

Mackay LLP

Auditors' Report on Supplementary Information

**To the Members of
Taku River Tlingit First Nation**

We have audited and reported separately herein on the financial statements of Taku River Tlingit First Nation as at and for the year ended March 31, 2011.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's attached supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has not been prepared using Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board ("PSAB").

Differences between generally accepted accounting principles as recommended by PSAB and accounting principles used to prepare the supplementary information include the recognition of capital asset purchases and the principal portion of mortgage payments as an expense within the supplementary information. The principles recommended by PSAB require that these transactions not be recorded as expenses.

Supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole, except that it has not been prepared using Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board.

**Whitehorse, Canada
December 21, 2011**

Mackay LLP
Chartered Accountants

Taku River Tlingit First Nation
Annex II
Schedule of Federal Government Funding
March 31, 2011

Federally funded Programs and Services Directly funded by the Gov't of Canada	Dept. #	Federal Funding	Total Funding Recorded	Funding Expended Option 2 (Total expenditures from all sources)
INAC FUNDS				
Social Programs				
National Child Benefit	296	8,637	8,637	8,637
Basic Needs	298	769	769	769
Administration (Serv. Delivery)	300	57,182	59,060	63,611
Administration (Serv. Delivery)	300	1,878		
Family Violence	301	18,088	18,089	38,088
Family Violence	301	20,000		
Basic Needs	302	129,057		
Special Needs	302	35,385	179,442	210,695
Adult care/in home care	302	15,000		
Total		285,997	285,997	321,800
Education				
CÉLC/Advice & Assistance	200	35,012		
Ancillary Support	200	6,814	527,794	527,794
School Supplies	200	5,615		
Tuition Agreement (LEA)	200	480,333		
Youth Employment Strategy	203	29,123	29,123	29,123
New Paths for Education	205	55,282	55,282	55,283
Parental & Community Engagement	207	5,250	5,250	5,250
Post Secondary Education	215	148,324	148,324	137,784
New Paths TFLC	300	60,718	60,718	61,963
Total		826,491	826,491	817,197
Administration				
Bank Support	500	296,189		
CPP Bank Employee Benefit Plan	500	37,000	363,189	911,240
Private Pension Band Employees	500	14,193		
Private Pension Plan Administration	500	15,807		
Consultation & Policy Development	540	13,601	33,033	33,033
Policy Dev/Leaders Team Building	540	19,432		
Total		396,222	396,222	944,273
Economic Development				
CEEP (CanNor)	400	58,648	58,648	83,037
CEOP (CanNor)	402	50,030	50,030	9,041
Total		108,678	108,678	92,078
Operations & Maintenance				
O&M Roads	601	41,342		
O&M Sanitation Systems	602	62,703		
Solid Waste	602	31,715	470,873	476,090
O&M Water Systems	602	127,942		
GP WTP	602	107,951		
O&M Electrical Systems	603	3,719		
O&M Community Buildings	603	69,221		
O&M Fire Protection	605	4,320		
O&M Municipal Services	606	21,960		
ACRS (Asset Condition Report)	720	10,000	10,000	10,000
Total		480,873	480,873	486,090
Capital				
Community Buildings/Project Management	701	120,000	120,000	109,128
VCHI - TRTFN Service Garage	704	357,492	731,621	685,452
VCHI - TRTFN Service Garage	704	374,129		
Sewage Feasibility Study	712	54,000	54,000	54,000
Water Treatment Plant	714	45,000	45,000	45,000
Total		950,621	950,621	893,580
Sub-total for INAC		3,048,882	3,048,882	3,555,018
Health Canada				
Diabetes - Prevention & Promotion	295	29,530	29,530	29,530
Water Quality	303	9,240	9,240	9,240
NNADAP	304	29,868	32,646	32,646
Solvent Abuse	304	2,778		
Brighter Futures	305	23,336	23,336	23,336
HIV - AIDS	306	395		
CHN - Nurse	306	18,601		
CHR (Community Health Representative)	306	30,945	52,640	52,640
Clerical Support Services	306	2,699		
Mental Health	307	12,796	12,796	12,796
Governance & Support	308	67,469	73,358	73,358
Janitorial	308	5,889		
Home and Community Care	309	33,259	33,259	33,259
Prenatal Nutrition	311	3,222	3,222	3,222
NHBM/MT	316	53,996	53,996	55,241
Aboriginal Head Start	370	61,480	61,480	61,480
Sub-total for Health Canada		385,503	385,503	386,748
Fisheries and Oceans				
	920	411,130	411,130	415,241
Renewables - CEAP (CMHC)				
	800	166,287	180,000	180,000
	805	13,713		
Grand Total		4,025,515	4,025,515	4,537,007