


FINANCIAL
REPORT
2015



mainstreet CREDIT UNION



Report from the President & CEO and Board Chair

Life is a series of moments that together form our story – the big, the small, and the in-between.

Weaved throughout is a common thread – the people you share the moments with and in many cases the resources and money you need for these milestone experiences like your first car, first home, wedding, honeymoon or dream vacation, the motorcycle on the open road, sending your children to school and a comfortable retirement.

At Mainstreet we have such an incredible opportunity to be a part of our members' lives at big milestone moments, and in your regular day-to day. Whether it be through providing advice, funds, or financial planning we want to help you realize and attain your dreams of today, and into the future.

We know there are times where you want, and need, to do a balance check on the go with our app on your phone, but then there are the times where sitting down with your personal advisor who truly knows you and your goals to discuss the next steps in a new or on-going plan just makes sense. This is why we are focused on delivering an exceptional member experience that focuses on deeply knowing and connecting with our members to help at every opportunity, while at the same time offering the technology and conveniences needed in today's busy lifestyle for transactions and quick banking tasks as you run from place to place.

In the year ahead we will continue to review and improve our member service and product offering. We want to ensure you have the best experience with Mainstreet no matter how you choose to access our services and that you leave each meeting and interaction feeling truly cared for and "invested in".

In 2015 your Board of Directors worked hard to create a new five year plan for Mainstreet. The new plan focuses on three strategic areas - Member Engagement, Operational

Excellence and Culture. We are excited about the next five years as we work to better engage with our members and staff while improving our efficiency.

We also added to and strengthened our community program with the addition of our new Big Give and Random Acts of Mainstreet programs, on top of our on-going commitment to community giving through our donations and volunteerism (see our community report for full details!)

We have our sights set on 2016 to be an incredible year ahead where we will continue to make a difference in our members' lives and become a part of their milestones and memories. We can't wait to be a part of your next story and life journey.



Patrick O'Malley
MAINSTREET CREDIT UNION
BOARD CHAIR



Janet Grantham
MAINSTREET CREDIT UNION
PRESIDENT & CEO



24,267

Number of Members

14

Number of Branches

14th

Overall in Ontario
Credit Unions

\$650

Million in Assets

\$127

Million in
Mutual Funds

Management's Responsibility for Financial Reporting

The accompanying financial statements of Mainstreet Credit Union Limited and all the financial information in this annual report are the responsibility of Management and have been approved by the Board of Directors.

The financial statements have been prepared by Management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, Management has chosen those it seems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has prepared the financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the financial statements.

Mainstreet Credit Union maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the credit union's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out their responsibility principally through its Audit & Risk Committee. The Audit & Risk Committee is appointed by the Board. The Committee meets periodically with Management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the annual report, the financial statements and the external auditor's report.

The Committee reports its findings to the Board for consideration when approving the financial statements for issuance to the owners.

The financial statements have been audited by Collins Barrow, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the owners. The external auditors have full and free access to the Audit & Risk Committee.



Janet Grantham
PRESIDENT &
CHIEF EXECUTIVE OFFICER



Bruce Ross
SVP FINANCE

Report of the Audit & Risk Committee For the Year Ended December 31, 2015

Mainstreet Credit Union has maintained an Audit & Risk Committee pursuant to Section 125 of the Credit Union and Caisses Populaires Act, 1994. The Committee, which consists of seven 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, 2015, 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.



Darrin Canniff
CHAIR, AUDIT & RISK COMMITTEE

Report of the Independent Auditor on the Summary Financial Statements

To the Members of Mainstreet Credit Union Limited

The accompanying summarized consolidated financial statements of Mainstreet Credit Union Limited, which comprise the summarized consolidated balance sheet as at December 31, 2015 and the summarized consolidated statement of earnings, comprehensive income and members' equity and cash flows for the year ended December 31, 2015 are derived from the audited consolidated financial statements of Mainstreet Credit Union Limited for the year ended December 31, 2015. We expressed an unmodified audit opinion on those statements in our report dated March 3, 2016. Those consolidated financial statements and the summarized consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summarized consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized financial statements, therefore, is not a substitute for reading the audited financial statements of Mainstreet Credit Union Limited.

Management's Responsibility for the Summarized Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on these summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summarized financial statements derived from the audited financial statements of Mainstreet Credit Union Limited for the year ended December 31, 2015 are a fair summary of those financial statements, in accordance with International Financial Reporting Standards.



Collins Barrow CK, LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

62 Keil Drive South
Chatham, Ontario
N7M 3G8 Canada

March 3, 2016

Summarized Statement of Earnings

Mainstreet Credit Union Limited Summarized Statement of Earnings

For the year ended December 31, 2015	2015	2014
Interest revenue		
Interest revenue	\$19,661,824	\$15,673,454
Investment income	1,699,289	1,109,282
	21,361,113	16,782,736
Interest and loan related expenses	7,418,073	6,644,346
Financial margin	13,943,040	10,138,390
Other income	3,826,702	2,774,836
Provision (recovery) for losses on loans	355,485	(161,322)
	18,125,227	12,751,904
Expenses		
Administrative	4,586,963	3,306,463
Deposit and loan life insurance	30,535	21,842
Deposit insurance	459,719	343,065
Distributions to members	352,385	300,623
Employee salaries and benefits	9,516,418	6,374,828
Occupancy	1,556,541	1,119,183
	16,502,561	11,466,004
	1,622,666	1,285,900
Other Income		
Gain on amalgamation	-	17,825,361
Acquisition costs	(345,189)	-
Rental income	154,048	138,974
	(191,141)	17,964,335
Earnings before income taxes	1,431,525	19,250,235
Income taxes		
Current	316,241	217,276
Deferred	(145,204)	38,771
	171,037	256,047
Net earnings	\$ 1,260,488	\$ 18,994,188

Summarized Consolidated Statement of Comprehensive Income and Members' Equity

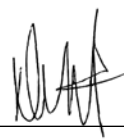
Mainstreet Credit Union Limited Summarized Statement of Comprehensive Income and Members' Equity Year Ended December 31, 2015

For the year ended December 31	2015	2014
Net earnings for the year	\$ 1,260,488	\$ 18,994,188
Other comprehensive income:		
Unrealized gains and losses on available-for-sale financial assets arising during the year	(197,213)	198,490
Unrealized gains and losses on cash flow hedges arising in the year	251,885	117,404
	54,672	315,894
Income tax effect	(12,575)	(72,656)
Other comprehensive income	42,097	243,238
Comprehensive income	\$ 1,302,585	\$ 19,237,426
Contingency Reserve		
Balance, beginning of the year	\$ 33,554,541	\$ 14,560,353
Acquired on acquisition	6,167,060	-
Adjusted balance, beginning of the year	\$ 39,721,601	14,560,353
Net earnings for the year	1,260,488	18,994,188
Balance, end of the year	\$ 40,982,089	\$ 33,554,541
Accumulated Other Comprehensive Income		
Balance, beginning of the year	\$ 949,365	\$ 706,127
Other comprehensive income for the year	42,097	243,238
Balance, end of year	\$ 991,462	\$ 949,365

Consolidated Summarized Balance Sheet

Mainstreet Credit Union Limited Consolidated Summarized Balance Sheet

December 31	2015	2014
Assets		
Cash resources	\$ 54,694,820	\$ 41,943,621
Investments	44,363,372	38,998,836
Derivative financial instruments	578,501	494,829
Investment property	828,847	840,411
Loans to members and accrued interest receivable	534,250,100	455,910,979
Capital assets	14,688,228	13,615,884
Deferred tax asset	198,845	70,170
Other assets	739,103	465,567
	\$ 650,341,816	\$ 552,340,297
Liabilities		
Short-term loans	\$ 7,000,000	\$ -
Members' deposits and accrued interest payable	589,113,283	506,614,516
Derivative financial instruments	120,805	289,018
Other liabilities	3,584,772	2,771,687
Deferred tax liability	94,059	10,141
Membership shares	8,455,346	8,151,029
Total Liabilities	608,368,265	517,836,391
Members' equity		
Contingency Reserve	40,982,089	33,554,541
Accumulated other comprehensive income	991,462	949,365
Total members' equity	41,973,551	34,503,906
	\$ 650,341,816	\$ 552,340,297



Director



Director

Branch Locations

General Inquiries

info@mainstreetcu.ca

Ailsa Craig

135 Ailsa Craig Main Street
PO Box 190
Ailsa Craig, ON N0M 1A0
T 519 293-3947

Brigden

2394 Jane Street
Brigden ON N0N 1B0
T 519 864-1026

Chatham – Keil

40 Keil Drive South
Chatham ON N7M 3G8
T 519 436-4590

Chatham – Queen St. Branch

835 Queen St.
Chatham ON N7M 2K5
T 519 360-1313

Chatham – Union Gas Branch

50 Keil Dr North
Chatham ON N7M 5M1
T 519 436-4590

Note: This office is in the security-protected Union Gas head office. Community members are invited to visit our branch just down the street at 40 Keil Dr S in Chatham.

Corunna Branch

201 Hill Street
Corunna ON N0N 1G0
T 519 862-5225

Goderich

39 St David St,
Goderich, ON N7A 3Y5
T 519 524-8366

London–Lambeth Branch

4562 Colonel Talbot Road
Lambeth ON N6P 1B1
T 519 652-5721

Mount Brydges Branch

22478 Adelaide Road
Mount Brydges ON N0L 1W0
T 519 264-9708

Parkhill Branch

260 Main Street, PO Box 338
Parkhill ON N0M 2K0
T 519 294-6277

Port Lambton

4348 St. Clair Parkway
Port Lambton ON N0P 2B0
T 519 677-5652

Sarnia – Exmouth St Branch

412 Exmouth Street
Sarnia ON N7T 5N9
T 519 464-5460

Sarnia – London Road

1295 London Road
Sarnia ON N7S 1P6
T 519 542-9059

Strathroy Branch

214 Caradoc Street South
Strathroy ON N7G 2P1
T 519 245-2530

\$18k

for United Way in London-Middlesex,
Sarnia-Lambton, Chatham-Kent
and Huron-Perth



\$15k

for St. Joseph's
Hospice Sarnia



\$5k

for Random Acts
of Mainstreet

- Free ice cream event at Lickity Split in Parkhill
- Free pumpkins in Chatham
- Initials on soccer bags for Strathroy soccer team
- Helping a family in bereavement
- Surprised Sarnia Sting superfan Blake and his family with the ultimate Sting experience



750

Staff Volunteer
Hours in 2015

\$18k

for the Big Give & Mini Gives



Mainstreet Credit Union surprises amazing local heroes and one very special community with Big Give project

A parade of over 100 community members, Mainstreet Credit Union representatives, and a firetruck, made its way down a small street in Wyoming, ON, on December 12, destined to Brian Helps home.

Brian spends countless summer hours as a volunteer at the local ball diamond. Whether it is making hand-made wooden bats for the players or preparing the field for games and practices, he gives back so much to the community. Standing on his front lawn, Mainstreet Credit Union, along with Wyoming community members, thanked this remarkable baseball volunteer and loyal Yankees fan in a special way with an all-expense paid trip to New York for a Yankees inside-experience for this coming Fall 2016.

Mainstreet, hearing that Wyoming was fundraising for improvements to the local ball diamond, announced they would also donate \$5000 for the purchase of a scoreboard.

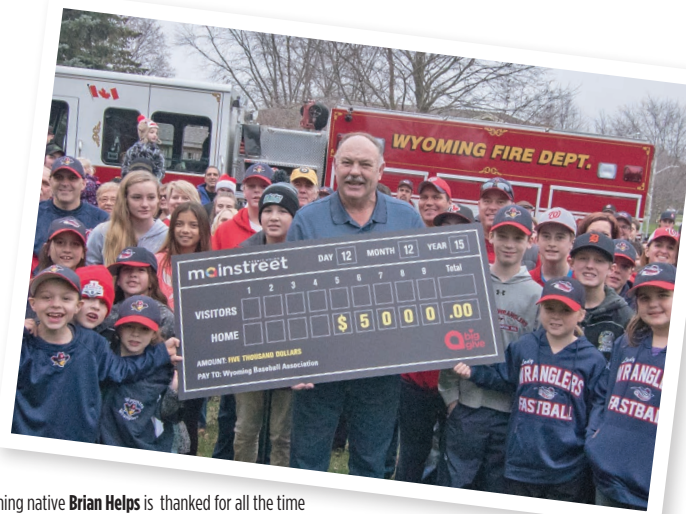
The Big Give is a new program that Mainstreet introduced this past fall to honour special community members

who have an inspiring story, or those individuals or groups who invest so much locally to helping the community as a whole. "This new program was created because without these local heroes we know our lives and communities would not be the same, and we wanted to say thank you in a unique way" shared Mainstreet Credit Union President and CEO, Janet Grantham. "As a financial cooperative we believe in investing in and strengthening our local communities and the people who give of their time and talents to better our lives" shared Grantham.

The nomination stories were so impactful Mainstreet decided that in addition to the planned Big Give there would also be two mini gives awarded to an inspiring young university student, as well as an amazing mom and volunteer who is currently battling cancer.

Both the mini gives and the big give were a surprise to the recipients. Watch their reactions and hear their inspiring stories by visiting:

www.mainstreetcu.ca/Community/GivingBack/BigGive



Wyoming native **Brian Helps** is thanked for all the time and effort he has spent supporting the community.



Brad Perrott was hailed for his positive attitude while overcoming some tough challenges. Seen here at Bonduelle Foods with his co-workers after he was presented with two Toronto Maple Leafs tickets to a game of his choice.



Super mom and volunteer extraordinaire, **Becky Carey** stands in the middle of her family and friends after being surprised with a trip to Toronto for a day of pampering and evening of theatre.

\$38k

in Community Sponsorship and Donations

Here are a few highlights...

1. Captain Kidd Days (Corunna) Over 500 people were in attendance to take part in our first ever movie night hosted in Corunna. Staff gave away free popcorn to all spectators.

2. Colour Run (Strathroy) Mainstreet volunteers waiting for participants to pick up their race kits for the happiest 5k on the planet – the Strathroy Middlesex General Hospital Colour Run.

3. Battle of the FI's (Chatham) All smiles for our staff who took part in a fun filled event benefiting the Tilbury Information Centre and HELP Centre food bank.

4. Princess Project (Strathroy) An event designed to get previously loved dresses out of closets and into the hands of girls who could use them free of charge.

5. Sarnia Sting Game (Sarnia) We asked Sarnia Sting fans to grab a prop and strike a pose for our corporately hosted Sting game.

