

Oneida Nation of the Thames
Consolidated Financial Statements
March 31, 2023

Oneida Nation of the Thames

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For the year ended March 31, 2023

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Management's Responsibility

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

The accompanying consolidated financial statements of Oneida Nation of the Thames are the responsibility of management and have been approved by the Chief and Council.

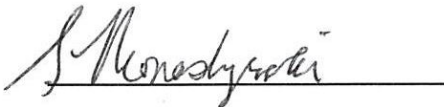
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Oneida Nation of the Thames Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

September 26, 2023

A handwritten signature in black ink, appearing to read 'S. Monodyski', written over a horizontal line.

Chief Operating
Officer

A handwritten signature in blue ink, appearing to read 'S. H. H.', written over a horizontal line.

Finance
Administrator

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

Qualified 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, 2023, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, 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 Qualified Opinion

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirement Obligations ("ARO") which was adopted by the First Nation as of April 1, 2022 prospectively and requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The First Nation has not identified ARO liabilities as of March 31, 2023 and we were unable to satisfy ourselves concerning those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to financial liabilities, net financial assets, tangible capital assets, accumulated surplus, surplus, changes in net financial assets for the year ended March 31, 2023, and accumulated surplus as of March 31, 2023.

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 qualified 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

September 26, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

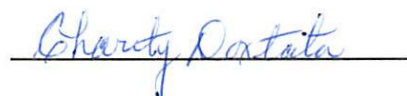
Oneida Nation of the Thames

Consolidated Statement of Financial Position

As at March 31, 2023

	2023	2022
Financial assets		
Cash (Note 4)	43,266,529	44,449,348
Accounts receivable (Note 5)	8,148,037	5,492,686
Portfolio investments (Note 6)	15,946,047	2,651,914
Due from First Nation members (Note 7)	2,951,794	3,026,024
Government business enterprise (Note 8)	232,968	277,077
Ottawa trust fund (Note 9)	100,782	99,276
Lucille bone trust fund (Note 10)	8,930	8,821
Total of financial assets	70,655,087	56,005,146
Financial Liabilities		
Accounts payable and accrued liabilities (Note 11)	10,501,281	5,695,498
Deferred revenue (Note 12)	24,816,385	26,906,006
Deposits (Note 13)	38,128	110,636
Long-term debt (Note 14)	2,302,455	2,497,851
Total of financial liabilities	37,658,249	35,209,991
Net financial assets	32,996,838	20,795,155
Contingencies and guarantees (Note 15)		
Non-financial assets		
Tangible capital assets (Note 16) (Schedule 1)	34,659,584	34,397,372
Prepaid expenditures	1,085,551	213,626
Total non-financial assets	35,745,135	34,610,998
Accumulated surplus (Note 17)	68,741,973	55,406,153

Approved on behalf of the First Nation



Chief



Councillor

Oneida Nation of the Thames

Consolidated Statement of Operations

For the year ended March 31, 2023

	<i>Schedules</i>	<i>2023 Budget (Note 24)</i>	<i>2023</i>	<i>2022</i>
Revenue				
Indigenous Services Canada		25,976,354	26,054,916	17,713,230
Health Canada		8,928,071	8,895,420	7,152,655
Province of Ontario		16,145,004	16,703,120	17,732,474
Ontario First Nation Limited Partnership		2,170,269	2,170,269	1,552,635
Income (loss) from government business enterprise		-	(48,197)	74,238
Council operations		2,891,453	3,331,168	2,957,588
Other funding		5,202,755	5,173,212	5,977,151
Repayment of funding		-	(3,204,956)	(703,134)
Deferred revenue - prior year (Note 12)		34,992,447	26,906,006	21,211,871
Deferred revenue - current year (Note 12)		(33,564,364)	(24,816,385)	(26,906,006)
		62,741,989	61,164,573	46,762,702
Program expenditures (Schedule 2)				
Administration	4	6,425,606	4,846,711	5,168,692
Public works	5	4,303,989	2,240,347	2,326,250
Health and human services	6	8,788,048	5,861,277	4,573,299
Emergency services	7	4,279,766	3,180,657	2,205,959
Life long learning	8	12,559,656	10,186,562	9,208,800
Community development	9	4,483,854	2,406,126	2,819,952
Lands, estates and housing	10	2,935,164	1,238,106	909,636
Long term care facility	11	4,996,018	5,972,485	5,006,475
Social services	12	22,645,987	11,823,758	7,682,957
		71,418,088	47,756,029	39,902,020
Surplus before other items		(8,676,099)	13,408,544	6,860,682
Other items				
Change in member loans		-	(74,230)	139,018
Change in trust funds		-	1,506	1,851
		-	(72,724)	140,869
Surplus		(8,676,099)	13,335,820	7,001,551

The accompanying notes are an integral part of these consolidated financial statements

Oneida Nation of the Thames
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2023

	2023	2022
Accumulated surplus, beginning of year	55,406,153	48,404,602
Surplus	13,335,820	7,001,551
Accumulated surplus, end of year	68,741,973	55,406,153

The accompanying notes are an integral part of these consolidated financial statements

Oneida Nation of the Thames
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2023

	<i>2023 Budget (Note 24)</i>	<i>2023</i>	<i>2022</i>
Annual surplus	(8,676,099)	13,335,820	7,001,551
Purchases of tangible capital assets	-	(2,383,145)	(2,253,379)
Amortization of tangible capital assets	-	2,120,933	2,154,153
Change in prepaid expenditures	-	(871,925)	(179,213)
Increase in net financial assets	(8,676,099)	12,201,683	6,723,112
Net financial assets, beginning of year	20,795,155	20,795,155	14,072,043
Net financial assets, end of year	12,119,056	32,996,838	20,795,155

The accompanying notes are an integral part of these consolidated financial statements

Oneida Nation of the Thames
Consolidated Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Surplus	13,335,820	7,001,551
Non-cash items		
Amortization	2,120,933	2,154,153
Loss (income) from government business enterprise (Note 8)	48,197	(74,238)
	15,504,950	9,081,466
Changes in working capital accounts		
Accounts receivable	(2,655,351)	(732,013)
Prepaid expenditures	(871,925)	(179,213)
Accounts payable and accrued liabilities	4,805,783	177,724
Deposits	(72,508)	86,646
Deferred revenue	(2,089,621)	5,694,135
	14,621,328	14,128,745
Financing activities		
Advances of long-term debt	-	838,000
Repayment of long-term debt	(195,396)	(200,440)
Increase in funded reserves	(1,615)	(53)
	(197,011)	637,507
Capital activities		
Purchases of tangible capital assets	(2,383,145)	(2,253,379)
Investing activities		
Member loans	74,230	(139,018)
Portfolio investments	(13,294,133)	(81,310)
Advances to government business enterprise (Note 8)	(4,088)	-
	(13,223,991)	(220,328)
Increase (decrease) in cash	(1,182,819)	12,292,545
Cash, beginning of year	44,449,348	32,156,803
Cash, end of year	43,266,529	44,449,348

The accompanying notes are an integral part of these consolidated financial statements

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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. Change in accounting policy

Effective April 1, 2022, the Organization adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 Asset Retirement Obligations. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

The impact on the financial statements from the prospective application of the new accounting recommendations could not be quantified and as a result, the audit report has been qualified.

3. 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 consolidated

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. Twatatya' Takenhas Inc. and its subsidiary Onyota'aka Kahsatst'asla' Ltd. are 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.

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies *(Continued from previous page)*

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.

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.

Water charges and water line installation

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

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.

3. Significant accounting policies *(Continued from previous page)*

Long-lived assets *(Continued from previous page)*

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.

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 moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys 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.

3. Significant accounting policies *(Continued from previous page)*

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.

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 consolidated financial statements.

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.

The First Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any significant transactions giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

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

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

3. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the 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.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

4. Cash

	2023	2022
General account	31,514,475	22,479,271
Savings account	5,872,575	5,743,617
Casino rama account	1,395,327	5,306,164
Ontario Works	292,762	92,760
Community benefit agreement	964,486	8,138,041
US bank account	12,504	7,431
Long term care facility operations ("LTCFO")	1,487,822	1,116,112
Employment and training account	1,717,351	1,561,127
Canada Mortgage Housing Corporation ("CMHC") - replacement reserve	9,227	4,825
	43,266,529	44,449,348

5. Accounts receivable

	2023	2022
Government of Canada		
Health Canada	-	257,054
Indigenous Services Canada	6,673,069	3,578,797
Other receiver general	99,998	260,352
	6,773,067	4,096,203
Province of Ontario		
Independent Electricity System Operators	-	171,333
Ministry of Children, Community and Social Services	182,590	84,649
Ministry of Community Safety and Correctional Services	5,251	6,548
Ministry of Long Term Care	139,663	8,013
Ministry of Health	42,529	80,884
Ministry of Indigenous Affairs	-	29,750
Ministry of Training	-	8,300
Ministry of Transportation	-	79,350
Ministry of Tourism	3,000	-
	373,033	468,827
Other		
Association of Iroquois and Allied Indians	27,230	22,430
Heritage Canada	35,522	68,173
Canada Mortgage and Housing Corporation	7,300	22,100
Band members	9,901	7,645
City of Toronto	119,493	47,353
First Nation Confederacy of Cultural Education Centres	99,619	25,400
Other	140,224	172,107
Southern First Nations Secretariat	750	550
Walpole Island First Nation	561,898	561,898
	1,001,937	927,656
	8,148,037	5,492,686

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

6. Portfolio investments

	2023	2022
Investments, at cost	15,946,047	2,651,914
Investments, at fair market value	16,022,064	2,863,729

The fair market 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.

7. Due from First Nation members

			2023	2022
	<i>Principal</i>	<i>Allowance</i>		
Housing	5,372,526	2,455,690	2,916,836	3,002,426
Water	428,242	403,503	24,739	9,379
Sanitation	29,931	19,712	10,219	14,219
			2,951,794	3,026,024

8. 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:Si'a' 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, 2023 is as follows:

				2023
	<i>Investment, beginning of year</i>	<i>Loans / advances</i>	<i>Share of loss</i>	<i>Total investment</i>
Wholly-owned business:				
Twataty'a Takenhas Inc.	277,077	4,088	(48,197)	232,968
				2022
	<i>Investment, beginning of year</i>	<i>Loans / advances</i>	<i>Share of income</i>	<i>Total investment</i>
Wholly-owned business:				
Twataty'a Takenhas Inc.	202,839	-	74,238	277,077

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Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

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

	<i>TTI (Consolidated) As at March 31, 2023</i>	<i>TTI (Consolidated) As at March 31, 2022</i>
Assets		
Cash	156,918	168,954
Accounts receivable	-	20,326
Prepaid expenditures	1,148	-
Investments	1,000	1,000
Equipment	79,162	88,597
Intangible asset	2,196	3,660
Total assets	240,424	282,537
Liabilities		
Accounts payable and accrued liabilities	7,456	5,460
Total liabilities	7,456	5,460
Net assets excluding accumulated other comprehensive income	232,968	277,077
Total revenue	20,770	140,011
Total expenditures	68,967	65,773
Other comprehensive income (loss)	(48,197)	74,238

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.

9. 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:

	2023	2022
Capital Trust		
Balance	7,522	7,522
Revenue Trust		
Balance, beginning of year	91,754	89,903
Interest	1,506	1,851
Balance, end of year	93,260	91,754
	100,782	99,276

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

10. 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, 2023 was \$109 (2022 - \$375). Student awards granted from the Lucille Bone Trust Fund for the year ended March 31, 2023 were \$nil (2022 - \$2,173) and are included as an expenditure of the Life Long Learning Division.

11. Accounts payable and accrued liabilities

	2023	2022
Accounts payable	4,852,835	3,007,104
Accrued payroll	255,073	276,949
Repayable to funders	5,393,373	2,411,445
	10,501,281	5,695,498

12. 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	10,738,061	26,054,916	18,883,702	17,909,275
Health Canada	3,951,794	8,895,420	9,155,071	3,692,143
Province of Ontario	3,043,635	16,703,120	19,745,403	1,352
Ontario First Nation Limited Partnership	5,390,348	2,170,269	7,560,617	-
Other funders	3,782,168	4,998,541	5,567,094	3,213,615
	26,906,006	58,822,266	60,911,887	24,816,385

13. 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.

	2023	2022
Housing deposits	19,000	20,000
Seniors residency	6,785	6,500
Water payments	1,585	1,155
Other deposits	10,758	82,981
	38,128	110,636

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

14. Long-term debt

	2023	2022
Term loan payable, bearing interest at a fixed rate of 6.05% (2022 - 3.95%), repayable in blended monthly instalments of \$19,340, due August 2025 (2022 - August 2022)	1,510,933	1,662,806
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	5,887	20,230
CMHC loan payable, bearing interest at a fixed rate of 1.22%, repayable in monthly amounts of \$3,241, due May 2046	785,635	814,815
	2,302,455	2,497,851

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:

2024	181,189
2025	184,735
2026	1,240,433
2027	696,098

Interest on long-term debt amounted to \$90,661 (2022 - \$79,364).

15. 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, 2023, the balance of the loans outstanding totaled \$443,287 (2022 - \$468,612) with none pending approval.

The First Nation has guaranteed a bank line of credit to a maximum of \$150,000 (2022 - \$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 (2022 - \$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.

16. 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, 2023

17. Accumulated operating surplus

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

	2023	2022
Invested in tangible capital assets	32,357,129	31,899,529
Invested in government business enterprise (Note 8)	232,968	277,077
Funds held in trust	109,712	108,097
Reserve funds (Note 18)	36,042,164	23,121,450
	68,741,973	55,406,153

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

	2023	2022
Administrative equipment replacement reserve	54,401	54,401
Fire equipment replacement reserve	4,579	4,579
Crama investment	449,511	434,221
Housing, sanitation, water fund	2,951,794	3,026,024
Community benefit agreement	11,375,664	10,355,735
Operations fund	21,206,215	9,246,490
Balance, end of year	36,042,164	23,121,450

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, 2023

19. 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 consolidated financial statements.

20. 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.

21. Government transfers

	Operating transfers	Change in deferrals	2023	2022
Indigenous Services Canada	26,054,916	(7,171,214)	18,883,702	17,907,488
Health Canada	8,895,420	259,651	9,155,071	5,297,532
Province of Ontario	16,703,120	3,042,283	19,745,403	15,684,121
	51,653,456	(3,869,280)	47,784,176	38,889,141

22. Defined contribution plan

During the year, the First Nation made contributions of \$247,764 (2022 - \$257,026) to a defined contribution pension plan. These contributions matched contributions made by employees during the same period.

23. 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.

24. 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 October 14, 2022.

25. 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 increased due to rising interest rates.

26. 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.

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.

Oneida Nation of the Thames
Notes to the Consolidated Financial Statements
For the year ended March 31, 2023

26. Segments *(Continued from previous page)*

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.

27. 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, 2023

	<i>Land</i>	<i>Buildings</i>	<i>Vehicles</i>	<i>Unlicensed equipment</i>	<i>Recreation equipment</i>	<i>Subtotal</i>
Cost						
Balance, beginning of year	1,410,192	36,480,629	2,640,220	1,083,498	278,871	41,893,410
Acquisition of tangible capital assets	-	1,195,236	583,015	14,615	22,376	1,815,242
Disposal of tangible capital assets	-	-	-	-	-	-
Balance, end of year	1,410,192	37,675,865	3,223,235	1,098,113	301,247	43,708,652
Accumulated amortization						
Balance, beginning of year	-	13,281,387	2,165,785	843,565	180,956	16,471,693
Annual amortization	-	848,520	213,717	49,236	10,771	1,122,244
Accumulated amortization on disposals	-	-	-	-	-	-
Balance, end of year	-	14,129,907	2,379,502	892,801	191,727	17,593,937
Net book value of tangible capital assets	1,410,192	23,545,958	843,733	205,312	109,520	26,114,715
Net book value of tangible capital assets (2022)	1,410,192	23,199,242	474,435	239,933	97,915	25,421,717

Oneida Nation of the Thames
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	<i>Subtotal</i>	<i>Machinery and tools</i>	<i>Office furnishings and equipment</i>	<i>Information Technology hardware</i>	<i>Information Technology Software</i>	<i>Water and wastewater systems</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	41,893,410	1,324,256	3,204,602	1,001,603	149,779	9,069,351	56,643,001
Acquisition of tangible capital assets	1,815,242	-	176,279	51,947	-	-	2,043,468
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	43,708,652	1,324,256	3,380,881	1,053,550	149,779	9,069,351	58,686,469
Accumulated amortization							
Balance, beginning of year	16,471,693	1,115,677	2,823,100	712,537	104,042	8,392,214	29,619,263
Annual amortization	1,122,244	71,789	128,807	217,696	22,084	249,023	1,811,643
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	17,593,937	1,187,466	2,951,907	930,233	126,126	8,641,237	31,430,906
Net book value of tangible capital assets	26,114,715	136,790	428,974	123,317	23,653	428,114	27,255,563
Net book value of tangible capital assets (2022)	25,421,717	208,579	381,502	289,066	45,737	677,137	27,023,738

Oneida Nation of the Thames
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2023

	Subtotal	Roadways surfaced/ major gravel	Road construction	Community development	Construction- in-progress	2023	2022
Cost							
Balance, beginning of year	56,643,001	1,845,358	7,450,192	3,276,101	194,414	69,409,066	67,281,064
Acquisition of tangible capital assets	2,043,468	-	-	148,430	191,247	2,383,145	2,253,379
Disposal of tangible capital assets	-	-	-	-	-	-	(125,377)
Balance, end of year	58,686,469	1,845,358	7,450,192	3,424,531	385,661	71,792,211	69,409,066
Accumulated amortization							
Balance, beginning of year	29,619,263	1,468,401	3,271,883	652,147	-	35,011,694	32,982,918
Annual amortization	1,811,643	89,685	177,446	42,159	-	2,120,933	2,154,153
Accumulated amortization on disposals	-	-	-	-	-	-	(125,377)
Balance, end of year	31,430,906	1,558,086	3,449,329	694,306	-	37,132,627	35,011,694
Net book value of tangible capital assets	27,255,563	287,272	4,000,863	2,730,225	385,661	34,659,584	34,397,372
Net book value of tangible capital assets (2022)	27,023,738	376,957	4,178,309	2,623,954	194,414	34,397,372	

Oneida Nation of the Thames
Schedule 2 - Consolidated Schedule of Expenditures by Object
For the year ended March 31, 2023

	2023 Budget (Note 24)	2023	2022
Consolidated expenditures by object			
Administration	2,299,178	1,994,455	1,302,343
Amortization	-	2,120,933	2,154,153
Governance	610,333	418,209	402,486
Internal program contributions	(2,468,800)	(2,376,832)	(2,248,595)
Office related	1,417,181	1,202,615	1,363,046
Overhead	3,658,575	4,073,502	3,475,514
Personnel	20,232,959	16,461,465	15,623,740
Programming	45,668,662	23,861,682	17,829,333
	71,418,088	47,756,029	39,902,020