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CHEROKEE NATION®

Tahlequah, Oklahoma



Annual Comprehensive
Financial Report

Fiscal Year Ended
September 30, 2025



2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2025
Prepared by Cherokee Nation Financial Resources Department
Tahlequah, Oklahoma

CHEROKEE NATION
Annual Comprehensive Financial Report
For the Year Ended September 30, 2025

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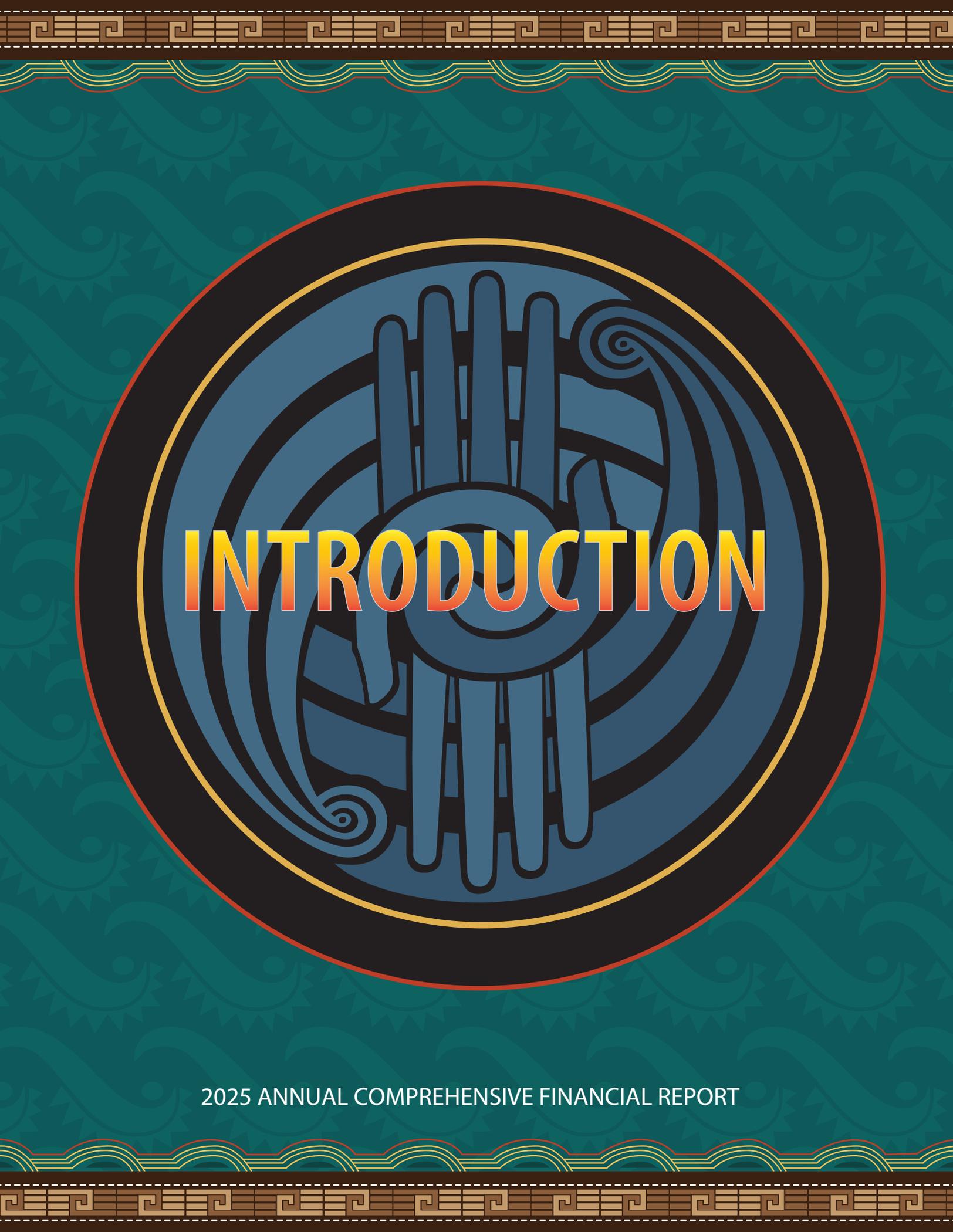
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INTRODUCTION

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



GWYᎠ DBF
CHEROKEE NATION®

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Chuck Hoskin Jr.
Principal Chief
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Bryan Warner
Deputy Principal Chief
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March 31, 2026

Principal Chief, Deputy Principal Chief, Tribal Council and Citizens of the Cherokee Nation:

We, the Cherokee Nation Office of Financial Resources (Financial Resources), are pleased to submit the Annual Comprehensive Financial Report of the Cherokee Nation (the Nation) for the fiscal year ended September 30, 2025. Accountability for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of Financial Resources. We believe the data presented is accurate in all material aspects, and fairly presents the financial position and activities for the year ended September 30, 2025.

A comprehensive analysis of the Nation's financial position and activities for the year is contained in this report. It has been prepared by the Office of Financial Resources and conforms to the "pyramid" approach to governmental financial reporting as prescribed in National Council on Governmental Accounting (NCGA) Statement 1, "Governmental Accounting and Financial Reporting Principles."

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A should be read in conjunction with this transmittal letter.

The Nation's basic financial statements were audited by Forvis Mazars, LLP whose role serves to provide reasonable assurance that the financial statements are fairly stated in all material respects. See "Independent Auditor's Report" included with the comprehensive report.

Organization of the Government

The Nation is the largest federally recognized tribal government in the United States. The Nation has sovereign reservation status, granted by treaty and law, located within 14 counties of northeastern Oklahoma with the boundary running northerly and southeasterly from Tulsa, Oklahoma to the Kansas and Arkansas state borders. The Cherokee Nation reservation—which consists of 6,950 square miles and includes all of six counties and portions of eight other counties—was established with the historical boundaries of the Cherokee Nation after the Treaty of 1866.

The Cherokee Constitution was amended by the Constitutional Convention in 1999 and ratified by a vote of the Cherokee citizens in 2003. This Constitution defines the distribution and separation of powers among the three branches of government. The three branches and their respective powers include the following:

Executive Branch

The executive power of the Cherokee Nation is vested in the Principal Chief, currently Chuck Hoskin Jr. The Deputy Principal Chief, currently Bryan Warner, aids and advises the Principal Chief in the administration of the government. The Principal Chief is responsible for the execution of the laws of the Cherokee Nation, establishment of tribal policy and delegation of authority, as is necessary for the administrative functions of the Cherokee Nation. The Principal Chief maintains an office at the W. W. Keeler Tribal Complex in Tahlequah (Cherokee County), Oklahoma. The Deputy Principal Chief is empowered to act as directed by the Principal Chief.

The Executive Branch of the Nation is organized with the Principal Chief and the Deputy Principal Chief serving as the final authorities of the administrative operations of the Nation. Within the Executive Branch is a six member Cabinet: the Treasurer, the Secretary of State, the Secretary of Natural Resources, the Chief of Staff, the Cherokee Nation Delegate to Congress, and the Secretary of Veteran's Affairs. As of September 30, 2025, the following were members of the Cabinet. The Treasurer, Janees M. Taylor, provides oversight and direction for the Nation on all financial matters, including annual budgets, investment of funds, and financial reporting in conformance with Generally Accepted Accounting Principles (GAAP). The Treasurer is also responsible for the selection of the independent Certified Public Accounting firm, and ensuring that an annual comprehensive financial statement audit is performed and presented to Tribal Council within six (6) months of the fiscal year end. The Secretary of State, Shella Bowlin, is responsible for a variety of governmental functions including but not limited to the certification of petitions, referring amendments of the constitution to the people, and receipt of petitions, orders for initiatives, and oaths of office. The Secretary of Natural Resources, Christina Justice, advises the Chief on natural resource issues and works to advance the Nation's top environmental strategic priorities. The Chief of Staff, Dr. Corey Bunch, advises the chief on employee matters offering workable solutions that support the Chief in his administrative function. The Cherokee Nation Delegate to Congress, Kim Teehee, advocates on behalf of the Cherokee Nation on the federal level. Secretary of Veteran's Affairs, S. Joe Crittenden, acts as primary advisor to the Chief on all veteran-related issues affecting the Nation and its tribal veterans.

The Constitution also created an office of Attorney General and an office of Marshal. The Attorney General and Marshal are appointed by the Principal Chief and confirmed by the Tribal Council for a term of five (5) years. The terms of the Attorney General and Marshal shall not be concurrent. As of September 30, 2025, the Attorney General was Chad Harsha, and the Marshal was Daniel Mead. The Attorney General represents the Cherokee Nation in all criminal cases in the courts of the Nation and in all civil actions wherein the Cherokee Nation is named as a party and shall have such other duties as prescribed by law. The Marshal provides law enforcement within the jurisdiction of the Cherokee Nation. The Marshal's duties and authority are prescribed by law.

The staff of the Principal Chief includes the Executive Directors of the respective departments who provide oversight and general direction. The major service departments of the Nation are the following: Career Services, Commerce Services, Education Services, Health Services, Human Services, Language, Public Health and Transportation & Infrastructure. Resource departments provide support for the Nation's service departments. The Resource departments are as follows: Financial Resources, Human Resources, Information Technology and Management Resources.

Legislative Branch

The Legislature consists of seventeen (17) Tribal Council members, who are citizens of the Cherokee Nation. The Tribal Council is elected to four-year terms from the fifteen districts of the Cherokee Nation and two at-

large members who represent citizens living outside the reservation. The Council elects a Speaker and a Deputy Speaker. As of September 30, 2025, the Speaker was Johnny Jack Kidwell and the Deputy Speaker was Kevin Easley, Jr. The role of the Tribal Council is to adopt legislation in the best interest of the Cherokee people.

Judicial Branch

The Judicial Branch consists of the Supreme Court and the Cherokee Nation District Court. Supreme Court Justices are appointed by the Principal Chief and confirmed by the Tribal Council. As of September 30, 2025, the Chief Justice was John C. Garrett. The primary responsibility of the Justices is to hear and resolve any disagreements arising under the provisions of the Constitution or any enactment of the Tribal Council.

The District Court system hears all cases brought before it under jurisdiction of the Cherokee Nation Code Annotated, Title 20, Courts and Procedure. As of September 30, 2025, Presiding Judge was T. Luke Barteaux.

Reporting Entity

The Nation determines its financial reporting entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity"; GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No.14"; GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34"; GASB Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14"; and GASB Statement No. 90, "Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61", as applicable, and, based on that criterion, has included the following entities as component units within the Nation's basic financial statements:

Cherokee Nation Businesses, LLC (CNB) and its blended component units
Housing Authority of the Cherokee Nation of Oklahoma (HACN) and its blended component unit
Cherokee Nation Comprehensive Care Agency (CNCCA)
Cherokee Nation Home Health Services, Inc. (CNHHS)
Cherokee Nation Foundation (CNF)
Cherokee National Historical Society, Inc. (CNHS)
Cherokee Nation Economic Development Trust Authority (EDTA)

The nature of the activities of these organizations and the specific basis for inclusion as component units of the Nation are discussed in the notes to the basic financial statements.

Internal Controls

The management of the Nation is responsible for ensuring that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Management of the Nation is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Nation are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. The Nation did not change any financial policies that had a significant impact on the fiscal year's financial statements.

Single Audit

As a recipient of federal and state financial assistance, the Office of Financial Resources is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and

regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the Nation.

As a part of the Nation's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the Nation has complied with applicable laws and regulations. The results of the Nation's single audit process for the fiscal year ended September 30, 2025, will be included in a separately issued Single Audit Report.

Budgetary Process

Title 62, §31-32 provides the legal level of budgetary control for the Cherokee Nation. The Executive and Finance Committee of the Tribal Council, upon direction of the Treasurer and with advisement from the Controller, shall formulate an annual appropriations bill. The bill shall contain the legal budgeted annual revenues and expenditures/expenses for the general fund and enterprise funds for the executive, legislative and judicial branches of government. The functional level (e.g. health services) is used for reporting the legal level of budgetary control. The sources of revenue may be based upon estimates. The budgeted expenditures for these funds shall not exceed total estimated revenues and beginning fund balance and net position. Cherokee Nation limits uses of funds to the availability of the sources of revenues.

Should the need arise for management to transfer funds or propose additional appropriations, the Executive and Finance Committee of the Tribal Council, upon direction of the Treasurer and with advisement from the Controller, shall be responsible for proposing amendments to the annual appropriations law based upon material changes in real or estimated revenues and expenditures that affect the total amounts budgeted. Any amendments to the annual appropriations bill shall be presented to the Tribal Council for consideration and passage. Any funds received by the Cherokee Nation, the use of which is determined by the granting or contracting agency (special revenue funds) shall be used only for those purposes and under those conditions for which the funds are made available, and such funds are not subject to legal appropriation by the Tribal Council.

The basic financial statements contain a budget and actual comparative statement for the General Fund, a legally budgeted fund. A budgetary statement for enterprise funds, which are also legally budgeted, is included in the budgetary information section of Supplementary Information. Budgets for the Nation are prepared on the same basis of accounting as the financial statements.

Long-Term Financial Planning

Since fiscal year 2016, the Cherokee Nation primary government has increased its total assets by approximately \$5.2 billion or 384.2%. The Nation's long-term financial planning process involves a dedicated budgeting process that ensures discretionary resources are used to support the vision of the Nation: "Together: Community-Family-Culture." This planning process encompasses the annual financial budget process as well as long-term forecasting for use of the Nation's resources. Additionally, new ideas and efficiencies are continually being incorporated to further advance the Nation's initiatives, which include greater emphasis on housing, healthcare, careers and education.

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 issues, these reserve funds are invested for growth purposes under the direction of the Treasurer.

Through expansion of its component units, the Nation works to establish a productive, sustainable economy for the citizens of the Nation. In addition to creating greater opportunities through its component units, the

Nation has been successful in partnering with outside entities to attract new industries and create jobs within the Nation's reservation.

Use of the Report

This report will be submitted to the Federal Audit Clearinghouse in compliance with the requirements of the Office of Management and Budget (OMB) 2 CFR 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards". Copies of the reports will also be submitted to elected officials of the Nation and various other agencies which require copies as a condition of funding provided to the Nation under grants and contracts. Use of this report by the departments of the Nation is encouraged.

Readers of this report should refer to Management's Discussion and Analysis (MD&A) for better understanding of the financial activities of the Nation. The MD&A provides the reader with an easily readable discussion of the basic financial statements, significant differences, comparative analyses, fund financial analysis, significant budget variations, and facts, decisions or conditions which have or are expected to have a significant effect on the Nation's financial position or activities.

Certificate of Achievement

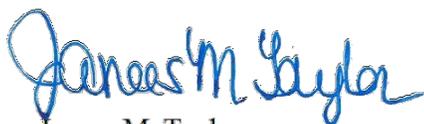
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Cherokee Nation for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2024. This was the twenty-fourth consecutive year that the Nation has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The members of the Office of Financial Resources believe that the current ACFR continues to meet the Certificate of Achievement Program's requirements. We will be submitting the ACFR to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the 2025 Annual Comprehensive Financial Report was a tremendously involved task requiring the professional skills of the entire Financial Resources Department. Despite the challenges that COVID-19 brought, the Office of Financial Resources remained committed to serving the Cherokee people. I would like to express my deepest gratitude to the Financial Resources staff for their dedication and continuous hard work. I would also like to thank Forvis Mazars, LLP, independent auditors for the Cherokee Nation, for their guidance and technical assistance in completing this Annual Comprehensive Financial Report.

Respectfully submitted,



Janees M. Taylor
Treasurer
Cherokee Nation

Cherokee Nation Tribal Officials

as of September 30, 2025

EXECUTIVE BRANCH

Chuck Hoskin Jr.
Principal Chief

Bryan Warner
Deputy Chief

LEGISLATIVE BRANCH

Johnny Jack Kidwell
Speaker
At Large

Kevin Easley, Jr.
Deputy Speaker
District 14

Joshua Sam
Secretary
District 7

Sasha Blackfox-Qualls
District 1

Candessa Tehee
District 2

Lisa Hall
District 3

Uriah Grass
District 4

Ashley Grant
District 5

Daryl Legg
District 6

Codey Poindexter
District 8

Clifton Hughes
District 9

Melvina Shotpouch
District 10

Kendra McGeady
District 11

Dora Patzkowski
District 12

Joe Deere
District 13

Danny Callison
District 15

Julia Coates
At Large

JUDICIAL BRANCH

Supreme Court

John C. Garrett
Chief Justice

Tina Glory-Jordan
Justice

Mark L. Dobbins
Justice

Amy Page
Justice

Rex Earl Starr
Justice

District Court

T. Luke Barteaux
Presiding Judge

Janice Purcell-Walters
Judge

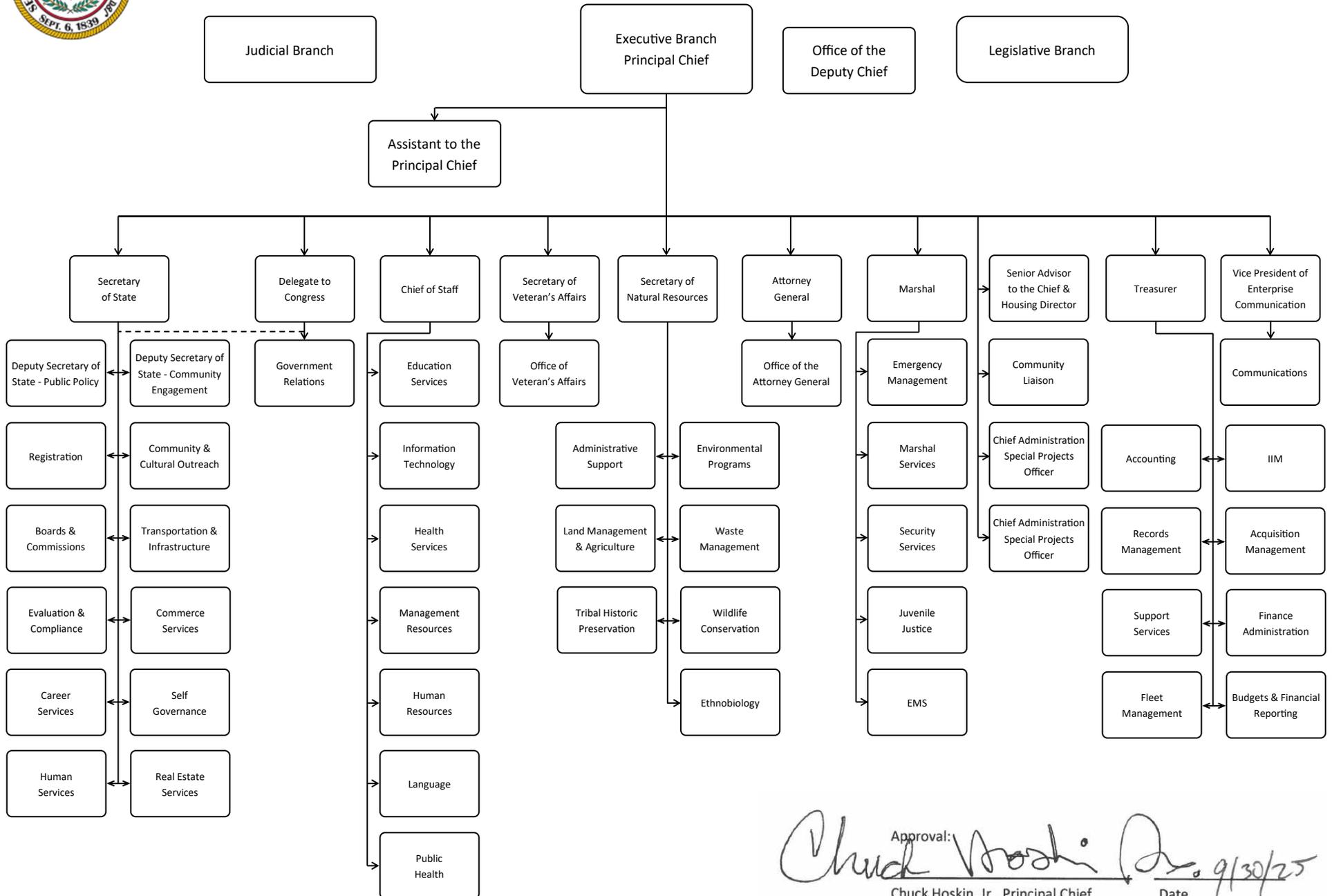
Nathan Barnard
Judge

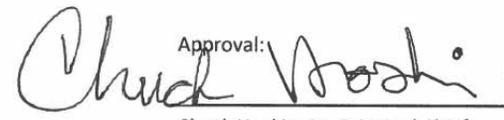
Nicholas Goodwin
Judge



CHEROKEE NATION ORGANIZATIONAL CHART

GWJ D3F
CHEROKEE NATION



Approval:  Date: 9/30/25

Chuck Hoskin, Jr., Principal Chief

Date



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cherokee Nation
Oklahoma**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

A large circular graphic in the center of the page. It features a dark blue background with a stylized globe of black and white lines. Two hands, rendered in a light blue color, are shown holding the globe from the top and bottom. The entire graphic is enclosed in a double-lined border, with the inner line being yellow and the outer line being red. The background of the page is a teal color with a repeating pattern of stylized, swirling motifs.

FINANCIAL SECTION

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Independent Auditor's Report

Principal Chief and Tribal Council
Cherokee Nation
Tahlequah, Oklahoma

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Cherokee Nation (Nation), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Nation's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Nation, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Authority of the Cherokee Nation of Oklahoma (HACN), the Cherokee Nation Comprehensive Care Agency (CNCCA), or the Cherokee Nation Foundation (CNF), which are discretely presented component units of the Nation, which collectively represent 9.4%, 9.0%, and 5.3% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units as of September 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for HACN, CNCCA, and CNF, are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Nation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Nation restated beginning net position in connection with the adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the

design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nation's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nation's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

**Tulsa, Oklahoma
March 31, 2026**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Nation's management provides Management's Discussion and Analysis (MD&A) of the Annual Comprehensive Financial Report as a tool for readers of the Nation's financial statements for the fiscal year ended September 30, 2025. Readers of the Nation's financial statements are encouraged to utilize this information in conjunction with the information provided in the letter of transmittal, which precedes this section, and the accompanying basic financial statements and disclosures following this section.

The financial information for the year ended September 30, 2024, has been restated for a change in accounting principle. Comparative amounts presented in the MD&A have not been restated. Readers should refer to Note 1 to the financial statements for a detailed discussion of the restatement and its effects on the financial statements.

Financial Highlights

The Nation's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of fiscal year 2025 by \$5.0 billion (net position). Of this total amount, \$794.7 million is unrestricted net position that may be used to meet the government's ongoing obligations.

The Nation's overall liabilities and deferred inflows of resources at the end of fiscal year 2025 decreased by approximately \$137.3 million to \$1.7 billion.

The overall net position increased by \$581.2 million, which is largely attributable to the litigation settlements within the General Fund, interest income, dividends from component units, and the increase in equity in component units.

The Nation's governmental funds reported total ending fund balance of \$2.1 billion at the end of fiscal year 2025. This compares to the prior year ending fund balance of \$1.9 billion showing an increase of \$165.0 million during the current year. Unassigned fund balance is \$524.4 million for fiscal year 2025.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$525.0 million or 175.6% of total General Fund expenditures including transfers out and 130.3% of total General Fund revenues including insurance recoveries and transfers in.

Overview of the Financial Statements

Basic Financial Statements

This discussion and analysis serves as an introduction to the Nation's basic financial statements. The Nation's basic financial statements are comprised of government-wide financial statements, fund financial statements, and notes to the basic financial statements. The Annual Comprehensive Financial Report also contains other information to supplement the basic financial statements.

Government-wide Financial Statements

The *Government-wide Financial Statements* provide a broad overview of the Nation's finances and operations in a manner similar to private-sector business. The statements provide information about the Nation's financial position on both a short-term and long-term basis. The statements are prepared using the accrual basis of accounting and an economic resources measurement focus. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

The *Statement of Net Position* presents the assets, deferred outflows of resources, liabilities and deferred inflows of resources for the entire Nation, with the difference between the assets and deferred outflows of

resources less liabilities and deferred inflows of resources reported as “net position.” Increases or decreases in net position over time can serve as an indicator of the improvement or decline in the Nation’s financial position.

The *Statement of Activities* presents information about how the Nation’s net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of when the related cash flows occur. Utilizing this method, revenues and expenses are reported when earned and incurred, rather than when cash is received or expended.

The financial statements include separate sections for three different types of activities. The three types are as follows:

Governmental Activities present information about activities supported by dividends from component units, taxes, intergovernmental revenues (state and federal grants), and private grants. The services provided by the Nation’s government generally fall into this category, including tribal government, health services, education services, human services, and community services.

Business-type Activities are intended to recover all or a substantial portion of their costs through user fees and charges to external users of the goods and services. The active business-type activities of the Nation include the CN Sanitary Landfill and Economic Development Trust Authority (EDTA).

Discretely Presented Component Units are the operations for which the Nation has financial accountability, but have certain independent qualities, such as an independent Board of Directors. For the most part, these units operate similar to private-sector business. The Nation’s discretely presented component units are:

Cherokee Nation Businesses, LLC (CNB) and its blended component units
Housing Authority of the Cherokee Nation of Oklahoma (HACN) and its blended component unit
Cherokee Nation Comprehensive Care Agency (CNCCA)
Cherokee Nation Home Health Services, Inc. (CNHHS)
Cherokee Nation Foundation (CNF)
Cherokee National Historical Society, Inc. (CNHS)

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been separated for specific activities or objectives. The Nation, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual activities of the Nation’s government, providing more detail than the government-wide financial statements. The funds of the Nation are divided into three types, which use different accounting approaches and should be interpreted differently. The three types of funds are:

Governmental Funds are used to account for the same governmental functions as reported in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on the near-term inflows and outflows of expendable resources. These fund statements also focus on the balances of expendable resources available at the end of the fiscal year. This approach to financial reporting is known as using the current financial resources measurement focus and the modified accrual basis of accounting. This method may be useful in evaluating the government’s near-term financing requirements. These statements provide a short-term view of the Nation’s finances that assist in determining if there will be sufficient financial resources to meet the current

needs of the Nation. Most of the services provided by the Nation are financed and reported through the governmental funds.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on pages 26 and 28 of the financial statements.

The Nation maintains five major governmental funds, each presented in a separate column in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The Nation's five major governmental funds are the General, PL 102-477, Self Governance DHHS, Fiscal Recovery Fund, and Capital Projects Fund. In addition, the Nation maintains fourteen nonmajor governmental funds, shown aggregated, including two permanent funds to account for other governmental activity. The governmental funds statements can be found on pages 26 - 28 of this report.

Proprietary Funds are used to show activities which operate similar to private-sector enterprises. These funds charge fees for goods and services provided to customers. Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, except in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no separate reconciliation needed between the proprietary fund financial statements and the government-wide financial statements for business-type activities.

The proprietary funds financial statements can be found on pages 30 - 32 following the governmental fund financial statements. The Nation's proprietary funds include Enterprise and Internal Service Funds, which are described below.

Enterprise Funds — The Nation has no major enterprise funds and two nonmajor enterprise funds for presentation purposes. The nonmajor funds are the Nation's CN Sanitary Landfill and Economic Development Trust Authority (EDTA). The nonmajor enterprise combining financial statements can be found on pages 85 - 87 of this report.

Internal Service Funds are used to account for activities related to goods and services provided by one department to other departments of the Nation and to other governmental units, on a cost reimbursement basis. The internal service funds are:

Internal Leases which are used to account for the cost to maintain buildings for use by other funds of the Nation.

Fringe Pool which is used to account for the cost of fringe benefits, including the Nation's self-insured healthcare and worker's compensation benefits, used by other funds of the Nation.

Indirect Cost Pool which is used to account for the cost of providing certain services, such as accounting, human resources, information technology and acquisition management, to other funds of the Nation.

The internal service funds combining financial statements can be found on pages 88 - 90 of this report.

Fiduciary Funds are used to account for assets held by the Nation in a fiduciary capacity. The Nation has one fiduciary fund, the Child Support Custodial fund. The fiduciary funds financial statements can be found on pages 33 - 34 following the governmental fund financial statements.

Cherokee Nation Component Unit Financial Statements – component units, as previously mentioned, are operations over which the Nation has financial accountability, but that have independent qualities as well, similar to private-sector business. The government-wide financial statements present information for the discretely presented component units in a single column. The Combining Statement of Net Position and the Combining Statement of Revenues, Expenses and Changes in Net Position present detail for each of the six discretely presented component units.

The financial statements for component units can be found on pages 35 - 37 of this report.

Notes to Basic Financial Statements

The notes to basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and the fund financial statements. The notes to basic financial statements can be found on pages 38 - 82 of this report.

Supplementary Information

The basic financial statements are followed by a section of supplementary information. This section of the report includes combining schedules for nonmajor governmental and enterprise funds, internal service funds and a budgetary comparison schedule for the Nation's enterprise funds. The supplementary information section begins on page 83.

Statistical Information

The statistical section provides financial statement users with additional detailed information as a context for understanding the information in the financial statements, notes to the basic financial statements, and other supplementary information as it relates to the government's overall financial health. Included in the statistical section are schedules related to financial trends, revenue capacity, debt capacity, demographic and economic indicators, and operating information. The statistical information section begins on page 92.

Comparative Analysis for Major Funds

The following is a comparative analysis for the Nation’s major funds (dollars in thousands):

Major Fund	2025	2024	Increase/ Decrease	Percent Inc/Dec
General Fund				
Revenues, insurance recoveries, transfers in, & special item-dissolution of component unit	\$ 402,894	\$ 343,965	\$ 58,929	17.1 %
Expenditures & transfers out	299,028	213,570	85,458	40.0 %
Fund Balance	848,285	744,419	103,866	14.0 %
PL 102-477				
Revenues, insurance recoveries & transfers in	98,330	83,144	15,186	18.3 %
Expenditures & transfers out	73,488	59,131	14,357	24.3 %
Fund Balance	69,417	44,575	24,842	55.7 %
Self Governance DHHS				
Revenues, insurance recoveries & transfers in	817,622	826,899	(9,277)	(1.1) %
Expenditures & transfers out	954,568	775,025	179,543	23.2 %
Fund Balance	595,060	732,006	(136,946)	(18.7) %
Fiscal Recovery Fund				
Revenues, insurance recoveries & transfers in	336,137	301,840	34,297	11.4 %
Expenditures & transfers out	336,137	301,840	34,297	11.4 %
Fund Balance	-	-	-	-
Capital Projects Fund				
Revenues, issuance of long-term debt, insurance recoveries & transfers in	465,135	295,909	169,226	57.2 %
Expenditures & transfers out	290,270	191,947	98,323	51.2 %
Fund Balance	489,111	314,246	174,865	55.6 %

The General Fund represents the operating activities of the tribal government. The fund balance of the General Fund increased \$103.9 million during fiscal year 2025. Revenues increased largely due to a litigation settlement agreement with the United States regarding trust accounting. Expenditures increased due to programs such as General Fund Operations for the legal fees associated with the USA litigation settlement, Detention Agreements, Clothing For Kids, and the Public Health and Wellness Fund. Transfers out increased due to transfers to the Capital Projects Fund for the Justice Center and the District Court construction projects.

The PL 102-477 fund reported an increase in fund balance of \$24.8 million. PL 102-477 revenues increased due to additional programs accepted into the PL 102-477 fund during fiscal year 2025. Expenditures increased for PL 102-477 Childcare, PL 102-477 Human Services and JOM. Transfers out increased due to transfers to the Capital Projects Fund for capital expansion and construction of child development centers.

In fiscal year 2025, the Self Governance DHHS fund reported a decrease in fund balance of \$136.9 million. The revenues for Self Governance DHHS decreased in fiscal year 2025 primarily due to the continued spend-down of prior years’ federal awards for one-time COVID-19 related funding. The expenditures and transfers out for Self-Governance DHHS increased in fiscal year 2025 due to the transfers to the Capital Projects Fund for the construction of the Claremore Outpatient and Emergency Center, the Claremore Service Unit, and the Claremore Wellness Center.

The Fiscal Recovery Fund did not maintain fund balance at the end of fiscal year 2025. This fund saw both revenues and expenditures increase due to the spend down of funds received through the American Rescue Plan Act of 2021 due to the pandemic that hit the United States during fiscal year 2020.

The Capital Projects Fund reported an increase in fund balance of \$174.9 million. Capital Projects Fund revenues increased due to transfers in for the Claremore Outpatient and Emergency Center, the Claremore Service Unit, the Claremore Wellness Center, the Justice Center, and the District Court construction

projects. The expenditures increased due to Sallisaw Child Development Center and new hospital construction projects.

Government-Wide Financial Analysis

Net Position

Net position, over time, may serve as a useful indicator of a government's financial position. In the case of the Nation, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5.0 billion at the close of the most recent fiscal year. The following table presents the Nation's net position as of September 30, 2025, and 2024, for the primary government (dollars in thousands):

	Cherokee Nation's Net Position						
	Governmental Activities		Business-type Activities		Total		Increase/Decrease
	2025	2024	2025	2024	2025	2024	
Current and other assets	\$ 5,212,620	\$ 5,240,587	\$ 30,542	\$ 26,114	\$ 5,243,162	\$ 5,266,701	\$ (23,539)
Capital assets	1,357,029	918,791	7,009	3,123	1,364,038	921,914	442,124
Total assets	<u>6,569,649</u>	<u>6,159,378</u>	<u>37,551</u>	<u>29,237</u>	<u>6,607,200</u>	<u>6,188,615</u>	<u>418,585</u>
Long-term debt outstanding	197,778	133,783	465	534	198,243	134,317	63,926
Other liabilities	1,439,275	1,642,101	7,824	7,818	1,447,099	1,649,919	(202,820)
Total liabilities	<u>1,637,053</u>	<u>1,775,884</u>	<u>8,289</u>	<u>8,352</u>	<u>1,645,342</u>	<u>1,784,236</u>	<u>(138,894)</u>
Deferred inflows of resources	<u>7,780</u>	<u>6,222</u>	<u>-</u>	<u>-</u>	<u>7,780</u>	<u>6,222</u>	<u>1,558</u>
Net investment in capital assets	1,072,122	725,977	7,009	3,123	1,079,131	729,100	350,031
Restricted	3,080,286	2,910,883	-	-	3,080,286	2,910,883	169,403
Unrestricted	<u>772,408</u>	<u>740,412</u>	<u>22,253</u>	<u>17,762</u>	<u>794,661</u>	<u>758,174</u>	<u>36,487</u>
Total net position	<u>\$ 4,924,816</u>	<u>\$ 4,377,272</u>	<u>\$ 29,262</u>	<u>\$ 20,885</u>	<u>\$ 4,954,078</u>	<u>\$ 4,398,157</u>	<u>\$ 555,921</u>

The largest portion of the Nation's net position (62.2%) represents resources that are subject to external restrictions on how they may be used. An additional portion of the Nation's net position (21.8%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and vehicles), less any related outstanding debt that was used to acquire those assets. The Nation uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Nation's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$794.7 million is unrestricted and may be used to meet the government's ongoing obligations to its creditors and provide services to the citizens.

At September 30, 2025, the Nation reported positive net position for the government as a whole, as well as for its separate governmental and business-type activities. The Nation's overall net position increased \$581.2 million from the prior fiscal year. The reasons for this increase are discussed in the following section for governmental and business-type activities.

Changes in Net Position

The Nation's net position increased \$581.2 million, approximately 2.3% more than the prior year increase of \$568.1 million, for an ending balance of \$5.0 billion. The governmental activities had an increase of \$572.8 million and business-type activities had an increase of \$8.4 million, respectively.

The Nation's total revenues were \$1.9 billion in fiscal year 2025, an increase of \$161.1 million from the prior fiscal year. Program revenue generated \$1.5 billion, consisting of charges for services, federal and state grants, and other contributions, an increase of \$87.8 million from the prior fiscal year. Operating grants and contributions increased \$41.7 million from last year as compared to this year largely due to the remaining availability of federal awards from prior years' awards for one-time COVID-19 related funding. Capital grants and contributions revenue decreased \$10.7 million related to a decrease of capital grants from CNB as compared to the prior fiscal year.

Unrestricted investment earnings decreased \$25.0 million due to lower interest rates paid on accounts eligible to collect earnings.

Litigation settlements, the largest increase of the general revenues, increased \$77.7 million due to the settlement with the USA regarding trust accounting.

Dividends from component units increased \$9.3 million as compared to the prior year.

Expenses for the primary government increased 12.3% or from \$145.2 million to \$1.3 billion. The Nation's expenses cover a range of services, including programs classified as tribal government, health services, education services, human services and community services functions. Significant changes include:

Tribal government expenses increased \$47.7 million (38.4%). This increase is largely due to the increase of tribal government expenses for the District Court, Detention Agreements, and the legal fees associated with the litigation settlement with the USA for trust accounting.

Health services expenses increased \$102.2 million (16.8%). This increase is due to increases of expenses for Claremore Pre-Award Startup and the Contract Health program.

Education services expenses had no significant changes from fiscal year 2024.

Human services expenses increased \$4.4 million (4.7%). This increase is attributed to increases for Local Food Purchase Assistance and Emergency Supply Chain Distribution grants.

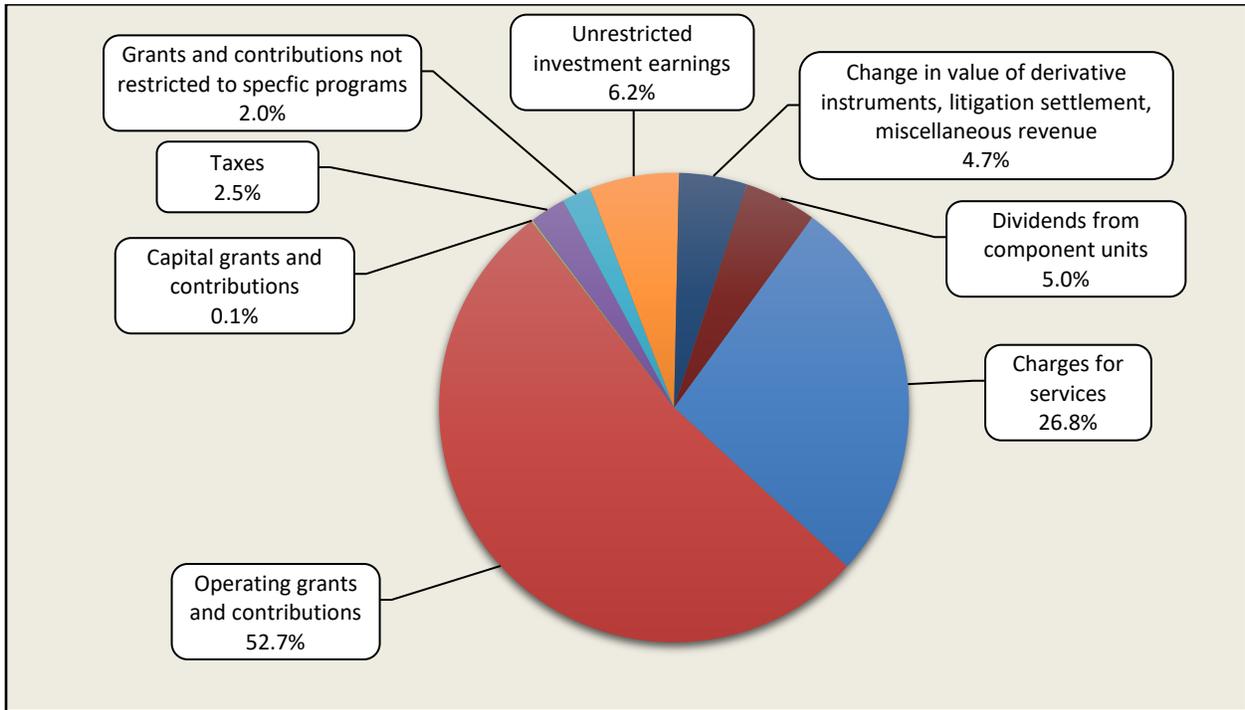
Community services expenses decreased \$14.6 million (6.5%). This decrease is largely due to the decrease of expenses within the DOT FHWA Roads program.

The changes in net position during 2025 and 2024 are as follows (dollars in thousands):

	Cherokee Nation's Changes Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 511,353	\$ 455,047	\$ 2,752	\$ 2,240	\$ 514,105	\$ 457,287
Operating grants/contributions	1,009,924	968,209	-	-	1,009,924	968,209
Capital grants/contributions	1,853	12,616	-	-	1,853	12,616
General revenues:						
Motor fuel tax	11,357	11,111	-	-	11,357	11,111
Motor vehicle tax	20,007	21,034	-	-	20,007	21,034
Tobacco tax and fees	11,737	12,512	-	-	11,737	12,512
Sales tax	4,005	4,077	-	-	4,005	4,077
Grants and contributions not restricted to specific programs	37,946	34,502	-	-	37,946	34,502
Unrestricted investment earnings	117,602	142,614	-	-	117,602	142,614
Change in value of derivative instruments	(3,079)	(8,112)	-	-	(3,079)	(8,112)
Litigation settlements	83,876	6,162	-	-	83,876	6,162
Dividends from component units	94,792	85,526	-	-	94,792	85,526
Miscellaneous	8,633	4,113	-	-	8,633	4,113
Total revenues	<u>1,910,006</u>	<u>1,749,411</u>	<u>2,752</u>	<u>2,240</u>	<u>1,912,758</u>	<u>1,751,651</u>
Expenses:						
Tribal government	172,049	124,328	-	-	172,049	124,328
Health services	709,193	607,010	-	-	709,193	607,010
Education services	132,341	132,633	-	-	132,341	132,633
Human services	97,896	93,492	-	-	97,896	93,492
Community services	212,179	226,823	-	-	212,179	226,823
Interest on long-term debt	5,584	(318)	-	-	5,584	(318)
Total governmental expenses	<u>1,329,242</u>	<u>1,183,968</u>	<u>-</u>	<u>-</u>	<u>1,329,242</u>	<u>1,183,968</u>
CN Sanitary Landfill	-	-	1,999	1,924	1,999	1,924
EDTA	-	-	290	391	290	391
Total business-type expenses	<u>-</u>	<u>-</u>	<u>2,289</u>	<u>2,315</u>	<u>2,289</u>	<u>2,315</u>
Increase (decrease) in net position before special item and transfers	580,764	565,443	463	(75)	581,227	565,368
Special item – dissolution of component unit	-	2,778	-	-	-	2,778
Transfers	<u>(7,914)</u>	<u>(8,012)</u>	<u>7,914</u>	<u>8,012</u>	<u>-</u>	<u>-</u>
Change in net position	572,850	560,209	8,377	7,937	581,227	568,146
Net position – Beginning of year	<u>4,377,272</u>	<u>3,817,063</u>	<u>20,885</u>	<u>12,948</u>	<u>4,398,157</u>	<u>3,830,011</u>
Restatement (Note 1)	<u>(25,306)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,306)</u>	<u>-</u>
Net position – End of year	<u>\$ 4,924,816</u>	<u>\$ 4,377,272</u>	<u>\$ 29,262</u>	<u>\$ 20,885</u>	<u>\$ 4,954,078</u>	<u>\$ 4,398,157</u>

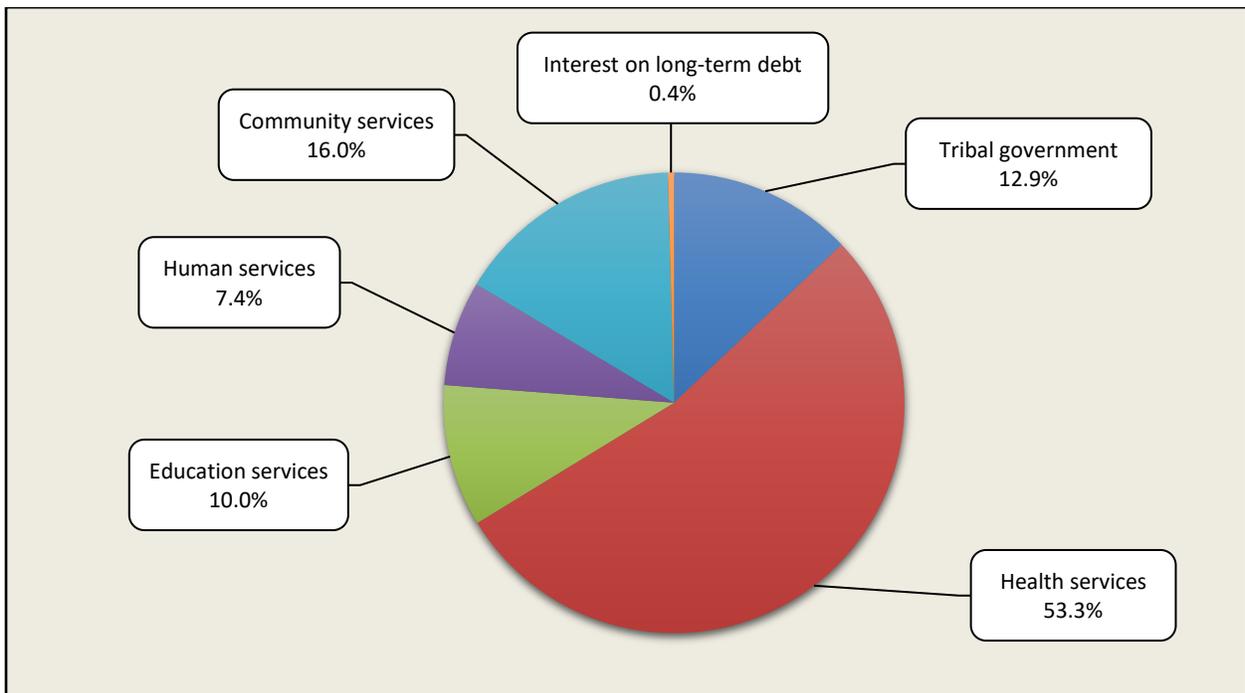
Graph 1 depicts revenues by source for the Governmental Activities of the Nation.

Graph 1 – Revenues by Source - Governmental Activities



Graph 2 depicts expenses by function for the Governmental Activities of the Nation.

Graph 2 - Expenses - Governmental Activities



For more detailed information on the charts presented above, refer to the Statement of Activities on page 25.

Significant Budget Variations

The Nation’s significant General Fund budget variations in 2025 were as follows (dollars in thousands):

	Original Budget	Final Budget	Original vs. Final		Actual	Budget vs. Actual	
			Increase/ Decrease	Percentage Increase/ Decrease		Variance Increase/ Decrease	Percentage Increase/ Decrease
Revenues:							
Property rentals	\$ 968	\$ 968	\$ -	- %	\$ 1,012	\$ 44	4%
Motor fuel tax	10,050	10,050	-	- %	11,357	1,307	12%
Taxes, licenses and fees	41,328	41,328	-	- %	40,113	(1,215)	(3%)
Interest	1,951	1,951	-	- %	32,826	30,875	1583%
Other charges for services	625	625	-	- %	676	51	8%
Litigation settlements	-	-	-	- %	96,074	96,074	100%
Dividends from component units	110,796	120,669	9,873	9%	94,792	(25,877)	(21%)
Other	5,565	69,852	64,287	1155%	8,474	(61,378)	(88%)
Expenditures:							
Tribal government	270,656	265,715	(4,941)	(2%)	76,184	(189,531)	(71%)
Health services	63,645	37,145	(26,500)	(42%)	24,994	(12,151)	(33%)
Education services	56,350	59,712	3,362	6%	48,112	(11,600)	(19%)
Human services	5,024	7,174	2,150	43%	6,876	(298)	(4%)
Community services	69,344	79,772	10,428	15%	46,126	(33,646)	(42%)
Capital outlay	10,964	63,275	52,311	477%	9,078	(54,197)	(86%)

The Nation’s Tribal Council approved a comprehensive annual budget prior to the beginning of the fiscal year. During the year, budget modifications were submitted to Council based upon anticipated changes in levels of actual revenues and expenditures/expenses. Variances between actual and final General Fund budget were as follows:

Interest — The actual revenue earned was more than budgeted due to interest rates being higher than expected on funds kept in interest bearing accounts such as General Fund Operations, the Emergency Reserve of the Sovereign Wealth Fund and Motor Fuels Tax (MFT) and Motor Vehicle Tax (MVT).

Dividends from component units — Actual revenue was less than budget due to fewer special dividends received than budgeted.

Tribal government — The actual expenditures were less than budget due to reserves established for cash match grants and contingencies which were not utilized during 2025.

Health services – The actual expenditures were less than budget within Public Health and Wellness.

Education services — Actual expenditures were less than budget as a result of programs including Economic Development, Career Readiness, MVT Public School Coop, Tribal Summer Youth, Career Pathways, and MFT Higher Ed Scholarships.

Human services — Actual expenditures were less than budget because of programs such as Senior Nutrition Sites and Human Services Emergency Assistance.

Community services — The actual expenditures were less than budget as a result of reserves of Motor Vehicle Taxes allocated for education, roads, and law enforcement programs not utilized in 2025 and timing

of projects including roads and bridge construction in the Motor Fuel Tax and Motor Vehicle Tax programs. Programs such as the HJSCA Cherokee Community Buildings and HJSCA Permanent Reauthorization - Housing expended funds at an amount less than budgeted.

Capital outlay — Actual capital expenditures were less than budget within General Fund Operations and Public Health and Wellness.

Capital Assets and Debt Administration

The Nation’s capital assets, net of depreciation, at the end of fiscal year 2025 were approximately \$1.36 billion. The Nation has no public domain (infrastructure) capital assets. The following table presents details of the Nation’s capital assets, net of depreciation (dollars in thousands):

	Governmental Activities	Business-type Activities	Total
Land and improvements	\$ 74,941	\$ 1,002	\$ 75,943
Construction in progress	461,114	3,478	464,592
Buildings and improvements	765,094	-	765,094
Equipment	55,880	2,529	58,409
Total capital assets	<u>\$ 1,357,029</u>	<u>\$ 7,009</u>	<u>\$ 1,364,038</u>

Additional information on the Nation’s capital assets can be found in Note 7 on pages 64 - 66 of this report.

The Nation’s long-term debt at the end of fiscal year 2025 was approximately \$198.2 million, primarily related to the construction project for the new hospital to be located in Tahlequah, Oklahoma. The following is a summary of long-term debt at September 30, 2025 (dollars in thousands):

	Governmental Activities	Business-type Activities	Total
Notes payable	\$ 197,778	\$ 465	\$ 198,243
Total long-term debt	<u>\$ 197,778</u>	<u>\$ 465</u>	<u>\$ 198,243</u>

The Nation, as a tribal government, has the ability to incur debt, similar to a state or local government. The Nation entered into a construction loan for a new hospital in Tahlequah, Oklahoma during fiscal year 2022.

Additional information on the Nation’s long-term debt can be found in Note 8 on pages 67 - 69 of this report.

Economic Factors and Next Year’s Budget

The Nation continues to provide vital services to the citizens. The outlook for 2026 revenue is projected to be less for the General Fund. Budgeted expenditures and transfers for the Nation’s General Fund for fiscal year 2026 total \$484.6 million, approximately \$148.1 million less than the final amounts budgeted for fiscal year 2025, due largely to the litigation settlement in 2025 with the USA for trust accounting.

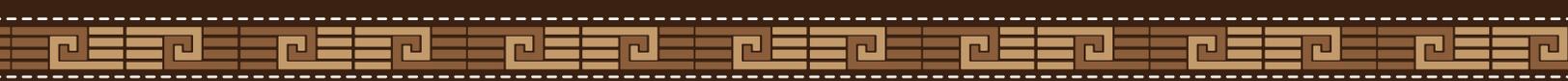
The Nation’s federally funded programs are expected to receive stable levels of funding in the fiscal year 2026 federal budget. In late 2019, the Nation opened the newly constructed Cherokee Nation Outpatient Health Center. This Indian Health Service Joint Venture Project was the largest project ever undertaken by the IHS and a Tribe. It is expected that federal appropriations for this facility will be approximately \$100 million annually. For fiscal year 2025, the Nation received a full year’s funding to operate this facility.

During March 2021, Congress passed the American Rescue Plan Act of 2021 (Public Law 117-2) to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. Funds were issued to the Nation from the Department of the Treasury. These funds were fully encumbered by December 31, 2024, and expected to be fully expended by December 31, 2026.

Oklahoma is expected to continue to have steady economic certainty in gaming, despite the efforts by all tribes to expand their market share. The expansions by other tribes in the Tulsa market provide direct competition for the Nation's Catoosa casino operated by Cherokee Nation Entertainment, LLC (CNE); however, the overall effect has been mitigated to a large degree through strategic growth and marketing strategies. To address the competitive factors, CNB and CNE have begun an aggressive growth and development strategy for its flagship properties including branding the Catoosa facility as a Hard Rock Hotel and Casino. CNE also continues its innovative approach to offering the newest gaming options available and to improving loyalty within its existing customer base including targeted marketing and rewards programs.

Requests for Information

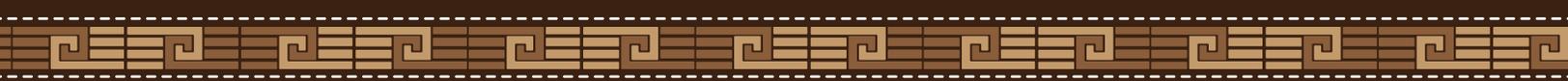
This financial report is designed to provide a general overview of the Nation's finances to its citizens, customers, creditors, and other interested parties. For additional information related to the Nation or its component units, please access the Cherokee Nation website at www.cherokee.org.



BASIC FINANCIAL STATEMENTS

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT





GOVERNMENT- WIDE FINANCIAL STATEMENTS

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



CHEROKEE NATION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025
(Dollars in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 427,043	\$ 5,060	\$ 432,103	\$ 563,611
Investments	2,782,815	-	2,782,815	11,623
Receivables, net	159,516	318	159,834	247,528
Internal balances	4,258	(4,258)	-	-
Due from primary government	-	-	-	11,749
Due from component units	17,713	-	17,713	-
Inventories	11,782	-	11,782	18,698
Notes receivable	-	3,170	3,170	487
Other current assets	25,627	-	25,627	33,048
Restricted cash, cash equivalents and investments	615	7,886	8,501	20,289
Long-term notes receivable, net	1,104	18,366	19,470	8,267
Long-term receivables	23,512	-	23,512	-
Lease receivable	-	-	-	8,032
Other assets	-	-	-	573
Investment in joint ventures/partnerships	-	-	-	109,511
Derivative instrument - rate swap	7,780	-	7,780	-
Equity interests in component units	1,750,855	-	1,750,855	-
Capital assets:				
Lease assets, net	-	-	-	595,640
Subscription assets, net	-	-	-	3,244
Capital assets, nondepreciable	515,193	3,633	518,826	210,500
Capital assets, depreciable, net	841,836	3,376	845,212	683,690
Total assets	<u>6,569,649</u>	<u>37,551</u>	<u>6,607,200</u>	<u>2,526,490</u>
Deferred Outflows of Resources	-	-	-	542,403
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>542,403</u>
Liabilities				
Accounts payable	146,834	-	146,834	368,053
Accrued liabilities	36,922	-	36,922	-
Due to primary government	-	-	-	16,421
Due to component units	13,041	-	13,041	-
Other current liabilities	10,624	28	10,652	-
Unearned revenue	1,183,183	-	1,183,183	99
Notes payable and long-term debt				
Due within one year	13,333	69	13,402	1,577
Due in more than one year	184,445	396	184,841	52,309
Lease and subscription liabilities				
Due within one year	-	-	-	12,437
Due in more than one year	-	-	-	642,014
Compensated absences				
Due within one year	39,210	-	39,210	-
Due in more than one year	9,461	-	9,461	-
Trust liabilities	-	-	-	2,246
Other noncurrent liabilities	-	7,796	7,796	40,586
Total liabilities	<u>1,637,053</u>	<u>8,289</u>	<u>1,645,342</u>	<u>1,135,742</u>
Deferred Inflows of Resources				
Accumulated increase in fair value of hedging derivatives	7,780	-	7,780	-
Recognition of lease receivables	-	-	-	7,723
Total deferred inflows of resources	<u>7,780</u>	<u>-</u>	<u>7,780</u>	<u>7,723</u>
Net Position				
Net investment in capital assets	1,072,122	7,009	1,079,131	773,856
Restricted for:				
Education, Health, Roads and Safety (MFT)	94,770	-	94,770	-
Education, Roads and Safety (MVT)	19,744	-	19,744	-
Permanent Funds - expendable	178	-	178	-
Permanent Funds - nonexpendable	425	-	425	-
Construction	-	-	-	1,211
Equity interests in component units	1,750,855	-	1,750,855	-
Program services	1,214,314	-	1,214,314	42,455
Unrestricted	772,408	22,253	794,661	1,107,906
Total net position	<u>\$ 4,924,816</u>	<u>\$ 29,262</u>	<u>\$ 4,954,078</u>	<u>\$ 1,925,428</u>

See notes to basic financial statements

CHEROKEE NATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Dollars in Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
Tribal government	\$ 172,049	\$ 5,372	\$ 231,528	\$ 535	\$ 65,386	\$ -	\$ 65,386	\$ -
Health services	709,193	404,879	398,108	-	93,794	-	93,794	-
Education services	132,341	-	83,075	-	(49,266)	-	(49,266)	-
Human services	97,896	-	135,330	-	37,434	-	37,434	-
Community services	212,179	-	161,883	1,318	(48,978)	-	(48,978)	-
Interest on long-term debt, net	5,584	-	-	-	(5,584)	-	(5,584)	-
Change in equity in component units	-	101,102	-	-	101,102	-	101,102	-
Total governmental activities	<u>1,329,242</u>	<u>511,353</u>	<u>1,009,924</u>	<u>1,853</u>	<u>193,888</u>	<u>-</u>	<u>193,888</u>	<u>-</u>
Business-type activities:								
CN Sanitary Landfill	1,999	1,545	-	-	-	(454)	(454)	-
EDTA	290	1,207	-	-	-	917	917	-
Total business-type activities	<u>2,289</u>	<u>2,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463</u>	<u>463</u>	<u>-</u>
Total primary government	<u>\$ 1,331,531</u>	<u>\$ 514,105</u>	<u>\$ 1,009,924</u>	<u>\$ 1,853</u>	<u>193,888</u>	<u>463</u>	<u>194,351</u>	<u>-</u>
Component Units	<u>\$ 2,237,299</u>	<u>\$ 2,255,680</u>	<u>\$ 99,184</u>	<u>\$ -</u>				<u>117,565</u>
General Revenues:								
Motor fuel tax					11,357	-	11,357	-
Motor vehicle tax					20,007	-	20,007	-
Tobacco tax					11,737	-	11,737	-
Sales tax					4,005	-	4,005	-
Grants and contributions not restricted to specific programs					37,946	-	37,946	-
Unrestricted investment earnings					117,602	-	117,602	25,243
Change in value of derivative instruments					(3,079)	-	(3,079)	-
Dividends from component units					94,792	-	94,792	-
Litigation settlements					83,876	-	83,876	-
Miscellaneous revenue					8,633	-	8,633	-
Transfers					(7,914)	7,914	-	-
Total general revenues and transfers					<u>378,962</u>	<u>7,914</u>	<u>386,876</u>	<u>25,243</u>
Change in net position					<u>572,850</u>	<u>8,377</u>	<u>581,227</u>	<u>142,808</u>
Net position - beginning, as previously reported					4,377,272	20,885	4,398,157	1,777,081
Restatements (Note 1)					(25,306)	-	(25,306)	5,539
Net position - beginning, as restated					<u>4,351,966</u>	<u>20,885</u>	<u>4,372,851</u>	<u>1,782,620</u>
Net position - ending					<u>\$ 4,924,816</u>	<u>\$ 29,262</u>	<u>\$ 4,954,078</u>	<u>\$ 1,925,428</u>

See notes to basic financial statements



FUND FINANCIAL STATEMENTS

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



CHEROKEE NATION
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025
(Dollars in Thousands)

	<u>General</u>	<u>PL 102-477</u>	<u>Self Governance DHHS</u>	<u>Fiscal Recovery Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS							
Cash and cash equivalents	\$ 214,546	\$ 20,287	\$ 18,912	\$ 50,316	\$ -	\$ 122,506	\$ 426,567
Investments	531,224	563,524	1,177,900	215,522	-	294,645	2,782,815
Receivables, net	27,607	10,118	72,142	5,509	-	35,176	150,552
Due from other funds	267,320	-	-	-	523,487	18,353	809,160
Due from component units	16,955	-	-	-	-	-	16,955
Inventories	2	-	10,131	-	-	1,381	11,514
Other current assets	164	-	14,849	-	419	1,865	17,297
Restricted cash, cash equivalents and investments	12	-	-	-	-	603	615
Long-term notes receivable	-	-	-	-	-	1,104	1,104
Long-term receivable	23,512	-	-	-	-	-	23,512
Total assets	<u>\$ 1,081,342</u>	<u>\$ 593,929</u>	<u>\$ 1,293,934</u>	<u>\$ 271,347</u>	<u>\$ 523,906</u>	<u>\$ 475,633</u>	<u>\$ 4,240,091</u>
LIABILITIES							
Accounts payable	\$ 92,166	\$ 2	\$ 11,987	\$ 13,610	\$ 28,541	\$ 528	\$ 146,834
Due to other funds	105,776	65,389	489,533	74,315	-	74,750	809,763
Due to component units	4,042	-	-	1,543	252	6,762	12,599
Other liabilities	60	-	12	-	-	-	72
Unearned revenue	7,501	459,121	197,342	181,879	6,002	331,338	1,183,183
Total liabilities	<u>209,545</u>	<u>524,512</u>	<u>698,874</u>	<u>271,347</u>	<u>34,795</u>	<u>413,378</u>	<u>2,152,451</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - notes receivables	-	-	-	-	-	1,104	1,104
Unavailable revenue - long-term receivables	23,512	-	-	-	-	-	23,512
Total deferred inflows of resources	<u>23,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,104</u>	<u>24,616</u>
FUND BALANCES							
Nonspendable	166	-	24,980	-	419	1,057	26,622
Restricted	114,514	69,417	570,080	-	-	60,726	814,737
Committed	128,882	-	-	-	-	-	128,882
Assigned	79,724	-	-	-	488,692	-	568,416
Unassigned (deficit)	524,999	-	-	-	-	(632)	524,367
Total fund balances	<u>848,285</u>	<u>69,417</u>	<u>595,060</u>	<u>-</u>	<u>489,111</u>	<u>61,151</u>	<u>2,063,024</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,081,342</u>	<u>\$ 593,929</u>	<u>\$ 1,293,934</u>	<u>\$ 271,347</u>	<u>\$ 523,906</u>	<u>\$ 475,633</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, exclusive of internal service fund capital assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,337,269
The equity interests in component units is not an available resource and, therefore, is not reported in the funds.	1,750,855
Assets recorded in government-wide financial statements that are not available to pay for current period expenditures, therefore, are unavailable and not recorded in the funds.	24,616
Derivative instruments: Rate swaps not reported in governmental funds	7,780
Deferred inflows of resources used to accumulate increases in fair value of hedging derivative also not reported in governmental funds	(7,780)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	(53,170)
Liabilities that are not due and payable in the current period and, therefore, not reported in the funds.	(197,778)
Net position of governmental activities	<u>\$ 4,924,816</u>

CHEROKEE NATION

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Dollars in Thousands)**

	General	PL 102-477	Self Governance DHHS	Fiscal Recovery Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Intergovernmental	\$ -	\$ 72,316	\$ 357,642	\$ 318,029	\$ -	\$ 258,200	\$ 1,006,187
Property rentals	1,012	-	42	-	-	-	1,054
Motor fuel tax	11,357	-	-	-	-	-	11,357
Motor vehicle tax	20,007	-	-	-	-	-	20,007
Taxes, licenses and fees	20,106	-	-	-	-	-	20,106
Interest	32,826	24,701	60,009	18,089	-	14,200	149,825
Other charges for services	676	285	1,272	-	-	-	2,233
Trust fund income	-	-	-	-	-	52	52
Litigation settlements	96,074	-	-	-	-	-	96,074
Dividends from component units	94,792	-	-	-	-	-	94,792
Third party revenues	-	-	398,615	-	-	6,222	404,837
Other	8,474	1,028	15	(106)	-	7,345	16,756
Total revenues	285,324	98,330	817,595	336,012	-	286,019	1,823,280
Expenditures:							
Current operating:							
Tribal Government	76,184	-	1,996	25,857	17,809	30,612	152,458
Health Services	24,994	2	580,629	8,168	-	51,231	665,024
Education Services	48,112	16,100	-	18,621	-	43,488	126,321
Human Services	6,876	32,367	-	3,900	-	49,751	92,894
Community Services	46,126	-	10,878	62,222	-	82,189	201,415
Debt service:							
Principal	-	-	2,222	-	-	-	2,222
Interest, net	-	-	1,479	-	4,105	-	5,584
Capital outlay	9,078	2,301	3,773	199,321	242,356	15,763	472,592
Total expenditures	211,370	50,770	600,977	318,089	264,270	273,034	1,718,510
Excess (deficiency) of revenues over (under) expenditures	73,954	47,560	216,618	17,923	(264,270)	12,985	104,770
Other financing sources (uses):							
Issuance of long-term debt	-	-	-	-	66,217	-	66,217
Insurance recoveries, net	252	-	27	125	-	16	420
Transfers in	117,318	-	-	-	398,918	1,914	518,150
Transfers out	(87,658)	(22,718)	(353,591)	(18,048)	(26,000)	(16,549)	(524,564)
Total other financing sources (uses)	29,912	(22,718)	(353,564)	(17,923)	439,135	(14,619)	60,223
Net change in fund balances	103,866	24,842	(136,946)	-	174,865	(1,634)	164,993
Fund balances, October 1, 2024	744,419	44,575	732,006	-	314,246	62,785	1,898,031
Fund balances, September 30, 2025	\$ 848,285	\$ 69,417	\$ 595,060	\$ -	\$ 489,111	\$ 61,151	\$ 2,063,024

See notes to basic financial statements

CHEROKEE NATION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2025 (Dollars in Thousands)

Net change in fund balances - total governmental funds \$ 164,993

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays (\$472,592) as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$34,551). This is the amount by which capital outlays exceeded depreciation in the current period. 438,041

Loss on disposal of capital assets (953)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (12,198)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (63,632)

The increase in equity in component units, in the statement of activities, does not provide current financial resources and is not reported as revenues in the funds. 101,102

Some expenses are reported in the statement of activities when incurred and presented in the governmental funds when paid. (3,474)

Contributions of capital assets are recorded as revenue in the government-wide financial statements but not recorded at the governmental fund level. 1,853

The internal service funds are used to account for those activities which provide services to other functions within the government. The majority of the costs are allocated to the governmental funds in the government-wide financial statements. This amount is the net effect of the allocations. (49,803)

Change in value of derivative instruments (3,079)

Change in net position of governmental activities \$ 572,850

See notes to basic financial statements

CHEROKEE NATION

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Dollars in Thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues:				
Property rentals	\$ 968	\$ 968	\$ 1,012	\$ 44
Motor fuel tax	10,050	10,050	11,357	1,307
Taxes, licenses and fees	41,328	41,328	40,113	(1,215)
Interest	1,951	1,951	32,826	30,875
Other charges for services	625	625	676	51
Litigation settlements	-	-	96,074	96,074
Dividends from component units	110,796	120,669	94,792	(25,877)
Other	5,565	69,852	8,474	(61,378)
Total revenues	<u>171,283</u>	<u>245,443</u>	<u>285,324</u>	<u>39,881</u>
Expenditures:				
Tribal government	270,656	265,715	76,184	(189,531)
Health services	63,645	37,145	24,994	(12,151)
Education services	56,350	59,712	48,112	(11,600)
Human services	5,024	7,174	6,876	(298)
Community services	69,344	79,772	46,126	(33,646)
Capital outlay	10,964	63,275	9,078	(54,197)
Total expenditures	<u>475,983</u>	<u>512,793</u>	<u>211,370</u>	<u>(301,423)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(304,700)</u>	<u>(267,350)</u>	<u>73,954</u>	<u>341,304</u>
Other financing sources (uses):				
Insurance recoveries	-	-	252	252
Transfers in	71,721	75,640	117,318	41,678
Transfers out	(54,497)	(119,947)	(87,658)	32,289
Total other financing sources (uses)	<u>17,224</u>	<u>(44,307)</u>	<u>29,912</u>	<u>74,219</u>
Net change in fund balance	(287,476)	(311,657)	103,866	415,523
Fund balance, October 1, 2024	744,419	744,419	744,419	-
Fund balance, September 30, 2025	<u>\$ 456,943</u>	<u>\$ 432,762</u>	<u>\$ 848,285</u>	<u>\$ 415,523</u>

See notes to basic financial statements

CHEROKEE NATION

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

SEPTEMBER 30, 2025

(Dollars in Thousands)

	Business-type Activities- Enterprise Funds		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,060	\$ 5,060	\$ 476
Receivables, net	318	318	8,964
Due from other funds	-	-	49,731
Due from component units	-	-	758
Inventories	-	-	268
Notes receivable, current	3,170	3,170	-
Other current assets	-	-	8,330
Total current assets	<u>8,548</u>	<u>8,548</u>	<u>68,527</u>
Noncurrent assets:			
Restricted cash, cash equivalents and investments	7,886	7,886	-
Long-term notes receivable, net	18,366	18,366	-
Capital assets, net	7,009	7,009	19,760
Total noncurrent assets	<u>33,261</u>	<u>33,261</u>	<u>19,760</u>
Total assets	<u>41,809</u>	<u>41,809</u>	<u>88,287</u>
LIABILITIES			
Current liabilities:			
Accrued liabilities	-	-	36,922
Current portion of long-term debt	69	69	-
Due to other funds	371	371	44,870
Due to component unit	-	-	442
Compensated absences	-	-	39,210
Other current liabilities	28	28	10,739
Total current liabilities	<u>468</u>	<u>468</u>	<u>132,183</u>
Noncurrent liabilities:			
Long-term due to other funds	3,887	3,887	-
Long-term debt	396	396	-
Compensated absences	-	-	9,461
Other liabilities	7,983	7,983	-
Total noncurrent liabilities	<u>12,266</u>	<u>12,266</u>	<u>9,461</u>
Total liabilities	<u>12,734</u>	<u>12,734</u>	<u>141,644</u>
NET POSITION			
Net investment in capital assets	7,009	7,009	19,760
Unrestricted	22,066	22,066	(73,117)
Total net position	<u>\$ 29,075</u>	<u>29,075</u>	<u>\$ (53,357)</u>
Adjustment to reflect the consolidation of Internal Service Funds activities related to Enterprise Funds		<u>187</u>	
Net position of business-type activities		<u>\$ 29,262</u>	

See notes to basic financial statements

CHEROKEE NATION

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 (Dollars in Thousands)**

	Business-type Activities- Enterprise Funds		Governmental Activities- Internal Service Funds
	Nonmajor Enterprise Funds	Total	
Operating revenues:			
Charges for services and goods	\$ 1,141	\$ 1,141	\$ 225,952
Interest income, loans	985	985	-
Other	231	231	353
Total operating revenues	<u>2,357</u>	<u>2,357</u>	<u>226,305</u>
Operating expenses:			
Salaries and wages	689	689	236,576
Other services and charges	914	914	34,875
Materials and supplies	51	51	3,343
Depreciation	804	804	1,169
Total operating expenses	<u>2,458</u>	<u>2,458</u>	<u>275,963</u>
Operating loss	<u>(101)</u>	<u>(101)</u>	<u>(49,658)</u>
Nonoperating revenues (expenses):			
Interest income	395	395	-
Interest expense	(5)	(5)	-
Gain on sale/disposal of capital assets	-	-	29
Net nonoperating revenues (expenses)	<u>390</u>	<u>390</u>	<u>29</u>
Income (loss) before transfers	289	289	(49,629)
Transfers in	7,914	7,914	-
Transfers out	-	-	(1,500)
Change in net position	8,203	8,203	(51,129)
Total net position - beginning	<u>20,872</u>		<u>23,078</u>
Restatement (Note 1)	<u>-</u>		<u>(25,306)</u>
Total net position - ending	<u>\$ 29,075</u>		<u>\$ (53,357)</u>
Adjustment to reflect the consolidation of Internal Service Funds activities related to Enterprise Funds		<u>174</u>	
Change in net position of business-type activities		<u>\$ 8,377</u>	

See notes to basic financial statements

CHEROKEE NATION

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Dollars in Thousands)**

	<u>Business-type Activities- Enterprise Funds</u>		<u>Governmental Activities- Internal Service Funds</u>
	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
Cash flows from operating activities:			
Receipts from customers	\$ 1,140	\$ 1,140	\$ 229,211
Payments to suppliers	(746)	(746)	(6,478)
Payments to employees	(689)	(689)	(229,643)
Internal activity - payments (to)/from other funds	3,152	3,152	7,408
Internal activity - payments to component units	-	-	(1,938)
Internal activity - payments from component units	-	-	2,196
Issuance of notes receivable	(9,750)	(9,750)	-
Principal received on notes receivable	4,731	4,731	-
Interest received on notes receivable	985	985	-
Other receipts	231	231	353
Net cash provided by (used for) operating activities	<u>(946)</u>	<u>(946)</u>	<u>1,109</u>
Cash flows from noncapital financing activities:			
Transfer from other funds	7,914	7,914	-
Principal paid on notes payable	(69)	(69)	-
Interest paid on notes payable	(5)	(5)	-
Net cash provided by (used for) noncapital financing activities	<u>7,840</u>	<u>7,840</u>	<u>(1,500)</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(4,690)	(4,690)	(370)
Proceeds from sales of capital assets	-	-	29
Net cash (used for) capital and related financing activities	<u>(4,690)</u>	<u>(4,690)</u>	<u>(341)</u>
Cash flows from investing activities:			
Interest received	426	426	-
Net cash provided by investing activities	<u>426</u>	<u>426</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	2,630	2,630	(732)
Cash and cash equivalents, October 1, 2024	<u>10,316</u>	<u>10,316</u>	<u>1,208</u>
Cash and cash equivalents, September 30, 2025	<u>\$ 12,946</u>	<u>\$ 12,946</u>	<u>\$ 476</u>
Cash and Cash Equivalents consist of:			
Unrestricted cash and cash equivalents	\$ 5,060	\$ 5,060	\$ 476
Restricted cash, cash equivalents and investments	7,886	7,886	-
Total Cash and Cash Equivalents, September 30, 2025	<u>\$ 12,946</u>	<u>\$ 12,946</u>	<u>\$ 476</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:			
Operating loss	\$ (101)	\$ (101)	\$ (49,658)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:			
Depreciation expense	804	804	1,169
Change in assets and liabilities:			
Receivables, net	(2)	(2)	(5,503)
Inventories	-	-	49
Notes receivable	(4,979)	(4,979)	-
Other current assets	-	-	31,781
Accounts and other payables	3,332	3,332	23,271
Net cash provided by (used for) operating activities	<u>\$ (946)</u>	<u>\$ (946)</u>	<u>\$ 1,109</u>

See notes to basic financial statements

CHEROKEE NATION

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

SEPTEMBER 30, 2025

(Dollars in Thousands)

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 155</u>
Total assets	<u>155</u>
LIABILITIES	
Due to obligees	<u>155</u>
Total liabilities	<u>155</u>
NET POSITION	<u><u>\$ -</u></u>

See notes to basic financial statements

CHEROKEE NATION

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)

	<u>Custodial Funds</u>
Additions	
Child Support Receipts	\$ 3,480
Total additions	<u>3,480</u>
Deductions	
Child Support Obligations	<u>3,480</u>
Total deductions	<u>3,480</u>
Net Change in Fiduciary Net Position	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>

See notes to basic financial statements

CHEROKEE NATION

COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS

SEPTEMBER 30, 2025

(Dollars in Thousands)

	Cherokee Nation Businesses, LLC (CNB)	Housing Authority of the Cherokee Nation (HACN)	Cherokee Nation Comprehensive Care Agency (CNCCA)	Cherokee Nation Home Health Services, Inc. (CNHHS)	Cherokee Nation Foundation (CNF)	Cherokee National Historical Society, Inc. (CNHS)	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 540,056	\$ 15,795	\$ 5,581	\$ 1,297	\$ 425	\$ 457	\$ 563,611
Restricted cash	10,789	-	-	-	337	-	11,126
Investments	-	4,707	-	-	5,854	1,062	11,623
Receivables, net	243,943	2,073	21	1,466	25	-	247,528
Due from primary government	-	11,749	-	-	-	-	11,749
Inventories	18,698	-	-	-	-	-	18,698
Notes receivable	-	487	-	-	-	-	487
Other current assets	29,067	3,895	46	40	-	-	33,048
Total current assets	842,553	38,706	5,648	2,803	6,641	1,519	897,870
Noncurrent assets:							
Restricted investments	-	2,092	-	-	2,489	-	4,581
Restricted cash - held in escrow	4,582	-	-	-	-	-	4,582
Notes receivable	-	8,267	-	-	-	-	8,267
Lease receivable	8,032	-	-	-	-	-	8,032
Other assets	250	323	-	-	-	-	573
Investment in partnerships/joint ventures/equity interest	108,542	969	-	-	-	-	109,511
Lease assets, net	594,877	-	-	763	-	-	595,640
Subscription assets, net	3,117	-	-	127	-	-	3,244
Capital assets, nondepreciable	179,103	31,272	-	125	-	-	210,500
Capital assets, depreciable, net	543,228	138,497	1,790	169	6	-	683,690
Total noncurrent assets	1,441,731	181,420	1,790	1,184	2,495	-	1,628,620
Total assets	2,284,284	220,126	7,438	3,987	9,136	1,519	2,526,490
DEFERRED OUTFLOWS OF RESOURCES							
	542,403	-	-	-	-	-	542,403
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	360,144	5,349	1,731	782	47	-	368,053
Due to primary government	16,133	-	288	-	-	-	16,421
Unearned revenue	-	99	-	-	-	-	99
Current portion of notes payable	-	1,577	-	-	-	-	1,577
Current portion of lease and subscription liabilities	12,069	-	-	368	-	-	12,437
Total current liabilities	388,346	7,025	2,019	1,150	47	-	398,587
Noncurrent liabilities:							
Trust liabilities	-	2,246	-	-	-	-	2,246
Notes payable	-	52,309	-	-	-	-	52,309
Long-term lease and subscription obligations	641,412	-	-	602	-	-	642,014
Other long-term obligations	40,586	-	-	-	-	-	40,586
Total noncurrent liabilities	681,998	54,555	-	602	-	-	737,155
Total liabilities	1,070,344	61,580	2,019	1,752	47	-	1,135,742
DEFERRED INFLOWS OF RESOURCES							
Recognition of lease receivables	7,723	-	-	-	-	-	7,723
Total deferred inflows of resources	7,723	-	-	-	-	-	7,723
NET POSITION							
Net investment in capital assets	655,962	115,884	1,790	214	6	-	773,856
Restricted, expendable for:							
Construction	1,211	-	-	-	-	-	1,211
Program services	-	41,693	-	-	762	-	42,455
Unrestricted	1,091,447	969	3,629	2,021	8,321	1,519	1,107,906
Total net position	\$ 1,748,620	\$ 158,546	\$ 5,419	\$ 2,235	\$ 9,089	\$ 1,519	\$ 1,925,428

See notes to basic financial statements

CHEROKEE NATION

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Dollars in Thousands)**

	Cherokee Nation Businesses, LLC (CNB)	Housing Authority of the Cherokee Nation (HACN)	Cherokee Nation Comprehensive Care Agency (CNCCA)	Cherokee Nation Home Health Services, Inc. (CNHHS)	Cherokee Nation Foundation (CNF)	Cherokee National Historical Society, Inc. (CNHS)	Total
Operating revenues:							
Charges for services and goods	\$ 2,203,842	\$ 10,574	\$ 19,647	\$ 10,545	\$ -	\$ -	\$ 2,244,608
Other	-	7,936	24	68	3,044	-	11,072
Total operating revenues	2,203,842	18,510	19,671	10,613	3,044	0	2,255,680
Operating expenses:							
Cost of sales/operations	1,101,813	36,517	-	-	-	-	1,138,330
Salaries and wages	409,634	17,540	5,391	7,702	742	-	441,009
Other services and charges	359,816	432	12,470	2,720	1,401	17	376,856
Depreciation and amortization	129,633	8,604	227	341	2	-	138,807
Total operating expenses	2,000,896	63,093	18,088	10,763	2,145	17	2,095,002
Operating income (loss)	202,946	(44,583)	1,583	(150)	899	(17)	160,678
Nonoperating revenues (expenses):							
Grant revenue	-	84,761	-	-	-	-	84,761
Interest/investment income	24,188	802	11	23	-	219	25,243
Interest expense	(41,743)	(2,123)	-	(68)	-	-	(43,934)
Other, net	21,242	154	-	(8)	-	-	21,388
Net nonoperating revenues (expenses)	3,687	83,594	11	(53)	-	219	87,458
Net Income (loss) before dividends and capital grants	206,633	39,011	1,594	(203)	899	202	248,136
Dividends to primary government	(85,264)	-	-	-	-	-	(85,264)
Capital grants to Cherokee Nation and others	(20,064)	-	-	-	-	-	(20,064)
Change in net position	101,305	39,011	1,594	(203)	899	202	142,808
Net position, beginning of year, as previously reported	1,647,315	113,996	3,825	2,438	8,190	1,317	1,777,081
Restatement (Note 1)	-	5,539	-	-	-	-	5,539
Net position, beginning of year, as restated	1,647,315	119,535	3,825	2,438	8,190	1,317	1,782,620
Net position, end of year	\$ 1,748,620	\$ 158,546	\$ 5,419	\$ 2,235	\$ 9,089	\$ 1,519	\$ 1,925,428

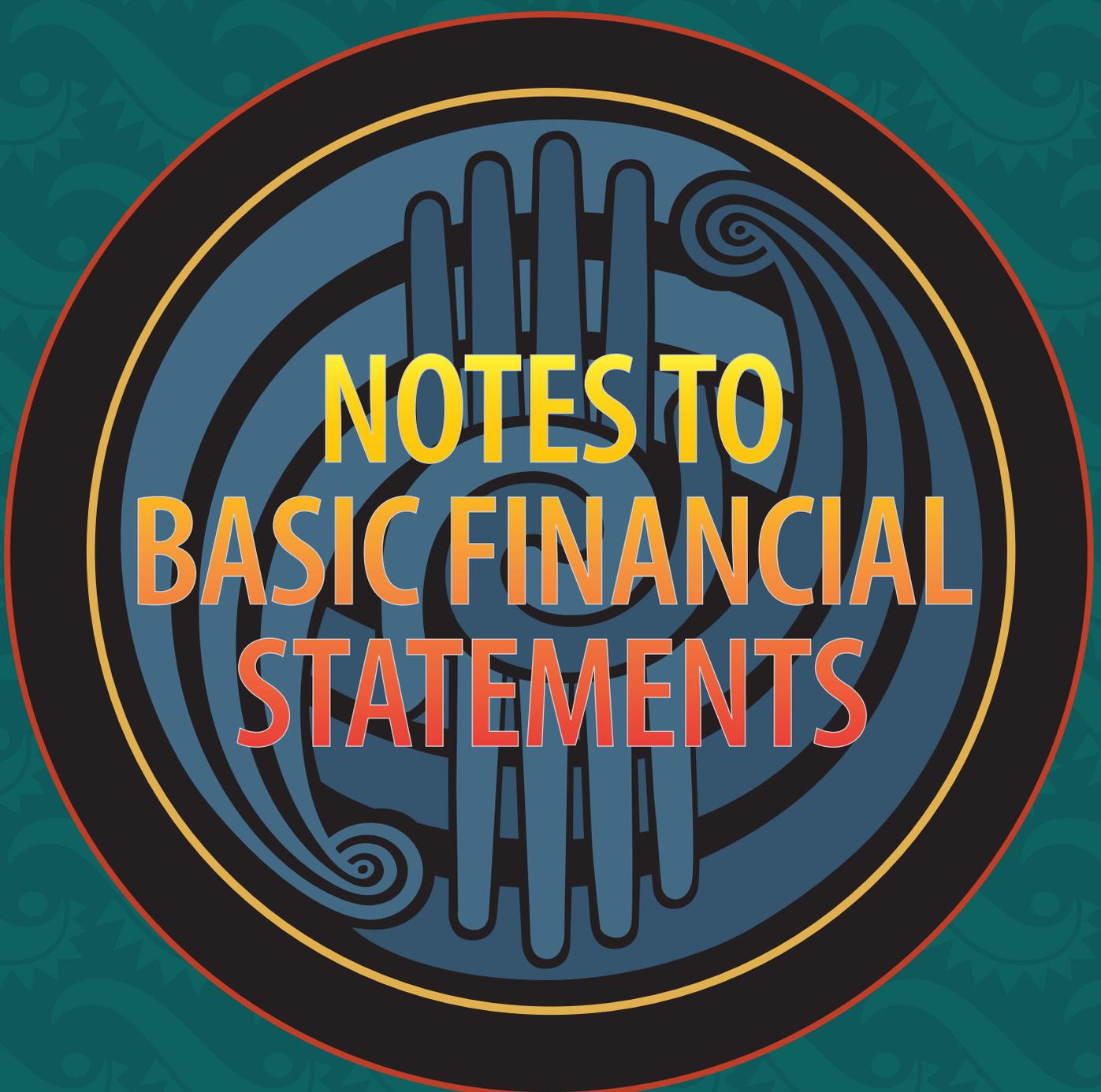
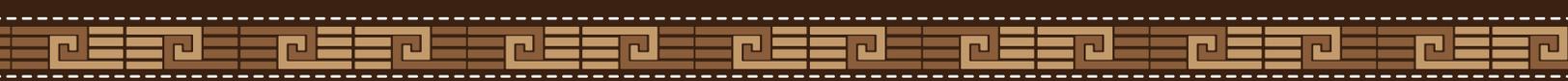
See notes to basic financial statements

CHEROKEE NATION

**RECAST OF THE COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
 COMPONENT UNITS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 (Dollars in Thousands)**

	Discretely Presented Component Units	Government-wide - Statement of Activities				
		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	General Revenues & Other
Operating revenues:						
Charges for services and goods	\$ 2,244,608	\$ -	\$ 2,244,608	\$ -	\$ -	\$ -
Other	11,072	-	11,072	-	-	-
Total operating revenues	<u>2,255,680</u>	<u>-</u>	<u>2,255,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating expenses:						
Cost of sales/operations	1,138,330	1,138,330	-	-	-	-
Salaries and wages	441,009	441,009	-	-	-	-
Other services and charges	376,856	376,856	-	-	-	-
Depreciation and amortization	138,807	138,807	-	-	-	-
Total operating expenses	<u>2,095,002</u>	<u>2,095,002</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss)	<u>160,678</u>	<u>(2,095,002)</u>	<u>2,255,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonoperating revenues (expenses):						
Grant revenue	84,761	-	-	84,761	-	-
Interest/investment income	25,243	-	-	-	-	25,243
Interest expense	(43,934)	(43,934)	-	-	-	-
Other, net	21,388	6,965	-	14,423	-	-
Net nonoperating revenues (expenses)	<u>87,458</u>	<u>(36,969)</u>	<u>-</u>	<u>99,184</u>	<u>-</u>	<u>25,243</u>
Net Income (loss) before dividends and capital grants	248,136	(2,131,971)	2,255,680	99,184	-	25,243
Dividends to primary government	(85,264)	(85,264)	-	-	-	-
Capital grants to Cherokee Nation and others	(20,064)	(20,064)	-	-	-	-
Change in net position	<u>142,808</u>	<u>(2,237,299)</u>	<u>2,255,680</u>	<u>99,184</u>	<u>-</u>	<u>25,243</u>
Net position, beginning of year, as previously reported	1,777,081	-	-	-	-	1,777,081
Restatement (Note 1)	<u>5,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,539</u>
Net position, beginning of year, as restated	<u>1,782,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,782,620</u>
Net position, end of year	<u>\$ 1,925,428</u>	<u>\$ (2,237,299)</u>	<u>\$ 2,255,680</u>	<u>\$ 99,184</u>	<u>\$ -</u>	<u>\$ 1,807,863</u>

See notes to basic financial statements



NOTES TO BASIC FINANCIAL STATEMENTS

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information and Basis of Presentation

The basic financial statements of the Cherokee Nation (the Nation) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The Nation is a sovereign tribal government with Executive, Legislative, and Judicial Branches. The basic financial statements of the Nation present the reporting entity, which consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the Nation's basic financial statements to be misleading or incomplete. Accordingly, the accompanying basic financial statements reflect the financial position and the operations of the Nation for all amounts received, disbursed, or in the custody of the Nation or the United States Department of Interior (DOI) and the United States Treasury, as its trustee, as well as all other funds and activities over which the Nation exercises financial accountability. The Nation's basic financial statements do not include the financial position or activities of various federal and state governmental agencies operating within the tribal reservation. The Nation determines its financial reporting entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* - an amendment of GASB Statement No.14, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* – an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, *Blending Requirements for Certain Component Units* – an amendment of GASB Statement No. 14, and GASB Statement No. 90, *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61, as applicable, and, based on that criterion, has included the following entities as component units within the Nation's basic financial statements.

Discretely Presented Component Units

The component units' column in the government-wide financial statements includes the financial data of the Nation's discretely presented component units. These discretely presented component units are reported in a separate column to emphasize that they are legally separate from the primary government. Part of the determination for presenting them as discretely presented component units is that the Principal Chief, upon Legislative approval, has the ability to appoint and remove members of the component units governing boards at will. In addition, the component units do not provide services entirely or almost entirely to the primary government or for the benefit of the primary government. The following component units are included in the reporting entity because the primary government is financially accountable for and is able to impose its will on these organizations.

Cherokee Nation Businesses, LLC (CNB) — CNB, a tribal limited liability company, was created June 16, 2004, to provide “decision support” services and strategic coordination of business activities for the Nation and to act as a holding company for certain Nation business enterprises and investments. The Nation created CNB and is able to exert significant influence over CNB's activities as a result of its relationship to CNB and board member appointments. CNB and the companies it owns are managed through a board of directors appointed by the Principal Chief and confirmed by the Tribal Council of the Cherokee Nation. CNB is included in the Nation's financial report as a discretely presented component unit. As of September 30, 2025, CNB reported the following blended component units:

Cherokee Nation Entertainment, LLC (CNE) — CNE is a tribal limited liability company organized under the laws of the Nation. The Nation conducts all of its gaming and entertainment activities through

CNE and one of its blended component units, Will Rogers Downs, LLC. For reporting purposes, CNE is included as a blended component unit of CNB which is a discretely presented component unit of the Nation. At September 30, 2025, CNE operates ten casinos, a horse racing facility with electronic gaming machines, two retail smoke shop facilities that include electronic gaming machines and other retail facilities, including an additional smoke shop, a travel plaza that includes electronic games, a convenience store and a gift shop. CNE's gaming and entertainment operations include food and beverage venues, hotels, conference centers, live entertainment venues and an 18-hole golf course. CNE is headquartered in Catoosa, Oklahoma.

CNE has blended component units of its own. CNE is the sole member, owning 100% of the component units. The Chief Executive Officer of CNE is the designated manager of the component units. The component units are included as blended component units in CNE's financial statements. Details of the significant blended component units are as follows:

CNE Gaming Holdings, LLC (CNEGH) – CNEGH is a tribal limited liability company that owns and operates its blended component unit Gold Strike Casino Resort, LLC (Gold Strike), which was acquired in 2023. The activities of Gold Strike, including its casino and related operations in Tunica, Mississippi, are regulated by the State of Mississippi Gaming Commission (MGC).

Will Rogers Downs, LLC (WRD) — WRD is a tribal limited liability company in Claremore, Oklahoma organized under the laws of the Nation created to own and operate a horse racing and gaming facility and ancillary activities on nontribal lands near Claremore, Oklahoma. The activities of WRD are regulated by the Oklahoma Horse Racing Commission (OHRC).

Will Rogers Downs Disseminating, LLC (WRDD) — WRDD is a tribal limited liability company organized under the laws of the Nation created for the purpose of disseminating simulcast signals associated with horse racing and off-track betting.

Other CNB blended component units by business sector include:

Engineering and Manufacturing Sector

- CND, LLC (CND) is a tribal limited liability company formed in 2004 that delivers aerospace manufacturing, distribution, kitting, and integration services. CND is based in Stilwell, Oklahoma.
- Cherokee Nation Industries, LLC (CNI) is a tribal limited liability company that is a value-added reseller providing end-to-end distribution and warehousing services for telecommunications and electronics customers. CNI was established in 1969. CNI is headquartered in Stilwell, Oklahoma.
- Cherokee Nation Red Wing, LLC (CNRW) is a tribal limited liability company that supports aviation and weapons systems lifecycle requirements, providing sustainment, reset, repair and technical support services. CNRW was acquired in February 2009 and reorganized as a limited liability company. CNRW operates in Pryor, Oklahoma.
- Cherokee Nation Armored Solutions, LLC (CNAS) is a tribal limited liability company that provides research and development engineering, systems integration, and lifecycle logistics support. CNAS operates in Pryor, Oklahoma.
- Aerospace Products S.E., LLC (APSE) was formed in 1987 in Huntsville, Alabama to provide aerospace and defense supply chain management services, including hardware sourcing,

fasteners, make-to-print items, structural assemblies, onsite inventory management, kitting, and logistics support.

- Cherokee Nation Aerospace & Defense, LLC (CNAD) is a tribal limited liability company based in Stilwell, Oklahoma that manufactures and integrates electromechanical assemblies and aerospace components for defense platforms since its formation in 2008.
- Cherokee Defense Manufacturing, LLC (CDM) is a tribal limited liability company that provides precision production and assembly services for electronic components, wiring systems, machining, and metal fabrication for commercial and federal customers.

Construction Sector

- Cherokee Nation Construction Services, LLC (CNCS) is a tribal limited liability company formed in 2008 that provides full-service construction management, including design-build, pre-construction, general contracting, and construction management services. CNCS has offices in Tulsa, Oklahoma and Dover, Delaware.
- Cherokee Nation Facilities Management, LLC (CNFM) is a tribal limited liability company formed in 2013, headquartered in Tulsa, Oklahoma that provides facilities management and maintenance services that support safe, efficient, and mission-ready operations for government and commercial customers.
- Cherokee Nation Mechanical, LLC (CNM) is a tribal limited liability company formed in 2016 that provides facilities management and maintenance services that support safe, efficient, and mission-ready operations for government and commercial customers. CNM is based in Tulsa, Oklahoma.
- Cherokee CRC, LLC (CCRC) is a tribal limited liability company that provides full-service construction management services. CCRC was formed in 2005 and is based in Tulsa, Oklahoma.
- Cherokee Nation Development Group, LLC (CNDG) is a tribal limited liability company that was formed in 2017 to provide comprehensive construction project planning, management, and execution services for federal customers. CNDG is headquartered in Catoosa, Oklahoma.
- Cherokee Nation Environmental Solutions, LLC (CNES) is a tribal limited liability company formed in 2013 that provides environmental and construction management services including design-build, design-bid-build, pre-construction, estimating, scheduling, quality control, and safety management. CNES is based in Tulsa, Oklahoma.
- Cherokee Nation Construction Resources, LLC (CNCR) is a tribal limited liability company that constructs facilities for the Nation, including residential housing and infrastructure projects that support community growth and sustainability. CNCR is headquartered in Tulsa, Oklahoma and was formed in 2013.

Mission Solutions Sector

- Cherokee Nation Government Solutions, LLC (CNGS) is a tribal limited liability company that provides professional/technical services to government and commercial clients since 2011. CNGS delivers solutions across financial improvement and audit readiness, asset accountability, operational modernization, and program support. CNGS is headquartered in Tulsa, Oklahoma.

- Cherokee Nation Management & Consulting, LLC (CNMC) is a tribal limited liability company formed in 2013 and headquartered in Tulsa that provides consulting and professional services support to civilian and defense agencies. Specialties include emergency and humanitarian response operations, mission support, facility, and infrastructure engineering, facilities management and planning, construction support, logistics management, asset management, program management, and environmental programs.
- Cherokee Nation Mission Solutions, LLC (CNMS) is a tribal limited liability company that delivers domestic and international mission support services, program management, facilities management, medical services, and operational support since its formation in 2013. CNMS is experienced in staffing and supporting remote, austere, and high-risk environments. CNMS is headquartered in Tulsa, Oklahoma.
- Cherokee Nation Federal Consulting, LLC (CNFC) was organized on January 1, 2018, as a tribal limited liability company to provide professional consulting and program management services with expertise in asset management, logistics, engineering, construction, and environment support. CNFC is headquartered in Tulsa, Oklahoma.
- Cherokee Nation Solutions Link, LLC (CNSL) was organized April 16, 2018, as a tribal limited liability company offering management consulting, and program support for domestic to international customers, specializing in overseas logistics, supply chain management, engineering, construction management, training and records management. CNSL is headquartered in Tulsa, Oklahoma.
- Cherokee Nation 3S, LLC (CN3S) is a tribal limited liability company that has provided innovative staffing solutions for the education industry as well as logistics and distribution services for the aviation industry since 2012. CN3S also supports telecommunications, facilities management, and information technology initiatives. CN3S is headquartered in Tulsa, Oklahoma.
- Cherokee Nation Technology Solutions, LLC (CNTS) is a tribal limited liability company headquartered in Tulsa, Oklahoma that provides professional/technical services with a focus on full life cycle support for military medical health and research programs.
- Cherokee Nation Integrated Health, LLC (CNIH) is a tribal limited liability company that provides integrated healthcare and technology solutions across behavioral health, medical case management, health research, analytics, IT project management, and help desk services. CNIH supports government and commercial clients with data driven, patient-centric solutions that improve outcomes and operational performance. CNIH is headquartered in Tulsa, Oklahoma.
- Cherokee Nation Operational Solutions, LLC (CNOS) is a tribal limited liability company that provides innovative IT, professional, and operational services across North America. CNOS supports government and commercial customers with health IT, enterprise information management, healthcare staffing, military medicine management, and electronic health record (EHR) consulting. CNOS is based in Pryor, Oklahoma.
- Cherokee Analytics, LLC (CA) is a tribal limited liability company formed in 2020 that provides intelligence analysis, operational support, and training services to federal customers. CA supports mission readiness through actionable analysis and operationally aligned solutions. CA is headquartered in Catoosa, Oklahoma.

- Cherokee Insights, LLC (CI) is a tribal limited liability company formed in 2015 to provide analytical, operational, and training solutions to the federal government. CI is headquartered in Tulsa, Oklahoma.
- Cherokee Services Group, LLC (CSG) is a tribal limited liability company established in 2005 that provides professional, technical, and project support services to federal and commercial customers. Headquartered in Tulsa, Oklahoma, CSG has a regional office in Fort Collins, Colorado and 22 additional offices nationwide.
- Cherokee Nation Defense Solutions, LLC (CNDS) is a tribal limited liability company created in 2008 that provides specialized services to the intelligence community, including intelligence analysis, mission assurance, vulnerability assessment, and operational program support. CNDS is headquartered in Tulsa, Oklahoma.
- Cherokee Nation System Solutions, LLC (CNSS) is a tribal limited liability company formed in 2016 that provides comprehensive professional services and innovative IT consulting services in cybersecurity, infrastructure, and data solutions. CNSS is headquartered in Tulsa, Oklahoma.
- Cherokee Strategic Solutions, LLC (CSS) is a tribal limited liability company set up in 2019 to provide customer-focused IT services, cybersecurity, and environmental consulting. CSS is headquartered in Catoosa, Oklahoma.
- Preting, LLC (Preting) is a tribal limited liability company that specializes in intelligence support services, providing tailored operational support, analysis, and training to detect, disrupt, and counter threats targeting U.S. interests. Preting is headquartered in Alexandria, Virginia.
- Cherokee United Services, LLC (CUS) is a tribal limited liability company that offers IT solutions, including cloud application development, systems engineering, data migration, data analytics, and AI/ML services. CUS is headquartered in Tulsa, Oklahoma.
- Criterion Systems, LLC (Criterion), acquired in 2023, a tribal limited liability company, is a cybersecurity and IT services company that supports mission-critical environments, including infrastructure operations, cloud and data center management, and systems engineering. Criterion is headquartered in Tulsa, Oklahoma.
- Cherokee Federal Solutions, LLC (CFS) is a tribal limited liability company that was formed in 2023 to enable customers to access enterprise-wide capabilities across logistics and sustainment operations, advanced technology solutions, and health services, supporting large-scale and competitive requirements with expert teams and proven infrastructure. CFS is headquartered in Tulsa, Oklahoma.
- Cherokee Accelerated Solutions, LLC (CAS) is a tribal limited liability company that was formed in 2023 to provide research and development, systems integration, and logistics engineering services. CAS is headquartered in Tulsa, Oklahoma.
- Cherokee Nation Strategic Programs, LLC (CNSP) is a tribal limited liability company formed in 2014 to provide research and development, test and evaluation, information technology services, unmanned aircraft support, and training and exercise management to government agencies. CNSP is headquartered in Tulsa, Oklahoma.

- Sage Black, LLC (SB) is a tribal limited liability company formed in 2024 that provides cybersecurity and IT services focused on protecting systems, data, and mission operations to federal customers. SB had no beginning net position as of October 1, 2024.

Cherokee Nation Cultural & Economic Development Division

- Cherokee Nation Cultural & Economic Development, LLC (CNCED) is a tribal limited liability company established in 2022 that helps to preserve and promote the history and culture of the Cherokee people. This is accomplished through the operation of Cherokee Nation museums, tours, and gift shops as well as cultural programs and events. Another facet of this operation is Cherokee Film, which works to increase the presence of Native Americans in every level of the television and film industries while creating opportunities for economic development and jobs in the Nation. CNCED is headquartered in Catoosa, Oklahoma.
- Cherokee Nation Meat Processing, LLC (CNMP) is a USDA and state-certified meat processing facility located in Tahlequah, Oklahoma. The facility operates in a plant under the name of 1839 Cherokee Meat Co.
- Cherokee Springs Golf Club, LLC (CSGC) operates an 18-hole and a nine-hole golf course in Tahlequah, Oklahoma, near the Tahlequah gaming facility.
- Cherokee Nation Blue Ribbon Downs Training, LLC (BRDT) is a tribal limited liability company formed in 2015 to provide management of a horse racing training facility in Sallisaw, Oklahoma.

Other CNB Companies

- Cherokee Nation Property Management, LLC (CNPM) is a tribal limited liability company that provides a comprehensive range of corporate real estate activities for CNB. CNPM was formed in 2010 and is headquartered in Catoosa, Oklahoma.
- Cherokee Investment Management, LLC (CIM) is a limited liability company that invests alongside general partners as a means of identifying and acquiring investments in businesses in new industries for the long-term income growth and diversification of CNB revenue sources. CIM is headquartered in Catoosa, Oklahoma.
- In addition to the previously described activities, CNB also provides shared administrative services, including, but not limited to, executive, accounting, human resources, internal audit, legal services, and business development, to its blended component units.

CNB, CNE, Gold Strike and WRD issue separate stand-alone financial statements.

Housing Authority of the Cherokee Nation of Oklahoma (HACN) — HACN was created under the provisions of the laws of the State of Oklahoma and provides affordable housing and other services to low-income Native Americans within the boundaries of the Nation. The Commissioners of the Housing Authority are nominated by the Principal Chief and confirmed by the Tribal Council of the Cherokee Nation. HACN is included in the Nation’s financial report as a discretely presented component unit. The beginning net position for HACN has been restated by \$5.5 million to adjust capital expenditures in a prior year. Separately issued financial statements for HACN may be obtained from HACN’s corporate office. HACN has the following component unit:

Cherokee Affordable Housing, Inc. (CAH) — CAH is a non-profit 501(c)(3) corporation organized under the laws of the State of Oklahoma created primarily to serve as the eligible 501(c)(3) entity

required to fill the position of general partner in the low-income housing tax credit partnerships and related projects that have been developed by the HACN and a third-party developer. The projects comprise 155 housing units and are managed by outside parties under management agreements as provided by the partnership agreements. CAH's financial activity is limited only to its role in the tax credit partnerships. The board of directors for CAH consists of the same board members of HACN. The president for CAH is the executive director of HACN. CAH is included as a blended component unit in HACN's financial statements.

Cherokee Nation Comprehensive Care Agency (CNCCA) — CNCCA, a tribal governmental agency, was created to facilitate various Nation healthcare initiatives including the facilitation of joint ventures and other business related health activities. CNCCA is managed through a board of directors appointed by the Principal Chief and confirmed by the Tribal Council of the Cherokee Nation. CNCCA is included in the Nation's financial report as a discretely presented component unit. Separately issued financial statements for CNCCA may be obtained from CNCCA's office. CNCCA currently has one initiative, which is the Program of All-Inclusive Care for the Elderly (PACE).

Program of All-Inclusive Care for the Elderly (PACE) — PACE features a comprehensive medical and social service delivery system using an interdisciplinary team approach in an adult day care center that is supplemented by in-home and referral services in accordance with participants' needs. The program is administered by CNCCA dba Cherokee Elder Care (CEC) within the reservation. The PACE program is financed primarily by Medicare and Medicaid.

Cherokee Nation Home Health Services, Inc. (CNHHS) — CNHHS, a tribal corporation, was organized for the purpose of engaging in home healthcare services. CNHHS is a discretely presented component unit of the Nation. Board members of CNHHS are appointed by the Principal Chief and confirmed by the Tribal Council of the Cherokee Nation. CNHHS is included in the Nation's financial report as a discretely presented component unit. CNHHS primarily earns revenues by providing home health, hospice and other services to residents of Adair, Cherokee, Delaware, Mayes, Muskogee, Sequoyah and Wagoner counties, Oklahoma, and the surrounding area. Separately issued financial statements for CNHHS may be obtained from CNHHS' corporate office.

Cherokee Nation Foundation (CNF) — CNF, formerly doing business as Cherokee Nation Education Corporation was incorporated in 1998, as a nonprofit corporation under Title 18 of the Cherokee Nation Code Annotated and has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. CNF is organized exclusively for charitable and educational purposes to encourage and promote educational opportunities to enrolled adult and minor citizens of the Nation, to promote and preserve the Cherokee language, culture and history of the Cherokee people, and to administer scholarships to Cherokee students on behalf of Cherokee Nation, Corporations and private individuals. The board of directors and the Executive Director conduct a search for board members who have experience reflective of the mission of the organization. Once the board has approved a potential candidate to the board of directors, the nomination is submitted to the Principal Chief and then Tribal Council for approval. CNF is included in the Nation's financial report as a discretely presented component unit. All information included in the Nation's financial statements for CNF is as of and for the fiscal period ended December 31, 2024. Separately issued financial statements for CNF may be obtained from CNF's corporate office.

Cherokee National Historical Society, Inc (CNHS) — CNHS is an educational, cultural and charitable membership nonprofit organization originally incorporated under the laws of the State of Oklahoma in 1963 and is recognized as a 501(c)(3) nonprofit organization by the Internal Revenue Service (IRS). The mission of CNHS is to preserve, promote and teach Cherokee history and culture. CNHS operates a museum displaying Native American artifacts and other historical and cultural exhibits, and a historically recreated Cherokee Village. The Tsa-La-Gi complex and the principal offices are located in Park Hill, Oklahoma.

CNHS is governed by a Board of Trustees comprised of not less than twelve (12) or more than thirty (30) voting members. The Committee on Board Management is responsible for comprehensive and objective research for potential Board members and will recommend for nomination those candidates when there are openings on the Board. Nominations are subject to the approval of voting members of the Board of Trustees at any regular or special meeting of the governing board. CNHS is included in the Nation's financial report as a discretely presented component unit. All information included in the Nation's financial statements for CNHS is as of and for the fiscal period ended September 30, 2025. Separately issued financial statements for CNHS may be obtained from CNHS' corporate office. Additionally, see Note 18 for additional information.

Beginning in fiscal year 2006, the Nation, CNE and CNHS entered into an operations management Memorandum of Agreement (MOA). This MOA is renewable on an annual basis upon agreement by the CNHS Board and the Nation. This event is discussed more fully in Note 18.

CNF presents their financial statements in accordance with the Financial Accounting Standards Board (FASB) pronouncements.

The financial statements for the discretely presented proprietary component units are presented as part of the accompanying basic financial statements. Selected disclosures for the discretely presented component units have been included in these notes to the basic financial statements.

Blended Component Unit

The Nation has one component unit whose operations are blended with the financial data of the primary government. There is no distinction between the data of the primary government and that of the component unit. The Nation's blended component unit is as follows:

Cherokee Nation Economic Development Trust Authority — The Economic Development Trust Authority (EDTA) is a Community Development Financial Institution, as certified by the U.S. Treasury Department. Cherokee Nation EDTA was created by Tribal Council Legislative Act 36-89 as a mechanism to promote economic development. Its mission is to provide opportunities for income generation through economic development, to provide loans for business creation/expansion, and to provide loans to qualified individuals who have traditionally been denied through conventional lending sources. EDTA is a governmental organization created as a separate body whose Board of Directors is appointed by the Principal Chief and confirmed by the Tribal Council even though EDTA's governing board is not the same as the Tribal Council. The Nation has the ability to appoint, hire, reassign or dismiss the individuals responsible for management of the programs. EDTA almost exclusively benefits the Nation as its largest activity is the operation of an employee loan program for employees of the Nation and its component units. EDTA is presented as a proprietary fund in the accompanying financial statements.

Cherokee Nation law requires that all corporations, majority owned by the Nation, and incorporated under Cherokee Nation law pay a dividend based on net income. The dividend rate was 37% for fiscal year 2025. CNB's minimum dividend requirement is determined at the combined CNB reporting level which has been implemented as the higher of CNB's or any of CNB's component units' net income. Dividends paid to the Nation and other related party transactions are discussed further in Note 18.

Government-wide Financial Statements

The government-wide financial statements provide operational accountability information for the Nation as an economic unit. The government-wide financial statements report the government's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government and its component units.

Fiduciary funds are omitted from the government-wide financial statements. The Nation currently has one fiduciary fund, a custodial fund.

Fund Financial Statements

The accounts of the Nation are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, liabilities, fund balance/net position, revenues, expenditures/expenses, and transfers. The General Fund is always a major governmental fund. Other individual governmental and enterprise major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the corresponding totals for all funds of that category or type (total governmental or total enterprise funds) and at least five percent of the corresponding total for all governmental and enterprise funds combined or funds designated as major at the discretion of the Nation. Funds not classified as major are aggregated and presented in a single column in the fund financial statements. The Nation uses the following funds, grouped by fund type.

Governmental Funds

Governmental funds are those through which most governmental functions of the Nation are financed. The acquisition, use and balances of the Nation's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

General Fund

The General Fund represents the operating activities of the tribal government. All financial resources not accounted for in other funds are reported in the General Fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Nation. The following are the Nation's major Special Revenue Funds:

Public Law 102-477 (PL 102-477) was enacted to facilitate the ability of Indian tribes to integrate the employment, training and related services from federal sources in order to improve the effectiveness of those services and reduce unemployment. Funding for this program comes from the Department of the Interior, the Department of Labor, the Department of Justice and the Department of Health and Human Services. The law, as amended in 2017, authorizes Tribal governments to consolidate programs from 12 Federal agencies that concern employment and training into a single plan which is approved by the Secretary of the Interior. These expenditures are generally presented as either education services or human services expenditures in the accompanying financial statements.

Self Governance DHHS (SG DHHS) was established to account for federal funds received under the Nation's Self Governance compact with the United States Department of Health and Human Services (DHHS). These funds are used to administer a number of programs under Indian Health Service (IHS) relating to health and human services including the operation of ten ambulatory health centers, one hospital (Cherokee Nation W.W. Hastings Hospital), and one outpatient healthcare facility located in various communities throughout the Nation's reservation boundaries. These expenditures are generally presented as tribal government, health services, or community services expenditures in the accompanying financial statements.

Fiscal Recovery Fund was established to account for federal funds received from the Department of the Treasury as part of the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act of 2021 (Public Law 117-2) passed and signed into law by the President on March 11,

2021 to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession. These expenditures are presented as tribal government, health services, education services, human services or community services expenditures in the accompanying financial statements.

Capital Projects Fund

Capital Projects Fund is used to report resources that are restricted, committed or assigned to expenditures for major capital acquisition and construction separately from ongoing operational activities. The Nation has one major capital projects fund, its Capital Projects Fund.

Debt Service Funds

Debt Service Funds are used to account for and report resources that are restricted, committed or assigned to expenditures for principal and interest. The Nation has no debt service funds.

Permanent Funds

Permanent funds are used to report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes supporting the Nation's programs. The Nation's nonmajor Permanent Funds contain two endowments, both of which allow the expenditure of income for tuition and educational purposes, with the principal being unavailable for disbursement. The trust agreements state the distributions of income shall go to individuals one-quarter or more of Cherokee blood quantum. All fund balances from the endowments are either nonspendable or restricted.

The Sequoyah Endowment was established in fiscal year 1991 by the Louise K. Green-Matthews Grant in Environmental Science in the amount of \$134,000. It was established to foster and encourage Cherokee students of at least one-quarter blood quantum to engage in obtaining a graduate education in Environmental Science or Natural Sciences. The income from the trust is available to provide one to two grants annually. The amount of net appreciation on the investment of the Sequoyah Endowment is \$120,000 which is the available amount reflected in the fund balance.

The Glenn and Faye Gammon Education Trust was established in fiscal year 2001 by a willed contribution of \$291,000 to provide Cherokee higher education scholarships. In accordance with the will, income from the trust is used to provide tuition and related educational, travel and living expenses for Cherokee students with a blood quantum of one-quarter or more. The amount of net appreciation on the investment of the Gammon Education Trust is \$58,000, which is the available amount reflected in the fund balance.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and nonmajor funds aggregated. A reconciliation is presented to summarize the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements. These differences are further explained in Note 2 to the basic financial statements.

Proprietary Funds

Proprietary funds are used to account for the Nation's ongoing operations and activities which are similar to those often found in the private sector where the intent is that the costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the Nation are enterprise funds and internal service funds.

The enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. The Nation accounts for its CN Sanitary Landfill and Economic Development Trust Authority (EDTA) activities in these funds. The Nation has no major enterprise funds.

Internal service funds are used to report activities, which provide goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The Nation includes services such as internal leases, fringe pool, and indirect cost pool in these funds. Substantially all of the internal service funds' net position and activities are combined with the governmental activities in the government-wide financial statements. The fringe pool had a net position deficit of \$34,162,000, and the indirect cost pool had a net position deficit of \$39,994,000 at September 30, 2025. Note disclosures for governmental activities also include related amounts for the internal service funds.

See pages 38 - 45 for descriptions of discretely presented component units.

Enterprise and internal service fund financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The enterprise fund financial information is presented under the business-type activities columns. A column representing internal service funds is also presented in these statements, with the majority of the internal service funds' net position and activities combined with the governmental activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Nation in a fiduciary capacity. The Nation has one fiduciary fund, the Child Support Custodial Fund.

The Child Support Custodial Fund is used to report balances and activities for deposits and remittances entrusted to the Nation via the Office of Child Support Services, as an agent for others. The fund accounts for the collection of court ordered child support or child support amounts due as determined in conformity with the Social Security Act and 45 CFR 309. Amounts collected are distributed and deposited in conformity with tribal law and the standards prescribed in the Social Security Act and 45 CFR 309.

Measurement Focus

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide Statement of Net Position and Statement of Activities and fiduciary funds statements are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining change in net position, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of change in net position, net position and cash flows.

Basis of Accounting

The accrual basis of accounting is used throughout the government-wide financial statements; conversely, the financial statements of the General Fund, Special Revenue Funds, Capital Projects Fund, and Permanent Funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. The Nation accrues intergovernmental revenues, property rentals, dividends, and tax revenues based upon this concept. Expenditures are generally recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt are recorded as expenditures when paid.

The financial statements of the Enterprise Funds, Internal Service Funds, Fiduciary Funds, and the proprietary component units have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

Accounting Policies

The Nation's significant accounting policies related to the following basic financial statement categories are summarized below:

Cash and Cash Equivalents

The Nation considers all highly liquid investments in debt securities with maturities of ninety (90) days or less when purchased to be cash equivalents. A "pooled cash" concept is used in maintaining certain cash accounts in the accounting records. Under this method, cash is pooled and each fund participating in the pool has equity in the pooled amount. Pooled cash accounts consist principally of interest-bearing and non-interest-bearing demand deposit accounts.

Restricted Cash, Cash Equivalents and Investments

Amounts represent certain bank account and investment balances restricted for specific purposes as described in Note 3.

Investments

The Nation reports its investments at fair value, in accordance with GASB Statement No. 72. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Nation has elected to report at amortized cost all U.S. Treasury and agency obligations with a remaining maturity at the time of purchase of one year or less.

Receivables

Amounts represent revenue recognized but not yet received in the current period. Receivables are presented in the Statement of Net Position/Balance Sheet at net realizable value.

Inventories

Inventories of governmental funds are recorded at cost as expenditures when purchased rather than when consumed except as noted below:

The Nation, through its participation with the Indian Health Service National Supply Service Center (NSSC), maintains an inventory of pharmaceutical drugs received from the DHHS. The value of the pharmaceuticals and supplies are reflected as an asset in the Nation's financial statements. Pharmaceutical and supply inventories are recorded at cost.

The Nation maintains an inventory of food for disbursement by Cherokee Nation's Food Distribution program, one of the nonmajor governmental funds. Food acquisitions are initially recorded as inventory and as unearned revenue and are charged to expenditures as used, using the First In, First Out (FIFO) method. Food inventories are valued at the cost assigned to such food items by the granting agency.

CNB's inventories are stated at the lower of cost or market and consist primarily of raw materials and manufactured products, food and beverage items, gaming supplies, hotel supplies, smoke shop, convenience store, golf pro shop, and gift shop inventory. Costs of raw materials and manufactured products are determined using the specific identification method. Inventories are evaluated periodically, and reserves are established as needed to provide for reduced values attributed to slow moving and/or obsolete

inventories. Costs of other inventories are determined by an average cost method. The average cost method used is not considered to be significantly different from the FIFO method.

As a result of the operation of the Title VI Loan program, the HACN had authorized to be built or acquired a number of homes in various locations in anticipation of the expected demand for the homes as well as homes for specific homebuyers in accordance with an agreement with them. As of September 30, 2025, these homes and related infrastructure are awaiting transfer of title to the HACN. Until the official transfer is made, the net book value of the homes, in the amount of \$915,000 is classified by the Nation as capital assets, depreciable, net in the government-wide statement of net position.

Other Current Assets

Amounts represent prepayments for supplies, pharmaceuticals and other expenditures and other items. The Nation uses the purchases method to account for prepaid expenditures in governmental funds.

Derivative Instruments

Derivative instruments are complex financial arrangements used to manage specific risks or to make investments and are measured at fair value in the government-wide statement of net position. During fiscal year 2022, the Nation entered into a new interest rate swap agreement (derivative instrument) with a financial institution. See Note 11 for additional information concerning this interest rate swap agreement.

Equity Interests in Component Units

The Nation records its equity interests in component units that exist to enhance the government's ability to provide governmental services in accordance with GASB Statement No. 61, as amended by GASB Statement No. 90. As of September 30, 2025, the Nation held an equity interest in its component units of CNB and CNHHS totaling \$1,750,855,000 which reflected an increase from the prior year of \$101,102,000. Since the equity interest held by the Nation in these component units is not attributable to specific programmatic activities, decreases each year are presented as indirect expenses and increases are presented as charges for services, separately, from other programs of the Nation in the government-wide statement of activities. Detailed financial statements for the entities can be found on pages 35 and 36.

Capital Assets

The Nation's accounting policies regarding capital assets such as land improvements, buildings, vehicles and equipment are that these assets, with an initial cost of \$5,000 or more, are to be capitalized and depreciated over their estimated useful lives. Purchased or constructed capital assets are valued at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items are recorded at acquisition value. Title to certain property and buildings utilized by the Nation, such as Sequoyah High School, the Child Care Development Center, and other land is held by the federal government. Therefore, such assets are not reflected as capital assets in the accompanying financial statements. The Nation has chosen the straight-line depreciation method for its capital assets based on the estimated useful lives of the capital assets as follows:

<u>Class of Asset</u>	<u>Estimated Useful Life</u>
Buildings and improvements	20-50 years
Equipment	3-20 years
Land improvements	30 years

The Cherokee Nation has the ability to request that land owned by the Nation and its component units be placed into trust status with the United States. If land is accepted into trust status, the Nation and its component units have the ability to continue using the property. When land is placed into trust status, the title to the property is transferred to the Federal Government. Under GAAP, this land is removed from the

books of the Nation or its component units since the Nation no longer has title to the land. At September 30, 2025, there were various parcels of land owned by the Nation and its component units that the Nation has requested to be placed into trust status. The cost basis of this land will be written off by the Nation when, and if, the property is accepted into trust status.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus payments made to the subscription vendor before the commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the subscription vendor at or before the commencement of the subscription term. Subscription assets are amortized on a straight-line basis over the subscription term.

Capital, Lease, and Subscription Asset Impairment

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, provides for a two-step process of identifying potential impairments and testing for impairment. Asset impairment, as defined by GASB Statement No. 42, is a significant, unexpected decline in the service utility of a capital asset. The service utility of a capital asset is the usable capacity that at acquisition was expected to be used to provide service, as distinguished from the level of utilization, which is the portion of the usable capacity currently being used. The events or changes in circumstances that lead to impairments are not considered normal and ordinary. At the time the capital asset was acquired, the event or change in circumstances would not have been expected to occur during the useful life of the capital asset.

The Cherokee Nation and its component units evaluate capital, lease, and subscription assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital, lease or subscription asset that has occurred. If a capital, lease or subscription asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital, lease or subscription asset historical cost and related accumulated depreciation or amortization will be decreased proportionately such that the net decrease equals the impairment loss. There were no capital, lease or subscription asset impairments recognized during the year ended September 30, 2025.

Intangible Assets

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, establishes accounting and financial reporting requirements for intangible assets, including recognition, initial measurement and amortization. CNE applied the provisions of GASB Statement No. 51 to the Hard Rock licensing agreement it entered into during fiscal year 2009, which resulted in the recognition of an intangible asset, which is reflected as a component of capital assets, depreciable, net in the accompanying financial statements. See Note 19 for additional information concerning the Hard Rock licensing agreement. Intangible assets are stated at amortized cost. Amortization is computed using the straight-line method over the contractual life of the asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents

a consumption of net assets that applies to future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that period. The Nation had no items that qualified for reporting in this category at September 30, 2025.

There are also items of goodwill reported as deferred outflows of resources in the Combining Statement of Net Position – Component Units attributed to business acquisitions. These items will be amortized over the estimated period in which goodwill is expected to provide a benefit. At September 30, 2025, the estimated life of these items range from ten to twenty-five years.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

Unearned Revenues

The Nation is the recipient of grants from several different federal and state agencies. In some instances, the grants are advance funded before eligibility requirements are met (excluding time requirements). The Nation records these grants as unearned revenue until the funds are expended in accordance with the grant terms.

Landfill Closure and Postclosure Care Costs

The Nation, based on the cumulative amount of used capacity, accrues the currently estimated liability for closure and postclosure care costs for the Nation's landfill. Such estimated costs include expected equipment and facility costs, costs of the final cover and postclosure care. The liability recorded by the Nation at September 30, 2025, is based on what it would cost to perform all closure and postclosure care in 2025.

Taxes

The Nation is exempt from federal and state income taxes; consequently, no provision for income taxes is included in the accompanying financial statements for any fund.

CNE, a blended component unit of CNB, pays a gaming tax based on certain gross revenues pursuant to provisions of the National Indian Gaming Regulatory Act. Amounts owed under the gaming tax are paid to the National Indian Gaming Commission (NIGC) on a quarterly basis and have been reflected within operating expenses in the Combining Statement of Revenues, Expenses and Changes in Net Position – Component Units. Total payments for fiscal year 2025 were approximately \$471,000.

Compensated Absences

Vacation leave for the primary government is granted to all permanent full-time and eligible part-time employees. The annual amount of vacation time accrued varies, depending upon years of service, from 13 to 26 days for permanent full-time employees and from 6.5 to 13 days for permanent part-time employees. The maximum amount of vacation that may be accumulated and carried over to the following year is 30 days. Accumulated vacation leave vests, and the Nation is obligated to make payment, even if the employee terminates. The Nation also offers sick leave that is separate from vacation leave; sick leave accrues based on each employee's length of service and is not paid out upon termination. A liability is accrued for compensated absences if the leave is attributable to services already rendered, accumulates between reporting periods, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Compensated absence liabilities are computed using the regular pay rates in effect at the Statement of Net Position date plus an additional amount for compensation-related payments such as Social Security and Medicare taxes compiled using rates in effect at that date.

On the governmental funds statements, compensated absences are only accrued if the obligation has matured, in other words, the obligation becomes due and payable because of employee resignation, employer buy-back or employee retirement. Upon request from the employee and approval by the supervisor and Human Resources, the Cherokee Nation annually buys back designated amounts of accrued annual leave from Regular/Full Time and Regular/Part Time employees, subject to restrictions based on funding agency guidelines as well as fund availability. In fiscal year 2025, the Cherokee Nation bought back \$5,248,000 of accrued annual leave.

Net Position Classifications

Government-wide Statements — Equity is classified as net position and displayed in three components:

Net investment in capital assets consists of capital, lease, and subscription assets, net of accumulated amortization and depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.

Restricted net position consists of net position with constraints placed on the use either by external groups, such as grantors, creditors and external board of directors, or laws and regulations of other governments, or law through Tribal constitutional provisions or enabling legislation. The Nation classifies the equity interests in component units within this category as the operations of these entities are governed by separate, external boards of directors. It is the Nation's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements — Governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Nation is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints, including inventories, prepaid assets and the corpus of permanent funds.

Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors, donors, or creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal legislative action of the Tribal Council and do not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of a Legislative Act (Law) by the Tribal Council.

Assigned includes fund balance amounts that are constrained by the Nation's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Nation's Treasurer or approval of Tribal Council Resolution.

Unassigned includes fund balance amounts within the General Fund which have not been classified within the above-mentioned categories. The General Fund is the only fund that reports a positive unassigned fund balance amount.

It is the Nation's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Nation uses committed, assigned, and lastly unassigned amounts of fund balance (in that order) when expenditures are made.

Revenue Recognition

The Nation considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Nation generally defines the availability period for revenue recognition as received within the reporting period or within ninety (90) days after year end. The Nation's major revenue sources that meet this availability criterion are tax revenues and required dividends paid by component units.

Program Revenues

There are three classifications of programmatic revenues for the Nation: program specific grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. The primary source of charges for services is earned income in connection with the operation of the Nation's W.W. Hastings Hospital, outpatient healthcare facility, healthcare centers and other health-related services, which are funded by the Department of Health and Human Services (DHHS) Self Governance Compact. Under the provisions of the Self Governance Agreement with DHHS, the Nation is required to expend this program income for purposes similar to those funded by the basic DHHS Self Governance Compact. There are no specific requirements designating when or in what order program and other self governance funds should be spent. Program income earned from clinical and other health-related services in the form of third party billed revenue for SG DHHS during the year ended September 30, 2025, was \$398,615,000.

Grants and contributions not restricted to specific programs

In the government-wide Statement of Activities, the Nation's Self Governance DOI compact is reported as General Revenues because under this compact the Nation has discretion in the application of these funds to various programs/functions administered under the general provisions of the compact.

Operating and Nonoperating Revenues and Expenses

In the Proprietary Funds and component units, operating revenues are those revenues produced as a result of providing services and producing and delivering goods, including all interest income on loan transactions and other events. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets, and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

Interest Income

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Interest Income - Self Governance Compacts

The Nation receives certain amounts of advance funding as a self governance compact tribe in three large self governance compacts with the DOI, DOT TTSGP, and DHHS. These funds are invested in interest earning assets until the funds are expended under the terms of the self governance compacts. The Nation need not refund the interest earnings under these compacts and is not directly accountable to the DOI, DOT

TTSGP, or the DHHS for the expenditure of these interest earnings. The discretionary interest is recorded in the Self Governance funds but is allocated to other programmatic expenditures through the budgeting process.

Interest Income - Grants

The Nation receives certain amounts of advance funding in connection with four large grants: (1) Native American Housing and Self Determination Act (NAHASDA), funded by the Department of Housing and Urban Development (HUD), (2) the Sequoyah High School Grant, which is funded by the DOI and the Department of Education, (3) PL 102-477 which is funded by the Department of Labor (DOL), the DHHS, and the Department of Justice (DOJ) through the DOI, and (4) Fiscal Recovery Fund, funded through the Department of the Treasury. The applicable legislation and regulations for each grant authorize the earning of interest on advance payments; the use of which is governed by the same.

Internal Activities

The Nation's policy for eliminating internal activities in the government-wide Statement of Activities is the look-back approach. This method prescribes that the internal service funds operate on a breakeven basis. The net profit or loss on an internal service fund is to be allocated to the government's programs/departments that benefit from the goods or services provided based on their proportionate benefit.

Indirect Costs

The government-wide Statement of Activities does not use a separate column to identify allocated indirect costs since the allocation is automatically calculated. Indirect costs are included in the program operating expenses reported for individual functions and activities in the fund statements.

The Nation's indirect cost plan utilizes a fixed rate with carryforward. To the extent that actual indirect cost expenses differ materially from indirect cost recoveries, the difference is recorded as a liability (over recovered) or an asset (under recovered) and reversed in the period in which the difference is used to adjust the indirect cost rate.

Budgets and Budgetary Accounting Policies

Title 62, §31-32 provides the legal level of budgetary control for the Cherokee Nation. The Executive and Finance Committee of the Council, upon direction of the Treasurer and with advisement from the Controller, shall formulate an annual appropriations bill. The bill shall contain the legal budgeted annual revenue and expenditures/expenses for the general fund and enterprise funds for the executive, legislative, and judicial branches of government. The functional level (e.g. health services) is used for reporting the legal level of budgetary control. The sources of revenue may be based upon estimates. The budgeted expenditures/expenses for these funds shall not exceed total estimated revenues and beginning fund balance and net position. The Executive and Finance Committee of the Council, upon direction of the Treasurer and with advisement from the Controller, shall be responsible for proposing amendments to the annual appropriations law based upon material changes in real or estimated revenues and expenditures/expenses that affect the total amounts budgeted. Management budgets are developed at the accounting unit level. Any amendments to the annual appropriations bill shall be presented to the full Tribal Council for consideration and passage. Any funds received by the Cherokee Nation, the use of which is determined by the granting or contracting agency (special revenue funds) shall be used only for those purposes and under those conditions for which the funds are made available and such funds are not subject to legal appropriation by the Tribal Council.

The basic financial statements contain a budget and actual comparative statement for the General Fund, a legally budgeted fund. A budgetary statement for Enterprise Funds, which are also legally budgeted, is included in the budgetary information section of Supplementary Information.

Budgets for the Nation are prepared on the same basis of accounting as the financial statements; therefore, no reconciliation is necessary.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reported period. Actual results could differ from those estimates.

Adoption of GASB Statement No. 101

In June 2022, GASB issued GASB Statement No. 101, *Compensated Absences* (GASB 101). The accounting guidance under GASB 101 updates the recognition and measurement guidance for compensated absences under a unified model. Specifically, the new standard clarifies that a liability should be recorded for compensated absences that are more likely than not to be paid or otherwise settled. Additionally, it amends certain existing disclosure requirements. The Nation adopted this standard on October 1, 2024, and applied it retroactively by restating beginning net position for the cumulative effect of the change on prior periods. The adjustment to beginning net position at the date of initial application was approximately \$25,306,000.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Below is an explanation of certain differences between the governmental funds balance sheet and the government-wide Statement of Net Position:

The governmental funds balance sheet includes a reconciliation of total fund balances of the governmental funds to the total net position of the governmental activities in the Statement of Net Position. One element of that reconciliation explains that “capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of this \$1,337,269,000 of capital assets used in governmental activities are as follows (dollars in thousands):

Capital assets, net	\$ 1,357,029
Less: Internal service fund capital assets	<u>(19,760)</u>
Capital assets used in governmental activities	<u><u>\$ 1,337,269</u></u>

Another element of the reconciliation is the amount of \$24,616,000, which states, “Assets recorded in government-wide financial statements that are not available to pay for current period expenditures, therefore, are unavailable and not recorded in the funds.” The details of this difference are shown as follows (dollars in thousands):

Notes receivable, net - Self Help Housing	\$ 1,104
Long-term receivables - Litigation settlements	<u>23,512</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 24,616</u></u>

Additionally, an element of that reconciliation explains “Liabilities that are not due and payable in the current period and, therefore, not reported in the funds.” The details of this \$197,778,000 difference are as follows (dollars in thousands):

Long-term debt	<u>\$ (197,778)</u>
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3. DEPOSITS AND INVESTMENTS

Deposits

During 2021, the Nation enacted Legislative Act (LA) 32-21, known as the “Cherokee Nation Public Funds Deposit and Investment Act of 2021,” amending LA 14-15 and LA 13-85 relating to the deposit and investment of funds. The purpose of this legislative act is to repeal and replace Chapter 3 of Title 62 of the Cherokee Nation Code Annotated. It defined financial institutions and financial instruments. A financial institution means a bank, credit union, savings and loan association, investment trust or other organization held out to the public as a place of deposit of funds or medium of savings or collective investment. For purposes of this statute, a Financial Institution may only include Federal Deposit Insurance Corporation (“FDIC”) insured banks, National Credit Union Association (“NCUA”) insured credit unions, or other Financial Institutions whose activities are regulated by federal law, including but not limited to the U.S. Securities and Exchange Commission. A financial instrument means any document with monetary value. Examples include cash, cash equivalents, and securities such as bonds and stocks, which have value and may be traded in exchange for money. As defined in this act by investment term, allowable financial instruments include Demand Deposits, Certificates of Deposit, Certificates of Deposit Account Registry (CDARS), Insured Cash Sweeps (ICS), Savings Accounts, repurchase/reverse repurchase agreements, U.S. Treasuries and U.S. government securities and those issued by its agencies and instrumentalities, and Institutional Money Market Funds.

In December 2017, the Nation enacted LA 35-17 establishing 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 issues, these reserve funds will be invested for growth purposes under the direction of the Treasurer.

Custodial credit risk is the risk that in the event of a bank failure, the Nation’s deposits may not be returned. No funds under the control of the Nation shall be invested with any financial institution unless the financial institution is insured by the FDIC, NCUA and/or the financial institution’s activities are controlled or regulated by federal law and/or federal regulations or regulators, including but not limited to the U.S. Securities and Exchange Commission. No funds in excess of current FDIC or NCUA insurance maximums shall be invested in a single financial institution unless said funds are collateralized either by and/or invested directly into obligations and/or bonds which contain an investment grade rating from a nationally recognized rating firm, such as Standard and Poor’s, Moody’s or Fitch, or local, state, U.S. Government securities, and those issued by its agencies and instrumentalities, and Nation securities. Collateralized funds shall be secured and pledged to the Nation via joint custody receipts for the full amount of said funds.

Deposits of the primary government are generally insured or covered by pledged collateral. At September 30, 2025, all deposits were insured or collateralized and held by various safekeeping agents in the Nation’s name. Component units’ deposits of \$9,707,000 at September 30, 2025, were uninsured and uncollateralized.

Investments

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Nation has no formal policy relating to a specific investment-related risk; however, the

Nation manages interest rate risk by maintaining a balance of highly liquid investments and a “ladder” approach to long-term investments. Funds are invested in blocks, normally of \$1,000,000 or greater, with maturities ranging from one to fifteen years. Any investment with a maturity date of over five years requires consent of the Executive and Finance Committee of the Council, with the exception of investments held by the U.S. Department of Interior’s Bureau of Trust Fund Administration (BTFA). Those investments are made based on the general investment strategy and guidance provided by the Nation.

CNB’s investment policy restricts investment maturities to a period of five years or less. CNB and its component units’ interest rate risk was minimized by the highly liquid nature of its money market investment accounts at September 30, 2025.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. While the Nation has no formal policy relating to the credit risk of investments the Nation’s investments in U.S. agencies and commercial paper were rated either AAA or AA+ by Standard & Poor’s, AAA by Fitch Ratings and Aaa by Moody’s Ratings. The Nation’s and CNB’s mutual fund bond investments were rated AAA by Standard & Poor’s and Aaa by Moody’s Ratings.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Nation’s investment in a single issuer. The Nation’s investment policy does not specifically address concentration of credit risk. Of the total primary government’s investments in U.S. government sponsored entities, \$4,184,000, or 27%, is invested in Federal Agricultural Mortgage Corporation (FAMCA) securities, \$7,123,000, or 46%, is invested in Federal Farm Credit Banks (FFCB), and \$4,096,000, or 27%, is invested in Federal Home Loan Bank (FHLB) securities.

Investments Measured at Fair Value

The Nation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Nation has the following recurring fair value measurements as of September 30, 2025:

- U.S. Treasury securities of \$95,649,000 are valued using quoted market prices (Level 1 inputs).
- Institutional Money Market funds of \$280,576,000 are valued using quoted market prices (Level 1 inputs).
- Repurchase agreements of \$3,376,000 are valued using quoted market prices (Level 1 inputs).
- U.S. Government sponsored entities of \$15,404,000 are valued using quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there is not sufficient activity, and/or where price quotations vary substantially either over time or among market makers, or in which little information is released publicly. (Level 2 inputs).
- Interest rate swap agreements are valued at estimated fair value (Level 2 inputs). See Note 11, specifically under the Fair Value subheadings, for more information.

The component units have the following recurring fair value measurements as of September 30, 2025:

- Money market mutual funds of \$419,649,000 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$4,093,000 are valued using quoted market prices (Level 1 inputs).

Investments, categorized according to interest and credit risk, at September 30, 2025, were as follows (dollars in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				<u>Credit Rating Moody's/S&P</u>
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	
Primary Government:						
U.S. Treasury Obligations	\$ 95,649	\$ -	\$ 95,649	\$ -	\$ -	Aaa/AA+
Institutional Money Market Funds	280,576	280,576	-	-	-	(1)
Repurchase Agreements	3,376	3,376	-	-	-	N/R
U.S. Government Sponsored Entities	15,404	-	6,837	2,681	5,886	Aaa/AA+
Total Primary Government	<u>\$ 395,005</u>	<u>\$ 283,952</u>	<u>\$ 102,486</u>	<u>\$ 2,681</u>	<u>\$ 5,886</u>	
Component Units:						
Money Market Mutual Funds	\$ 419,649	\$ 419,649	\$ -	\$ -	\$ -	(2)
Mutual Funds	4,093	4,093	-	-	-	(2)
Total Component Units	<u>\$ 423,742</u>	<u>\$ 423,742</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

(1) The Institutional Money Market Funds are comprised of U.S. Treasuries and repurchase agreements collateralized by U.S. Treasury obligations.

(2) While these Mutual funds do not have formal ratings, they are Governmental or Institutional type funds that are invested only in securities that have the highest short-term rating from at least two nationally recognized statistical rating organizations (NRSRO's).

A reconciliation of the investments for the Primary Government presented above to the investments as presented in the Statement of Net Position as follows (dollars in thousands):

Investments as presented above	\$ 395,005
Plus: Certificates of deposit reported as investments	111,819
Plus: U.S. Treasury obligations reported at amortized cost	2,668,026
Less: U.S. Treasury obligations reported as cash & cash equivalents	(100,291)
Less: Institutional money market funds and repurchase agreements reported as cash & cash equivalents	<u>(283,953)</u>
Total Investments	<u>\$ 2,790,606</u>

A reconciliation of the unrestricted investments for the Component Units presented above to the unrestricted investments as presented in the Statement of Net Position as follows (dollars in thousands):

Investments as presented above	\$ 423,742
Plus: Certificates of deposit reported as investments	10,019
Less: Money market mutual funds reported as cash equivalents	(419,649)
Less: Mutual funds reported as restricted investments	<u>(2,489)</u>
Total unrestricted investments	<u>\$ 11,623</u>

Restricted Cash, Cash Equivalents and Investments

Restricted cash, cash equivalents and investments at September 30, 2025, as shown below (dollars in thousands):

Primary Government	
Capital replacement, closure and postclosure care costs of the Landfill Closure fund	\$ 7,886
Scholarship funds and youth development projects	603
District Court escrow account	<u>12</u>
Total Primary Government restricted cash, cash equivalents and investments	<u>\$ 8,501</u>
Component Units	
HACN's lease-to-own homeownership program monthly equity payments	\$ 2,092
Pari-mutuel horse racing activities funds	15,371
CNF endowment funds	337
CNF restricted contributions	<u>2,489</u>
Total Component Units restricted cash, cash equivalents and investments	<u>\$ 20,289</u>

4. RECEIVABLES

Receivables for primary government at September 30, 2025, consisted of the following as shown below (dollars in thousands):

	Primary Government				
	Accounts Receivable				
	Grants & Contracts Receivable	Accounts Receivable	Interest Receivable	Total	Notes Receivable
Governmental Activities:					
General Fund					
Motor fuel taxes	\$ -	\$ 2,994	\$ 1,411	\$ 4,405	\$ -
Other taxes	-	1,414	966	2,380	-
Other receivables	-	2,344	1,612	3,956	-
Litigation settlement, current	-	16,866	-	16,866	-
Litigation settlement, long-term	-	23,512	-	23,512	-
Special Revenue Funds	31,107	38,909	52,929	122,945	1,104
Other - Internal Service Funds	-	8,964	-	8,964	-
Receivables of Governmental Activities	<u>\$ 31,107</u>	<u>\$ 95,003</u>	<u>\$ 56,918</u>	<u>\$ 183,028</u>	<u>\$ 1,104</u>
Business-type Activities:					
CN Sanitary Landfill	\$ -	\$ 34	\$ 279	\$ 313	\$ -
EDTA	-	5	-	5	-
Notes receivable, current	-	-	-	-	3,866
Long-term notes receivable	-	-	-	-	18,366
	<u>-</u>	<u>\$ 39</u>	<u>\$ 279</u>	<u>\$ 318</u>	<u>\$ 22,232</u>
Less: Allowance for uncollectibles	-	-	-	-	(696)
Receivables of Business-type Activities	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 279</u>	<u>\$ 318</u>	<u>\$ 21,536</u>

Accounts receivable for Special Revenue Funds include amounts receivable from Medicare, Medicaid and insurance companies for services provided to covered patients at the Nation's W.W. Hastings Hospital and healthcare facilities.

Receivables for component units at September 30, 2025, shown below consisted of the following as shown below (dollars in thousands):

	<u>CNB</u>	<u>HACN</u>	<u>CNCCA</u>	<u>CNHHS</u>	<u>CNF</u>	<u>Total</u>
Receivables:						
Accounts and Other	\$ 245,843	\$ 1,223	\$ 21	\$ 1,466	\$ 25	\$ 248,557
Interest	-	850	-	-	-	850
Notes	-	8,754	-	-	-	8,754
	<u>245,843</u>	<u>10,827</u>	<u>-</u>	<u>1,466</u>	<u>25</u>	<u>258,161</u>
Less: Allowance for uncollectibles	<u>(1,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,900)</u>
Receivables, net	<u>\$ 243,943</u>	<u>\$ 10,827</u>	<u>\$ 21</u>	<u>\$ 1,466</u>	<u>\$ 25</u>	<u>\$ 256,261</u>

Mortgages Receivable – Title VI

HACN has mortgages receivable at September 30, 2025, totaling \$7,509,000 from individuals who are participating in the Title VI loan program. Each of these loans is secured by a mortgage on the house sold by HACN. The loans have an interest rate of 4% and are payable over 30 years. No allowance has been recorded as of September 30, 2025, as the Housing Authority believes the amounts to be collectible or, if the houses are reacquired by HACN, the value of the home will equal or exceed the balance of the loan. At September 30, 2025, the current and noncurrent portions of these mortgages receivable were \$487,000 and \$7,022,000, respectively.

5. INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended September 30, 2025, consisted of the following as shown below (dollars in thousands):

Category and Fund	Transfers from Other Funds	Transfers to Other Funds
Governmental Activities:		
Governmental Funds:		
General	\$ 117,318	\$ (87,658)
PL 102-477	-	(22,718)
Self Governance DHHS	-	(353,591)
Fiscal Recovery Fund	-	(18,048)
Capital Projects Fund	398,918	(26,000)
Nonmajor Governmental Funds	1,914	(16,549)
Total Governmental Funds	<u>518,150</u>	<u>(524,564)</u>
Internal Service Funds:	-	(1,500)
Total Governmental Activities	<u>518,150</u>	<u>(526,064)</u>
Business-type Activities:		
Proprietary Funds:		
Nonmajor Enterprise Funds	7,914	-
Total Proprietary Funds	<u>7,914</u>	<u>-</u>
Total Business-type Activities	<u>7,914</u>	<u>-</u>
Total Primary Government	<u>\$ 526,064</u>	<u>\$ (526,064)</u>
Reconciliation to government-wide Statement of Activities:		
Governmental Activities:		
Transfers In	\$ 518,150	
Transfers Out	<u>(526,064)</u>	
Net Transfer Governmental Activities		<u>\$ (7,914)</u>
Business-type Activities:		
Transfers In	\$ 7,914	
Transfers Out	<u>-</u>	
Net Transfer Business-type Activities		<u>\$ 7,914</u>

Transfers are generally used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) move unrestricted revenues collected in the General Fund, or other funds, to finance various programs accounted for in other funds in accordance with budgetary authorizations. During fiscal year 2025, the Fiscal Recovery Fund transferred \$18,048,000 in interest to the General Fund.

Interfund balances at September 30, 2025, consisted of the following as shown below (dollars in thousands):

Category and Fund	Due from Other Funds	Due to Other Funds
Governmental Activities:		
Governmental Funds:		
General	\$ 267,320	\$ 105,776
PL 102-477	-	65,389
Self Governance DHHS	-	489,533
Fiscal Recovery Fund	-	74,315
Capital Projects Fund	523,487	-
Nonmajor Governmental Funds	18,353	72,750
Total Governmental Funds	809,160	809,763
Internal Service Funds:	49,731	44,870
Total Governmental Activities	858,891	854,633
Business-type Activities:		
Proprietary Funds:		
Nonmajor Enterprise Funds	-	4,258
Total Proprietary Funds	-	4,258
Total Business-type Activities	-	4,258
Total Primary Government	\$ 858,891	\$ 858,891
Reconciliation to government-wide Statement of Net Position:		
Governmental Activities:		
Due from Other Funds	\$ 858,891	
Due to Other Funds	(858,891)	
Net Internal Balances		\$ 4,258
Business-type Activities:		
Due from Other Funds	\$ -	
Due to Other Funds	(4,258)	
Net Internal Balances		\$ (4,258)

Interfund balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, the dates the transactions are recorded in the accounting system, and the date payments between funds are made.

6. INVENTORIES

The Nation's inventories were comprised of the following at September 30, 2025, as follows (dollars in thousands):

	Governmental Funds	Internal Service Funds	Component Units
Finished goods and raw materials	\$ 2	\$ -	\$ 20,628
Food for distribution	1,381	-	-
Pharmaceuticals and supplies	10,131	269	-
	11,514	269	20,628
Less inventory reserves	-	-	(1,930)
Total inventories	\$ 11,514	\$ 269	\$ 18,698

7. CAPITAL ASSETS

A summary of capital assets activity by major class, for the year ended September 30, 2025, follows (dollars in thousands):

<u>Governmental Activities</u>	<u>Balance,</u> <u>September 30,</u> <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>September 30,</u> <u>2025</u>
Activity by Major Class				
Capital assets not being depreciated:				
Land	\$ 49,798	\$ 4,281	\$ -	\$ 54,079
Construction in process	<u>271,954</u>	<u>407,145</u>	<u>(217,985)</u>	<u>461,114</u>
Total capital assets not being depreciated	<u>321,752</u>	<u>411,426</u>	<u>(217,985)</u>	<u>515,193</u>
Capital assets being depreciated:				
Buildings and improvements	653,340	247,352	(1,929)	898,763
Equipment	186,022	22,447	(645)	207,824
Land improvements	<u>10,918</u>	<u>12,706</u>	<u>(34)</u>	<u>23,590</u>
Total capital assets being depreciated	<u>850,280</u>	<u>282,505</u>	<u>(2,608)</u>	<u>1,130,177</u>
Less accumulated depreciation for:				
Buildings and improvements	(115,253)	(18,511)	95	(133,669)
Equipment	(136,250)	(16,219)	525	(151,944)
Land improvements	<u>(1,738)</u>	<u>(990)</u>	<u>-</u>	<u>(2,728)</u>
Total accumulated depreciation	<u>(253,241)</u>	<u>(35,720)</u>	<u>620</u>	<u>288,341</u>
Total capital assets being depreciated, net	<u>597,039</u>	<u>246,785</u>	<u>(1,988)</u>	<u>841,836</u>
Activity by major class of capital assets, net	<u>\$ 918,791</u>	<u>\$ 658,211</u>	<u>\$ (219,973)</u>	<u>\$ 1,357,029</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Tribal Government	\$ 14,778
Health Services	15,857
Education Services	1,168
Human Services	1,265
Community Services	<u>2,652</u>
Total Governmental Activities depreciation expense	<u>\$ 35,720</u>

<u>Business-Type Activities</u>	Balance, September 30, 2024	Additions	Reductions	Balance, September 30, 2025
Activity by Major Class				
Capital assets not being depreciated:				
Land	\$ 155	\$ -	\$ -	\$ 155
Construction in process	1,290	2,188	-	3,478
Total capital assets not being depreciated	<u>1,445</u>	<u>2,188</u>	<u>-</u>	<u>3,633</u>
Capital assets being depreciated:				
Equipment	3,349	2,502	(668)	5,183
Land improvements	1,955	668	-	2,623
Total capital assets being depreciated	<u>5,304</u>	<u>3,170</u>	<u>(668)</u>	<u>7,806</u>
Less accumulated depreciation for:				
Equipment	(2,714)	(608)	668	(2,654)
Land improvements	(912)	(864)	-	(1,776)
Total accumulated depreciation	<u>(3,626)</u>	<u>(1,472)</u>	<u>668</u>	<u>(4,430)</u>
Total capital assets being depreciated, net	<u>1,678</u>	<u>1,698</u>	<u>-</u>	<u>3,376</u>
Activity by major class of capital assets, net	<u>\$ 3,123</u>	<u>\$ 3,886</u>	<u>\$ -</u>	<u>\$ 7,009</u>

Depreciation expense of \$804,000 was recognized by CN Sanitary Landfill for the year ended September 30, 2025.

A summary of capital asset activity for component units is as follows (dollars in thousands):

<u>Component Unit Activities</u>	<u>Balance, September 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, September 30, 2025</u>
Capital assets not being depreciated:				
Land	\$ 102,021	\$ 980	\$ (546)	\$ 102,455
Construction in process	77,542	124,045	(99,544)	102,043
Artwork	5,171	835	(4)	6,002
Total capital assets not being depreciated	<u>184,734</u>	<u>125,860</u>	<u>(100,094)</u>	<u>210,500</u>
Capital assets being depreciated:				
Buildings, improvements and other	876,834	59,187	(5,256)	930,765
Machinery, equipment and other	<u>480,629</u>	<u>35,059</u>	<u>(9,206)</u>	<u>506,482</u>
Total capital assets being depreciated	<u>1,357,463</u>	<u>94,246</u>	<u>(14,462)</u>	<u>1,437,247</u>
Less accumulated depreciation for:				
Buildings, improvements and other	(371,925)	(35,828)	2,867	(404,886)
Machinery, equipment and other	<u>(320,953)</u>	<u>(35,508)</u>	<u>7,790</u>	<u>(348,671)</u>
Total accumulated depreciation	<u>(692,878)</u>	<u>(71,336)</u>	<u>10,657</u>	<u>(753,557)</u>
Total capital assets being depreciated, net	<u>664,585</u>	<u>22,910</u>	<u>(3,805)</u>	<u>683,690</u>
Activity by major class of capital assets, net	<u>849,319</u>	<u>148,770</u>	<u>(103,899)</u>	<u>894,190</u>
Lease assets				
Buildings and land	674,815	8,414	(2,892)	680,337
Art	940	13	-	953
Equipment	<u>2,363</u>	<u>1,800</u>	<u>(397)</u>	<u>3,766</u>
Total lease assets	678,118	10,227	(3,289)	685,056
Less accumulated amortization for:				
Buildings and land	(56,923)	(32,442)	2,068	(87,297)
Art	(455)	(99)	-	(554)
Equipment	<u>(1,547)</u>	<u>(388)</u>	<u>370</u>	<u>(1,565)</u>
Total accumulated amortization	<u>(58,925)</u>	<u>(32,929)</u>	<u>2,438</u>	<u>(89,416)</u>
Total lease assets, net	<u>619,193</u>	<u>(22,702)</u>	<u>(851)</u>	<u>595,640</u>
Subscription assets				
Subscription assets	3,504	4,897	(418)	7,983
Less accumulated amortization	<u>(1,996)</u>	<u>(3,067)</u>	<u>324</u>	<u>(4,739)</u>
Total subscription assets, net	<u>1,508</u>	<u>1,830</u>	<u>(94)</u>	<u>3,244</u>
Total of the Component Units:				
Capital assets, nondepreciable;	184,734	125,860	(100,094)	210,500
Capital assets, depreciable, net;	664,585	22,910	(3,805)	683,690
Lease assets, net; and	619,193	(22,702)	(851)	595,640
Subscription assets, net	<u>1,508</u>	<u>1,830</u>	<u>(94)</u>	<u>3,244</u>
Total Capital Assets	<u>\$ 1,470,020</u>	<u>\$ 127,898</u>	<u>\$ (104,844)</u>	<u>\$ 1,493,074</u>

8. LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2025, was as follows (dollars in thousands):

Governmental Activities

	<u>Balance, September 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, September 30, 2025</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Notes Payable						
Note payable to construct new W.W. Hastings Hospital Construction. See (1) below.	133,783	66,217	(2,222)	197,778	13,333	184,445
Total long-term debt	<u>\$ 133,783</u>	<u>\$ 66,217</u>	<u>\$ (2,222)</u>	<u>\$ 197,778</u>	<u>\$ 13,333</u>	<u>\$ 184,445</u>

- (1) This note provides some of the funding for the construction of a new hospital facility in Tahlequah, Oklahoma. The principal amount of the note is \$200,000,000 for the purposes of financing a portion of the costs, to include design, construction, and equipping of the Project, including but not limited to costs of labor and materials, costs of on-site and off-site improvements, amounts paid to contractors, costs of landscaping, architectural fees, engineering fees, and cost of equipment, as well as transaction costs. This note has an interest only period until the first principal payment on the loan is due beginning on August 31, 2022, with each scheduled installment being an amount equal to 1/180th of the outstanding principal balance of the loan as of the close of business on the last day of the calendar month immediately following the Outside Funding Date defined as the earlier of the 30th day following the Completion Date or the third anniversary of the Closing Date. Payment of each scheduled monthly principal installment shall be accompanied by payment of the interest due. Interest on the note shall be due and payable in arrears on the last day of each calendar month, commencing August 31, 2022, through the maturity date of July 2029. As of March 28, 2025, the entire loan amount had been drawn. Two payments had been made bringing the note balance down to \$197,778,000 as of September 30, 2025. The Nation entered into a swap agreement with Bank of Oklahoma to synthetically fix the interest rate on the \$200,000,000 loan. The swap agreement synthetically fixes the rate at 3.25%. The agreement covers the entire 7-year term. There are potential gains and losses associated with the swap agreement should Cherokee Nation choose an early payoff on the loan. The note is a general obligation of the Nation. See Note 11 for additional details.

The balance of long-term debt for business-type activities at September 30, 2025, was \$465,000. The balance of long-term debt for Component Units at September 30, 2025, was \$53,886,000. Long-term debt and lines of credit, in the business-type activities and component units at September 30, 2025, consisted of the following (dollars in thousands):

Business-type Activities

	<u>Balance, September 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, September 30, 2025</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Economic Development Trust Authority						
Notes payable to the Department of Agriculture in variable annual installments including interest of 1% annual, with final payment due August 2034. See (2) below.	534	-	(69)	465	69	396
Total long-term debt	<u>\$ 534</u>	<u>\$ -</u>	<u>\$ (69)</u>	<u>\$ 465</u>	<u>\$ 69</u>	<u>\$ 396</u>

(2) These direct borrowing notes are secured with collateral of the Intermediary Revolving Fund and the Intermediary Relending Program (IRP). In the event of default, USDA may declare the notes immediately due and payable.

Component Units

	<u>Balance, September 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, September 30, 2025</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Housing Authority of the Cherokee Nation (HACN)						
Assumable Mortgage Program (*AMP*)-loans for use in the purchase of homes provided to program participants. Interest rates vary from 4% to 7.125% and are payable in monthly installments over thirty (30) years. See (3) below.	55,402	-	(1,516)	53,886	1,577	52,309
Total long-term debt	<u>\$ 55,402</u>	<u>\$ -</u>	<u>\$ (1,516)</u>	<u>\$ 53,886</u>	<u>\$ 1,577</u>	<u>\$ 52,309</u>

(3) During fiscal year 2007, HACN began its Assumable Mortgage Program. Interest rates on the loans vary from 4% to 6.25% and are payable in monthly installments over thirty years. At September 30, 2025, the loan balance was \$53,886,000. In the event of default, outstanding amounts become immediately due and payable.

On November 23, 2022, CNB entered into a revolving credit agreement for \$400,000,000, with an option to increase the amount to \$600,000,000. The credit agreement includes a \$50,000,000 letter of credit arrangement. The agreement bears interest at the Term SOFR (secured overnight financing rate) Reference Rate plus a margin that ranges from 1.25% to 2.0%, depending on the leverage ratio. The credit agreement has quarterly unused commitment fees ranging from 0.15% to 0.35%, determined by the outstanding loan balance. These unused commitment fees are presented as interest expense in the accompanying financial statements. CNB had no outstanding borrowings at September 30, 2025.

In March 2011, CNHHS obtained a \$450,000 line of credit at a bank, with interest due on any outstanding balance at 4.00%. There was no activity on this line of credit during the year ended September 30, 2025. CNHHS' line of credit is secured by the full faith and credit of the Nation under a limited waiver of sovereign immunity. In the event of default, outstanding amounts become immediately due and payable. The Nation, with approval of the Tribal Council, has approved limited waivers of sovereign immunity in connection with various debt incurred by the Nation.

Maturities of long-term debt for the Governmental and Business-type Activities are as shown below (dollars in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities			
2026	13,333	6,229	19,562
2027	13,333	5,796	19,129
2028	13,333	5,363	18,696
2029	157,779	4,535	162,314
Total	<u>\$ 197,778</u>	<u>\$ 21,923</u>	<u>\$ 219,701</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Business-type Activities			
2026	69	5	74
2027	70	4	74
2028	70	4	74
2029	71	3	74
2030	61	2	63
2031 through 2035	124	3	127
Total	<u>\$ 465</u>	<u>\$ 21</u>	<u>\$ 486</u>

Maturities of long-term debt for the Component Units are as follows (dollars in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Component Units			
2026	1,577	2,060	3,637
2027	1,639	1,998	3,637
2028	1,705	1,932	3,637
2029	1,773	1,864	3,637
2030	1,844	1,793	3,637
2031 through 2035	8,152	6,409	14,561
2036 through 2040	12,135	6,030	18,165
2041 through 2045	14,695	3,393	18,088
2046 through 2050	8,391	899	9,290
2051 through 2055	1,975	73	2,048
Total	<u>\$ 53,886</u>	<u>\$ 26,451</u>	<u>\$ 80,337</u>

9. LONG-TERM LEASE AND SUBSCRIPTION LIABILITY

Long-term lease and subscription liability activity for the year ended September 30, 2025, was as follows (dollars in thousands):

Component Units

	<u>Balance, September 30, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, September 30, 2025</u>	<u>Current Portion</u>
Cherokee Nation Businesses ("CNB")					
Long-term lease liabilities. See (1) below.	652,873	8,162	(10,085)	650,950	10,347
Subscription liabilities	861	4,988	(3,319)	2,530	1,722
Cherokee Nation Home Health Service ("CNHHS")					
Long-term lease liabilities. See (2) below.	580	464	(214)	830	272
Subscription liabilities. See (3) below.	230	-	(90)	140	96
Total long-term lease and subscription liabilities	<u>\$ 654,544</u>	<u>\$ 13,614</u>	<u>\$ (13,708)</u>	<u>\$ 654,450</u>	<u>\$ 12,437</u>

- (1) CNB leases primarily include leases of land, buildings and improvements, the terms of which expire in various years through 2048. Variable payments of certain leases are based upon the Consumer Price Index (the Index). The leases were measured based upon the Index at lease commencement. Variable payments based on the use of the underlying assets are not included in the lease liability because they are not fixed in substance. The current balances in the table above are included in accounts payable and accrued liabilities in the accompanying financial statements.
- (2) CNHHS leases equipment and vehicles, the terms of which expire in various years through 2029. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance.
- (3) CNHHS has various subscription liabilities, the terms of which expire in various years through 2027.

Maturities of long-term lease liabilities for the Component Units are as follows (dollars in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	10,715	38,817	49,532
2027	11,140	38,092	49,232
2028	11,617	37,505	49,122
2029	11,961	36,669	48,630
2030	12,499	35,939	48,438
2031-2035	82,965	166,595	249,560
2036-2040	138,061	134,362	272,423
2041-2045	218,933	81,850	300,783
2046-2048	154,029	12,727	166,756
Total	<u>\$ 651,920</u>	<u>\$ 582,556</u>	<u>\$ 1,234,476</u>

Maturities of subscription liabilities for the Component Units are as follows (dollars in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	1,722	109	1,831
2027	780	23	803
2028	29	-	29
Total	<u>\$ 2,531</u>	<u>\$ 132</u>	<u>\$ 2,663</u>

10. COMPENSATED ABSENCES

Compensated absence liabilities are generally liquidated by the Fringe Pool Internal Service Fund, which allocates to and collects from other funds and/or departments within the Nation. The Nation provides paid sick and vacation leave to all regular full-time and part-time employees on a biweekly pay period. Leave may not be taken in advance of being earned and accrued. Sick leave is earned at the rate of four hours per pay period for regular full-time employees and two hours per pay period for regular part-time employees. Sick leave may be accrued to 1,040 hours. Unused sick leave will not be paid at the time of voluntary or involuntary termination of employment. Vacation leave is earned based on a pay count (number of checks) as follows:

<u>Pay Count</u>	<u>Annual Leave Earned</u>	
	<u>Regular Full-Time</u>	<u>Regular Part-Time</u>
1 to 78 pay checks	4 hours per pay period	2 hours per pay period
79 to 260 pay checks	6 hours per pay period	3 hours per pay period
261 and above pay checks	8 hours per pay period	4 hours per pay period

Vacation leave may be accrued to a maximum of 240 hours. Once the 240-hour maximum balance is reached, the employee discontinues accruing until the number falls below 240 hours. Any employee who is separated from the job by layoff, resignation, termination or retirement shall have unused accrued annual leave paid in their last check. Changes in the reported compensated absences liability follow (dollars in thousands):

<u>Fiscal Year</u>	<u>Balance at Beginning of Year (As Restated)</u>	<u>Net Increase / Decrease</u>	<u>Balance at End of Year</u>
2025	\$41,738	\$6,933	\$48,671

The compensated absences liability above is expected to be paid from currently available financial resources and are included in the accompanying Proprietary Funds Statement of Net Position in the Governmental Activities – Internal Service Funds. During the year ended September 30, 2025, the Nation and its component units retrospectively adopted GASB Statement No. 101, *Compensated Absences*. This resulted with the inclusion of sick leave in the compensated absences liability at September 30, 2024, as restated.

11. INTEREST RATE SWAP AGREEMENTS

CHEROKEE NATION OUTPATIENT HEALTH CENTER (CNOHC)

In connection with the authorization of a variable rate \$200 million note payable (see (1) in Note 8 on page 67) that has an outstanding balance at September 30, 2025, of \$197,778,000, the Nation also entered into an interest rate swap agreement with Bank of Oklahoma as a cash flow hedge to manage long term interest rate risk. Details of the agreement are as follows:

Objective of the Interest Rate Swap

The Nation's asset/liability strategy is to have a mixture of fixed- and variable-rate debt to take advantage of market fluctuations. As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations and to lower its borrowing costs when compared against fixed-rate debt at the time of issuance, the Nation entered into an interest rate swap agreement for its tax-exempt long-term note payable with a financial institution. The intention of the swap is to effectively change the Nation's variable interest rate portion on this note to a fixed rate of 2.05%.

Terms

The agreement was entered into on August 10, 2022, and is scheduled to end on July 31, 2029, and required no initial net cash receipt or payment by the Nation. The agreement provides for the Nation to receive interest from the counterparty based on the 1 month Secured Overnight Financing Rate (SOFR) and to pay interest to the counterparty at a fixed rate of 2.05% on a notional amount of \$193,333,000 at September 30, 2025. The notional amount of the swap and the principal amount of the associated debt were equal at inception of the swap. The notional amount determined each month is based on the projected draws that will be made on the debt for construction related purposes and increased in monthly increments until it met the total loan agreement amount of \$200,000,000 at May 31, 2024. Monthly payments are due on the last day of each month. Principal payments of the debt began August 2025, once the construction phase of the project was completed, and the notional amount declines each month by a corresponding amount of the debt balance each time a principal payment is made. Under the agreement, the Nation pays or receives the net interest amount monthly, with the monthly settlements included in interest expense.

As of September 30, 2025, the principal amount of the hedged debt exceeded the notional amount of the interest rate swap resulting in the debt being under-hedged. The full notional amount of the interest rate swap was bifurcated so that the portion of the interest rate swap considered a cash flow hedge was consistent with the principal amount of the hedged debt at year-end. The remaining portion of the interest rate swap is considered an other derivative instrument.

Fair Value

As of September 30, 2025, the agreement had a positive fair value of \$7,780,368 calculated using the par-value method, *i.e.*, the fixed rate on the swap was compared with the current fixed rates that could be achieved in the marketplace should the swap be unwound. The fixed-rate component was valued by discounting the fixed-rate cash flows using the current yield to maturity of a comparable note. The variable-rate component was assumed to be at par value because the interest rate resets to the market rate at every reset date. The fair value was then calculated by subtracting the estimated market value of the fixed component from the established market value of the variable component. The fair value of the agreement is recognized as a derivative instrument – rate swaps asset in the Nation's government-wide statement of net position. As the swap is an effective hedging derivative instrument, the fair value is reflected as an adjustment to the carrying amount of the related deferred inflow of resources on the statement of net position.

Credit Risk

The swap's fair value represented the Nation's credit exposure to the counterparty as of September 30, 2025. Should the counterparty to this transaction fail to perform according to the terms of the swap agreement, the Nation has a maximum possible loss equivalent to the swap's fair value at that date. As of September 30, 2025, the Nation was exposed to credit risk because the swap had a positive fair value. The swap counterparty was rated A by Fitch Ratings and BBB+ by Standard & Poor's as of September 30, 2025. The Nation does not currently have a policy of requiring the counterparty to post collateral in the event the Nation becomes exposed to credit risk. The Nation does not currently have a policy requiring a master netting agreement with the counterparty and does not currently have such an agreement in place.

Basis Risk

The swap exposes the Nation to basis risk should the relationship between the 1-month SOFR and the prime rate set by the Nation's lender change in a manner adverse to the Nation. If an adverse change occurs in the relationship between these rates, the expected cost savings may not be realized.

Termination Risk

The Nation or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate portion of the notes would no longer have a synthetic fixed rate of interest. Also, if the swap has a negative fair value at the time of termination, the Nation would be liable to the counterparty for a payment equal to the swap's then fair value.

Swap Payments and Associated Debt

Using rates as of September 30, 2025, net swap payments, assuming current interest rates remain the same, for their term are set forth in the table below. As interest rates and the outstanding balances of the notional amounts and note payable vary, net swap payments will vary as well.

	Counterparty Swap Payment		
	To	From	Net
2026	(3,890,951)	8,047,625	4,156,674
2027	(3,613,631)	7,474,047	3,860,416
2028	(3,337,261)	6,902,432	3,565,171
2029	(2,576,293)	5,328,528	2,752,235
Total	<u>(\$13,418,136)</u>	<u>\$27,752,632</u>	<u>\$14,334,496</u>

12. LINES OF CREDIT

On November 23, 2022, CNB entered into a revolving credit agreement for \$400,000,000, with an option to increase the amount to \$600,000,000 and establishing a \$250,000,000 delayed draw term loan. The revolving credit agreement has a maturity date of November 22, 2027. The agreement is collateralized by the majority of CNB's wholly owned component units' cash flows and substantially all of CNB and its wholly owned component units' assets. The credit agreement includes a \$50,000,000 letter of credit arrangement. The agreement bears interest at the Term SOFR (secured overnight financing rate) Reference Rate plus a margin that ranges from 1.25% to 2.0%, depending on the leverage ratio. The credit agreement has quarterly unused commitment fees ranging from 0.15% to 0.35% determined by the outstanding loan balance. CNB had no outstanding borrowings at September 30, 2025. CNE had letters of credit outstanding at September 30, 2025, of \$237,000. CNB's availability under this revolving credit facility was \$399,800,000 at September 30, 2025.

Both CNB and CNE, as borrower and guarantor, respectively, are subject to various reporting and financial covenants, including a requirement to provide separate stand-alone audited financial statements for both entities.

The revolving credit agreement also contains provisions that, in the event of default, allow the lender to accelerate payments of the entire principal amount, if any, to be immediately due and payable.

CNHHS obtained a line of credit on March 25, 2011. The initial draw was used to pay off all the outstanding lines of credit at that date. This line of credit bears interest payable monthly at a fixed rate of 4.00% and is secured by the full faith and credit of the Nation under a limited waiver of sovereign immunity. This line of credit was renewed in March 2021 through March 2027. The line of credit had no outstanding balance at September 30, 2025.

13. TRUST LIABILITIES

The HACN has several lease-to-own homebuyer programs wherein the tenant/homebuyer may eventually purchase the house in accordance with contractual agreements. These transactions are similar to a financing lease, however, are not accounted for as such as the amount and ability to collect the minimum lease payments is not predictable. Until the time of transfer, these homes remain the property of the HACN. The costs of those units are depreciated over the expected term of payoff at the time of the original agreement, generally 25 years. When the home is paid off in accordance with the agreements and title is transferred to the homebuyer, a gain or loss is recognized by the HACN. For the year ended September 30, 2025, a gain of \$141,000 was recorded in connection with such transfers and is reported as other, net nonoperating revenues (expenses) on the Combining Statement of Revenues, Expenses and Changes in Net Position – Component Units.

The HACN trust liabilities reflected in the accompanying financial statements primarily include a liability for funds that have been received from the tenants or homebuyers in the various lease-to-own programs. These funds are held in a trust type account to be applied to various uses, depending on the agreement with the tenant/homebuyer. The largest of the amounts included in this category are for accounts attributable to the New Mutual Help Housing Program wherein the tenant/homebuyers are credited with a portion of the funds that they have contributed as well as other amounts credited to them in accordance with HUD requirements and program policies. Under the provisions of mutual help occupancy agreements, tenant/homebuyers are required to make payments based on the family or household income. After deducting an administrative fee as set forth by HUD, the remaining balance is credited to the participant's equity payment account (MEPA). The balance of the MEPA accounts, which are being held by HACN on behalf of the New Mutual Help homebuyers, was \$2,092,000 as of September 30, 2025. This along with other credits to these tenant/homebuyers totaled \$2,246,000 at September 30, 2025. Although these funds will generally be retained by HACN upon the transfer of home ownership to the tenant/homeowner, they are presented as a liability until then because the funds are effectively owned by the tenant/homeowner. Upon transfer of the home to the tenant/homeowner the funds will be considered revenue and applied to the carrying value of the related home and a gain or loss will be recorded by HACN.

Additionally, at September 30, 2025, other amounts included in this category include escrow deposits held by the HACN associated with the Title VI program mortgages totaling \$11,000, and low income housing tenants' security deposits of \$56,000.

14. FUND BALANCE CLASSIFICATION

The details for the Nation's fund balances presented in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* as of September 30, 2025, are as shown below (dollars in thousands):

	<u>Major Special Revenue Funds</u>						<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>PL 102-477</u>	<u>Self Governance DHHS</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>		
Fund balances:							
Nonspendable:							
Inventory and prepaid expenses	\$ 166	\$ -	\$ 24,980	\$ 419	\$ 632	\$ 26,197	
Permanent fund principal	-	-	-	-	425	425	
Restricted for:							
Federal, State and Private Grants	-	69,417	570,080	-	60,726	700,223	
Education, Roads, Health, Safety (MFT)	94,770	-	-	-	-	94,770	
Education (MVT)	9,003	-	-	-	-	9,003	
Roads (MVT)	9,820	-	-	-	-	9,820	
Law Enforcement (MVT)	921	-	-	-	-	921	
Committed for:							
Contract Health Services	46,027	-	-	-	-	46,027	
Land Acquisitions	1,905	-	-	-	-	1,905	
Heart of the Nation	33	-	-	-	-	33	
Job Training and Tuition	75	-	-	-	-	75	
Student Activities	394	-	-	-	-	394	
Substance Abuse Treatment	17	-	-	-	-	17	
TERO Job Training Programs	3,316	-	-	-	-	3,316	
Emergency Reserve Fund	43,469	-	-	-	-	43,469	
Public Health & Wellness Fund	33,646	-	-	-	-	33,646	
Assigned to:							
Budgetary Resources for Subsequent Year	79,724	-	-	-	-	79,724	
Capital Projects	-	-	-	488,692	-	488,692	
Unassigned:*	<u>524,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(632)</u>	<u>524,367</u>	
Total fund balances	<u>\$ 848,285</u>	<u>\$ 69,417</u>	<u>\$ 595,060</u>	<u>\$ 489,111</u>	<u>\$ 61,151</u>	<u>\$ 2,063,024</u>	

* Legislative Act (LA) 05-02 established a cash reserve in the amount of 1.75% of the original operating budget of each fiscal year to use as a stabilization fund. LA 28-04 amended LA 05-02 and established a \$5,000,000 Line of Credit as part of the 1.75% reserve. The legislative acts do not commit specific uses of the reserve; therefore, the balance is shown as unassigned. The reserve for the current year is \$41,304,000, which is a reduction of \$1,873,000 from the prior year.

15. LANDFILL CLOSURE/POSTCLOSURE CARE COSTS & OTHER LANDFILL MATTERS

The Nation owns a solid waste landfill in eastern Oklahoma. The Nation accounts for the landfill closure/postclosure in accordance with the provisions of GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, in the CN Sanitary Landfill Fund, a nonmajor enterprise fund.

Federal regulations will require the Nation to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will only be paid near or after the date the landfill stops

accepting waste, GASB Statement No. 18 requires proprietary funds, such as Landfill Closure, to report a portion of these costs as an operating expense in each period based on landfill capacity and utilization. Historically, the landfill has utilized a ratioed total closure cost approach to determine the annual financial assurance requirements of the facility. This approach was premised on the idea that the entire permit area was developed and active with no areas having an installed final cover system. The landfill utilized the total cost estimate and a ratio between the total volume of waste accumulated within the landfill and the total estimated capacity of the entire permit area to determine the annual financial assurance requirement. Based on the current configuration of the landfill, this approach required modification to more accurately reflect the estimated total current cost of its solid waste landfill closure and postclosure care costs.

In accordance with GASB Statement No. 18, the Nation performed an annual reevaluation in 2025 of the estimated total current cost of its landfill closure and postclosure care. Based upon the annual reevaluation of closure and postclosure cost estimates, the amount reported as Landfill Closure and Postclosure Care Liability (included in other noncurrent liabilities) of \$7,983,000 at September 30, 2025 includes an increase of \$188,000 resulting from the annual reevaluation. Subsequent increases will be dictated primarily by inflationary factors and changes to the closure and postclosure requirements, such as a change in facility design or increases in waste disposal area.

Landfill closure liability activity for the year ended September 30, 2025 is as follows (dollars in thousands):

	<u>Balance, September 30, 2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, September 30, 2025</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Landfill closure liability	7,795	188	-	7,983	-	7,983
Total landfill closure liability	<u>\$ 7,795</u>	<u>\$ 188</u>	<u>\$ -</u>	<u>\$ 7,983</u>	<u>\$ -</u>	<u>\$ 7,983</u>

The Nation makes annual contributions to a restricted bank account to finance closure and postclosure care. At September 30, 2025, restricted cash, cash equivalents and investments of approximately \$7,886,000 were held for these purposes. The Nation expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are necessary (due to changes in technology or applicable laws or regulations, for example), such costs may need to be funded by charges to future landfill users or other revenue sources.

16. RISK MANAGEMENT AND SELF-INSURED HEALTH PLANS

The Nation manages its risk exposures through risk retention and the purchase of insurance. In the area of health benefits, the Nation utilizes a modified self-insured program with a third party administrator. Claims for benefits are paid by the Nation to a level of \$500,000 per year per employee. Amounts over \$500,000 per employee are subject to reimbursement by the insurance company.

The Nation is self-insured against employee health and short-term disability claims incurred under its employee group health disability plan. The maximum liability risk to the Nation is \$500,000 per employee per year for employee health. Any claims in excess of this limit are covered by insurance. Significant insurable exposures other than health claims are covered by commercial insurance. For insured exposures, there were no significant reductions in insurance coverage during the year ended September 30, 2025. Additionally, settlement amounts have not been in excess of insurance coverage in each of the past three years.

The Nation's reported employee health claims liability of \$10,739,000 at September 30, 2025, has been recorded in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk*

Financing and Related Insurance Issues, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability has been estimated based upon historical claims experience. The Nation believes that this method of estimating the liability is sufficient to determine the amount of open claims and to provide for claims that have been incurred but not reported (IBNR). Changes in the reported liability are as follows (dollars in thousands):

Fiscal Year	Balance at Beginning of Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2023	\$5,101	\$48,097	(\$47,827)	\$ 5,371
2024	\$5,371	\$55,645	(\$51,945)	\$ 9,071
2025	\$9,071	\$65,338	(\$63,670)	\$10,739

The claims above are expected to be paid from currently available financial resources and are included in Governmental Activities – Internal Services Funds in the accompanying Proprietary Funds Statement of Net Position, as other current liabilities.

Workers’ Compensation benefits are provided within the All Lines Aggregate (ALA) program and comply with our Tribal Workers’ Compensation Act (TWCA). There is a \$200,000 retention on each claim. The maximum benefit is \$10,000,000 per person/per claim for compensation and other benefits which is equal to the amount CNB/CNE carries; and is in agreement with our Employers Liability limit which remains at \$10,000,000 per person/claim.

The first \$200,000 of risk is retained on all coverage lines within the All Lines Aggregate (ALA) program which includes Tribal Officials Errors and Omissions Coverage. The ALA program responds to losses over the \$200,000 retention/deductible level. A Stop Loss equivalent to 1.8% of payroll is in place to limit the Nation’s exposure. Program design also includes *Clash Coverage* which further limits the Nation’s exposure by applying only one \$200,000 retention per insured incident regardless of the number of coverage lines that may apply arising out of a single Occurrence. Coverage provided by the ALA program includes the following liability coverage on a \$10,000,000 per occurrence basis: Comprehensive General Liability, Products/Completed Operations Contractual Liability, Special Events Liability, Sexual Misconduct Liability, Fire Legal Liability, Cemetery Malpractice, Law Enforcement Professional Liability, Medical Malpractice including Hospital/Clinic Malpractice, Liquor Liability, Innkeepers Liability, Automobile Liability including Non-Owned Automobile Liability, Auto Medical Payments, Uninsured and Underinsured Motorist, Automobile Physical Damage, Garage Keeper’s Legal Liability and Valet Parking Liability. The following coverage lines are provided on a Claims-made basis with a limit of \$10,000,000 each occurrence and in the Aggregate: Tribal Officials Liability, Miscellaneous Professional Errors and Omissions Liability, Employee Benefit Liability, and Employment Practices Liability. Retroactive date of October 1, 2003 applies to all coverage lines within this class.

A \$15,000,000 Umbrella (Excess) Liability policy continues to be maintained and follows the form of underlying coverage. Another excess liability policy provides \$60,000,000 excess of \$25,000,000. This brings the Nation’s ALA limit to \$75,000,000. The Fiduciary Liability policy provides \$5,000,000 in coverage with excess policies providing an additional \$20,000,000 in coverage with a total Fiduciary Liability limit of \$25,000,000.

A Drone Liability policy has a \$3,000,000 limit of liability.

The Earthquake limit on the Commercial Property policy is \$5,000,000; and the Flood limit is \$10,000,000. It should be noted that the commercial property losses are included in the ALA Stop Loss. Also, under the Commercial Property policy Course of Construction limit remains at \$25,000,000; Commercial Property retention remains at \$150,000. Cyber Liability remains in effect with a \$10,000,000 limit and an applicable \$350,000 retention. Another \$15,000,000 Excess Cyber policies were purchased increasing the Cyber Liability limit to \$25,000,000. A standalone Pollution Liability policy provides a \$10,000,000 Limit with \$25,000 retention per contamination. A Crime policy is maintained providing a \$10,000,000 per occurrence loss limit with a deductible of \$50,000. The Owners Protective Professional Indemnity Policy (OPPI) continues to provide a 10-Year Extended Reporting Period for the Tahlequah Outpatient Health Center.

A Tribal Controlled Insurance Program (TCIP) was put into place for the construction of the New Hospital located in Tahlequah. This facility is estimated to be 400,000 sq. ft., with an estimated cost of \$450,000,000. The TCIP Program includes all General Liability \$4,000,000 limit, Workers Compensation \$1,000,000 limit, Contractors Pollution Liability \$10,000,000 limit, and Excess Liability layered to \$100,000,000 limit. This TCIP Program also includes Builders Risk coverage for the project. This program will run the entirety of the New Hospital project.

CNB provides employee health coverage under two separate self-insured group health plans covering different groups of employees. At September 30, 2025, there was no longer a maximum liability per participant per plan year. Self-insurance liabilities are estimated based on claims experience and are included in accounts payable and accrued liabilities in the accompanying statements of net position. Additionally, CNB provides fully-insured health and welfare benefits for certain employees overseas. Information concerning the changes in the CNB self-insurance medical liability reported as accounts payable and accrued liabilities in CNB’s statement of net position follows (dollars in thousands):

Fiscal Year	Balance at Beginning of Year	Claims and Changes in Estimates	Claim Payments	Balance at End of Year
2023	\$6,735	\$48,832	(\$49,879)	\$5,688
2024	\$5,688	\$45,670	(\$44,859)	\$6,499
2025	\$6,499	\$47,650	(\$47,151)	\$6,998

17. EMPLOYEE RETIREMENT PLAN

The following brief descriptions of the Nation’s retirement plans are provided for general information purposes only. Participants should refer to the applicable plan documents for more complete information. The Nation sponsors a defined contribution 401(a) retirement plan, which utilizes BOK Financial as custodian and the Cherokee Nation Pension Committee as trustee. A defined contribution plan provides retirement benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual’s account are to be determined. Under a defined contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant’s account, the returns earned on investments of those contributions, and forfeitures of other participants’ benefits that may be allocated to such participant’s account. All regular full-time and regular part-time employees who have attained at least 18 years of age are eligible to participate in the plan upon employment. The plan year is January 1 through December 31. Participants become fully vested after four years of participation in the plan. Employees may contribute from 1% to 50% of their gross salary, and after 6 months of service the Nation will match 100% for the first 5% and 50% of the next 4%. The plan is administered by the Director of Human Resources, with input from the Nation’s Pension Committee. The Pension Committee consists of the plan administrator and employees of the Nation. The plan administrator is responsible for amending the plan’s provisions, including contribution requirements.

The Nation’s primary government total gross payroll for fiscal year 2025 was approximately \$401,693,000, which included approximately \$396,511,000 for employees covered by the plan. Contributions to the 401(a) plan for 2025 were approximately \$33,169,000. Contributions expressed in dollars and percentage of covered payroll were: Nation \$14,305,000, 3.6% and participants \$18,864,000, 4.7%.

The Nation’s required contribution and percentage of contribution for fiscal year 2025 and the two preceding years follows (dollars in thousands):

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contribution</u>
2023	\$10,146	100%
2024	\$11,908	100%
2025	\$14,305	100%

The Cherokee Nation Elected and Appointed Officials’ 401(k) Plan and Trust is a qualified defined contribution plan established by the Nation for the benefit of the Nation’s eligible elected and appointed officials. This plan is intended to constitute a qualified profit-sharing plan within the meaning of Code Section 401(a), and all regulations issued under the Code (the “Regulations”), to the extent applicable to a governmental plan. This plan does not elect to be subject to provisions of the Code that are not applicable to a governmental plan nor, unless specifically provided, to any of the provisions of the Employee Retirement Income Security Act of 1974. Contributions to the CN Elected and Appointed Officials’ 401(k) plan for 2025 were \$1,067,000 of which \$655,000 was required and made by the Nation and \$412,000 was made by participants.

CNB employees are eligible to participate in various 401(k) savings plans as follows:

The Cherokee Nation Businesses, LLC 401(k) Plan (the Plan) allows full-time employees of CNB and certain component units who have two months of service and are at least 21 years of age to participate in the Plan. Under the provisions of the Plan, participants may elect to contribute from 1% to 90% of their eligible compensation up to the Internal Revenue Service annual limit, for which CNB and these component units will match 100% of the first 6% contributed. During 2025, participating employees contributed \$63,000,000 with employer-matching contributions of \$34,000,000 to the Plan.

At September 30, 2025, liabilities under deferred compensation and long-term incentive compensation arrangements for executives of CNB and its component units totaled \$9,100,000 which has been recorded as accounts payable and accrued liabilities.

CNCCA has adopted a 401(k) retirement plan for its employees. Employees are eligible to participate beginning six months from the date of employment, with a minimum of 1,000 hours of service. Employees may contribute up to 50% of their compensation to the plan subject to maximum contributions established by the IRS. CNCCA makes matching contributions up to 3% of an eligible employee’s annual compensation. Employer contributions to the plan fully vest after three years of participation. CNCCA’s total contributions for the year ended September 30, 2025, were approximately \$93,000. The plan also has a profit-sharing provision. The amount of the profit-sharing contribution is at the discretion of the board of CNCCA. Profit-sharing contributions are fully vested after three years of participation. CNCCA made no profit-sharing contributions for the year ending September 30, 2025.

CNHHS has a defined contribution plan covering substantially all employees. Pension expense is recorded for the amount of CNHHS’s required contributions, determined in accordance with the terms of the plan. The plan is administered by a board of trustees appointed by CNHHS’s Governing Board. The plan

provides retirement and death benefits to plan members and their beneficiaries. Benefit provisions are contained in the plan document and were established, and can be amended, by action of CNHHS's governing body. Contribution rates for the plan members and CNHHS expressed as a percentage of covered payroll were 1.0% and 0.2%, respectively, for 2025. Contributions made by plan members were \$49,000 and \$10,000 by CNHHS during 2025.

CNF has a defined contribution plan in the form of a simple IRA. The plan allows for employee deferrals into the plan along with a company match of 3%. During 2024, the organization contributed \$11,000 to the plan for the benefit of their employees.

18. RELATED PARTY TRANSACTIONS

The Nation requires monthly dividend payments from component units, organized under the Nation's laws, based on a percentage of net income (37% as of September 30, 2025). Required dividend payments and special dividends paid to the Nation by component units totaled \$94,792,000 (which includes an accrual of \$8,034,000) at September 30, 2025.

Cherokee Nation Businesses, LLC (CNB)

Contributions of \$3,472,000 in 2025 in support of the Cherokee Nation Gaming Commission.

Contributions of \$12,508,000 in 2025 in support of various Cherokee Nation programs.

Contributions of \$1,853,000 in 2025 for Cherokee Nation capital asset acquisitions and improvements.

Contributions of \$495,000 in 2025 in support of the Cherokee Nation Foundation.

CNE also collects a tribal tax on Oklahoma food and beverage, tobacco, merchandise and other retail sales, which is remitted to the Cherokee Nation Tax Commission. CNE remitted tribal taxes of \$3,700,000 in 2025. These tax collections are not recorded as revenues or expenses in the combining statement of revenues, expenses and changes in net position – component units.

CNE has entered into a management agreement with the Nation for use of land in Tahlequah to operate a convenience store. The term of the agreement is 25 years, and the agreement is renewable for an additional 25 years at the cost of \$1 per year.

Housing Authority of the Cherokee Nation of Oklahoma (HACN)

The HACN has recorded \$36,057,000 in grant revenue in 2025, which is the result of pass through funding from the Nation in relation to the Nation's HUD funding. The Nation also passed through other federal grant funds to the HACN in the amount of \$47,728,000 in 2025. Also, the HACN has recorded as "Other Income" \$6,704,000 in 2025 of non-federal funds received from the Nation for use in providing housing services.

Cherokee National Historical Society, Inc (CNHS)

In November 2005, the Nation, CNE, and the CNHS entered into a MOA to further the parties, shared mission to preserve the culture and history of the Cherokees by assigning duties to the party that can best perform those duties. Beginning in 2016, operations associated with the gift shop at the Cherokee Heritage Center were recorded in the operating results of CNB rather than CNE. CNHS remained responsible for all charitable fundraising, maintaining memberships, operating the museum and teaching the Cherokee Humanities Course.

The Nation performed all remaining operational and educational functions such as accounting, purchasing, contracts, human resources, information technology, and facilities maintenance. The MOA is renewable annually upon agreement of the entities involved.

On September 24, 2020, CNHS started a formal transition process to transfer all interests in the Heritage Center, including archives and collections, to the Nation for long-term stewardship and management. In March 2022, governance of CNHS approved the transfer of assets to the Nation.

In February 2021, the Cherokee National Historical Society Corporation was incorporated with the future intent of taking over operations undertaken by CNHS. The Cherokee National Historical Society had no activity prior to September 30, 2021.

19. COMMITMENTS AND CONTINGENCIES

Federal Grants

In the normal course of operations, the Nation and certain of its component units receive significant federal funding from various federal agencies. The ability of the Nation to continue receiving this funding could be impacted by federal budgetary policies and practices. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent with the granting of funds. Management does not believe any liability for reimbursement which may arise as the result of these audits will be material.

Construction Commitments

At September 30, 2025, the Nation had various construction projects underway using Fiscal Recovery Funds and various Capital Projects Funds. The open commitments for those construction projects at September 30, 2025, totaled \$179,307,000 including Fiscal Recovery Funds of \$93,889,000, Child Development and Head Start Centers Expansion projects of \$4,601,000, new healthcare centers of \$18,315,000, a new wellness center of \$189,000 and new hospital construction of \$62,313,000. These remaining costs are expected to be incurred during 2026.

COVID-19 Pandemic and Related Federal Funding

On March 11, 2020, the World Health Organization designated the SARS-CoV-2 virus and the incidence of COVID-19 as a global pandemic. The Nation received a significant amount of funding under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) and the American Rescue Plan Act of 2021 (ARPA) and continued to expend this funding during 2025. The extent of the COVID-19 pandemic's effect on the Nation's operating results and financial condition has been and will continue to be driven by many factors, most of which are beyond the Nation's control and ability to forecast. Because of these and other uncertainties, the Nation cannot estimate the length or severity of the continued effects and the federal response to the pandemic on the Nation's operations. Decreases in cash flows and results of operations may have an effect on debt covenant compliance and on the inputs and assumptions used in significant accounting estimates. The Nation and its component units will continue to monitor their compliance with the terms and conditions of the CARES Act, ARPA, and other federal guidance that continues to be released, as well as the impact as a result of the pandemic on their revenues and expenses.

Other Legal Contingencies

The Nation and its component units are party to various legal proceedings, which normally occur in governmental operations. The legal proceedings, in the opinion of management, based on available information, are not likely to have a material adverse impact on the affected funds of the Nation.

CNB Matters

Under the terms of a licensing agreement, CNE branded its Catoosa property under the Hard Rock Casino & Resort name. This agreement is through December 2028 as long as the Compact is in place. A requirement of the agreement is that CNE must meet certain operational and capital standards.

HACN Matters

The HACN has provided a “Tax Credit Recapture Guarantee” to the Limited Partners of Jay Senior Housing, Stilwell Senior Housing, Northview Estates, and the Wisdom Keepers Limited Partnerships (third party syndicators of the tax credits) should the IRS disallow the use of any of the tax credits being marketed to third party investors by the Limited Partners. The aggregate tax credits provided through these partnerships were approximately \$13,600,000. The HACN has also provided an “Operating Deficit Guarantee” which would require the Housing Authority to provide capital for operations should the need arise. To date, the HACN has not been required to provide any “Deficit Guarantee” funding, and management of the HACN does not believe funding for Deficit Guarantee or Tax Credit Recapture will be required in the future.

Loan Guarantees

The Nation approved loan guarantees for CNHHS up to \$450,000.

20. SUBSEQUENT EVENTS

Claremore Indian Hospital – Effective October 1, 2025, the Nation assumed operations of the Claremore Indian Hospital under the self-governance compact with the United States Department of Health and Human Services Indian Health Service (I H S). The operations are funded through the annual funding agreement of the I H S compact.



SUPPLEMENTARY INFORMATION

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



NONMAJOR GOVERNMENTAL FUNDS

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



Governmental Fund Types – Governmental funds are those through which most governmental functions of the Nation are financed. The acquisition, use and balances of the Nation’s expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. Governmental fund types use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted by law or administrative action to finance particular functions or activities of the Nation. These funds include:

- **Self Governance DOI - Other** – Established to account for funds received under the Nation’s self governance compact with the United States Government. These funds are used to administer a number of programs under the Department of Interior relating to education, health and welfare, and tribal government within the Nation’s reservation.
- **Sequoyah Education** – Established to account for grant funds received from the Department of the Interior and the Department of Education to help fund the education programs of Sequoyah High School.
- **Talking Leaves Job Corps** – Established to account for funds received from the Department of Labor for counseling, training and job placement of disadvantaged youth.
- **Diabetes** – Established to account for Department of Health and Human Services Diabetes Grant funds used to purchase diabetic medicines and supplies, promote awareness and provide assistance to diabetic patients.
- **Food Distribution** – Established to account for Department of Agriculture food products provided to the Nation and grant funds used to pay administrative and program costs of a program which provides food to eligible Indian families.
- **Women, Infants, and Children** – Established to account for grant funds received from the Department of Agriculture to supply supplemental food and nutrition education to women and children at nutritional risk.
- **Head Start** – Established to account for grant funds from the Department of Health and Human Services to provide comprehensive health, educational, nutritional, social, and other services primarily to economically disadvantaged preschool Indian children.
- **HUD** – Established to account for grant funds received from the Department of Housing and Urban Development (HUD) to improve living conditions and renovate homes of Indian residents.
- **Self Governance DOT TTSGP** – Established to account for funds received under the Nation’s self governance compact with the United States Government. These funds are used to administer a number of programs under the Department of Transportation Tribal Transportation Self-Governance Program relating to road construction, planning and transit projects within the Nation’s reservation.
- **Other Grants** – Established to account for various sources of grant funds used to fund specific program activities.
- **Tribal Judgment Funds** – Established to account for monies received by the Nation from the settlement of disputes with the United States Government. The judgment funds are expended in accordance with plans for use and distribution adopted by the Nation and approved as applicable, by the DOI. The judgment funds are held and invested by the DOI Office of Trust Fund Management (OTFM) on behalf and for the benefit of the Nation.
- **Tribal Trusts** – Established to account for income received from external users of tribal lands, such as oil and gas royalties. The DOI OTFM administers these funds which may be expended upon request and approval by the DOI.

Permanent Funds – Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes supporting the Nation’s programs.

- **Sequoyah Endowment** – Established to account for funds endowed from the Louise K. Green-Matthews Grant in Environmental Science. The income from the grant is to be used to encourage Cherokee students of at least one-quarter blood quantum to engage in furthering their education in the Environmental Science field.
- **Gammon Education Trust** – Established to account for funds endowed by Glenn L. and Faye V. Gammon Trust. The income from this education trust may be used to provide tuition and related educational assistance while students attend any accredited college or university located in the continental United States. The Cherokee students must be at least one-quarter blood quantum.

CHEROKEE NATION

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

(Dollars in Thousands)

	Special Revenue Funds										Permanent Funds			Total Nonmajor Governmental Funds			
	Self Governance DOI-Other	Sequoyah Education	Talking Leaves Job Corps	Diabetes	Food Distribution	Women, Infants, & Children	Head Start	HUD	Self Governance DOT TTSGP	Other Grants	Tribal Judgment Funds	Tribal Trusts	Total		Sequoyah Endowment	Gammon Education Trust	Total
ASSETS																	
Cash and cash equivalents	\$ 8,429	\$ 22,952	\$ 65	\$ -	\$ -	\$ -	\$ -	\$ 7,600	\$ 17,838	\$ 62,246	\$ 1,916	\$ 1,460	\$ 122,506	\$ -	\$ -	\$ -	\$ 122,506
Investments	91,904	-	-	-	-	-	-	84,870	102,467	-	11,523	3,881	294,645	-	-	-	294,645
Receivables, net	1,228	-	1,959	379	4,255	508	268	1,988	1,745	22,696	106	44	35,176	-	-	-	35,176
Due from other funds	-	-	-	-	-	-	-	-	-	18,344	-	9	18,353	-	-	-	18,353
Inventories	-	-	-	-	1,381	-	-	-	-	-	-	-	1,381	-	-	-	1,381
Other current assets	-	-	-	632	-	678	-	39	-	516	-	-	1,865	-	-	-	1,865
Restricted cash, cash equivalents and investments	-	-	-	-	-	-	-	-	-	-	-	-	-	254	349	603	603
Long term notes receivable	-	-	-	-	-	-	-	1,104	-	-	-	-	1,104	-	-	-	1,104
Total assets	\$ 101,561	\$ 22,952	\$ 2,024	\$ 1,011	\$ 5,636	\$ 1,186	\$ 268	\$ 95,601	\$ 122,050	\$ 103,802	\$ 13,545	\$ 5,394	\$ 475,030	\$ 254	\$ 349	\$ 603	\$ 475,633
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES																	
Liabilities:																	
Accrued liabilities	\$ -	\$ 100	\$ -	\$ 25	\$ 274	\$ 27	\$ -	\$ -	\$ -	\$ 102	\$ -	\$ -	\$ 528	\$ -	\$ -	\$ -	\$ 528
Due to other funds	9,232	4,293	2,024	986	3,981	1,159	268	2,124	2,118	46,752	1,813	-	74,750	-	-	-	74,750
Due to component unit	277	-	-	-	-	-	-	5,193	-	1,292	-	-	6,762	-	-	-	6,762
Unearned revenue	92,052	15,809	-	-	1,381	-	-	79,439	119,932	22,725	-	-	331,338	-	-	-	331,338
Total liabilities	101,561	20,202	2,024	1,011	5,636	1,186	268	86,756	122,050	70,871	1,813	-	413,378	-	-	-	413,378
Deferred inflows of resources:																	
Unavailable revenue - notes receivables	-	-	-	-	-	-	-	1,104	-	-	-	-	1,104	-	-	-	1,104
Total deferred inflows of resources	-	-	-	-	-	-	-	1,104	-	-	-	-	1,104	-	-	-	1,104
Fund balances:																	
Nonspendable	-	-	-	632	-	-	-	-	-	-	-	-	632	134	291	425	1,057
Restricted	-	2,750	-	-	-	-	-	7,741	-	32,931	11,732	5,394	60,548	120	58	178	60,726
Unassigned	-	-	-	(632)	-	-	-	-	-	-	-	-	(632)	-	-	-	(632)
Total fund balances	-	2,750	-	-	-	-	-	7,741	-	32,931	11,732	5,394	60,548	254	349	603	61,151
Total liabilities and fund balances	\$ 101,561	\$ 22,952	\$ 2,024	\$ 1,011	\$ 5,636	\$ 1,186	\$ 268	\$ 95,601	\$ 122,050	\$ 103,802	\$ 13,545	\$ 5,394	\$ 475,030	\$ 254	\$ 349	\$ 603	\$ 475,633

CHEROKEE NATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)

	Special Revenue Funds											Permanent Funds			Total Nonmajor Governmental Funds		
	Self Governance DOI-Other	Sequoyah Education	Talking Leaves Job Corps	Diabetes	Food Distribution	Women, Infants, & Children	Head Start	HUD	Self Governance DOT TTSGP	Other Grants	Tribal Judgment Funds	Tribal Trusts	Total	Sequoyah Endowment		Gammon Education Trust	Total
Revenues:																	
Intergovernmental	\$ 36,588	\$ 14,065	\$ 8,791	\$ 8,190	\$ 21,161	\$ 8,505	\$ 11,261	\$ 41,572	\$ 18,662	\$ 89,405	\$ -	\$ -	\$ 258,200	\$ -	\$ -	\$ -	\$ 258,200
Interest	4,705	931	-	-	-	-	-	2,984	4,005	1,005	413	131	14,174	11	15	26	14,200
Third party revenues	-	-	-	-	-	-	-	-	-	6,222	-	-	6,222	-	-	-	6,222
Trust fund revenue	-	-	-	-	-	-	-	-	-	-	-	52	52	-	-	-	52
Other	7	9	-	-	12	-	4,262	114	-	2,941	-	-	7,345	-	-	-	7,345
Total revenues	41,300	15,005	8,791	8,190	21,173	8,505	15,523	44,670	22,667	99,573	413	183	285,993	11	15	26	286,019
Expenditures:																	
Current operating:																	
Tribal government	26,274	-	-	-	-	-	-	-	-	4,338	-	-	30,612	-	-	-	30,612
Health services	80	-	-	8,190	-	8,309	-	-	-	34,652	-	-	51,231	-	-	-	51,231
Education services	1,368	12,701	8,791	-	-	-	15,398	187	-	5,043	-	-	43,488	-	-	-	43,488
Human services	4,941	-	-	-	17,674	-	-	-	-	27,136	-	-	49,751	-	-	-	49,751
Community services	3,171	-	-	-	-	-	-	41,666	18,663	18,689	-	-	82,189	-	-	-	82,189
Capital outlay	856	1,449	-	-	3,947	209	125	-	-	9,177	-	-	15,763	-	-	-	15,763
Total expenditures	36,690	14,150	8,791	8,190	21,621	8,518	15,523	41,853	18,663	99,035	-	-	273,034	-	-	-	273,034
Excess (deficiency) of revenues over (under) expenditures	4,610	855	-	-	(448)	(13)	-	2,817	4,004	538	413	183	12,959	11	15	26	12,985
Other financing sources (uses):																	
Insurance recoveries, net	16	-	-	-	-	-	-	-	-	-	-	-	16	-	-	-	16
Transfers in	80	-	-	-	448	13	-	-	-	1,373	-	-	1,914	-	-	-	1,914
Transfers out	(4,706)	-	-	-	-	-	-	(1,200)	(4,004)	(6,639)	-	-	(16,549)	-	-	-	(16,549)
Total other financing sources (uses)	(4,610)	-	-	-	448	13	-	(1,200)	(4,004)	(5,266)	-	-	(14,619)	-	-	-	(14,619)
Net change in fund balances	-	855	-	-	-	-	-	1,617	-	(4,728)	413	183	(1,660)	11	15	26	(1,634)
Fund balance, October 1, 2024	-	1,895	-	-	-	-	-	6,124	-	37,659	11,319	5,211	62,208	243	334	577	62,785
Fund balance, September 30, 2025	\$ -	\$ 2,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,741	\$ -	\$ 32,931	\$ 11,732	\$ 5,394	\$ 60,548	\$ 254	\$ 349	\$ 603	\$ 61,151



NONMAJOR ENTERPRISE FUNDS

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

Enterprise Funds – Enterprise funds are used to account for the Nation’s ongoing organizations and activities which are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The measurement focus of the Enterprise Funds, the flow of economic resources, is based upon the determination of change in net position, net position and cash flows. The nonmajor enterprise funds of the Nation include:

- **CN Sanitary Landfill** – Utilized to account for the solid waste landfill operations and closure/postclosure for the landfill located near Stilwell, Oklahoma.
- **EDTA** - Established by Tribal Council Legislative Act 36-89 as a mechanism to promote economic development. Its mission is to provide opportunities for income generation through economic development, to provide loans for business creation/expansion, and to provide loans to qualified individuals whom have traditionally been denied by conventional lending sources.

CHEROKEE NATION**COMBINING STATEMENT OF NET POSITION - NONMAJOR ENTERPRISE FUNDS****SEPTEMBER 30, 2025****(Dollars in Thousands)**

	CN Sanitary Landfill	EDTA	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,011	\$ 3,049	\$ 5,060
Receivables, net	313	5	318
Notes receivable, current	-	3,170	3,170
Total current assets	<u>2,324</u>	<u>6,224</u>	<u>8,548</u>
Noncurrent assets:			
Restricted cash, cash equivalents and investments	7,886	-	7,886
Long-term notes receivable, net	-	18,366	18,366
Capital assets, net	7,009	-	7,009
Total noncurrent assets	<u>14,895</u>	<u>18,366</u>	<u>33,261</u>
Total assets	<u>17,219</u>	<u>24,590</u>	<u>41,809</u>
LIABILITIES			
Current liabilities:			
Current portion of long-term debt	-	69	69
Due to other funds	-	371	371
Other current liabilities	-	28	28
Total current liabilities	<u>-</u>	<u>468</u>	<u>468</u>
Noncurrent liabilities:			
Long-term due to other funds	3,887	-	3,887
Long-term debt	-	396	396
Other liabilities	7,983	-	7,983
Total noncurrent liabilities	<u>11,870</u>	<u>396</u>	<u>12,266</u>
Total liabilities	<u>11,870</u>	<u>864</u>	<u>12,734</u>
NET POSITION			
Net investment in capital assets	7,009	-	7,009
Unrestricted	(1,660)	23,726	22,066
Total net position	<u>\$ 5,349</u>	<u>\$ 23,726</u>	<u>\$ 29,075</u>

CHEROKEE NATION

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - NONMAJOR ENTERPRISE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2025 (Dollars in Thousands)

	CN Sanitary Landfill	EDTA	Total
Operating revenues:			
Charges for services and goods	\$ 1,141	\$ -	\$ 1,141
Interest income, loans	-	985	985
Other	9	222	231
Total operating revenues	<u>1,150</u>	<u>1,207</u>	<u>2,357</u>
Operating expenses:			
Salaries and wages	689	-	689
Other services and charges	629	285	914
Materials and supplies	51	-	51
Depreciation	804	-	804
Total operating expenses	<u>2,173</u>	<u>285</u>	<u>2,458</u>
Operating income (loss)	<u>(1,023)</u>	<u>922</u>	<u>(101)</u>
Nonoperating revenues (expenses):			
Interest income	395	-	395
Interest expense	-	(5)	(5)
Net nonoperating revenues (expenses)	<u>395</u>	<u>(5)</u>	<u>390</u>
Income (loss) before transfers	(628)	917	289
Transfers in	<u>2,243</u>	<u>5,671</u>	<u>7,914</u>
Change in net position	1,615	6,588	8,203
Total net position - beginning	<u>3,734</u>	<u>17,138</u>	<u>20,872</u>
Total net position - ending	<u>\$ 5,349</u>	<u>\$ 23,726</u>	<u>\$ 29,075</u>

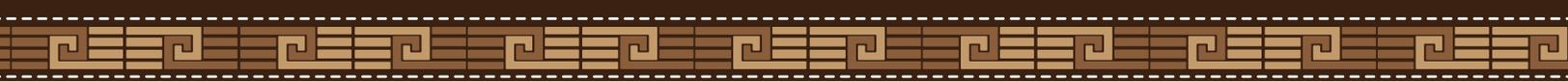
CHEROKEE NATION

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)

	CN		
	Sanitary Landfill	EDTA	Total
Cash flows from operating activities:			
Receipts from customers	\$ 1,140	\$ -	\$ 1,140
Payments to suppliers	(492)	(254)	(746)
Payments to employees	(689)	-	(689)
Internal activity - payments (to)/from other funds	3,619	(467)	3,152
Issuance of notes receivable	-	(9,750)	(9,750)
Principal received on notes receivable	-	4,731	4,731
Interest received on notes receivable	-	985	985
Other receipts	9	222	231
Net cash used for operating activities	<u>3,587</u>	<u>(4,533)</u>	<u>(946)</u>
Cash flows from noncapital financing activities:			
Transfer from other funds	2,243	5,671	7,914
Principal paid on notes payable	-	(69)	(69)
Interest paid on notes payable	-	(5)	(5)
Net cash provided by noncapital financing activities	<u>2,243</u>	<u>5,597</u>	<u>7,840</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(4,690)	-	(4,690)
Net cash used for capital and related financing activities	<u>(4,690)</u>	<u>-</u>	<u>(4,690)</u>
Cash flows from investing activities:			
Interest received	426	-	426
Net cash provided by investing activities	<u>426</u>	<u>-</u>	<u>426</u>
Net increase (decrease) in cash and cash equivalents	1,566	1,064	2,630
Cash and cash equivalents, October 1, 2024	<u>8,331</u>	<u>1,985</u>	<u>10,316</u>
Cash and cash equivalents, September 30, 2025	<u>\$ 9,897</u>	<u>\$ 3,049</u>	<u>\$ 12,946</u>
Cash and cash equivalents consist of:			
Unrestricted cash and cash equivalents	\$ 2,011	\$ 3,049	\$ 5,060
Restricted cash, cash equivalents and investments	7,886	-	7,886
Total Cash and Cash Equivalents, September 30, 2025	<u>\$ 9,897</u>	<u>\$ 3,049</u>	<u>\$ 12,946</u>
Reconciliation of operating income (loss) to net cash used for operating activities:			
Operating income (loss)	\$ (1,023)	\$ 922	\$ (101)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	804	-	804
Change in assets and liabilities:			
Receivables, net	(1)	(1)	(2)
Inventories	-	-	-
Notes receivable	-	(4,979)	(4,979)
Other current assets	-	-	-
Accounts and other payables	3,807	(475)	3,332
Net cash used for operating activities	<u>\$ 3,587</u>	<u>\$ (4,533)</u>	<u>\$ (946)</u>



INTERNAL SERVICE FUNDS

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT



Internal Service funds are used to account for the financing of goods and services provided by one fund to other funds within the Nation on a cost reimbursement basis.

- **Internal Leases** is used to account for the cost to maintain certain buildings for use by other funds of the Nation.
- **Fringe Pool** is used to account for the cost of fringe benefits, including the Nation's self-insured health care benefits and workers' compensation benefits, used by other funds of the Nation.
- **Indirect Cost Pool** is used to account for the cost of providing certain services for a common or joint purpose benefiting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, such as accounting, human resources and acquisition management, to other funds of the Nation.

CHEROKEE NATION

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2025

(Dollars in Thousands)

	<u>Internal Leases</u>	<u>Fringe Pool</u>	<u>Indirect Cost Pool</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ 331	\$ 145	\$ 476
Receivables, net	-	8,622	342	8,964
Due from other funds	1,828	47,903	-	49,731
Due from component units	-	633	125	758
Inventories	-	-	268	268
Other current assets	-	1,582	6,748	8,330
Total current assets	<u>1,828</u>	<u>59,071</u>	<u>7,628</u>	<u>68,527</u>
Noncurrent assets:				
Capital assets, net	<u>18,971</u>	-	789	<u>19,760</u>
Total noncurrent assets	<u>18,971</u>	<u>-</u>	<u>789</u>	<u>19,760</u>
Total assets	<u>20,799</u>	<u>59,071</u>	<u>8,417</u>	<u>88,287</u>
LIABILITIES				
Current liabilities:				
Accrued liabilities	-	33,381	3,541	36,922
Due to other funds	-	-	44,870	44,870
Due to component unit	-	442	-	442
Compensated absences	-	39,210	-	39,210
Other current liabilities	-	10,739	-	10,739
Total current liabilities	<u>-</u>	<u>83,772</u>	<u>48,411</u>	<u>132,183</u>
Noncurrent liabilities:				
Compensated absences	<u>-</u>	<u>9,461</u>	<u>-</u>	<u>9,461</u>
Total noncurrent liabilities	<u>-</u>	<u>9,461</u>	<u>-</u>	<u>9,461</u>
Total liabilities	<u>-</u>	<u>93,233</u>	<u>48,411</u>	<u>141,644</u>
NET POSITION				
Net investment in capital assets	18,971	-	789	19,760
Unrestricted (deficit)	<u>1,828</u>	<u>(34,162)</u>	<u>(40,783)</u>	<u>(73,117)</u>
Total net position (deficit)	<u>\$ 20,799</u>	<u>\$ (34,162)</u>	<u>\$ (39,994)</u>	<u>\$ (53,357)</u>

CHEROKEE NATION

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Dollars in Thousands)**

	<u>Internal Leases</u>	<u>Fringe Pool</u>	<u>Indirect Cost Pool</u>	<u>Total</u>
Operating revenues:				
Charges for services and goods	\$ 7,832	\$ 169,641	\$ 48,479	\$ 225,952
Other	36	-	317	353
Total operating revenues	<u>7,868</u>	<u>169,641</u>	<u>48,796</u>	<u>226,305</u>
Operating expenses:				
Salaries and wages	3,496	180,879	52,201	236,576
Other services and charges	3,397	150	31,328	34,875
Materials and supplies	301	-	3,042	3,343
Depreciation	953	-	216	1,169
Total operating expenses	<u>8,147</u>	<u>181,029</u>	<u>86,787</u>	<u>275,963</u>
Operating (loss)	<u>(279)</u>	<u>(11,388)</u>	<u>(37,991)</u>	<u>(49,658)</u>
Nonoperating revenues:				
Gain on sale/disposal of capital assets	13	-	16	29
Total nonoperating revenues	<u>13</u>	<u>-</u>	<u>16</u>	<u>29</u>
(Loss) before transfers	(266)	(11,388)	(37,975)	(49,629)
Transfers out	<u>-</u>	<u>(1,500)</u>	<u>-</u>	<u>(1,500)</u>
Change in net position	(266)	(12,888)	(37,975)	(51,129)
Total net position (deficit) - beginning, as previously reported	<u>21,065</u>	<u>4,032</u>	<u>(2,019)</u>	<u>23,078</u>
Restatement (Note 1)	-	(25,306)	-	(25,306)
Net position, beginning of year, as restated	<u>21,065</u>	<u>(21,274)</u>	<u>(2,019)</u>	<u>(2,228)</u>
Net position, end of year	<u>\$ 20,799</u>	<u>\$ (34,162)</u>	<u>\$ (39,994)</u>	<u>\$ (53,357)</u>

CHEROKEE NATION

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

(Dollars in Thousands)

	<u>Internal Leases</u>	<u>Fringe Pool</u>	<u>Indirect Cost Pool</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from customers - other funds	\$ 7,832	\$ 172,839	\$ 48,540	\$ 229,211
Payments to suppliers	(3,698)	(150)	(2,630)	(6,478)
Payments to employees	(3,496)	(173,946)	(52,201)	(229,643)
Internal activity - payments to/(from) other funds	(636)	1,572	6,472	7,408
Payments on behalf of component units	-	(1,938)	-	(1,938)
Internal activity - payments to/(from) component units	-	2,273	(77)	2,196
Other receipts	36	-	317	353
Net cash provided by operating activities	<u>38</u>	<u>650</u>	<u>421</u>	<u>1,109</u>
Cash flows from noncapital financing activities				
Transfer to other funds	-	(1,500)	-	(1,500)
Net cash provided by noncapital financing activities	<u>-</u>	<u>(1,500)</u>	<u>0</u>	<u>(1,500)</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(51)	-	(319)	(370)
Proceeds from sales of capital assets	13	-	16	29
Net cash used for capital and related financing activities	<u>(38)</u>	<u>-</u>	<u>(303)</u>	<u>(341)</u>
Net increase (decrease) in cash and cash equivalents	-	(850)	118	(732)
Cash and cash equivalents, October 1, 2024	-	1,181	27	1,208
Cash and cash equivalents, September 30, 2025	<u>\$ -</u>	<u>\$ 331</u>	<u>\$ 145</u>	<u>\$ 476</u>
Cash and cash equivalents consist of:				
Unrestricted cash and cash equivalents	\$ -	\$ 331	\$ 145	\$ 476
Total Cash and Cash Equivalents, September 30, 2025	<u>\$ -</u>	<u>\$ 331</u>	<u>\$ 145</u>	<u>\$ 476</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (279)	\$ (11,388)	\$ (37,991)	\$ (49,658)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	953	-	216	1,169
Change in assets and liabilities:				
Receivables, net	(636)	(4,851)	(16)	(5,503)
Inventories	-	-	49	49
Other current assets	-	1,042	30,739	31,781
Accounts and other payables	-	\$15,847	7,424	23,271
Net cash provided by operating activities	<u>\$ 38</u>	<u>\$ 650</u>	<u>\$ 421</u>	<u>\$ 1,109</u>



BUDGETARY INFORMATION

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

CHEROKEE NATION

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
BUDGET AND ACTUAL (GAAP BASIS) - ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget over/(under)
	Original	Final		
Operating revenues:				
Charges for services and goods	\$ 591	\$ 591	\$ 1,141	\$ 550
Interest income, loans	613	665	985	320
Other	644	674	231	(443)
Total operating revenues	<u>1,848</u>	<u>1,930</u>	<u>2,357</u>	<u>427</u>
Operating expenses:				
Salaries and wages	707	707	689	(18)
Other services and charges	7,432	33,080	914	(32,166)
Materials and supplies	40	40	51	11
Depreciation	674	674	804	130
Total operating expenses	<u>8,853</u>	<u>34,501</u>	<u>2,458</u>	<u>(32,043)</u>
Operating (loss)	<u>(7,005)</u>	<u>(32,571)</u>	<u>(101)</u>	<u>32,470</u>
Nonoperating revenues (expenses):				
Interest income	4	504	395	(109)
Interest expense	(30)	(30)	(5)	25
Net nonoperating revenue (expenses)	<u>(26)</u>	<u>474</u>	<u>390</u>	<u>(84)</u>
Loss before transfers	<u>(7,031)</u>	<u>(32,097)</u>	<u>289</u>	<u>32,386</u>
Transfers in	<u>2,388</u>	<u>27,454</u>	<u>7,914</u>	<u>(19,540)</u>
Change in net position	<u>(4,643)</u>	<u>(4,643)</u>	<u>8,203</u>	<u>12,846</u>
Total net position - beginning	<u>20,872</u>	<u>20,872</u>	<u>20,872</u>	<u>-</u>
Total net position - ending	<u>\$ 16,229</u>	<u>\$ 16,229</u>	<u>\$ 29,075</u>	<u>\$ 12,846</u>
Adjustment to reflect the consolidation of Internal Service Funds activities related to Enterprise Funds			187	
Net position of Enterprise Funds			<u>\$ 29,262</u>	



STATISTICAL SECTION

2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Statistical Section provides financial statement users with additional detailed information as a context for understanding the information in the financial statements, notes to financial statements, and required supplementary information as it relates to the government's overall financial health.

- **Financial Trends** – Schedules which contain trend information to assist users in understanding how the government's financial position has changed over time.
- **Revenue Capacity** – Schedules which contain information relating to the government's most significant tax revenue sources.
- **Debt Capacity** – Schedules which present information to help the reader assess the government's current levels of outstanding debt and the ability to issue additional debt in the future.
- **Demographic and Economic Indicators** – Demographic and economic indicators to enable users to understand the environment in which the government operates. Reports have been compiled similarly to prior years' reporting to maintain consistency.
- **Operating Information** – Schedules which contain service and program data to help users understand how the information contained in the government's financial report relates to the governmental activities performed.

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CHEROKEE NATION

**SCHEDULE OF NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (Dollars in Thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental Activities										
Net investment in capital assets	\$ 192,687	\$ 203,046	\$ 189,233	\$ 208,456	\$ 252,176	\$ 349,283	\$ 552,717	\$ 582,509	\$ 725,977	\$ 1,072,122
Restricted	876,372	940,814	1,029,195	1,142,623	1,220,364	1,684,546	2,099,228	2,412,341	2,910,883	3,080,286
Unrestricted	41,043	33,659	59,259	80,399	142,386	267,888	574,668	822,213	740,412	772,408
Total governmental activities net position	<u>1,110,102</u>	<u>1,177,519</u>	<u>1,277,687</u>	<u>1,431,478</u>	<u>1,614,926</u>	<u>2,301,717</u>	<u>3,226,613</u>	<u>3,817,063</u>	<u>4,377,272</u>	<u>4,924,816</u>
Business-type activities										
Net investment in capital assets	1,201	904	647	2,015	2,238	1,708	1,519	1,483	3,123	7,009
Restricted	287	287	-	-	-	-	-	-	-	-
Unrestricted	9,991	11,342	12,985	12,422	9,710	10,678	10,299	11,465	17,762	22,253
Total business-type activities net position	<u>11,479</u>	<u>12,533</u>	<u>13,632</u>	<u>14,437</u>	<u>11,948</u>	<u>12,386</u>	<u>11,818</u>	<u>12,948</u>	<u>20,885</u>	<u>29,262</u>
Primary government										
Net investment in capital assets	193,888	203,950	189,880	210,471	254,414	350,991	554,236	583,992	729,100	1,079,131
Restricted	876,659	941,101	1,029,195	1,142,623	1,220,364	1,684,546	2,099,228	2,412,341	2,910,883	3,080,286
Unrestricted	51,034	45,001	72,244	92,821	152,096	278,566	584,967	833,678	758,174	794,661
Total primary government net position	<u>\$ 1,121,581</u>	<u>\$ 1,190,052</u>	<u>\$ 1,291,319</u>	<u>\$ 1,445,915</u>	<u>\$ 1,626,874</u>	<u>\$ 2,314,103</u>	<u>\$ 3,238,431</u>	<u>\$ 3,830,011</u>	<u>\$ 4,398,157</u>	<u>\$ 4,954,078</u>

CHEROKEE NATION

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (Dollars in Thousands)

(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
Tribal Government	\$ 32,382	\$ 41,010	\$ 33,171	\$ 44,454	\$ 159,294	\$ 119,501	\$ 291,868	\$ 148,431	\$ 124,328	\$ 172,049
Health Services	303,202	311,892	333,037	339,118	370,897	464,384	488,523	516,110	607,010	709,193
Education Services	68,678	65,666	66,958	71,235	96,994	106,330	115,266	135,457	132,633	132,341
Human Services	45,461	46,048	48,750	59,403	76,285	665,648	201,108	112,557	93,492	97,896
Community Services	85,626	78,290	79,903	89,261	86,591	121,106	143,663	177,969	226,823	212,179
Interest on long-term debt, net	1,046	943	2,385	4,794	4,802	4,456	3,322	13	(318)	5,584
Change in equity in component units	-	-	-	-	20,788	-	-	-	-	-
Total governmental activities expenses	536,395	543,849	564,204	608,265	815,651	1,481,425	1,243,750	1,090,537	1,183,968	1,329,242
Business-type activities:										
Tsa-La-Gi Apartments	523	651	655	544	459	731	322	-	-	-
Title VI Loan Fund	51	45	33	2	-	-	-	-	-	-
CN Sanitary Landfill	320	2,329	2,184	2,398	4,475	1,999	2,039	2,359	1,924	1,999
EDTA	17	55	250	269	309	261	215	582	391	290
Total business-type activities expenses	911	3,080	3,122	3,213	5,243	2,991	2,576	2,941	2,315	2,289
Total primary government expenses	\$ 537,306	\$ 546,929	\$ 567,326	\$ 611,478	\$ 820,894	\$ 1,484,416	\$ 1,246,326	\$ 1,093,478	\$ 1,186,283	\$ 1,331,531
Program Revenues										
Governmental activities:										
Charges for services:										
Tribal Government	\$ 4,869	\$ 5,208	\$ 5,709	\$ 5,591	\$ 4,385	\$ 4,712	\$ 4,453	\$ 4,519	\$ 4,895	\$ 5,372
Health Services	104,583	126,026	140,884	156,610	193,374	212,372	330,934	376,571	379,320	404,879
Community Services	12	17	15	16	16	7	56	8	1	-
Increase in equity in component units	48,999	40,789	65,720	48,758	-	256,252	328,621	88,143	70,831	101,102
Operating grants and contributions	311,972	315,952	333,446	391,164	658,455	1,423,092	1,208,488	845,636	968,209	1,009,924
Capital grants and contributions	17,046	7,347	1,141	26,285	22,207	19,298	1,986	1,078	12,616	1,853
Total governmental activities program revenues	487,481	495,339	546,915	628,424	878,437	1,915,733	1,874,538	1,315,955	1,435,872	1,523,130
Business-type activities:										
Charges for services:										
Tsa-La-Gi Apartments	547	601	598	614	627	610	547	-	-	-
Title VI Loan Fund	52	46	34	3	-	-	-	-	-	-
CN Sanitary Landfill	298	1,321	1,285	878	1,108	734	627	1,125	1,228	1,545
EDTA	354	513	641	683	567	611	631	898	1,012	1,207
Total business-type activities program revenues	1,251	2,481	2,558	2,178	2,302	1,955	1,805	2,023	2,240	2,752
Total primary government program revenues	\$ 488,732	\$ 497,820	\$ 549,473	\$ 630,602	\$ 880,739	\$ 1,917,688	\$ 1,876,343	\$ 1,317,978	\$ 1,438,112	\$ 1,525,882
Net (Expense)/Revenue										
Governmental activities	\$ (48,914)	\$ (48,510)	\$ (17,289)	\$ 20,159	\$ 62,786	\$ 434,308	\$ 630,788	\$ 225,418	\$ 251,904	\$ 193,888
Business-type activities	340	(599)	(564)	(1,035)	(2,941)	(1,036)	(771)	(918)	(75)	463
Total primary government net expense	\$ (48,574)	\$ (49,109)	\$ (17,853)	\$ 19,124	\$ 59,845	\$ 433,272	\$ 630,017	\$ 224,500	\$ 251,829	\$ 194,351
General Revenues and Other Changes in Net Position										
Governmental activities:										
Motor fuel tax	\$ 8,209	\$ 8,488	\$ 9,038	\$ 10,945	\$ 10,515	\$ 10,455	\$ 10,947	\$ 11,041	\$ 11,111	\$ 11,357
Motor vehicle tax	14,680	15,074	15,867	16,766	17,469	20,677	21,043	20,582	21,034	20,007
Tobacco tax	13,505	12,254	11,831	14,245	14,765	14,681	14,262	13,437	12,512	11,737
Sales tax	3,752	4,106	4,616	4,639	2,592	2,303	3,356	4,002	4,077	4,005
Grants and contributions not restricted										
to specific programs	14,494	12,122	11,292	12,776	13,173	13,742	15,665	19,530	34,502	37,946
Unrestricted investment earnings	726	1,615	3,177	7,433	5,167	877	10,045	89,912	142,614	117,602
Change in value of derivative instruments	-	-	-	-	-	-	-	11,191	(8,112)	(3,079)
Dividends from component units	50,139	49,444	55,983	60,734	53,858	186,182	161,294	118,155	85,526	94,792
Litigation settlements	8,349	8,236	36	-	-	-	53,158	71,967	6,162	83,876
Miscellaneous revenue	6,040	6,241	7,280	7,934	3,575	5,040	4,541	7,263	4,113	8,633
Special Items	-	-	-	-	-	-	-	-	2,778	-
Transfers	(937)	(1,653)	(1,663)	(1,840)	(452)	(1,474)	(203)	(2,048)	(8,012)	(7,914)
Total governmental activities	118,957	115,927	117,457	133,632	120,662	252,483	294,108	365,032	308,305	378,962
Business-type activities:										
Transfers	937	1,653	1,663	1,840	452	1,474	203	2,048	8,012	7,914
Transfer of operations	1,905	-	-	-	-	-	-	-	-	-
Total business-type activities	2,842	1,653	1,663	1,840	452	1,474	203	2,048	8,012	7,914
Total primary government	\$ 121,799	\$ 117,580	\$ 119,120	\$ 135,472	\$ 121,114	\$ 253,957	\$ 294,311	\$ 367,080	\$ 316,317	\$ 386,876
Change in Net Position										
Governmental activities	\$ 70,043	\$ 67,417	\$ 100,168	\$ 153,791	\$ 183,448	\$ 686,791	\$ 924,896	\$ 590,450	\$ 560,209	\$ 572,850
Business-type activities	3,182	1,054	1,099	805	(2,489)	438	(568)	1,130	7,937	8,377
Total Primary Government	\$ 73,225	\$ 68,471	\$ 101,267	\$ 154,596	\$ 180,959	\$ 687,229	\$ 924,328	\$ 591,580	\$ 568,146	\$ 581,227

CHEROKEE NATION

GENERAL GOVERNMENTAL REVENUES BY SOURCE (GAAP BASIS)

LAST TEN FISCAL YEARS (Dollars in Thousands)

<u>Fiscal Year</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Motor Fuel Tax</u>	<u>Motor Vehicle Tax</u>	<u>Other Tax Revenues</u>	<u>Unrestricted Grants & Contributions</u>	<u>Investment Earnings</u>	<u>Dividends from Component Units</u>	<u>Litigation Settlements</u>	<u>Change in Value of Derivative Instruments</u>	<u>Miscellaneous</u>	<u>Total</u>
2025	\$ 514,105	\$ 1,009,924	\$ 1,853	\$ 11,357	\$ 20,007	\$ 15,742	\$ 37,946	\$ 117,602	\$ 94,792	\$ 83,876	\$ (3,079)	\$ 8,633	\$ 1,912,758
2024	457,287	968,209	12,616	11,111	21,034	16,589	34,502	142,614	85,526	6,162	(8,112)	4,113	1,751,651
2023	471,264	845,636	1,078	11,041	20,582	17,439	19,530	89,912	118,155	71,967	11,191	7,263	1,685,058
2022	665,869	1,208,488	1,986	10,947	21,043	17,618	15,665	10,045	161,294	53,158	-	4,541	2,170,654
2021	475,298	1,423,092	19,298	10,455	20,677	16,984	13,742	877	186,182	-	-	5,040	2,171,645
2020	200,077	658,455	22,207	10,515	17,469	17,357	13,173	5,167	53,858	-	-	3,575	1,001,853
2019	213,153	391,164	26,285	10,945	16,766	18,884	12,776	7,433	60,734	-	-	7,934	766,074
2018	214,886	333,446	1,141	9,038	15,867	16,447	11,292	3,177	55,983	36	-	7,280	668,593
2017	174,521	315,952	7,347	8,488	15,074	16,360	12,122	1,615	49,444	8,236	-	6,241	615,400
2016	159,714	311,972	17,046	8,209	14,680	17,257	14,494	726	50,139	8,349	-	6,040	608,626

The Nation does not assess property taxes or receive property taxes assessed on its behalf by any other governmental unit. Consequently, many of the statistical schedules usually found in an annual comprehensive financial report are not applicable to the Nation.

CHEROKEE NATION

GENERAL GOVERNMENTAL EXPENSES BY FUNCTION (GAAP BASIS) LAST TEN FISCAL YEARS (Dollars in Thousands)

Fiscal Year	Tribal Government	Health Services	Education Services	Human Services	Community Services	Interest on Long Term Debt, net	Change in Equity in Component Units	Tsa-La-Gi Apartments	Title VI	CN Sanitary Landfill	EDTA	Total
2025	\$ 172,049	\$ 709,193	\$ 132,341	\$ 97,896	\$ 212,179	\$ 5,584	\$ -	\$ -	\$ -	\$ 1,999	\$ 290	\$ 1,331,531
2024	124,328	607,010	132,633	93,492	226,823	(318)	-	-	-	1,924	391	1,186,283
2023	148,431	516,110	135,457	112,557	177,969	13	-	-	-	2,359	582	1,093,478
2022	291,868	488,523	115,266	201,108	143,663	3,322	-	322	-	2,039	215	1,246,326
2021	119,501	464,384	106,330	665,648	121,106	4,456	-	731	-	1,999	261	1,484,416
2020	159,294	370,897	96,994	76,285	86,591	4,802	20,788	459	-	4,475	309	820,894
2019	44,454	339,118	71,235	59,403	89,261	4,794	-	544	2	2,398	269	611,478
2018	33,171	333,037	66,958	48,750	79,903	2,385	-	655	33	2,184	250	567,326
2017	41,010	311,892	65,666	46,048	78,290	943	-	651	45	2,329	55	546,929
2016	32,382	303,202	68,678	45,461	85,626	1,046	-	523	51	320	17	537,306

CHEROKEE NATION

GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(Dollars in Thousands)

<u>Year</u>	<u>Motor Fuel Tax</u>	<u>Motor Vehicle Tax</u>	<u>Tobacco Tax</u>	<u>Sales Tax</u>	<u>Total</u>
2025	\$ 11,357	\$ 20,007	\$ 11,737	\$ 4,005	\$ 47,106
2024	11,111	21,034	12,512	4,077	48,734
2023	11,041	20,582	13,437	4,002	49,062
2022	10,947	21,043	14,262	3,356	49,608
2021	10,455	20,677	14,681	2,303	48,116
2020	10,515	17,469	14,765	2,592	45,341
2019	10,945	16,766	14,245	4,639	46,595
2018	9,038	15,867	11,831	4,616	41,352
2017	8,488	15,074	12,254	4,106	39,922
2016	8,209	14,680	13,505	3,752	40,146

CHEROKEE NATION

GOVERNMENTAL ACTIVITIES - MOTOR VEHICLE TAX REGISTRATIONS LAST TEN FISCAL YEARS

<u>Year</u>	<u>Motor Vehicle Registrations</u>	<u>Boat/ Motor Registrations</u>	<u>Total All Registrations</u>
2025	40,738	1,589	42,327
2024	43,470	1,819	45,289
2023	42,555	1,913	44,468
2022	42,649	1,886	44,535
2021	45,826	2,061	47,887
2020	40,318	1,554	41,872
2019	41,679	1,411	43,090
2018	39,888	1,556	41,444
2017	40,234	1,535	41,769
2016	37,835	1,573	39,408

Source: Cherokee Nation Tax Commission

CHEROKEE NATION

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Dollars in Thousands)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 7	\$ 4	\$ 6	\$ 3	\$ 3	\$ 374	\$ 166
Restricted	57,932	62,710	68,432	75,626	81,766	89,262	134,725	101,751	107,366	114,514
Committed	7,953	8,113	8,568	14,228	22,583	52,533	69,716	119,991	137,971	128,882
Assigned	8,265	10,443	14,792	12,461	14,882	28,601	70,557	85,615	110,250	79,724
Unassigned	26,922	18,058	23,412	34,126	35,713	143,123	163,489	306,664	388,458	524,999
Total general fund	\$ 101,072	\$ 99,324	\$ 115,204	\$ 136,448	\$ 154,948	\$ 313,525	\$ 438,490	\$ 614,024	\$ 744,419	\$ 848,285
All Other Governmental Funds										
Nonspendable	\$ 12,516	\$ 12,406	\$ 12,697	\$ 14,262	\$ 18,263	\$ 24,991	\$ 18,025	\$ 18,947	\$ 21,307	\$ 26,456
Restricted	30,556	49,544	71,914	122,103	216,702	404,268	451,754	709,338	818,889	700,223
Assigned	4,853	-	-	12,441	56,253	26,006	208,842	210,284	314,048	488,692
Unassigned	-	(4,608)	(2,149)	-	-	-	-	-	(632)	(632)
Total all other governmental funds	\$ 47,925	\$ 57,342	\$ 82,462	\$ 148,806	\$ 291,218	\$ 455,265	\$ 678,621	\$ 938,569	\$1,153,612	\$1,214,739

CHEROKEE NATION

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS (Dollars in Thousands)

(modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Intergovernmental	\$ 318,043	\$ 317,121	\$ 334,956	\$ 395,874	\$ 704,788	\$ 1,426,574	\$ 1,204,974	\$ 812,176	\$ 962,797	\$ 1,006,187
Property rentals	895	957	1,029	747	888	1,278	883	936	1,112	1,054
Motor fuel tax revenues	8,209	8,488	9,038	10,945	10,515	10,455	10,947	11,041	11,111	11,357
Tax, license and fees	35,923	35,702	37,009	40,509	38,338	41,102	42,288	41,614	41,431	40,113
Interest	1,484	2,036	3,910	8,987	5,897	1,033	16,922	135,984	173,705	149,825
Other charges for services	-	-	-	-	-	-	-	-	1,917	2,233
Trust fund income	-	-	-	-	-	-	-	-	117	52
Litigation settlements	8,349	-	8,272	-	-	-	53,158	57,169	24,177	96,074
Dividends from component units	50,139	49,444	55,983	60,734	53,858	186,182	161,294	118,155	85,526	94,792
Third party revenues	106,161	128,154	142,670	157,029	153,935	213,489	336,055	382,305	379,306	404,837
Other	12,127	14,645	14,542	35,889	31,162	14,027	11,721	10,849	14,238	16,756
Total revenues	541,330	556,547	607,409	710,714	999,381	1,894,140	1,838,242	1,570,229	1,695,437	1,823,280
Expenditures										
Tribal Government	29,421	29,679	31,806	43,274	155,700	110,356	323,546	126,851	112,545	152,458
Health Services	293,368	305,159	324,510	331,859	367,298	462,698	482,491	507,907	583,144	665,024
Education Services	68,420	67,286	66,540	70,656	96,997	106,423	115,483	135,780	131,234	126,321
Human Services	45,167	46,725	48,435	58,997	76,319	665,775	201,214	112,692	91,575	92,894
Community Services	84,919	80,008	78,817	87,916	85,355	119,369	141,854	175,864	222,637	201,415
Debt service										
Principal	2,400	13,760	1,600	12,822	11,333	11,333	145,444	-	-	2,222
Interest, net	1,058	1,129	2,385	4,794	4,802	4,456	3,322	13	(318)	5,584
Capital outlay	16,217	36,270	82,424	75,317	40,256	89,741	76,454	103,236	312,012	472,592
Total expenditures	540,970	580,016	636,517	685,635	838,060	1,570,151	1,489,808	1,162,343	1,452,829	1,718,510
Excess (deficiency) of revenues over expenditures	360	(23,469)	(29,108)	25,079	161,321	323,989	348,434	407,886	242,608	104,770
Other Financing Sources (Uses)										
Issuance of long-term debt	2,511	32,660	71,700	63,130	-	-	-	29,283	104,500	66,217
Insurance recoveries	212	159	75	28	55	114	101	373	2,050	420
Transfers in	8,760	19,692	16,083	26,119	60,736	16,906	254,539	162,365	348,477	518,150
Transfers out	(9,926)	(21,373)	(17,750)	(26,768)	(61,200)	(18,385)	(254,753)	(164,425)	(356,500)	(524,564)
Total other financing sources (uses)	1,557	31,138	70,108	62,509	(409)	(1,365)	(113)	27,596	98,527	60,223
Special Item:										
Special item - dissolution of component unit	-	-	-	-	-	-	-	-	4,303	-
Net change in fund balances	\$ 1,917	\$ 7,669	\$ 41,000	\$ 87,588	\$ 160,912	\$ 322,624	\$ 348,321	\$ 435,482	\$ 345,438	\$ 164,993
Debt service as a percentage of noncapital expenditures	0.66%	2.74%	0.72%	2.89%	2.02%	1.07%	10.53%	0.00%	-0.03%	0.63%

CHEROKEE NATION

OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS (Dollars in Thousands)

Fiscal Year	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income*	Per each one*
	Bonds	Term Loans	Term Loans	Direct Financing Obligation			
2025	\$ -	\$ 197,778	\$ 465	\$ -	\$ 198,243	3.02%	\$ 1,732
2024	-	133,783	534	-	134,317	2.21%	1,197
2023	-	29,283	603	464	30,350	0.56%	283
2022	-	1,283	670	849	2,802	0.05%	24
2021	-	145,444	737	1,223	147,404	3.07%	1,310
2020	-	156,778	803	1,587	159,168	3.41%	1,397
2019	-	168,112	869	362	169,343	3.77%	1,483
2018	-	117,804	1,399	584	119,787	2.83%	1,066
2017	-	47,704	3,081	802	51,587	1.27%	457
2016	12,160	16,644	4,651	1,016	34,471	0.75%	283

Note: Details regarding the Nation's outstanding debt can be found in the notes to basic financial statements

* See Demographic and Economic Statistics for personal income, population, and per each one data.

CHEROKEE NATION

PLEDGED-REVENUE COVERAGE

LAST TEN FISCAL YEARS (Dollars in Thousands)

Fiscal Year	Health Revenue Bonds*						
	Beginning	Revenues	Less: Expenses	Ending	Debt Service**		Coverage
	Fund Balance			Fund Balance	Principal	Interest	
2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2024	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2016	24,083	267,448	268,688	22,843	800	577	16.59

Note: * Bonds were called in FY 2017, therefore, coverage can only be reported on years prior to the call of the bonds.

** Debt service coverage is based upon fund balance generated from Health Care System Operations.

CHEROKEE NATION

DEMOGRAPHIC AND ECONOMIC STATISTICS* LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population**</u>	<u>Personal Income** (Dollars in Thousands)</u>	<u>Per Each One Personal Income**</u>	<u>Unemployment Rate***</u>
2025	1,272,155	\$ 6,557,615	\$ 57,344	3.2
2024	1,256,296	6,078,042	54,171	3.4
2023	1,244,172	5,464,910	50,458	3.0
2022	1,232,232	5,134,764	48,294	3.2
2021	1,225,085	4,802,212	42,661	3.0
2020	1,216,294	4,664,925	40,972	5.4
2019	1,211,949	4,496,132	39,372	3.2
2018	1,208,644	4,239,328	37,741	3.1
2017	1,205,109	4,061,803	36,007	4.3
2016	1,199,601	4,615,769	37,879	5.3

Notes:

* *Data presented based on counties within the Cherokee Nation Reservation*

Sources:

** *US Department of Commerce, Bureau of Economic Analysis*

*** *US Department of Labor, Bureau of Labor Statistics*

CHEROKEE NATION

PRINCIPAL EMPLOYERS

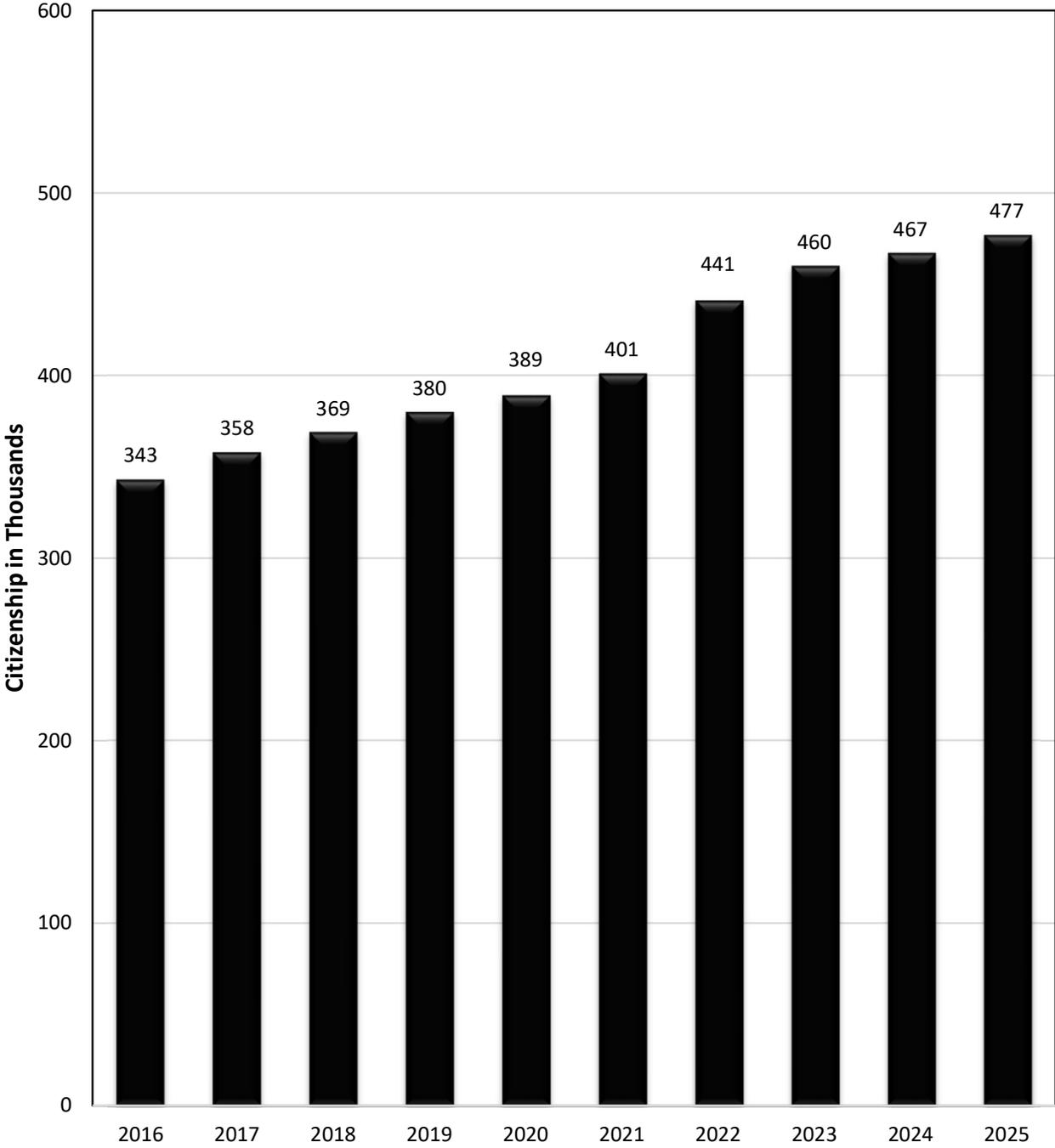
CURRENT YEAR AND NINE YEARS AGO

Employer	2016			2025		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
AHS Hillcrest Medical Centers, LLC	-	-	-	2,945	3	9.30%
American Airlines & AA	4,750	2	20.88%	5,200	2	16.42%
Cherokee Nation *	9,500	1	41.76%	14,838	1	46.84%
Claremore City Schools	750	7	3.30%	-	-	-
Conoco Phillips	1,750	3	7.69%	-	-	-
Georgia Pacific Consumer Products	750	8	3.30%	-	-	-
Grand River Dam Authority	750	9	3.30%	-	-	-
Matrix Service, Inc.	-	-	-	1,700	4	5.37%
NORDAM Group Inc	-	-	-	1,543	5	4.87%
Northeastern Oklahoma State University	1,250	4	5.49%	-	-	-
Oklahoma State University Medical Trust	-	-	-	1,200	7	3.79%
One Gas, Inc.	-	-	-	1,036	8	3.27%
Oneok, Inc.	-	-	-	1,000	9	3.15%
Owasso Independent School Dist #1-11	1,250	5	5.49%	-	-	-
St Francis Hospitals, Inc	-	-	-	1,000	10	3.15%
Tahlequah School District	750	10	3.30%	-	-	-
Tyson	-	-	-	1,216	6	3.84%
Whirlpool Corporation	1,250	6	5.49%	-	-	-
	22,750		100%	31,678		100.00%

Sources: 2016 - Oklahoma Department of Commerce
2025 - D&B Market Insight

*Including component units

CHEROKEE NATION Tribal Citizenship



Source: Tribal Registration Department

CHEROKEE NATION**TRIBAL CITIZENSHIP BY DISTRICT
LAST TEN FISCAL YEARS**

District*		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District 1	Hulbert	8,886	9,202	9,508	9,886	10,087	10,473	11,229	8,604	11,553	10,118
District 2	Tahlequah	5,939	6,106	6,225	6,358	6,440	6,601	6,808	8,350	7,195	9,785
District 3	Tenkiller	4,864	4,990	5,087	5,183	5,235	5,344	5,555	5,895	5,723	9,816
District 4	Three Rivers	7,535	7,715	7,928	8,164	8,311	8,593	9,123	8,811	9,324	10,729
District 5	Redbird	4,081	4,222	4,345	4,446	4,489	4,649	4,857	5,117	4,991	9,813
District 6	Sequoyah	9,378	9,649	9,914	10,250	10,414	10,836	11,536	11,685	11,806	9,862
District 7	Flint	6,145	6,305	6,434	6,601	6,682	6,868	7,197	6,839	7,386	10,220
District 8	Goingsnake	4,823	4,975	5,070	5,165	5,216	5,361	5,522	6,371	5,756	10,115
District 9	Salina	6,483	6,653	6,800	7,026	7,093	7,301	7,658	8,003	7,909	10,271
District 10	Delaware	8,835	9,111	9,316	9,578	9,674	9,947	10,448	10,746	10,760	10,313
District 11	Cooweescoowee North	5,817	5,972	6,084	6,245	6,319	6,476	6,809	7,036	7,010	9,943
District 12	Cooweescoowee West	8,065	8,345	8,583	8,953	9,122	9,482	10,266	10,514	10,622	9,697
District 13	Gadusi	9,808	10,248	10,762	11,403	11,622	12,132	13,314	13,488	13,773	10,537
District 14	Cooweescoowee Central	10,329	10,689	10,938	11,368	11,560	11,903	12,625	13,331	13,047	9,496
District 15	Cooweescoowee South	10,633	11,013	11,298	11,669	11,848	12,251	13,105	13,101	13,495	9,737
At Large**	At Large	231,441	242,877	250,761	257,789	264,665	273,256	305,371	322,321	326,996	326,868
Total Citizenship		343,062	358,072	369,053	380,084	388,777	401,473	441,423	460,212	467,346	477,320

Source: Tribal Registration Department

* The Cherokee Nation Reservation is currently divided into 15 districts representing tribal citizens who reside within the reservation and one district representing tribal citizens residing outside the reservation.

** The At Large district is represented by two tribal councilors.

CHEROKEE NATION

CHEROKEE STUDENTS BY DISTRICT LAST TEN FISCAL YEARS

District*		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District 1	Hulbert	1,901	1,907	1,854	1,876	1,768	1,780	1,954	1,954	2,143	5,380
District 2	Tahlequah	1,956	1,968	1,943	1,994	1,872	1,878	1,995	1,935	1,976	85
District 3	Tenkiller	1,979	2,071	1,888	2,038	1,589	1,731	1,634	1,574	1,825	427
District 4	Three Rivers	2,923	2,812	2,777	2,872	2,569	2,837	3,035	3,091	3,198	3,643
District 5	Redbird	836	880	889	893	840	863	933	907	920	941
District 6	Sequoyah	1,909	1,932	1,851	1,864	1,772	1,880	2,214	2,172	2,278	2,106
District 7	Flint	1,932	1,985	1,988	1,964	1,962	2,014	2,052	2,056	2,110	229
District 8	Goingsnake	657	655	596	601	476	486	480	493	507	2,879
District 9	Salina	999	1,044	1,013	994	988	1,073	1,135	1,148	1,148	1,121
District 10	Delaware	2,155	2,209	2,150	2,074	1,893	2,165	2,356	2,312	2,328	1,805
District 11	Cooweescoowee North	1,560	1,492	1,460	1,464	1,355	1,375	1,432	1,276	1,313	1,242
District 12	Cooweescoowee West	1,242	1,267	1,247	1,280	1,276	1,318	1,665	1,713	1,509	1,174
District 13	Gadusi	5,447	5,673	5,933	6,671	5,964	6,723	7,333	6,996	7,679	6,820
District 14	Cooweescoowee Central	2,551	2,597	2,546	2,596	2,474	2,663	2,894	2,929	2,925	3,541
District 15	Cooweescoowee South	2,123	2,222	2,327	2,278	2,251	2,391	2,475	2,422	2,315	2,260
Total Cherokee Students		30,170	30,714	30,462	31,459	29,049	31,177	33,587	32,978	34,174	33,653

* The Cherokee Nation Reservation is currently divided into 15 districts representing tribal citizens who reside within the reservation and one district representing tribal citizens residing outside the reservation.

Source: Data collected by schools for MVT apportionment.

CHEROKEE NATION
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Health Services										
Ambulatory care visits	488,074	568,663	552,475	570,896	543,497	801,439	780,071	679,306	757,756	842,858
Dental patient visits	80,996	94,287	71,062	83,234	54,877	55,907	74,598	86,837	111,740	111,510
Pharmacy prescription filled	1,686,360	1,716,535	2,405,316	1,744,951	1,705,968	1,642,613	1,720,014	1,820,551	2,164,412	2,382,078
Education Services										
Higher Education applications received	4,963	5,109	5,617	5,552	5,559	5,809	5,787	6,269	7,355	7,368
Higher Education applications funded	4,167	4,325	4,537	4,626	4,635	5,088	4,661	5,394	6,426	6,398
Head Start students	152	146	145	141	34	74	35	181	105	198
Immersion Class students	101	130	134	134	89	109	117	126	126	141
Sequoyah High School students	374	388	367	370	320	320	322	325	318	388
Human Services										
Child Care children served through subsidy	2,541	2,715	2,563	2,604	2,506	2,609	2,923	2,896	3,071	3,069
Child Care contracted providers	529	504	428	402	432	462	585	584	635	621
Child Care technical assistance calls and visits	925	941	907	851	3,793	3,747	3,949	3,230	8,082	5,885
Child Care monitoring visits to caregivers	1,194	1,320	1,274	1,396	486	462	628	528	589	584
Food Distribution - individuals served	139,211	135,602	130,033	121,594	113,413	75,072	68,313	73,347	81,814	92,680
Food Distribution - households served	62,505	62,173	60,859	58,644	55,520	39,695	36,949	39,818	44,572	50,651
Elder Service Advocacy individuals served	1,311	1,504	1,675	1,523	1,548	1,725	1,755	741	407	1,400
Community Services										
Roads/bridges project miles completed	77.81	78.19	56.56	60.04	69.67	87.65	73.69	64.95	74.00	45.99
Transit rides	93,446	102,148	107,712	115,389	107,784	99,463	94,909	91,965	94,909	115,937
Families served through rental assistance	2,554	1,939	1,727	1,654	1,739	1,993	1,848	2,368	2,244	2,057
Families subsidized in Title VI units	221	197	195	194	200	172	30	16	25	30
Rehabilitation of privately owned homes	295	477	536	197	10	12	372	120	174	187
Acquired or constructed individual homes for low-income families	277	161	56	73	73	37	4	4	44	18
Businesses funded through Commerce programs	41	46	36	28	13	33	41	38	40	41

Source: Departments/programs as listed

CHEROKEE NATION

PRIMARY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Regular full-time employees only

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Function:										
Tribal Government	583	602	569	578	568	629	679	690	925	286
Health Services	1,489	1,519	1,557	1,670	1,837	1,926	2,045	2,105	3,026	601
Education Services	430	422	421	464	439	433	450	462	565	3,413
Human Services	365	360	346	363	398	389	421	435	435	536
Community Services	271	238	230	230	235	208	213	219	268	956
Total	<u>3,138</u>	<u>3,141</u>	<u>3,123</u>	<u>3,305</u>	<u>3,477</u>	<u>3,585</u>	<u>3,808</u>	<u>3,911</u>	<u>5,219</u>	<u>5,792</u>

Source: Financial Resources Department

CHEROKEE NATION**CAPITAL ASSET UTILIZATION BY FUNCTION****PRIMARY GOVERNMENT****LAST TEN FISCAL YEARS**

(Net of Depreciation, Dollars in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Tribal Government	\$ 65,734	\$ 98,370	\$ 174,880	\$ 250,128	\$ 272,518	\$ 343,318	\$ 400,123	\$ 447,624	\$ 370,791	\$ 571,844
Health Services	136,691	134,891	129,037	122,031	120,438	135,689	119,987	158,749	461,722	667,986
Education Services	8,963	8,661	8,286	8,052	8,420	9,046	8,785	8,418	33,911	35,227
Human Services	5,661	5,432	5,342	5,364	5,658	5,654	6,228	7,231	36,229	60,326
Community Services	4,442	3,396	3,887	4,368	6,609	7,256	20,546	10,935	16,138	21,646
Governmental activities, net	\$ 221,491	\$ 250,750	\$ 321,432	\$ 389,943	\$ 413,643	\$ 500,963	\$ 555,669	\$ 632,957	\$ 918,791	\$ 1,357,029
Business-type activities:										
Enterprise Funds	\$ 2,217	\$ 1,706	\$ 1,231	\$ 2,377	\$ 3,825	\$ 2,931	\$ 2,368	\$ 1,947	\$ 3,123	\$ 7,009
Business-type activities, net	\$ 2,217	\$ 1,706	\$ 1,231	\$ 2,377	\$ 3,825	\$ 2,931	\$ 2,368	\$ 1,947	\$ 3,123	\$ 7,009

Source: Financial Resources Department

CHEROKEE NATION

TRIBAL LAND BASE (ACRES) BY COUNTY FOR THE YEAR ENDED SEPTEMBER 30, 2025

<u>County</u>	<u>Tribal Land</u>	<u>Government Land</u>	<u>Restricted Individual</u>	<u>Total Acres</u>
<i>Cherokee Nation Reservation:</i>				
Oklahoma:				
Adair	15,331	-	10,271	25,602
Cherokee	2,908	92	9,439	12,439
Craig	342	-	1,843	2,185
Delaware	25,098	-	6,503	31,601
McIntosh	-	-	596	596
Mayes	430	-	5,364	5,794
Muskogee	578	-	2,342	2,920
Nowata	41	-	610	651
Ottawa	6	-	79	85
Rogers	418	10	801	1,229
Sequoyah	7,959	-	5,623	13,582
Tulsa	58	-	204	262
Wagoner	2	-	225	227
Washington	257	-	1,719	1,976
Arkansas Riverbed	14,715	-	-	14,715
<i>Counties Outside the Reservation:</i>				
Oklahoma:				
Kay	4,230	-	-	4,230
Atoka	10	-	-	10
Choctaw	40	-	-	40
Pittsburg	10	-	-	10
Stephens	80	-	-	80
Texas:				
Red River	630	-	-	630
Dallas	5	-	-	5
Paris	66	-	-	66
Total	73,214	102	45,619	118,935

Source: Cherokee Nation Real Estate Services



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