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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.
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.
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%

Where the Money Goes
2016 Uses

- Health Services: 57%
- Community Services: 16%
- Education Services: 13%
- Human Services: 8%
- Tribal Government: 6%
### Statement of Net Position

#### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$189,127,000</td>
</tr>
<tr>
<td>Investments</td>
<td>63,574,000</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>38,563,000</td>
</tr>
<tr>
<td>Due from Component Units</td>
<td>1,702,000</td>
</tr>
<tr>
<td>Inventories</td>
<td>4,732,000</td>
</tr>
<tr>
<td>Notes receivable</td>
<td>3,141,000</td>
</tr>
<tr>
<td>Other current assets</td>
<td>9,441,000</td>
</tr>
<tr>
<td>Restricted cash, cash equivalents and investments</td>
<td>45,546,000</td>
</tr>
<tr>
<td>Long-term notes receivable</td>
<td>9,579,000</td>
</tr>
<tr>
<td>Other assets</td>
<td>64,000</td>
</tr>
<tr>
<td>Equity interests in Component Units</td>
<td>775,365,000</td>
</tr>
<tr>
<td>Capital assets, non depreciable</td>
<td>32,685,000</td>
</tr>
<tr>
<td>Capital assets, depreciable, net</td>
<td>191,023,000</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS** $1,364,542,000

#### Deferred Outflows of Resources

**TOTAL DEFERRED OUTFLOWS OF RESOURCES** $3,296,000

#### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>15,239,000</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>35,372,000</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>7,529,000</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>139,890,000</td>
</tr>
<tr>
<td>Notes payable and long-term debt</td>
<td>33,455,000</td>
</tr>
<tr>
<td>Capital leases</td>
<td>1,016,000</td>
</tr>
<tr>
<td>Compensated absences</td>
<td>7,387,000</td>
</tr>
<tr>
<td>Derivative instrument - rate swap</td>
<td>3,296,000</td>
</tr>
<tr>
<td>Other noncurrent liabilities</td>
<td>3,084,000</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES** $246,257,000

#### Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>193,888,000</td>
</tr>
<tr>
<td>Restricted</td>
<td>876,659,000</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>51,034,000</td>
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</table>

**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)
- **Distinguished Budget Presentation** (FY2015-FY2016)

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

General revenues:
- Motor fuel tax
- Motor vehicle tax
- Tobacco tax
- Sales tax
- Unrestricted grants and contributions
- Unrestricted investment earnings
- Dividends from Component Units **
- Miscellaneous revenue
- Litigation settlement
- Transfers of operation

**Total general revenues: $121,799,000

Program revenues:
- Charges for services
- Operating grants and contributions
- Capital grants and contributions

**Total program revenues: $488,732,000

TOTAL REVENUES AND TRANSFERS $610,531,000

Governmental activities:
- Tribal government
- Health services
- Education services
- Human services
- Community services
- Interest on long-term debt

**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

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

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

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 $1m per year.

Cherokee Nation Acreage Owned

<table>
<thead>
<tr>
<th>Year</th>
<th>Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>107,906</td>
</tr>
<tr>
<td>2008</td>
<td>109,773</td>
</tr>
<tr>
<td>2012</td>
<td>111,949</td>
</tr>
<tr>
<td>2016</td>
<td>112,561</td>
</tr>
</tbody>
</table>
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.

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

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

A-Mo Health Center - Salina 94,683
Cooweescoowee 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

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.

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

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

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

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

Mortgage Assistance Program Participants
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.

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

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

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.cherokeenationbusinesses.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.cherokeehistory.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.cherokeenationfoundation.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.
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