

President/Chairman's Report

In 2016, Mainstreet launched several electronic enhancements to make using the credit union safer, easier and more convenient for members. We completed the migration to EMV Chip Card technology for _____ debit card members and _____ credit card members in October, significantly reducing the risk of fraud on over the counter purchases. In addition, we introduced online deposit account and membership opening to complement our online loan approval. In addition, our new DocuSign technology electronically transmits signatures so members can sign closing documents from any computer or tablet device. We know your time is valuable, and at Mainstreet we continue to look for ways to streamline the experience you have with us.

Your credit union recorded another strong year of deposit growth in 2016. Members opened more than 960 new checking accounts during the year and accessed their accounts 24/7 from their phones, tablets and computers. More and more members are experiencing the ease of Mobile Banking, Interbank Transfers and Mobile Deposit. If someone asks you "Where is the nearest Mainstreet branch?" look no further than your iPhone or Android.

Our Mainstreet Retirement and Investment Center assisted members in the management of more than \$80 million assets. We also enhanced the way investment members view their holdings online, by combining savings, loan and investments accounts all on one easy-to-read dashboard.

On the lending side, Mainstreet helped 700 members save money by refinancing \$13 million in higher-interest rate vehicle loans held elsewhere. In addition, the low interest rate environment made mortgage loans popular options. Finally, we continued to provide a special loan product to honor our educational credit union roots. Our annual Classroom Cash loan provides an interest-free \$1000 loan for school employees to help with back-to-school expenses. Whether they need money to help buy classroom materials, technology or supplies for their own children, Mainstreet is here to help.

2016 also brought its share of change when it came to branch traffic. Our Lenexa Branch on 95th Street was "Ground Zero" for the Johnson County Gateway Highway project for eight months of the year. Road closures significantly reduced traffic to one of our busiest branches, and other locations saw increases as members migrated to conduct business. By year end, Lenexa Branch traffic returned to prior levels. Thank you to our members for your patience during the KDOT construction project.

Sincerely,

John D. Beverlin
President/CEO

Carol McNary
Chairman

Board of Directors

Chairman
Carol McNary

Secretary
Bill Frick

Vice Chairman
Dr. Gerald Baird

Treasurer
Gary Ulmer

Leslie Mackey, Paul Alvarado & Kevin Spritzer

Advisory Council
Bill Roush and Curt Heinz

Charitable Giving

Locations & Information

Full Service Branch Locations

Lenexa - 13001 W. 95th St.
Mission - 6025 Lamar Ave.
Wyandotte - 8245 State Ave.
Bonner Springs - 301 Oak St.
Olathe Downtown - 101 W. Loula St.
Olathe East - 14280 W. 135th St.
Leavenworth - 1608 S. 4th St.
Lawrence 23rd St. - 1001 E. 23rd St.
Lawrence-Merc - 901 Iowa St.
Barry Trail - 234 NE Barry Rd.

Satellite Branch Locations

(Limited and Restricted Services and Hours)
Honeywell
Shawnee Mission Medical Center

Lobby Hours

Monday - Friday 9:00 a.m. - 6:00 p.m.
Saturday 9:00 a.m. - 12:30 p.m.
Sunday 10:00 a.m. - 2:00 p.m. (Merc Only)

Drive-Thru Hours

Monday - Thursday 7:00 a.m. - 6:00 p.m.
Friday 7:00 a.m. - 7:00 p.m.
Saturday 9:00 a.m. - 12:30 p.m.
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2016 Annual Report



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Financial Statement

Assets

	2015	2016
Loans to members	\$185,643,111	\$213,706,014
Allowance for loan losses	(819,517)	(920,037)
Cash and equivalents	4,525,799	4,231,021
Investments	186,595,997	183,635,676
Fixed assets	8,967,112	8,615,159
Other assets	5,791,491	7,392,399

Total Assets	\$390,703,993	\$416,660,232
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Liabilities and Members' Equity

Other liabilities	\$4,219,942	\$4,519,961
Shares of members	352,292,566	377,925,419
Reserves	6,174,574	6,174,574
Undivided earnings	28,529,944	29,613,128
Unrealized gain/loss	(513,033)	(1,572,850)

Total Liabilities and Members' Equity	\$390,703,993	\$416,660,232
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Supervisory Committee Report

A primary responsibility of the Supervisory Committee is to ensure Mainstreet's financial statements are fair and accurate. In 2016 the Committee engaged the CPA firm Tenbrink and Associates to audit the financial statements, as well as internal procedures and policies, on our behalf.

Our duties include attending Board meetings to stay apprised of matters of governance and to meet with management as needed. The Committee receives and answers member complaint letters sent to our federal regulator, The National Credit Union Administration (NCUA), to ensure issues are addressed fairly.

On behalf of the Supervisory Committee, I am pleased to report to the members that all audits confirm the safety and soundness of the Credit Union's financial position. Any member issues directed to us by the NCUA have been resolved in a timely and fair manner.

Sincerely,

Leslie Mackey – Chairman

Income & Expense Statement

Income

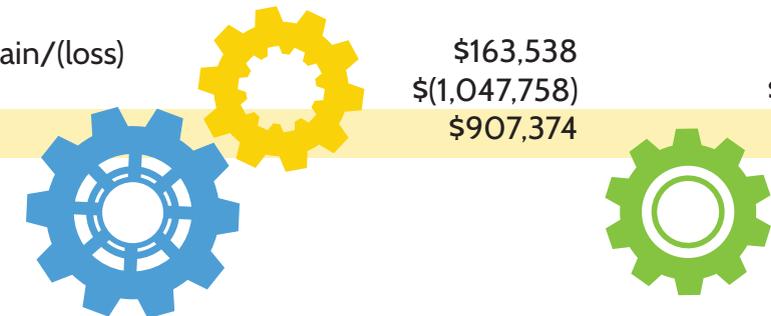
	2015	2016
Interest on members loans	\$8,376,437	\$8,948,069
Income from investments	1,973,645	2,479,809
Fees and charges	2,410,560	2,461,639
Other income	4,086,701	4,362,574

Total Gross Income	\$16,847,343	\$18,252,091
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Operating Expenses

Compensation and benefits	\$7,314,197	\$7,693,119
Travel and Conference expenses	79,147	75,410
Association dues	68,651	75,636
Office occupancy	1,049,198	1,097,634
Office operations	3,898,404	4,154,710
Marketing and contributions	818,197	776,987
Loan services expense	866,387	840,583
Professional and outside services	289,840	295,188
Provision for loan losses	(2,658)	846,926
Miscellaneous expenses	674,386	504,017
Total Operating Expenses	\$15,055,749	\$16,360,210

Non operating gain/(loss)	\$163,538	\$238,071
Dividends	\$(1,047,758)	\$(1,046,768)
Net Income	\$907,374	\$1,083,184



Thank you to our current Committee members: Leslie Mackey, Marjorie Dillon and Bill Roush.