

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 ("First Nation") as at and for the year ended March 31, 2012. Our audit report, dated July 27, 2012, was qualified due to our inability to determine whether adjustments were required to capital assets, investments, accumulated surplus and expenses resulting from the lack of a valuation of tangible capital assets and audited financial information not being available for the First Nation's investments.

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
July 27, 2012**

MacKay LLP
Chartered Accountants

**Taku River Tlingit First Nation
Annex H
Schedule of Federal Government Funding
March 31, 2012**

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)
AANDC FUNDS				
Social Programs				
National Child Benefit	296	8,637	8,637	8,637
Administration (Serv Delivery)	300	59,060	59,060	59,060
Family Violence	301	28,189	28,189	28,189
Basic Needs	302	100,370		
Special Needs	302	18,337	127,870	95,517
Adult care/in home care	302	9,163		
Total		223,756	223,756	191,403
Education				
CELC/Advice & Assistance	200	35,012		
Ancillary Support	200	6,614	633,630	617,241
School Supplies	200	6,965		
Tuition Agreement (LEA)	200	585,019		
New Paths for Education	205	53,000	53,000	53,000
Post Secondary Education	215	148,324	148,324	164,773
PIDP	227	25,000	25,000	25,000
New Paths TFCL	390	61,000	61,000	60,901
Total		921,164	921,154	920,915
Administration				
Bank Support	500	286,094		
CPP Bank Employee Benefit Plan	500	38,000	358,094	838,797
Private Pension Band Employees	500	18,193		
Private Pension Plan Administration	500	15,807		
Consultation & Policy Development	540	11,132	11,132	0
Total		369,226	369,226	838,797
Economic Development				
CEDP (CanNor)	400	59,252	59,252	71,207
Total		59,252	59,252	71,207
Operations & Maintenance				
O&M Roads and Bridges	801	42,406	42,406	47,053
O&M Water Systems	802	130,879	130,879	130,875
O&M Community Buildings	803	78,739	78,739	82,737
O&M Fire Protection	805	4,320	4,320	4,320
O&M Municipal Services	806	21,960	21,960	22,073
O&M Sanitation	807	63,844	63,844	61,481
O&M Electrical Systems	808	3,825	3,825	3,825
O&M Solid Waste	809	32,269	32,269	31,006
O&M Water Maintenance	811	105,000	105,000	105,000
O&M VCIF Improve WTP	812	14,000	28,385	28,385
O&M VSDJ Project 2WTP	812	14,385		
Total		611,427	511,427	518,757
Capital				
Community Buildings/Project Management	701	120,342	120,342	120,013
VCHI - TRTFN Service Garage	704	64,709		
VCHI - TRTFN Service Garage	704	374,129	453,325	545,581
VCHI - TRTFN Service Garage	704	24,487		
Total		573,667	573,667	665,594
Other				
BCCI Negotiation Preparedness	884	75,000	75,000	0
Summer Work Experience Program	938	3,960	3,960	3,960
		78,960	78,960	3,960
Sub-total for AANDC		2,737,442	2,737,442	3,206,633
Health Canada				
Diabetes - Prevention & Promotion	295	29,530	29,530	29,530
Water Quality	303	11,400	11,400	11,400
NNADAP	304	29,868	32,729	32,729
Solvent Abuse	304	2,861		
Brighter Futures	305	24,036	24,036	24,036
HIV - AIDS	306	396		
CHN - Nurse	306	19,159	54,207	56,207
CHR (Community Health Representative)	306	31,873		
Clerical Support Services	306	2,780		
Mental Health	307	13,180	13,180	13,180
Governance & Support	308	69,493	75,559	75,559
Janitorial	308	6,066		
Home and Community Care	309	33,188	33,188	33,188
NIH/MT	316	53,996	53,996	47,785
Aboriginal Head Start	370	61,480	64,799	64,799
Prenatal Nutrition	370	3,319		
Sub-total for Health Canada		392,624	392,624	388,393
Fisheries and Oceans				
	920	451,233	439,484	438,246
Grand Total		3,681,299	3,669,550	4,035,272