & inclusion at Mainstreet
- Develop strategies to recruit talents from diverse backgrounds
- Build an inclusive community at Mainstreet
- Enhance employee engagement through recognition of celebrations/holidays from other cultures

## Gender Diversity at Mainstreet

Our current executive leadership team is 40% female-led and women occupy 56% of management roles and 73% of other diverse roles across the organization, such as: transformation, business intelligence, commercial and agricultural account managers, finance, marketing and more.

		All Staff	Management	Executive Team	Board
2021	Female	74%	65%	50%	11%
	Male	26%	35%	50%	89%
	Non-Binary	0%	0%	0%	0%
	Prefer not to disclose	0%	0%	0%	0%
2022	Female	72%	58%	50%	11%
	Male	28%	42%	50%	89%
	Non-Binary	0%	0%	0%	0%
	Prefer not to disclose	0%	0%	0%	0%
2023	Female	73%	56%	40%	11%
	Male	27%	44%	60%	89%
	Non-Binary	0%	0%	0%	0%
	Prefer not to disclose	0%	0%	0%	0%



# DEI in the Numbers



148

## DEI learning hours

Mainstreet staff members logged 148 hours for DEI learning; including, webinars, seminars, reading, courses, guest speakers, podcasts, etc.



18

## staff members in ERGs

Mainstreet staff members in different Employee Resource Groups (ERGs).



28

## DEI initiatives completed

Mainstreet staff members completed 28 Diversity, Equity and Inclusion initiatives this year.

## Notable Accomplishments in DEI This Year

Sponsored and attended Pride festivals across our 3 largest regions, including Sarnia, Chatham and Strathroy. Donated \$500 to Goderich Pride Association. Introduced our Safe Space initiative in every branch.

Hosted Tracy Whiteye, Wholistic Practitioner and Executive Director of Can-Am Indian Friendship Centre of Windsor, to speak at Educate & Elevate, Mainstreet's all-staff training & appreciation day.

DEI Committee presentation now included in new employee onboarding process.

Produced a video for International Women's Day to honour the women of Mainstreet, along with sending those that wished to attend, to local IWD events in our regions.

Donated \$500 to the Canadian Down Syndrome Society in recognition of World Down Syndrome Awareness Day.



# Organizational Development

The Organizational Development (OD) Team is a new addition to Mainstreet and plays a vital role in creating a culture of continuous improvement, employee engagement, and adaptability. We equip our organization with the skills, knowledge, and capabilities necessary to navigate the evolving business landscape and achieve long-term success. Our team endeavors to learn from past organizational experiences, rectify present challenges while celebrating successes, and prepare for the future of our cooperative.

## 2023 Successes

### Leadership Development Plan

**Specialized Curriculum:** Introduced four targeted leadership courses for 34 leaders, focusing on Crucial Conversations, Crucial Accountability, Coaching with the GROW Model, and Providing Effective Feedback, fostering continuous improvement.

**Technology Integration:** Successfully integrated CUP Training for tracking metrics and schedules, improving accessibility and effectiveness of leadership development programs through seamless coordination with our platforms.

**Feedback Surveys:** Conducted Microsoft Forms surveys to gather valuable feedback from leaders on new courses. The feedback gathered has provided OD with opportunities for course creation in 2024 to continue with our leadership education efforts (Psychological Safety, Situational Leadership, etc.).

### Succession Planning

Succession planning has been designed to pinpoint and cultivate employees with the potential to assume crucial leadership roles. Human Resources, Organizational Development, and the current leader have convened to assess potential successors and identify areas for development to bridge any gaps within the anticipated timeframe for succession. OD will work to find potential education, mentoring or coaching to close gaps to best prepare the successor for the role. The process has been completed for Executive Leadership Team (ELT) and Director levels, with plans to address People Leaders and Critical Roles in the year 2024.

### New Hire Onboarding

**Virtual Onboarding Plan:** A comprehensive virtual onboarding plan was successfully developed to replace the traditional binder/paper version. This transformation ensures a smoother and more efficient onboarding process for new employees.

**Microsoft Planner Training:** People leaders underwent training sessions on utilizing the Microsoft Planner program, equipping them with essential skills for efficient task management. This initiative enhances our overall organizational productivity.

**Identification of SMEs:** Subject Matter Experts (SMEs) for various roles were identified to contribute invaluable insights. Their involvement assists in the decision-making process related to technical training requirements and associated timelines, promoting a well-rounded onboarding experience.

### New Hire Corporate Orientation Day

Our corporate orientation day underwent a redesign to concentrate on crucial aspects of Mainstreet from a new hire's viewpoint. Featuring insights from our executive team, interactions with the CEO, and an exploration of our North Star, the program now incorporates sessions on DEI, Leadership, Human Resources, and Organizational Development. Launched in November 2023, this one-day event was a big success, with four scheduled occurrences planned for 2024.

## Annual Staff Day (Educate and Elevate Day)

Marketing and Branding: Utilizing marketing strategies, a distinctive logo/theme for the Annual Staff Day was created. This branding effort aims to make the event memorable and engaging for all participants.

ROI Evaluation Framework: A staff evaluation framework was formulated to assess the Return on Investment (ROI) for the Annual Staff Day. This framework ensures that the event not only serves as a measure of success but also adds substantial value to our employees.



*Mike Mott*

Mike Mott  
Director of Organizational Development

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# Corporate Social Responsibility Statement

I am thrilled to present Mainstreet Credit Union's Corporate Social Responsibility (CSR) statement for the fiscal year. As the Director of Governance and CSR, I am proud to announce that last year, we exceeded our goal of 5% of our annual pre-distribution, pre-tax income to various community initiatives with a final amount of almost \$189,000. This significant achievement reflects our unwavering dedication to making a positive impact beyond financial services.

In our pursuit of responsible business practices, Mainstreet Credit Union has embarked on the journey towards B Corp certification. This strategic move underscores our commitment to meeting the highest standards of social and environmental performance, transparency, and accountability. We believe that by aligning our operations with B Corp principles, we can contribute meaningfully to a more sustainable and equitable future.

Furthermore, we actively continue to shape our internal People Policies to drive Mainstreet Credit Union towards a triple bottom line. Our vision extends beyond financial success, encompassing social and environmental considerations in all facets of our decision-making. We recognize that fostering a workplace culture that values people, planet, and profit is not only beneficial for our organization but also plays a pivotal role in creating a positive ripple effect within our communities.

As we navigate the path of corporate responsibility, we remain committed to transparency, ethical conduct, and continuous improvement. Mainstreet Credit Union is dedicated to being a catalyst for positive change, and we invite our stakeholders to join us on this transformative journey.

A handwritten signature in black ink, appearing to read 'Kelcey Kucharski', written in a cursive style.

Kelcey Kucharski  
Director of Governance and CSR

# Management's Responsibility for Financial Reporting

To the Members of Mainstreet Credit Union Limited:

The accompanying summarized financial statements of Mainstreet Credit Union Limited (the "Credit Union") are the responsibility of management and have been approved by the Board of Directors.

Management is responsible for the preparation and presentation of the accompanying summarized financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting policies and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the summarized financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of summarized financial statements.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the summarized financial statements. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Credit Union's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the members to audit the summarized financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.



Chris Inniss  
President & CEO



Sandy Ferguson  
Chief Financial Officer

# Independent Auditor's Report on the Summarized Financial Statements

To the Members of Mainstreet Credit Union Limited:

## Opinion

The summarized financial statements, which comprise the summarized statement of financial position as at December 31, 2023, and the summarized statements of earnings and comprehensive income, changes in members' equity, and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Mainstreet Credit Union Limited. (the "Credit Union") for the year ended December 31, 2023.

In our opinion, the accompanying summarized financial statements are a fair summary of the audited financial statements on the basis described in Note 1.

## Summarized Financial Statements

The summarized financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

## The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statement in our report dated March 6, 2024.

## Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of the summarized financial statements on the basis described in Note 1.

## Auditor's Responsibility

Our responsibility is to express an opinion on whether the summarized financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, Engagements to Report on Summary Financial Statements.

London, Ontario  
March 6, 2024

*MNP* LLP

Chartered Professional Accountants  
Licensed Public Accountants

**Summarized Statement on Financial Position**

For the year ended December 31, 2023

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 49,379,970	\$ 51,818,774
Investments	57,654,702	72,051,665
Derivative financial instruments	2,969,800	2,982,774
Investment property	934,640	959,014
Loans to members and accrued interest receivable	933,672,292	869,648,417
Capital assets	11,740,446	11,797,535
Right-of-use assets	8,087	79,269
Deferred tax assets	206,266	283,720
Other assets	1,901,693	1,690,802
<b>Total assets</b>	<b>1,058,467,896</b>	<b>1,011,311,970</b>
<b>Liabilities</b>		
Members' deposits and accrued interest payable	925,758,828	892,336,542
Derivative financial instruments	3,067,659	2,948,468
Other liabilities	5,042,546	4,674,267
Membership shares	2,172,271	2,077,889
Securitized borrowing	58,372,068	48,793,451
Lease obligations	11,812	81,846
<b>Total liabilities</b>	<b>994,425,184</b>	<b>950,912,463</b>
<b>Members' equity</b>		
Membership shares	10,322,862	9,550,692
Contingency reserve	54,414,384	52,871,698
Accumulated other comprehensive loss	(694,534)	(2,022,883)
<b>Total members' equity</b>	<b>64,042,712</b>	<b>60,399,507</b>
<b>Total liabilities and members' equity</b>	<b>\$ 1,058,467,896</b>	<b>\$ 1,011,311,970</b>

Approved on behalf of the Board

Director



Director



# Summarized Statement of Earnings and Comprehensive Income

For the year ended December 31, 2023

	2023	2022
<b>Interest revenue</b>		
Interest revenue	\$ 37,459,487	\$ 28,603,398
Investment income	3,914,442	2,284,677
	<b>41,373,929</b>	30,888,075
<b>Interest expenses</b>	<b>21,557,699</b>	10,258,015
<b>Financial margin</b>	<b>19,816,230</b>	20,630,060
<b>Other operating income</b>	<b>4,963,638</b>	5,346,738
<b>Recovery of (provision for) doubtful accounts</b>	<b>350,170</b>	(584,776)
<b>Total operating profit</b>	<b>25,130,038</b>	25,392,022
<b>Expenses</b>		
Administrative	6,384,961	5,958,791
Deposit insurance	789,532	737,494
Distributions to members	130,106	143,665
Employee salaries and benefits	13,741,982	11,981,208
Occupancy	1,704,295	1,714,106
<b>Total expenses</b>	<b>22,750,876</b>	20,535,264
<b>Income from operations</b>	<b>2,379,162</b>	4,856,758
<b>Other income</b>	<b>221,446</b>	41,693
<b>Net income before income taxes</b>	<b>2,600,608</b>	4,898,451
<b>Income taxes</b>		
Current expense	378,493	1,000,479
Deferred expense (recovery)	77,454	(96,413)
	<b>455,947</b>	904,066
<b>Net income for the year</b>	<b>2,144,661</b>	3,994,385
<b>Other comprehensive income (loss)</b>		
Unrealized gain (loss) on marketable securities	1,623,898	(2,176,844)
Income tax effect	(295,549)	396,186
<b>Total other comprehensive income (loss)</b>	<b>1,328,349</b>	(1,780,658)
<b>Total comprehensive income for the year</b>	<b>\$ 3,473,010</b>	\$ 2,213,727

## Summarized Statement of Changes in Members' Equity

For the year ended December 31, 2023

	<i>Membership shares</i>	<i>Contingency reserve</i>	<i>Accumulated other comprehensive income (loss)</i>	<i>Total members' equity</i>
<b>Balance January 1, 2022</b>	\$ 8,819,082	\$ 49,619,967	\$ (242,225)	\$ 58,196,824
Net income for the year	-	3,994,385	-	3,994,385
Other comprehensive income	-	-	(1,780,658)	(1,780,658)
Dividends on members' shares (net of income tax recovery of \$165,235)	-	(742,654)	-	(742,654)
Net increase in membership shares	731,610	-	-	731,610
<b>Balance December 31, 2022</b>	<b>9,550,692</b>	<b>52,871,698</b>	<b>(2,022,883)</b>	<b>60,399,507</b>
Net income for the year	-	2,144,661	-	2,144,661
Other comprehensive loss	-	-	1,328,349	1,328,349
Dividends on members' shares (net of income tax recovery of \$165,235)	-	(601,975)	-	(601,975)
Net increase in membership shares	772,170	-	-	772,170
<b>Balance December 31, 2023</b>	<b>\$10,322,862</b>	<b>\$54,414,384</b>	<b>\$ (694,534)</b>	<b>\$64,042,712</b>



**Summarized Statement of Cash Flows**

For the year ended December 31, 2023

	2023	2022
<b>Operating activities</b>		
Total comprehensive income for the year	\$ 3,473,010	\$ 2,213,727
Items not requiring cash:		
Interest income	(41,373,929)	(30,888,075)
Interest expense	21,557,699	10,258,015
Unrealized (gain) losses on marketable securities	(1,787,282)	2,573,030
(Gain) loss on sale of investments	(57,987)	18,578
Depreciation of property, plant and equipment	804,303	852,335
(Gain) loss on disposal of fixed assets	(13,502)	76,441
Lease accretion expense	2,064	3,847
Provision for income taxes	751,496	507,880
Loan loss provision	(368,930)	549,916
	<b>(17,013,058)</b>	<b>(13,834,306)</b>
Change in non-cash working capital items:		
Interest received on member loans and investments	37,213,298	28,276,046
Interest received on investments	3,983,316	2,191,536
Interest paid	(16,615,749)	(9,208,287)
Other assets	(279,765)	(241,007)
Other liabilities	181,024	939,972
Net income taxes paid	(57,302)	(1,084,646)
<b>Cash from operating activities</b>	<b>7,411,763</b>	<b>7,039,308</b>
<b>Financing activities</b>		
Net increase in member deposits	28,480,336	18,769,742
Repayment of lease obligations	(72,097)	(99,461)
Proceeds of securitization liabilities	19,969,307	16,731,229
Repayment of securitization liabilities	(10,390,690)	(10,659,577)
<b>Cash from financing activities</b>	<b>37,986,855</b>	<b>24,741,933</b>
<b>Investing activities</b>		
Net increase in lending activity	(63,408,756)	(72,114,854)
Subscription to membership shares	2,100,089	2,145,693
Redemption of membership shares	(1,233,537)	(1,325,207)
Dividends on membership shares	(735,911)	(907,889)
Purchase of capital assets	(717,823)	(488,428)
Proceeds on disposal of capital assets	79,668	-
Purchase of investments	(43,627,406)	(30,381,732)
Proceeds on maturity of investments	59,706,253	58,247,303
<b>Cash used in investing activities</b>	<b>\$ (47,837,422)</b>	<b>\$ (44,825,114)</b>

Mainstreet Credit Union Limited

## Summarized Statement of Cash Flows (continued)

For the year ended December 31, 2023

	2023	2022
<b>Decrease in cash and cash equivalents</b>	<b>\$ (2,438,804)</b>	\$ (13,043,874)
<b>Cash and cash equivalents, beginning of year</b>	<b>51,818,774</b>	64,862,648
<b>Cash and cash equivalents, end of year</b>	<b>\$ 49,379,970</b>	\$ 51,818,774

## Notes to the Summarized Financial Statements

For the year ended December 31, 2023

### Basis of presentation

Management is responsible for the preparation of the summarized financial statements. The summarized financial statements presented include the summarized statement of financial position, the summarized statements of earnings and comprehensive income, changes in members' equity, and cash flows. They do not include the significant accounting policies, or notes to the financial statements and accompanying schedules. The summarized statements of financial position, earnings and comprehensive income, changes in members' equity, and cash flows are presented in the same detail as the audited financial statements except the note referencing has been removed.

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## Report of the Audit & Risk Committee

For the year ended December 31, 2023

Mainstreet Credit Union has maintained an Audit & Risk Committee pursuant to Section 125 of the Credit Union and Caisses Populaires Act, 2020. The Committee, which consists of five directors, meets at least quarterly and has adopted a mandate that covers all of the duties in the Regulations to the Act which are specified to be performed by the Audit & Risk Committee.

As delegated by the Board of Directors, the Audit & Risk Committee has primary responsibility for review of the audited financial statements, internal controls, accounting policies and reporting procedures and it has primary contact with the internal and external auditors.

For the year ended December 31, 2023, the Audit Committee met five times.

The Audit & Risk Committee is effectively conducting its affairs in accordance with the Act and the Regulations and has received and continues to receive the full co-operation from management. There are no significant recommendations made by the Audit & Risk Committee that have not been implemented or are in the process of being implemented.

The Audit & Risk Committee is not aware of any other matters that are required to be disclosed pursuant to the Act or the Regulations. Respectfully submitted by the Audit & Risk Committee.



Paul Dhaen  
Chair, Audit & Risk Committee



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