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CHEROKEE NATION®
"Stewards of Our Land"

A decorative border at the bottom of the page features a white, stylized, wavy pattern. The pattern is filled with various nature scenes, including green forests, a blue sky, a blue river, and a white spiral design.

Popular Annual Financial Report for the fiscal year ended September 30, 2016

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Natural Falls State Park
Colcord, Okla.

Dear Cherokee Nation Citizen,

We are pleased to present the Cherokee Nation's fifth 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 2016 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.



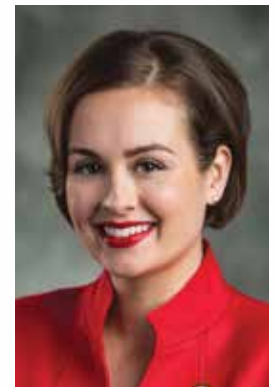
Bill John Baker
Principal Chief
Cherokee Nation



S. Joe Crittenden
Deputy Principal Chief
Cherokee Nation



Lacey A. Horn
Treasurer
Cherokee Nation



ᎠᎩᎩ 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 over 343,000 citizens worldwide. More than 135,000 Cherokee Nation citizens reside within the 14-county tribal jurisdictional service 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.

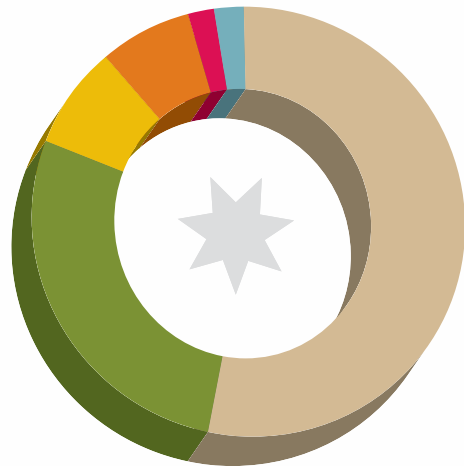
With approximately 10,000 employees, Cherokee Nation and its subsidiary component units are, collectively, one of the largest employers in northeastern Oklahoma. The tribe has a significant impact on the Oklahoma economy.

Illinois River
Tahlequah, Okla.

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Where the Money Comes From

2016 Sources

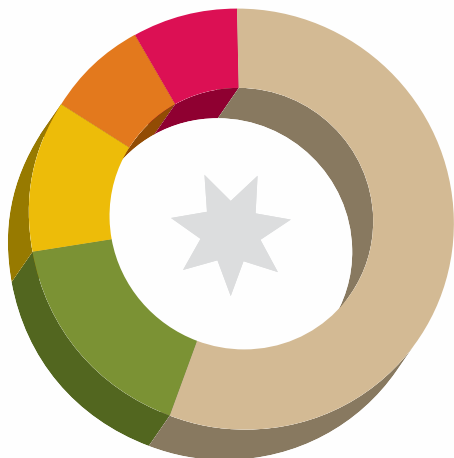


- ★ Restricted Grants and Contributions : 54%
- ★ Charges for Services and Other : 28%
- ★ Dividends : 8%
- ★ Taxes : 7%
- ★ Unrestricted Grants and Donations : 2%
- ★ Investment Earnings : 1%

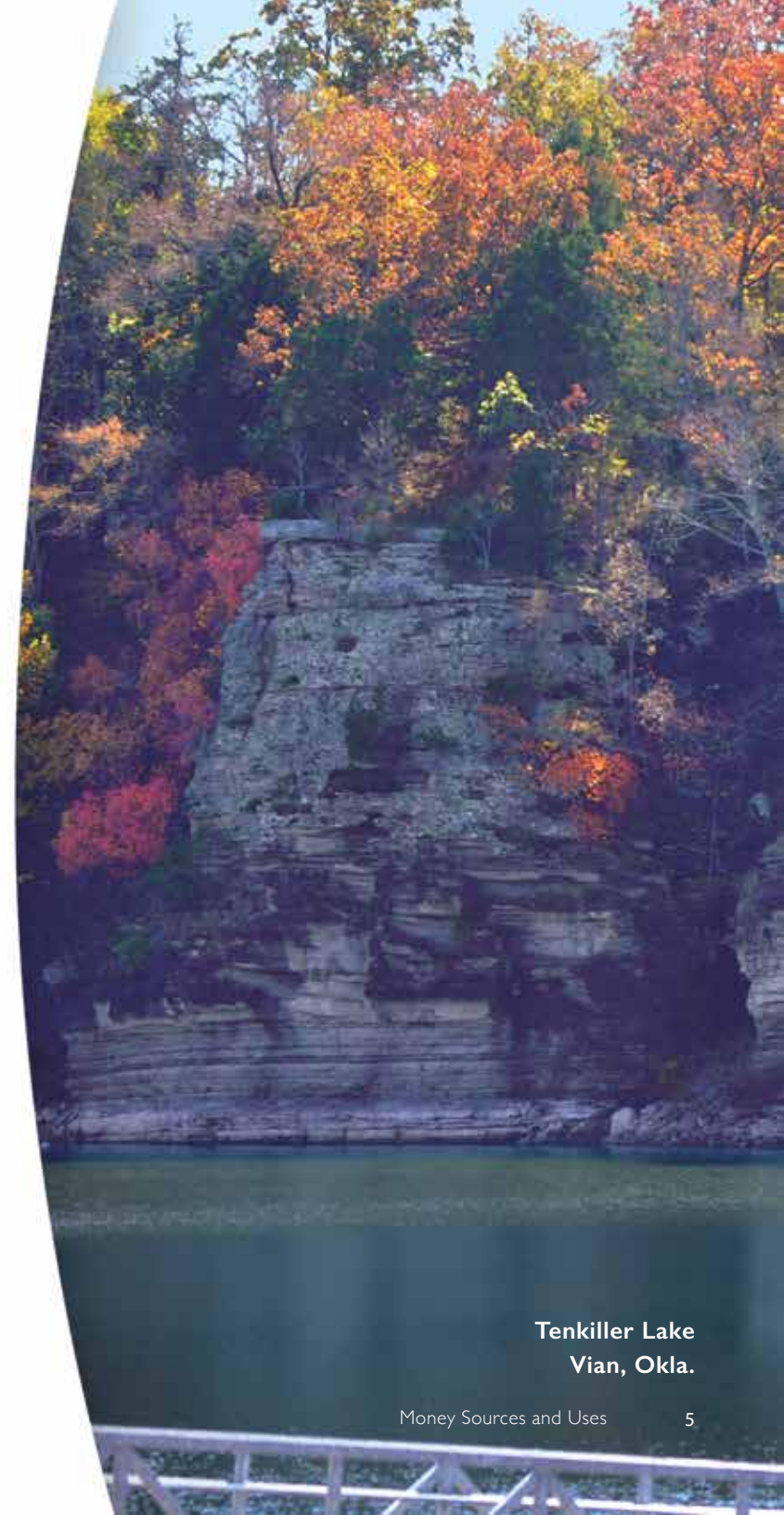
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Where the Money Goes

2016 Uses



- ★ Health Services : 57%
- ★ Community Services : 16%
- ★ Education Services : 13%
- ★ Human Services : 8%
- ★ Tribal Government : 6%



Tenkiller Lake
Vian, Okla.

Statement of Net Position

Assets	TOTAL
Cash and cash equivalents	\$ 189,127,000
Investments	63,574,000
Accounts receivable, net	38,563,000
Due from Component Units	1,702,000
Inventories	4,732,000
Notes receivable	3,141,000
Other current assets	9,441,000
Restricted cash, cash equivalents and investments	45,546,000
Long-term notes receivable	9,579,000
Other assets	64,000
Equity interests in Component Units	775,365,000
Capital assets, non depreciable	32,685,000
Capital assets, depreciable, net	191,023,000
TOTAL ASSETS	1,364,542,000
Deferred Outflows of Resources	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,296,000
Liabilities	
Accounts payable	15,239,000
Accrued liabilities	35,372,000
Other current liabilities	7,529,000
Unearned revenue	139,890,000
Notes payable and long-term debt	33,455,000
Capital leases	1,016,000
Compensated absences	7,376,000
Derivative instrument - rate swap	3,296,000
Other noncurrent liabilities	3,084,000
TOTAL LIABILITIES	246,257,000
Net Position	
Net investment in capital assets	193,888,000
Restricted	876,659,000
Unrestricted	51,034,000
TOTAL NET POSITION	\$ 1,121,581,000

As of September 30, 2016

Awards

These awards are the highest honors given to governments for extraordinary financial reporting and budgeting by the Government Finance Officers Association.



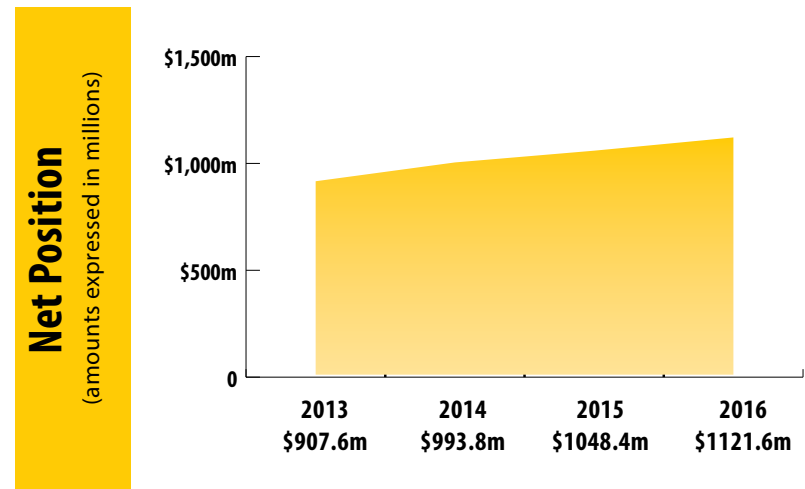
Certificate of Achievement for Excellence in Financial Reporting (FY2001-FY2015)



Outstanding Achievement in Popular Annual Financial Reporting (FY2012-FY2015)



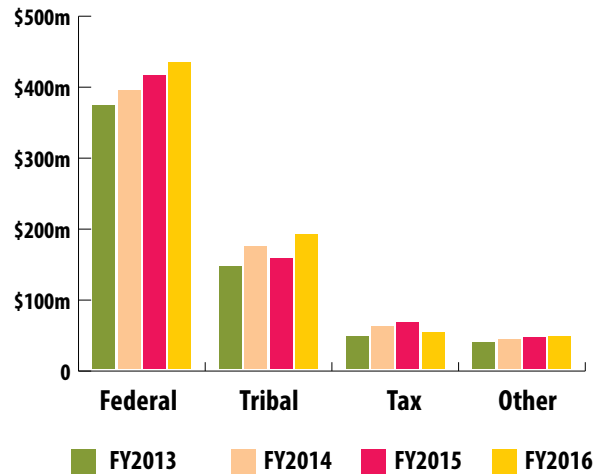
Distiguished Budget Presentation (FY2015-FY2016)



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

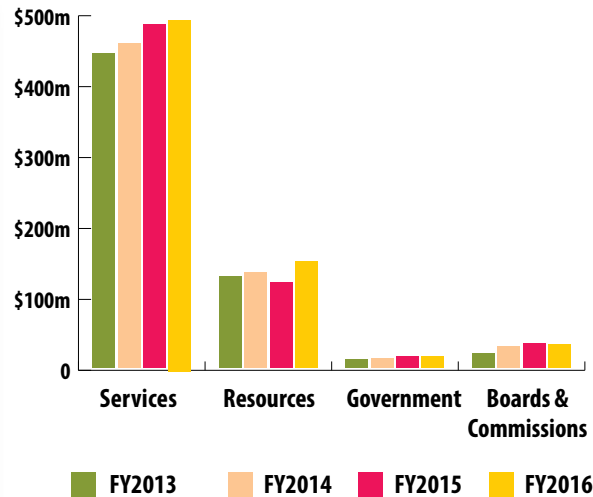
Revenues by Source

(amounts expressed in millions)



Expenses by Function

(amounts expressed in millions)



Year	Revenues	- Expenses	= Net Position
2013	\$ 509.2m	\$ 457.3m	\$ 51.9m
2014	\$ 564.8m	\$ 478.6m	\$ 86.2m
2015	\$ 580.7m	\$ 526.2m	\$ 54.5m
2016	\$ 610.5m	\$ 537.3m	\$ 73.2m

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	\$ 8,209,000
Motor vehicle tax	14,680,000
Tobacco tax	13,505,000
Sales tax	3,752,000
Unrestricted grants and contributions	14,494,000
Unrestricted investment earnings	726,000
Dividends from Component Units **	50,139,000
Miscellaneous revenue	6,040,000
Litigation settlement	8,349,000
Transfers of operation	1,905,000
Total general revenues:	121,799,000
Program revenues:	
Charges for services	159,714,000
Operating grants and contributions	311,972,000
Capital grants and contributions	17,046,000
Total program revenues:	488,732,000
TOTAL REVENUES AND TRANSFERS	610,531,000
Governmental activities:	
Tribal government	32,382,000
Health services	303,202,000
Education services	68,678,000
Human services	45,461,000
Community services	85,626,000
Interest on long-term debt	1,046,000
Total governmental activities:	536,395,000
Business-type activities:	911,000
TOTAL EXPENSES	537,306,000
CHANGE IN NET POSITION	73,225,000
Net Position - beginning	1,048,356,000
NET POSITION - ENDING	\$ 1,121,581,000

For the year ended September 30, 2016

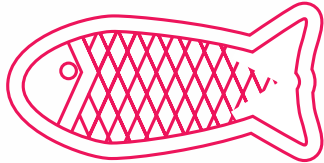


Natural Resources

Protecting the environment and being forward-thinking stewards of our land is an important Cherokee value that our people have passed down from generation to generation.



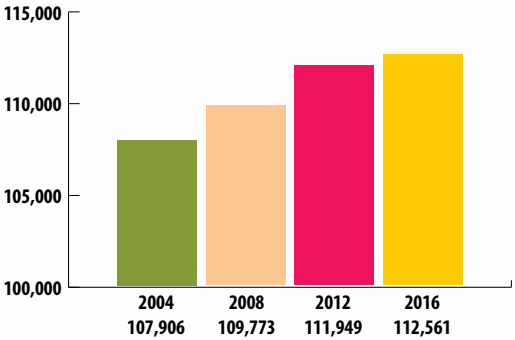
The Cherokee Nation SeedBank program maintains an inventory of rare, heirloom crops traditionally used by Cherokees for food and cultural purposes. In FY2016, the Cherokee Nation distributed 3,582 packages of seeds to tribal citizens.



A compact with the State of Oklahoma creates a joint system that allows every Cherokee Nation citizen ages 16 and over to receive a hunting and fishing license annually free of charge.



In 2016, Cherokee Nation leased 4,000 acres of agricultural pasture land to develop a wind farm and advance clean energy. The land will continue to be leased as grazing land also. The addition of the wind farm will generate approximately \$1 m per year.



Cherokee Nation Acreage Owned

Cherokee Nation has 100+ bison located at the Cherokee Nation Bison Ranch near Bull Hollow, OK. In FY2016, \$50k was invested in completing corrals.

Capital Projects and Infrastructure

Cherokee Nation invests in capital projects and infrastructure upgrades so that our citizens can have easier access to services, safer roads and improved water utilities.



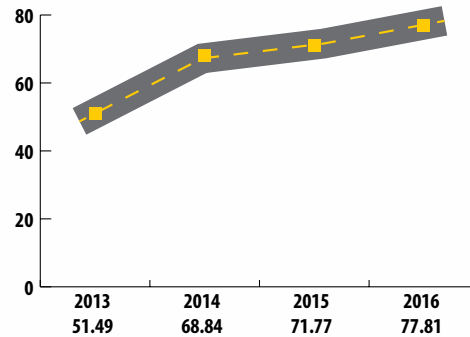
In FY2016, \$1.4m was invested throughout five counties on waterline and sewer projects.



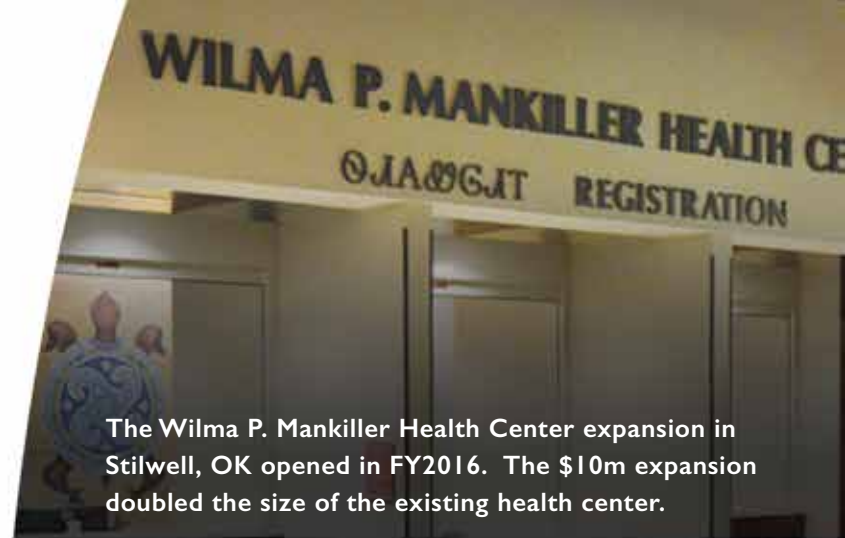
293 new installations and 175 repairs of domestic wells, public water connections or sewer connections were completed in FY2016.



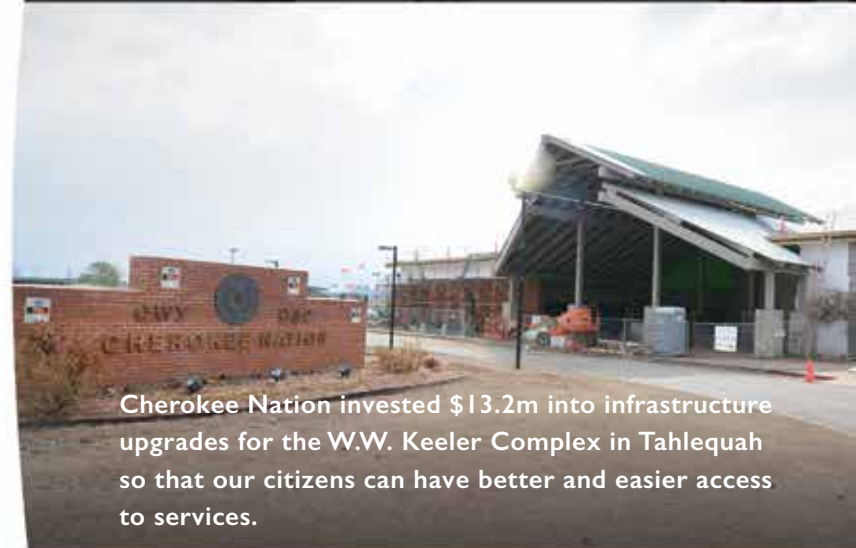
In FY2016, a \$1.7m road improvement project included 32 solar-powered streetlights that were installed near U.S. Hwy. 59 in Adair County. These lights will save \$50k in lighting costs over 10 years.



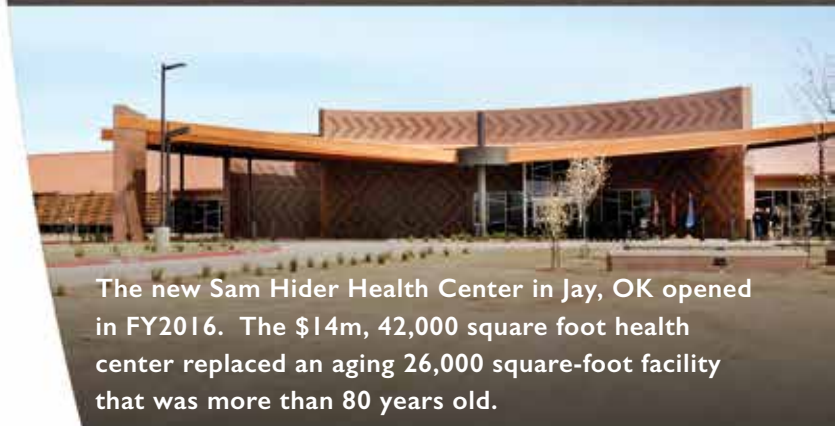
Miles of road constructed



The Wilma P. Mankiller Health Center expansion in Stilwell, OK opened in FY2016. The \$10m expansion doubled the size of the existing health center.



Cherokee Nation invested \$13.2m into infrastructure upgrades for the W.W. Keeler Complex in Tahlequah so that our citizens can have better and easier access to services.



The new Sam Hider Health Center in Jay, OK opened in FY2016. The \$14m, 42,000 square foot health center replaced an aging 26,000 square-foot facility that was more than 80 years old.



Health Services

Cherokee Nation continues to set the standard for outstanding health care. The Cherokee Nation's \$100m health care capital improvement plan demonstrates our dedication to creating a world-class health care system and making health care more accessible. Cherokee Nation's nine health centers and one hospital had over one million patient visits in FY2016.



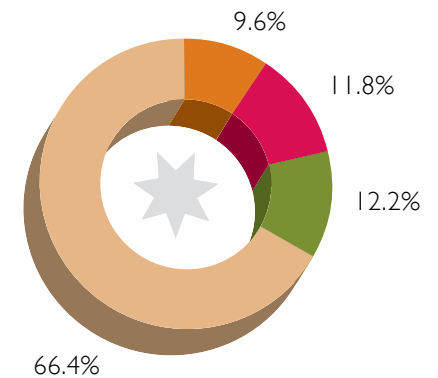
10,325 diabetes patients received medication, medical supplies and medical equipment in FY2016.



WIC recipients 84,274
 Breastfeeding women assisted 2,918
 Funding of food vouchers \$5.2m

FY2016 Patient Visits by Health Center

A-Mo Health Center - Salina	94,683
Coowescoowee Health Center - Ochelata	38,315
Ga-Du-Gi Health Center - Tahlequah	4,514
Redbird Smith Health Center - Sallisaw	123,444
Sam Hider Health Center - Jay	85,683
Three Rivers Health Center - Muskogee	163,938
Vinita Health Center - Vinita	100,114
Will Rogers Health Center - Nowata	53,975
Wilma P. Mankiller Health Center - Stilwell	114,888
W.W. Hastings Hospital - Tahlequah	377,126
Behavioral Health	21,880
TOTAL	1,178,560



FY2016 Health Services Expenses

- Direct Patient Care
- Community Health and Education
- Contracted Health
- Administration

Cherokee Nation Health Services was awarded an Indian Health Service (IHS) Joint Venture Construction project to build a 469,000 square-foot health center in Tahlequah. Planning and design of the facility was in process during FY2016. Construction began in FY2017 and is expected to be completed in fall 2019. Once completed, IHS will provide at least \$80m annually for staffing and operations of the new facility.

Education Services

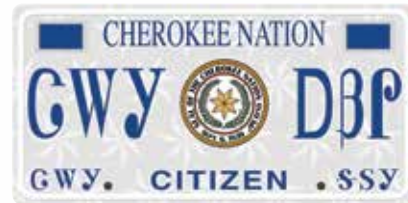
Through educational programs, higher education scholarships and schools serving pre-K through 12th grade, Cherokee Nation empowers our tribal citizens by offering them resources to create a better future for themselves and their families.



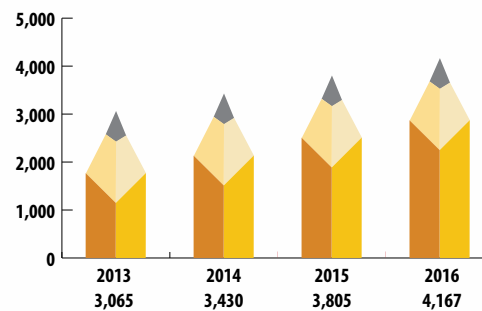
Children provided with food during summer	21,240
Children provided clothing	6,850
Children provided winter coats	4,977



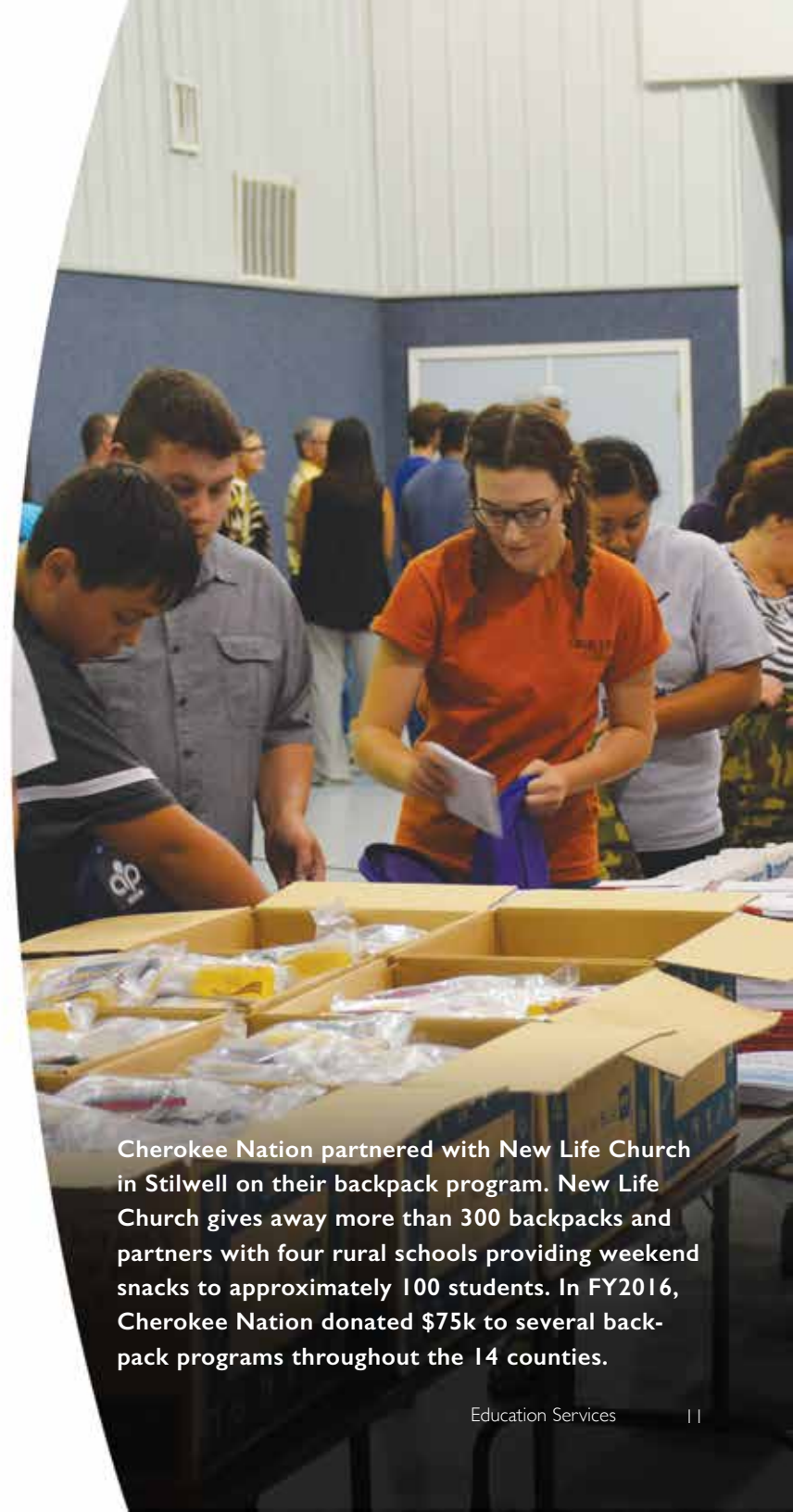
Immersion School students	101
Headstart students	152
Sequoyah High School students	374
Child Development Center enrollees	419



Each year the tribe allocates 38% of tax revenue from the sale of tribal car tags to schools in the tribal jurisdiction. In FY2016, a record \$4.5m was distributed to 106 school districts.



Higher Ed Scholarships Awarded



Cherokee Nation partnered with New Life Church in Stilwell on their backpack program. New Life Church gives away more than 300 backpacks and partners with four rural schools providing weekend snacks to approximately 100 students. In FY2016, Cherokee Nation donated \$75k to several backpack programs throughout the 14 counties.



Career and Commerce Services

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



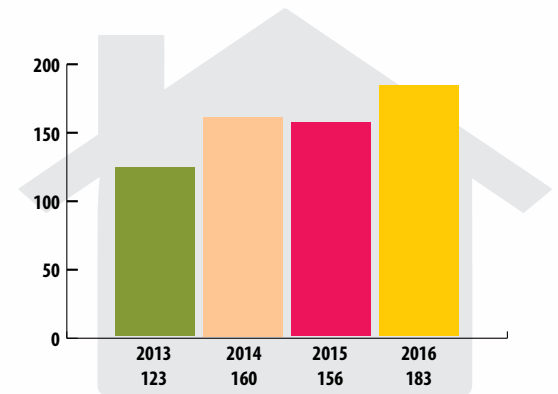
1,632 participants in vocational training programs



Day Training Program participants	792
Participants acquiring full-time jobs	183
Job fairs conducted	26



41 small business loans totaling \$2.0m
1,403 consumer loans totaling \$1.8m



Mortgage Assistance Program Participants

In FY2016, 67 Cherokee Nation citizens received a GED through Cherokee Nation Career Services Adult Education Program.

Human and Community Services

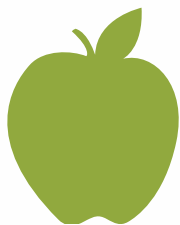
Cherokee families and communities are known for their strength and resilience. Cherokee Nation provides programs to assist families with critical needs as well as contributes resources to our communities to ensure essential services are rendered for a better quality of life.



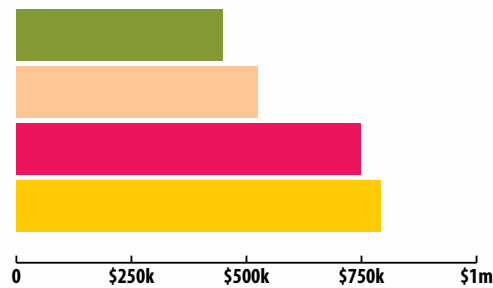
Child Support Enforcement program collected court ordered child support of \$4.9m in FY2016.



Elder Assistance	\$653k
Meals served at nutrition sites	20,522
Warm meals delivered to homes	6,425



Families assisted through Food Distribution	62,505
Low-income families assisted with utility payments	2,984
Families assisted through rental assistance	2,554



Community Contributions

- \$448k to 196 501(c)3 non-profit organizations
- \$525k to 288 community youth programs
- \$748k to 184 rural police and fire departments
- \$792k to communities for improvements and programs



In FY2016, Cherokee Nation Community Services had 46,723 transit passengers. Passengers received rides to school, jobs and medical appointments.

Component Units

Cherokee Nation Businesses

777 W. Cherokee St., Catoosa, OK 74015

918-384-7474 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 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 Northeastern Health System that provides state-of-the-art medical imaging services.

Kenwood, OK

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 and 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

918-453-5695

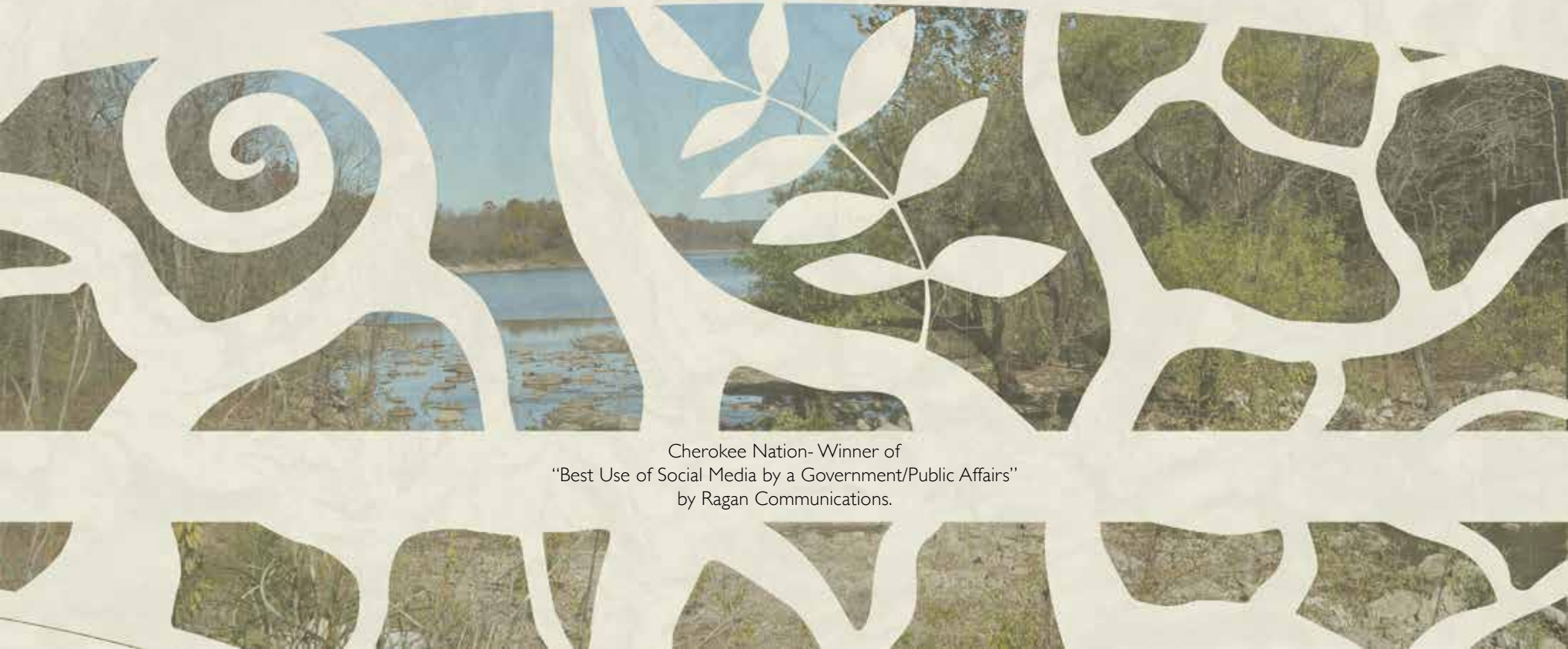


Visit www.cherokee.org to view Cherokee Nation's
FY2016 Comprehensive Annual Financial Report.

CWYD D&P
CHEROKEE NATION®

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