

Deloitte.

Forging a new path forward together

Deep industry knowledge. Experienced team.
Our commitment to serve Huu-ay-aht Government

Annual financial statement audit services






July 12, 2024



We are proud of our relationship with you that we have developed through working together over the past year. Our commitment to you from day one has been to provide you with outstanding professional services from an integrated, experienced and dedicated team of professionals with relevant experience. We value the opportunity to be able to serve as the Government's auditors and will describe our approach to audit services throughout this document.

As we move forward, we will continue to provide superior performance and bring forward new perspectives to serve you with distinction. At Deloitte, we serve a significant number of Indigenous organizations across Canada and will bring deep industry insights and subject matter specialists to provide advice as you address key issues. Be assured that you will continue to be among our most important clients, and we will work each day to prove it.

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July 12, 2024

Private and confidential

Raja Narayanan
Chief Financial Officer
Huu-ay-aht Government
4644 Adelaide Street
Port Alberni BC V9Y 5M5

We are pleased to present our proposal to serve as external auditors to Huu-ay-aht Government, which we will refer to as the "Government" throughout this document. In this proposal, and on behalf of our team, we are excited to demonstrate our commitment to provide outstanding service at a reasonable cost, as well as our distinguishing characteristics that set us apart from other service providers.

From our review of the request for proposal document and from our discussions with you, we understand the services to be provided are as follows:

- The completion of the audit of the consolidated financial statements of Huu-ay-aht Government, including having our audit team work on-site at the Government's offices alongside and in combination with the Government's accounting team.
- Assistance with the preparation of the consolidated financial statements, including note disclosures as required.
- Meetings with the Finance Committee and the Executive Council to report on the results of the audit and to review and approve the financial statements.
- Bringing forward practical recommendations for process improvements, operational efficiencies, and ways to enhance the effectiveness and capacity of the Government's accounting and finance team.
- Attending and presenting at the People's Assembly following completion of the audit.

We are confident that our extensive experience working with Indigenous clients and our collaborative business approach will allow us to meet your deadlines in a comfortable fashion while delivering the services you are requesting.

The team that we have assembled has direct and relevant expertise providing audit services to Indigenous organizations. They have the right blend of leadership capabilities, technical expertise and accumulated client experience to serve you. Each member of our team has a distinguished track



huu ay aht

ANCIENT SPIRIT, MODERN MIND

record, and I am confident that they will exceed your expectations.

Our advisory team has been doing, and continues to do, great work to support the Government's accounting and finance team. We anticipate that if we are appointed as auditors, we will be able to inherit this accumulated knowledge and will thus carry on as auditors with a high level of familiarity of the prior work done by our advisory team. We will be careful in this transition to adhere to our professional standards as auditors, to enable our advisory team to continue to assist the Government going forward while at the same time remaining independent from an audit perspective.

We have proposed an overall audit fee of \$190,000 which reflects our understanding of the complexities of the Government's financial statements, the anticipated audit readiness of your accounting team, and which includes our attendance at all meetings, both internal and with the community.

We hope this proposal demonstrates to you our eagerness to serve as your auditor and to build a relationship with you. We would consider it an honour to serve as your auditor and demonstrate to you our commitment to client service.

If you have any questions, or if we can be of assistance in any way, please contact us.

Yours sincerely,

Todd Ponzini

Lead Audit Partner

tponzini@deloitte.ca

Matthew Hartney

Lead Client Service Partner

mhartney@deloitte.ca

Executive summary



We have built trusted deep relationships throughout the nation; you know and have seen how much Deloitte cares. This engagement is a further extension to our service commitments that you have already seen, and we will execute it with the same levels of care and passion and commitment to deliver that you have come to expect from Deloitte.



An experienced team with a fresh perspective.

We have assembled a team with strong Indigenous and public sector expertise, as we feel experience in these areas is invaluable given the nature of Huu-ay-aht Government as a unique organization. Our team of dedicated professionals has both current and previous experience with organizations that are similar in nature, including your lead audit partner, Todd Ponzini.

We also bring an audit team who are not only willing but enthusiastic to travel to your Government offices to be on-site and to work in combination with the Government accounting team during the audit process. We anticipate being primarily on-site in Port Alberni, and will also visit the Government office in Anacla as appropriate. The audit team will consist of professionals with a local presence, being staffed from our Vancouver office. Our audit and advisory group in the Vancouver office consists of over 300 professionals, meaning that we have the resources available to get the work done on time.

Our core audit team is supplemented with subject matter experts from Western Canada who are able to bring the benefit of breadth of experience and best practices from other Indigenous clients across the country.

In addition, we are supported by our advisory team who are already doing work to assist the Government in a variety of ways. We have not included details about our qualifications and potential advisory services in this document as we know that you are able to contact Matthew at any point to discuss and learn more about what we have to offer.



Ability to meet timelines.

Our project management skills and the resources we have available are described further in this proposal. We realize the importance of being able to meet your deadlines, in a comfortable fashion, and are committed to working with your team to not only meet these timelines, but to identify ways to accelerate the timing of financial reporting in the future.



Fair, no surprises approach to fees.

You want to know that you are paying a fair price for a quality audit. We believe we have developed a fair fee based on our understanding of Huu-ay-aht Government as an organization, and our broader experience within the Indigenous sector. There is a direct correlation between effort, staff mix, quality and risk as it relates to price. We recognize that for a long-term relationship to be successful, you must receive fair value for money.

We do not attempt to low-bid new work just to win it, only to increase the fees in future periods, or to propose additional fees for issues that we should have understood at the beginning.

We believe all good business relationships are built from mutual trust and the premise that both parties need to receive value from this relationship. We will also work with you to ensure our audit is efficient to identify potential future cost savings.



Indigenous audit and business advisory experience.

Deloitte is the largest and most pre-eminent firm providing professional services to significant Indigenous and public sector organizations in Canada, including being the auditors of some of the largest Indigenous communities by total asset value. Our Board and management regard this sector as a strategic imperative, directing significant intellectual and financial investment to hire, develop and train the best people to serve Indigenous organizations and develop thought leadership. We continue to grow our practice as we are invited into communities.

Our strong integrated practice and leadership position among auditors of Indigenous and public sector organizations will allow you to continue to benefit from the investment we make, and the practical experience we have developed, in serving these sectors.



Investing in our relationship with you – value beyond the audit.

Huu-ay-aht Government is already a key client for our firm, in an advisory capacity, and we want to continue that relationship in a formal audit capacity while still being able to provide advisory services to you as needed.

We believe that it is very important that we invest in our relationship with you to provide value on an ongoing basis as helping our clients and their communities succeed is one of our key strategic priorities.

Our Understanding of Huu-ay-aht



Deloitte acknowledges the Huu-ay-aht Government as a self-governing Nation situated in the Barkley Sound region on the West Coast of Vancouver Island. We respect the Government's traditional territories, known as ḥahuuḥi, have been inhabited by the Huu-ay-aht people since time immemorial. With a citizen count of approximately 900, the majority reside in Anacla and Port Alberni, the closest population center.

The Huu-ay-aht Government is an esteemed member of the Nuuchahnulth Tribal Council and one of the five First Nations signatories to the Maa-nulth Final Agreement. This historic agreement, concluded on Vancouver Island, represents the first modern-day treaty in the region. On April 1, 2011, the treaty came into effect, granting the Huu-ay-aht First Nations full ownership and jurisdiction over more than 8,200 hectares of land within their territories. This milestone marked the beginning of a new era, empowering the Nation with the ability to exercise self-government and establish their own laws and policies. The Huu-ay-aht Government operates under a Constitution tailored specifically to their unique needs, known as the "made in Huu-ay-aht" Constitution. This governing document supports the laws and policies that guide decision-making on behalf of the Nation's citizens. With full control over their undisputed lands, owned in fee simple, the Huu-ay-aht Government has the authority to govern their territories according to their own laws and regulations.

We understand that Huu-ay-aht is driven by a vision of fostering a healthy, prosperous, and self-sustaining community; and the Huu-ay-aht Government Council and Hereditary Chiefs, known as Ḥawiiḥ, actively seek responsible and sustainable economic development opportunities. The Ḥawiiḥ, in close collaboration with the Elected Council, uphold their historic role as caretakers of the lands, waters, and resources of their ḥahuuḥi. Development considerations are deeply rooted in the principles of ḥiisaak (respect), ḥuuḥaḥuk (taking care of), and ḥiḥuk ma cawak (everything is connected). Deloitte recognizes that the governance of the Nation is not limited to its leadership. Huu-ay-aht citizens actively participate in the governance process through regular People's Assemblies, employing a "direct democracy" model.

A trusted partner invested in your success



We will make investments into the transition as your auditor. We anticipate an additional effort of 200 to 250 hours in 2024 and 2025 related to first-year transition and start-up costs. There will be no fees associated with these efforts.

Collaborative approach to ongoing service delivery that is transparent, reliable and effective.

We will take our five client service principles and work with you to define your expectations for each principle so that we can re-confirm how you would like to be served.

We will share this commitment document with our entire service team to ensure complete alignment with your expectations. This is a critical element of our continuous improvement process, and we believe a best practice for client service. We will continue to have these discussions with you on a regular basis to ensure we are meeting your expectations.

Our **client service principles** are the framework we use to deliver **client service excellence**.

Our approach

- ✓ **make** and meet our commitments to you
- ✓ **understand** your business and what is important to you
- ✓ **provide** value and build trust through technical competence and consistent results
- ✓ **demonstrate** professionalism through effective interaction and communications
- ✓ provide a **no surprises** experience

We invite you to assess our performance against these principles through our Client Service Insight program.

Client testimonials

The Deloitte team is always willing to work with us to positively resolve any outstanding issues, and they also understand the pressures of meeting our year-end deadlines. I really like how they conduct an effective interim audit to make year-end more manageable for us, and how they focus their attention on the key risks in the file.

Terry Holt, Chief Financial Officer, Nisga'a Lisims Government

Deloitte is responsible, open and flexible. They always want to do what is exactly best for our community. They have a great team of people – all team members are well known to us and possess a strong understanding of our needs. As for value for money, they are so much faster and more efficient than other consultants we've had.

Vanessa Mountain, Trustee, St'át'imc (PC) Trust

Deloitte's team has provided us with both excellent service through the audit process, and also value added recommendations relating to both our Band's delivery of programs to members, and how we operate our commercial entities.

Don Riemer, Director of Finance, Okanagan Indian Band

Common values and cultural understanding



For 175 years, Deloitte has been making a difference in communities. Through [WorldClass](#) we aim to develop job skills, improve educational outcomes, and expand opportunities for **100 million people worldwide by 2030**; in **Canada and Chile, our goal is to impact 2 million lives**.

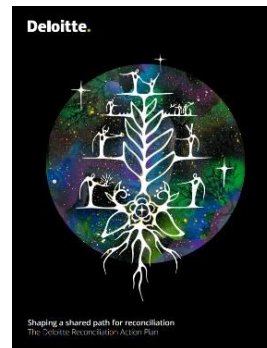
Through our [Impact Every Day](#) initiative, we have been driving the same purpose. We support our people to engage with communities year-round, addressing the issues that are most important locally. We empower our people to volunteer in their communities or donate to causes they care about.



[Please check Deloitte Canada 2023 Impact report for more...](#)

Deloitte
Foundation

Diversity, Equity and Inclusion (“DEI”)



Over the last decade, we have been working diligently to understand and address the structural barriers and inequities that existed within our firm. This included Increasing education resources diversity, equity, and inclusion as well as awareness of the mechanisms, processes, and responsibility to be accountable for addressing racism and for reporting incidents of bias and racism.

[The Reconciliation Action Plan \(RAP\)](#), a strategic framework that enables Deloitte to support and advance the national reconciliation movement with Indigenous peoples through tactile commitments and leadership under the four pillars of: **Inclusion, Education, employment and economic empowerment**. Check [Our progress on the shared path for reconciliation](#)

We also introduced a mandatory, firm-wide professional development called “[4 Seasons of Reconciliation](#)” also available to clients with completion certification on Deloitte’s public website.

Deloitte also launched “[Nation Building Advisory practice](#)” – A first in professional services.



Commitment to Sustainability

Sustainability is a firm priority and a tangible example of how we live our purpose; our mission is to help lead the transition to a lower-carbon future. We have the scale, knowledge, and resources to turn this ambition into meaningful, measurable action.

Net Zero by 2030

[WorldClimate](#), our strategy to drive responsible climate choices within our organization and beyond, commits us to achieving net-zero GHG emissions by 2030

Experience with Indigenous organizations



Our Indigenous client services practice

In 2024 Deloitte Canada launched Nation Building, a new capability to create an equitable, prosperous, and thriving economy nationwide. The Nation Building group at Deloitte will serve Indigenous Peoples and Nations on their journey to economic empowerment and self-governance, and act as integrators, facilitators, and advisors to governments and corporations, which play a critical role in advancing Nation-building.

Deloitte's new Indigenous-led approach will support First Nations, Métis, and Inuit communities in developing innovative solutions focusing on governance, economic development, natural resources, and community infrastructure. It will ensure Indigenous Peoples and Nations have a leading role in the economy, propelling Indigenous businesses forward, while advancing reconciliation efforts.

Indigenous Peoples continue to face systemic barriers on the road to economic independence and in various critical areas such as developing adequate infrastructure, access to healthcare, achieving climate targets, and employment. Despite those challenges, Indigenous Peoples and businesses continue to lead, innovate, and implement Indigenous-led solutions.

Nation Building brings together leaders and changemakers across organizations and the public sector to support Indigenous Peoples' self-governance and economic empowerment objectives. Practice offerings include strategies, solutions, and tailored advisory services to help address key areas of impact, including Jurisdiction – Governance and Operations; Economic Empowerment – Economic Development & Natural Resources; and Basic Needs – Community Infrastructure.

Supporting community vision and goals

Deloitte has a long history of supporting Indigenous communities in Canada through our business practices. This includes focus on diversity, dedication to the Indigenous business community and involvement in the community.

Deloitte professionals have been active participants in improving the lives of Indigenous communities for over two decades. We further support a number of Indigenous organizations including the Aboriginal Financial Officers Association (AFOA), National Aboriginal Trust Officers Association (NATOA), Council for the Advancement of Native Development Officers (CANDO), and Canadian Council for Aboriginal Business (CCAB) as members, board members, advisors and/or donors.

We also sponsor and speak at Indigenous conferences across Canada regarding finance, tax, trusts and accounting topics to support dialogue among Indigenous people and to increase our own understanding of the top of mind issues and innovations of today's Indigenous communities.



[Indigenous leadership must play a key role in Canada's climate goals](#)

A new report by Deloitte Canada outlines Indigenous Leaders' calls to action to corporate Canada, governments and non-government organizations committed to climate action and reconciliation

[Bringing carbon down to earth](#)

Indigenous leadership in nature-based climate solutions



[A new narrative for digital data](#)

What Indigenous cultures can teach us about digital privacy



[Reconciling our relationships to preserve Mother Earth for future generations](#)

Voices of Indigenous youth leaders on reconciliation



Deloitte was named #1

in *Accounting Today's* 2023 list of the top 100 firms in accounting



Brand Finance

Deloitte: Making an Impact that Matters

— A proud member of —



We are proud to serve our clients



We have audited a significant number of Canada's largest Indigenous organizations and hundreds of other public sector entities across the country. The firm's experience with Indigenous organizations is one of the largest among public accounting firms in Canada:



DELOITTE'S RICH RECORD OF SERVICE TO FIRST NATIONS ACROSS CANADA

Yukon Territory: Kwanlin Dun First Nation

Northwest Territories: Hamlet of Taloyoak*
Government of Nunavut

Nunavut: Nisichawayasihk Cree Nation
York Factory First Nation

British Columbia: Miawpukek First Nation*
Nunatsiavut Government*

Alberta: Enoch Cree Nation
Frog Lake First Nation
Metis Nation of Alberta
Mikisew Cree First Nation
Peace Hills Trust Company*
Piikani Nation
Sawridge Trusts*
Siksika Nation
Tsuut'ina Nation

Manitoba: Aboriginal Human Resources Council*
Athabasca Basin Development Limited Partnership*
Beardy's & Okemasis Cree Nation*
Chakastaypasin First Nation
Clarence Campeau Development Fund*
Cote First Nation
Cowessess First Nation*
Cumberland House Cree Nation
English River First Nation Band
Federation of Saskatchewan Indian Nations*
First Nations Bank of Canada
First Nations University of Canada*
Indigenous Gaming Regulators*
Lac La Ronge Indian Band*
Meadow Lake Tribal Council
Metis Nation - Saskatchewan Secretariat Inc.*

Saskatchewan: Muskeg Lake Cree Nation
Muskowekwen TLE Trust*
Native Coordinating Council
North American Indigenous Games*
Pasqua First Nation
Peepeekisis Cree Nation No. 81
Peter Ballantyne Cree Nation Health Services Inc.*
Peter Ballantyne Group of Companies*
Prince Albert Casino Ventures Limited Partnership*
Prince Albert Development Corporation*
Prince Albert Grand Council
Office of Treaty Commissioner*
Saskatchewan Indian Equity Foundation*
Saskatchewan Indian Gaming Authority*
Saskatoon Tribal Council*

Ontario: Anishnabeg Outreach Employment & Training Inc.*
Assembly of First Nations*
Canada Lands Company Limited
Chippewas of Kettle & Stony Point First Nation*
Chippewas of Rama First Nation
Great Blue Heron Charity Casino
Inuit Art Foundation
Metis Nation of Ontario
Mohawks of the Bay of Quinte

Quebec: Alliance Autochtone du Quebec*
Assembly of the First Nations of Quebec & Labrador*
Bande des Innus de Pessamit
Communaute des Algonquins de Barriere Lake
Conseil de bande de Wemotaci*
Conseil de bande des Abénakis de Wolinak*
Conseil de bande d'Odanak*
Conseil de la Nation Atikamekw de Manawan*
Conseil de la Nation Huronne-Wendat*
Conseil de la Nation Innu Matimekush - Lac John*
Conseil de la Premiere Nation Abitibiwinni*
Conseil des Atikamekw d'Opitciwan*
Conseil des Innus de Pessamit
Conseil des Montagnais d'Unamen Shipu*
Eagle Village 1 Nation-Kipawa*
Grand Conseil de la Nation Waban-Aki Inc*
Innu Essipit
Innu-Takuaikan Uashat MakMani-Utenam*
Kativik School Board*
Kitigan Zibi Anishinabeg
Long Point First Nations
Makivik Corporation
Mamu Pakatatau Mamit*
Micmacs of Gesgapegiag First Nation
Mohawk Council of Akwesasne
Moules industriels (CHFG) Inc.
Naskapi Nation of Kawawachikamach*
Pekuakami Innuatsh Takuhikan*
Timiskaming First Nation*

Newfoundland & Labrador: Kingsclear First Nation (<5)
Woodstock First Nation (<5)

N.B. / Nova Scotia: National Aboriginal Capital Corporations Association
National Indian Brotherhood Trust
Shoal Lake Band Development Corporation (Tillicum)
Six Nations of the Grand River
Six Nations Polytechnic University*
St. Paul's University College*
United Chiefs and Councils of Mniidoo Mnising
Walpole Island First Nation

*Attest clients

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Industry Experience - Serving Nation Governments



Some of our representative audit clients served here in British Columbia and in western Canada include the following:

Client



Nisga'a Lisims
Government



Project Details

- Financial State Audit
- Audit of Housing Program Financial Statements
- Audit of Financial Statements of Commercial Group
- Audits of Supplementary Schedules
- Tax Planning and Compliance Services

- Financial Statement Audit
- Audit of Financial Statements of Commercial Group
- Audits of Supplementary Schedules
- Internal Control Process Improvement Assignments

- Financial Statement Audit
- Audit of Housing Program Financial Statements
- Tax Planning and Compliance Services
- Audit of Financial Statements of Commercial Group

- Financial Statement Audit
- Audit of Housing Program Financial Statements
- Audit of Financial Statements of Commercial Group
- Audits of Supplementary Schedules
- Tax Planning and Compliance Services

- Financial Statement Audit
- Audit of Housing Program Financial Statements
- Audit of Financial Statements of Commercial Group
- Audits of Supplementary Schedules
- Tax Planning and Compliance Services

Years Served

> 10 years

> 10 years

8 years

5 years

1 year

Your client service team



Todd Ponzini
Lead Audit Partner

Vancouver



Matthew Hartney
Lead Client Service Partner

Victoria

For Deloitte, all professional services are personal. The quality of our audit services and the value we bring to your business depends on the skills, experience, insight and commitment of the individuals who deliver our services. Simply stated, it is the people on the engagement team who make the difference.

Our engagement team for Huu-ay-aht Government has the critical skills you require including technical proficiency in auditing and financial reporting, Public Sector Accounting Standards knowledge, Indigenous organization audit experience, and systems and controls expertise.

Perhaps most importantly they have a level of interest and commitment to learn more about the Government, its history and culture, and to come to your offices during the audit to work alongside the Government's accounting team to carry out the audit on an efficient basis.

Matthew Hartney will be serving as our lead client service partner given his history and accumulated knowledge of your organization.

Todd Ponzini will lead our audit team, and will draw on our extended team and advisory panel as needed to bring best practices forward during the engagement.

Through Matthew, Todd, and our extended team you will have access to anyone within our firm that could be beneficial to Huu-ay-aht Government.

Audit team



Elisabeth Sartorius
Audit Senior Manager

Vancouver



Winnie Xu
Audit Manager

Vancouver



Valerie Watson
Quality Review Partner

Regina

Also included on our audit team will be one audit senior team leader, two second year audit staff, and two first year audit staff. This team will be staffed from our Vancouver office and will conduct the audit work on site at your offices.

We will also include IT specialists on our audit team, to the extent necessary given the Government's software systems and internal control environment.

Advisory Panel



Paul Borrett
Business advisory partner –
Nation Building Practice

Edmonton



Jolain Foster
Managing Partner, Nation Building

Calgary

The team you can trust and count on



Todd Ponzini, CPA

Lead Audit Partner

Email@deloitte.ca



Matthew Hartney, CPA

Lead Client Service Partner

mhartney@deloitte.ca



Jolain Foster, CPA

Managing Partner, Nation Building

jofoster@deloitte.ca

Todd will be the Lead Audit Partner and will have the primary responsibility for the completion of the audit of the financial statements.

Todd is an experienced member of Deloitte's Indigenous Practice and has over 20 years of public accounting experience serving a variety of Indigenous clients located throughout all parts of BC with audit, accounting, taxation and business advisory services.

Todd has also attended and presented on behalf of Deloitte at many meetings of finance committees, councils, and governments. He has been invited to present at meetings of membership on topics ranging from the year-end financial statements to the economics of developing a commercial group to improving membership's level of comfort and understanding of financial matters. In addition to the delivery of audit services, Todd regularly advises his clients on new developments in PSAS, IFRS, and accounting for complex transactions.

SELECTED CLIENTS SERVED

- Nisga'a Lisims Government
- Okanagan Indian Band
- Squamish Nation
- Tsawwassen Government
- Heiltsuk Nation
- First Nations Summit Society

Matthew is a Director in our Audit & Advisory practice and has over 15 years of experience in serving all levels of the public sector across Canada.

In this capacity Matthew has been helping to improve budgeting and planning, operations and accounting, and financial statements and public reporting. He has served numerous Indigenous organizations and is currently supporting the Aboriginal Finance Officers Association of BC.

Matt has also helped clients with various CFO support services, financial transformation work, and financial technology (FinTech) related services.

SELECTED CLIENTS SERVED

- Tsuu'tina First Nation
- Squamish Nation
- Tyendinaga Mohawk
- Yukon First Nation
- First Nations University of Canada
- Nuuchahnulth Tribal Council
- Heiltsuk Nation
- Kativik Regional Government
- Nisga'a Lisims Government
- Tsleil-Waututh First Nation

Jolain is the managing partner of our Nation Building practice and works directly with Indigenous communities and businesses to develop and improve community and organizational strategic planning, governance, and operations. She will serve as an Indigenous Client Services expert and support the engagement team with delivery where required.

Jolain is Gitksan and Wet'suet'en First Nations from British Columbia and has over 25 years of experience working directly with Indigenous communities and businesses across Canada. In particular, Jolain has extensive experience in executive leadership roles working with Indigenous clients, industry, academia, and the public sector to advance and promote mutually beneficial policies, practices, and innovative agreements.

SELECTED CLIENTS SERVED

- Tsuut'ina Nation
- Frog Lake First Nation
- Mikisew Cree First Nation
- Siksika Nation
- Indigenous Services Canada
- Aboriginal Head Start

The team you can trust and count on



Elisabeth Sartorius, CPA

Audit Senior Manager

esartorius@deloitte.ca

Elisabeth is a senior manager in Deloitte's audit practice in British Columbia. Elisabeth has extensive experience serving Indigenous clients with audit, accounting, and business advisory services. Elisabeth also has significant hands-on experience with PSAS, IFRS and ASPE.

As the Audit Senior Manager, Elisabeth will direct the audit team and manage the various aspects of the audit fieldwork. She will work closely with the Government's accounting team throughout the audit and will liaise with Deloitte service team members to ensure that the audit process runs smoothly, the audit risks are dealt with appropriately, and that all reporting requirements and deadlines are met.

SELECTED CLIENTS SERVED

- Nisga'a Lisims Government
- First Nations Summit Society
- Okanagan Indian Band



Winnie Xu, CPA

Audit Manager

winxu@deloitte.ca

As your Audit Manager, Winnie will direct the audit team and manage the various aspects of the field work relating to the financial statement audit and ensure the quality of our audit work. She will also provide the Government's accounting team with a list of documents requested and will monitor the timeline for both provision of these document requests and the execution of the audit work.

Winnie will ensure efficient communication and timely deliverables and will be present on-site with the audit team during the engagement.

SELECTED CLIENTS SERVED

- Okanagan Indian Band
- First Nations Summit Society
- Tsawwassen Government



Paul Borrett, CPA

Business advisory partner – Nation Building Practice

paborrett@deloitte.ca

As Paul will serve as an Indigenous Client Services expert and support the engagement team with delivery where required.

Paul has over 25 years' experience in public practice and is responsible for a number of major audit clients of the firm. Paul is specializing in serving and leading business development for Indigenous organizations. Paul has delivered assurance and advisory services to organizations of all sizes in a wide variety of industries including First Nations gaming and Indigenous industrial joint ventures.

SELECTED CLIENTS SERVED

- Tssu'tina Nation
- Mikisew Group of Companies
- Eagle River Casino

Team continuity for seamless service delivery



We recognize that staff continuity is critical for a smooth audit and understand that it is equally important to you. We've worked hard to keep our teams motivated and challenged, providing our people with the chance to work on different aspects of an engagement as they progress. Our people want to work on an audit like yours – to be involved in an interesting and engaging organization.

Our retention strategy includes practical programs such as an industry-leading emphasis on, and coverage for, mental health; and additional paid time off in the form of "Deloitte Days", which allow staff to disconnect with confidence and recharge.

Another part of our retention strategy involves encouraging continuous learning and peer connection, including providing unique learning experiences through our in-the-field apprenticeship model complemented by our Multi Disciplinary Model.

We leverage our [Deloitte Universities](#) across the globe to provide a world class experience in learning and knowledge-sharing opportunities to enhance performance. Furthermore, we provide engagement-related learning opportunities — for example, we will give members of our engagement team the chance to work on different aspects of your audit as they grow and progress.

It's about people – some of the things we're proud of:

Deloitte Canada



Deloitte Global



Onboarding our staff to the Huu-ay-aht Government audit

Everyone who serves you would have completed a half day of training in respect of Huu-ay-aht Government even before our preliminary work starts, and another half-day refresher session before the year-end audit starts. This ensures the whole team gains a strong understanding of your organization, your accounting policies and practices, our audit plan, and their role on the team.

Our commitments to you:

- Todd, Elisabeth, Winnie and the rest of the audit team are eager to work with you and are committed to being passionate about your success.
- We will plan for continuing agility throughout the audit. Building intra-team contingencies for smooth succession planning, developing onboarding materials upfront, and standardizing our internal processes and documentation.
- We commit to regularly seeking your feedback on the team's service to ensure we are exceeding your expectations.

Annual Client Service Assessment

Service delivery is most successful if the outcomes are clear, and we care deeply about how our services work for our clients. Deloitte collects consistent, reliable data that drives innovation, accelerates growth and deepens loyalty through its **Voice of Client (VoC)** program, which commits to hearing our clients' voices and feedback by conducting engagement and relationship-level interviews. Ultimately, to serve you best, we need to know your thoughts on how we're doing.

Our audit approach



We believe a quality audit is more than a compliance exercise focused solely on the completion of prescribed procedures.

Understanding of your needs

As outlined in the cover letter, we believe we understand your specific needs. We consider it fundamental to the effectiveness of the audit to develop a collaborative relationship with your accounting team. We are accessible to you and prepared to provide valuable responses to inquiries that you may have as it relates to guidance on accounting and reporting issues. We feel it is our responsibility to help the Government's accounting team excel in discharging their duties to ensure quality financial reporting in an atmosphere of trust, respect and fairness.

Our fundamental objective will always be to arrive, on a collaborative basis, at the right answer. We commit to be on top of the issues for you, not only as they arise, but through anticipation of new accounting changes, and their likely impact on the financial statements.

Embedding innovation within the audit

Our audit process builds on the foundation of our industry-leading innovative audit technologies. The combination of these platforms allows us to deliver a high-quality audit that is suited to meet your needs today and into the future.

In addition, our innovative approach to engagement management, Deloitte Connect and other tools that automate previously cumbersome manual areas of the audit, helps us to deliver an efficient and effective audit. A summary of the key tools we think will be beneficial to our audit are as follows:

Collaboration → **Deloitte.**
CONNECT



Benefits to you:

- Greater visibility through real-time status dashboards and a mobile app
- Reduced administrative burden around information exchange
- Alerts to both your team and the audit team to upcoming due dates

Deloitte Extractor

is a simple and secure Deloitte cloud application that allows Deloitte to gather your general ledger data from your Sage 300 system, and interact with it for engagement purposes.

- Results in fewer information requests in client assistance letters and reduces the time demands on your staff to assemble standard information requests for Deloitte.
- An effortless and secure way for the accounting team to submit general ledger data to Deloitte.

A tailored audit strategy

Our audit approach – a fresh perspective

Many professional services firms are able to conduct a competent audit. The distinguishing value of a Deloitte audit is the deeper, meaningful insights we provide to help our clients better achieve their business and operational goals.

We believe a quality audit is more than a compliance exercise focused solely on the completion of prescribed procedures. We endeavour to thoroughly understand your business and the environment in which you operate, allowing us to better identify areas of higher risk. Communication is a key pillar of our approach – we commit to providing a “no-surprises” audit based on prompt, candid communication with you on all audit, accounting and other matters. We design and perform audit procedures that are tailored to your business, industry, risk profile and specific situation.

1. Complete the initial planning process

- Assess and respond to engagement risk
- Understand business and the scope of work
- Understand business’ control environment and accounting processes
- Work with Management to assess risks
- Assess regulatory changes
- Prepare and communicate client service plan and engagement letter

4. Report and assess performance

- Perform subsequent-event reviews
- Obtain Management representations
- Communicate findings
- Conclude on Management’s process
- Perform client-service assessment process



2. Develop the audit plan

- Determine planning materiality
- Assess risk and account-balance and potential
- error levels
- Plan test of controls
- Plan specialist involvement
- Plan substantive tests

3. Perform the audit plan

- Test entity-level controls
- Test process-level controls
- Evaluate control deficiencies
- Perform substantive tests and evaluate

Partner-led

Driven by our partners’ experience and detailed knowledge in auditing Indigenous organizations.

Dynamic

Designed to continually respond to changing circumstances both internally and externally.

Risk-focused

By identifying and designing appropriate audit procedures that focus on risks for significant accounts, transactions and disclosures as well as material misstatements to the financial statements.

Quality-focused

With a commitment to provide an uncompromisingly high-level of professional and technical quality.

A tailored audit strategy (continued)



Evaluation of internal controls

We evaluate the design and test the implementation of key internal controls related to relevant financial statement line items, key business cycles (such as revenues, expenses, and tangible capital assets) and disclosures. Our evaluation considers our assessment of the audit risk within each of these areas. We may also choose to adopt a substantive approach to the audit of certain areas in connection with our audit of the financial statements if it is more efficient to do so.

Key risks and areas of focus

Our approach to identifying and addressing areas of audit risk is collaborative in nature to optimize the “smarts” and effectiveness of our audit. We will conduct discussions with the Government's accounting team to obtain perspectives and feedback on areas of significant risk, as well as our proposed audit response. From our preliminary assessment, we believe the areas of audit focus for these financial statements of the Government are:

- Revenue recognition – proper recognition of revenue, or deferral as appropriate
- Expenses – correct recognition of expenses by program, with accurate cut-off at year-end
- Investments – assessment of the correct accounting method for portfolio investments
- Tangible capital assets – testing that all capital projects have been properly recorded and depreciation is calculated on an accurate basis
- Deferred revenue – risk that deferred revenue derived from government transfers do not meet the definition of a liability and therefore should not be deferred.
- Investments in government businesses – testing the balances and transactions are accurate for the businesses which are controlled by or invested in by the Government.

Effective communication – the key to an efficient, no-surprises audit

Timely, clear and effective communication achieves better audit results, facilitates issue resolution, eliminates surprises, and builds trust and confidence. In order to better understand your current structure and systems, strategic priorities, concerns and perspectives, we pride ourselves in establishing and maintaining a continuous and comprehensive dialogue throughout the year – not just during the audit cycle. We know from experience that regular communication will enable us to mitigate potential issues before they become more difficult to manage.

Committed to performing the work within the time period specified in the annual schedule

In addition to ensuring disruptions to your team are minimized and complying with timelines per Huu-ayaht legislation and adhering to the Financial Administration Act (FAA), we are focused on efficiencies to deliver an effective audit that meets the stated timelines and objectives without compromising audit quality.

The exact timing of when the various steps of the audit process will be performed will need to be determined in conjunction with the Government's accounting team. In addition, we may need to conclude some of the advisory services we are currently working on before signing the audit engagement letter to preserve our independence as auditors,

We would anticipate that the timing of the work be generally as outlined below. We are flexible to adjust our timing to meet your needs.

Activity	Estimated timing
Pre-audit introductory meetings	Shortly after appointment
Audit plan and schedule agreed on	During October 2024, and before Peoples' Assembly
Carry out interim audit work on period ended December 31, 2024, and agree on list of documents to be provided by the Government accounting team for year-end.	January 2025
Commencement of year-end audit on-site at the Government's offices	May 15, 2025
Completion of audit work	June 10, 2025
Completion of draft financial statements	June 25, 2025
Meeting with Finance Committee to review draft financial statements	By July 10, 2025
Delivery of audit opinion and consolidated financial statements in accordance with Financial Administration Act	Prior to August 28, 2025
Audit service assessment debrief	September 2025
Attendance at Peoples' Assembly	November 2025

Your quality audit starts with a successful transition







Clients frequently have concerns about transitioning from one professional services provider to another. We strive to reduce the disruption and allow your people to focus on what they do best. We will design a transition that is effective, rapid, and structured with mutually agreed deadlines

A smooth audit transition requires careful management of three factors: people and relationships; the auditor's learning curve, and potential distraction of the finance team.

We would like to know your preferences for transition, and your working style. We will build a transition plan to fit this. We will communicate to you what our requirements are and the reason for such requests. This will allow your team to have an overview of what will be required from them and ensure a "no surprise" experience. In the past 5 years Todd has transitioned several clients and is committed to a seamless experience for you.

Your Deloitte team works toward a smooth transition by:

-  **Building a strong working relationship** Our first step is to get a detailed understanding of your business and priorities. We meet with your team and key stakeholders to discuss the schedule deadlines, roles and responsibilities, key accounting matters, upcoming challenges, and your people, culture, and priorities.
-  **Understanding your expectations** We test and build our understanding of specific business issues, set expectations, address concerns, and discuss the things that affect our service so that we align with your expectations.
-  **Simplifying** With input from management, we develop and execute a transition plan and centralize activities to simplify information-gathering and communication.
-  **Using existing work** Using available internal documentation on systems and controls, your need to adapt is reduced. We prioritize learning the control activities on which management relies.



Our commitment to communicating with management sets the tone during the transition. We work closely with your leadership team to establish clear, credible, timely communication to keep us on the same page and execute a smooth transition.



Hitting the ground running with the Audit Transition Meeting

- Kick-off planning meeting with Deloitte and Huu-ay-aht Government team members.
- One room, open dialogue, and idea sharing mean our teams accomplish in hours what could otherwise take weeks or months.

Our fee estimate



Our approach to professional fees

Deloitte takes pride in offering competitive fees in all areas of our practice. On every engagement, we try to provide maximum client service at the minimum cost which can be achieved within the framework of our professional standards. However, outstanding client service takes time and initiative. We believe that a professional, ongoing relationship requires a combination of a superior level of service with a reasonable and fair fee based on the appropriate time commitment.

We operate on the basis of “no surprises” in our invoices and we will hold discussions with you from time to time to ensure that you are confident that the organization is receiving the best value for the fees.

Our approach to establishing professional fees generally is characterized by two features:

- **No surprises** – The invoices you receive will be based on early and complete discussion and agreement with us.
- **Fair fees** – You must feel that the fees are reasonable and fair for the value which has been derived from the assignment. From our perspective, fees must represent an appropriate economic return on the effort and intellectual capital deployed in the assignment, given the amount of time to be spent to adhere to our audit quality standards.

Our proposed fees

Our fees are based upon our assessment of the engagement scope, and the amount of time needed at various levels of responsibility to complete the audit work in accordance with our audit quality standards.

Audit of consolidated financial statements of Huu-ay-aht Government for the year ended March 31, 2025	\$190,000
Audit of report on gaming proceeds for the year ended March 31, 2025	\$2,000

The above fees include meetings with management to discuss regularly occurring issues, responding to routine accounting questions, audit procedures required to render an audit opinion on the financial statements, presentations of our year-end communication to the Finance Committee, presentation at the People’s Assembly, and the issuance of a management recommendations letter when applicable.

We expect the total hours to complete the services above for fiscal 2025 will be between 1600 and 1700 hours, including our up-front investment time. Our investment into the transition as your auditor will not result in any costs to you associated with this transition time in our initial audit year. Out-of-pocket expenses will be billed at cost and will primarily represent costs for our team to visit your office and to carry out our audit work on-site.

In addition to the audit of the consolidated financial statements, we would be pleased to assist with audits of other entities, such as Huumiis Vantures Limited Partnership and Ma-as-ta-kimith Housing Society, and we could provide an estimate of our related fees upon receipt of the financial statements for these entities. We are also available to perform audits or compilations of other financial statements or reports that may be required by the Government as needed.

Assumptions pertaining to our estimate

Our fees are based on certain assumptions, including:

- Timely and accurate completion of the documents requested from the Government’s accounting team;
- Few inefficiencies during the audit process or changes in scope caused by events that are beyond our control;
- No need to restate or correct accounting treatments or positions taken in previous years;
- The effectiveness of internal control throughout the period under audit;
- A minimal level of audit adjustments (recorded or unrecorded);
- Timely resolution of complex accounting matters; and
- The availability of the Government’s accounting team in line with our timing assumptions.

If we believe that our time is going to be in excess of what was originally planned, and thus we would propose additional audit billings, we would discuss these issues with management up front and seek approval to perform any additional or incremental procedures.

Our proposed fees are based on our review of the fiscal 2023 financial statements and those accounting policies, and do not take into account future significant or unusual transactions, material changes in the level of financial activity of the Government, or changes in accounting policies.

Other services



As your independent auditors, we enhance trust in the companies we audit. We can advise you as you work through your most important business issues and challenges. Not only do we have the capabilities of the world's largest professional services organization but, as your auditors, we bring a deep understanding and objective view of your business. There are a number of areas where Deloitte can add value to the Government through the provision of high-quality professional services beyond the audit.



Accounting services

- Various services related to accounting matters, assessments, implementation of accounting changes and transaction services.



Business processes and risk management services

- Advice on financial close and reporting, treasury operations, and technology strategy as well as providing cost-reduction advice, including analysis of spending, organization structure, and business processes as a basis for recommending improvements. Advice and analysis related to risk assessments of the company's extended enterprise; this can include advising the company on its efforts to (a) improve risk identification, risk monitoring, and the validation of compliance with contractual obligations (the obligations of the company and/or its counterparties), (b) the accuracy of information provided to the company by counterparties, or (c) its efforts to validate royalties, vendor costs, and so forth.



Internal control services

- Various services related to internal control analysis and recommendations for improvement, design of management's strategic plan for internal audit (IA), performance of certain operational audits, advice and recommendations to management regarding monitoring of extended business relationships, etc.



Cyber risk services

- Various services related to all cyber, privacy and resiliency risks and operations, including strategies, cost management and automation.



Financial advisory services

- Provide recommendations on the effectiveness of existing antifraud programs and controls, client's determination of its property, inventory, and business interruption values analysis and its maximum potential loss, and provide recommendations on intellectual property licensing, profit sharing, and royalty agreements in management's efforts to identify and recover potential revenue "leakage" in the company's dealings with other business partners, in all cases as long as litigation or regulatory investigation is not expected.



Forensic and dispute services

- Perform background checks on individuals, vendors, and business partners using publicly available information as part of a routine M&A transaction and certain other limited non-M&A instances, such as internal fraud investigations, provide recommendations on document and information retention strategies, advise management as it leads fact-finding investigations of suspicious activity identified by management, and conduct limited vendor due diligence under certain circumstances, with some restrictions.



Human capital and actuarial services

- Various human capital advisory services providing advice and recommendations, pension actuarial services solely to comply with tax and Employee Retirement Income Security Act funding and deduction rules that do not create or aggregate source data underlying the financial statements, and providing a statement of actuarial opinion for loss, loss expense, and other reserves for state department of insurance requirements, provided that the service does not create or aggregate source data underlying the financial statements.



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