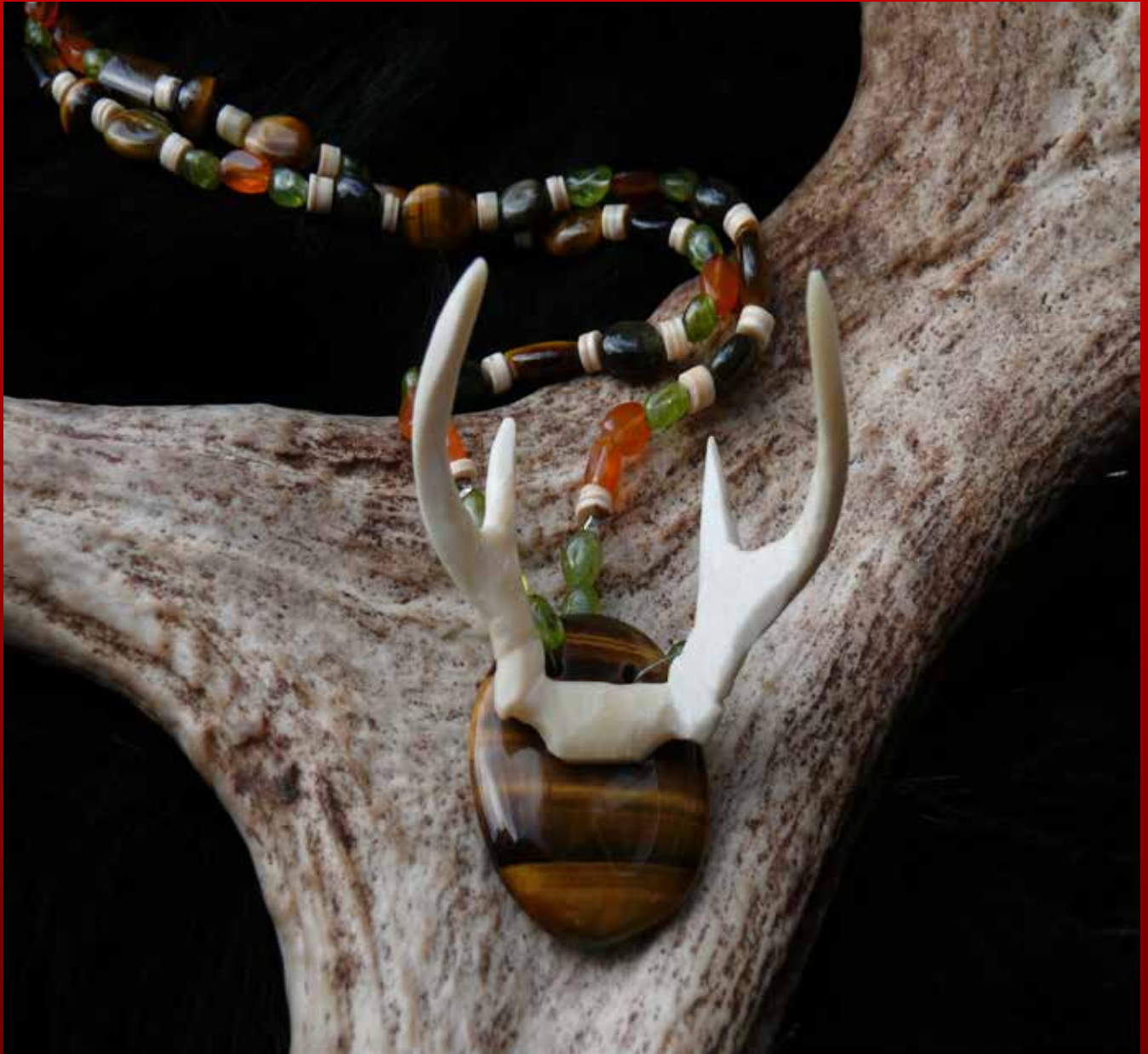


# Caisse Populaire Kahnawake

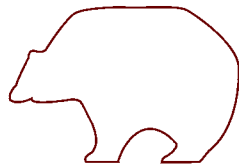
## 28th Annual Report



2014



**Tsi-iewwistaientakwa  
Caisse Populaire Kahnawake**



## NOTICE OF THE ANNUAL GENERAL MEETING

To Members of the Caisse Populaire Kahnawake:

You are hereby convened to the Annual General Meeting of the Caisse Populaire Kahnawake, which will take place on:

Date: Wednesday, April 29, 2015  
Time: 5:30 p.m.  
Location: 99 Restaurant - Route 138

At the meeting, members will receive information on the Caisse's Annual Report and the Board of Supervision Report. They will decide on the distribution of annual surplus earnings and vote on the payment of member dividends from the reserve. There will be an election of the Board of Directors and the Board of Supervision, and address any other items on the agenda. There will be two question periods, one directed to the Board of Directors and the other to the Board of Supervision.

### **Election**

Any person who is a full member of the Caisse shall be considered eligible, as long as that person has been a member for at least 90 days and eligible under the terms of the Act respecting financial services cooperatives and they do not hold a position that is incompatible with the Desjardins Group Code of Ethics and Professional Conduct. All candidates must consent, in writing, to a security check and a credit check and should begin to develop the knowledge and skills required to carry out the role of an Officer. Nominations may not be submitted at the General Meeting unless prior written notice, signed by a member and countersigned by the candidate, is given according to the rules defined by the Caisse Internal By-laws and remitted to the Caisse before closing time on April 10, 2015. Nomination forms are available at the Reception Desk of the Caisse Populaire Kahnawake during regular business hours.

### **Board of Directors with terms expiring in 2015 are as follows:**

Linda Deer, Vice President, Board of Directors  
Nelva Diabo, Board of Directors  
Marcy Delisle, Board of Directors

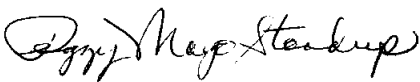
### **Board of Supervision with a term expiring in 2015 is as follows:**

Marilyn Johnson, Board of Supervision

(All members who wish to run for an elective position must complete a nomination form)

All members of the Caisse are cordially invited to attend and participate in the Annual General Meeting.

Signed this 9th day of March 2015



**Peggy Mayo-Standup**  
Secretary, Board of Directors

## **Annual General Meeting**

**Wednesday, April 29, 2015**

**5:30 p.m.**

### **Agenda**

- 1) Opening of the Meeting and Introduction of Guests
- 2) Approval of the Agenda
- 3) Approval of the Minutes of the last Annual General Meeting
- 4) Report of the Board of Directors
- 5) Report of the Board of Supervision
- 6) Presentation of the Financial Statements
- 7) Report of the use of the Community Development Project Fund
- 8) Adoption of the payment of member dividends from the reserve
- 9) Approval of the allocation of the year's surplus earnings
- 10) Elections of the Board of Directors
- 11) Elections of the Board of Supervision
- 12) Questions to the Board of Directors
- 13) Questions to the Board of Supervision
- 14) Closing
- 15) Presentation of the Business Achievement Award
- 16) 7th Annual Rita McComber/Caisse Populaire Kahnawake Volunteer Award
- 17) Dinner

## Message from the President of the Board of Directors

Dear Members,

On behalf of the elected officers of Caisse Populaire Kahnawake, I am pleased to present your Caisse's primary achievements for fiscal year 2014. The annual general meeting is a perfect time to share with you our latest successes and the challenges ahead. It is also an ideal opportunity for you to rediscover the benefits of being a member of your financial services cooperative.

### Results that measure up to our efforts

In 2014, your financial services cooperative recorded operating surplus earnings of \$2 211 000. This performance is due in large part to the Caisse's sound, prudent management and the quality of the products and services it offers.

These results encourage us to continue our mission, which is to offer services and solutions that meet your needs. We know you expect the very best, which is why we appreciate your business - it signals your satisfaction.

To ensure you enjoy the best business experience with your Caisse, we are continuing to focus on innovative products, the expertise of our staff and the quality of our personalized services.

In 2013, Autorité des marchés financiers identified Desjardins as an extremely important financial institution in Quebec. This recognition means the requirements imposed on Desjardins Group and the network of Caisses are more stringent, particularly in terms of capitalization. Your financial services cooperative must therefore proceed with caution when distributing its surplus earnings. A strong capital base is not only a regulatory requirement, it is also the foundation of our future growth and our ability to offer you competitive services.

### Changing with the times

With nearly 115 years of history, Desjardins stands out for its ability to adapt. The past 30 years have been particularly ripe with progress and innovation. The advent of ATMs, direct payment, the Internet and mobile services ensures that you can make transactions 24 hours a day, 7 days a week. You can even save with just a click using the Hop 'n S@ve app or turn your phone into a change purse using mobile payment. We're innovating so that you can enjoy the best solutions tailored to your needs using the latest technology.

If you wish to get involved in your Caisse, we invite you to express your interest in becoming an elected officer. Feel free to talk to an existing officer, the Caisse's senior management or an employee. They will guide you up to the election process. The constructive role elected officers play is important to ensuring that your Caisse is as representative of its members as possible.

### Benefits of the cooperative model

Last year was marked by the launch of Desjardins Member Advantages, which are exclusive privileges reserved just for you. Visit [desjardins.com](http://desjardins.com) to discover or rediscover the benefits of being a Desjardins member, including discounts at various retailers, cash back, access to financial tools and many more day-to-day privileges.

Desjardins newsletter is another way to discover exclusive Desjardins offers and includes tips on improving your financial life. If you wish to receive the Desjardins newsletter, please let us know or log on to [desjardins.com](http://desjardins.com).

Desjardins also has a special area dedicated to financial education and cooperation in the *Co-opme* section of its website. It features tools that make it easier to take charge of your personal finances and offers many examples demonstrating that cooperation fosters long-term prosperity.

**Let's share our pride**

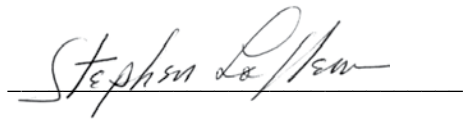
The more of us working together, the more we can give back to our community. In 2014, the Caisse redistributed approximately \$100 000 to local organizations to carry out exciting projects. Each year Desjardins Group redistributes nearly \$1 million per day to its members and communities.

We can be proud of being part of a group that stands apart for its capacity for innovation, the quality of its expertise and its community involvement. Named the second strongest financial institution in the world and ranked first in North America by financial news agency Bloomberg News, Desjardins Group is also exceptionally sound. Furthermore, our group represents incomparable human strength: Desjardins is one of the *50 Best Employers in Canada* according to Aon Hewitt. Over 45 000 people in Canada's leading cooperative financial group are working for you.

Lastly, I would like to thank Mandie Montour, General Manager for her firm-handed management of the Caisse's affairs. I also applaud the dedication of all the employees, who work tirelessly to improve your experience as members.

Your trust is, as always, our leading source of motivation, and we thank you very much for that.

Let's work together in cooperation for lasting prosperity!



*Stephen Lafleur*  
President, Board of Directors



- Linda Deer, Vice President, Board of Directors
- Peggy Mayo Standup, Secretary, Board of Directors
- Wayne Rice, Board of Directors
- Thomas Lahache, Board of Directors
- Nelva Diabo, Board of Directors
- Marcy Delisle, Board of Directors

## Report from the Chair of the Board of Supervision

The Board of Supervision is the Desjardins Caisse network's own governance body. Under the *Act respecting financial services cooperatives*, it has a specific purpose, i.e., to ensure compliance with the Caisse's ethical and cooperative aspects.

### Desjardins' Code of Ethics

The purpose of Desjardins' Code of Ethics is to ensure consistency between the Caisse's communications, decisions and actions. It is the thread that binds the fulfillment of Desjardins' mission, the integration of its values in daily practices and the compliance of officers and employees with their ethical obligations. Desjardins relies on the commitment of individuals to ensure such consistency and fulfill its mission.

Desjardins' Code of Ethics is rooted in:

- Its cooperative identity
- The values it shares with thousands of cooperatives around the world, i.e., members of the International Co-operative Alliance, and its own values
- The implementation of these values in practice to fulfill its mission

The purpose of the mission and values is to guide Desjardins officers and employees in making appropriate decisions. It is up to these individuals to draw inspiration from them to guide their decisions and actions and give meaning to the ethical obligations they agree to uphold.

### Reminder of the main rules of professional conduct

Desjardins assigns the highest level of importance to integrity, which helps maintain a strong bond of trust with members, business partners, the community and government authorities.

To give meaning to the commitment of its officers and employees and motivate them to uphold the ethical principles and rules that make up its Code of Ethics and Professional Conduct, Desjardins relies on a certain complementarities between ethics and rules of professional conduct. The Code provides officers, employees and managers with a framework that sets out the behaviours that are expected of them as well as those that are not acceptable in the normal course of their professional duties at Desjardins.

In accordance with the various legal provisions, below is a supervision report concerning three rules of professional conduct.

1. Conflict of interest

The Code of Ethics and Professional Conduct is based on rules, many of which are designed to cover different situations where the personal interests of officers, employees, managers or other individuals may come into conflict with the Caisse's interests.

The Board of Supervision declares that no conflict of interest situations were noted.

2. Deposits from and loans to restricted parties<sup>1</sup>

The Caisse may not grant a restricted party terms more favourable than those it applies in the normal course of its business when it accepts a deposit or grants credit.

In the past year, the Board of Supervision noted no exceptions to the professional rule of conduct regarding deposits accepted by the Caisse from restricted parties or to the professional rules of conduct regarding credit granted to restricted parties and the handling of irregular situations concerning such credit.

Please note that the loans granted to restricted parties of the Caisse and their associated person totaled \$23 634 for the past fiscal year.

### 3. Contracts granted to restricted parties<sup>2</sup> subject to the Code

The Caisse may sign a contract with an officer, an employee, an individual associated with an officer or employee or an immediate family member of an officer or employee in accordance with the terms of the Code of Ethics and Professional Conduct. As such:

The Caisse did not grant any contracts to any restricted parties subject to the Desjardins Code of Ethics and Professional Conduct or any associated persons.

### **Supervision of cooperative aspects**

In keeping with the Desjardins mission, the board ensured that your Caisse is contributing to the economic and social well-being of individuals and the community.

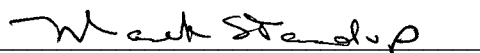
Last year, we noted that the Caisse's manager and employees made a special effort to gauge your satisfaction and take concrete action to improve the way it delivers services.

The members of the Board of Supervision also noted that the Caisse promoted cooperative, financial and economic education to its members. This took the form of various activities involving: Retirement Planning, Estate/Will Writing and Mortgage Workshops.

The Board of Supervision ensured that the responsibilities of the Board of Directors were fulfilled and the limits of the powers conferred on committees established by the board were observed. With regard to decisions made by the Board of Directors, the Board of Supervision also ensured the continued promotion of Desjardins' cooperative nature and the incorporation of its values.

The Caisse's officers created an action plan designed to further their knowledge and develop their skills in order to comply with the requirements of the regulatory authorities.

In conclusion, integrity, education, member satisfaction and community involvement are priorities for the Caisse for the coming years. The Board of Supervision is committed to working with the Caisse's Board of Directors and senior management and continuing its efforts to effectively meet these challenges.



Mark Standup  
Chair, Board of Supervision

Mark Jocks, Secretary, Board of Supervision  
Marilyn Johnson, Board of Supervision



<sup>1</sup>Restricted parties: Officers of the Caisse and the Federation as well as individuals associated with them; a corporation or company, the majority of whose directors or officers are also officers of the Caisse or Federation.

<sup>2</sup>Restricted parties: Restricted parties, employees and associated person and immediate family members of the Caisse officers and employees.



## Message from the General Manager

Dear Members,

In 2014 your Caisse continued its mission to meet all your financial needs by offering you access to the most comprehensive range of products and services on the market.

Offering members and clients a first-rate business experience remains one of our primary objectives for this year. In addition to ensuring you are provided with excellent service, your Caisse and Desjardins Group will continue to develop financial tools and exclusive new benefits for all our members. Every effort is being made to ensure that Desjardins remains your financial institution *par excellence*.

Below are the financial results of Caisse Populaire Kahnawake and the share of net income from business at Desjardins Group subsidiaries as at December 31, 2014.

These results are directly related to your trust in us, and we are very grateful for that. Thanks to the loyalty of our 5 415 members, we can all benefit from the power of cooperation and support our business development.

### BUSINESS UNDER MANAGEMENT

#### Change in business volume (\$M)

	2010	2011	2012	2013	2014
Savings and Investments*	199,4	199,8	212,6	220,4	232,1
Financing*	47,2	50,0	52,3	60,4	62,1

\*Total balance sheet and Desjardins components (off balance sheet)

Backed by \$294 225 500 in business volume under management, up 4,8 % over 2013, the Caisse is well positioned in its market. Through its membership in Desjardins Group and participation in Desjardins Group subsidiaries, the Caisse has access to a comprehensive range of financial products.

### SAVINGS AND INVESTMENTS

#### Change in savings and investments (\$M)

	2010	2011	2012	2013	2014
Caisse	191,2	192,6	205,4	213,4	225,8
Components	8,2	7,2	7,2	7,0	6,3

The savings and investments of the Caisse and the Desjardins Group components grew by 5,3% over last year to \$232 116 700. In addition to the Caisse's savings offer, members have access to an impressive array of financial products and insurance all under one roof, whether it be investment funds, securities or discretionary management services offered by Desjardins components.

**FINANCING****Change in financing (\$M)**

	2010	2011	2012	2013	2014
Caisse	45,2	47,7	49,6	56,2	57,8
Components	2,1	2,4	2,8	4,2	4,3

The total financing of the Caisse and the Desjardins Group components is \$62 108 900 with an overall increase of 2.8% this year. Loans, which make up the bulk of the Caisse's business, increased by 2,9%, while financing with components grew slightly by 1,3%.

**COMMENTS ON FINANCIAL STATEMENTS****BALANCE SHEET****Change in balance sheet (\$M)**

	2010	2011	2012	2013	2014	2013/2014 Variance %
Assets	211,1	216,0	229,7	241,7	253,8	5,0
Liabilities	198,5	201,3	213,6	223,7	234,3	4,7
Equity	12,6	14,7	16,1	17,9	19,5	9,0

Your financial cooperative's assets total \$253 810 000, up 5,0% over last year.

The Caisse's liabilities total \$234 292 000, representing an increase of 4,7%. Your Caisse's borrowing decreased by 14.8% and now totals \$4 081 000.

As at December 31, 2014, your cooperative's equity posted strong growth, rising to \$19 518 000, a 9,0% increase. Besides social capital, equity comprised \$1 521 000 in surplus earnings to be distributed, \$241 000 in accumulated other comprehensive income and \$17 729 000 in reserves.

Your Caisse has \$1 006 000 in its reserve for future dividends. Your Caisse has also accumulated \$160 000 in the Community Development Project Fund. The Caisse's capital base is at a level that is in accordance with the standard respecting capital base adequacy established by the Federation.

**STATEMENT OF INCOME**

During the last fiscal year, your Caisse generated \$2 211 000 in operating surplus earnings, up 7,1% over the previous year.

**Change in income statement (\$M)**

	2013 (\$M)	2014 (\$M)	Variance (%)
<b>Interest Income</b>	6,4	6,4	-0,2
<b>Interest Charges</b>	2,2	2,2	1,5
<b>Net Interest Income</b>	4,3	4,2	-1,1
<b>Provision and Losses on Loans</b>	0,1	-0,1	-183,6
<b>Other Income</b>	1,7	1,7	-3,0
<b>Other Charges</b>	3,8	3,8	-0,3
<b>Operating Surplus Earnings*</b>	2,1	2,2	7,1

\* Operating surplus earnings include Community Development Fund expenses.

**Change in income and interest charges (\$M)**

	2010	2011	2012	2013	2014	2013/2014 Variance %
Interest Income	5,8	6,5	6,5	6,4	6,4	-0,2
Interest Charges	1,6	2,2	2,1	2,2	2,2	1,5

Interest income totaled \$6 402 000, down -0,2 % over last year. Due to our members' discipline in meeting their financial commitments, the Caisse did not experience any losses on loans. In fact, it recovered \$107 000.

Other income, primarily from deposit administration, totaled \$1 690 000, down 3,0% over last year.

Other expenses showed a slight decrease overall, with a 0,3% variance, for a total of \$3 797 000.

At the close of 2014, the Caisse generated \$2 475 000 in surplus earnings before dividends, up 6,6% over the previous year.

This year, we propose distributing a dividend of \$505 000 and contributing \$60 000 to the Community Development Project Fund in the form of a group dividend.

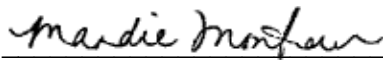
The selected amounts were determined based on the importance of striking a balance between the distribution of surplus earnings, growth and capitalization. Like Desjardins Group in its entirety, your Caisse must ensure strong capitalization despite the current environment. The new international standards applied to financial institutions, initiated by the Basel agreements, require us to review products that comprise our capital. By ensuring the right balance between financial market rules and regulations and our members' needs, we can ensure the sustainable development of our Caisse.

### **A team dedicated to you**

All the Caisse's employees are there to help you benefit from their expertise. Our team of twenty-nine employees is ready to help you achieve your financial objectives and fulfill your plans.

I would also like to point out the contribution of our elected officers. Their dedication to the Caisse and the community enables us to promote our unique cooperative character.

Together, we are working in cooperation to create a stronger institution and a more vibrant community!



Mandie Montour, General Manager



## INVESTMENT FUNDS

The investments that caisses hold in investment funds allow Fédération des caisses Desjardins du Québec to coordinate investments in Desjardins Group subsidiaries and regional investments.

Through their activities, these subsidiaries enable caisses to expand their involvement by offering a full range of financial products and services to individuals, groups of individuals and businesses.

The table below indicates the Caisse's interest in each investment fund and the return on it at the end of the fiscal year.

Provincial fund	Shares held as at December 31, 2014	Average return
Caisse centrale Desjardins (CCD)	\$4 860 323	7,19%
Société de Services des caisses Desjardins (SER)	\$0	0%
Desjardins Venture Capital (INV)	\$41 073	47,78%
Northwest and Ethical, Desjardins Securities (RF1)	\$0	7,80%
Desjardins Financial Corporation (FIN5A)	\$3 835 484	12,86%





## Cooperative Difference Report

**A**s a financial cooperative, your Caisse pays particular attention to the satisfaction of its members. A number of initiatives were undertaken in the past year to ensure that our members see a concrete advantage to doing business with Desjardins.

### **Your Caisse: Local, committed and beneficial to you**

There are many advantages to being a member of your Caisse! In 2014, Desjardins launched the Desjardins Member Advantages program, which enables you to enjoy many benefits. Whether it's savings on your financial products, free assistance services, discounts at retailers or VIP privileges, you're sure to find an advantage you can enjoy. To learn more, visit [desjardins.com/advantages](http://desjardins.com/advantages).

### **An incomparable commitment to sustainable community development**

Your Caisse is also committed to investing in its community via the Community Development Project Fund. It has supported the following projects:

- Echoes of a Proud Nation Pow Wow - \$5 000
- Kanien'keha:ka Onkwawen:na Ratitiohkwa - \$6 620
- Karihwanoron Kanienkeha Owenna Tsi Ionteriwaienstahkwa – \$17 240
- Karonhianonhnha Ionterihwaienstahkhwa - \$5 000
- Kateri Memorial Foundation - \$5 000
- KSCS Home & Community Care Services/Turtle Bay Elder's Lodge - \$5 000
- MCK Sports and Recreation Unit - \$4 000
- Tsi Niionkwariho:ten Tsitewahahara'n Center - \$6 240
- Walk In My World - \$5 900

Thanks to this fund, it has invested \$60 000 this year.

Your Caisse also granted approximately \$40 000 in sponsorships and donations to support the following projects:

- Kahnawake Education Center Aboriginal Science Fair
- Kahnawake Youth Center
- National Aboriginal Hockey Tournament
- Holiday Parade
- North American Indigenous Games
- Kahnawake Library, etc.

To fulfill its cooperative and financial education mission, the Caisse Populaire Kahnawake awarded three University, two C.E.G.E.P., and one Vocational scholarship. The Caisse also continues to provide our Community Schools (Kateri, Indian Way, Karonhianonhnha) with a School Caisse and provides our youth with workshops/information sessions on Saving, Budgeting and Career Building Skills.

### **Financial management that benefits you**

Desjardins has dedicated a section of its website to content on financial and cooperative education under the tab *Co-opme*, where members will find advice, simulators, blogs, videos and tools to make it easier to manage their personal finances.

This year Desjardins launched *Hop 'n S@ve*, a tool that helps you have fun saving in a High Interest Savings Account. Other initiatives such as the second season of the *Charly and Max get involved* interactive game, the *Preparing for the future: Youth and finance* page and the *Personal Finance: I'm in Charge* program help diversify Desjardins' financial education opportunities by adapting to the realities of young people, whether they're 6 or 30.

Feel free to consult our team and website to get practical tips, support and tools to carry out your projects and manage your finances. There are so many advantages to being a member of your Caisse!

## **Mrs. Rita McComber / Caisse Populaire Kahnawake Volunteer Award**

**T**he 2014 recipient of the Rita McComber Volunteer Award was Joann White Patton. Joann is a long standing member of the Mohawk Spirit and has taken part in many other fundraising activities that support the life of the Community, helping at fundraising golf tournaments, United Church activities and accompanied elders on medical appointments. This is just a few of the volunteer activities she has been involved in and continues to be involved. Therefore, the McComber Family and the Caisse Populaire Kahnawake is proud to acknowledge Joann as an outstanding volunteer.

Niá wen'ko:wa for your commitment to serving our community.



Presenting the Volunteer Award to Joann Patton, representing the McComber Family, Lauren McComber, representing the Caisse Populaire Kahnawake, Mandie Montour, General Manager and Stephen Lafleur, President, Board of Directors.

## Business Achievement Award

The Caisse Populaire Kahnawake also presents a community member a Business Achievement Award. The 2014 recipient was Mr. & Mrs. John Diabo, owners and operators of the Wolf's Den.

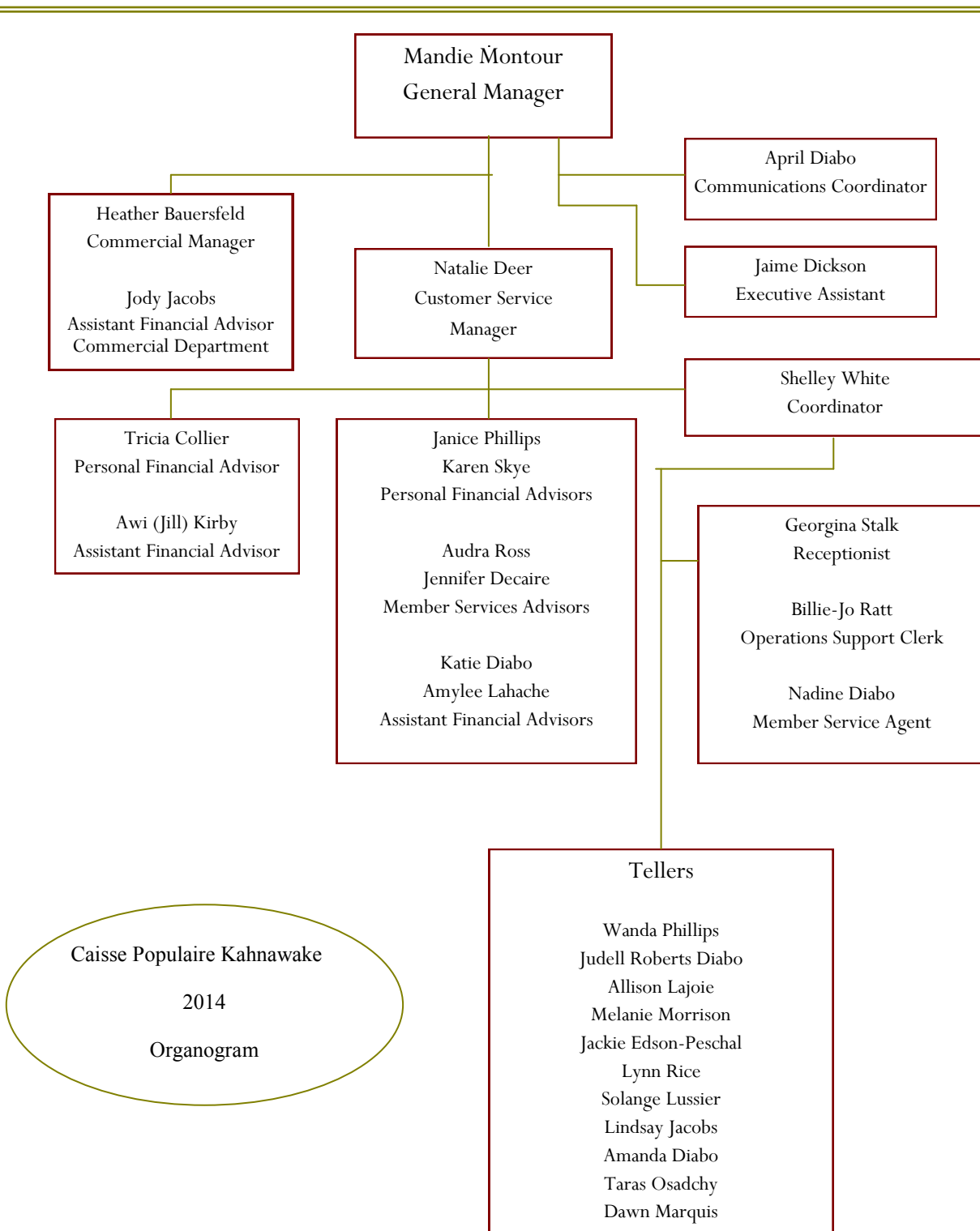
Mr. & Mrs. Diabo have sustained their business selling native arts and crafts for over 20 years. The dedication to maintain their business is truly an accomplishment and deserving of the Caisse Populaire Kahnawake's Business Achievement Award.



Presenting the award for Caisse Populaire Kahnawake is Heather Bauersfeld, Commercial Manager, Mandie Montour, General Manager and Stephen Lafleur, President, Board of Directors. Accepting on behalf of Wolf's Den is co/owner Doreen Diabo; (missing) John Diabo.



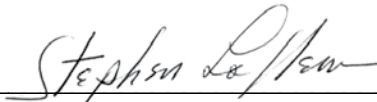




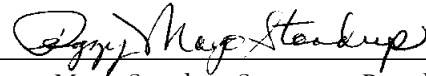
Caisse Populaire Kahnawake  
2014  
Organogram

## Approval of the Annual Report

**W**e certify that the 28th Annual Report of the Caisse Populaire Kahnawake meets the requirements of the Act Respecting Financial Services Cooperatives and has been duly approved by the Caisse's Board of Directors.



Stephen Lafleur, President, Board of Directors



Peggy Mayo-Standup, Secretary, Board of Directors

### Acknowledgements

Content	April Diabo
Editing	Heather Bauersfeld
Cover	Patrick (Paddy) Phillips
Layout	Anishinabe Printing/April Diabo
Printing	Anishinabe Printing

### Hours of Operation

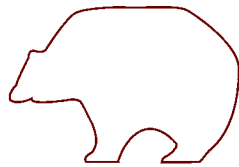
Teller Service		Advisor Service	
Monday - Wednesday	9:30 - 3:30	Monday - Wednesday	9:00 - 3:30
Thursday	9:30 - 7:00	Thursday	9:00 - 7:00
Friday	9:30 - 5:00	Friday	9:00 - 5:00
Saturday	9:00 - 12:00	Saturday	9:00 - 12:00



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**Tsi-iewwistaientakwa  
Caisse Populaire Kahnawake**





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