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Family

A BRIDGE TO THE FUTURE,
A LINK TO THE PAST

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CHEROKEE NATION®

POPULAR ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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Dear Cherokee Nation Citizen,

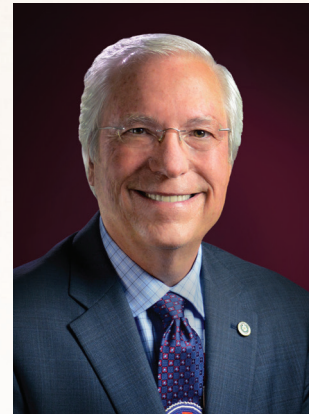
We are pleased to present the Cherokee Nation's seventh Popular Annual Financial Report. This report was prepared for you and is part of our continuing effort to keep you better informed. Many of you have asked for financial information and highlights of the Cherokee Nation in a format that is easy to 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 priorities 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 2018 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 page 14; however, their financial information is not included in this report.

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.



A handwritten signature in black ink that reads "Bill John Baker".

Bill John Baker
Principal Chief



A handwritten signature in black ink that reads "S. Joe Crittenden".

S. Joe Crittenden
Deputy Principal Chief



A handwritten signature in black ink that reads "Lacey A. Horn".

Lacey A. Horn
Treasurer



ᏍᏏᏉ Osiyoy!

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 over 369,000 citizens worldwide. More than 141,000 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.

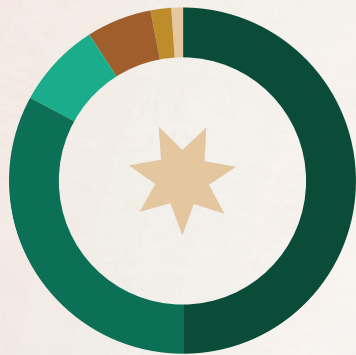
With approximately 11,000 employees, Cherokee Nation and its subsidiary component units are, collectively, one of the largest employers in northeastern Oklahoma. The tribe has more than a \$2.16 billion economic impact on the regional economy.



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Where the Money Comes From

FY2018 Sources



- ★ Operating Grants and Contributions : 50%
- ★ Charges for Services and Other : 33%
- ★ Dividends : 8%
- ★ Taxes : 6%
- ★ Unrestricted Grants and Donations : 2%
- ★ Investment Earnings : 1%

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Where the Money Goes

FY2018 Uses



- ★ Health Services : 59%
- ★ Community Services : 14%
- ★ Education Services : 12%
- ★ Human Services : 9%
- ★ Tribal Government : 6%



Capital Projects in FY2018

Cherokee Nation Health Services, the largest tribal health system in the U.S., was awarded an Indian Health Service (IHS) Joint Venture Construction project to build a 469,000-square-foot health care facility in Tahlequah. As construction continued in FY2018, we invested \$73.7 million into the construction project. Once completed, IHS will provide approximately \$100 million annually for staffing and operations of the new facility. Projected completion is scheduled for late 2019.

In addition, Cherokee Nation continued to make investments in our infrastructure further enabling service capacity. In FY2018, we invested \$1.7m into numerous upgrades to our facilities.

Assets	TOTAL
Cash and cash equivalents	\$ 370,798,000
Investments	28,527,000
Accounts receivable, net	34,843,000
Due from Component Units	2,424,000
Inventories	5,719,000
Notes receivable	3,199,000
Other current assets	9,910,000
Restricted cash, cash equivalents and investments	3,823,000
Long-term notes receivable	9,057,000
Other assets	60,000
Derivative instrument - rate swap	10,402,000
Equity interests in Component Units	881,874,000
Capital assets, non depreciable	126,689,000
Capital assets, depreciable, net	195,974,000

TOTAL ASSETS **1,683,299,000**

Deferred Outflow of Resources

TOTAL DEFERRED OUTFLOW OF RESOURCES **18,000**

Liabilities

Accounts payable	17,183,000
Accrued liabilities	53,532,000
Other current liabilities	6,540,000
Unearned revenue	172,721,000
Notes payable and long-term debt	119,203,000
Capital leases	584,000
Compensated absences	8,293,000
Derivative instrument - rate swap	18,000
Other noncurrent liabilities	3,522,000

TOTAL LIABILITIES **381,596,000**

Deferred Inflow of Resources

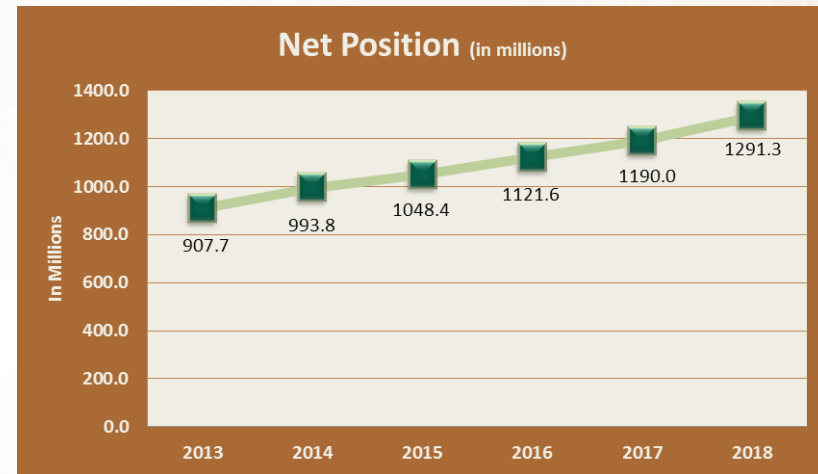
TOTAL DEFERRED INFLOW OF RESOURCES **10,402,000**

Net Position

Net investments in capital assets	189,880,000
Restricted net position	1,029,195,000
Unrestricted net position	72,244,000

TOTAL NET POSITION **\$ 1,291,319,000**

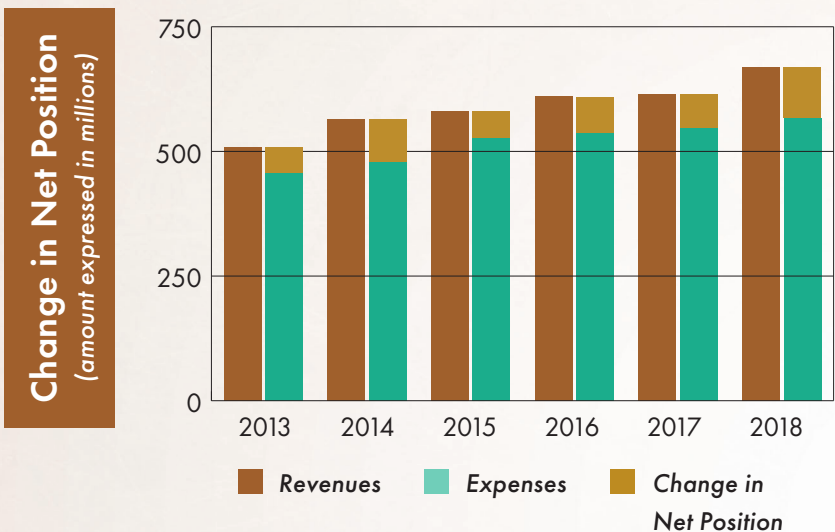
The Nation's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at the end of the FY2018 by \$1.3b (net position). Of this total amount, \$72.2m is unrestricted net position that may be used to meet the government's ongoing obligations.



Sovereign Wealth Fund Creation

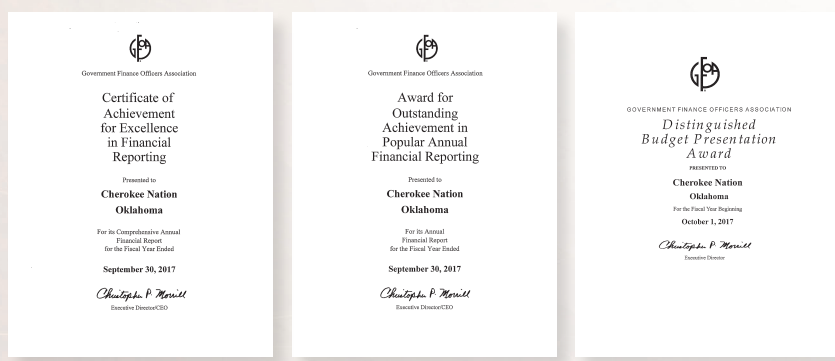
In December 2017, the Nation created the Cherokee Nation Sovereign Wealth Fund (CNSWF). The two largest funds within the CNSWF are the Education Reserve and the Emergency Reserve. Intended to provide financial security in the event of unforeseen future events, these reserve funds will be invested for growth purposes under the direction of the Treasurer.

Cherokee Nation's net position increased by \$101.3m over prior year. The governmental activities increased \$100.2m, and business-type activities increased \$1.1m.



Award-Winning Financials

- Certificate of Achievement for Excellence in Financial Reporting (2001-2017)
- Outstanding Achievement in Popular Annual Financial Reporting (2012-2017)
- Distinguished Budget Presentation Award (2015-2017)

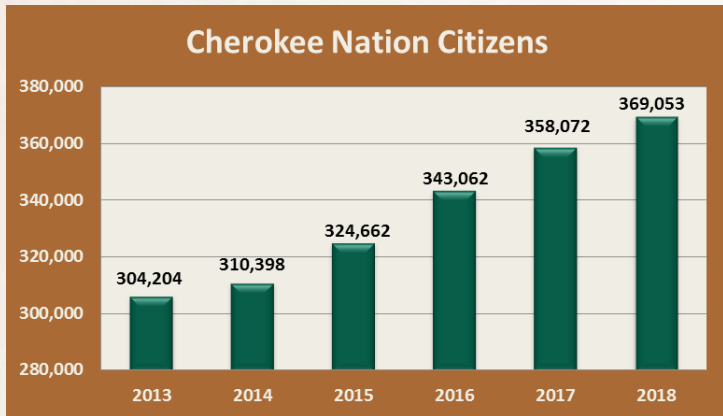


Revenues	TOTAL
General Revenues:	
Motor fuel tax	\$ 9,038,000
Motor vehicle tax	15,867,000
Tobacco tax	11,831,000
Sales tax	4,616,000
Unrestricted grants and contributions	11,292,000
Unrestricted investment earnings	3,177,000
Dividends from component units*	55,983,000
Miscellaneous revenue	7,280,000
Litigation settlement	36,000
TOTAL GENERAL REVENUES	119,120,000
Program Revenues:	
Charges for services	214,886,000
Operating grants and contributions	333,446,000
Capital grants and contributions	1,141,000
TOTAL PROGRAM REVENUES	549,473,000
TOTAL REVENUES AND TRANSFERS	668,593,000

Expenses	
Governmental Activities:	
Tribal government	33,171,000
Health Services	333,037,000
Education Services	66,958,000
Human Services	48,750,000
Community Services	79,903,000
Interest on long-term debt	2,385,000
TOTAL GOVERNMENTAL ACTIVITIES	564,204,000
Business-type Activities:	
TOTAL BUSINESS-TYPE ACTIVITIES	3,122,000
TOTAL EXPENSES	567,326,000
CHANGE IN NET POSITION	101,267,000

NET POSITION, BEGINNING	1,190,052,000
NET POSITION, ENDING	\$ 1,291,319,000

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



CHEROKEE NATION MISSION

The Cherokee Nation is committed to protecting our inherent sovereignty, preserving and promoting Cherokee culture, language and values, and improving the quality of life for the next seven generations.



In FY2018, 10,000 tons of radioactive waste were removed from a site near the Arkansas and Illinois Rivers through a joint effort among Cherokee Nation and the State of Oklahoma.

ᏊᏊᏊ Family: A bridge to the future, a link to the past

Along with tribal historic, cultural and language preservation, the Cherokee Nation is committed to protecting our land, water and air for future generations to prosper.

Culture

Preserving our culture is a priority for the tribe. We have many programs that teach young and old about our unique culture. *Cherokee Nation spent \$13.8m in FY2018 on various programs such as cultural outreach, multiple language programs, Remember the Removal Bike Ride and the Cherokee National Youth Choir.*

Tribal Historic Preservation Office

Collaborates with public and private sectors to ensure that Cherokee cultural resources are protected and preserved. This program proposes project reviews in government-to-government consultation under the Federal National Historic Preservation Act of 1966.

Language Technology

Cherokee Nation continues to develop innovative programs to preserve our language for future generations. The Cherokee language syllabary is available on digital platforms such as Apple iOS, Google, Android and Microsoft which enables Cherokees to converse in our language.

Environmental Protection

Numerous resources address the tribe’s environmental concerns associated with our land, water and air. The Environmental Protection Commission ensures that Cherokee Nation facilities are operated in a safe and sanitary manner. *In FY2018, Cherokee Nation Environmental Protection conducted 725 environmental reviews for projects involving roadway development, water and sewer infrastructure, housing rehabilitation and new construction. In addition, the commission assisted with 603 inspections of compliance in FY2018.*

Cherokee Nation operates the largest tribally managed health care system in the United States. Our health care system consists of nine outpatient health centers and one hospital providing a wide variety of physical, dental and mental health care to all Native Americans. The Nation's recent health care capital improvement plan demonstrates our dedication to creating a world-class health care system and making health care more accessible.

Women, Infants and Children (WIC)

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 FY2018, the tribe's WIC program provided \$4.7m in food vouchers that served 79,131 women and children. The tribe also fed 14,819 children during the summer months.*

Behavioral Health

Aids in mental health, substance abuse and community-based programs promoting mental health. *The tribe assisted 17,958 behavioral health patients in FY2018. The Nation's Behavioral Health HERO Project received three national awards from the Substance Abuse and Mental Health Services Administration.*

Diabetes Programs

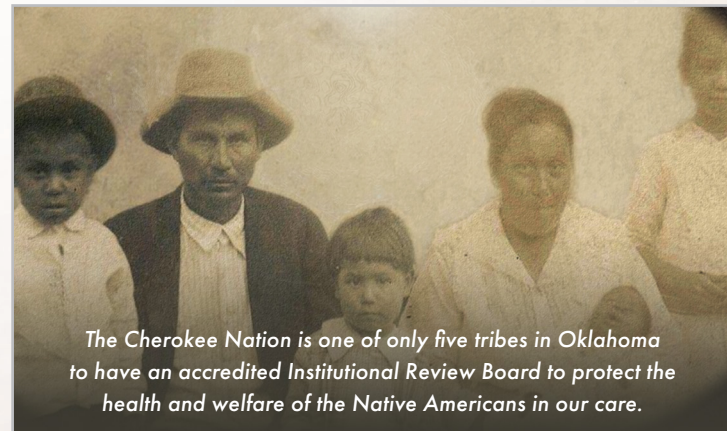
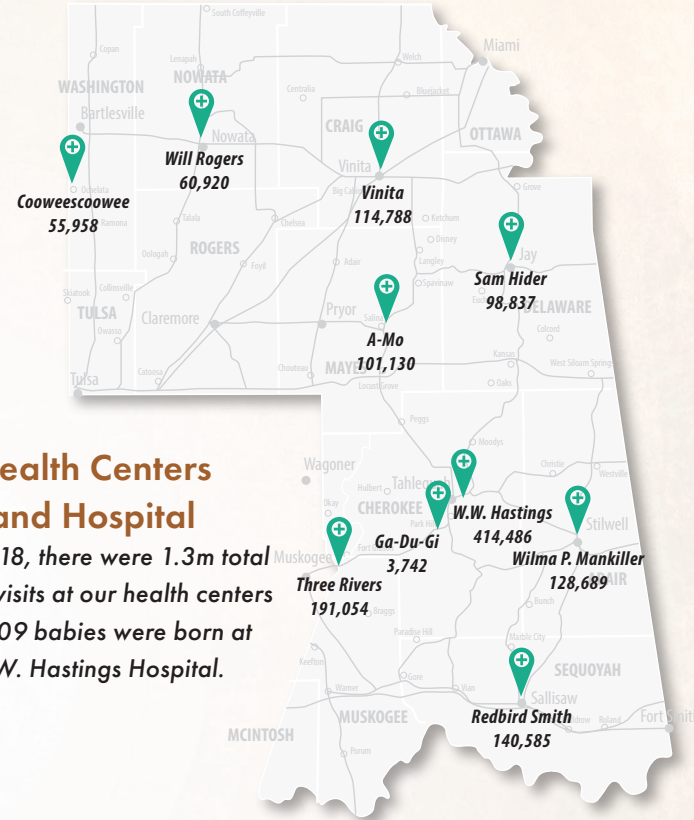
Offers Native Americans education, medication and medical supplies to help control diabetes. *10,068 Native Americans were assisted in FY2018.*

Dental Services

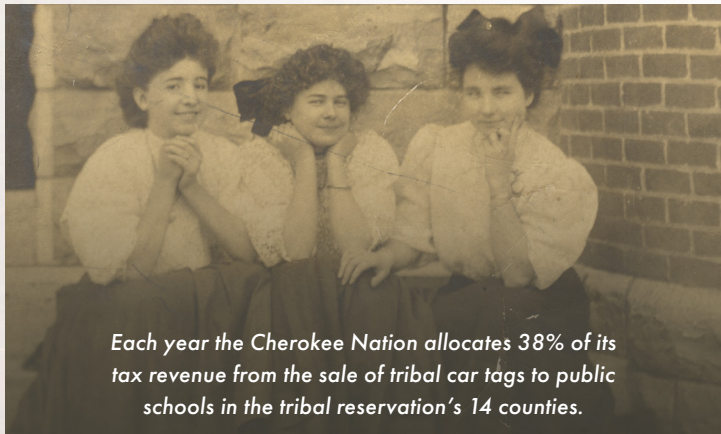
Cherokee Nation dental services located within the health centers offers convenient, professional dental care. *84,148 dental patients were seen in FY2018.*

Emergency Medical Services (CNEMS)

CNEMS is a state licensed paramedic level ambulance service. *In FY2018, CNEMS responded to 5,915 calls.*



The Cherokee Nation is one of only five tribes in Oklahoma to have an accredited Institutional Review Board to protect the health and welfare of the Native Americans in our care.



Each year the Cherokee Nation allocates 38% of its tax revenue from the sale of tribal car tags to public schools in the tribal reservation's 14 counties.

The Cherokee Nation has a robust education system. Through educational programs, record numbers of scholarships, and schools serving pre-K through 12th grade, the Cherokee Nation assists our tribal citizens by offering them resources to create a better future for themselves and their families.

Higher Education

The College Resource program awards scholarships to Cherokee Nation tribal citizens pursuing a degree at an accredited college. There were **4,537 higher education scholarships awarded in FY2018.**

Sequoyah High School (SHS)

SHS offers high school education for Native American students in grades 9th - 12th. **There were 367 students were enrolled in FY2018.**

Cherokee Language Immersion School

A language preservation program designed to revitalize the Cherokee language beginning with our children in grades pre-K through 8th grade. **In FY2018, 134 children were enrolled in the Cherokee Language Immersion School.**

Head Start

Cherokee Nation Head Start is based on the premise that children 6 weeks to five years old from income eligible families can benefit from a social and educational program. **There were 893 students enrolled in Head Start in FY2018.**

Johnson O'Malley Program (JOM)

The JOM program supports the education of eligible Native American students enrolled in public schools. The education provided by JOM includes such programs as culture, language, academics and student retention. **25,804 children attended JOM programs in FY2018.**

23 Job fairs conducted

129 Training participants achieved full-time employment

401 Youth enrolled in Talking Leaves Job Corps

500 Participants enrolled in the iSave program

Business Partnerships

Cherokee Nation partners with major corporations to enable employment opportunities as well as strengthen our local economies. A few of our partners are:

Business	Town	Jobs Created
Macy's	Owasso	5,000
Amazon	Tulsa	1,500
Greenheck	Tulsa	1,000
Sofidel	Inola	300
Dish Network	Tulsa	253



The Summer Youth program connects Native teens with summer jobs to earn money and gain work experience. In FY2018, 500 teens participated in the program.

Cherokee Nation is committed to growing our local and regional economies through programs that assist with job creation, career training, entrepreneurial assistance and creation of business partnerships.

Vocational Training

Cherokee Nation offers several in-house training programs as well as assistance to those who are enrolled in vocational training or college degree programs. *In FY2018, there were 2,473 Native American participants.*

Adult Education

Students study at their own pace and receive individualized and group instruction. *There were 181 citizens that received their high school diploma equivalent from this program in FY2018.*

Self-Sufficiency Programs

Assists participants to create financial security through educational classes and financial coaching. *In FY2018, there were 65 families that successfully obtained mortgages for homes.*

Small Business Assistance Center (SBAC)

SBAC encourages entrepreneurship through business financing, government contracting, and development services for Cherokee citizens. *We issued \$2.3m in commercial loans in FY2018 to 236 small businesses which resulted in the creation or retention of 219 jobs.*

Wildland Fire Management

Cherokee Nation hires and trains qualified Cherokee firefighters to assist our communities and the U.S. in forest management and firefighting. *Our firefighters responded to 163 fires within our jurisdiction and assisted with 34 outside of the boundaries in FL, TX, NM, CO, ID, MT and OR.*

Elder Care Recipients



Food

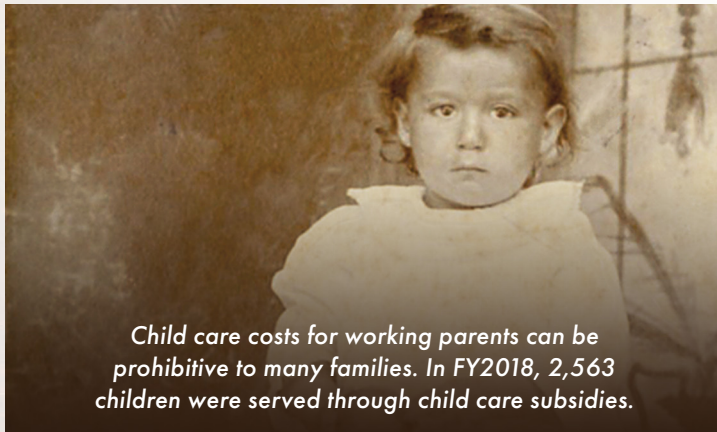
130,033 Individuals served through food distribution
9,192 Hot meals delivered to elders at home

Clothing

4,544 Children provided clothing
3,496 Children provided winter coats

Utilities

3,671 LIHEAP households assisted
1,431 Elders assisted



Child care costs for working parents can be prohibitive to many families. In FY2018, 2,563 children were served through child care subsidies.

Cherokee families are well known for their strength and resilience. Through our Human Services department, we provide an array of family support programs to our citizens, as well as programs designed specifically for children, youth and elders.

Child Care & Development Center (CDC)

Cherokee Nation cares deeply about the development and well-being of our youngest citizens. We provide quality child development and child care services. *In FY2018, 242 children were enrolled in our CDC centers and 2,563 were provided child care through subsidies.*

Indian Child Welfare

Indian Child Welfare is a fully integrated support system for children and families who need stability and consistency in times of crisis or uncertainty. *More than 1,800 children are cared for monthly in our foster care program.*

Family Assistance

These programs assist individuals to achieve their highest level of potential and self-sufficiency by promoting personal and family unity as well as economic and social stability. *In FY2018, \$4.6m was allocated to direct client assistance for our youth, elders and families.*

Food Distribution

The Cherokee Nation maintains seven food distribution centers that distribute nutritious food to eligible Native American families residing within the Cherokee Nation boundaries. *Cherokee Nation's food distribution centers served 60,859 households in FY2018.*

Child Support Enforcement Program

The Child Support Enforcement Program collects court-ordered child support dollars that are distributed to custodial guardians. *This program collected and distributed over \$3.5M in child support with 2,531 active cases in FY2018.*

Strong communities are important to the Cherokee people. Cherokee Nation contributes resources to our communities to ensure they remain strong and prosperous.

Roads Department

The mission of the Roads Department is to improve the quality of life for Native families and communities by providing safer roads, which creates better access to housing, schools, health care, businesses and employment. *In FY2018, there were 56.56 miles of roads and bridges repaired or completed.*

Wells & Septic Systems

Environmental Programs ensures safe water for homes and communities. *The program installed or repaired 181 wells and septic systems in FY2018.*

Veterans Center

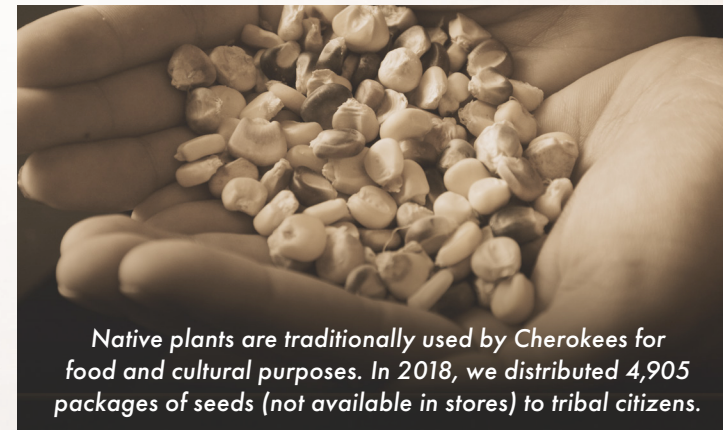
Honoring those who have served, our 8,700-square-foot Cherokee Nation Veterans Center has many resources to assist with benefits available to our veterans and currently enlisted military. A Veterans Affairs Readjustment Counselor is available to provide services to veterans as needed. *With events and activities throughout the year, the center serves an average of 329 veterans and widows of veterans per month.*

Transit Services

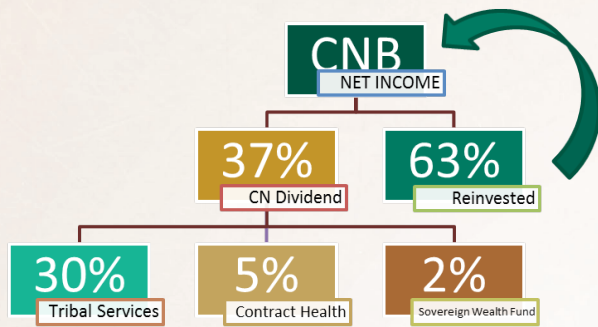
Cherokee Nation transit provides people throughout the Cherokee Nation a safe, efficient, eco-friendly and cost-effective way to travel between our communities. *In FY2018, Cherokee Nation Transit Services provided 107,712 rides.*

Waterlines

Cherokee Nation assists our communities in providing safe water supplies. *In FY2018, Community Services installed 10.5 miles of waterlines that improved the quality of life for families and communities.*



Native plants are traditionally used by Cherokees for food and cultural purposes. In 2018, we distributed 4,905 packages of seeds (not available in stores) to tribal citizens.



Cherokee Nation Businesses

777 W. Cherokee St., Catoosa, OK 74015

918-384-7474 www.cherokeemnationbusinesses.com

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

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, low-income rental, rental assistance and home insurance.

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 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

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

Commerce/Small Business Assistance

918-453-5536

Communications/PR/Web

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

Hunting and Fishing Licenses

918-453-5333

Indian Child Welfare

918-458-6900

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


918-772-4166

Visit www.cherokee.org to view Cherokee Nation's
FY2018 Comprehensive Annual Financial Report.


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CHEROKEE NATION®

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 CherokeeTV

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