

COUNCIL OF THE CHEROKEE NATION
EXECUTIVE & FINANCE COMMITTEE REPORT

Group: Financial Resources

Month/Year of Report: September 2014

Treasurer: Lacey Horn

Phone: 207-3902

E-mail: lacey-horn@cherokee.org

- I. Budget Highlights – through August
 - a.) Financial Resources –82% spent
 - b.) Treasurer – 64% spent
 - c.) IIM – 87% spent
 - d.) Acquisition Management – 81% spent
 - e.) Records Management – 79% spent
 - f.) Support Services –94% spent
 - g.) Employee Performance Incentive – 100% spent
- II. Program Highlights
 - a.) Balance Scorecard Measures
 - 1. Complete FY13 Audit – 100% complete
 - 2. Obtain Unqualified Audit Opinion – 100% complete
 - 3. No Material Weaknesses on Single Audit –100% complete
 - 4. Obtain GFOA Award for FY12 CAFR – 100% complete
 - 5. Reports completed & submitted by due dates – 100% complete for reports due by 9/30/2014
 - b.) Accomplishments
 - 1. Staff attended Infor Lawson Conference
 - 2. Provided activity and report training for staff
 - 3. SAS Audit underway
 - c.) Upcoming Events
 - 1. FY 2014 year end preparations underway

COUNCIL OF THE CHEROKEE NATION
EXECUTIVE & FINANCE COMMITTEE REPORT

Cherokee Nation Acquisition Management Year-To-Date Report Over \$5,000 Transactions October 1, 2013 through September 30, 2014		% of sub-total TERO vendor submitted Bid
Award to TERO Vendor	\$ 18,590,343.71	86.27%
Award to non-TERO Vendor	\$ 2,959,457.06	13.73%
Sub-total bids with a TERO vendor participating	\$ 21,549,800.77	100.0%
Bid - no bids submitted by TERO Vendors	\$ 3,183,950.75	
October 1, 2013 through August 31, 2014		



CHEROKEE NATION™
Businesses

Executive and Finance Report
Consolidated Financial Information
August 2014

Cherokee Nation Businesses

Executive and Finance Report

August 2014

Budget Highlights

- August 2014 CNB consolidated net income of \$9.9 million was \$885,000 above budget and \$3.1 million higher than prior year.
- CNE EBITDA of \$16.0 million was \$1.3 favorable to budget. Higher than budgeted revenue of \$2.6 million was driven by higher than anticipated gaming revenue at the Hard Rock location.
- Technology Portfolio EBITDA of \$1.4 million was \$631,000 above budget. The budget variance was driven by positive revenue adjustments taken at the end of some larger firm fixed price contracts as well as the first full month of a contract with the BIA.
- CNI EBITDA loss of \$585,000 was \$466,000 unfavorable to budget. This was primarily driven by lower than anticipated profitability in the Manufacturing and Distribution divisions of \$272,000 and \$218,000, respectively.
- The CNB Parent Company EBITDA was \$700,000 unfavorable to budget, which was driven by higher than anticipated operating expense.
- Combined, EBITDA at all other entities was \$96,000 above budget.

Capital Expenditures

August YTD capital expenditures were \$48.2 million for all entities.

- CNE: \$27.8 million
 - Expansion: \$9.3 million – Casino III Hard Rock rebuild, South Coffeyville, Roland, Cherokee Springs, WSS Langley Prop Purchase, WSS Water Tower
 - Strategic: \$11.1 million – Roland Structural Improvements, Route 66 Diner, Cherokee Tower Renovation, eGame purchase, Currency Counters, WRD Advantage
 - Maintenance - \$5.5 million
- CPM: \$13.6 million – Health clinic construction / expansion.
- CNB: \$6.2 million – IGT Advantage Enterprise upgrade, IT virtualization.
- CNCS: \$184,000 – Purchase new vehicles.
- CNI: \$335,000 – Relocate Mazak laser from Kellyville to Pryor and maintenance costs, Ditmo Test Unit (CND A&D), Company vehicles

Financing

- CNB has no outstanding borrowings as of August 31, 2014.

Cherokee Nation Entertainment

Executive and Finance Report

August 2014

Budget Highlights

<i>thousands (000's)</i>	<u>Period</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
• Revenue	Month -	\$48,957	\$46,320	\$2,637	6%
• Operating Expenses	Month -	\$32,922	\$31,625	(\$1,297)	4%
• EBITDA	Month -	\$16,036	\$14,695	\$1,340	9%

Operating Highlights

- CNE EBITDA of \$16.0 million in August was \$1.3 million above budget.
- Total revenue of \$49.0 million was \$2.6 million above budget due to higher than anticipated gaming revenue at the Hard Rock location.
- Total operating expense of \$32.9 million was \$1.3 million unfavorable to budget. The primary driver was an increase in gaming related expense and cost of goods sold, which was driven by higher revenue.
- Groundbreaking for the South Coffeyville casino took place on August 27th. The 17,000 square foot facility will offer 300 games and will take approximately 6 months to finish.
- CNB has agreed to lease property adjacent to the Hard Rock casino to Woodmont Outlets, which plans to invest \$80 million into premium outlet shops to be called "Cherokee Outlets." The Outlets, along with a new Entertainment area, called "The District," is expected to be completed in 2016.
- CNB also announced plans for the Cherokee Springs Plaza, which will include retail, restaurants, auto sales lots, office space, convention space, two hotels, and a casino adjacent to the Cherokee Springs golf course in Tahlequah.
- The Roland property held a groundbreaking event on April 29, 2014 for a new casino and hotel. The target date to open the casino is late May 2015, with the hotel scheduled to open later in the year.
- The Catoosa property is renovating the Cherokee hotel tower, two floors at a time, which began on August 1st.
- The Creek casino in Tulsa is planning a \$335 million expansion including a 500 room hotel tower, new casino and restaurant, pool bar, theater and event center, with an expected completion date of 2016.

Capital Expenditure Highlights – Year to Date

- Expansion related costs for Tahlequah, South Coffeyville, Roland, Catoosa, and WSS Langley Purchase – \$11.2 million
- Currency Counters - \$1.4 million
- Cherokee Tower Renovation - \$3.1 million
- Route 66 Diner at Hard Rock - \$1.2 million
- Backup Power (Tahlequah, Sallisaw, Roland, WRD) - \$1.5 million
- Roland Structural Improvements - \$653,000

- Install of Micros Symphony (F&B System) - \$376,000
- LED light conversions - \$378,000
- Revolving Doors at Catoosa - \$278,000

Cherokee Nation Industries

Executive and Finance Report

August 2014

Budget Highlights

<i>thousands (000's)</i>	<u>Period</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
• Revenue	Month -	\$5,037	\$6,590	(\$1,553)	-24%
• Operating Expenses	Month -	\$5,622	\$6,709	\$1,087	-16%
• EBITDA	Month -	(\$585)	(\$119)	(\$466)	-391%

Operating Highlights

- EBITDA loss of \$585,000 was \$466,000 unfavorable to budget. The negative variance was driven by lower than expected profitability in the Manufacturing and Distribution divisions of \$218,000 and \$272,000, respectively.
- CNI's revenue totaled \$5.0 million, which was \$1.6 million below budget. This was driven by lower than budgeted revenue in Distribution Services of \$1.7 million.
- Total operating expenses of \$5.6 million were \$1.1 million lower than budget, primarily driven by lower cost of goods sold associated with lower revenue.

Technology Portfolio

Executive and Finance Report

August 2014

Budget Highlights

<i>thousands (000's)</i>	<u>Period</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
• Revenue	Month -	\$14,442	\$8,858	\$5,584	63%
• Operating Expenses	Month -	\$13,079	\$8,126	(\$4,953)	61%
• EBITDA	Month -	\$1,364	\$732	\$631	86%

Operating Highlights

- The IT Portfolio generated revenue of \$14.4 million compared a budget of \$8.9 million.
- August EBITDA was \$1.4 million compared to budgeted EBITDA of \$732,000. The variance was the result of positive revenue adjustments taken at the end of some larger firm fixed price contracts. The first full month of activity on the BIA contract in CNT also added to the positive budget variance.
- CSG and CNT revenue of \$3.8 million was unfavorable to budget by \$67,000. The budget variance was due to contract opportunities not being awarded.
- CNGS, CNTS, and CNMC revenue of \$10.2 million was \$5.3 million favorable budget. The favorable budget variance was attributable to the timing of revenue recognition on some firm fixed price contracts and higher than planned contracting volume.
- CNA revenue of \$360,000 was favorable to budget by \$128,000. August revenue was comprised primarily of a firm fixed price contract with the United States Coast Guard.

Other Diversified Businesses

Executive and Finance Report

August 2014

EBITDA Budget Highlights

	<u>Period</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>%</u>
• CNSD	Month -	\$190	\$128	\$63	49%
• Construction	Month -	(\$183)	\$160	(\$342)	-214%
• Mobility Plus	Month -	\$0	\$35	(\$35)	-100%
• CMS / CNHS	Month -	\$173	\$69	\$104	150%
• Aerospace Products S.E.	Month -	\$41	\$90	(\$49)	-54%
• CCRC*	Month -	(\$43)	\$101	(\$144)	-143%

APSE and CCRC are reported on net income instead of EBITDA as they are partially owned subsidiaries

Operating Highlights

- **CNSD** EBITDA of \$190,000 was \$63,000 favorable to budget. This was primarily due to increased fee recognition on the SAMD contract due to several tasks approaching the end of their performance as well as the start of new tasks that will extend into FY15.
- **Construction** EBITDA loss of \$183,000 was \$342,000 unfavorable to budget. Profitability was negatively impacted by cost overruns in the Freezer/Chiller roof replacement in Hawaii.
- **Mobility Plus** Sold in May 2014
- **CMS / CNHS** resulted in an EBITDA of \$173,000 which was unfavorable to budget by \$104,000. The favorable budget variance was primarily related to additional revenue recognized on the Humana and Medical Coders contracts.
- **APSE** net income was \$49,000 unfavorable to budget. Lower revenue of \$560,000 was due to a reduction in Activity in San Antonio in addition to a hold on the 345 kits.
- **CCRC** net loss of \$43,000 was \$144,000 below budget. Lower revenues related to the Picatinny project as well as delays in budgeted contract awards drove the unfavorable budget variance.

Group: Career Services-Employment **Month/Year of Report:** September, 2014

Executive Director: Diane Kelley **Phone:** 453-5628 **Email:** dkelley@cherokee.org

I. Budget Highlights – Please refer to Monthly Financial Report

None

II. Program Highlights

a. Balanced Scorecard Measures

	<i>August</i>	<i>YTD</i>	<i>Goal</i>	<i>% of Goal</i>
<i>GED Completions</i> – includes individuals completing and receiving a GED or High School Diploma from Talking Leaves Job Corps and Career Literacy.	14	172	250	68.80%
<i>Training Completions</i> – includes individuals receiving a nationally-recognized certification, credential, or degree while enrolled in one of 11 different vocational training programs.	83	466	450	103.56%
<i>Employment Completions</i> – includes individuals who completed a Work Experience or TERO OJT assignment.	332	570	300	190.00%
<i>Unsubsidized Placement</i> – includes all individuals who entered unsubsidized employment (they got a job!) while enrolled in one of 15 different programs, both employment and vocational.	116	953	500	190.60%
<i>Retention</i> – includes individuals who were retained in their unsubsidized employment through assistance from a Career Services Program.	16	184	200	92.00%
<i>Job Readiness Training</i> – includes individuals who completed the Life/Employment Skills Training.	52	333	250	133.20%
<i>WorkKey Credentialing</i> – includes individuals who received a bronze, silver, gold, or platinum WorkKeys credential.	57	148	500	29.60%
<i>Job Bank</i> – includes the number of new individuals entering the TERO Job Bank.	22	227	500	45.40%
<i>Indian Owned Businesses</i> – includes the number of businesses newly certified as an Indian Owned Business.	12	123	100	123.00%

<i>Job Fairs</i> – includes the number of Job Fairs held by Career Services.	0	8	15	53.33%
<i>Community Service Projects</i> – this is the number of Community Service Projects completed by youth, both through the Summer Youth Employment Program and Talking Leaves Job Corps.	6	59	50	118.00%

b. Accomplishments

1. We coordinated four job fairs for the South Coffeyville Casino in the month of September. The locations were: Bartlesville, Vinita, Nowata, and South Coffeyville.
2. The Economic Development group is working with the MidAmerican Industrial group, Mayes County, Tulsa Regional Chamber, Tulsa Career Tech, Ft. Smith Regional Alliances, and the Greater Arkansas economic development group. The teams have attended several meetings.
3. The Tribal Economic Development Program is currently developing partnerships with Mid-America Industrial Park, OSU Technical Institute and Rogers State College, Pryor.

c. Initiatives

1. We plan to start up Day Training on Monday, October 6th.
2. We plan to start up the JD-NEG Program on Monday, October 6th. We plan start up extension classes that are currently part of the NACTEP program. We plan to add an additional Business Tech Class in our Tulsa Office due to the jobs that we will be able to place them in for work practicum areas.
3. The 6th Annual TERO Vendor Fair and Indian-Owned Business Recognition Banquet is Thursday, November 6th at the Hard Rock Hotel and Casino Tulsa.
4. The Surg Tech graduation is at 1:00 pm on Tuesday, October 28th.

Executive Director’s Report:

Open House at Tulsa had a big turnout as did the Pryor Open House and Ribbon Cutting on Tuesday, September 30th. We have had several Economic Development meetings in the office due to the location.

We have an open house and ribbon cutting slated for Thursday, October 16th at 2:00 pm in Sallisaw at the Sequoyah Bank Building in the downtown area. We will be sharing space with the Tag Office, Indian Child Welfare, and Commerce. We are very excited about the building and new office. This is a beautiful building and location. We hope to better serve our tribal members.

A big woo-hoo to Brenda Fitzgerald, Debra lack, Daryl Legg, Kim Carroll, and Christopher Thompson! We were notified verbally today that our \$26,000 in question from the NEG-OJT

grant three years ago was resolved and notification is forthcoming. The staff have been going back and forth with the Department of Labor since April. They were celebrating today. I have good staff who know their stuff and when you're the only Indian Tribe up against State programs, the Feds sometimes have to be educated on how we do business.

Our staff with the JD-NEG program has been in training rolling out the grant. They are scheduled for more along with some of the other Employment and Training Counselors in November. Our last position was filled in Pryor and the Job Developer will be on board Monday, October 13th. Daryl Legg has the three Counselors – Navigators, and Brenda Fitzgerald has the Job Development staff. Debra Lack in Finance has the support staff. We will be conducting meetings with the Workforce partners, Chambers, Economic Development groups, Temp Services, vo-Techs, and colleges.

We are anxiously awaiting to hear whether we were fortunate enough to be selected for the H-IB Department of Labor grant. We were told notification would go out in the fall and last week they told us the later part of the week or this week. Today is Thursday, one more day this week.

The National Congress of American Indians fall Convention will be held in Atlanta, Georgia October 26-31, 2014. George Roach and I will be attending from Career Services. We will be assisting Deputy Chief Crittenden and attending meetings.

Day Training started Monday, October 6, 2014 and we have had lots of repeats coming back. Jeff Vance is rotating as much as possible to serve more people. If there is a possible placement, then we work with the supervisor to allow more days until the client completes the interview process to be hired. We were asked to supply a report and it is attached.

The report for the Re-Entry Program is also attached.

Please welcome these new employees:

Dixie Weathers-Tahlequah, Counselor Navigator JD-NEG
Linda Sacks-Tulsa, Counselor Navigator JD-NEG
Charbrice Evans-Pryor, Counselor Navigator JD-NEG
Larry Daugherty- Tulsa Job Developer JD-NEG

September Job Fairs

We hosted four job fairs in the month of September for the opening of the new S. Coffeyville Casino. Please note that there have not been any hires as a result due to the casino not being open yet.

Bartlesville, Ok
Sept 10, 2014
21 attendees

Vinita, Ok
Sept 11, 2014
39 attendees

Nowata, ok
Sept 24, 2014
41 attendees

South Coffeyville, Ok
Sept 25, 2014
182 attendees

These job fairs served as a pre-screening process for CNE/CNB. I have had several after-the-fact contacts that couldn't attend that send me their resume and I forward it on to the proper contact at CNE/CNB.

Open Houses/ Ribbon Cuttings



TULSA, Okla. — The Cherokee Nation officially opened its new Career Services office in Tulsa Wednesday to help fill a variety of jobs that are coming to the metro Tulsa area. The opening of the new office is critical, as Cherokee Nation is the lead recruiter for the Macy's fulfillment center, which is currently under construction in Owasso.

The new 5,100-square-foot office, located at 10837 E. Marshall St. in Tulsa, will make job referrals and offer employment training, GED classes, and Talking Leaves Job Corps outreach and admissions services. Cherokee Nation is also the recipient of a \$3 million grant to help the long-term unemployed find jobs. The office will be open to help both Cherokees and non-Natives, depending on the program.



PRYOR, Okla.

Day Training Fiscal Report FY 13-14 Data

Total Trainees Hired	Client Services				Total	Tribal	CNB/CNI
	Internal	CNB/CNI	External	Monthly Totals			
Oct-13	1	1	1	1	3,746		
Nov-13	1	1	1	1	2,249	1,622	627
Dec-13	1	1	1	1	22,104	15,709	6,395
Jan-14	1	1	1	1			
Feb-14	1	1	1	1			
Mar-14	1	1	1	1			
Apr-14	1	1	1	1			
May-14	1	1	1	1			
Jun-14	13	6	9	28			
Jul-14	15	8	5	28			
Aug-14	9	17	8	34			
Sep-14	14	8	17	39			
FY Totals	59	47	47	153			

Applications Completed
3 Clients Served
3 Total Number of Stipend Disbursements.

Total Hires By County	Client Services									
	Adair	Cherokee	Craig	Delaware	Mayes	Muskogee	Rogers	Sequoyah	Wagoner	
Oct-13	1	1	1	0	1	0	0	0	0	0
Nov-13	1	1	1	1	1	1	1	0	0	0
Dec-13	1	1	1	0	1	1	1	0	0	1
Jan-14	1	1	1	1	1	0	0	0	0	0
Feb-14	1	1	1	1	1	1	1	0	1	0
Mar-14	1	1	1	1	1	1	1	0	0	0
Apr-14	1	1	1	0	1	1	1	1	0	0
May-14	1	1	1	0	1	1	1	1	1	0
Jun-14	3	15	1	1	6	1	1	1	0	0
Jul-14	9	11	1	1	1	0	2	1	4	0
Aug-14	7	8	1	1	1	7	0	0	10	0
Sep-14	8	18	1	1	0	3	1	7	1	0
Totals	35	60	7	9	22	9	12	17	1	1

RE-ENTRY REPORT

ACTIVE	30	TERMINATED	17	EMPLOYED	22	UNEMPLOYED	8	TRAINING	4	CLOTHING/PERSONAL	45	HOUSING	6	TOOLS	6	SEX OFFENDERS	4	MENTAL/DISABLE	6	WOMEN	5	RE-OFFENDED	2
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Total clients served is 51, this reflects the beginning of the Re-entry program until the end of the September 30, 2014 fiscal year.

25 of our re-entry participants have been referred to the Day Training Program. They are either past or present participants. They were referred to the Day Training Program due to the limited funding of our Re-entry program. They usually have fines, probation officers, child support, restitution....ect, to pay once they get out and this is due immediately. 2 of the 25 re-entry participants obtained employment through the Day Training Program. We try to utilize all the resources available to our tribal members, such as human service, housing services, and child support service. We are working with other tribes to strengthen our resources and other avenues of services outside our Jurisdictional area.

These are the counties served and the number in each county:

Cherokee	21
Delaware	3
Mayes	4
Rogers	7
Tulsa	4
Ottawa	1
Adair	5
Sequoyah	3
Muskogee	2
Washington	1

Total **51**

Note : The training numbers are only the numbers that ReEntry paid for. There are more that are in training but a different program paid for it.

Please make a copy for the monthly report

THE OKLAHOMAN | NEWSOK.COM

OPINION

SUNDAY, AUGUST 17, 2014

17A

POINT OF VIEW | ENVIRONMENTALISTS, SPORTSMEN COLLABORATE

On 'Waters of U.S.,' beware of advocacy

BY WILL COGGIN

The EPA's proposed "Waters of the U.S." rule has caused consternation across rural America. EPA claims its proposed water rule "clarifies" the definition of "Waters of the U.S." and will actually help rural Americans. But farmers fear the proposal expands EPA's regulatory authority under the Clean Water Act, giving federal regulators more control over how farmers and ranchers use their private property.

Despite the push-back, the EPA rule has gotten significant backing from one community: Sportsmen.

Or so it seems. But things aren't as they appear.

Five self-claimed sportsmen groups recently called for support of the EPA's rule: Theodore Roosevelt Conservation Partnership, Backcountry Hunters & Anglers, the Izaak Walton League of America, Bull Moose Sportsmen's Alliance, and Trout Unlimited. Together, they purport to represent hunters and anglers.

However, public tax records reveal that these "sportsmen's" groups are wearing camouflage. Instead of representing hunters and anglers, they represent radical environmental foundations and ideological

given millions to TRCP for energy and climate projects.

TRCP is the brainchild of the Pew Charitable Trusts, a left-wing environmental group based in Washington, D.C. Pew formed and funded TRCP a little over a decade ago, in partnership with the Izaak Walton League of America and Trout Unlimited.

The Izaak Walton League of America — which also supports the EPA rule — is a Maryland-based group with many local chapters across America whose members care about angling, shooting and other sports. These grassroots members may want to consider what the national office has been up to.

IWLA has received \$4.1 million from San Francisco-based The Energy Foundation for a variety of anti-coal, pro-wind energy campaigns in the Midwest. It's also gotten \$3.2 million for anti-energy and other advocacy from the Chicago-based Joyce Foundation, which funds gun-control efforts. And IWLA has gotten money from another environmental foundation earmarked for human population control issues — odd advocacy for a group of fishermen.

Sportsmen generally do care about reasonable conservation, which makes these masked groups all the more insidious. The environmentalists behind them don't really care about opening up lands to hunting and fishing — they care about closing off lands to energy development. And ironically, radical environmentalists even

YOUR VIEWS

Follow tribal model

Shame on Oklahoma for leading the nation in the rate of incarcerating women and being third for men's incarceration. Shame on the governor and other politicians for not promoting the 2012 Justice Reinvestment Initiative to reduce Oklahoma's prison population while keeping communities safe. Are any government officials in Oklahoma taking action to replace costly "tough on crime" policies that destroy lives with less costly "smart on crime" policies that restore lives? The answer is yes. The Muscogee, Chickasaw and Cherokee nations, and other members of the Oklahoma Tribal Re-entry Alliance are providing a "smart on crime" voice and model for politicians to follow. They've established successful re-entry programs for their citizens, whereby education, job training, job placement, counseling services, etc., are used to navigate convicted offenders back from prison to productive lives in Oklahoma's workforce.

What makes the most sense: "Smart on crime" programs costing \$5,000 to \$10,000 to return a citizen to the taxpaying workforce, or "tough on crime" policies costing \$20,000 for every year that a nonviolent person is in prison? Is it not time for state politicians to start treating Oklahomans as the Muscogee, Chickasaw and Cherokee nations treat their citizens? Isn't it time for Oklahoma to adopt "smart on crime" policies for nonviolent offenders and stop incarcerating its citizens at record rates?

John Fletcher, Norman

SUPREMELY UNQUALIFIED

The law, along with public opinion, differentiates between accidental and intentional deeds. Is the Obama administration just inept, or is there malice afoot in making so many blunders?

Send letters to yourviews@pubco.com or to Your Views, P.O. Box 25125, Oklahoma City, OK 73125. Word limit is 250, include a postal address and telephone number. For other guidelines, go to www.newsok.com/voices/ or call (405) 475-3469.

pentant terrorist, and Jeremiah Wright, a black supremacist preacher. Uninformed voters fell for "Hope and Change" speeches without even looking at the applicant's resume. The manager of the local McDonald's pays more attention to the qualifications in hiring a burger cook.

Tom McNeill, Healdton

NO LONGER WANTED

In response to Bill Mathis (Your Views, Aug. 8): We pulled out of Iraq because we weren't wanted. There was an attempt to renegotiate another status of forces agreement, but the Iraqi government refused it. The original agreement negotiated by George W. Bush had us leaving Iraq at the time we pulled out. The president wasn't going to leave any troops without some control. As to apologizing to the veterans, I'm still waiting for an apology from the previous administration for starting the Iraq mess to begin with. But we know that will never happen.

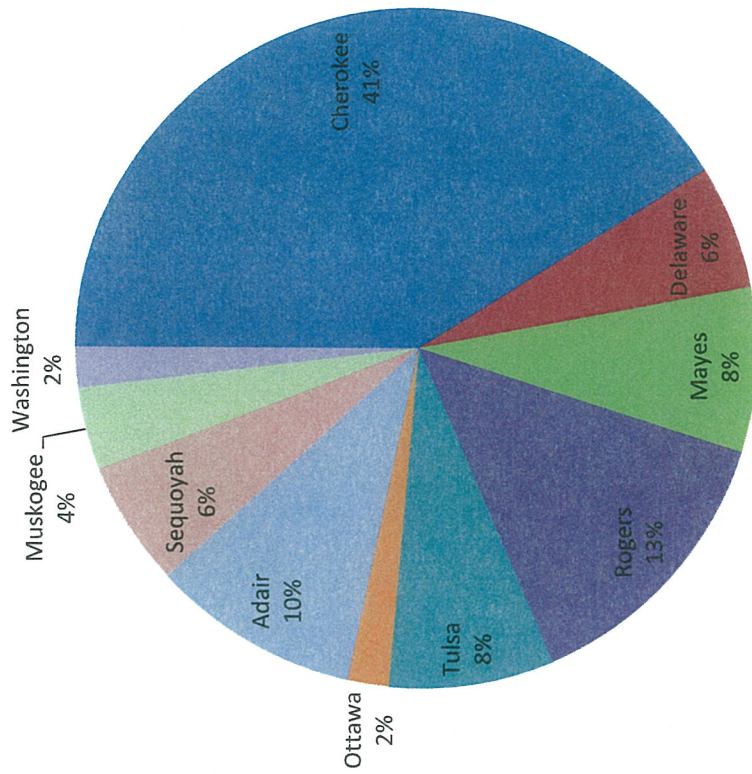
Ernest "Mel" Bechtel, Edmond



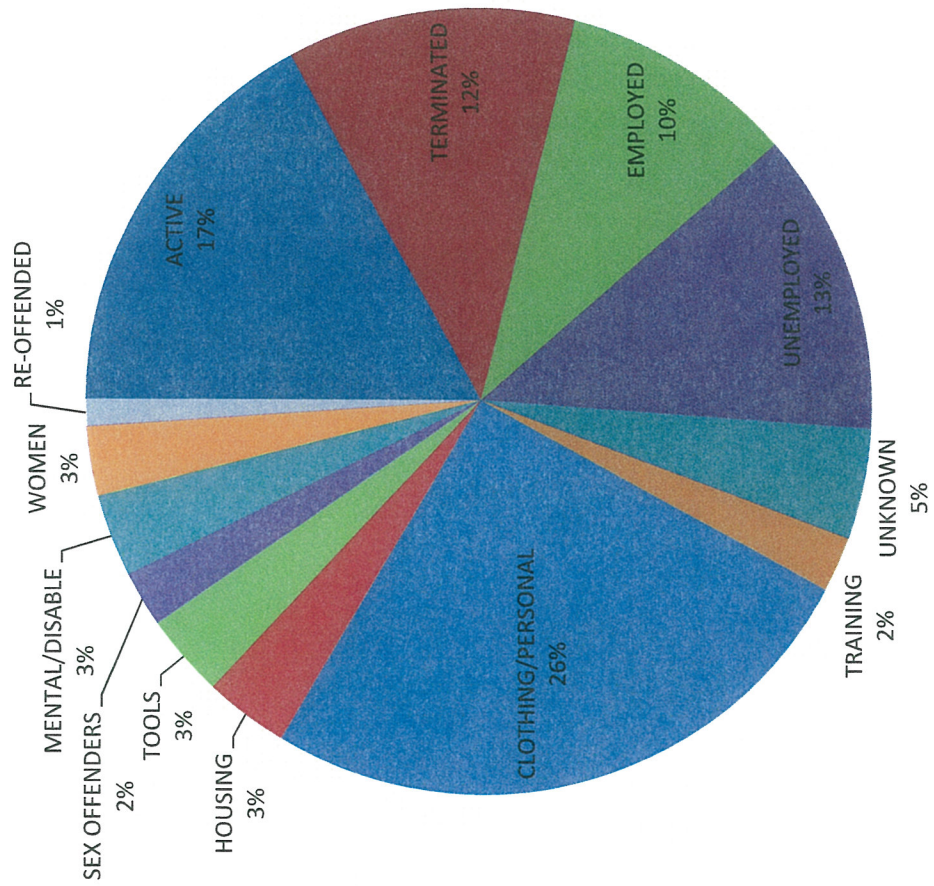
REASONS FOR REGULATION

Regarding "Valid concerns shouldn't mean a onerous regulations" (Your Views, Aug. 10): It's important to note that while several "traditional taxis" have an app-

Re-Entry Program County Served 2013-14 Fiscal Year



Re-Entry Program 2013-14 Fiscal Year



Commerce Group

Securing and enhancing the financial well-being of the Cherokee people, businesses and communities

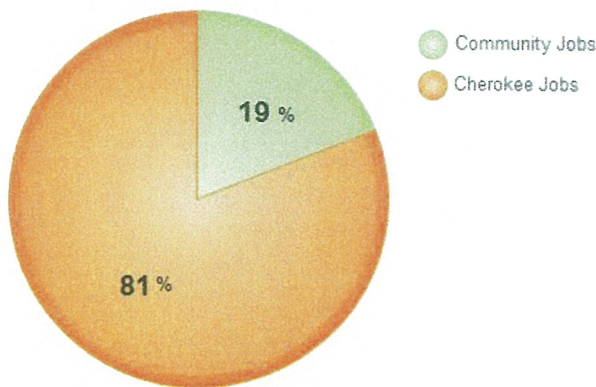
Anna Knight, Executive Director
 918-453-5532
 anna-knight@cherokee.org

Economic Impact

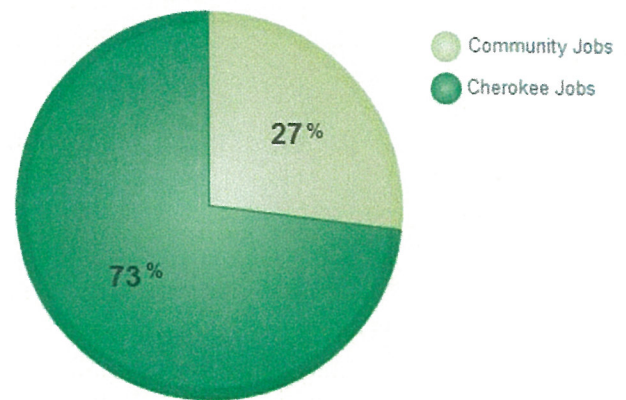
Jobs Created or Retained in Local Communities

Private sector jobs created or retained through small business lending

Community Jobs Created or Retained
 Five Year Period 2010-2014 - 640 Total Jobs

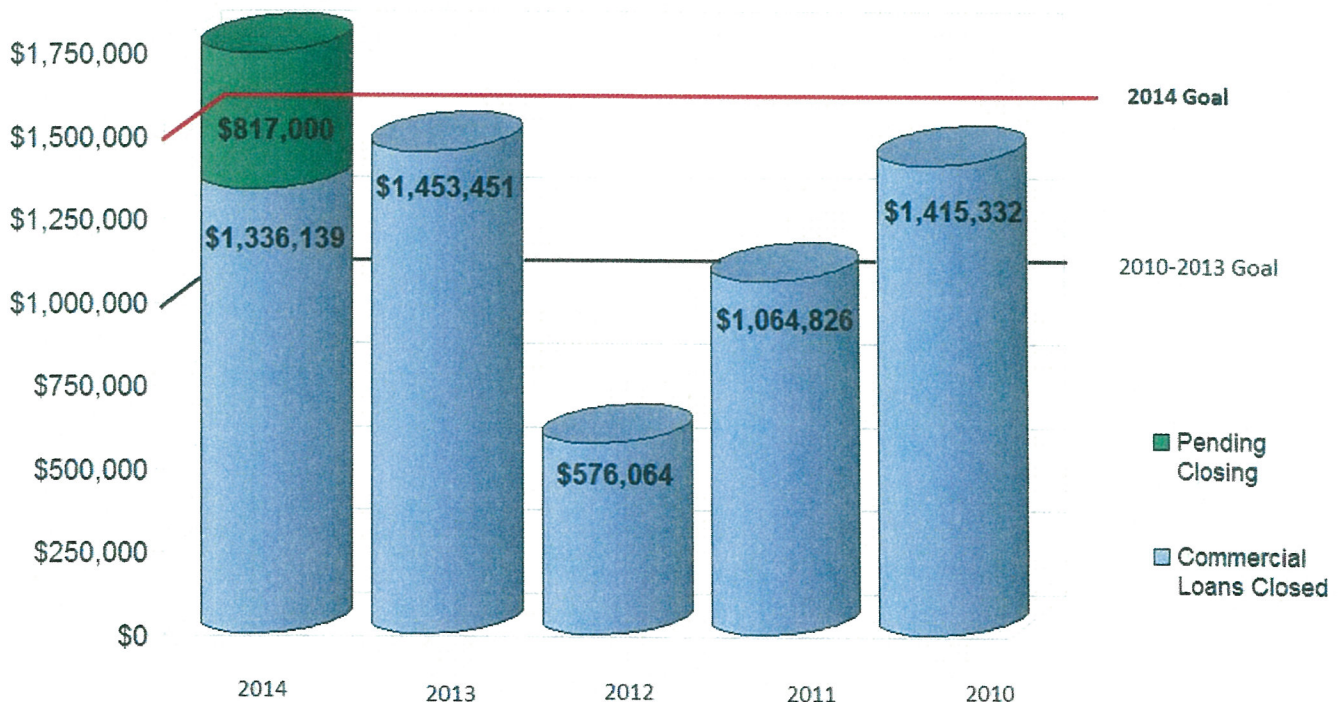


Community Jobs Created or Retained
 Current Year to Date - 107 Total Jobs

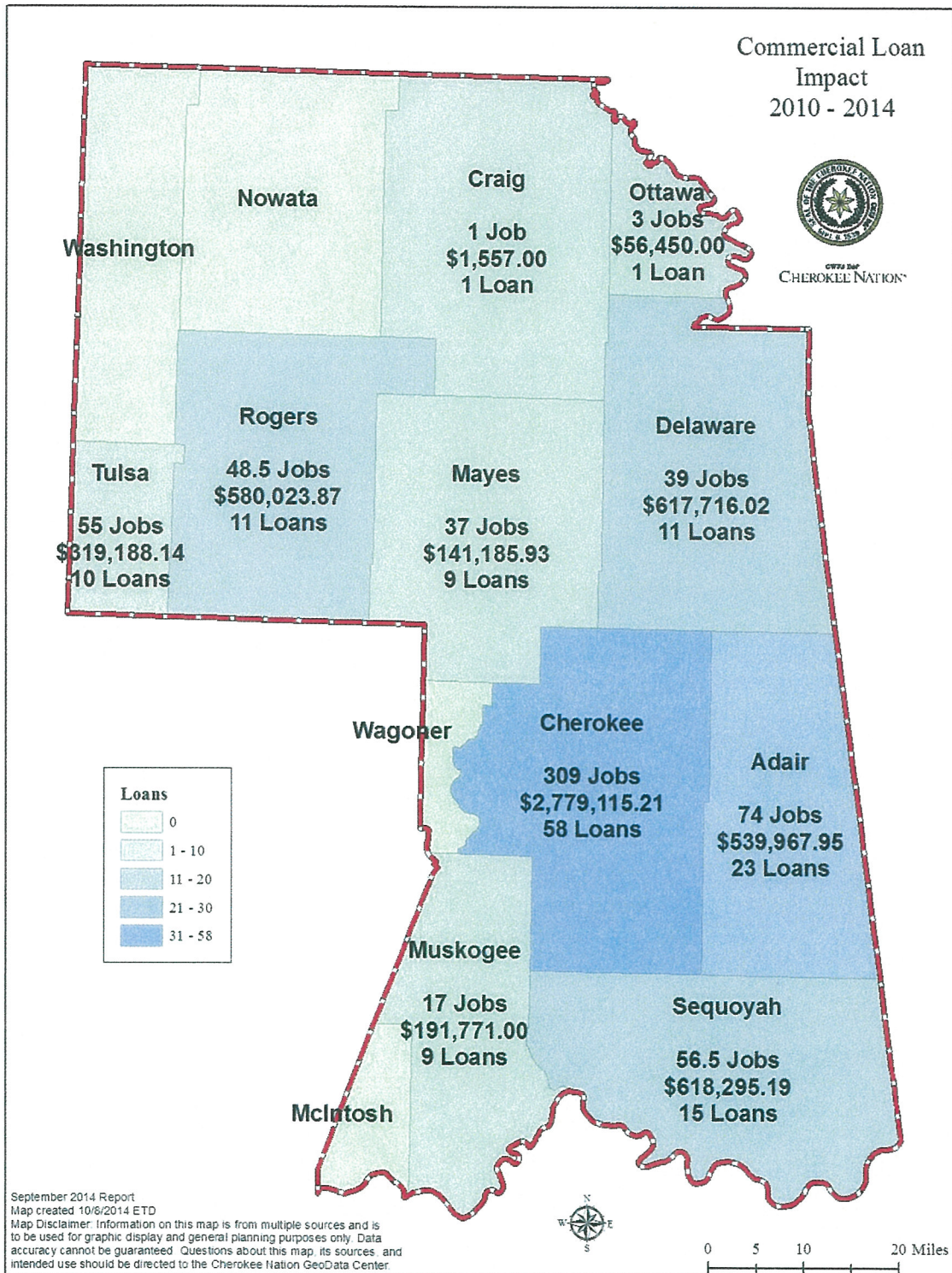


Economic Investment in Local Communities

Business loans made for startup or expanding businesses



Commercial Lending Impact, by County, 2010 through September 2014



Commercial Collateral loans closed September 2014

Community	Loan Purpose	Project Costs	Loan Amount	Collateral Discounted Value	Owner Equity	Jobs
Miami	Business Expansion	\$62,450	\$56,450	1 st Building, UCC Equipment=\$61,419	10%	3
Inola	Business Start-Up	\$75,000	\$61,300	1 st Building, UCC Equipment=\$66,000	28%	2

Loan Fund	Charge Off Dollars	Charge Off Rate	Industry Standard
Consumer	34130.06	4.46%	12% plus delinquency
Commercial	115482.78	2.22%	2.3% - 4.1%

Available Lending Capital

(Loans pending approval and/or closing are not included in totals)

▪ IRP:	\$457,122.35	▪ CDFI:	\$186,702.76
▪ Commercial:	\$316,423.32	▪ Consumer Lending:	\$302,622.40

Based on Bank Statements ending September 30, 2014

Note: we have received award notifications for \$500,000 in small business fund from USDA and \$400,000 in low income micro-enterprise funds from HUD, which have not yet been drawn down.

Business/Entrepreneur Workshops

Date	Location	Time	Workshop
October 15	Stillwater	8 am to 5 pm	ExporTech System Training
October 16	Osage Casino	11:30 am to 1 pm	American Indian Chamber of Commerce Event
October 19	Osiyo Room	9 am to 4 pm	Indianpreneurship
October 21	Tulsa	8:30 am to 5:15 pm	Oklahoma Food Security Summit
October 21	Osiyo Room	5:30 pm to 8 pm	How to Do Business with Cherokee Nation
October 29	Coweta	8:15 am to 12:30 pm	Entrepreneurship 101
November 13	Hard Rock	TBD	TERO Vendor Fair

NOTEWORTHY

The **6th Annual Northeast Oklahoma Regional Summit** was held October 7 at Northeastern State University with approximately **300 community leaders** from throughout northeast Oklahoma attending. An interesting presentation by Deirdre Myer's, Oklahoma Department of Commerce Deputy Secretary, is attached to this report.

Commercial Lending has reached a new record high for this fiscal year.

A new **Social Media Business Coach** should be starting in the next month. She will assist entrepreneurial clients with using social media to increase business exposure and expand their markets through online sales.

Year to date, over **entrepreneurial development and business workshops** have been attended by **9,211 people**; 100 percent of whom found the training useful to building the capacity of their businesses.

"I would recommend the program for to anyone who wanted to go in the food service industry or business in general!" – Sean Snell, Kawi Café Participant

Artists and Community Tourism – Economic Development

Increasing the business capacity of our Artists and tourism capacity of our communities

Cherokee Arts Center		
Registration is necessary and all classes are fee based, paid directly to artists		
Date	Time	Class
Every Thursday	6:30 pm	Silversmithing Class
Every Wednesday	6:00 pm	Loom Weaving
Every Friday	6:00 pm	Live Drawing
Every Saturday	10:00 am	Basic Assemblage
Every Tuesday	1:00 pm	Cartooning with Story Telling

NOTEWORTHY

The Cherokee Arts Center provides teaching space and specialized equipment for artists to increase their revenues. Year to date, **550 people have attended 89 artist taught classes** and the equipment has been used 503 times. Year to date, **7,743 people** have taken advantage of the Cherokee Arts Center.

The **Spider Gallery currently represents 74 artists**. The Gallery has participated in 9 events giving Cherokee artists exposure to over 1,000. Total Spider Gallery Sales are \$45,653.83 for year to date.

Artists have earned \$49,943.46 through Cherokee Arts Center and Spider Gallery activities. Tourism related small business and artist loans total \$555,447.41, year to date.

A new 3D printer is now fully operational in the Arts Center!

“The Arts Center has helped me in ways such as getting my classes set, putting the word out about my classes, and taking care of my work getting out around Oklahoma and other places. They really have helped in many ways. I like that they’re here. Thanks!” –

Richard Fields, Traditional Bow Maker

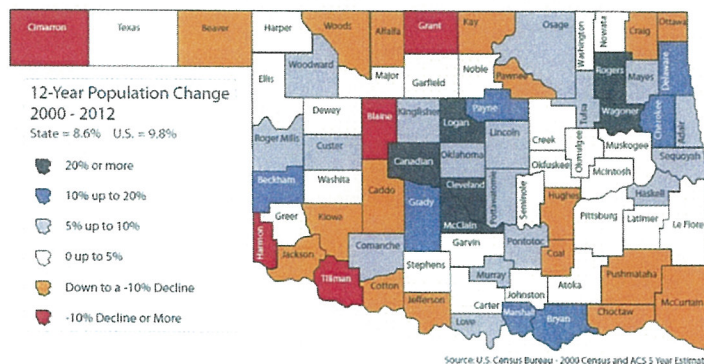


The NORA Economy: A regional comparison on growth and wealth creation industries

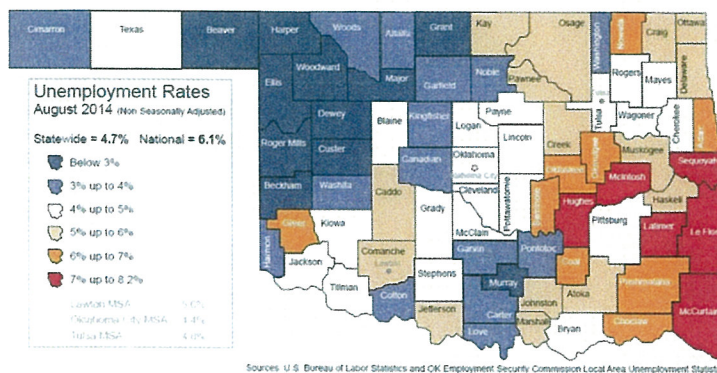
Presented by:
 Deidre D. Myers
 Office of Economic and Workforce Policy



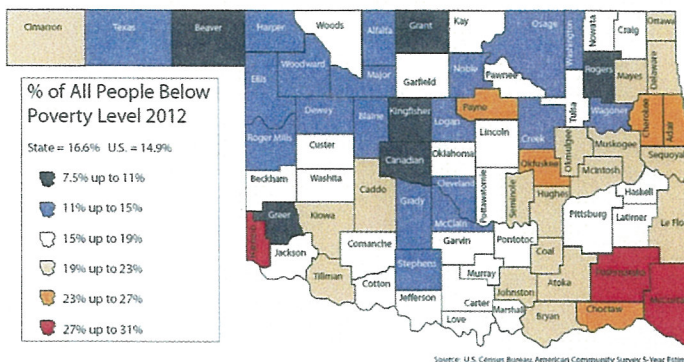
OK Population Change 2000-2012



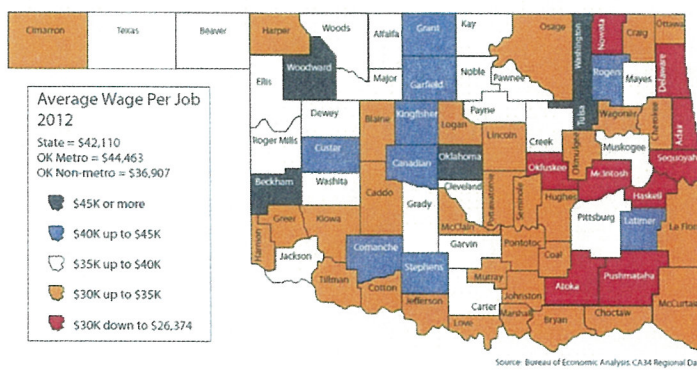
Unemployment Rate by County



OK Population Below Poverty

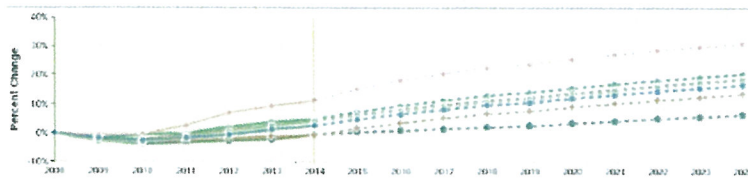


OK Average Wage



Regional Comparison 2008-14

Regional Trends

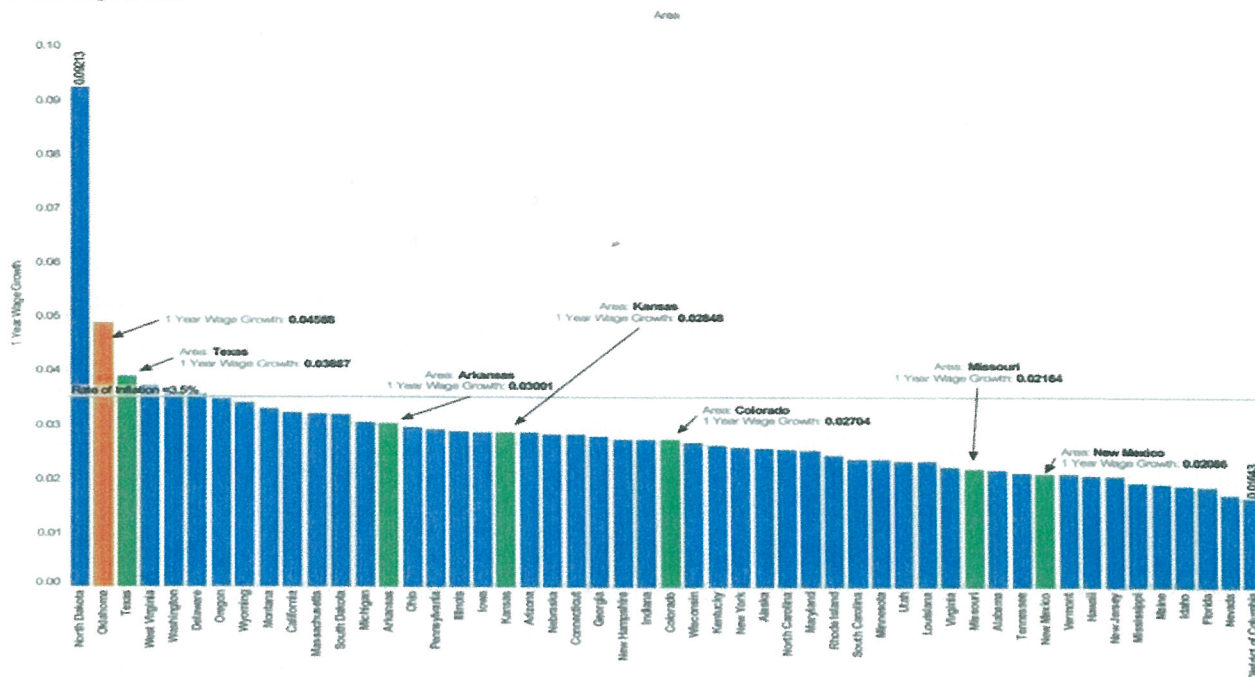


Region	2008 Jobs	2014 Jobs	% Change
NORA	253,689	260,042	2.5%
Nation	178,903,614	186,308,882	4.1%
State	2,170,220	2,266,029	4.4%
Northwest Quadrant	142,674	158,674	11.4%
Southeast Quadrant	201,331	199,946	-0.7%
Southwest Quadrant	203,591	213,335	4.8%
Joplin, MO	101,956	101,399	-0.5%



Wage Growth

1 Year Wage Growth



Source: BEA Table CA.34. Highlighted States are those states with a border to Oklahoma.

Sum of 1 Year Wage Growth for each Area. Color shows details about Region. The view is filtered on sum of 1 Year Wage Growth and Area. The sum of 1 Year Wage Growth filter keeps all values. The Area filter excludes Null.

NORA Industry Changes

Description	2008 Jobs	2014 Jobs	2024 Jobs	Change	2008 LQ	2024 LQ	2014 Avg. Earnings Per Job
Crop and Animal Production	20,643	19,474	18,092	(2,551)	4.14	3.65	\$21,398
Mining, Quarrying, and Oil and Gas Extraction	7,117	7,925	8,788	1,671	4.15	3.74	\$94,788
Utilities	1,296	1,141	1,114	(182)	1.53	1.42	\$102,744
Construction	17,222	17,457	19,086	1,864	1.12	1.29	\$36,921
Manufacturing	23,851	22,678	25,572	1,721	1.20	1.40	\$61,059
Wholesale Trade	4,784	4,893	5,858	1,074	0.52	0.57	\$46,177
Retail Trade	27,600	27,097	30,016	2,416	1.06	1.06	\$25,431
Transportation and Warehousing	6,679	5,744	5,981	(698)	0.81	0.62	\$41,637
Information	1,729	1,989	2,379	650	0.34	0.49	\$47,043
Finance and Insurance	8,676	10,911	14,578	5,902	0.67	0.79	\$40,546
Real Estate and Rental and Leasing	6,790	8,195	10,142	3,352	0.62	0.69	\$24,653
Professional, Scientific, and Technical Services	7,866	7,736	8,513	647	0.46	0.40	\$35,557
Management of Companies and Enterprises	654	819	897	243	0.22	0.25	\$69,619
Administrative and Support	11,671	12,268	14,135	2,464	0.77	0.72	\$24,037
Educational Services	1,641	2,137	2,671	1,030	0.29	0.36	\$20,808
Health Care and Social Assistance	23,605	24,729	31,507	7,902	0.91	0.87	\$36,652
Arts, Entertainment, and Recreation	6,225	3,190	3,891	(2,334)	1.16	0.57	\$15,514
Accommodation and Food Services	14,465	14,953	17,011	2,546	0.84	0.79	\$15,695
Other Services (except Public Administration)	14,578	14,598	15,480	902	1.04	0.93	\$20,018
Government	46,593	52,105	59,914	13,321	1.34	1.69	\$48,878

NORA Stats

NORA



Population (2014)	604,339
Jobs (2014)	260,042
Average Earnings (2014)	\$38,100
Unemployed (5/2014)	14,523
Completions (2011)	5,812
GRP (2013)	\$14,831,157,502
Exports (2013)	\$29,222,456,903
Imports (2013)	\$32,724,979,062

OKLAHOMA

Regional Comparison 2014-20

Regional Trends



Region	2014 Jobs	2020 Jobs	% Change
● NORA	260,042	283,852	9.2%
■ Nation	186,308,882	202,224,986	8.5%
▲ State	2,266,029	2,467,039	8.9%
○ Northwest Quadrant	158,874	179,075	12.7%
✦ Southeast Quadrant	199,946	219,246	9.7%
★ Southwest Quadrant	213,335	235,046	10.2%
● Joplin, MO	101,399	105,334	3.9%

OKLAHOMA

Regional Exports

NAICS	Industry	Exports
211111	Crude Petroleum and Natural Gas Extraction	\$3,242,157,135
112000	Animal Production	\$1,370,417,772
111000	Crop Production	\$607,210,625
322121	Paper (except Newsprint) Mills	\$556,288,225
333911	Pump and Pumping Equipment Manufacturing	\$554,896,072
311224	Soybean and Other Oilseed Processing	\$334,010,079
484121	General Freight Trucking, Long-Distance, Truckload	\$333,375,421
325311	Nitrogenous Fertilizer Manufacturing	\$256,423,034
522110	Commercial Banking	\$218,266,245
336390	Other Motor Vehicle Parts Manufacturing	\$213,808,569
333132	Oil and Gas Field Machinery and Equipment Manufacturing	\$200,418,427
332410	Power Boiler and Heat Exchanger Manufacturing	\$190,392,236
333912	Air and Gas Compressor Manufacturing	\$174,162,193
221210	Natural Gas Distribution	\$172,141,552
312111	Soft Drink Manufacturing	\$166,833,512
221122	Electric Power Distribution	\$158,088,224
327213	Glass Container Manufacturing	\$157,792,027
221112	Fossil Fuel Electric Power Generation	\$148,566,217
213112	Support Activities for Oil and Gas Operations	\$115,535,919
524210	Insurance Agencies and Brokerages	\$113,657,234
332420	Metal Tank (Heavy Gauge) Manufacturing	\$111,950,483
332710	Machine Shops	\$111,940,072
335312	Motor and Generator Manufacturing	\$111,078,324
311615	Poultry Processing	\$108,286,586

OKLAHOMA

NORA 333 (Machinery Mftg)

Job Distribution

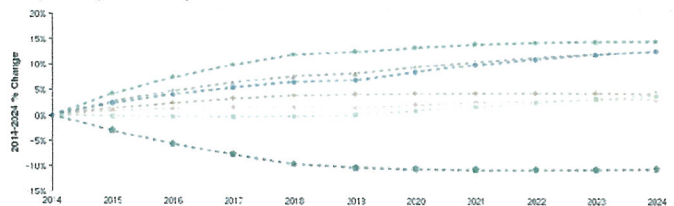


4,996 Jobs (2014) National Location Quotient: 3.04	12.9% % Change (2014-2024) Nation: 4.0%	\$69,016 Average Earnings Per Job (2014) Nation: \$77,819
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333 Comparison

Industry Change Summary



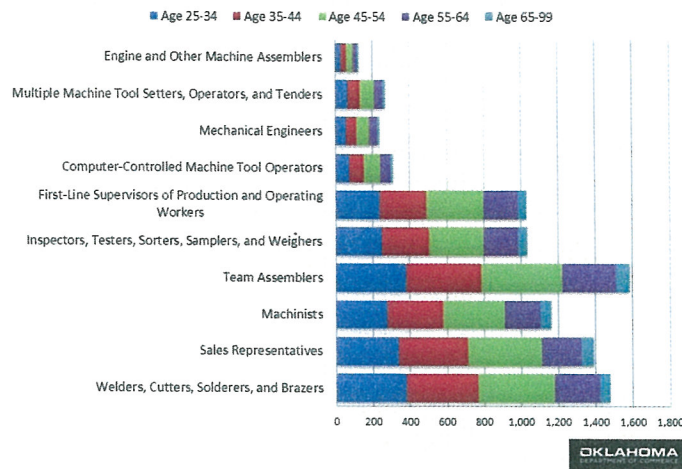
Region	2014 Jobs	2024 Jobs	Change	% Change	2014 Average Earnings	2014 Establishments
● NORA	4,996	5,838	642	13%	\$69,016	67
■ Nation	1,177,627	1,225,114	47,487	4%	\$77,819	29,404
▲ State	32,106	36,186	4,080	13%	\$74,189	609
◆ Northwest Quadrant	1,110	1,146	36	3%	\$74,839	43
✦ Southeast Quadrant	1,560	1,629	69	4%	\$60,661	47
★ Southwest Quadrant	2,630	3,016	386	15%	\$65,247	54
● Joplin, MO	538	482	-56	-10%	\$48,674	26

333 Workforce

Description	2014 Jobs	2024 Jobs	Change	Openings	Median Hourly Earnings	Education Level	Training Level
Welders, Cutters, Solderers, and Brazers	1,626	1,837	211	674	\$17.20	High school diploma or equivalent	Moderate-term on-the-job training
Sales Representatives, Wholesale and Manufacturing	1,508	1,815	307	664	\$19.15	High school diploma or equivalent	Moderate-term on-the-job training
Machinists	1,301	1,561	260	614	\$16.43	High school diploma or equivalent	Long-term on-the-job training
Team Assemblers	1,762	1,910	148	460	\$14.35	High school diploma or equivalent	Moderate-term on-the-job training
Inspectors, Testers, Sorters, Samplers, and Weighers	1,142	1,275	133	409	\$17.26	High school diploma or equivalent	Moderate-term on-the-job training
First-Line Supervisors of Production and Operating Workers	1,127	1,262	135	320	\$23.38	Postsecondary non-degree award	None
Computer-Controlled Machine Tool Operators	346	428	82	194	\$16.30	High school diploma or equivalent	Moderate-term on-the-job training
Mechanical Engineers	252	288	36	131	\$36.11	Bachelor's degree	None
Multiple Machine Tool Setters, Operators, Tenders	294	287	(7)	67	\$14.86	High school diploma or equivalent	Moderate-term on-the-job training

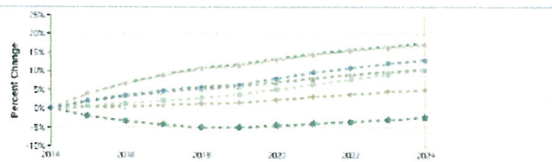


Age of 333 Workforce



NORA Welders

Regional Trends



Region	2014 Jobs	2024 Jobs	% Change
NORA	1,626	1,837	13.0%
Nation	419,771	463,175	10.3%
State	11,373	12,570	10.5%
Northwest Quadrant	828	968	17.0%
Southeast Quadrant	1,017	1,068	5.0%
Southwest Quadrant	936	1,099	17.4%
Joplin, MO	405	395	-2.4%

NORA Going Forward



- ❖ Projected strong growth over next 6-10 years
- ❖ Region has viable wealth generation opportunities in financial services, manufacturing and utilities
- ❖ A skilled workforce will drive or hinder economic growth
- ❖ Manufacturing's job multiplier ranges from 1.4 to 2.1
- ❖ Retail, food and accommodation industries range from 1.01 to 1.07

Group: Certified Indian Owned Businesses (Career and Commerce Services)

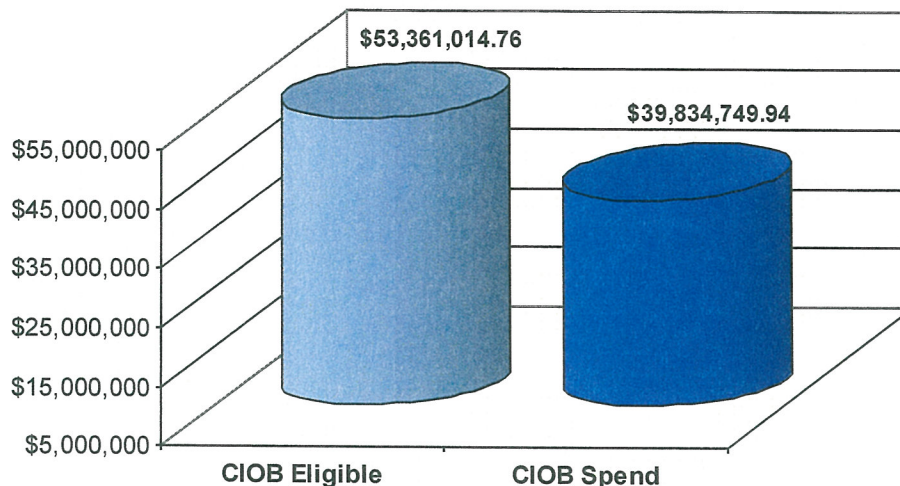
Month/Year of Report: October 2014

Program Highlights

a. Balanced Scorecard Measures

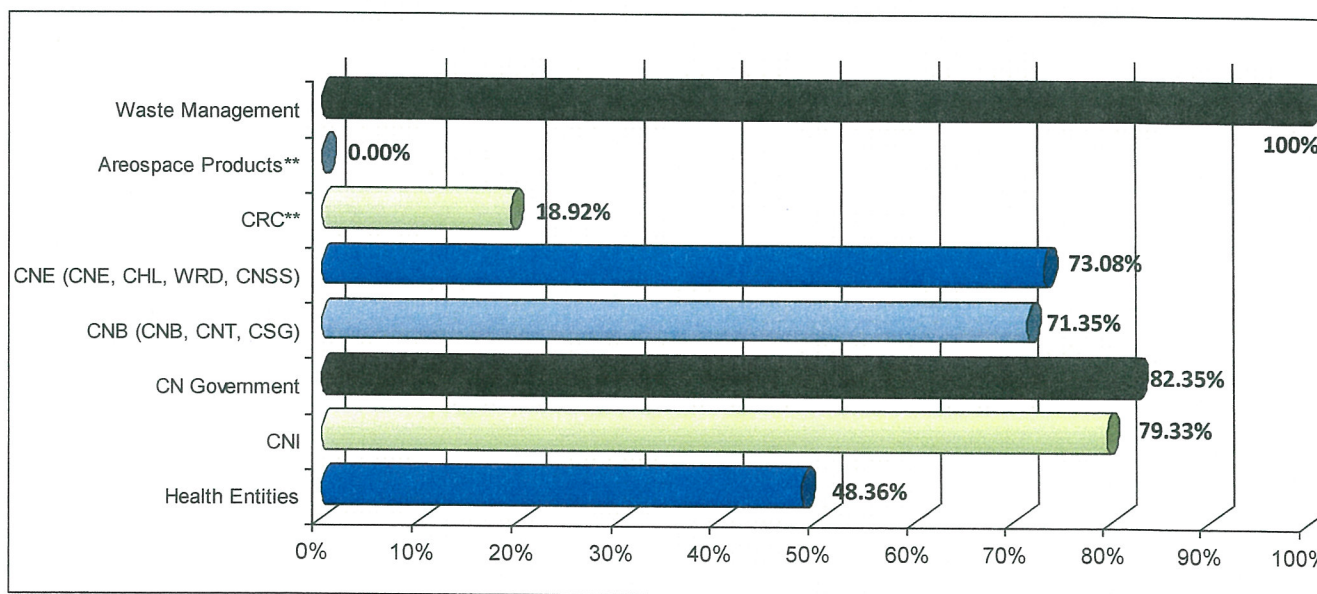
Objective	Metric	2014 Goal	Year to Date Achievement Notes/Comments
Effective Business Workshop Training	# Certified Indian-Owned Business Attendees and % indicating usefulness	300/100%	85 /100%
Increase Certified Indian-Owned Business Procurement Awards	% Certified Indian-Owned Business Procurement Awards	80%	74.65% Business Entities eligible procurement \$'s awarded to Certified Indian Owned vendors <ul style="list-style-type: none"> • CNE – 67.68% • CN Government - 86.27% • Health Entities – 100% • CNI –40.91% • Waste Management - 0%
Increase Cherokee Citizens employed	% Cherokee Citizens (verified)	Entity CNE – CNB - CN – 82.9% Health - CNI – CRC – Aerospace -	Business Entities - 75.67% <ul style="list-style-type: none"> • CNE (CNE, CHL, WRD, CNSS) 73.08% • CNB (CNB, CNT, CSG) 71.35% (does not include service contract employees) • CN Government 82.35% (does not include IPA/MOA) • Health Entities 48.36% • CNI 79.33% (does not include service contract employees) • CRC 18.92% (not wholly owned by CN) • Aerospace 0% (not wholly owned by CN) • Waste Management 100%
Increase Indian-Owned Business Certifications	# Newly Certified Indian-Owned Businesses	150	129
Effective One on One Training for Certified Indian Owned-Businesses	# of businesses receiving assistance/% finding useful	200/95%	115 /100%
Certified Indian-Owned Business Receiving Financial Assistance	% Certified Indian-Owned Business Loans in Portfolio	85%	12.85%- based on \$'s loaned 11.11%- based on number of loans made
Effective Usage of Fees Collected	# Trained	100	Information not available
Effective Monitor of Work Sites – Construction and Housing	# Monitoring Visits	90%	100% 1,961 sites monitored
Effective Monitor of Bid Openings	# and % Bid Openings Attended	100%	98% - 79 out of 83
Effective Resolution of Complaints – TERO and EEOC	% Complaints Resolved	100%	TERO: 5 complaints filed; 3 resolved, 2 pending EEOC: 0 complaint filed; 0 resolved, 0 pending

74.65% of CIOB Eligible Procurement Opportunities were awarded to CIOBs



**Includes CN Government, CNE, CNI, and Health Entities

75.67% of Employees are registered Cherokee Nation Citizens



**Companies majority, not wholly, owned