

HOMES. HEALTH. HOPE.



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CHEROKEE NATION®

Popular Annual Financial Report
for the fiscal year ended September 30, 2014





Table of Contents

Introduction	3
About Cherokee Nation	4
Sources & Uses of Funds	5
Financial Highlights	6-7
Homes	8-9
Health	10-11
Hope	12-13
Component Units	14
Directory	15

Dear Cherokee Nation Citizen,

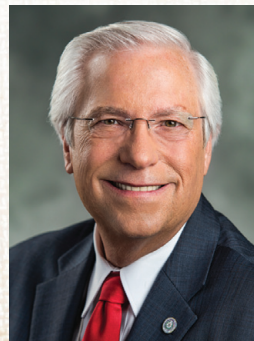
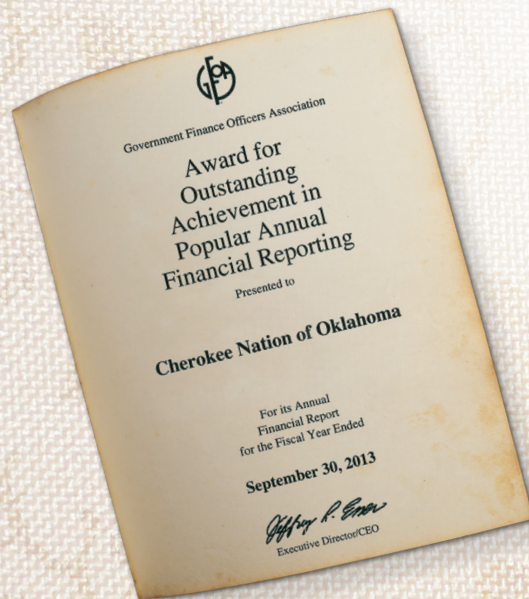
We are pleased to present the Cherokee Nation’s third Popular Annual Financial Report. This report was prepared for you and is part of our continuing effort to keep you better informed. Many of you have asked for financial information and highlights of the Cherokee Nation in a format that is easy to read and understand. In this report, you will find financial and statistical information about the Cherokee Nation and its service departments and programs, specifically those serving our mission to the Cherokee people: “Homes, Health and Hope.”

The information in this report summarizes the Cherokee Nation’s financial position based on the detailed financial statements found within our Fiscal Year 2014 Comprehensive Annual Financial Report (CAFR). The financial statements were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by an independent accounting firm. Cherokee Nation received an unmodified, or clean, audit opinion. For additional information and details, please visit www.cherokee.org to view the current year’s CAFR.

The balances presented in this report are for the general government and are presented in an unaudited, non-GAAP format. Cherokee Nation’s subsidiary component units contact and general information can be found on pages 14 and 15.

We deeply appreciate and thank the Cherokee Nation’s professional staff in Financial Resources and Communications for their time and talent in preparing this report.

Thank you for taking the time to read this report. It is our honor and privilege to serve you.



Bill John Baker
 Bill John Baker
 Principal Chief



S. Joe Crittenden
 S. Joe Crittenden
 Deputy Principal Chief



Lacey A. Horn
 Lacey A. Horn
 Treasurer



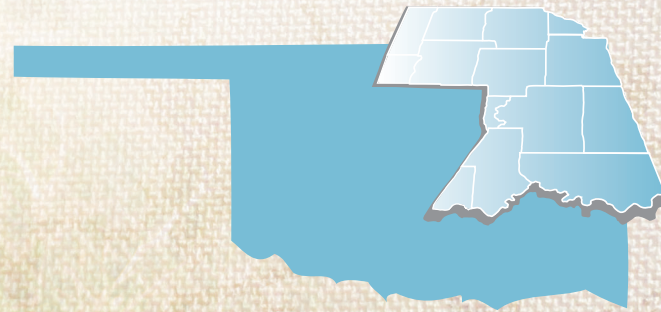
ᎠᏍᎩ Osiyo!

The Cherokee Nation is a sovereign tribal government. Upon settling in Indian Territory (present day Oklahoma) after the Indian Removal Act, the Cherokee people established a new government in what is now the city of Tahlequah, Oklahoma. A constitution was adopted on September 6, 1839, 68 years prior to Oklahoma's statehood.

Today, the Cherokee Nation is the largest tribe in the United States with more than 300,000 citizens worldwide. More than 118,000 Cherokee Nation citizens reside within 14-county tribal jurisdiction that covers most of northeastern Oklahoma.

The services we provide include health and human services, education, employment, housing, economic and infrastructure development and environmental protection.

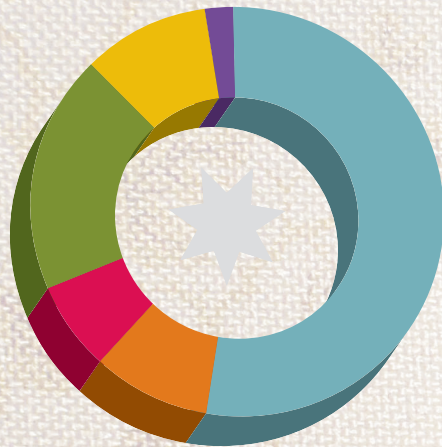
With more than 9,500 employees, Cherokee Nation and its subsidiary component units are, collectively, one of the largest employers in northeastern Oklahoma. The tribe has a widespread positive impact on the Oklahoma economy.



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Where the Money Comes From

2014 Sources



- ★ Operating Grants & Donations : 53%
- ★ Charges for Services : 19%
- ★ Increase in Equity : 10%
- ★ Dividends : 9%
- ★ Taxes : 7%
- ★ Unrestricted Grants & Donations : 2%

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Where the Money Goes

2014 Uses



- ★ Health Services : 56%
- ★ Community Services : 17%
- ★ Education : 12%
- ★ Human Services : 9%
- ★ Tribal Government : 6%

SOURCES & USES OF FUNDS

Capital Projects in 2014

Many capital projects in the Cherokee Nation were underway in 2014. Focusing on providing care for Cherokees young and old, we invested \$3.8 million dollars into state-of-the-art facilities so that our citizens can have better and easier access to services.

Progress continued in FY2014 on our \$100 million capital project partnership between Cherokee Nation and Cherokee Nation Businesses to expand four outpatient health centers and the W. W. Hastings Hospital.



The Cherokee Nation invested \$3.1 million to build a new, award-winning design facility for the Jack Brown Center, a substance abuse treatment program for Native youth. In 2014, the center served 74 teens and the new facility will increase its capacity by providing 20 additional beds for students needing services.

Statement of Net Position

Assets

	TOTAL
Cash and cash equivalents	\$ 263,588,000
Investments	11,774,000
Accounts receivable, net	21,767,000
Due from Component Units **	5,696,000
Inventories	4,342,000
Notes receivable	2,440,000
Other current assets	9,169,000
Restricted cash, cash equivalents and investments	43,679,000
Long-term notes receivable	11,747,000
Other assets	2,975,000
Equity interests in Component Units **	694,617,000
Capital assets, non depreciable	24,741,000
Capital assets, depreciable, net	143,874,000

TOTAL ASSETS **1,240,409,000**

Deferred Outflow of Resources **608,000**

Liabilities

Accounts payable	17,181,000
Accrued liabilities	31,438,000
Other current liabilities	12,433,000
Unearned revenue	135,275,000
Notes payable and long-term debt	40,535,000
Compensated absences	6,814,000
Derivative instrument - rate swap	608,000
Other noncurrent liabilities	2,916,000

TOTAL LIABILITIES **247,200,000**

Net Position

Net investment in capital assets	135,830,000
Restricted	797,676,000
Unrestricted	60,311,000

TOTAL NET POSITION **993,817,000**

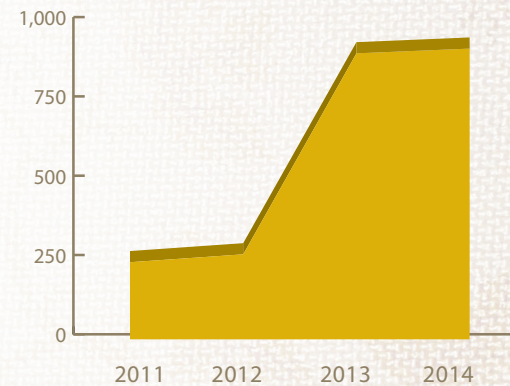
**Component Units listed on page 14.

Indian Health Services Settlement

In FY2014, the Cherokee Nation successfully negotiated the largest settlement ever received in the history of the tribe. Indian Health Services, a federal agency, is required to pay Cherokee Nation a percentage each year for contract support costs which went underpaid for many years. The net settlement to the tribe totaled \$24.9 million.

Net Position

(amounts expressed in millions)



Year **Net Position**

2011 \$ 244.4m

2012 \$ 269.3m

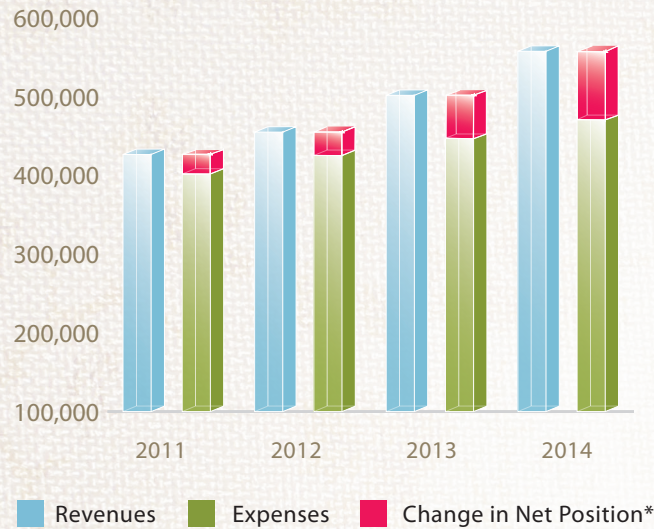
2013 \$ 907.6m

2014 \$ 993.8m

For additional information, please see notes to basic financial statements in the CAFR at www.cherokee.org

As of September 30, 2014

Statement of Activities



*Net position is the value of revenue over expenses.

Year	Revenues	- Expenses	= Change in Net Position
2011	\$ 433.8m	\$ 411.8m	\$ 22.0m
2012	\$ 462.2m	\$ 437.3m	\$ 24.9m
2013	\$ 509.2m	\$ 457.3m	\$ 51.9m
2014	\$ 564.8m	\$ 478.6m	\$ 86.2m

For additional information, please see notes to basic financial statements in the CAFR at www.cherokee.org

Statement of Activities Functions/Programs

	TOTAL
General revenues:	
Motor fuel tax	\$ 7,733,000
Motor vehicle tax	11,654,000
Tobacco tax	13,466,000
Sales tax	3,506,000
Unrestricted grants and contributions	12,503,000
Unrestricted investment earnings	635,000
Dividends from Component Units **	47,392,000
Increase in equity in Component Units **	52,251,000
Special item, settlement proceeds	24,860,000
Special item, transfer of operations	953,000
Miscellaneous revenue	5,695,000
Total general revenues:	180,648,000
Program revenues:	
Services	99,033,000
Operating grants	283,024,000
Capital grants	2,054,000
Total program revenues:	384,111,000
TOTAL GENERAL REVENUES AND TRANSFERS	564,759,000
Governmental activities:	
Tribal government	26,464,000
Health services	266,606,000
Education services	59,753,000
Human services	40,917,000
Community services	82,796,000
Interest on long-term debt	1,274,000
Total governmental activities:	477,810,000
Business-type activities:	790,000
TOTAL EXPENSES	478,600,000
CHANGE IN NET POSITION	86,159,000
Net Position - beginning	907,658,000
NET POSITION - ENDING	\$ 993,817,000

** Component Units listed on page 14.



Among Cherokee Nation's top priorities is for Cherokees to have safe, functional and affordable homes and utilities. Cherokee Nation and its subsidiary component unit, the Housing Authority of the Cherokee Nation, operate several housing programs.

2,671

LIHEAP RECIPIENTS - LOW INCOME HOUSEHOLDS ASSISTED WITH UTILITY PAYMENTS

38

FAMILIES COMPLETED COUNSELING AND OBTAINED MORTGAGE FINANCING

1,880

FAMILIES SERVED THROUGH RENTAL ASSISTANCE

169

FAMILIES BOUGHT A NEW HOME THROUGH THE MORTGAGE ASSISTANCE PROGRAM

563

HOMES ASSISTED WITH HOUSING ACCESSIBILITY OR EMERGENCY REPAIRS



Elder Assistance

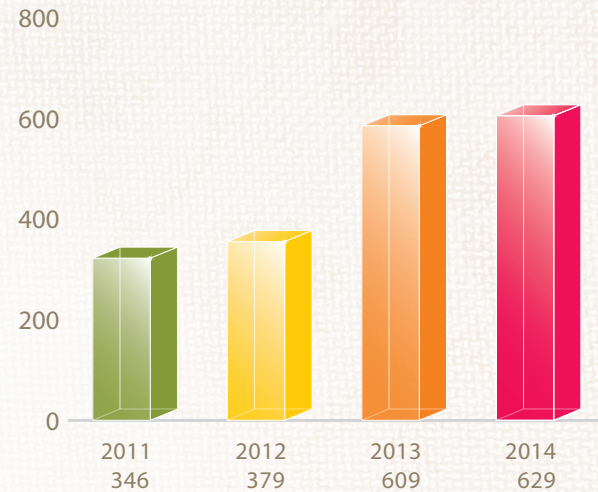
28,210 Meals served at nutrition sites
 10,208 Warm meals delivered to homes
 1,282 Elders In Need payments
 443 Assisted with housing
 329 Cherokee Elders received supportive services to advocate on their behalf



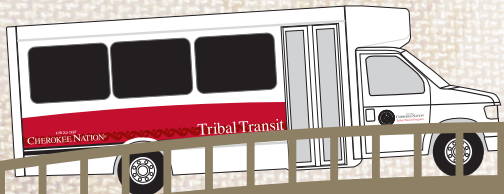
Housing Authority of the Cherokee Nation

The Housing Authority of the Cherokee Nation is dedicated to helping Cherokees with their housing needs. In FY2014, the HACN had 403 new homes in progress.

Homes Rehabilitated



Community Services Projects



16

WATER LINE PROJECTS

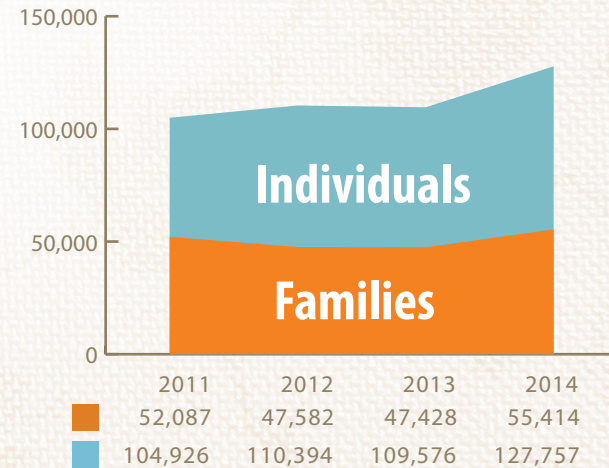
28

ROAD & BRIDGE PROJECTS

68.84

MILES OF ROAD & BRIDGE DEVELOPMENT

Food Distribution Recipients





Health and wellness are a top priority for our administration. The Cherokee Nation is determined to set the standard for exceptional health care. The Cherokee Nation's \$100 million health care capital improvement plan demonstrates our dedication to creating a world-class health care system that is more accessible.

3,871

PATIENTS WERE ASSISTED THROUGH CANCER PREVENTION PROGRAMS

83,957

WOMEN, INFANTS AND CHILDREN RECEIVED FOOD THROUGH WIC PROGRAM

11,880

DIABETES PATIENTS RECEIVED MEDICAL EQUIPMENT AND SUPPLIES

1,927,395

PHARMACY PRESCRIPTIONS FILLED

4,765

CALLS RESPONDED TO BY CHEROKEE NATION EMERGENCY MEDICAL SERVICES

Environmental Health



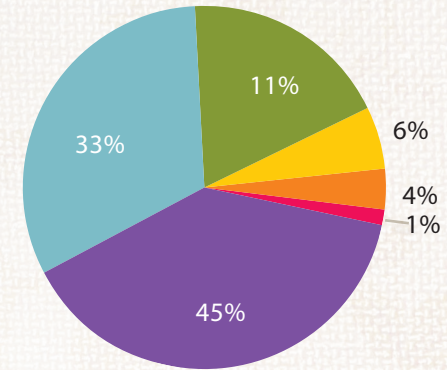
Provides tribal citizens with services and information needed to lead environmentally-healthy lifestyles. This program assisted in 523 cases of compliance in fiscal year 2014.

WIC Program



In fiscal year 2014, Cherokee Nation Health Services WIC program provided 2,698 breastfeeding mothers with a lactation specialist.

Patient Visits by Type



Primary provider	358,759
Dental	68,637
Behavioral Health	13,683
Optometry	41,420
Pharmacy	484,595
Other visits*	123,144

*Other visits include public health nursing, WIC, education, dietary and lab.

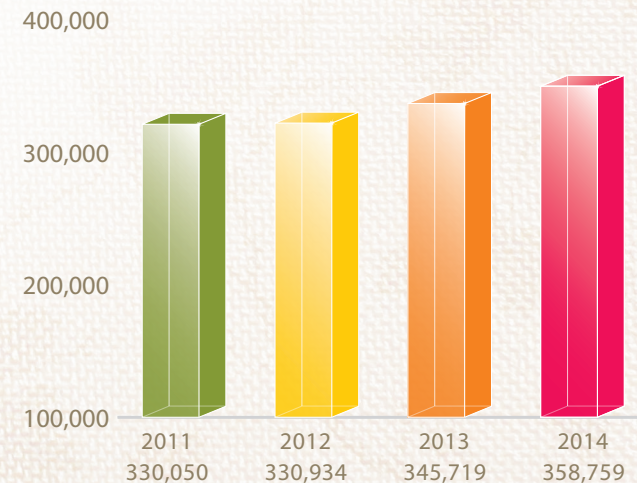
Patient Visits by Location

Wilma P. Mankiller Health Center	118k
Redbird Smith Health Center	117k
Sam Hider Health Center	84k
AMO Salina Health Center	96k
Will Rogers Health Center	53k
Three Rivers Health Center	169k
Bartlesville Health Center	23k
Vinita Health Center	73k
Ga-du-gi Health Center	5k
WW Hastings Hospital	352k



1 MILLION +
Patient Visits in FY2014

Primary Care Provider Visits





Through prioritizing job creation, record scholarship awards and other initiatives, the Cherokee Nation continues to bring hope to tribal citizens by offering them resources to create a better life for themselves and their families.

\$4.9M

COURT-ORDERED CHILD SUPPORT DOLLARS COLLECTED AND DISTRIBUTED TO CUSTODIAL PARENTS OR GUARDIANS

320

CITIZENS ACQUIRED FULL-TIME EMPLOYMENT THROUGH THE DAY TRAINING PROGRAM

183

CHEROKEE CITIZENS RECEIVED THEIR GED

353

PARTICIPANTS ENROLLED IN THE TALKING LEAVES JOB CORPS EDUCATIONAL AND CAREER TRAINING PROGRAM

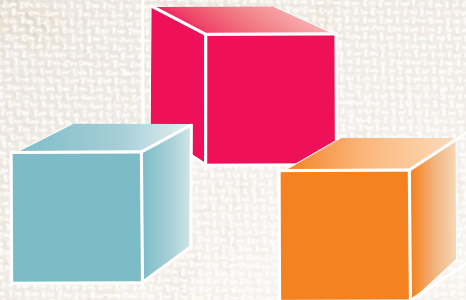
107

JOBS CREATED OR MAINTAINED THROUGH BUSINESS LOANS



3,655

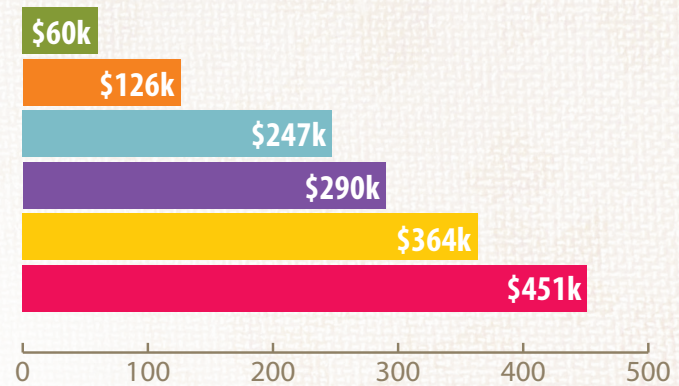
School children were provided food during the summer months.



404

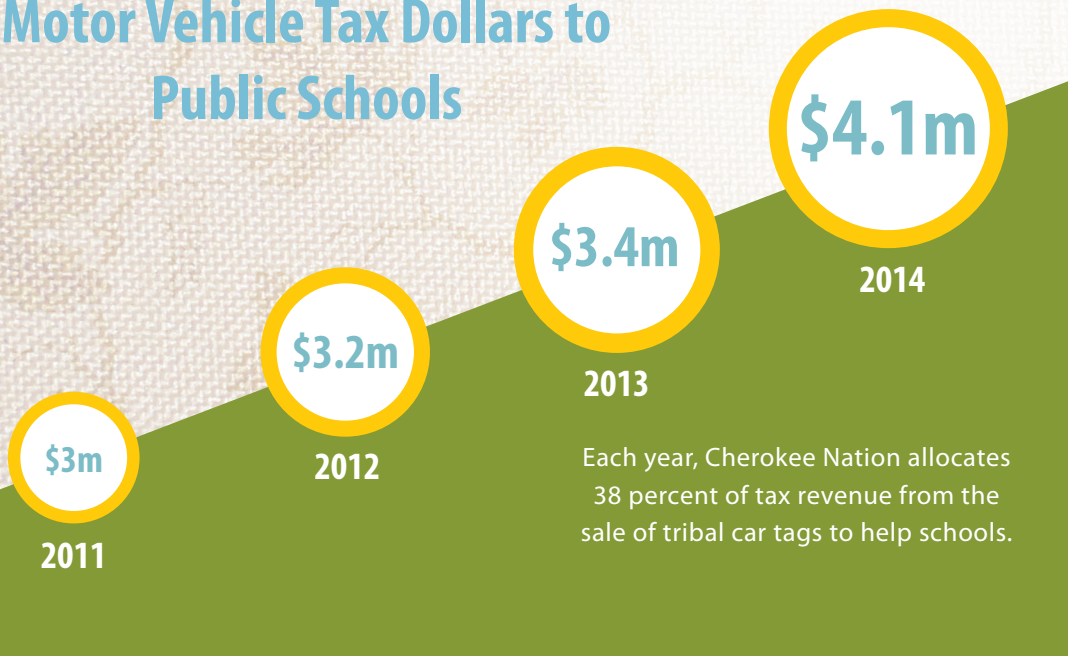
Contracted home child care providers for daycare services in FY2014.

Contributions To Our Cherokee Communities



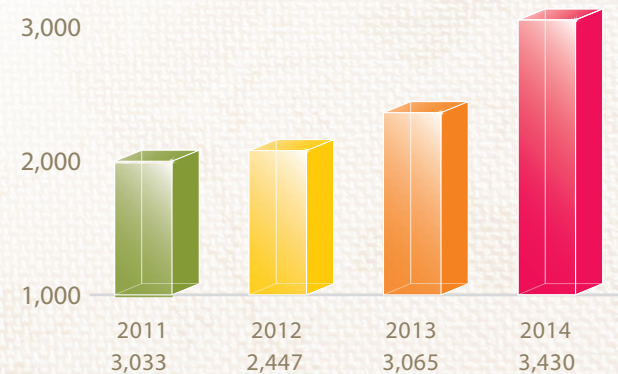
- 123 Rural cemetery restoration projects
- 28 Improvements to communities
- 44 Native American cultural programs
- 66 Local law enforcement agencies
- 158 Youth programs
- 129 Rural fire departments

Motor Vehicle Tax Dollars to Public Schools



Each year, Cherokee Nation allocates 38 percent of tax revenue from the sale of tribal car tags to help schools.

Higher Ed Scholarships Awarded



Cherokee Nation Businesses

777 W. Cherokee St., Catoosa, OK 74015

918-256-0671 www.cherokeemnationbusinesses.com

Cherokee Nation Businesses is the parent company of a diversified portfolio of businesses owned by the Cherokee Nation. Industries include environmental consulting, gaming, health care, hospitality, manufacturing & distribution, real estate and technology.

Cherokee Nation Comprehensive Care Agency

1387 W. 4th St., Tahlequah OK 74464

918-453-5554 www.eldercare.cherokee.org

The Cherokee Nation Comprehensive Care Agency is a community PACE program that enhances the quality of life and autonomy for elders, while enabling them to live in their homes and communities for as long as possible.

Cherokee Nation Waste Management

925 W. Hickory, Stilwell, OK 74960

918-696-5490

Cherokee Nation Waste Management includes a landfill, green technologies and recycling.

Cherokee Nation Home Health Services

1630 N. Cedar, Tahlequah, OK 74464

888-281-6910 www.cnhhs.org

Cherokee Nation Home Health Services is a tribally incorporated not-for-profit home health care agency that is Medicare and Medicaid certified to provide state-licensed home health care. Services provided include home health, outreach and hospice.

Housing Authority of the Cherokee Nation

1500 Hensley Dr., Tahlequah, OK 74464

918-456-5482 www.housing.cherokee.org

The Housing Authority of the Cherokee Nation provides Cherokee citizens with various means of housing assistance. Services include home construction, insurance, mortgage and rental assistance, college housing assistance, senior housing and low-income rental housing.

Cherokee National Historical Society

P.O. Box 515, Tahlequah, OK 74465

918-456-6007 www.cherokeeheritage.org

The Cherokee National Historical Society, dba Cherokee Heritage Center, is a 501(c)3 historical society and museum that seeks to preserve the culture, art and history of the Cherokee people.

Cherokee Nation Foundation

115 E. Delaware, Tahlequah, OK 74464

918-207-0950 www.cherokeemnationfoundation.org

The Cherokee Nation Foundation is a 501(c)3 charitable organization that provides higher education assistance to Cherokee students and strives to preserve the Cherokee language.

Cherokee Health Partners

1400 E. Downing St., Tahlequah, OK 74464

918-453-2140

Cherokee Health Partners is a partnership with Tahlequah City Hospital that provides state-of-the-art medical imaging services.

Cherokee Nation Directory
Main: 918-453-5000 • 800-256-0671
Fax: 918-458-6219

Administration

918- 453-5618

Career Services

918-453-5555

Cherokee FIRST Information Center

918-207-3936

Cherokee Nation Businesses

918-266-6700

Cherokee Nation Industries

800-259-6505

Commerce/Small Business Assistance

918-453-5536

Communications/PR/Web

918-453-5541

Community Services

918-207-3879

Education Services

918-207-3865

Financial Resources

918-453-5402

Health Services

918-453-5657

Housing Authority of the Cherokee Nation

918-456-5482 or 800-837-2869

Human Services

918-453-5422

Human Resources

918-453-5292

Marshal Service

918-207-3800

Tax Commission (Car Tags)

918-453-5100

Tribal Council

918-207-3900 or 800-995-9465

Tribal Registration (Enrollment)

918-458-6980

Veterans Office

918-453-5695





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CHEROKEE NATION®

P.O. Box 948

Tahlequah, OK 74465-0948

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