



Kahnawà:ke Ratitsénhaiens

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Tsi Nahóten Karihwanákere No'nenk News Release

MCK Budget 2014-2015 released

For immediate release

(Kahnawà:ke – 26, Enniskó:wa/March 2014) The Mohawk Council of Kahnawà:ke (MCK) has finalized its 2014-2015 Budget for the upcoming fiscal year (April 2014 to March 2015). The new budget totals **\$43,348,206**, a decrease of **\$168,014** from the previous year, which marks the first time that the overall projected budget has **decreased** from the previous year.

Revenues continue to decrease in major areas including funding from Aboriginal Affairs (AANDC) as well as lower than expected revenues from the issuing of tickets & fines, the sports complex and the Kahnawake Gaming Commission (KGC). On the expense side, the number of community members on social assistance has increased by 30% since 2009 and is projected to surpass \$6 million this fiscal year. These significant factors led to the first draft of the budget being over \$2 million in deficit.

In order to fund the difference between revenues and expenses the following measures were taken:

- Eight (8) vacant positions will not be filled this fiscal year, approximately \$300,000 in savings;
- The administration cost of MCK programs was reduced by 2%, approximately \$200,000 in savings;
- A cost of living adjustment (COLA) was not applied to MCK employee salaries, approximately \$250,000 in savings;
- Appropriated reserve funds were used to fund various MCK programs, approximately \$1.4 million of reserves

Moving forward, an internal MCK Organizational Review will continue to change the internal structure of the organization, which will improve how the MCK functions. The entire MCK is moving towards a teamwork approach where all units will work closer together and share responsibilities and resources. There is also an ongoing Comprehensive Financial Plan (CFP) in its second of three years. The CFP reviews all current functions as it relates to revenues and expenses. A series of projects will be completed in order to improve efficiency, increase revenues and reduce annual expenses where possible. It is expected that the results of the Organizational Review and CFP will save the MCK money in the future and reduce annual spending.

"At the rate we are going and with little revenue coming in, we are on target to deplete the reserves in four years," said Grand Chief Mike Ahrihron Delisle Jr. "Last year, I stated that that we cannot continue to utilize appropriated funds to cover deficits. While I regretfully agree to support the required usage of reserves, I reiterate that we cannot continue to sustain operations without new sources of revenues. I applaud the efforts of the MCK financial team for finding solutions to ensure a zero balanced budget and the efforts of all of the MCK employees that have been obliged to work together to find realistic methods to reduce annual expenses. The Organizational Review and Comprehensive Financial Plan (CFP) are steps in the right direction but it is not enough."

The MCK has had an average operating deficit of \$2 million for the past five years. As far back as 2009 this deficit was funded through a combination of unexpected revenues and the use of appropriate reserves. Expenses continue to exceed revenues and without significant revenue generation the gap will continue to grow. It has become clear that difficult decisions will need to be made over the next two fiscal years in order to truly balance the MCK budget without the use of appropriated reserves.

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