

Oneida Nation of the Thames
Consolidated Financial Statements
March 31, 2022

Oneida Nation of the Thames

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For the year ended March 31, 2022

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consolidated financial statements:

Since:

terminated.

To the Chief and Council and Members of Oneida Nation of the Thames:

Opinion

We have audited the consolidated financial statements of Oneida Nation of the Thames (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2022, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cambridge, Ontario

July 26, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP

Oneida Nation of the Thames

Consolidated Statement of Financial Position

As at March 31, 2022

	2022	2021
Financial assets		
Cash (Note 3)	44,449,348	32,156,803
Accounts receivable (Note 4)	5,492,686	4,760,673
Portfolio investments (Note 5)	2,651,914	2,570,604
Due from First Nation members (Note 6)	3,026,024	2,887,006
Government business enterprise (Note 7)	277,077	202,839
Ottawa trust fund (Note 8)	99,276	97,425
Lucille bone trust fund (Note 9)	8,821	10,619
Total of financial assets	56,005,146	42,685,969
Financial Liabilities		
Accounts payable and accrued liabilities (Note 10)	5,695,498	5,517,774
Deferred revenue (Note 11)	26,906,006	21,211,871
Deposits (Note 12)	110,636	23,990
Long-term debt (Note 13)	2,497,851	1,860,291
Total of financial liabilities	35,209,991	28,613,926
Net financial assets	20,795,155	14,072,043
Contingencies and guarantees (Note 14)		
Subsequent event (Note 26)		
Non-financial assets		
Tangible capital assets (Note 15) (Schedule 1)	34,397,372	34,298,146
Prepaid expenditures	213,626	34,413
Total non-financial assets	34,610,998	34,332,559
Accumulated surplus (Note 16)	55,406,153	48,404,602
Approved on behalf of the First Nation		

J. Todd Cornelius

Chief

Charity Doxtator

Councillor

Oneida Nation of the Thames

Consolidated Statement of Operations

For the year ended March 31, 2022

	<i>Schedules</i>	<i>2022 Budget (Note 23)</i>	<i>2022</i>	<i>2021</i>
Revenue				
Indigenous Services Canada		15,814,571	17,713,230	20,633,878
Health Canada		9,064,654	7,152,655	3,639,839
Province of Ontario		6,994,664	17,732,474	16,993,839
Ontario First Nation Limited Partnership		1,552,635	1,552,635	2,574,677
Income (loss) from government business enterprise		-	74,238	(38,998)
Council operations		2,553,656	2,957,588	2,708,242
Other funding		8,108,719	5,977,151	4,191,189
Repayment of funding		-	(703,134)	(682,749)
Deferred revenue - prior year (Note 11)		17,447,071	21,211,871	14,216,460
Deferred revenue - current year (Note 11)		(29,995,849)	(26,906,006)	(21,211,871)
		31,540,121	46,762,702	43,024,506
Program expenditures (Schedule 2)				
Administration	4	5,405,405	5,168,692	6,808,986
Public works	5	1,541,561	2,326,250	1,257,295
Health and human services	6	3,299,445	4,573,299	5,185,426
Emergency services	7	1,836,647	2,205,959	4,410,525
Life long learning	8	8,198,160	9,208,800	8,100,771
Community development	9	1,769,956	2,819,952	8,295,078
Lands, estates and housing	10	342,168	909,636	1,024,518
Long term care facility	11	4,912,690	5,006,475	5,435,398
Social services	12	8,593,661	7,682,957	-
		35,899,693	39,902,020	40,517,997
Surplus before other items		(4,359,572)	6,860,682	2,506,509
Other items				
Change in member loans		-	139,018	(24,701)
Change in trust funds		-	1,851	1,851
		-	140,869	(22,850)
Surplus		(4,359,572)	7,001,551	2,483,659

The accompanying notes are an integral part of these financial statements

Oneida Nation of the Thames
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2022

	2022	2021
Accumulated surplus, beginning of year	48,404,602	45,920,943
Surplus	7,001,551	2,483,659
Accumulated surplus, end of year	55,406,153	48,404,602

Oneida Nation of the Thames
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2022

	2022 Budget (Note 23)	2022	2021
Annual surplus	(4,359,572)	7,001,551	2,483,659
Purchases of tangible capital assets	-	(2,253,379)	(4,727,283)
Amortization of tangible capital assets	-	2,154,153	2,086,477
Change in prepaid expenditures	-	(179,213)	32,170
Increase (decrease) in net financial assets	(4,359,572)	6,723,112	(124,977)
Net financial assets, beginning of year	14,072,043	14,072,043	14,197,020
Net financial assets, end of year	9,712,471	20,795,155	14,072,043

The accompanying notes are an integral part of these financial statements

Oneida Nation of the Thames
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Surplus	7,001,551	2,483,659
Non-cash items		
Amortization	2,154,153	2,086,477
Loss (income) from government business enterprise (Note 7)	(74,238)	38,998
	9,081,466	4,609,134
Changes in working capital accounts		
Accounts receivable	(732,013)	(1,184,450)
Prepaid expenditures	(179,213)	32,170
Accounts payable and accrued liabilities	177,724	475,864
Deposits	86,646	(20,757)
Deferred revenue	5,694,135	6,995,411
	14,128,745	10,907,372
Financing activities		
Advances of long-term debt	838,000	-
Repayment of long-term debt	(200,440)	(171,115)
Decrease (increase) in funded reserves	(53)	918
	637,507	(170,197)
Capital activities		
Purchases of tangible capital assets	(2,253,379)	(4,727,283)
Investing activities		
Member loans	(139,018)	24,701
Portfolio investments	(81,310)	(34,189)
Advances to government business enterprise (Note 7)	-	(8,857)
	(220,328)	(18,345)
Increase in cash	12,292,545	5,991,547
Cash, beginning of year	32,156,803	26,165,256
Cash, end of year	44,449,348	32,156,803

The accompanying notes are an integral part of these financial statements

Oneida Nation of the Thames

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

1. Operations

The Oneida Nation of the Thames (the "First Nation") is located in the province of Ontario, and provides various services to its members. Oneida Nation of the Thames includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Oneida Nation of the Thames are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenditures of TSI'Nu:Yoyantle'Na'Tuhuwatisni, Oneida Long Term Care Home which is controlled by the First Nation.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Oneida Nation of the Thames business entities, owned or controlled by the First Nation's Chief and Council but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Twataty'a Takenhas Inc. is accounted for using the modified equity method.

Basis of presentation

Sources of revenue and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Portfolio investments

Portfolio investments in entities that are not controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Investment in government business enterprise

The First Nation has an investment in a government business enterprise that is 100% owned. This government business enterprise is accounted for using the modified equity method for investments in government business enterprises, and as such the original investment is adjusted by any income or loss of the government business enterprise, impairments or purchase price discrepancies, dividends, or any other necessary adjustments.

Member loans

Expenditures for house construction, renovations and sanitation facilities, within limits approved by Chief and Council are funded by accountable contributions from Indigenous Services Canada. Agreements between Chief and Council and First Nation members specify the percentage of these expenditures to be repaid by the member. Payments on account are recorded as revenue from Chief and Council operations as received. An allowance has been provided for estimated doubtful amounts.

Water charges and water line installation

Payments on account for water line installations and usage are recorded as revenue from Council Operations as received.

Oneida Nation of the Thames

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies *(continued from previous page)*

Net financial assets

The First Nation's consolidated financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Non-Financial Assets

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the financial liabilities of the First Nation unless they are sold.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Assets under construction are not amortized until the asset is available to be put into service.

Amortization

Social housing assets acquired under Canada Mortgage and Housing Corporation ("CMHC") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long-term debt. Amortization for other tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Buildings	straight-line	40 years
Vehicles	straight-line	7 years
Unlicensed equipment	straight-line	10 years
Recreation equipment	straight-line	15 years
Machinery and tools	straight-line	7 years
Office furnishings and equipment	straight-line	7 years
Information technology hardware	straight-line	3 years
Information technology software	straight-line	3 years
Water and wastewater systems	straight-line	25 years
Roadways - surfaced/major gravel	straight-line	10 years
Road construction	straight-line	40 years
Community development	straight-line	10 - 40 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

2. Significant accounting policies *(continued from previous page)*

Funds held in Ottawa Trust Fund

Funds held in the Ottawa Trust Fund on behalf of the First Nation members by the Government of Canada are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus.

Trust monies consist of:

- Capital trust monies derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

The First Nation recognizes revenue for amounts transferred from the capital and revenue fund at the time funds are withdrawn from the accounts held in Ottawa.

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-amortized assets are recognized in revenue when received or receivable.

Other revenue

Other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Retirement benefits

The First Nation has a defined contribution pension plan covering substantially all full-time employees. There are no prior service costs. Plan members are required to contribute 5% of their salary. The First Nation matches the amounts contributed by members which are directed to the member's contribution account. Pension costs are charged to operations as contributions are due.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of financial assets and financial liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable, loans receivable and amounts due from First Nation members are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Accrued liabilities are based on the expectation of amounts payable for goods and services for which invoices were not received prior to year end. Repayment of funding is estimated based on calculated surpluses.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in surplus in the years in which they become known.

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

2. Significant accounting policies *(continued from previous page)*

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year. Fair value is determined by reference to recent arm's length transactions.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses. There has not been a reversal of such remeasurement during the year and thus no separate statement is disclosed.

Segments

The First Nation conducts its business through nine reportable segments: administration, public works, health and human services, emergency services, life long learning, community development, lands, estates and housing, long term care facility and social services. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder. Internal program contributions related to administration and rent are recorded at the exchange amount.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements.

3. Cash

	2022	2021
General account	22,479,271	12,424,638
Savings account	5,743,617	5,726,488
Casino rama account	5,306,164	5,022,298
Ontario Works	92,760	181,084
Community benefit agreement	8,138,041	7,423,102
US bank account	7,431	2,337
Long term care facility operations ("LTCFO")	1,116,112	613,112
Employment and training account	1,561,127	763,744
Canada Mortgage Housing Corporation ("CMHC") - replacement reserve	4,825	-
	44,449,348	32,156,803

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

4. Accounts receivable

	2022	2021
Government of Canada		
Health Canada	257,054	181,186
Indigenous Services Canada	3,578,797	2,248,774
Other receiver general	260,352	222,567
	4,096,203	2,652,527
Province of Ontario		
Independent Electricity System Operators	171,333	-
Ministry of Agriculture	-	775,291
Ministry of Children, Community and Social Services	84,649	673
Ministry of Community Safety and Correctional Services	6,548	6,536
Ministry of Long Term Care	8,013	148,851
Ministry of Health	80,884	207,695
Ministry of Indigenous Affairs	29,750	8,500
Ministry of Training	8,300	-
Ministry of Transportation	79,350	96,282
	468,827	1,243,828
Other		
Association of Iroquois and Allied Indians	22,430	22,430
Heritage Canada	68,173	-
Canada Mortgage and Housing Corporation	22,100	-
Band members	7,645	19,122
City of Toronto	47,353	47,353
First Nation Confederacy of Cultural Education Centres	25,400	33,059
Other	172,107	180,006
Southern First Nations Secretariat	550	450
Walpole Island First Nation	561,898	561,898
	927,656	864,318
	5,492,686	4,760,673

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

5. Portfolio investments

	2022	2021
Investments, at cost	2,651,914	2,570,604
Investments, at fair market value	2,863,729	2,778,207

The fair value of investments was determined by reference to published price quotations in an active market. Income from investments has been included in chief and council operations in the consolidated statement of operations.

6. Due from First Nation members

			2022	2021
	<i>Principal</i>	<i>Allowance</i>		
Housing	5,330,751	2,328,324	3,002,426	2,863,389
Water	421,561	412,182	9,379	8,016
Sanitation	33,931	19,712	14,219	15,601
			3,026,024	2,887,006

7. Government business enterprise

The First Nation owns 100% of Twataty'a Takenhas Inc. ("TTI") which is established for the purpose of investing in and/or operating various on-reserve and off-reserve business ventures. TTI wholly owns Onyota'a:Ka Kahsatst'a:Ka Ltd. ("OK Ltd.") which is established for the purpose of operating a community solar microgrid. OK Ltd. operations have been consolidated with TTI.

Summary financial information for the investment accounted for using the modified equity method, for the year ended March 31, 2022 is as follows:

	<i>Investment, beginning of year</i>	<i>Loans / advances</i>	<i>Share of income</i>	2022 Total investment
Wholly-owned business:				
Twataty'a Takenhas Inc.	202,839	-	74,238	277,077
	<i>Investment, beginning of year</i>	<i>Loans / advances</i>	<i>Share of loss</i>	2021 Total investment
Wholly-owned business:				
Twataty'a Takenhas Inc.	232,980	8,857	(38,998)	202,839

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

7. Government business enterprise *(Continued from previous page)*

	<i>TTI (Consolidated) As at March 31, 2022</i>	<i>TTI (Consolidated) As at March 31, 2021</i>
Assets		
Cash	168,954	155,841
Accounts receivable	20,326	2,000
Investments	1,000	1,042
Equipment	88,597	41,834
Intangible asset	3,660	5,124
Total assets	282,537	205,841
Liabilities		
Accounts payable and accrued liabilities	5,503	3,002
Total liabilities	5,503	3,002
Net assets excluding accumulated other comprehensive income	277,034	202,839
Total revenue	140,011	-
Total expenditures	65,773	38,998
Other comprehensive income (loss)	74,238	(38,998)

TTI holds an investment of 500 common shares in MySmartSimulations, Inc. (the "Company") which represents a 9.1% ownership interest. The Company has had losses for consecutive years and maintains an increasing accumulated deficit.

8. Ottawa trust fund

Revenues and capital funds held in trust by the Government of Canada which is the responsibility of the elected Chief and Council are recorded on the consolidated statement of financial position. The balance at year end is comprised of:

	2022	2021
Capital Trust		
Balance	7,522	7,522
Revenue Trust		
Balance, beginning of year	89,903	88,052
Interest	1,851	1,851
Balance, end of year	91,754	89,903
	99,276	97,425

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

9. Lucille bone trust fund

This fund is designated for the purpose of recognizing and awarding accomplishments of the First Nation native students at the secondary and post secondary level.

Interest earned for the year ended March 31, 2022 was \$375 (2021 - \$506). Student awards granted from the Lucille Bone Trust Fund for the year ended March 31, 2022 were \$2,173 (2021 - \$3,275) and are included as an expenditure of the Life Long Learning Division.

10. Accounts payable and accrued liabilities

	2022	2021
Accounts payable	3,007,104	3,251,875
Accrued payroll	276,949	591,082
Repayable to funders	2,411,445	1,674,817
	5,695,498	5,517,774

11. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions recognized</i>	<i>Balance, end of year</i>
Indigenous Services Canada	10,932,319	17,713,230	17,907,488	10,738,061
Health Canada	2,096,671	7,152,655	5,297,532	3,951,794
Province of Ontario	995,282	17,732,474	15,684,121	3,043,635
Ontario First Nation Limited Partnership	5,320,689	1,552,635	1,482,976	5,390,348
Other funders	1,866,910	5,977,151	4,061,893	3,782,168
	21,211,871	50,128,145	44,434,010	26,906,006

12. Deposits

Deposits are of a short term nature either in the form of revenue received in advance or deposits received from band members for seniors complex residency requirements and council housing rental units. These deposits are held without interest.

	2022	2021
Housing deposits	20,000	18,000
Seniors residency	6,500	5,400
Water payments	1,155	590
Other deposits	82,981	-
	110,636	23,990

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

13. Long-term debt

	2022	2021
Term loan payable, bearing interest at a fixed rate of 3.95%, repayable in blended monthly instalments of \$19,340, due August 2022	1,662,806	1,825,717
Term loan payable, bearing interest at a variable rate of prime plus 1.0%, repayable in monthly instalments of \$1,195 plus interest, due August 2023	20,230	34,574
CMHC loan payable, bearing interest at a fixed rate of 1.22%, repayable in monthly amounts of \$3,241, due May 2046	814,815	-
	2,497,851	1,860,291

The term loans are secured by guarantees from Oneida Nation of the Thames Chief and Council through Band Council Resolutions.

CMHC loans payable are secured by band council resolution and ministerial loan guarantee.

Total principal repayments over the next four years are due as follows:

2023	1,716,040
2024	44,784
2025	38,894
2026	698,133

Interest on long-term debt amounted to \$79,364 (2021 - \$76,764).

14. Contingencies and guarantees

The band is contingently liable as guarantor of housing loans that the Bank of Montreal has issued to members up to \$2,000,000 beginning May 1, 2000. At March 31, 2022, the balance of the loans outstanding totaled \$468,612 (2021 - \$391,996) with none pending approval.

The First Nation has guaranteed a bank line of credit to a maximum of \$150,000 (2021 - \$150,000) for Tsi'NU: Yoyantle Na'Tuhuwatisini, Oneida Long Term Care Home, an associated organization. At year end, the balance drawn on this line is \$nil (2021 - \$nil).

The First Nation is involved in certain legal matters, the outcome of which is not presently determinable. The loss, if any will be accounted for in the year in which the matters are resolved.

The First Nation has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

15. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

The land is held by Chabre Holdings Inc., a bare trustee, owned 100% by the First Nation.

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2022

16. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2022	2021
Invested in tangible capital assets	31,899,529	32,437,864
Invested in government business enterprise (Note 7)	277,077	202,839
Funds held in trust	108,097	108,043
Reserve funds (Note 17)	23,121,450	15,655,856
	55,406,153	48,404,602

17. Reserve funds set aside for specific purpose by chief and council

	2022	2021
Administrative equipment replacement reserve	54,401	54,401
Fire equipment replacement reserve	4,579	4,579
Crama investment	434,221	418,943
Housing, sanitation, water fund	3,026,024	2,887,006
Community benefit agreement	8,138,041	7,423,102
FHL transition house	-	48,033
Operations fund	11,464,184	4,819,792
Balance, end of year	23,121,450	15,655,856

Administration equipment replacement reserve

This appropriated reserve is designated for the replacement of computer and photocopy equipment. It is derived from surpluses in council operations in the administration program.

Fire equipment replacement reserve

This appropriated fund is designated for the replacement of major fire equipment. It is derived from surpluses in transportation contracts.

Crama investment

Funds from the Ontario First Nation Limited Partnership Casino Rama distribution have been invested in a discretionary managed portfolio under the balanced conservative mandate. Withdrawals are accessible with one business day notice.

Housing, sanitation, water fund

This appropriated fund is designated for member loans related to housing, sanitation and water.

Community benefit agreement

This appropriated reserve is designated for the long term community benefit. It is derived from surpluses in Greenlane funding agreement.

FHL transition house

This appropriated reserve is designated to the FHL transition house program and derived from surpluses related to that program.

Operation fund

General operation reserve to fund ongoing operations of the community.

Oneida Nation of the Thames

Notes to the Consolidated Financial Statements

For the year ended March 31, 2022

18. Ontario First Nations Limited Partnership

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership ("OFNLP"), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc.; the carrying values of which are nominal and are therefore not recorded in these financial statements.

19. Ontario First Nations Sovereign Wealth Limited Partnership

On December 28, 2017, the Ontario First Nations Sovereign Wealth Limited Partnership ("Sovereign Wealth LP") entered into an amended and restated limited partnership agreement whereby the First Nation and 128 other participating First Nations were concurrently admitted. Sovereign Wealth LP distributes to the First Nation its proportionate share of revenue generated in the partnership.

The First Nation holds a unit representing 1.8217% interest in the Ontario First Nations Sovereign Wealth LP, and a share in related company Ontario First Nations Asset Management General Partner Corp.; the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

20. Government transfers

	Operating transfers	Change in deferrals	2022	2021
Indigenous Services Canada	17,713,230	194,258	17,907,488	16,770,864
Health Canada	7,152,655	(1,855,123)	5,297,532	2,996,130
Province of Ontario	17,732,474	(2,048,353)	15,684,121	16,736,233
	42,598,359	(3,709,218)	38,889,141	36,503,227

21. Defined contribution plan

During the year, the First Nation made contributions of \$257,026 (2021 - \$244,067) to a defined contribution pension plan. These contributions matched contributions made by employees during the same period.

22. Economic dependence

The First Nation receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

23. Budget information

The disclosed budget information has been approved by the chief and council of the Oneida Nation of the Thames at the meeting held on March 3, 2021.

24. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The interest rate risk reflects the sensitivity of the First Nation's consolidated surplus that arise from fluctuations in interest rates and the degree of volatility in these rates. The First Nation does not use derivative financial instruments to reduce its exposure to interest rate risk. The First Nation is exposed to interest rate risk through its term loans which is partially subject to variable rates of interest. During the year, the First Nation's exposure to interest rate risk was insignificant. Subsequent to year end, the First Nation's exposure to interest rates increased due to rising interest rates.

25. Significant event

The COVID-19 (Coronavirus) pandemic is still ongoing, which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine measures.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the First Nation as this will depend on future developments that are highly uncertain and cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, the nature and duration of travel restrictions, business closures or disruptions and quarantine measures that are currently, or may be put, into place by Canada and other countries to fight the spread of the virus.

26. Subsequent event

Subsequent to year end the First Nation received a loan from Canada Mortgage Housing Corporation in the amount of \$225,250 as part of the Section 95 On-Reserve Non-Profit Housing Program.

27. Segments

The First Nation provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

Administration

The administration division oversees the delivery of all services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. Included within this division are revenue and expenditures relating to Chief and Council, OLG, casino rama, community assistance, greenlane funding, police, tobacco administration, community benefit agreement and administration.

Public works

The public works division provides several essential services to the First Nation. The public works division is tasked with maintaining and building the First Nation's infrastructure such as roads, bridges and oversees the maintenance of the First Nation's commercial buildings and safe operation of the water treatment plant.

Health and human services

The health and human services division provides a wide range of services directed towards the well-being of members, including such activities as pre-natal care, nursing, health representation, traditional healing, family violence and many other programs designed to enhance the health of members. Included within this division are revenue and expenditures relating to health, home and community care, home/personal support workers medical transportation and human services.

27. Segments *(Continued from previous page)*

Emergency services

Included within the the emergency services division are revenues and expenditures relating to emergency services, fire, security and the family healing lodge.

Life long learning

Included within the life long learning division are revenues and expenditures relating to education, early childhood education and language.

Community development

Included within the community development division are revenue and expenditures relating to the community and youth centre, economic development and training and Ontario Works.

Lands, estates and housing

The lands, estates and housing division is responsible for processing land transfers and housing loans.

Long term care facility

The long term care facility division operates a 64 bed long-term care facility located on the First Nation. The division is controlled by the First Nation.

Social services

Included within the economic opportunity division are revenue and expenditures relating to the creation of comprehensive economic development action plans, programs and projects.

28. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Oneida Nation of the Thames
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	<i>Land</i>	<i>Buildings</i>	<i>Vehicles</i>	<i>Unlicensed equipment</i>	<i>Recreation equipment</i>	<i>Machinery and tools</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	1,410,192	35,757,278	2,399,128	1,023,820	199,674	1,324,256	42,114,348
Acquisition of tangible capital assets	-	382,564	241,092	59,678	79,197	-	762,531
Construction-in-progress	-	422,891	-	-	-	-	422,891
Disposal of tangible capital assets	-	(82,104)	-	-	-	-	(82,104)
Balance, end of year	1,410,192	36,480,629	2,640,220	1,083,498	278,871	1,324,256	43,217,666
Accumulated amortization							
Balance, beginning of year	-	12,480,474	2,003,652	774,854	171,677	1,035,669	16,466,326
Annual amortization	-	881,642	162,133	68,711	9,279	80,008	1,201,773
Accumulated amortization on disposals	-	(80,729)	-	-	-	-	(80,729)
Balance, end of year	-	13,281,387	2,165,785	843,565	180,956	1,115,677	17,587,370
Net book value of tangible capital assets	1,410,192	23,199,242	474,435	239,933	97,915	208,579	25,630,296
Net book value of tangible capital assets (2021)	1,410,192	23,276,804	395,476	248,966	27,997	288,587	25,648,022

Oneida Nation of the Thames
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Office furnishings and equipment</i>	<i>Information Technology hardware</i>	<i>Information Technology software</i>	<i>Water and wastewater systems</i>	<i>Roadways surfaced/major gravel</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	42,114,348	3,102,122	738,054	149,779	9,069,351	1,845,358	57,019,012
Acquisition of tangible capital assets	762,531	114,301	295,001	-	-	-	1,171,833
Construction-in-progress	422,891	-	-	-	-	-	422,891
Disposal of tangible capital assets	(82,104)	(11,821)	(31,452)	-	-	-	(125,377)
Balance, end of year	43,217,666	3,204,602	1,001,603	149,779	9,069,351	1,845,358	58,488,359
Accumulated amortization							
Balance, beginning of year	16,466,326	2,722,637	600,270	131,564	8,143,191	1,307,084	29,371,072
Annual amortization	1,201,773	108,482	112,267	9,107	249,023	161,317	1,841,969
Accumulated amortization on disposals	(80,729)	(8,019)	-	(36,629)	-	-	(125,377)
Balance, end of year	17,587,370	2,823,100	712,537	104,042	8,392,214	1,468,401	31,087,664
Net book value of tangible capital assets	25,630,296	381,502	289,066	45,737	677,137	376,957	27,400,695
Net book value of tangible capital assets (2021)	25,648,022	379,485	137,784	18,215	926,160	538,274	27,647,940

Oneida Nation of the Thames
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2022

	<i>Subtotal</i>	<i>Road construction</i>	<i>Community development</i>	<i>Construction- in-progress</i>	<i>2022</i>	<i>2021</i>
<hr/>						
Cost						
Balance, beginning of year	57,019,012	7,450,192	971,496	1,840,364	67,281,064	62,569,803
Acquisition of tangible capital assets	1,171,833	-	40,700	1,040,846	2,253,379	4,727,283
Construction-in-progress	422,891	-	2,263,905	(2,686,796)	-	-
Disposal of tangible capital assets	(125,377)	-	-	-	(125,377)	(16,022)
Balance, end of year	58,488,359	7,450,192	3,276,101	194,414	69,409,066	67,281,064
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Accumulated amortization						
Balance, beginning of year	29,371,072	3,094,437	517,409	-	32,982,918	30,912,463
Annual amortization	1,841,969	177,446	134,738	-	2,154,153	2,086,477
Accumulated amortization on disposals	(125,377)	-	-	-	(125,377)	(16,022)
Balance, end of year	31,087,664	3,271,883	652,147	-	35,011,694	32,982,918
Net book value of tangible capital assets	27,400,695	4,178,309	2,623,954	194,414	34,397,372	34,298,146
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Net book value of tangible capital assets (2021)	27,647,940	4,355,755	454,087	1,840,364	34,298,146	

Oneida Nation of the Thames
Schedule 2 - Consolidated Schedule of Expenditures by Object
For the year ended March 31, 2022

	2022 Budget (Note 23)	2022	2021
Consolidated expenditures by object			
Administration	1,122,866	1,302,343	1,256,936
Amortization	-	2,154,153	2,086,477
Governance	160,010	402,486	362,445
Internal program contributions	(1,827,536)	(2,248,595)	(2,511,346)
Office related	994,757	1,363,046	1,328,222
Overhead	3,609,885	3,475,514	3,340,923
Personnel	13,982,250	15,623,740	15,451,980
Programming	17,857,461	17,829,333	19,202,360
	35,899,693	39,902,020	40,517,997