



Oneida Seven Generations Corporation

Financial Statements and
Supplementary Information
Years Ended September 30, 2012 and 2011

Oneida Seven Generations Corporation

Financial Statements and Supplementary Information
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Oneida Seven Generations Corporation

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Independent Auditors' Report

Board of Directors
Oneida Seven Generations Corporation
Oneida, Wisconsin

We have audited the accompanying financial statements of Oneida Seven Generations Corporation (the Corporation), a component unit of the Oneida Tribe of Indians of Wisconsin, as of and for the year ended September 30, 2012, which collectively comprise the Corporation's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The financial statements of the Corporation, as of September 30, 2011, were audited by other auditors whose report dated December 16, 2011, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Corporation, and do not purport to, and do not, present fairly the financial position of the Oneida Tribe of Indians of Wisconsin, as of September 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the Corporation, a component unit of the Oneida Tribe of Indians of Wisconsin, as of September 30, 2012, and the respective changes in financial position and cash flows, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Management has omitted the Management, Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BDO USA, LLP

Certified Public Accountants

December 17, 2012

Financial Statements

Oneida Seven Generations Corporation

Statements of Net Assets

September 30,	2012	2011	September 30,	2012	2011
Assets			Liabilities and Net Assets		
Current Assets:			Current Liabilities:		
Cash and cash equivalents	\$ 178,713	\$ 522,581	Current maturities of long-term notes payable	\$ 668,000	\$ 601,000
Certificate of deposit investments	-	242,400	Accounts payable	150,181	288,150
Accounts receivable	9,775	34,156	Accrued and other liabilities:		
Interest receivable	-	10,166	Interest	22,353	25,629
Prepaid expenses	5,000	6,080	Real estate taxes	41,875	42,075
			Other	17,268	15,744
Total Current Assets	193,488	815,383	Due to Oneida Tribe of Indians of Wisconsin	217,395	25,265
			Unearned revenue	75	43,822
Noncurrent Assets:			Total Current Liabilities	1,117,147	1,041,685
Brokerage fees, net of amortization	-	7,066	Noncurrent Liabilities -		
Business ventures:			Notes payable	8,185,506	6,704,497
Babcock I, LLC	3,192,750	2,741,133	Total Liabilities	\$ 9,302,653	\$ 7,746,182
O'Hare, LLC	-	126,459			
Isbell Street, LLC	-	45,963	Net Assets:		
Partnership Drive, LLC	1,083,368	991,580	Invested in capital assets, net of related debt	\$ 5,531,603	\$ 4,649,586
North Packerland, LLC	93,379	94,667	Restricted for investment in business ventures	4,443,150	4,004,883
Oneida-Kodiak Construction, LLC	73,653	5,081	Unrestricted	(255,659)	689,677
Capital assets:			Total Net Assets	\$ 9,719,094	\$ 9,344,146
Land	59,000	-			
Construction in progress	4,815,498	2,378,265			
Buildings and improvements	13,165,521	12,734,986			
Equipment	55,529	55,529			
Less accumulated depreciation	(3,710,439)	(3,213,697)			
Note receivable - O'Hare, LLC	-	307,913			
Total Noncurrent Assets	18,828,259	16,274,945			
Total Assets	\$ 19,021,747	\$ 17,090,328			

See accompanying independent auditors' report and notes to financial statements.

Oneida Seven Generations Corporation
Statements of Revenue, Expenses, and Changes in Net Assets

<i>Year ended September 30,</i>	2012	2011
Operating Revenue:		
Rental income	\$ 1,862,675	\$ 1,728,871
Equity in net earnings of business ventures	732,036	644,014
Provision for rental allowance	-	(51,360)
Service fees	-	1,500
Total Operating Revenue	2,594,711	2,323,025
Operating Expenses:		
Salaries and benefits	422,045	662,827
Depreciation	418,398	405,618
Occupancy costs	404,586	254,424
Contracted services	129,510	142,730
Repairs and maintenance	98,238	57,572
Real estate taxes	55,246	55,443
Utilities	41,737	39,233
Insurance	31,578	32,886
Travel	20,598	37,295
Amortization	7,066	21,200
Promotions	6,020	7,362
Meeting expense	16,437	14,671
Donations	1,776	1,630
Other	12,529	36,816
Total Operating Expenses	1,665,764	1,769,707
Operating Income	928,947	553,318
Nonoperating Revenues (Expenses):		
Interest income	3,565	11,462
Interest expense	(485,466)	(526,719)
Grant income	-	1,830,009
Other income (expense) and reimbursements (disbursements)	66,265	13,240
Total Nonoperating Revenues (Expenses)	(415,636)	1,327,992
Income before transfers	513,311	1,881,310
Member draw	(138,363)	-
Change in Net Assets	374,948	1,881,310
Net Assets, beginning of year	9,344,146	7,462,836
Net Assets, end of year	\$ 9,719,094	\$ 9,344,146

See accompanying independent auditors' report and notes to financial statements.

Oneida Seven Generations Corporation

Statements of Cash Flows

<i>Year ended September 30,</i>	2012	2011
Operating Activities:		
Cash received from customers and business ventures	\$ 1,887,056	\$ 1,727,044
Other income (expense) and reimbursements (disbursements)	66,265	13,240
Payments to suppliers and employees	(1,227,482)	(1,115,532)
Cash Provided by Operating Activities	725,839	624,752
Investing Activities:		
Payment for purchase of certificates of deposit	-	(242,400)
Capital investment in business ventures	62,621	(93,889)
Proceeds from redemption of certificates of deposit	242,400	240,000
Proceeds from interest income	13,731	2,401
Distributions from business ventures	231,148	236,637
Cash Provided by Investing Activities	549,900	142,749
Noncapital Financing Activities -		
Member draw	(138,363)	-
Capital and Related Financing Activities:		
Proceeds from issuance of long-term debt	2,147,870	1,500,000
Grant income receipts	-	1,334,000
Advance(payment) on note receivable - O'Hare, LLC	307,913	(307,913)
Acquisition and construction of capital assets	(2,848,424)	(1,790,664)
Principal payments on long-term debt	(599,861)	(589,338)
Interest paid	(488,742)	(527,385)
Cash Used in Capital and Related Financing Activities	(1,481,244)	(381,300)
Increase (Decrease) in Cash and Cash Equivalents	(343,868)	386,201
Cash and Cash Equivalents, beginning of year	522,581	136,380
Cash and Cash Equivalents, end of year	\$ 178,713	\$ 522,581

See accompanying independent auditors' report and notes to financial statements.

Oneida Seven Generations Corporation

Statements of Cash Flows

<i>Year ended September 30,</i>	2012	2011
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Operating income	\$ 928,947	\$ 553,318
Adjustments to reconcile operating income to net cash provided by operating activities:		
Equity in net earnings of affiliates	(732,036)	(644,014)
Depreciation	418,398	405,618
Amortization	7,066	21,200
Other income (expense) and reimbursements (disbursements)	66,265	13,240
Net changes in operating assets and liabilities:		
Accounts receivable	24,381	42,756
Prepaid expenses	1,080	1,998
Accounts payable	(137,969)	213,287
Due to Oneida Tribe of Indians of Wisconsin	192,130	-
Unearned revenue	(43,747)	5,277
Accrued other liabilities	1,324	12,072
Cash Provided by Operating Activities	\$ 725,839	\$ 624,752

See accompanying independent auditors' report and notes to financial statements.

Oneida Seven Generations Corporation

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Principal Business Activity

Oneida Seven Generations Corporation (the Corporation) is a holding company for real estate and other business ventures of the Oneida Tribe of Indians of Wisconsin (the Tribe). The Corporation is a component unit of the Tribe.

During 2004, the Corporation established Glory, LLC, as a wholly owned subsidiary of the Corporation, for purposes of real estate holding and rental of a manufacturing and office complex in Ashwaubenon. Glory, LLC, is a component unit of the Corporation and is reported as if it were part of the Corporation in the basic financial statements (on a blended basis).

During 2005, the Corporation established Oneida Generations, LLC, as a wholly owned subsidiary of the Corporation (51%) and the Tribe (49%), for purposes of real estate holding and rental of a Travel Mart. Oneida Generations, LLC, is a component unit of the Corporation and is reported as if it were part of the Corporation in the basic financial statements (on a blended basis).

During 2007, the Corporation acquired Oneida Nation Electronics (ONE) as a wholly owned subsidiary of the Corporation, which facilitates a procurement relationship agreement between International Business Machines (IBM) and Benchmark Electronics (Benchmark). ONE is a component unit of the Corporation and is reported as if it were part of the Corporation in the basic financial statements (on a blended basis). The contract between ONE, IBM, and Benchmark was terminated as of October 31, 2010, after which time ONE is no longer a party to the procurement relationship.

During 2010, the Corporation established Oneida Recycling solutions, LLC, and Oneida Energy, Inc., as wholly owned subsidiaries of the Corporation, for purposes of eventual real estate holding (Solutions) and operation of a waste to energy operation (Energy). During 2010, the Corporation also established IEP Development, LLC, as a wholly owned subsidiary of the Corporation, for purposes of investing in the waste to energy project (now housed with Energy). During 2011, the activity of IEP Development, LLC, was terminated and plans are to dissolve this inactive entity. All three are component units of the Corporation and are reported as if they were part of the Corporation in the basic financial statements (on a blended basis).

During 2010, the Corporation also established Oneida Manufacturing, LLC, as a wholly owned subsidiary of the Corporation, for purposes of a potential acquisition of a manufacturing operation. This acquisition did not occur and plans are to dissolve this inactive entity. Oneida Manufacturing, LLC, is a component unit of the Corporation and is reported as if it were part of the Corporation in the basic financial statements (on a blended basis).

Basis of Accounting and Presentation

The Corporation is a self-supporting entity and follows enterprise fund reporting and, accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting.

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

The Corporation follows the pronouncements of the Governmental Accounting Standards Board (GASB) for accounting and financial reporting purposes. In addition, the Corporation follows only the pronouncements of all applicable Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

Tax Status

The Corporation is formed under the laws of the Tribe. Accordingly, Oneida Seven Generations and its wholly owned LLC subsidiaries are not taxable by federal or state taxing authorities. Oneida Energy, Inc., has elected to be taxed as a C Corporation, eligible for payments for specified energy property in lieu of tax credits under the American Recovery and Reinvestment Act of 2009 (IRC Section 1603).

Use of Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that directly affect the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

Cash and Cash Equivalents

The Corporation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount the Corporation expects to collect less an allowance for doubtful accounts. On a periodic basis, the Corporation evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based on its assessment of the credit history with customers having outstanding balances and current relationships with them.

Capital Assets

Property and equipment are valued at cost. Maintenance and repair costs are charged to expense as incurred. Gains or losses on disposition of property and equipment are reflected in income. Depreciation is computed on the straight-line method for financial reporting purposes based on the estimated useful lives of the assets. The following schedule details the estimated useful lives used for each class of assets:

Buildings	30 Years
Leasehold improvements	5-10 Years
Equipment	3-5 Years

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

Unearned Revenue

The Corporation records unearned revenue for rent payments received in advance of the lease term. This is recognized as income in the period earned.

Advertising

Advertising costs are expensed as incurred and included in operating expenses.

Net Assets

Net assets are classified into three components as outlined below:

- * Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- * Restricted net assets - Amount of net assets that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- * Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

Net assets of the Corporation reported on the Statements of Net Assets at September 30, 2012 and 2011, include the following:

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

<i>September 30,</i>	2012	2011
Invested in Capital Assets, net of related debt:		
Land	\$ 59,000	\$ -
Construction in progress	4,815,498	2,378,265
Buildings and improvements	13,165,521	12,734,986
Equipment	55,529	55,529
Less accumulated depreciation	(3,710,439)	(3,213,697)
Less related long-term debt outstanding	(8,853,506)	(7,305,497)
Total invested in capital assets, net of related debt	5,531,603	4,649,586
Restricted for investment in business ventures	4,443,150	4,004,883
Unrestricted	(255,659)	689,677
Total Net Assets	\$ 9,719,094	\$ 9,344,146

Summarized Comparative Information

The financial statements include certain summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statement for the year ended September 30, 2011, from which the summarized information was derived.

Subsequent Event Reporting

The Corporation's management has evaluated the period from October 1, 2012, through December 17, 2012, the date the financial statements were available for issuance, for subsequent events requiring recognition or disclosure in the financial statements. During the period, no material recognizable subsequent events were identified.

2. Cash and Investments

The carrying amount of the Corporation's restricted and unrestricted cash and investments totaled \$178,713 and \$764,981 at September 30, 2012 and 2011, respectively. Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for demand deposits per bank. The Corporation has accounts with three banks making the maximum coverage available of \$750,000. At September 30, 2012 and 2011, the carrying amount of the Corporation's deposits and investments (CD) was \$178,713 and \$522,581, respectively. At September 30, 2012 and 2011, the bank balances of the Corporations deposits and investments (CD) was \$-0- and \$773,676, respectively. The Corporation had an investment in a certificate of deposit that matured on April, 2012.

3. Business Ventures

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

Babcock I, O'Hare, Isbell Street, Oneida-Kodiak Construction, Partnership Drive, and North Packerland are LLC investments and are accounted for using the equity method. The investments are carried at cost, less distributions received, adjusted for the Corporation's proportionate share of the investments' earnings. The Corporation is allocated 51% of the income before depreciation expense for its investments in Babcock I, O'Hare, Oneida-Kodiak Construction, Partnership Drive, and North Packerland. For its investment in Isbell, the Corporation is allocated 33% of the income before depreciation. All significant matters require an affirmative vote of 67% of the members' voting interest.

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

Following is an aggregate summary of activity for business ventures during 2012:

<i>Business Venture</i>	<i>Equity in Earnings</i>	<i>Distributions</i>	<i>Capital Investment</i>	<i>Return of Capital</i>	<i>Net Change</i>
Babcock I, LLC	\$ 589,317	\$ (137,700)	\$ -	\$ -	\$ 451,617
O'Hare, LLC	(21,742)	(7,321)	2,500	(99,896)	(126,459)
Isbell Street, LLC	(40,001)	(27,987)	22,025	-	(45,963)
Oneida-Kodiak Construction, LLC	68,572	-	-	-	68,572
Partnership Drive, LLC	149,928	(58,140)	-	-	91,788
North Packerland, LLC	(14,038)	-	12,750	-	(1,288)
Total	\$ 732,036	\$ (231,148)	\$ 37,275	\$ (99,896)	\$ 438,267

Following is an aggregate summary of activity for business ventures during 2011:

<i>Business Venture</i>	<i>Equity in Earnings</i>	<i>Distributions</i>	<i>Capital Investment</i>	<i>Net Change</i>
Babcock I, LLC	\$ 556,376	\$ (173,400)	\$ -	\$ 382,976
O'Hare, LLC	(18,142)	-	27,839	9,697
Isbell Street, LLC	(23,585)	-	27,800	4,215
Oneida-Kodiak Construction, LLC	(2,319)	-	-	(2,319)
Partnership Drive, LLC	154,028	(63,237)	-	90,791
North Packerland, LLC	(22,344)	-	38,250	15,906
Total	\$ 644,014	\$ (236,637)	\$ 93,889	\$ 501,266

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

Following is an aggregate summary of the financial position and results of operations for LLC investments at September 30, 2012 and 2011:

<i>September 30,</i>	2012	2011
Assets	\$ 18,470,855	\$ 20,332,708
Liabilities	17,996,521	19,887,841
Members' Equity	474,334	437,867
Total Liabilities and Members' Equity	\$ 18,470,855	\$ 20,325,708
Revenues	\$ 5,613,633	\$ 2,956,815
Expenses	5,234,532	2,808,672
Net Income	\$ 379,101	\$ 148,143

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

4. Summary of Changes in Capital Assets

A summary of changes in capital assets is shown below:

	<i>Balance September 30, 2011</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance September 30, 2012</i>
Capital Assets, not depreciated :				
Land	\$ -	\$ 59,000	\$ -	\$ 59,000
Construction in progress	2,378,265	2,437,233	-	4,815,498
Total Capital Assets, not depreciated	\$ 2,378,265	\$2,496,233	\$ -	\$ 4,874,498
Capital Assets, depreciated:				
Buildings and improvements	\$ 12,734,986	\$ 430,535	\$ -	\$ 13,165,521
Equipment	55,529	-	-	55,529
Total Capital Assets, depreciated	12,790,515	430,535	-	13,221,050
Less Accumulated Depreciation:				
Buildings and improvements	(3,167,187)	(494,309)	-	(3,661,496)
Equipment	(46,510)	(2,433)	-	(48,943)
Total Accumulated Depreciation	(3,213,697)	(496,742)	-	(3,710,439)
Net Capital Assets	\$ 9,576,818	\$ (66,207)	\$ -	\$ 9,510,611

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

A summary of changes in capital assets is shown below:

	<i>Balance</i> <i>September 30,</i> <i>2010</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance</i> <i>September 30,</i> <i>2011</i>
Capital Assets, not depreciated :				
Construction in progress	\$ 753,991	\$ 1,624,274	\$ -	\$ 2,378,265
Capital Assets, depreciated:				
Buildings and improvements	\$ 12,572,533	\$ 162,453	\$ -	\$ 12,734,986
Equipment	51,592	3,937	-	55,529
Total Capital Assets, depreciated	12,624,125	166,390	-	12,790,515
Less Accumulated Depreciation:				
Buildings and improvements	(2,763,840)	(403,347)	-	(3,167,187)
Equipment	(44,239)	(2,271)	-	(46,510)
Total Accumulated Depreciation	(2,808,079)	(405,618)	-	(3,213,697)
Net Capital Assets	\$ 9,816,046	\$ (239,228)	\$ -	\$ 9,576,818

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

5. Long-Term Notes Payable

Long-term notes payable consist of the following:

September 30,	2012	2011
7.6% bank note, secured by building and rent assignments, payable at \$41,389 per month including interest, balance due July, 2012*	\$ 2,926,140	\$ 3,187,061
2% note from the Wisconsin Economic Development Corporation, interest-only payments of \$3,334 per month until May, 2014; balance due April, 2019	2,000,000	-
5.75% bank note, secured by building and rent assignment, payable at \$11,475 per month including interest, balance due November, 2020	1,400,774	1,456,189
7% bank note, secured by building and rent assignments, payable at \$19,205 per month including interest, balance due October, 2015	1,283,423	1,403,543
7% bank note, secured by building and rent assignments, payable at \$12,600 per month including interest, balance due May, 2012*	365,666	457,991
7.25% bank note, secured by building and rent assignments, payable at \$6,012 per month including interest, balance due October, 2012	305,371	353,080
6.75% bank note, secured by buildings and rent assignments, payable at \$3,475 per month including interest, balance due July, 2013	254,261	277,633
5.5% promissory note, secured by membership interest in Babcock I, LLC, quarterly interest only payments, principal and interest, balance due on October, 2013	170,000	170,000
	8,853,506	7,305,497
Less current maturities	668,000	601,000
	\$ 8,185,506	\$ 6,704,497

* The Corporation and its lenders are negotiating extending the terms of the loan agreements. The Corporation expects to renew the credit agreements on a long-term basis with terms similar to the current arrangements. Accordingly, the debt remains classified as long-term as management does not anticipate repayment of these notes at amounts in excess of estimated scheduled monthly payments.

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

Required payments of principal and interest on long-term notes payable, including current maturities, are summarized as follows:

<i>Year ending September 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2013	\$ 668,000	\$ 312,000	\$ 980,000
2014	723,000	295,000	1,018,000
2015	762,000	256,000	1,018,000
2016	757,000	216,000	973,000
2017	2,523,000	149,000	2,672,000
2018-2022	3,421,000	248,000	3,669,000
	\$ 8,854,000	\$ 1,476,000	\$ 10,330,000

The following is a summary of changes in long-term notes of the Corporation for the year ended September 30, 2012:

	<i>Outstanding</i>			<i>Balance</i>	
	<i>September 30,</i>	<i>Issued</i>	<i>Retired</i>	<i>September 30,</i>	<i>Due Within</i>
<i>2011</i>	<i>2012</i>			<i>One Year</i>	
Bank notes	\$ 7,135,497	\$ 2,150,000	\$ (601,991)	\$ 8,683,506	\$ 668,000
Promissory note	170,000	-	-	170,000	-
	\$ 7,305,497	\$ 2,150,000	\$ (601,991)	\$ 8,853,506	\$ 668,000

In conjunction with the long-term debt agreements, the Corporation has agreed to meet various financial covenants.

6. Leases

The Corporation leases various pieces of land from the Tribe under lease agreements with 15 to 25 year terms. Lease expense on the land was \$83,120 and \$81,168 for each of the years ended September 30, 2012 and 2011, respectively.

The Corporation also leases office space and buildings from the Tribe under long-term lease agreements with five to 15 year terms. Lease expense for the office space and buildings was \$74,966 and \$110,908 for the years ended September 30, 2012 and 2011, respectively.

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

Minimum future rentals by year and the aggregate under noncancelable operating leases consist of the following:

2013	\$	155,086
2014		114,012
2015		112,136
2016		96,932
2017		96,932
Thereafter		774,713
		<hr/>
		\$ 1,349,811

The Corporation receives lease income for properties it both owns and subleases under agreements with terms from three to 25 years. Lease income received from these properties was \$1,862,675 and \$1,728,871 for the years ended September 30, 2012 and 2011, respectively. Of this, \$889,092 and \$860,184 were from the Tribe at September 30, 2012 and 2011, respectively.

Minimum future rentals by year and in the aggregate under noncancelable operating leases consist of the following:

2013	\$	925,992
2014		495,836
2015		149,970
2016		129,120
2017		118,920
Thereafter		1,059,610
		<hr/>
		\$ 2,879,448

7. Commitment

According to the Corporation's Third Amended Corporate Charter, the Corporation shall establish a cash reserve for debt service set at an amount equal to six monthly debt payments and one-year working capital. Distributions of earnings or profits may be made at the discretion of the shareholders, which will be mutually agreed upon at the annual shareholder's meeting.

The Corporation is guarantor on the notes payable of the business ventures described in Note 3 totaling \$12,347,397 and \$13,207,648 at September 30, 2012 and 2011, respectively. The notes are secured by real estate.

See accompanying independent auditors' report.

Oneida Seven Generations Corporation

Notes to Financial Statements

8. Contingencies

From time-to-time, the Corporation is involved in various claims and lawsuits, both for and against the Corporation, arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Corporation's financial position.

9. Grant Income and Deposits on Projects in Process

The Corporation obtained a grant from the Wisconsin Department of Commerce on October 28, 2009, for \$2,000,000 to be used for the development of a waste to energy facility and related operations. In addition, the project was awarded a \$250,000 grant from the Department of the Interior Division of Energy and Mineral Development in March, 2010. As of September 30, 2011, \$2,250,000 of this funding has been received by the Corporation.

During 2011, the Corporation obtained a grant from the Tribe for \$334,000 for the purpose of conducting a feasibility study related to the Corporation's Waste to Energy Project.

Deposits and project costs incurred through September 30, 2012, totaled \$4,815,498 toward an estimated total cost of \$24 million. Project funding is anticipated to be a mix of the Corporation's equity, grant funding, and debt proceeds. Arrangements for debt facilities are anticipated to be finalized in March, 2013.

10. Subsequent Events

On October 16, 2012 the Green Bay City Council rescinded the conditional use permit for the building of the Waste to Energy facility that a subsidiary of Oneida Energy Corporation was constructing. It is the intent of the Corporation to challenge the actions of the Green Bay City Council through the legal system.

See accompanying independent auditors' report.

Supplementary Information

Oneida Seven Generations Corporation

**Combining Statement of Net Assets
September 30, 2012**

	<i>Oneida Seven Generations Corporation</i>	<i>Glory, LLC</i>	<i>Oneida Generations, LLC</i>	<i>Oneida Nation Electronics</i>	<i>Oneida Recycling Solutions, LLC</i>	<i>Oneida Energy, Inc.</i>	<i>IEP Development, LLC</i>	<i>Oneida Manufacturing, LLC</i>	<i>Total</i>
Assets									
Current Assets:									
Cash and cash equivalents	\$ 58,819	\$ 10,075	\$ 107,325	\$ 2,002	\$ -	\$ 492	\$ -	\$ -	\$ 178,713
Accounts receivable	9,775	-	-	-	-	-	-	-	9,775
Prepaid expenses	5,000	-	-	-	-	-	-	-	5,000
Total Current Assets	73,594	10,075	107,325	2,002	-	492	-	-	193,488
Noncurrent Assets:									
Business ventures:									
Babcock I, LLC	3,192,750	-	-	-	-	-	-	-	3,192,750
Partnership Drive, LLC	1,083,368	-	-	-	-	-	-	-	1,083,368
North Packerland, LLC	93,379	-	-	-	-	-	-	-	93,379
Oneida-Kodiak Construction, LLC	73,653	-	-	-	-	-	-	-	73,653
Capital assets:									
Land	59,000	-	-	-	-	-	-	-	59,000
Construction in progress	2,401,271	-	-	-	-	2,414,227	-	-	4,815,498
Buildings and improvements	3,536,414	4,196,060	5,433,047	-	-	-	-	-	13,165,521
Equipment	55,529	-	-	-	-	-	-	-	55,529
Less accumulated depreciation	(1,413,762)	(1,075,445)	(1,221,232)	-	-	-	-	-	(3,710,439)
Total Noncurrent Assets	9,081,602	3,120,615	4,211,815	-	-	2,414,227	-	-	18,828,259
Total Assets	\$ 9,155,196	\$ 3,130,690	\$ 4,319,140	\$ 2,002	\$ -	\$ 2,414,719	\$ -	\$ -	\$ 19,021,747

Oneida Seven Generations Corporation

**Combining Statement of Net Assets
September 30, 2012**

	<i>Oneida Seven Generations Corporation</i>	<i>Glory, LLC</i>	<i>Oneida Generations, LLC</i>	<i>Oneida Nation Electronics</i>	<i>Oneida Recycling Solutions, LLC</i>	<i>Oneida Energy, Inc.</i>	<i>Total</i>
Liabilities and Net Assets							
Current Liabilities:							
Current maturities of long-term notes payable	\$ 217,000	\$ 161,000	\$ 290,000	\$ -	\$ -	\$ -	\$ 668,000
Accounts payable	5,849	-	-	-	-	144,332	150,181
Accrued and other liabilities:							
Interest	7,597	2,571	12,185	-	-	-	22,353
Real estate taxes	41,875	-	-	-	-	-	41,875
Other	17,268	-	-	-	-	-	17,268
Due to Oneida Tribe of Indians of Wisconsin	18,519	-	198,876	-	-	-	217,395
Unearned revenue	75	-	-	-	-	-	75
Total Current Liabilities	308,183	163,571	501,061	-	-	144,332	1,117,147
Noncurrent Liabilities -							
Notes payable	2,426,943	1,122,423	2,636,140	-	-	2,000,000	8,185,506
Total Liabilities	2,735,126	1,285,994	3,137,201	-	-	2,144,332	9,302,653
Net Assets:							
Invested in capital assets, net of related debt	1,994,509	1,837,192	1,285,675	-	-	414,227	5,531,603
Restricted for investments in business ventures	4,443,150	-	-	-	-	-	4,443,150
Unrestricted	(17,589)	7,504	(103,736)	2,002	-	(143,840)	(255,659)
Total Net Assets	\$ 6,420,070	\$ 1,844,696	\$ 1,181,939	\$ 2,002	\$ -	\$ 270,387	\$ 9,719,094

See accompanying independent auditors' report.

Oneida Seven Generations Corporation
Combining Statement of Revenue, Expenses, and Changes in Net Assets
Year Ended September 30, 2012

	<i>Oneida Seven Generations Corporation</i>	<i>Glory, LLC</i>	<i>Oneida Generations, LLC</i>	<i>Oneida Nation Electronics</i>	<i>Oneida Recycling Solutions, LLC</i>	<i>Oneida Energy, Inc.</i>	<i>Total</i>
Operating Revenue:							
Rental income	\$ 842,674	\$ 462,541	\$ 557,460	\$ -	\$ -	\$ -	\$ 1,862,675
Equity in net earnings of affiliates	732,036	-	-	-	-	-	732,036
Total Operating Revenue	1,574,710	462,541	557,460	-	-	-	2,594,711
Operating Expenses:							
Salaries and benefits	422,045	-	-	-	-	-	422,045
Travel	20,598	-	-	-	-	-	20,598
Contracted services	78,570	-	50,940	-	-	-	129,510
Repairs and maintenance	85,785	293	12,160	-	-	-	98,238
Depreciation	113,911	133,208	171,279	-	-	-	418,398
Promotions	5,020	-	1,000	-	-	-	6,020
Occupancy costs	145,086	247,500	12,000	-	-	-	404,586
Utilities	35,080	-	6,246	-	-	411	41,737
Meeting expense	16,437	-	-	-	-	-	16,437
Insurance	25,498	-	-	-	-	6,080	31,578
Real estate taxes	55,246	-	-	-	-	-	55,246
Donations	1,776	-	-	-	-	-	1,776
Amortization	-	7,066	-	-	-	-	7,066
Other	11,844	515	-	-	-	170	12,529
Total Operating Expenses	1,016,896	388,582	253,625	-	-	6,661	1,665,764
Operating Income (Loss)	557,814	73,959	303,835	-	-	(6,661)	928,947
Nonoperating Revenues (Expenses):							
Interest income	3,565	-	-	-	-	-	3,565
Interest expense	(165,015)	(86,453)	(233,998)	-	-	-	(485,466)
Other income (expense) and reimbursements (disbursements)	(33,735)	100,000	-	-	-	-	66,265
Total Nonoperating Revenues (Expenses)	(195,185)	13,547	(233,998)	-	-	-	(415,636)

See accompanying independent auditors' report.

Oneida Seven Generations Corporation
Combining Statement of Revenue, Expenses, and Changes in Net Assets
Year Ended September 30, 2012

	<i>Oneida Seven Generations Corporation</i>	<i>Glory, LLC</i>	<i>Oneida Generations, LLC</i>	<i>Oneida Nation Electronics</i>	<i>Oneida Recycling Solutions, LLC</i>	<i>Oneida Energy, Inc.</i>	<i>Total</i>
Income (loss) before transfers	\$ 362,629	\$ 87,506	\$ 69,837	\$ -	\$ -	\$ (6,661)	\$ 513,311
Transfer in (out)	46,342	-	-	20	-	(46,362)	-
Member draw	-	-	(137,642)	-	(721)	-	(138,363)
Total Transfers	46,342	-	(137,642)	20	(721)	(46,362)	(138,363)
Change in Net Assets	408,971	87,506	(67,805)	20	(721)	(53,023)	374,948
Net Assets, beginning of year	6,011,099	1,757,190	1,249,744	1,982	721	323,410	9,344,146
Net Assets, end of year	\$ 6,420,070	\$ 1,844,696	\$ 1,181,939	\$ 2,002	\$ -	\$ 270,387	\$ 9,719,094

See accompanying independent auditors' report.