

FINANCIAL REPORT

The tribal government caption includes the tribe's general fund and the tribe's BIA trust funds. The Chickasaw Businesses include all of the businesses and operations of the Chickasaw Enterprises. Not included in the financial statements are federally or state funded programs and/or grants and the financial statements of Bank 2 and Chickasaw Industries, Inc.

The growing needs of the businesses are taken into account when determining the transfers from the businesses to the general fund. It is vital to the long range mission of the Chickasaw Nation that the businesses continue to grow and diversify.

Revenues of the tribal operation, other than the transfer from businesses, include sales taxes from the businesses, motor fuel settlement funds and investment income. Chickasaw Businesses revenues include gaming revenues net of prizes, sales revenue at convenience, travel plazas and tobacco stores, rent and investment income.

Tribal expenditures are classified by function. General government includes the election commission, maintenance and operations of tribal property, Chickasaw Times and governor's and Lt. governor's offices. Expenditure for education includes education scholarship as well as the tribe's division of education. Health expenditures include senior citizens sites, eye glasses, hearing aids, prescription drugs, wellness center, community health clinics, catastrophic medical assistance and other similar programs not covered by federal programs or grants.

The businesses' expenditures are classified as to expenses associated with gaming operation of the tribe and the other businesses of the tribe.

September 30 is the fiscal year end for the general government and Chickasaw Businesses. Year end closing of programs and businesses require adjustments and accruals for the final preparation of consolidated financial statements for the annual audit. Depreciation has not been computed on the Fixed Assets of the governmental funds for the current year. The adjustments and depreciation will be computed after year end in connection with the audit.

Executive Summary of the Financial Statements of the period ending September 30, 2005

Tribal Government

Revenues and transfers from the businesses for operations totaled \$8.5 million for the month and \$93.5 million year-to-date. Expenditures for the month were \$3.7 million and \$28.8 million year-to-date. Year-to-date, a total of \$60.2 million of the transfer from businesses has been for fixed assets.

Chickasaw Businesses

Revenue net of gaming prizes total \$466 million. Net income before the transfers to the Tribal Government was \$155.3 million for the year-to-date.

Statement of Net Assets

At September 30, 2005, the tribal government funds had \$44 million in cash and investments. Of this amount, \$8.2 million is in the BIA Trust funds.

The businesses had \$84.2 million in cash and investments of which \$20.5 million is reserved for accounts payable and \$32 million is reserved for reinvestment in present and new businesses.

As of September 30, 2005, tribe operations had assets totaling \$441.4 million with \$52.8 million in payables resulting in net assets of \$388.6 million compared to \$253.6 million at the beginning of the year or an increase of \$135 million for the period then ended.