Note 1: Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the construction or improvements of those assets.

Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by OAHC or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The OAHC's restricted net position currently consists of cash required to be held in escrow as part of its loan agreement.

The unrestricted net position represents the portion that is not restricted and may be used for working capital.

Advertising Costs

Advertising costs are expensed as incurred and totaled $246,779 and $239,666 for the years ended September 30, 2015 and 2014, respectively.

Fair Value Measurements

GAAP requires certain accounting methods and disclosures related to fair value of financial assets and liabilities. A financial instrument is defined as a cash equivalent, evidence of an ownership interest in an entity, or a contract that creates a contractual obligation or right to deliver or receive cash or another financial instrument from another party. The fair value framework under GAAP requires the categorization of financial instruments to the lowest level in a three-level hierarchy based on the assumptions (inputs) used. Level 1 uses observable inputs such as quoted market prices in active markets; Level 2 uses inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3 uses unobservable inputs in which little or no active market data exists.

OAHC's financial instruments consist primarily of an interest rate swap. The interest rate swap is classified as a Level 2 measurement within the fair value hierarchy. The fair value measurement is based on a discounted cash flow model that utilizes observable market data such as market interest rates and interest rate curves. See Note 5 for further discussion of the fair value of the interest rate swap.

The Level 2 inputs utilized can result in fair value measurements subjective in nature since they utilize discount rates and other valuation techniques rather than the more reliable Level 1 input, quoted market price. Accordingly, the fair value estimates may not be realized in an immediate settlement of the financial instrument.

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Subsequent events have been evaluated through December 16, 2015, which is the date the financial statements were available to be issued.

Note 2: Cash and Cash Equivalents

Cash and cash equivalents were as follows at September 30:

	2015	2014
Cash deposits with financial institutions' carrying amount	$ 2,101,347	$ 863,096
Cash on hand	49,300	49,300
Total cash and cash equivalents	$ 2,150,647	$ 912,396

Reconciliation to statements of net position:

	2015	2014
Cash on hand	$ 1,239,508	$ 904,683
Restricted asset - Cash and cash equivalents	911,139	7,713
Total cash and cash equivalents	$ 2,150,647	$ 912,396

Of the total cash deposits, $212,450 and $121,693 at September 30, 2015 and 2014, respectively, was held at Bay Bancorporation, Inc., a related party that is also a tribally chartered corporation of the Oneida Tribe.

As part of its loan agreement, OAHC is required to deposit monthly into an escrow account to cover repair and replacement costs of capital assets. The annual amount to be contributed to the escrow is 4% of the preceding calendar year revenue as defined by the agreement. Withdrawals from the account for qualified repairs and replacements occur upon bank approval. As of September 30, 2015 and 2014, $911,139 and $7,713, respectively, was on deposit in a money market account.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Hotel's deposits may not be returned to it. OAHC does not have a deposit policy for custodial credit risk, though, as a practical matter, Federal Deposit Insurance Corporation insurance will cover all balances in non-interest-bearing business accounts, which is the majority of OAHC accounts. As of September 30, 2015, $661,139 of OAHC's bank balance of $2,034,690 was exposed to custodial credit risk due to being uninsured and uncollateralized.

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Note 3: Capital Assets

Capital assets activity is as follows:

	Balance October 1, 2014	Increase	Decrease	Balance September 30, 2015
Capital assets not being depreciated:				
Land improvements	$ 421,126	$ 0	$ 0	$ 421,126
Artwork	140,756	0	0	140,756
Work in progress	60,459	0	21,604	38,855
Total capital assets not being depreciated	622,341	0	21,604	600,737
Capital assets being depreciated:				
Buildings and improvements	49,166,528	376,400	101,046	49,441,882
Furnishings, equipment, and vehicles	3,621,799	51,803	627,834	3,045,768
Franchise fees	85,000	0	0	85,000
Total capital assets being depreciated	52,873,327	428,203	728,880	52,572,650
Less - Accumulated depreciation for:				
Buildings and improvements	19,940,481	1,451,752	101,046	21,291,187
Furnishings, equipment, and vehicles	1,975,899	485,194	627,834	1,833,259
Franchise fees	31,697	4,940	0	36,637
Total accumulated depreciation	21,948,077	1,941,886	728,880	23,161,083
Capital assets being depreciated - Net	30,925,250	(1,513,683)	0	29,411,567
Capital assets - Net	$ 31,547,591	$ (1,513,683)	$ 21,604	$ 30,012,304

Note 3: Capital Assets (Continued)

	Balance October 1, 2013	Increase	Decrease	Balance September 30, 2014
Capital assets not being depreciated:				
Land improvements	$ 421,126	$ 0	$ 0	$ 421,126
Artwork	140,756	0	0	140,756
Work in progress	158,607	0	98,148	60,459
Total capital assets not being depreciated	720,489	0	98,148	622,341
Capital assets being depreciated:				
Buildings and improvements	48,895,164	655,044	383,680	49,166,528
Furnishings, equipment, and vehicles	11,208,075	660,860	8,247,136	3,621,799
Franchise fees	85,000	0	0	85,000
Total capital assets being depreciated	60,188,239	1,315,904	8,630,816	52,873,327
Less - Accumulated depreciation for:				
Buildings and improvements	18,905,694	1,418,467	383,680	19,940,481
Furnishings, equipment, and vehicles	9,692,982	530,053	8,247,136	1,975,899
Franchise fees	26,756	4,941	0	31,697
Total accumulated depreciation	28,625,432	1,953,461	8,630,816	21,948,077
Capital assets being depreciated - Net	31,562,807	(637,557)	0	30,925,250
Capital assets - Net	$ 32,283,296	$ (637,557)	$ 98,148	$ 31,547,591

Depreciation expense was charged to the component unit as follows for the years ended September 30:

	2015	2014
Radisson Hotel & Conference Center	$ 1,707,310	$ 1,715,147
Wingate Inn	234,576	238,314
Total depreciation expense	$ 1,941,886	$ 1,953,461

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Note 4: Long-Term Notes Payable

Long-term notes payable consist of the following at September 30:

	2015	2014
Bank term note dated April 2008, collateralized by building, approved by the Bureau of Indian Affairs, principal payable monthly in varying amounts (approximately $76,000 monthly), interest payable monthly at LIBOR plus 1.13% (1.32% and 1.28% at September 30, 2015 and 2014, respectively, subject to an interest rate swap described in Note 5), due May 2018	$ 17,429,257	$ 18,336,168
Unsecured term note dated May 2013 with the Oneida Tribe, payable at $9,176 per month including interest at 0.20%, due June 2023	847,613	955,924
Unsecured term note dated August 2013 with Bay Bancorporation, Inc., payable at $5,342 per month including interest at 5.50%, paid in full September 2015	0	367,248
Totals	18,276,870	19,659,340
Less - Current maturities	1,066,667	1,382,472
Long-term portion	$ 17,210,203	$ 18,276,868

The long-term notes payable activity is as follows:

	Balance October 1, 2014	Additions	Payments	Balance September 30, 2015	Amount Due Within One Year
Term note dated April 2008	$ 18,336,168	$ 0	$ (906,911)	$ 17,429,257	$ 958,140
Term note dated May 2013	955,924	0	(108,311)	847,613	108,527
Term note dated August 2013	367,248	0	(367,248)	0	0
Total	$ 19,659,340	$ 0	$ (1,382,470)	$ 18,276,870	$ 1,066,667

	Balance October 1, 2013	Additions	Payments	Balance September 30, 2014	Amount Due Within One Year
Term note dated April 2008	$ 19,192,099	$ 0	$ (855,931)	$ 18,336,168	$ 906,911
Term note dated May 2013	1,064,022	0	(108,098)	955,924	108,311
Term note dated August 2013	409,650	0	(42,402)	367,248	367,248
Total	$ 20,665,771	$ 0	$ (1,006,431)	$ 19,659,340	$ 1,382,470

Note 4: Long-Term Notes Payable (Continued)

Annual debt service requirements on long-term debt at September 30, 2015, including current maturities, are summarized as follows:

	Principal	Interest	Total
2016	$ 1,066,667	$ 989,754	$ 2,056,421
2017	1,126,738	929,682	2,056,420
2018	15,562,080	583,472	16,145,552
2019	109,175	935	110,110
2020	109,392	718	110,110
2021-2023	302,818	852	303,670
Total	$ 18,276,870	$ 2,505,413	$ 20,782,283

Interest reflected in the above table includes expected settlements on the interest rate swap agreement.

The bank borrowing is supported by a loan agreement containing various financial covenants.

Note 5: Interest Rate Swap

On May 1, 2008, with a trade date of April 28, 2008, OAHC entered into a pay-fixed, receivable variable interest rate swap with Associated Bank, N.A., on 100% of its 2008 term loan in order to hedge changes in cash flows specifically related to changes in interest rates.

Terms - The loan and related swap agreement mature on April 28, 2018, and the swap's original notional amount of $23,000,000 matched 100% of the principal amount of the loan. Under the swap,OAHC pays the counterparty a fixed rate of 4.59% and receives a variable payment of LIBOR. Monthly settlements made as required on the swap totaled approximately $799,000 and $841,000 for 2015 and 2014, respectively, are reflected as interest expense.

Fair Value - As of September 30, 2015 and 2014, the swap had a negative fair value of $1,665,838 and $1,998,981, respectively. The swap's notional amount of $17,429,257 as of September 30, 2015, matches the principal amount of the related loan.

Credit Risk - OAHC is not exposed to credit risk resulting from a failure of the counterparty to perform because of the swap's negative fair value. If the swap had a positive fair value, the Hotel would be exposed to credit risk from the counterparty.

Basis Risk - The interest rate on the OAHC's variable rate loan is expected to be equivalent, but not necessarily equal to the variable rate payments received from the counterparty on the pay-fixed, receive-variable interest rate swap. To the extent these variable payments differ, OAHC is exposed to basis risk.

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Note 5: Interest Rate Swap (Continued)

Termination Risk - OAHC or its counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, and at the time of the termination the swap is in a liability position (negative fair value), OAHC would be liable to the counterparty for payment equal to the liability, subject to netting arrangements.

Rollover Risk - OAHC is not exposed to rollover risk because the swap matures at the same time as the hedged debt.

Note 6: Operating Leases

The Hotel is the lessee in an operating lease with the Oneida Tribe for land upon which the hotel is located, which expires in January 2033. The lease requires annual payments of $21,600 and contains a renewal clause for an additional 25-year period under similar terms.

The Airport is the lessee in an operating lease with Brown County, Wisconsin, for land on which Wingate Inn is located, which expires June 30, 2025. The lease requires monthly payments of $3,851 and contains a renewal clause for an additional 25-year period under similar terms.

OAHC has entered into various operating leases for office equipment expiring during the next three years with monthly payments ranging from approximately $200 to $700.

As of October 1, 2013, the Hotel and the Casino have entered into a lease agreement where space will be leased from each other. The lease will renew annually in successive one-year terms unless terminated by either the Hotel or the Casino. For the space leased, the Hotel shall pay $1,883 per month to the Casino and the Casino shall pay $31,836 per month to the Hotel.

Future minimum payments, by year and in the aggregate, under the noncancelable operating leases with initial or remaining terms in excess of one year consisted of the following:

2016	$	119,644
2017		88,606
2018		73,070
2019		68,606
2020		67,816
2021-2025		327,528
2026-2030		108,000
2031-2035		72,000
Total	$	925,270

Rental expense totaled $126,280 and $129,533 in 2015 and 2014, respectively. Rent income totaled $373,032 in 2015 and 2014.

Note 7: Retirement Plan

OAHC contributes to the Oneida Airport Hotel Corporation 401(k) Plan (the "Plan"), which is a defined contribution 401(k) retirement plan covering all eligible employees. The Plan is administered by OAHC.

Benefit terms, including contribution requirements,are established and may be amended by OAHC. For each employee in the Plan, OAHC is making matching contributions of 100% up to the first $100 of participant's elective deferral. Employees are permitted to make contributions to the Plan, up to applicable Internal Revenue Code Limits. For 2015 and 2014, OAHC made matching contributions of $11,741 and $14,328, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions and become 20% vested in OAHC's contributions and earnings on OAHC's contributions after one year of credited service. The vesting percentage increases an additional 20% each year thereafter, with 100% vesting after five years of credited service. Nonvested OAHC contributions are forfeited upon termination of employment. Such forfeitures are used to pay administrative expenses first and then to reduce future employer contributions.

Note 8: Interfund Balances

OAHC provides room, food, and beverage services to other component units and individuals of the Oneida Tribe at a negotiated rate. Room revenue is recognized at the agreed-upon room night rate. Food and beverage revenue, including banquet rental revenue, is offered at a 10% discount. Revenue for these arrangements are recognized at full retail price with the discount recorded to sales and marketing in the accompanying combined financial statements. Approximately $1,578,000 and $1,527,000 in total revenues were recognized in 2015 and 2014, respectively, for such transactions of which, banquet revenues were approximately $194,000 and $93,000 for 2015 and 2014, respectively.

In addition, the Hotel provides room nights and food and beverage products to customers of the Casino, another tribally chartered corporation, on a complimentary basis as directed by the Casino. Room revenue is recognized at the agreed-upon room night rate and food and beverage revenues are recognized to the corresponding outlet. Under an agreement, the Casino reimburses the Hotel for the revenues at the applicable negotiated rates. Room revenues related to complimentary Casino rooms were approximately $183,000 and $202,000 for 2015 and 2014, respectively. Revenues related to complimentary Casino food and beverage were approximately $710,000 and $729,000 for 2015 and 2014, respectively.

At September 30, 2015 and 2014, OAHC is owed $40,554 and $55,998, respectively, from approximately 20 funds of the Oneida Tribe for services described above.

As described in Note 6, OAHC has multiple leasing arrangements with Oneida Tribe and the Casino for land and leased space. In addition, the Hotel has a note payable to the Oneida Tribe as described in Note 4.

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Note 8: Interfund Balances (Continued)

Interfund payables consisted of the following at September 30:

	2015	2014
Oneida Tribe of Indians of Wisconsin - Occupancy taxes	$ 105,836	$ 261,005
Various Oneida Tribe component units - Services performed	4,824	0
Total interfund payables	$ 110,660	$ 261,005

Note 9: Commitments

The Hotel is required to pay a royalty fee to Carlson Hospitality Group, Inc., owner of Radisson Hotels. On March 24, 2008, the Hotel entered into a noncancelable agreement, which expires December 31, 2023, requiring annual payments of 4.75% of gross room revenue or $150,000, whichever is greater. During 2015 and 2014, amounts expensed under these agreements were approximately $414,000 and $356,000, respectively. In addition, the Hotel is assessed an advertising charge of 1.50% of Radisson gross room revenue and a reservation fee of 1.50% of Radisson gross room revenue. During 2015 and 2014, amounts expensed under this agreement were approximately $262,000 and $225,000, respectively.

The Airport is required to pay a royalty fee to Wingate Inns International, Inc., owner of Wingate Inns. The noncancelable agreement, which expires February 29, 2028, requires annual payments equal to 4.5% of Wingate's gross room revenue. In addition, the Airport is assessed a system assessment fee for advertising and reservations of 4.0% of Wingate's gross room revenue. During 2015 and 2014, the amount expensed under these agreements was approximately $163,000 and $156,000, respectively.

OAHC's corporate charter requires it to pay 80% of gross operating profit after consideration to depreciation and debt service requirements to the Oneida Tribe. During 2015 and 2014, no amounts were paid to the Oneida Tribe.

Note 10: Management Company

The Hotel is managed by Aimbridge Hospitality, L.P. ("Aimbridge"). Accounting and management fees are paid monthly to Aimbridge. The management fee is based on gross revenue. In addition, Aimbridge is eligible to receive a management incentive fee equal to 10% of the amount by which net operating income of the fiscal year exceeds the actual net operating income for the Hotel for the 2012 fiscal year (year prior to Aimbridge managing the Hotel). Eligible management incentive fees are paid annually to Aimbridge. During 2015 and 2014, total accounting and management fees expensed were $563,973 and $345,898, respectively. As of September 30, 2015 and 2014, accounts payable include $169,482 and $38,450, respectively, due to Aimbridge for these fees.

Note 11: Reclassifications

Certain reclassifications have been made to the 2014 financial statements to conform to the 2015 classifications.

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Supplementary Information

Oneida Airport Hotel Corporation

Combining Statement of Net Position (Continued)

September 30, 2015 With Comparative Totals for September 30, 2014

Liabilities, Deferred Inflows of Resources, and Net Position	Radisson Hotel & Conference Center	Wingate Inn	Combined Totals 2015	Combined Totals 2014
Current liabilities:				
Accounts payable - Trade	$ 395,850	$ 30,691	$ 426,541	$ 227,884
Interfund payables	93,806	16,854	110,660	261,005
Accrued expenses and other payables	830,848	83,588	914,436	800,739
Advance deposits	142,529	5,257	147,786	162,786
Current maturities of long-term notes payable:				
Bank	699,442	258,698	958,140	906,911
Related parties	108,527	0	108,527	475,559
Total current liabilities	2,271,002	395,088	2,666,090	2,834,884
Long-term liabilities - Notes payable:				
Bank	12,023,915	4,447,202	16,471,117	17,429,257
Related parties	739,086	0	739,086	847,613
Total long-term liabilities	12,763,001	4,447,202	17,210,203	18,276,870
Deferred inflows of resources - Accumulated increase in fair value of hedging derivatives	1,665,838	0	1,665,838	1,998,981
Net position:				
Net investment in capital assets	11,985,927	597,120	12,583,047	13,211,423
Restricted	911,139	0	911,139	7,713
Unrestricted	(203,631)	(75,555)	(279,186)	(823,413)
Total net position	12,693,435	521,565	13,215,000	12,395,723
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 29,393,276	$ 5,363,855	$ 34,757,131	$ 35,506,458

See Independent Auditor's Report.

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Oneida Airport Hotel Corporation

Combining Statement of Net Position

September 30, 2015 With Comparative Totals for September 30, 2014

Assets	Radisson Hotel & Conference Center	Wingate Inn	Combined Totals 2015	Combined Totals 2014
Current assets:				
Cash	$ 1,088,337	$ 151,171	$ 1,239,508	$ 904,683
Derivative instrument - Interest rate swap	1,665,838	0	1,665,838	1,998,981
Accounts receivable - Net	611,138	(102,317)	508,821	625,336
Interfund receivables	40,357	197	40,554	55,998
Inventories	155,142	3,271	158,413	157,326
Prepaid expenses	212,041	8,513	220,554	208,830
Total current assets	3,772,853	60,835	3,833,688	3,951,154
Restricted asset - Escrow account	911,139	0	911,139	7,713
Capital assets:				
Capital assets not being depreciated	600,737	0	600,737	622,341
Capital assets being depreciated - Net	24,108,547	5,303,020	29,411,567	30,925,250
Capital assets - Net	24,709,284	5,303,020	30,012,304	31,547,591
TOTAL ASSETS	$ 29,393,276	$ 5,363,855	$ 34,757,131	$ 35,506,458