

COUNCIL OF THE CHEROKEE NATION  
EXECUTIVE & FINANCE COMMITTEE REPORT

**Group:** Financial Resources

**Month/Year of Report:** December 2011

**Group Leader**  
**Treasurer**

Lacey Horn

**Phone:** 207-3902

**E-mail:** [lacey-horn@cherokee.org](mailto:lacey-horn@cherokee.org)

**I. Budget Highlights – through November**

- a.) Financial Resources – 16% spent
- b.) Treasurer – 13% spent
- c.) IIM – 19% spent
- d.) Acquisition Management – 17% spent
- e.) Records Management – 13% spent
- f.) Support Services – 16% spent
- g.) Office of Historical Records – 15% spent
- h.) Employee Performance Incentive – 92% spent

**II. Program Highlights**

**a.) Balanced Scorecard Measures**

- 1. Complete FY11 Audit - 5% complete
- 2. Obtain Unqualified Audit Opinion – 0% complete
- 3. No Reportable Conditions on Single Audit – 0% complete
- 4. Obtain GFOA Award for FY10 CAFR – 100% complete
- 5. Reports Completed & Submitted by Due Dates – 98% Complete for reports due by 11/30/11

**b.) Accomplishments**

- 1. December 6 - Lawson LBP training for Management Resources
- 2. December 8 – Lawson LBP training for Community Services
- 3. December 13 – Lawson LBP training for Marshal Service
- 4. December 28 – Lawson LBP training for Marshal Service
- 5. December 6, 9, 12-13, 19 and 22 - Travel Training on the Concur System
- 6. December 30 – ARRA quarterly reporting started
- 7. On Call employee enhancement for Kronos implemented at WW Hastings

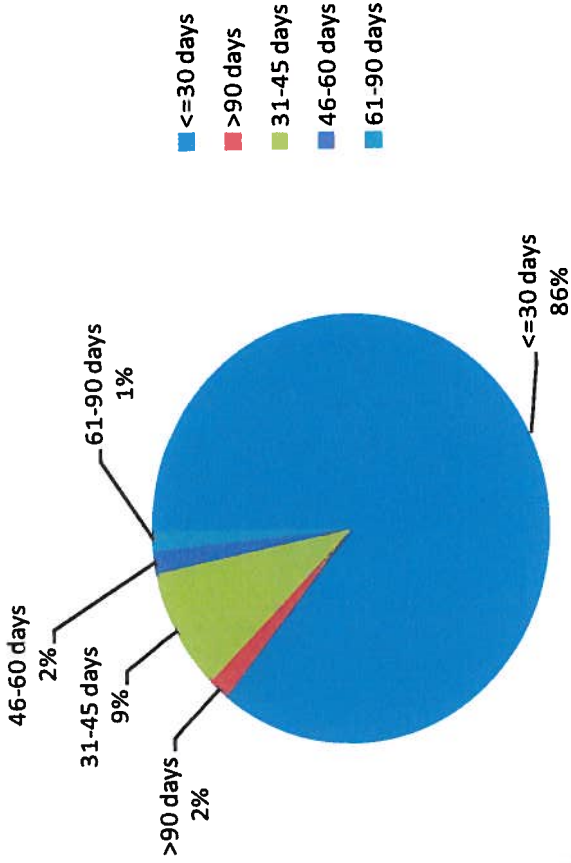
**c.) Future Plans/New Initiatives**

- 1. FY11 year-end closing processes and reviews continue
- 2. First draft of FY11 CAFR due January 3<sup>rd</sup>
- 3. Travel training on Concur System – dates to be announced for January

COUNCIL OF THE CHEROKEE NATION  
EXECUTIVE & FINANCE COMMITTEE REPORT

<b>Cherokee Nation Acquisition Management Year-To-Date Report Over \$5,000 Transactions October 1, 2011 through September 30, 2012</b>		<b>% of sub-total - TERO vendor submitted Bid</b>
Award to TERO Vendor	\$ 3,630,548.02	77.18%
Award to non-TERO Vendor	\$ 1,073,391.81	22.82%
<b>Sub-total bids with a TERO vendor participating</b>	<b>\$ 4,703,939.83</b>	<b>100.0%</b>
Bid - no bids submitted by TERO Vendors	\$ 1,649,948.81	
(November 2011 Transactions)		

**Invoice to Amount Comparison**



Row Labels	APP-TRAN-PMT-AMT	APP-INVOICE
<=30 days	57,070,684.94	49,651.00
>90 days	1,077,756.60	562.00
31-45 days	6,178,618.75	1,897.00
46-60 days	1,156,267.56	513.00
61-90 days	985,754.16	423.00
<b>Grand Total</b>	<b>66,469,082.01</b>	<b>53,046.00</b>

**I. Budget Highlights**

- a. November consolidated monthly net income was \$5.1 million compared to budget of \$3.5 million.
  - i. The favorable budget variance was primarily due to higher gaming revenue at CNE which offset higher than budgeted promotional allowances. In addition to higher revenue, the FY12 budget for November included a \$1.0 million write down associated with the sale of land in Catoosa. After budgets were finalized a decision was made to recognize the write down in FY11.
  - ii. Below are the net income variances to budget for each entity:
    - 1. CNB: +\$454,000
    - 2. CNE: +\$2.4 million
    - 3. CNI: -\$712,000
    - 4. Technology: -\$371,000
    - 5. Others: -\$171,000
- b. FY12 Year-to-date Consolidated Cap ex (actual expenditures) is \$6.0 million for all entities.
  - i. CNE: \$2.9 million
  - ii. CNB: \$3.0 million
  - iii. CNI: \$49,000
  - iv. CPM: \$ 4,000
  - v. MOB: \$ -

**II. Operating Highlights**

- a. The BoA credit facility has a balance of zero as of November 30, 2011.

**I. Budget Highlights**

- a. Total CNE revenue totaled \$38.8 million, which was above budget of \$38.4 million.
- i. Higher than budgeted gaming revenue was partially offset by higher than budgeted promotional allowances. All properties exceeded the November gaming revenue budget with the exception of Ft. Gibson which was slightly below budget. Early phases of construction associated with the new casinos in Ft. Gibson and Ramona have, thus far, caused minimal impact to the properties' financial performance.

Below are the revenue variances to budget for each property:

1. West Siloam Springs: +2.6%
  2. Tahlequah/Fort Gibson: -2.4%
  3. Roland/Sallisaw: +0.0%
  4. Catoosa: -0.7%
  5. Will Rogers Downs: +13.9%
  6. Ramona: +12.8%
- b. Total operating expense in November was \$28.8 million, compared to a budget of \$29.6 million. Employee cost, cost of goods sold, and operating expense were all slightly less than budget. Total cost of goods sold were 4.2% below budget primarily due to the result of lower than budgeted revenue due to a lower price per gallon of fuel. Operating expenses were favorable to budget primarily due to expenses associated with the Fall horse race meet that ended during the first week of November. Total employee cost of \$11.7 million was below a budget of \$12.1 million.
- c. CNE November net income totaled \$7.2 million compared to budget of \$4.8 million.

**II. Operating Highlights – As of November 30, 2011**

- a. Properties
- i. Catoosa – Catoosa EBITDA in November 2011 was \$4.4 million, which was slightly below budget. November total revenue was consistent with budget. Higher than expected gaming revenue was partially offset by an unfavorable variance to budget in promotional allowances of \$179,000. A higher promotional allowance is evidence of more player reinvestment strategies being utilized by guests, which will continue to lead to increases in gaming revenue. Total operating expense of \$10.7 million was consistent with budget.
- ii. West Siloam Springs – West Siloam Springs EBITDA was \$3.9 million in November 2011, \$300,000 over a budget of \$3.6 million. Higher EBITDA was primarily the result of a favorable variance in total revenue of \$237,000. The variance in revenue was the result of higher than expected gaming revenue of \$287,000. Favorable variances across most of the property's revenue sources offset higher promotional allowances. Higher coupon expenses, associated with an effort to increase hotel occupancy during non-peak gaming days, continued to drive promotional allowances higher than budgeted in November.
- iii. Roland & Sallisaw – The combined EBITDA of the Roland and Sallisaw properties was \$2.9 million in November 2011. This was favorable to budget by \$240,000. Lower than anticipated retail revenue was offset by higher gaming revenue as well as lower promotional allowances resulting in total revenue being consistent with budget. The favorable variance to EBITDA budget was the result of lower than budgeted total operating expense of \$238,000. The favorable variance was primarily due to lower retail cost of goods sold of \$112,000 resulting from lower than expected fuel gallons sold as well as a lower than anticipated retail price per gallon of fuel.

- iv. Tahlequah & Ft. Gibson – The combined EBITDA of the Tahlequah and Fort Gibson properties was \$1.3 million, which was consistent with budget. Total revenue was 2.4% under budget primarily due to less than expected retail revenue and higher than anticipated promotional allowances. Retail revenue was 7.1% under budget primarily due to less than expected fuel gallons sold as well as lower than expected price per gallon of fuel. Promotional allowances continue to exceed budget primarily due to rewards credit redemptions. Property management continues to monitor rewards credit offers in an effort to align rewards credit expense as a percentage of revenue with that of CNE as a whole.
- v. Will Rogers Downs - Will Rogers Downs EBITDA of \$309,000 in November was \$787,000 favorable to budget. Total revenue had a favorable variance to budget of \$266,000 or 14.0%. The favorable variance was primarily driven by gaming revenue exceeding budget by \$161,000. Another contributor to the favorable variance was a larger than expected purse reimbursement from the Horseman's Association. Total operating expense was \$521,000 favorable to budget which primarily drove the favorable variance in EBITDA. The favorable budget variance in total operating expense was primarily due to timing of expected purse expense associated with the Fall race meet.
- vi. Ramona – Ramona's EBITDA of \$553,000 was 4.4% below budget. Total revenue was favorable to budget by \$171,000. The favorable budget variance was the result of higher gaming revenue of \$155,000. Total operating expense had an unfavorable variance to budget of \$196,000. The variance was primarily due to expenses associated with construction on Highway 75 for the entrance road to the Ramona property. Also, additional expenses have been incurred due to the modular expansion construction. As a result, guest parking has been reduced with the expectation of having additional parking paved and ready by December 22<sup>nd</sup>.

**Actual Results**

a. Net Income

- i. Net loss for November 2011 is \$737,000, which is \$712,000 unfavorable to budget. The unfavorable variance is primarily due to an unfavorable variance in Manufacturing of \$542,000 and Distribution Services of \$191,000 due to both lower than expected revenues and lower GPM offset by a favorable variance in Corporate overhead of \$103,000.
- ii. November net income was unfavorable to prior year by \$799,000 due to an unfavorable variance in Manufacturing of \$626,000 and Distribution Services of \$166,000. Additionally, Professional Services was down \$77,000 from the prior year due to expired contracts that have not been replaced. These negative variances from the previous year were offset by a reduction of Corporate Overhead of \$182,000.

b. Revenue

- i. CNI's revenue totaled \$6.8 million in November 2011, which was \$1.3 million below budget. The variance is primarily due to decreased revenue of \$1.7 million in Distribution Services and in Manufacturing of \$540,000 due to decreased demand. These were partially offset by a favorable variance in Military Services of \$901,000.
- ii. November revenue declined \$1.4 million from the prior year. Professional Services experienced a decline of \$714,000 due to expired contracts that have not been replaced. The unfavorable variance in Distribution Services of \$1.6 million and Manufacturing of \$592,000 is due to lower than expected demand. The unfavorable variances were partially offset by a favorable variance in Military Services of \$1.5 million associated with a ramp up of activity.

c. Operating Expenses

- i. Total operating expense for November 2011 was \$7.5 million compared to a budget of \$8.0 million. The favorable variance is due to decreased expenses associated with lower revenues, higher direct labor expense as percent of revenue, and higher operating expense due to higher than expected benefit costs.
- ii. Operating expense compared to prior year was lower by \$592,000 due to similar reasons as noted above.

d. Employment

- i. 73.3% Cherokee citizen employment
- ii. 81.8% Native American employment

**I. Budget Highlights**

- a. November revenue of \$5.2 million was \$2.0 million above prior year revenue of \$3.3 million, but \$453,000 behind a budget of \$5.7 million.
  - i. Revenue was impacted unfavorably by a short billing month (20 day billing calendar), as well as, 2 holiday days (Thanksgiving and Veterans Day), as well as continued delay of Federal contract awards, as a result of ongoing budget delays and government spending reductions.
  - ii. Revenue was impacted favorably by a short term contract with the Southwestern Area Power Administration (SWAPA), as well as two new contracts National Oceanic and Atmospheric Administration (NOAA) and the National Institute of Health (NIH).
- b. November net income totaled \$39,000, compared to a budget of \$410,000. The variance to budget is attributable to lower than anticipated Federal awards among most business units.

**II. Operating Highlights**

- a. Current Month
  - i. CNT had a onetime contract for U.S. Department of Energy Southwestern Power Administration, which generated over \$150,000 in revenue.
  - ii. Federal awards continue to be delayed beyond targeted dates due to budget and funding issues. Contracts that are being awarded are increasingly competitive and price sensitive, which reduces anticipated revenue and profit compared to prior fiscal year 2012 forecasts.
  - iii. Employment - 626 total employees
- b. Future Plans/New Initiatives
  - i. Continue to strategically grow revenue by leveraging:
    - 1. Strengths of ETI and ITX.
    - 2. Advantages of the SBA 8(a) programs.
    - 3. Cherokee Nation's reputation, network/affiliates, financial strength and current IT infrastructure.
    - 4. New federal contracts.
    - 5. Strategic acquisition opportunities.



**I. Budget Highlights**

- a. CNSD net loss was \$30,000 in November 2011. This was \$44,000 below the budgeted net income of \$14,000.
- b. APSE net income was \$69,000 in November 2011. This is higher than prior year net loss of \$15,000 and is higher than the November 2011 budget of \$44,000. Parts sales were favorable when compared to prior months and year. Operating expenses remained lower than budget. EBITDA for November 2011 was \$141,000, which was higher than budget of \$105,000.
- c. CCRC experienced a profit of \$3,000 in November, 2011. This was 97.8% under a budget of \$121,000. Lower than expected revenue in all divisions contributed to net income being less than budget. In addition, slightly lower than budgeted employee costs and operating expenses contributed to the profit for the month.
- d. CNCS generated a net loss of \$42,000 in November 2011 as compared to a net loss of \$38,000 in October 2011. The reduced profit compared to months previous is a result of an increase in headcount in the new Mechanical division, as well as a temporary work stoppage on the largest task order due to customer related modifications which resulted in a contract change order for \$62,000. In November, the gross margin was 10.0% as compared to 7.3% in October.
- e. Mobility Plus generated net income of \$60,000 in November compared to budgeted income of \$59,000. Beginning with the new fiscal year, Mobility Plus is recording an allowance for bad debt. This month's allowance was \$90,000. As the year continues, this allowance will be reviewed for accuracy and future adjustments could be made.

**II. Operating Highlights**

- a. CNSD had previously entered into a service contract with Smith & Wesson Security Solutions that is now generating revenue and favorable feedback from CNSD work efforts has been received. CNSD has entered into two contracts recently that will show revenue in the coming months. The first is the installation of a High Security Video Conferencing center in Fort Sill in Lawton, OK. The second contract is a total Physical Security Upgrade for a Naval Air Station located in Puerto Rico.
- b. APSE November revenue was \$771,000; an increase as compared to prior month, but remains lower than October budget of \$810,000. APSE is continuing to work with Boeing on the details of the 345 Kitting Program. Currently Boeing expects to take delivery of its first 14 kits totaling \$6.0 million in July 2012. General sales revenues are expected to begin slight increases in coming months as the recently awarded M7 contract has become fully operational, supporting parts sales in 3 hangar locations in the San Antonio area.
- c. CCRC is experiencing some revenue shortfalls as compared to budget. It is anticipated that the revenue shortfall will be erased over the course of the year and that company will meet or exceed our revenue budget. In addition to the portfolio carrying a backlog of approximately \$9.0 million forward into fiscal 2012, CCRC was awarded a \$3.3 million job at Fort Dix, NJ in October. There has, as of yet, been no revenue recorded for this contract. As mentioned last month, the Ft. Dix contract was awarded under the existing contract with Picatinny Arsenal. There is another anticipated award of a \$10.9 million BIA contract for a large dormitory in Anadarko. This project has been delayed because the BIA wanted to look at moving the building location several hundred yards which required additional design work to be completed before the contract could be awarded.

- d. CNCS currently has 4 active task orders issued under the 2011 Dover AFB contract. CNCS was recently awarded a \$5.7 million delivery order contract this past November to design renovations to and repair Facility 722 at Dover Air Force Base (AFB), Delaware. CNCS will design and repair existing facility systems (HVAC, Electrical, Communications, etc.) affected by this renovation, a new fire suppression system and an integrated fire/mass notification system. We obtained a modification to the Tinker AFB contract in the month of November to include mold remediation.
- e. Mobility Plus had a positive month for November. In the short-term, results are expected to remain slightly behind budget, but as the year progresses, and continued refinement of processes are implanted, improvements should be seen in both revenue growth and cost containment.

Group: Career Services-  
Employment Month/Year of Report: December, 2011

Group Leader: 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**

Activity	November	YTD	Goal	% of Goal
GED Completions	27	66	250	26%
Training Completions	57	102	450	23%
Employment Completions	2	6	300	2%
Unsubsidized Placement	45	89	500	18%
Retention	27	53	200	27%
Job Readiness Training	28	49	500	10%
WorkKey Credentialing	47	94	500	19%
Job Bank	13	31	1,000	3%
Indian Owned Businesses	11	74	100	74%
Major Cherokee Employers	0	0	50	0%
Job Fairs	0	1	15	7%
Community Service	7	9	50	18%

Balanced Scorecard measures for the previous month will be available the 15<sup>th</sup> of each month.

**b. Accomplishments**

1. The TERO held Fire Dancer refresher training.
2. Nine Day Work Training participants entered employment, five with Cherokee Nation.

3. Three NAHASDA Day Work Training participants entered employment, all with Cherokee Nation.

**Initiatives**

1. Staff will begin planning for the Summer Youth Employment Program.

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

**Month/Year of Report: January 2011**

**Program Highlights**

a. Balanced Scorecard Measures

<b>Objective</b>	<b>Metric</b>	<b>2011 Goal</b>	<b>Year to Date Achievement Notes/Comments</b>
Effective Business Workshop Training	# Certified Indian-Owned Business Attendees and % indicating usefulness	500/100%	358/100%
Increase Certified Indian-Owned Business Procurement Awards	% Certified Indian-Owned Business Procurement Awards	75%	63.17% Business Entities eligible procurement \$'s awarded to Certified Indian Owned vendors <ul style="list-style-type: none"> <li>• CNE – 25.58%</li> <li>• CN Government - 77.18%</li> <li>• Health Entities – 95.62%</li> <li>• CNI – 143.14%</li> <li>• Waste Management - No Bids Out for FY 2012</li> </ul>
Increase Cherokee Citizens employed	% Cherokee Citizens (verified)	Entity CNE – CNB – CN – 82.9% Health – CNI – CRC – Aerospace –	Business Entities - 72.13% <ul style="list-style-type: none"> <li>• CNE (CNE, CHL, WRD, CNSS) 65.75%</li> <li>• CNB (CNB, CNT, CSG) 59.93%</li> <li>• CN Government 82.36% (does not include IPA/MOA)</li> <li>• Health Entities 51.52%</li> <li>• CNI 73.30% (does not include service contract employees)</li> <li>• CRC 18.92% (not wholly owned by CN)</li> <li>• Aerospace 0% (not wholly owned by CN)</li> <li>• Waste Management 100%</li> </ul>
Increase Indian-Owned Business Certifications	# Newly Certified Indian-Owned Businesses	80	27
Effective One on One Training for Certified Indian Owned-Businesses	# of businesses receiving assistance/% finding useful	300/95%	18/100%
Certified Indian-Owned Business Receiving Financial Assistance	% Certified Indian-Owned Business Loans in Portfolio	85%	89.00% - Dollar Amount Loaned out 50.00% - Number of Loans
Effective Usage of Fees Collected	# Trained	100	0
Effective Monitor of Work Sites – Construction and Housing	# Monitoring Visits	90%	100% - 254 sites monitored
Effective Monitor of Bid Openings	# and % Bid Openings Attended	100%	100% - 15
Effective Resolution of Complaints – TERO and EEOC	% Complaints Resolved	100%	TERO: 3 complaints filed; 0 resolved, 3 pending EEOC: 0 complaint filed; 0 resolved, 0 pending

b. Notable accomplishments:

1. **Certified Indian-owned Business Vendor Fair held October 20, 2011 at Hard Rock Casino.**

271 vendors and 503 participants attended the Vendor Fair.

- **10 large external vendors attended to explore the possibility of extending work to TERO certified businesses** – Boeing; Conoco-Phillips; State Farm; OK Dept of Transportation; Tulsa Housing Authority; Tulsa Bridge Program; OSU; Tulsa Transit; Army Corp of Engineers; and San Francisco Northern Rail.

- **Workshops held at Vendor Fair include** – Global Marketing; Government Contracting; Minority Certification 8(a), Woman owned, HUBZone, and Minority Supplier Development Council; Social Media, Writing a Capability Statement, and a Small Business Resource Panel.

2. **Youth Entrepreneur Day and Business Plan Competition November 9 at SHS.** Commerce staff worked with 12 rural schools providing business plan training for the competition; 188 students participated in the event.

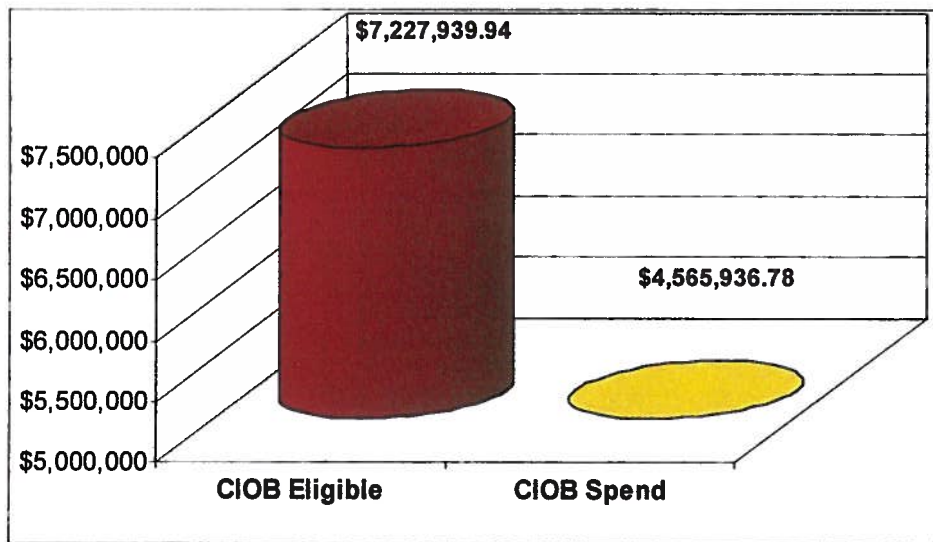
d. Future plans/new initiatives:

1. Cherokee **citizen employment goals** set by business entities.
2. **TERO certified CIOB Marketing Plan** to engage other state and tribal entities in accepting CN certification as a minority certification, thereby adding more value to CN certification.
3. **Electronic notification to TERO certified Indian-owned businesses** when a procurement opportunity they qualify for posts on [www.cherokeebids.org](http://www.cherokeebids.org). Notification will be through email and text messaging. The first step in coding vendors has been complete and Information Systems is working on the notification. Training for departments and testing should be completed this summer with full implementation before the end of the fiscal year.
4. **CIOB Teaming Program** to increase competitiveness of CIOB on larger contracting opportunities. This program will aid smaller CIOB to find potential teaming partners and work together to jointly bid on projects or subcontract for each other.
5. Entrepreneurial Development **workshops to be stored online for easy access** by businesses that cannot attend the live workshop.

<b>Business/Entrepreneur Workshops</b>			
<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Workshop</b>
January 10	Victory Cherokee	6:30 pm to 7:30 pm	Money Management
January 11	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – Search Engine Optimization
January 12	West Siloam Casino	All Day	Understanding Banking Presentation
January 23	Adair County CDC	5:30 pm to 6:30 pm	Coupon Workshop
January 12	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
January 17	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
January 24	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
January 31	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
February 2	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship
February 8	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – Topic to be Determined
February 9	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship
February 16	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship
February 23	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship
March 6	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – Oklahoma Bid Assistance Network
March 6	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship
March 13	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship

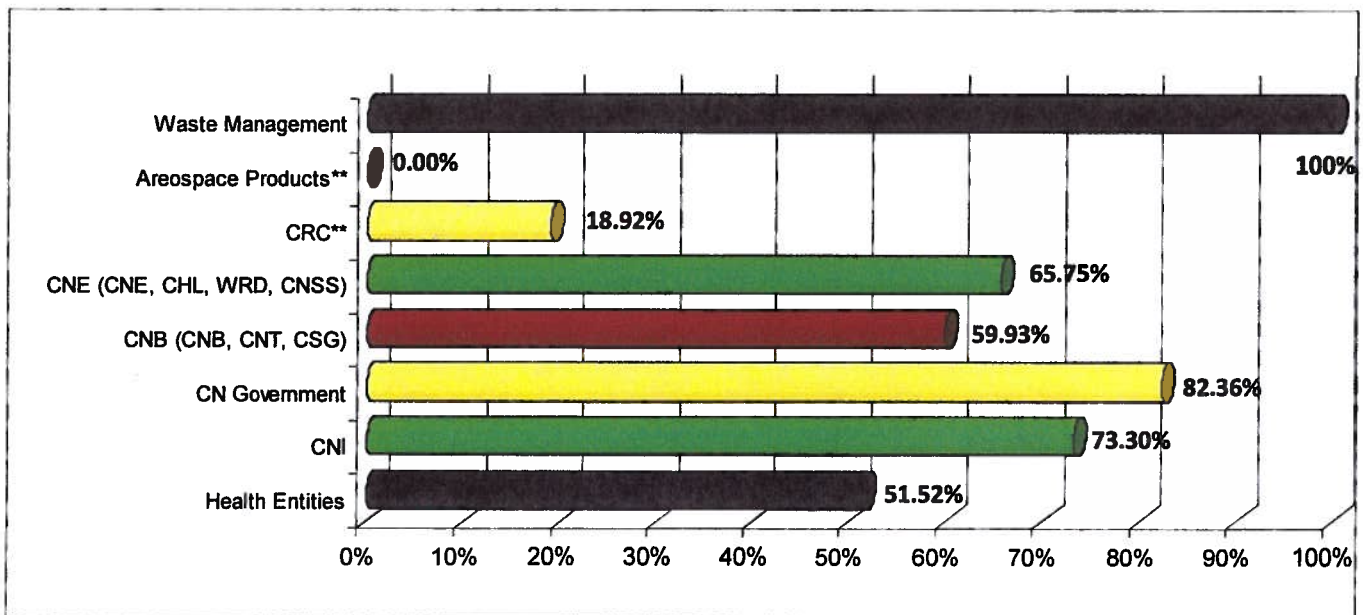
March 14	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – topic TBD
March 20	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship
March 27	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship
March 28	Tahlequah	6:00 pm	SBA – How they can help (tentative)

**63.17% of CIOB Eligible Procurement Opportunities were awarded to CIOBs**



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

**72.13% of Employees are registered Cherokee Nation Citizens**



\*\*Companies majority, not wholly, owned



Group: Commerce

Month/Year of Report: December 2011

Director: Anna Knight

Phone: 453-5532 Email: aknight@cherokee.org

**Budget Highlights** None

**Program Highlights**

a. Balanced Scorecard Measures

Objective	Metric	2011 Goal	Year to Date Achievement Notes/Comments
Investment in Economy	Loan Dollars	\$1,000,000	<b>Commercial: \$85,912.62</b> <i>Approved Loans Pending Closing</i> <ul style="list-style-type: none"> <li>• Convenience Store \$103,500</li> <li>• Ag Loan \$25,000</li> <li>• Construction \$75,890</li> </ul> <i>Pending approval</i> <ul style="list-style-type: none"> <li>• None Pending</li> </ul> <b>Consumer: \$262,201.00</b>
Investment in Economy	Tourism Dollars		
	a) Community Tourism	a) \$50,000	a) \$5,600.00 (income to artists/communities through tourism activities)
	b) Tourism Business Development	b) \$100,000	b) \$0.00(financing tourism related businesses)
	c) Art Center		c) \$8,053 (income to artists through art incubator gallery sales and workshop fees)
Job Creation	# Small Business Jobs Created/Maintained	100	22
	Percentage Cherokee (or Cherokee Family) Employed	100%	63%
Effective Business Training	# Attendees and % Indicating usefulness	500/95%	348 / 100%
CN Holiday	1. % Increase Sponsorships		a) 23% increase over 2010
	2. % Increase in Community Games Participation/Holiday Cultural Events	a) 5% b) 5%	b) Community Games - Adult participation down by 10% and child participation up 15%; Holiday Cultural Events – Adult and child participation up 10%

b. Notable accomplishments

- Commercial Loans Closed –YTD – Bunch-Service (2 jobs); Muskogee-plumbing (2 jobs); Hulbert-Ag loan (2 jobs); Briggs- salvage (16 jobs).**
- Collateral for Commercial Loans Closed –**

Community	Loan Purpose	Project Costs	Loan Amount	Collateral Discounted Value	Owners Equity	Jobs
Bunch	Upgrade of Equipment	\$3,000	\$2,320.41	Log Splitter & Chainsaw=\$2,306.20	23%	2
Muskogee	Bonding/Insurance	\$2,250	\$1,145	Vehicle/Equipment=\$2,300	50%	2
Hulbert	Increase Herd / Improve Infrastructure	\$8,000	\$6,813	Livestock Trailer/ATV=\$9,826	15%	2
Briggs	Upgrade/Purchase New Equipment	\$92,000	\$75,634.21	First Mortgage=\$210,000	18%	8

- Charged Off Loans – Commercial: Monthly/YTD Total – 0, Consumer: Monthly/YTD Total – 0**
- TERO Vendor Fair October 20** at Hard Rock resulted in 538 individuals attending the event. 120 vendor booths created a very full and informative vendor fair. Maryetta school children that attended the 2001 summer entrepreneurship camp sold their business products at the Vendor Fair. Each group of

children sold enough products to repair their small start up loans and make \$50 to \$60. Engagement in this event also connected the children with successful business owners.

5. **Submitting CDFI grant application for \$725,000 in lending funds to create a small automobile loan program** targeting CN employees currently accessing predatory auto lenders (\$250,000) and adding \$500,000 in lending capacity to the small business lending program.
6. **Finalizing business/operational plans for art retail space** in the old Cort Mall in downtown Tahlequah. This space would provide affordable retail space with shared sales area/staff and shared marketing. It is anticipated artists graduating from the incubator program (receiving entrepreneurial assistance) will transition to this space.
7. **Cherokee Art Center is open!** Although the grand opening will be held this Spring, we have two artists signed as tenants, have held monthly recurring community silversmith classes, weaving classes, and pottery classes (we help artists market but they receive the class fees as an alternative income stream). The Art Center also hosted a reception for US SBA Deputy Administrator Marie Johns and hosted an art show featuring work from silversmith and pottery students. Additionally, approximately 3 to 5 visitors stop by to tour the Center or purchase from the Gallery daily.

c. Future plans/new initiatives

1. **E-Commerce website for Art Center Gallery** to increase market opportunities for Cherokee artists.
2. **Kitchen Incubator** for Cherokee farmers and food producers to earn supplemental income by preparing/packaging local foods for sale. **Creation of Food Sector entrepreneurial development and loan programs.**
3. **Subcontractor workshop series** to build capacity and bidding expertise of TERO vendors.

**Lending \$'s Available** (pending and approved/pending applications not considered)\*

▪ IRP:	\$285,195.48	▪ ICDBG Adult:	\$116,166.94
▪ Commercial:	\$401,939.13	▪ ICDBG Youth:	\$56,527.91
▪ CDFI:	\$875,605.64	▪ Consumer Lending:	\$234,449.33

\* Bank statements for December are not yet available.

\*ICDBG Adult bank account balance will shift to Commercial account once all grant closing procedures are completed.

<b>Business/Entrepreneur Workshops</b>			
Date	Location	Time	Workshop
January 10	Victory Cherokee	6:30 pm to 7:30 pm	Money Management
January 11	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – Search Engine Optimization
January 12	West Siloam Casino	All Day	Understanding Banking Presentation
January 23	Adair County CDC	5:30 pm to 6:30 pm	Coupon Workshop
January 12	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
January 17	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
January 24	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
January 31	Tahlequah O SI YO Training	6:00 pm to 8:00 pm	Indianpreneurship
February 2	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship

February 8	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – Topic to be Determined
February 9	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship
February 16	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship
February 23	Claremore RSU Innovation Ctr	6:00 pm to 8:00 pm	Indianpreneurship
March 6	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – Oklahoma Bid Assistance Network
March 6	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship
March 13	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship
March 14	Claremore RSU Innovation Ctr	Noon	Lunch and Learn – topic TBD
March 20	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship
March 27	Tahlequah	6:00 pm to 8:00 pm	Indianpreneurship
March 28	Tahlequah	6:00 pm	SBA – How they can help (tentative)

**COUNCIL OF THE CHEROKEE NATION  
EXECUTIVE & FINANCE COMMITTEE REPORT**

**Group:** Cherokee National  
Historical Society

**Month/Year of Report:** Oct.-Dec. / 2011

**Executive  
Director:**

Carey Tilley

**Phone:**

918-456-  
6007 ext.  
6151

**E-mail:**

Carey-tilley@cherokee.org

**Cherokee National Historical Society  
Written Report to the Executive Finance Committee of the CN Council  
Thru December 31<sup>st</sup>, 2011**

***Mission: To preserve, promote, and teach Cherokee History and Culture.***

Dear Cherokee Nation Tribal Council,

December 31<sup>st</sup> marks the close of both our fiscal and calendar year at the Heritage Center. As scheduled, we are closed to the public during the month of January while we focus on staff training along with maintenance and improvement projects. The winter months represent our slowest visitation time of the year; however, work behind the scenes continues.

At the year's end, the Cherokee Heritage Center had directly served 45,945 people through our on-site and off-site programming. This total is down 7% from the total people served in 2010 but continues to be up 8% from the average of the previous five years and 64% from where we were in 2006. Record heat in our busiest months of July and August slowed the steady growth of the past few years slightly. Still, the on-site service total of 36,624 is second only to the high set last year. The absence of a single project at Southern Illinois University which served over 1,200 people in 2010 accounts for most of a 15% decline in offsite services. With over 8,000 people served thru Cultural Outreach in 2011, the program continues to be extremely effective and popular. Although not counted in the totals above, Genealogy remains strong surpassing last years high with 24,828 contacts. We have also recently launched a revamped more user-friendly website - [www.cherokeeheritage.org](http://www.cherokeeheritage.org). Along with forays into social media we are starting to generate significant interest through technology.

I am very happy to formally announce that construction on the New Ancient Village site began on December 12<sup>th</sup>. This work began just days after Chief Baker's signing of a User Agreement which guarantees the Historical Society use of adjacent CN land chosen for the site for at least fifty years or until *both* parties agree to terminate the agreement. Preparatory work had already begun in early November with gathering of natural materials to be used in the project. The Cherokee Nation offered trees that met our specifications from one of their large pine plantations which needed thinning. This was a great symbiotic opportunity and this donation from the Nation saved us a significant amount of money. We hired a team of trained sawyers that worked under the guidance of David Comingdeer of CN Natural Resources to fell the trees while our maintenance staff gathered the trees and brought them back here. Currently, we have enough trees for the visible portions of all fourteen of the remaining summer and winter houses on site. Now that the project is underway, work is progressing faster than expected. During the first month of the project we have already framed three new summer and winter house pairs (six structures) as well as accomplished significant site preparation needs. Maintenance Supervisor Orville Neugin is taking the lead on the project with critical assistance from Mr. Comingdeer and our own National Treasure, Noel Grayson. We have hired three members of Mr. Comingdeer's elite CN Fire Rangers to work with our maintenance staff to complete the crew. They are unemployed between fires and we are honored to have their services for this project. This Cherokee team that we have assembled all helped to build the pilot house pair completed last year that serves as a model for the

## COUNCIL OF THE CHEROKEE NATION EXECUTIVE & FINANCE COMMITTEE REPORT

new structures. These individuals are uniquely qualified to replicate a house style that after some alterations disappeared completely over 200 years ago. The assistance from the Cherokee Nation combined with the fact that we are supplying much of the labor has reduced construction costs by approximately \$200,000 from our original estimate without compromising quality or the authentic appearance. We still need an estimated \$100,000 to make sure the landscaping is properly completed; however, funding is either in our account or pledged for eighty-five to ninety percent of the construction costs and we anticipate significant progress between now and the start of the peak season in May. Major funders for this project include the Tom J. and Edna M. Carson Foundation (\$250,000), Cherokee Nation Entertainment (\$250,000), and The Mary K. Chapman Foundation (\$100,000) with significant in-kind services and resources from the Cherokee Nation and The Boyd Group.

One of the biggest stories in 2011 has been the continued cooperation with Cherokee Nation Career Services in providing employment and training opportunities for out-of-work Cherokee Citizens through the Day Training Program. Through the end of December, the Heritage Center had utilized 218 people for a total of 19,236 hours on various projects throughout the year. Funding for this program is provided through the Cherokee Nation while we provide supervision, orientation, training, and work opportunities. Each worker is paid \$50 per day for their time. While the program has created a few challenges, overall it has been a tremendously positive experience for us as well as the workers. Through them we have had important assistance in many areas including populating the village, maintaining the building and grounds, clearing brush for the new village, stripping poles for the village houses, gathering materials, office organization, and genealogical support. Each worker is given an orientation about the CHC and Cherokee history and culture. They carry a positive message about us and what they have learned here back to their families and communities. Village Supervisor, Tommy Wildcat, and Administrative Officer, Barbara Girty, deserve special appreciation for going above and beyond to make this program a success at the Heritage Center.

Although we are still finalizing the 2011 year-end financial statements, it is already clear that our total net income was positive for the sixth year in a row and is ahead of both the budgeted and previous year's totals. Much of our income, however, is restricted to capital projects and is unavailable to meet operational expenses. In the wake of two years of significant budget cuts we continue to work to maintain a positive operational cash flow without compromising the quality of our programming.

During the past quarter, we saw excellent turnouts for both Ancient Cherokee Days (1,804) and the New Moon Festival (1,200). Both programs feature hands-on activities for school groups. Ancient Cherokee Days features activity stations for students to visit at their own pace while the New Moon Festival offered through the Cherokee Nation co-partner program provides an opportunity for students to move in groups at specific intervals. Combined with Indian Territory Days from the spring, these unique educational experiences for students brought over 3,600 students, teachers, and chaperones to the Heritage Center over seven dates in 2011. This number represents an increase of over 50% from already positive numbers in 2010 and is indicative of a strong and growing relationship with area schools and home school groups.

*Brother vs Brother: the Sesquicentennial of the Civil War* continues as our featured exhibition in our front gallery and has been well-received by our guests. Once again, we are grateful to the Ad Astra Foundation for their sponsorship. We are also nearing completion of an audio tour of the Trail of Tears Exhibition. This project, funded through the National Park Service, was initiated some time ago but was delayed by the serious illness of a key member of our consulting team. We expect to begin offering this new experience when we reopen in February. Although the audio tour is primarily designed to aid the visually impaired, we anticipate it being of significant interest to other visitors as well.

## COUNCIL OF THE CHEROKEE NATION EXECUTIVE & FINANCE COMMITTEE REPORT

The Fall Semester of the Cherokee Humanities Course concluded on December 12<sup>th</sup> with an average attendance of 18 students. Funding this year was provided through the Inasmuch Foundation, the Oklahoma Humanities Council, and Mary Ellen Meredith. I am happy to announce that Inasmuch has already made a commitment to continue funding of \$20,000 per year through 2013.

Volume III of *The Records of the Moravian Missionaries among the Cherokees* has been released and we expect strong sales following the pattern of the previous publications. We also released a children's coloring book in December featuring Cherokee words and Jisdu the rabbit in various scenes from Adams Corner. The original art for the book was created by Cherokee Storyteller Robert Lewis. The coloring book provides an excellent opportunity to teach children about Cherokee language as well as life from the 1890's.

Finally, we are happy to welcome two new additions to our staff at the Cherokee Heritage Center. Penny Moore joined us on October 31<sup>st</sup> as our new Development Director and Cheryl Parrish joined us as Finance Supervisor on November 28<sup>th</sup>. Both are strong additions to our team and I hope that you will make them feel welcomed.

Once again I would like to express my appreciation to you all for your continued support of the Heritage Center. Please feel free to contact me if you have any questions or comments.

Sincerely,

*(submitted electronically)*

Carey L. Tilley  
Executive Director  
918-456-6007 ext. 6151  
918-457-0066 (cell)  
[Carey-tilley@cherokee.org](mailto:Carey-tilley@cherokee.org)

# COUNCIL OF THE CHEROKEE NATION

## BOARD REPORT

**Group:** Cherokee Nation Foundation      **Month/Year of Report:** January , 2012

**Executive Director/Group Leader:** Kimberlie A. Gilliland    **Phone:** 207 0950    **Email:**  
[ka.gilliland@cherokeemnationfoundation.org](mailto:ka.gilliland@cherokeemnationfoundation.org)

### **I Budget Highlights**

1. Annual Campaign
2. Awarded Cherokee Scholars ( \$112,000.00)
3. Opened scholarship application September 1<sup>st</sup>- Completely online application via Academic works.
4. Funded new mobile lab.
5. Filed 990 and started 2011 external audit

### **II. Program Highlights**

#### **Balanced Scorecard Measures**

1. Developed 5 year plan to place Junior Achievement programming throughout the 14 counties (34 schools in 2011-2012 school year)
2. Counselor Enrichment- November 3<sup>rd</sup> Over 90 Indian Education Coordinators and Middle/High School Counselors attended. Workshops were hosted by Dartmouth, MIT, OSU, OU, University of Tulsa, University of Kansas, Yale, American Indian Graduate Institute and the Princeton Review Foundation.
3. Launched ACT preparatory programming with Princeton Review Foundation. Will have three pilot schools March of 2012.
4. Donated Cherokee language books to the Cherokee Immersion school
5. Donated microscopes to the Cherokee Immersion school

#### **Accomplishments**

1. Open and closed first round of Cherokee Scholars in the new online scholarship management system
2. Started outreach program to help parents with FAFSA and scholarship applications

#### **Plans/New Initiatives**

1. Cherokee College Institute- CCPI will be held at SHS this summer from June 17<sup>th</sup> to June 22<sup>nd</sup>. Camp is open to 90 Cherokee nation Citizens. We will host weekend seminars in conjunction with CN Leadership program. Weekend seminar locations. (Ft Gibson, Salisaw, Ketchum & Catoosa