



September 21, 2018

Your file - Votre référence

4203-138

Our file - Notre référence

CIDM # 1192883

Chief and Council
Chippewas of Georgina Island
R.R. #2
SUTTON WEST ON L0E 1R0

Dear Chief and Council:

RE: 2017-2018 Financial Statements Review

The Department has completed a review of your 2017-2018 financial statements. The purpose of this review was to assess the overall financial health of your First Nation. Attached is a copy of our review for your information along with the following comments:

- 1) The financial health assessment of your First Nation was based on a calculation of the following three financial ratios, which serve as indicators of strong financial performance:
 - a. *Liquidity ratio* – **4.26 favourable** – a measure of an organization's ability to meet its short-term financial obligations.
 - b. *Sustainability ratio* – **11.67 favourable** – a measure of an organization's ability to sustain its financial capacity.
 - c. *Working capital to revenue ratio* – **0.40 favourable** – a measure of an organization's ability to generate sufficient cash flow to cover operating expenses.
- 2) A First Nation with three favourable financial indicators can expect to be able to meet all of its operational requirements in both short and long term.
- 3) An analysis of contribution program funding has not been undertaken as part of this review. All reviews for the Set, Fixed, Flexible, and Block funded activities and related expenditures will be completed separately and provided upon completion.

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- 4) For further information on our review, please refer to the attached Audit Committee Report. To ensure the accuracy of future financial reporting, we encourage you to share a copy of the complete review package with your auditor.

If you have any questions or require additional information, please contact, me at 519-751-8159 or via e-mail at Kendra.Kahnapace@canada.ca.



Kendra Kahnapace
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Indigenous Services Canada - Ontario Region

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cc: Janice Taylor, Band Manager, Chippewas of Georgina Island First Nation
Diane Proulx, SPO, Health Canada
Dallas Anderson, Senior Funding Services Officer, ISC