

Popular Annual Financial Report for fiscal year ended September 30, 2019

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— TOGETHER —

COMMUNITY · FAMILY · CULTURE

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CHEROKEE NATION®

Dear Cherokee Nation citizen,

We are pleased to present the Cherokee Nation's Popular Annual Financial Report (PAFR) for fiscal year ended September 30, 2019 (FY2019).

This report was prepared as part of our ongoing commitment to government accountability and transparency. Inside you will find financial and statistical data about the Cherokee Nation and its service programs in a reader-friendly format. This year's report highlights our priorities to the Cherokee people: "Community • Family • Culture."

The financial information presented in this report is derived from the Cherokee Nation's Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR), but is presented here in summarized form. The CAFR is prepared in conformance with generally accepted accounting principles (GAAP) and includes financial statements audited by an independent accounting firm. To learn about the Cherokee Nation's financial position and operating activities in more detail please visit www.cherokee.org to view the FY2019 CAFR.

Contact information for Cherokee Nation's Component Units can be found on page 14; however, the financial statements included in this report reflect only Cherokee Nation government operations, and are presented in an unaudited, non-GAAP format.

Wado.



Principal Chief Chuck Hoskin Jr.



Deputy Chief Bryan Warner



Treasurer Tralynna Sherrill Scott

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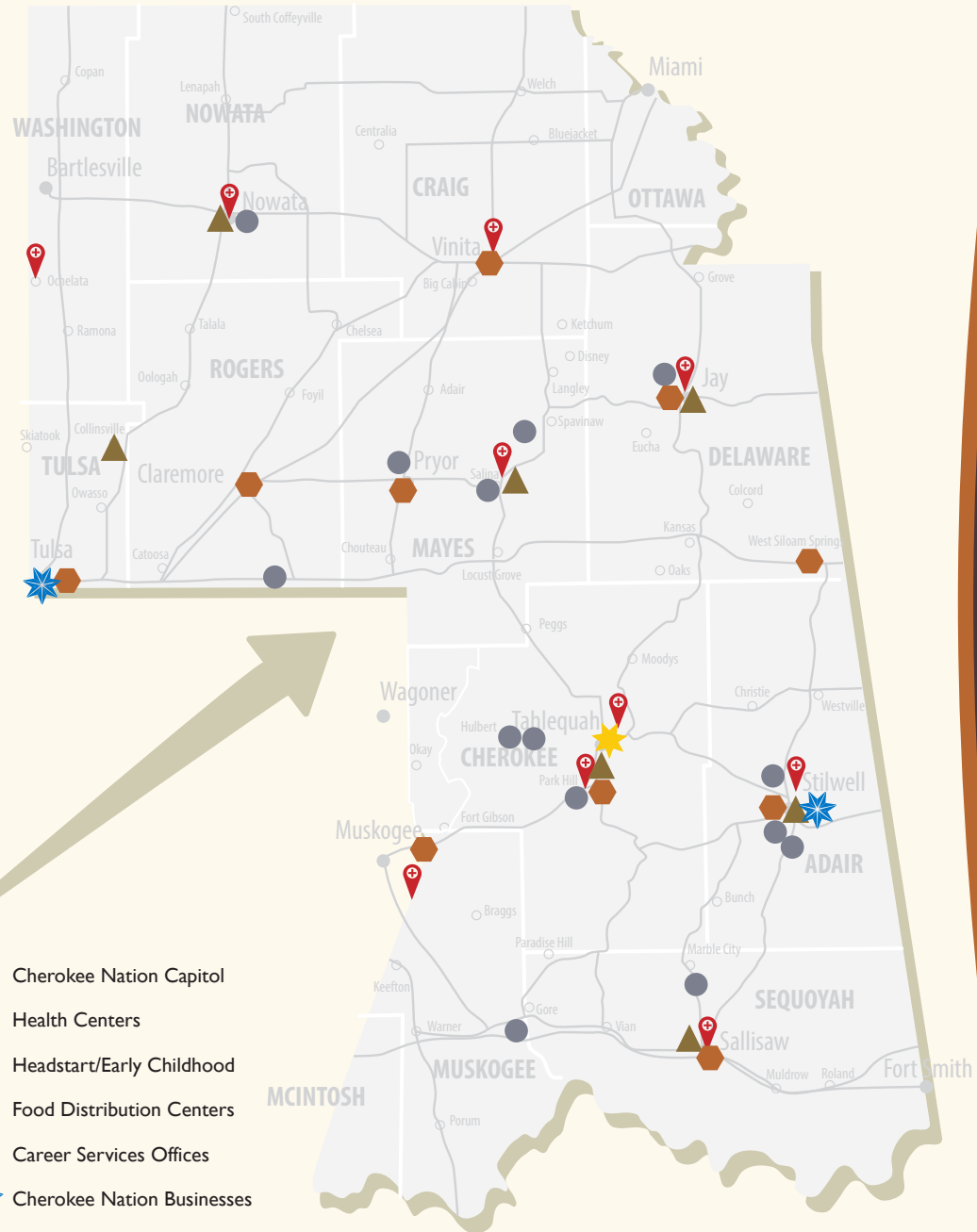
ᎠᏍᎩ Osiyo!

The Cherokee Nation is a sovereign tribal nation. 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 over 380,000 citizens worldwide. More than 139,000 Cherokee Nation citizens reside within the 14-county tribal reservation area 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 11,600 employees, Cherokee Nation and its Component Units are, collectively, one of the largest employers in northeastern Oklahoma. The tribe has more than a \$2.17b economic impact on the Oklahoma economy.



Assets	TOTAL
Cash and cash equivalents	\$ 479,344,000
Investments	24,266,000
Accounts receivable, net	29,584,000
Due from Component Units	4,161,000
Inventories	6,836,000
Notes receivable	2,703,000
Other current assets	11,190,000
Restricted cash, cash equivalents and investments	4,074,000
Long-term notes receivable	9,341,000
Other assets	63,000
Equity interests in Component Units	930,632,000
Capital assets, non depreciable	176,505,000
Capital assets, depreciable, net	215,815,000

TOTAL ASSETS 1,894,514,000

Deferred Outflow of Resources

TOTAL DEFERRED OUTFLOW OF RESOURCES 2,297,000

Liabilities

Accounts payable	17,183,000
Accrued liabilities	51,824,000
Other current liabilities	7,029,000
Unearned revenue	190,502,000
Notes payable and long-term debt	168,981,000
Capital leases	362,000
Compensated absences	8,828,000
Derivative instrument - rate swap	2,297,000
Other noncurrent liabilities	3,890,000

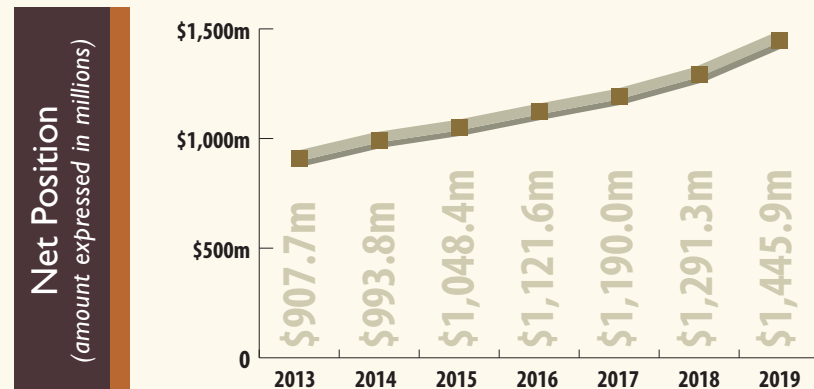
TOTAL LIABILITIES 450,896,000

Net Position

Net investments in capital assets	210,471,000
Restricted net position	1,142,623,000
Unrestricted net position	92,821,000

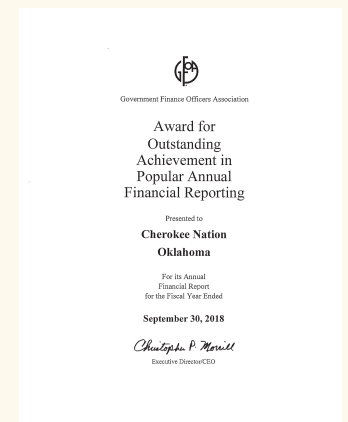
TOTAL NET POSITION \$ 1,445,915,000

Net position is the value of the tribe's assets less its liabilities. At the end of the FY2019 our net position increased to **\$1.45b**. Of this total amount, **\$92.8m** are unrestricted funds that may be used by the tribal government for programs and services.

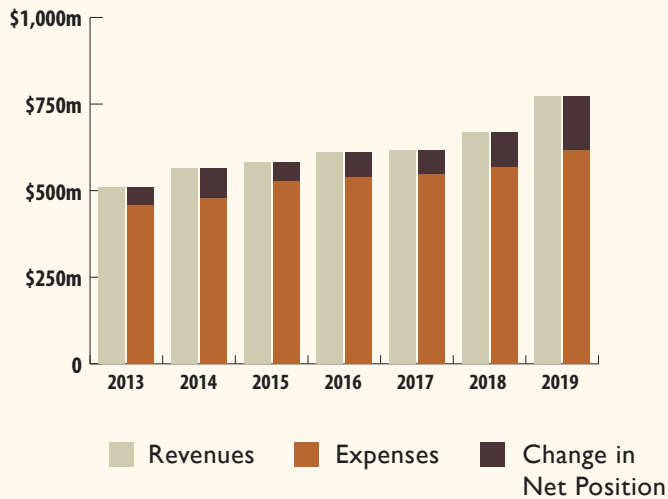


Award-winning financials

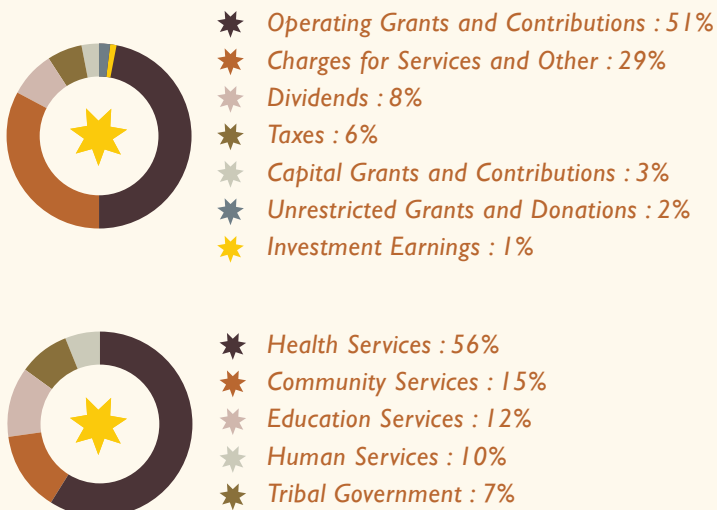
-  Certificate of Achievement for Excellence in Financial Reporting (2001-2018)
-  Outstanding Achievement in Popular Annual Financial Reporting (2012-2018)
-  Distinguished Budget Presentation Award (2015-2018)



Change in Net Position
(amount expressed in millions)



Where the Money Comes From/Goes



Revenues

	TOTAL
General Revenues:	
Motor fuel tax	\$ 10,945,000
Motor vehicle tax	16,766,000
Tobacco tax	14,245,000
Sales tax	4,639,000
Unrestricted grants and contributions	12,776,000
Unrestricted investment earnings	7,433,000
Dividends from Component Units*	60,734,000
Miscellaneous revenue	7,934,000
TOTAL GENERAL REVENUES	135,472,000
Program Revenues:	
Charges for services	213,153,000
Operating grants and contributions	391,164,000
Capital grants and contributions	26,285,000
TOTAL PROGRAM REVENUES	608,741,000

TOTAL REVENUES 766,074,000

Expenses

Governmental Activities:	
Tribal government	44,454,000
Health Services	339,118,000
Education Services	71,235,000
Human Services	59,403,000
Community Services	89,261,000
Interest on long-term debt	4,794,000
TOTAL GOVERNMENTAL ACTIVITIES	608,265,000
Business-type Activities:	
TOTAL BUSINESS-TYPE ACTIVITIES	3,213,000

TOTAL EXPENSES 611,478,000

CHANGE IN NET POSITION 154,596,000

NET POSITION, BEGINNING 1,291,319,000

NET POSITION, ENDING \$ 1,445,915,000

* Dividends received from Component Units. Amounts do not reflect financial information relating to the Component Units.

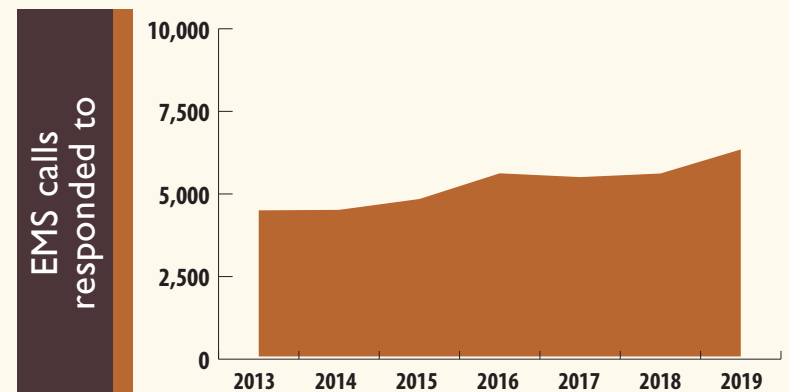


Emergency Management assists during historic flooding

In May 2019, communities within our jurisdiction endured historic flooding of the Arkansas River. The river rose to 46 feet (12 feet above flood stage) causing highways, ranches, farmland and homes to be submerged under water. Per National Centers for Environmental Information, over \$3b in damages occurred throughout the area.

For two weeks, Cherokee Nation’s Emergency Management was deployed on 189 swift water rescue boat missions. Many of the missions were critical for residents. Our team provided necessities such as food, water and medications to residents whose homes were cut off by flood waters. They also delivered mail to communities that the U.S. Postal Service could not reach.

During this time, the team also safely evacuated 20 residents, rescued many pets and saved various livestock. After the flood, Cherokee Nation donated more than \$100,000, hundreds of hours of labor and numerous supplies to assist our communities in rebuilding.



“Cherokee Nation is the most stable and consistent force for the economic development and growth in this region, and we’re very proud of that.”

- *Principal Chief Chuck Hoskin Jr.*

Small Business Assistance Center (SBAC)

SBAC provides access to capital for new business start-ups and business expansion projects. *Cherokee Nation Commerce loaned \$1.6m in commercial loans in FY2019 to 28 small businesses, creating or maintaining 110 jobs.*

Self-Sufficiency Programs

The programs assists participants to create financial security through educational classes and financial coaching. *In FY2019, 54 families completed the counseling and obtained home mortgages.*

Roads

The roads program improves the quality of life for families and communities by providing safe roads. *In FY2019, 60.04 miles of roads and bridges were repaired or completed.*

Waterlines

The waterline programs install waterlines in rural areas to improve the quality of life for families and communities by providing safe water supplies. *In FY2019, the Engineering and Sanitation Program installed 17.81 miles of waterlines throughout our communities.*

Transit

Provides people throughout the Cherokee Nation reservation a safe, efficient, eco-friendly and cost-effective way to travel between our communities reducing our carbon footprint. *In FY2019, the tribe’s transit services provided 115,389 rides, a 7% increase from FY2018.*

Cherokee Nation Business Partnerships

Macy’s	5,000 jobs
Amazon	1,500 jobs
Dish Network	253 jobs
Greenheck	1,000 jobs
Sofidel	300 jobs

Cherokee Nation partners with businesses to hire qualified Cherokee Nation citizens. These partnerships help bring outside businesses and employment opportunities to Oklahoma as well as strengthen our local economies.

Donations to Our Communities

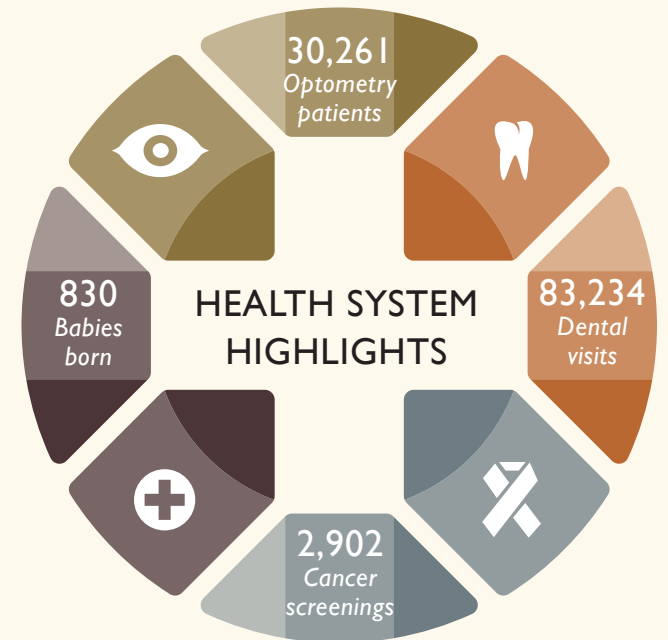
\$7.1m	To 119 public schools
\$1.1m	To 206 first responder organizations
\$691k	To 177 non-profit organizations
\$622k	To 244 community organizations
\$314k	To 175 youth achievement programs
\$188k	To 60 food pantries



Cherokee Nation completes largest tribal outpatient health center in United States

Cherokee Nation Health Services, the largest tribal health system in the US with more than 1.3m total patient visits, was awarded an Indian Health Service (IHS) Joint Venture Construction project in FY2016 to build a 469,000-square-foot outpatient health facility in Tahlequah. The new facility will feature 240 exam rooms; access to two MRI machines; 10 new cardiac, lung and kidney specialists; and an ambulatory surgery center – all of which will help the tribe deliver first-class care to Native Americans.

The tribe invested \$87.2m in FY2019 to substantially complete the project. The grand opening was November 2019. IHS provided \$27m in FY2019 and will provide at least \$100m per year the following years for staffing and operations of the new facility. The tribe added 384 new jobs in FY2019 to staff the facility.



“We are focused on improving communities at the grassroots level within the Cherokee Nation. That means investing in our citizens’ homes and the community buildings where Cherokees gather.”

- *Principal Chief Chuck Hoskin Jr.*

Diabetes Program

Our Community Health Programs offer Native Americans throughout our communities education, medication and medical supplies to control diabetes. *In FY2019, more than 10k Native Americans were assisted.*

Wells & Septic Systems

These programs ensure safe water for homes and communities. *Environmental Protection Commission installed or repaired 487 wells and/or septic systems in FY2019 throughout our reservation.*

Emergency Medical Services

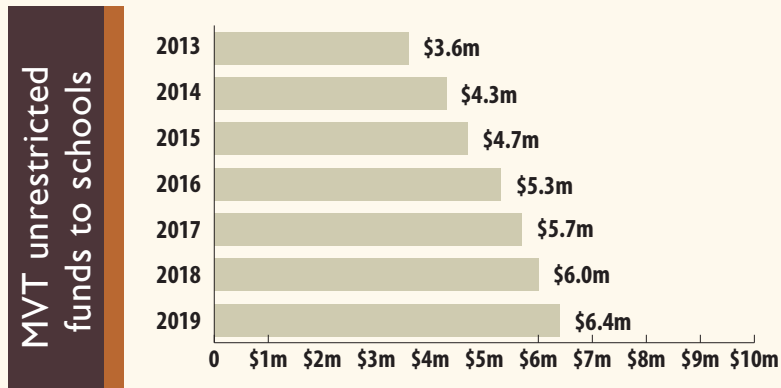
Cherokee Nation Emergency Medical Services (CNEMS) is a state licensed paramedic level ambulance service. *In FY2019, CNEMS responded to 6,265 calls throughout Northeastern Oklahoma.*

Vocational Training

We offer several in-house training programs as well as assistance to those who are enrolled in vocational training or Associate of Applied Arts or Applied Science degree programs. *In FY2019, 1,411 Native Americans participated in our vocational programs.*

Job Fairs

The Cherokee Nation’s Economic Development works with local communities and partners with businesses to place citizens in full time employment. *In FY2019, Cherokee Nation conducted 33 job fairs throughout many communities.*



Each year, Cherokee Nation allocates 38% of its tax revenue from the sale of tribal car tags to schools in the tribal reservation’s 14 counties. In FY2019 \$6.4m was distributed to 109 public school districts.

379

Youth employed from summer programs

321

Participants enrolled in matching savings program

211

Participants received their GED

188

Training participants received full-time jobs

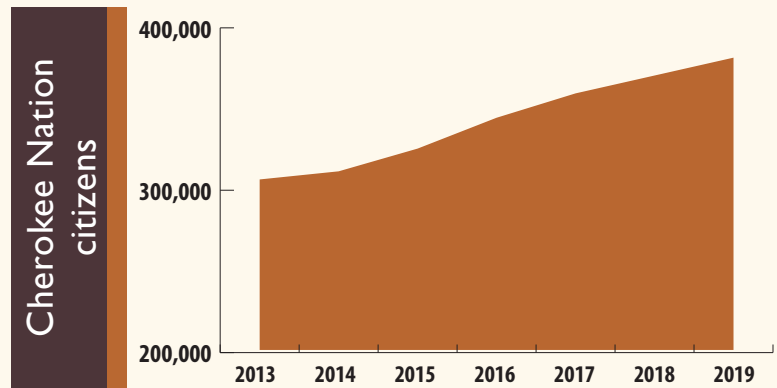


Remember the Removal Bike Ride

In summer 2019, nine youth cyclists and two mentor cyclists joined 10 from the Eastern Band of Cherokee Indians on the Remember the Removal Bike Ride, a three-week trek spanning approximately 950 miles through seven states along the northern route of the Trail of Tears.

The 2019 ride marked the 35th anniversary of the original 1984 ride. The program offers participants the opportunity to learn about Cherokee Nation's history, language and culture and get a glimpse of the hardships their ancestors faced while making the journey on foot.

This year's ride also marks the 180th anniversary of the Cherokees' arrival in present-day Oklahoma. In 1838-39, Cherokees were rounded up and forced from their homes in Georgia, Tennessee and other southeastern states to the Cherokee Nation's current capital in Tahlequah. Of approximately 16,000 Cherokees who were forced to make the journey to Indian Territory, around 4,000 died from disease, starvation and exposure to the elements. Follow the cyclists' journey at [facebook.com/removal.ride](https://www.facebook.com/removal.ride).



"The future of the Cherokee Nation is bright. I see a Cherokee Nation where all of our people share in the Nation's prosperity through full employment, opportunities in education and by living in safe and healthy communities."

- *Principal Chief Chuck Hoskin Jr.*

Indian Child Welfare (ICW)

ICW provides a variety of protective and support services to Cherokee children and their families. *Approximately 1,500 children are cared for monthly in our foster care system.*

Child Care and Development Center (CDC)

CDC's goal is to increase the availability, affordability and quality of childcare and provide teaching opportunities for parents. *232 children were enrolled in our CDC centers in FY2019 and 2,604 were provided daycare through subsidies.*

Office of Child Support Services (OCSS)

OCSS works with all parties in a neutral environment to establish child support that is beneficial to each particular child and family. *The program distributed over \$3.7m in child support for 2,388 active cases in FY2019.*

Women, Infants and Children (WIC)

WIC is directed towards pregnant or nursing women, as well as infants and children less than five years of age to assist with acquiring healthy foods. *In FY2019, Cherokee Nation WIC program provided \$4.4m in food vouchers which served 72,473 women and children.*

Food Distribution Stores

Cherokee Nation operates seven food distribution stores that are dedicated to providing nutritious food to eligible Native American families. *In FY2019, \$7.5m in food was distributed.*

Scholarship Funding

Higher Education = \$16,043,631

Employment and Training = \$1,032,042

The Cherokee Nation prides itself in investing in our employees by reimbursing their expense while pursuing a higher education degree. In FY2019, 40 employees received reimbursement for tuition, books, and fees totaling \$129k.

FOOD

58,644 food distribution families served

44,146 Elders fed at nutrition sites

11,030 Hot meals delivered to homes

CLOTHING

4,125 Children provided school clothing

3,458 Children provided winter coats

\$557k in clothing vouchers distributed

SHELTER

3,639 LIHEAP households assisted

1,429 Elders assisted with utilities

699 Elders assisted with housing



Cherokee National Holiday

The holiday has been observed annually on Labor Day weekend since 1953 to commemorate the signing of the 1839 Cherokee Constitution and the Act of Union reuniting Cherokees both East and West after the Trail of Tears.

This multi-day celebration includes traditional games, sports, vendors and craftspeople, music, parade, storytelling and inter-tribal powwow. History is made as the Principal Chief delivers the annual State of the Nation Address.

History buffs are invited to visit one of our exciting museums, such as the John Ross Museum, Cherokee Supreme Court Museum, and the Cherokee National Prison Museum. Nearby is the Cherokee Heritage Center and Family Research Center, that includes the Diligwa Living History Village.

The event has grown into one of the largest festivals in Oklahoma, attracting more than 100,000 visitors from across the world. For more information, please visit <https://holiday.cherokee.org>.



Cultural Tourism

Dedicated to telling the story of our rich history and culture, Cherokee Nation and its wholly owned entities offer visits to historic sites, museums and cultural attractions across Northeast Oklahoma. For more information, visit www.visitcherokeemuseum.com.

“Now is the time to be bold and act quickly so we do not fail the legacy of our ancestors or the future of our Cherokee speakers. We have focused on health care and economic development, and we have seen immeasurable achievements, but now we must also focus on saving our Cherokee language as another high priority.”

- *Principal Chief Chuck Hoskin Jr.*

Tribal Historic Preservation

This program collaborates with public and private sectors to ensure that Cherokee cultural resources are protected and preserved under the Federal National Historic Preservation Act of 1966. **\$177k was spent in FY2019 to ensure our land is preserved and protected.**

Environmental Protection (CNEP)

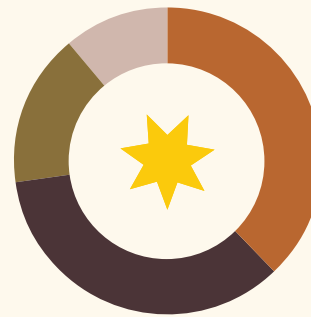
Our various resources address the Cherokee Nation’s environmental concerns associated with our land, water and air. **In FY2019, CNEP conducted 649 environmental reviews for projects involving roadway development, water and sewer lines, infrastructure, housing rehabilitation and new construction to ensure the projects are completed in a manner that protects our natural resources.**

Cherokee Immersion School

The survival of a people is dependent upon their capacity to preserve and protect their culture and language. The school curriculum and all instruction are taught exclusively in the Cherokee language, both written and spoken. **Cherokee Immersion School had 134 enrolled students in FY2019.**

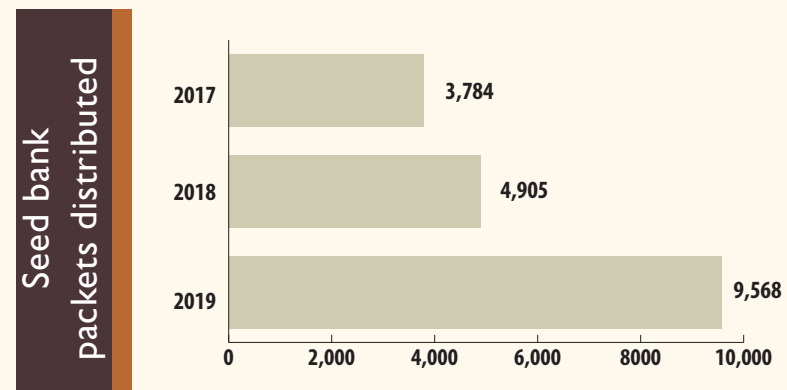
Cherokee National Youth Choir

The choir performs traditional and contemporary songs in the Cherokee language. The group acts as Cherokee ambassadors performing for venues such as the Macy’s Thanksgiving Day Parade and Smithsonian Institute. **In FY2019, the Cherokee National Youth Choir received \$166.5k in funding.**



- ★ Child language programs : \$1m
- ★ Adult language programs : \$962k
- ★ Translators/speakers : \$451k
- ★ Language technology : \$310k

The language technology program offers services including translation of Cherokee documents, the creation of language teaching materials, community and employee language classes and the development and support of Cherokee language on digital devices. For more information, visit language.cherokee.org.



Cherokee crops and native plants are used by Cherokees for food and cultural purposes. In FY2019, the tribe distributed 9,568 packages of heirloom seeds (a 95% increase from FY2018) to tribal citizens.

Cherokee Nation Businesses

777 W. Cherokee St., Catoosa, OK 74015
 918-384-7474 www.cherokeemnationbusinesses.com

Cherokee Nation Businesses is the holding 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.

Housing Authority of the Cherokee Nation

1500 Hensley Dr., Tahlequah, OK 74464
 918-456-5482 www.hacn.org

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

Cherokee Nation Comprehensive Care Agency

1387 W. 4th St., Tahlequah OK 74464
 918-453-5554 <https://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 home and communities for as long as possible.

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 are home health, outreach and hospice.

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 historical culture of the Cherokee people.

Cherokee Nation Foundation

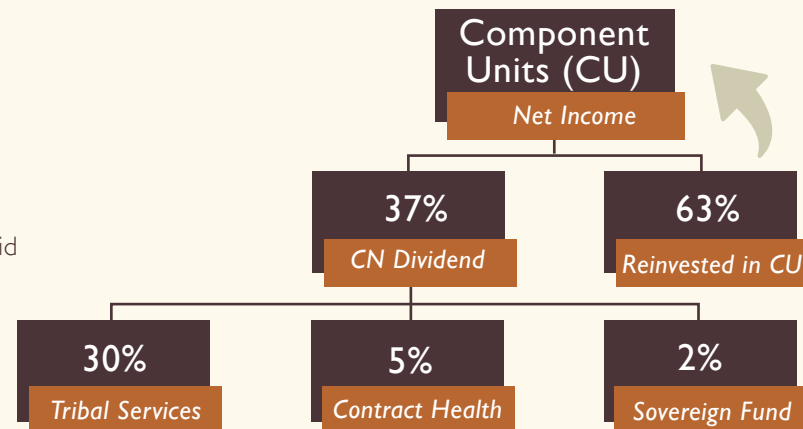
115 E. Delaware, Tahlequah, OK 74464
 918-207-0950 www.cherokeemnationfoundation.org

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

Cherokee Health Partners

1400 E. Downing St., Tahlequah, OK 74464
 918-453-2140

Cherokee Health Partners is a partnership with Northeastern Health System that provides state-of-the-art medical imaging services.



CHEROKEE NATION DIRECTORY

Main: 918-453-5000 • 800-256-0671

Executive Branch

918-453-5618

Legislative Branch

918-207-3895

Judicial Branch

918-207-3990

Career Services

918-453-5555

Arts Center/Spider Gallery

918-453-5000 x.5992

Cherokee FIRST Information

918-207-3936

Election Commission

918-458-5899 or 800-353-2895

Commerce

918-453-5536

Communications

918-453-5541

Community Services

918-207-3879

Education Services

918-453-5341

Financial Resources

918-453-5402

Health Services

918-453-5657

Human Services

918-453-5422

Human Resources

918-453-5292

Fish & Wildlife

918-453-5333

Indian Child Welfare

918-458-6900

Marshal Service

918-207-3800

ONE FIRE Victim Services

918-772-4260 or 866-458-5399

Real Estate Services

918-453-5350

Sequoyah Schools

918-453-5400 or 888-467-4746

Tax Commission

918-453-5100

Transit

918-453-5731

Tribal Registration

918-458-6980

Veterans Center

918-772-4166

Visit www.cherokee.org to view Cherokee Nation's
FY2019 Comprehensive Annual Financial Report.



IN LOVING MEMORY OF

Cliff Powell

Accounting Director, Cherokee Nation

(1967-2019)

VOUA&T

“Until we meet again”



GWYD DBP
CHEROKEE NATION®

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