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CHEROKEE NATION®



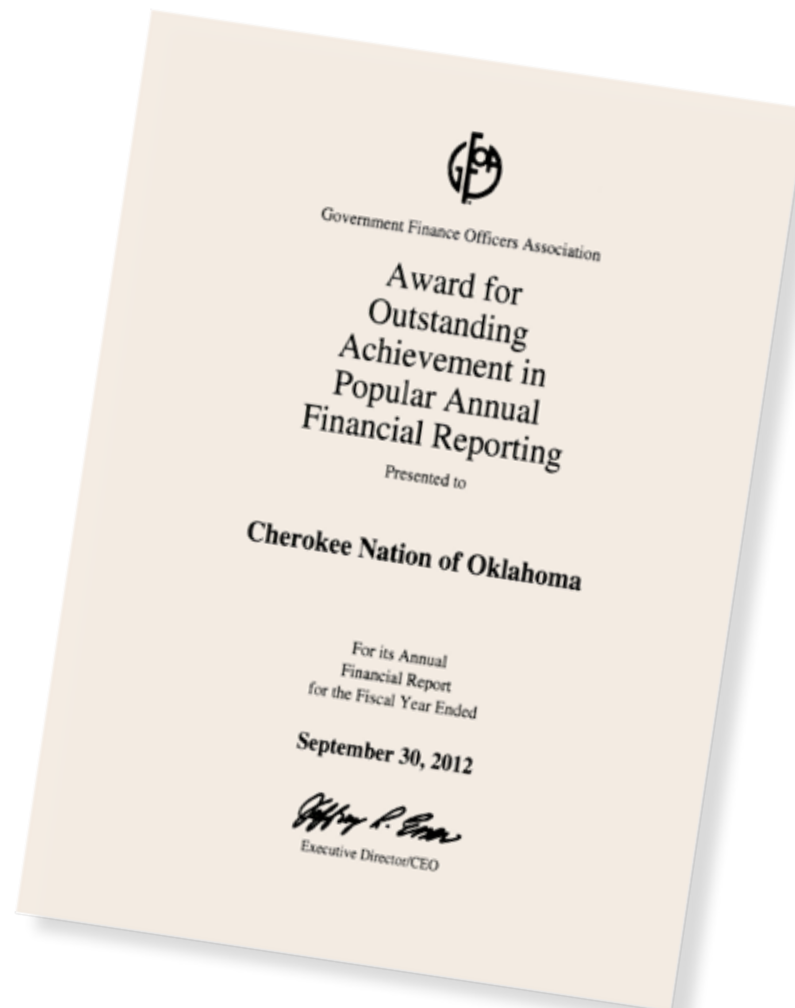
Homes ~ Health ~ Hope

Popular Annual Financial Report for the fiscal year ended September 30, 2013



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Dear Cherokee Nation Citizen:

We are pleased to present the Cherokee Nation's second 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 brief descriptive information about the Cherokee Nation and its service departments and programs.

The information in this report summarizes the Cherokee Nation's financial position based on the detailed financial statements found within our Fiscal Year 2013 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 unqualified, 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. Financial information on the Cherokee Nation's subsidiary component units from the CAFR has been excluded, but contact and general information can be found on page 14.

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



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The Cherokee Nation is a sovereign Indian 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 in September of 1839, 68 years prior to Oklahoma's statehood.

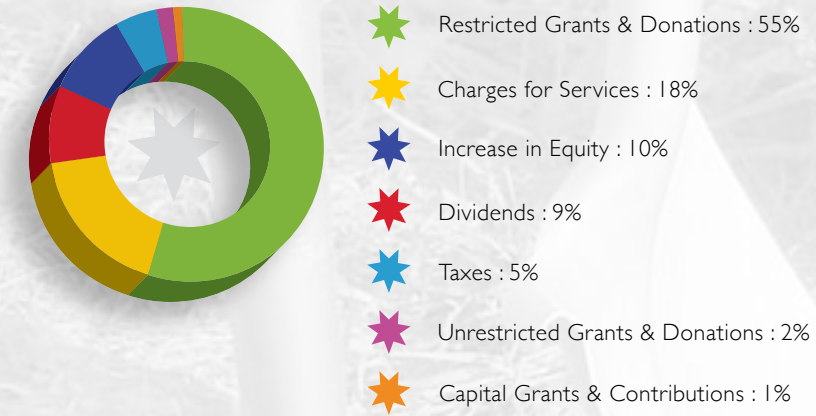
Today, the Cherokee Nation is the largest tribe in the United States with more than 300,000 citizens world-wide. More than 120,000 Cherokee Nation citizens reside within the 9,234-square mile, 14-county tribal jurisdiction that covers most of northeastern Oklahoma.

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

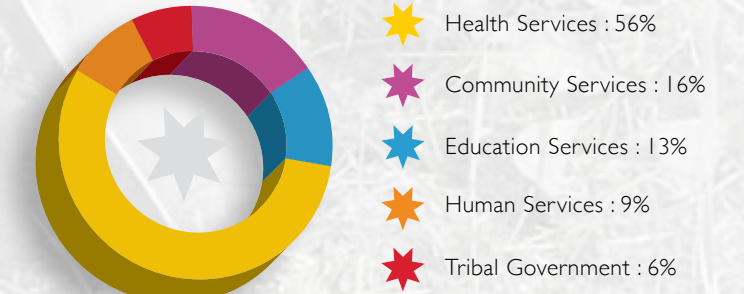
With more than 9,000 employees, Cherokee Nation and its subsidiaries are one of the largest employers in northeastern Oklahoma. The tribe has a widespread positive impact on the Oklahoma economy.



ᏍᎦ DSW ᏪᏍᏗᏐᏐᏐ Where the Money Comes From 2013 Sources



ᏍᎦ DSW ᏐᏍᏗᏐᏐᏐ Where the Money Goes 2013 Uses



Capital Projects in 2013

Many capital projects in the Cherokee Nation were underway in 2013. Focusing on providing care for Cherokees young and old, we invested \$12.2 million dollars into state-of-the-art facilities so that our citizens can have better and easier access to services.



Veterans Center, Tahlequah

Jack Brown Center construction	\$	1.7 m
Stilwell Child Development Center	\$	4.3 m
Veterans Center	\$	1.1 m
Vinita Health Center construction	\$	4.6 m
W.W. Hastings Physical Therapy construction	\$.5 m

Cherokee Nation's fiscal year begins on Oct. 1 and ends Sept. 30 the following year.

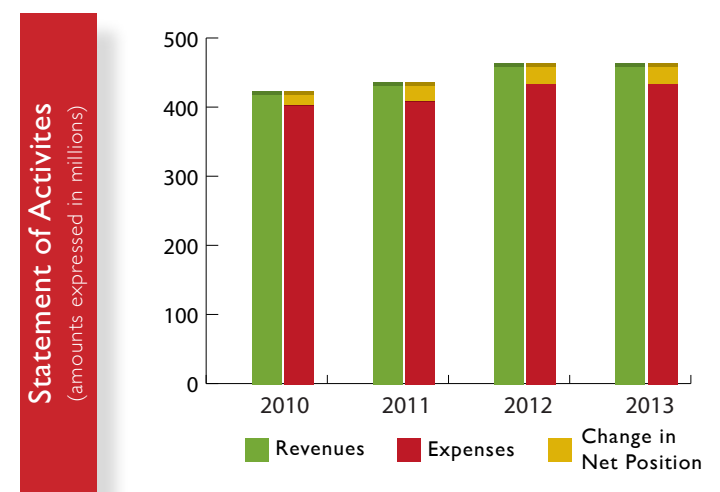
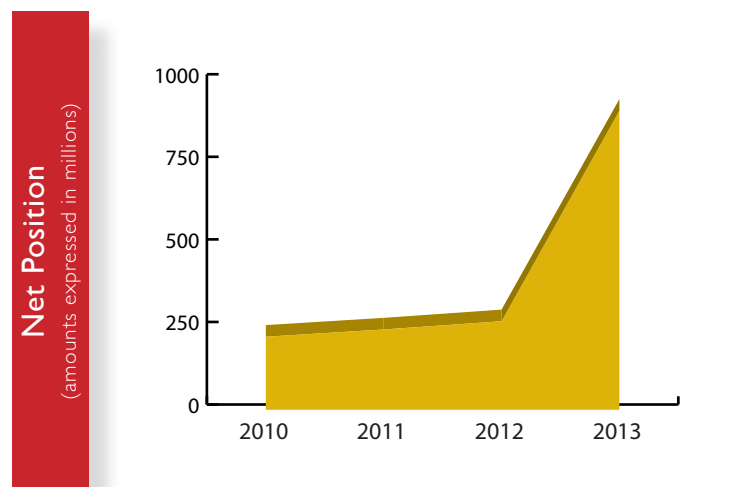
	TOTAL
Assets	
Cash and cash equivalents	\$ 260,569
Investments	11,226
Accounts receivable, net	18,645
Due from Component Units	(238)
Inventories	3,626
Notes receivable	2,263
Other current assets	9,485
Restricted cash, cash equivalents and investments	40,619
Long-term notes receivable	13,508
Other assets	2,976
Investment in Component Units*	641,413
Change in GAAP effect*	684
Capital assets	159,538
TOTAL ASSETS	1,164,314

Liabilities	
Accounts payable and accrued liabilities	12,902
Accrued liabilities	35,847
Other current liabilities	10,569
Unearned revenue	141,561
Notes payable and long-term debt	45,699
Compensated absences	6,553
Derivative instrument-rate swap	684
Other noncurrent liabilities	2,841
TOTAL LIABILITIES	256,656

Net Position	
Invested in capital assets, net of related debt	123,574
Restricted net position*	746,311
Unrestricted net position	37,773
TOTAL NET POSITION	\$ 907,658

Sequestration: How It Affected Us

The 2013 federal sequestration averaged a 5.09% negative impact on certain Cherokee Nation federal funding sources. Of the \$8 million total sequestration, the largest reduction impacted our health care programs. Cherokee Nation was able to maintain services and jobs by budgeting proactively and creatively, and implementing cost containment measures.



Net position is the value of revenue over expenses.

Year	Revenues	Expenses	Change in Net Position
2010	\$ 421.5m	\$ 405.8m	\$ 15.7m
2011	\$ 433.8m	\$ 411.8m	\$ 22.0m
2012	\$ 462.2m	\$ 437.3m	\$ 24.9m
2013	\$ 509.2m	\$ 457.3m	\$ 51.9m

*Note: Cherokee Nation implemented four financial accounting and reporting standards issued by GASB effective October 1, 2012. This resulted in changes to assets and net position.

Functions/Programs

	TOTAL
General revenues:	
Motor fuel tax	\$ 7,615
Motor vehicle tax	9,641
Tobacco tax	3,631
Sales tax	3,363
Unrestricted grants and contributions	12,844
Unrestricted investment earnings	865
Dividends from Component Units	44,109
Investments in Component Units	53,892
Miscellaneous revenue	3,921
TOTAL GENERAL REVENUES	139,881
Program revenues:	
Services	87,010
Operating Grants	277,312
Capital Grants	5,036
TOTAL PROGRAM REVENUES	369,358
TOTAL GENERAL REVENUES AND TRANSFERS	509,239
Governmental activities:	
Tribal government	28,885
Health services	256,465
Education services	57,076
Human services	40,432
Community services	72,334
Interest on long-term debt	1,414
Total governmental activities:	456,616
Business-type activities:	740
TOTAL EXPENSES	457,356
CHANGE IN NET POSITION	51,883
Net Position beginning	269,332
Cumulative effect of GAAP change*	590,595
Net Position beginning, restated	859,927
NET POSITION ENDING	\$ 907,658



2,572

ELDERS-IN-NEED ASSISTED WITH UTILITY PAYMENTS

487

HOME BUYER EDUCATION STUDENTS

238

FAMILIES SUBSIDIZED IN TITLE VI HOMES

170

FOSTER HOMES FOR CHEROKEE CHILDREN



Cherokee Nation places importance on Cherokees having access to safe, functional and affordable homes and utilities. Cherokee Nation and its subsidiary, the Housing Authority of the Cherokee Nation, operate several programs to promote this goal.

Housing Rehabilitation

This program's purpose is to make existing homes safe and accessible for our citizens. Priority is given to the elderly, disabled and Cherokee Nation families. In FY2013, 609 privately-owned homes were rehabilitated.

Engineering and Sanitation

Cherokee Nation assists applicants and communities with safe water for new or existing homes. The program installed 79,352 feet of waterline impacting 719 homes in FY2013.

Low Income Home Energy Assistance Program

Cherokee Nation's LIHEAP helped 2,884 low-income households with their utilities in FY2013.

Mortgage Assistance Program

The Mortgage Assistance Program (MAP) enabled 123 families to buy a home in FY2013. MAP funding was increased from \$15,000 per household to \$25,000 per household in 2013, allowing first-time home buyers to make a larger down payment.

51 miles
roads constructed in FY2013

Fact: We helped pave or improve more than 300 miles of Oklahoma roadways since FY2009.



Housing Authority of the Cherokee Nation

The Housing Authority of the Cherokee Nation (HACN) is dedicated to helping Cherokees with their housing needs. Beginning in FY2013, the HACN resumed building homes for the first time in many years. In 2013, the HACN completed 40 homes and had an additional 40 homes in the construction process. Homes built by the HACN are safe, energy efficient and affordable.



11,500

DIABETES PATIENTS PROVIDED WITH MEDICAL EQUIPMENT

345,719

PATIENTS SEEN BY PRIMARY CARE PROVIDER

4,437

CALLS RESPONDED TO BY CHEROKEE NATION EMERGENCY MEDICAL SERVICES

3,575

PARTICIPANTS ASSISTED THROUGH CANCER PREVENTION PROGRAMS



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

Health Centers and Hospital

Cherokee Nation operates an integrated health care system comprised of nine health centers and one hospital. In FY2013, these facilities had more than one million patient visits.

Women, Infants and Children (WIC)

The WIC program serves women who are pregnant, postpartum or breastfeeding, along with infants and children under the age of five. WIC offices are located inside the 14-county tribal jurisdiction and provided services to 88,000 participants in FY2013.

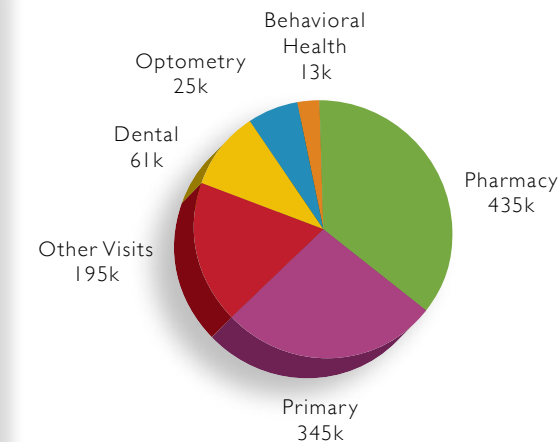
Behavioral Health

Cherokee Nation Behavioral Health offers mental health, substance abuse and community-based programs promoting well-being. More than 13,000 individuals were assisted in FY2013.

Jack Brown Regional Treatment Center

The Jack Brown Center is an in-patient treatment facility for Native American youth struggling with substance abuse. The center treated 75 patients in FY2013.

Health Visits by Type of Care



Patient Visits by Location

Amo Salina Health Center	96 k
Bartlesville Health Center	23 k
Ga-Du-Gi Health Center	6 k
Mankiller Health Center	126 k
Redbird Smith Health Center	114 k
Sam Hider Health Center	81 k
Three Rivers Health Center	168 k
Vinita Health Center	52 k
Will Rogers Health Center	51 k
W.W. Hastings Health Center	357 k

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1+ MILLION

Patient visits in FY2013

Health

Health



2,836

SCHOLARSHIPS AWARDED

9,755

HOT MEALS DELIVERED TO ELDERS

163

JOBS CREATED/RETAINED THROUGH BUSINESS LOANS

2,545,171

CHILD SUPPORT DOLLARS COLLECTED



Through 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.

Family Assistance

The mission of the Family Assistance Department is to help individuals and families access services or resources promoting personal and family unity as well as economic and social stability. Cherokee Nation's Food Distribution centers served 109,579 citizens in FY2013.

Early Childhood Unit

The Early Childhood Unit is comprised of Head Start, a classroom-based environment, and Early Head Start for younger children from six weeks to three years old. Cherokee Nation's Early Childhood Unit enrolled 1,090 children in FY2013.

Elder Care Advocacy

The Cherokee Nation advocates for its elderly Cherokee citizens who are unable to do so themselves. Cherokee Nation championed 279 elders in FY2013.

Child Care & Development Center

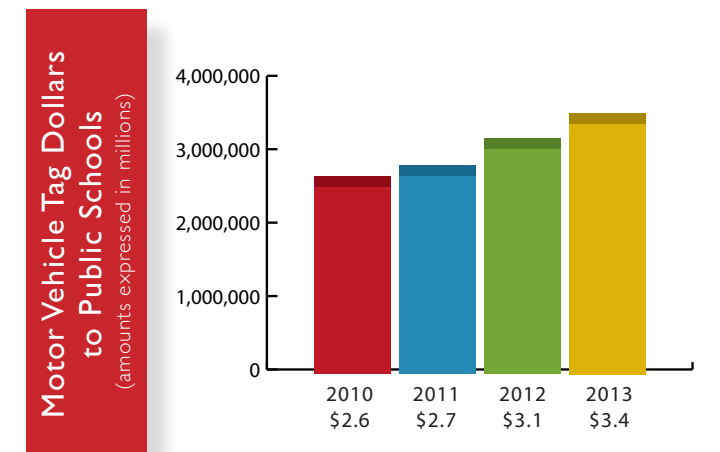
Cherokee Nation's two child development centers enrolled 141 children. The Cherokee Nation also has contracts with 546 home child care providers. In FY2013, 3,040 children were served through child care subsidies.

Small Business Assistance Center

The SBAC loan program was established to assist small business owners starting a new business or expanding an existing one. In FY2013, Cherokee Nation funded 28 business loans totaling \$1.5 million.

Talking Leaves Job Corps (TLJC)

One of only two Indian-emphasis centers in the United States, TLJC is an award-winning educational and career technical training program. TLJC helps eligible youth improve their quality of life through training and in FY2013 served 282 participants.



Fact: Each year the tribe allocates 38 percent of tax revenue from the sale of tribal car tags to help schools in the 14-county tribal jurisdiction. In FY2013, \$3.4 million in unrestricted funds were distributed to 91 school districts.



Hope

Hope

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
 918-696-5084

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 Nation Directory

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



Scan this QR code with your smart phone to watch videos from Cherokee Nation Television.



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CHEROKEE NATION®

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