

An Act

LEGISLATIVE ACT 19-16

AN ACT AMENDING LEGISLATIVE ACT #17-15 AUTHORIZING THE COMPREHENSIVE OPERATING BUDGET FOR FISCAL YEAR 2016 – Mod. 10; AND DECLARING AN EMERGENCY

BE IT ENACTED BY THE CHEROKEE NATION:

SECTION 1. TITLE AND CODIFICATION

This legislative act shall be titled and codified as “**An Act Amending Legislative Act #17-15 Authorizing the Comprehensive Operating Budget for FY 2016 – Mod. 10**”.

SECTION 2. PURPOSE

The purpose of this amendment is to authorize and approve the use of funds, subject to the availability of such funds, in accordance with Section 4, changing the amounts of certain cost centers approved in the “Comprehensive Budget Act for Fiscal Year 2016” or subsequent amendment. The cumulative total of the budget is increased by **\$ 5,853,381** for a total budget authority of **\$ 682,655,751**. The following items are identified as components of such change:

| | |
|---|----------------------------|
| Grants Received & Authorized per LA-17-15 (detail attached) | \$ 1,772,336 |
| Modification Request (see Section 4 below) | <u>4,081,045</u> |
| Cumulative change in budget authority | <u>\$ 5,853,381</u> |

SECTION 3. LEGISLATIVE HISTORY

The provisions of compliance, policy of accountability, authorities and severability provided in Legislative Act #17-15 are applicable to this amendment.

SECTION 4. FUNDING AUTHORIZATIONS

The changes reflect increases to cost centers set forth in the program budget justifications incorporated herein. This modification request changes the total amount of the comprehensive budget authorization by a decrease of **\$ 4,081,045** to wit:

- A. An increase in the **General Fund** budget authority of **\$ 84,061**.
- B. An increase in the **Indirect Cost Pool** budget authority of **\$ 138,481**.
- C. An increase in the **Enterprise** budget authority of **\$ 578,722**.

D. An increase in the **DOI – Self Governance** budget authority of **\$ 3,600.**

E. An increase in the **IHS – Self Governance** budget authority of **\$ 3,276,181.**

SECTION 5. PROVISIONS AS CUMULATIVE

The provisions of this Act shall be cumulative to existing law.

SECTION 6. SEVERABILITY

The provisions of this Act are severable and if any part or provision hereof shall be held void the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this Act.

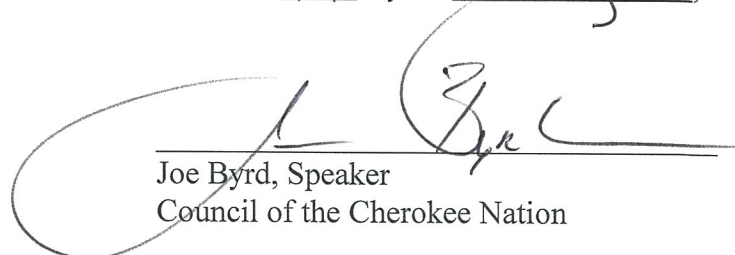
SECTION 7. EFFECTIVE DATE: EMERGENCY DECLARED

It being immediately necessary for the welfare of the Cherokee Nation, the Council hereby declares that an emergency exists, by reason whereof this Act shall take effect immediately upon its approval and signatures.

SECTION 8. SELF-HELP CONTRIBUTIONS

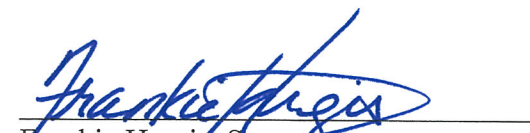
To the extent that this Act involves programs or services to citizens of the Nation or others, self-help contributions shall be required, unless specifically prohibited by the funding agency, or a waiver is granted due to physical or mental incapacity of the participant to contribute.

Enacted by the Council of the Cherokee Nation on the 12 day of July, 2016



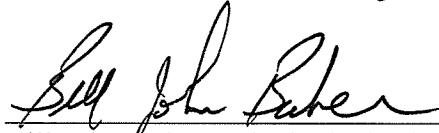
Joe Byrd, Speaker
Council of the Cherokee Nation

ATTEST:



Frankie Hargis, Secretary
Council of the Cherokee Nation

Approved and signed by the Principal Chief this 13th day of July, 2016



Bill John Baker, Principal Chief
Cherokee Nation

ATTEST:



Chuck Hoskin, Jr., Secretary of State
Cherokee Nation

YEAS AND NAYS AS RECORDED:

| | | | |
|------------------------|------------|------------------|------------|
| Rex Jordan | <u>Yea</u> | Harley Buzzard | <u>Yea</u> |
| Joe Byrd | <u>Yea</u> | Victoria Vazquez | <u>Yea</u> |
| David Walkingstick | <u>Yea</u> | Dick Lay | <u>Yea</u> |
| Don Garvin | <u>Yea</u> | Buel Anglen | <u>Yea</u> |
| David W. Thornton, Sr. | <u>Yea</u> | Keith Austin | <u>Yea</u> |
| Bryan Warner | <u>Yea</u> | Janees Taylor | <u>Yea</u> |
| Frankie Hargis | <u>Yea</u> | Jack Baker | <u>Yea</u> |
| Shawn Crittenden | <u>Yea</u> | Wanda Hatfield | <u>Yea</u> |
| Curtis Snell | <u>Yea</u> | | |

CHEROKEE NATION
 PROPOSED FY 2016 AMENDMENT
 Sorted by Funding Source

| | | | | Data | | |
|------------------------------|-------------|--|------------------|--------------------------|------------------------------|-------------|
| Funding Source | Ref # by FS | Program/Purpose | FY 2016 Prior LA | Amend. Change to Sources | Amend. Expenses Total Change | Net Change |
| 40-DHHS-General | 1 | 3402600 Diabetes Grant | May Grants | 708,379 | 708,379 | \$ - |
| | 2 | 3402630 Diabetes Program - Stilwell | May Grants | 110,000 | 110,000 | \$ - |
| | 3 | 3402640 Diabetes Program - Sallisaw | May Grants | 85,000 | 85,000 | \$ - |
| | 4 | 3402650 Diabetes Program - Jay | May Grants | 135,000 | 135,000 | \$ - |
| | 5 | 3402660 Diabetes Program - Salina | May Grants | 73,000 | 73,000 | \$ - |
| | 6 | 3402670 Diabetes Program - Nowata | May Grants | 115,000 | 115,000 | \$ - |
| | 7 | 3402680 Diabetes Program - Muskogee | May Grants | 70,000 | 70,000 | \$ - |
| | 8 | 3402685 Diabetes Program - Vinita | May Grants | 68,000 | 68,000 | \$ - |
| | 9 | 3402695 Diabetes Program - Ochelata | May Grants | 53,500 | 53,500 | \$ - |
| 40-DHHS-General Total | | | | \$ 1,417,879 | \$ 1,417,879 | \$ - |
| 55-HUD | 10 | 3552800 Veterans Affairs Support Housing | New | 194,405 | 194,405 | \$ - |
| 55-HUD Total | | | | \$ 194,405 | \$ 194,405 | \$ - |
| 85-Private | 11 | 3855300 Hep C in Native Oklahoma | New | 160,052 | 160,052 | \$ - |
| 85-Private Total | | | | \$ 160,052 | \$ 160,052 | \$ - |
| Grand Total | | | | \$ 1,772,336 | \$ 1,772,336 | \$ - |

Grants - Reporting Only

CHEROKEE NATION
PROPOSED FY 2016 AMENDMENT
Sorted by Funding Source

| | | | | Data | | |
|---|-------------|--|------------------|--------------------------|------------------------------|--------------|
| Funding Source | Ref # by FS | Program/Purpose | FY 2016 Prior LA | Amend. Change to Sources | Amend. Expenses Total Change | Net Change |
| 01-Cherokee Nation | 1 | 1010112 Judgment Fund | New | - | 100,000 | \$ (100,000) |
| | 2 | 1010296 Unappropriated Reserves | June Mod 9 | - | (169,724) | \$ 169,724 |
| | 3 | 1010432 Community Water & Sewer | LA 11-16 | - | - | \$ - |
| | 4 | 1010575 Community Technical Assistance | LA 17-15 | 72,061 | 72,061 | \$ - |
| | 5 | 1010696 Head Start Supplemental | LA 17-15 | - | 29,724 | \$ (29,724) |
| | 6 | 1010800 Supreme Court | LA 17-15 | 12,000 | 12,000 | \$ - |
| | 7 | 1012000 Building Structures Prop Maint | LA 17-15 | - | 40,000 | \$ (40,000) |
| 01-Cherokee Nation Total | | | | \$ 84,061 | \$ 84,061 | \$ - |
| 04-Indirect Cost Pool | 8 | 2040000 Indirect Cost Pool Recovery | LA 01-16 | 138,481 | - | \$ 138,481 |
| | 9 | 2041095 Accounting | LA 17-15 | - | 138,481 | \$ (138,481) |
| 04-Indirect Cost Pool Total | | | | \$ 138,481 | \$ 138,481 | \$ - |
| 10-Enterprise | 10 | 4105000 CN Landfill Closure Fund | New | 578,722 | 578,722 | \$ - |
| 10-Enterprise Total | | | | \$ 578,722 | \$ 578,722 | \$ - |
| 22-DOI - Self Governance | 11 | 3223040 Adult Education | LA 17-15 | 3,600 | 3,600 | \$ - |
| 22-DOI - Self Governance Total | | | | \$ 3,600 | \$ 3,600 | \$ - |
| 33-IHS-Self Governance-T E H | 12 | 3332000 EHS Projects | LA 01-16 | 3,276,181 | 3,276,181 | \$ - |
| 33-IHS-Self Governance-T E H Total | | | | \$ 3,276,181 | \$ 3,276,181 | \$ - |
| Grand Total | | | | \$ 4,081,045 | \$ 4,081,045 | \$ - |

Operating Mod #10 Request

COMPREHENSIVE BUDGET FOR FISCAL YEAR 2016

| Funding Source | Revenues | | Revenues | | | Expenditures | | | NET |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-------------|-----|
| | Revenues | Transfers In | Total | Direct Exp. | Indir. Exp. | Transfers Out | Total | | |
| Tribally Funded Funding Source | 112,897,189 | 1,988,699 | 114,885,888 | 90,777,993 | 4,806,193 | 19,301,702 | 114,885,888 | 0 | |
| Motor Fuels Tax Funding Srce | 8,905,998 | 18,213,025 | 27,119,023 | 19,057,971 | 119,541 | 7,941,511 | 27,119,023 | 0 | |
| Motor Vehicle Tax Funding Srce | 24,502,408 | 975,182 | 25,477,590 | 23,042,304 | 550,531 | 1,884,755 | 25,477,590 | 0 | |
| Permanent Fund Funding Source | 139,621 | 0 | 139,621 | 10,300 | 0 | 129,321 | 139,621 | 0 | |
| DOI General Funding Source | 12,380,065 | 850,000 | 13,230,065 | 12,507,926 | 722,139 | 0 | 13,230,065 | 0 | |
| DOI Self Gov Funding Source | 14,878,409 | 79,600 | 14,958,009 | 13,603,979 | 1,312,441 | 41,589 | 14,958,009 | 0 | |
| DOI Self Gov Roads Funding Src | 10,259,512 | 0 | 10,259,512 | 10,107,519 | 131,792 | 20,201 | 10,259,512 | 0 | |
| Dept of Transportation Fnd Src | 65,259,966 | 0 | 65,259,966 | 64,952,094 | 208,029 | 99,843 | 65,259,966 | 0 | |
| DOI PL102-477 Funding Source | 19,313,281 | 0 | 19,313,281 | 18,493,424 | 819,857 | 0 | 19,313,281 | 0 | |
| IHS Self Gov Health Funding Sr | 298,824,479 | 0 | 298,824,479 | 274,436,038 | 21,738,441 | 2,650,000 | 298,824,479 | 0 | |
| IHS Self Gov TEH Funding Src | 4,515,860 | 0 | 4,515,860 | 4,217,433 | 298,427 | 0 | 4,515,860 | 0 | |
| IHS Self Gov Office Funding Src | 322,788 | 0 | 322,788 | 285,490 | 37,298 | 0 | 322,788 | 0 | |
| IHS Discretionary Funding Srce | 40,000 | 0 | 40,000 | 35,000 | 0 | 5,000 | 40,000 | 0 | |
| DHHS General Funding Source | 39,967,076 | 510,739 | 40,477,815 | 37,304,197 | 3,173,618 | 0 | 40,477,815 | 0 | |
| USDA Funding Source | 19,400,295 | 818,085 | 20,218,380 | 19,440,209 | 778,171 | 0 | 20,218,380 | 0 | |
| Dept of Education Funding Srce | 1,046,036 | 63,957 | 1,109,993 | 1,018,785 | 91,208 | 0 | 1,109,993 | 0 | |
| HUD Funding Source | 43,167,775 | 1,229,757 | 44,397,532 | 42,073,163 | 1,148,215 | 1,176,154 | 44,397,532 | 0 | |
| Housing Proceeds Funding Src | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| EPA Funding Source | 2,113,570 | 0 | 2,113,570 | 1,873,235 | 240,335 | 0 | 2,113,570 | 0 | |
| Dept of Labor Funding Source | 12,522,959 | 0 | 12,522,959 | 11,593,374 | 929,585 | 0 | 12,522,959 | 0 | |
| Federal Other Funding Source | 5,962,314 | 48,367 | 6,010,681 | 4,198,651 | 178,718 | 1,633,312 | 6,010,681 | 0 | |
| State of Oklahoma Funding Srce | 1,442,994 | 0 | 1,442,994 | 1,331,715 | 111,279 | 0 | 1,442,994 | 0 | |
| Private Funding Source | 784,897 | 206,111 | 991,008 | 928,127 | 62,881 | 0 | 991,008 | 0 | |
| Indirect Cost Pool Funding Src | 46,061,784 | 338,400 | 46,400,184 | 46,400,184 | 0 | 0 | 46,400,184 | 0 | |
| Fringe Pool Funding Source | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Internal Lease Pool Funding Sr | 4,552,390 | 0 | 4,552,390 | 4,552,390 | 0 | 0 | 4,552,390 | 0 | |
| Enterprise Funding Source | 1,280,086 | 2,044,466 | 3,324,552 | 3,288,716 | 35,836 | 0 | 3,324,552 | 0 | |
| Other Funding Source | 276,592 | 17,000 | 293,592 | 274,101 | 19,491 | 0 | 293,592 | 0 | |
| Debt Service Funding Source | 0 | 2,650,000 | 2,650,000 | 2,650,000 | 0 | 0 | 2,650,000 | 0 | |
| Capital Projects Funding Source | 10,751,536 | 178,742,062 | 189,493,598 | 185,601,536 | 0 | 3,892,062 | 189,493,598 | 0 | |
| Total | \$ 761,569,880 | \$ 208,775,450 | \$ 970,345,330 | \$ 894,055,854 | \$ 37,514,026 | \$ 38,775,450 | \$ 970,345,330 | \$ - | |

Non Grant Requests

| | | |
|------------------|-----------|---------------|
| Oper Mod #10 Req | 4,081,045 | 07/12 E&F |
| Oper Mod #9 Req | 51,218 | 07/12 Council |

Total after pending Mod's **\$ 974,477,593**

CAPITAL RECONCILIATION

| | |
|----------------------|-----------------------|
| LA-16-15 | \$ 119,446,919 |
| Capital Mod #1 | 2,245,423 |
| Capital Mod #2 | 170,000,000 |
| Capital Mod #3 | 129,500 |
| Total Capital | \$ 291,821,842 |

Operating (LA17-15) **\$ 682,655,751** *Cumulative Oper*
 Capital (LA-16-15) **291,821,842** *Cumulative Cap*
Grand Total \$ 974,477,593



CHEROKEE NATION TRIBAL COUNCIL

Jody S. Reece, CPA, CIA, CMA

Executive Director of Financial Oversight

M e m o

To: Janees Taylor, Chairman, Executive & Finance Committee
From: Jody S. Reece
CC: Executive & Finance Committee
Date: 06/30/2016
Re: Review of Operating Budget Modification #10 – Total \$ 5,853,381

Per your request, I have reviewed the administration’s budget modification request for this month’s Executive & Finance Committee Meeting. Below is a summary of my review:

A. Grant Reporting:

| <u>Funding Source</u> | <u># of Budgets - Reason</u> | <u>Amount</u> |
|-----------------------|---|----------------------------|
| 40 – DHHS General | 9 – Carryover reconciliation / new awards | \$ 1,417,879 |
| 55 – HUD | 1 – New award | 194,405 |
| 85 – Private | 1 – New award | 160,052 |
| TOTAL GRANTS | | <u>\$ 1,772,336</u> |

General Fund Cash Match for Grants (1010315) – The original budget of \$2,686,072 included \$1,760,388 in Cash Out: Grant Required and \$925,684 in Appropriated for Cash Match (future grants).

| | |
|--|---------------------------|
| Original Appropriated for Cash Match (future grants) | \$ 925,684 |
| Used: 3552700 – NAHASDA - Housing Rehab | (267,000) April Reporting |
| 3453451 – U.S.D.A. – Food Distribution Other | (36,261) April Reporting |
| 3753300 – Federal Transit Program | (10,278) June Reporting |
| Balance Available | <u>\$ 612,145</u> |

B. MOD #10 Request - (12 budgets) Increase in budget authority - \$ 4,081,045

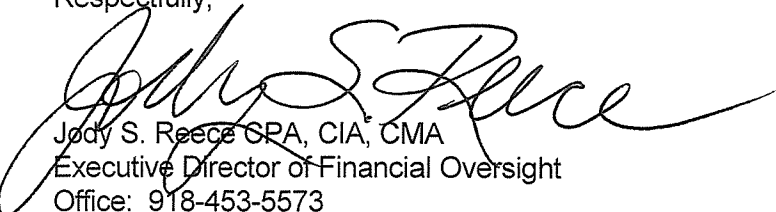
- Judgment Fund – 1010112 – General Fund: New budget requesting expenditure authorization of \$100,000 for legal services fund for judgments brought against the Nation as per LA 08-16. Funding is provided from reserves in item 2.
- Unappropriated Reserves – 1010296 – General Fund: Modification requesting a decrease in expenditure authorization of \$169,724 to free up funding for expenditure increases in items 1, 5, and 7. The Reserved by Appropriation account is now at \$8,196,238.
- Community Water & Sewer – 1010432 – General Fund: Modification requesting a change in expenditure authorization to reduce Subgrants and Transfer Out \$576,100 to provide cash match funds for IHS EHS Projects in item 11. The net expenditure total remains the same at \$1,558,835.

4. Community Technical Assistance – 1010575 – General Fund: Modification requesting an increase in expenditure authorization of \$72,061 from insurance recoveries and conference support by CNB. The new budget expenditure total is \$1,256,314 with the net expenditure total remaining at \$1,214,253.
5. Head Start Supplemental – 1010696 – General Fund: Modification requesting an increase in expenditure authorization of \$29,724 to match the Motor Vehicle Tax (MVT) allocation; therefore, giving the Head Start students double count like the SHS and Immersion students receives. Funding is provided from unappropriated reserves in item 2. The new budget expenditure total is \$429,724.
6. Supreme Court – 1010800 – General Fund: Modification requesting an increase in expenditure authorization of \$12,000 for expenses to conduct quarterly and annual meeting and is funded by additional revenues from Cherokee Nation Bar Association annual dues. The new budget expenditure total is \$468,900 and the net expenditure total remains at \$450,900.
7. Building Structures Property Maintenance – 1012000 – General Fund: Modification requesting an increase in expenditure authorization of \$40,000 for construction of new restroom facilities at the Pow Wow Grounds. The funding is provided from unappropriated reserves in item 2. The new budget net expenditure total is \$626,889.
8. Indirect Cost Pool Recovery – 2040000 – Indirect Cost Pool: Modification requesting an increase in recovery revenues of \$138,481 to offset the increased expenditures in item 9. The new budget revenues total is \$38,909,592.
9. Accounting – 2041095 – Indirect Cost Pool: Modification requesting an increase in expenditure authorization of \$138,481 for banking fees. The banking contracts took longer to get in place than originally estimated; however, the contracts are in place now and the savings are being realized. The banking fees for the remainder of the year are estimated to not exceed \$21,267.08 per month. The new budget net expenditure total is \$5,229,750.
10. Adult Education – 3223040 – DOI Self Governance: Modification requesting an increase in expenditure authorization of \$3,600 for additional one-time funding received. The new budget expenditure total is \$394,401.
11. EHS Projects – 3332000 – IHS Self Governance TEH: Modification requesting an increase in expenditure authorization of \$3,276,181 from \$2,700,081 additional grant funds and \$576,100 General Fund matching funds from item 3. The new budget expenditure total is \$5,665,765.
12. CN Landfill Operations – 4105000 – Enterprise: New partial year budget requesting expenditure authorization of \$578,722 due to the reorganization plan for the landfill. The funding is provided from \$207,500 waste fees and \$371,222 from existing cash funds.

Summary:

After reviewing the submission of the operating modification by administration, I find no technical issues surrounding these requests, nor do I have any unmentioned concerns related to their respective carryover estimates. If I can provide any further information, please do not hesitate to contact me.

Respectfully,



Jody S. Reece CPA, CIA, CMA
Executive Director of Financial Oversight
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Cell: 918-525-2017
Email: jody-reece@cherokee.org