

**WATER WOLF
ECONOMIC DEVELOPMENTS INC.**

**FINANCIAL STATEMENTS
WITH AUDITOR'S REPORT**

**FOR THE YEAR ENDED
March 31, 2007**

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CHARTERED ACCOUNTANT
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AUDITOR'S REPORT

**To the Directors of
Water Wolf Economic Developments Inc.**

I have audited the statement of financial position of Water Wolf Economic Developments Inc. as at March 31, 2007 and the statements of operations and changes in fund balances for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2007 and the results of its operations and changes in fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.

SASKATOON, Saskatchewan
May 31, 2007


CHARTERED ACCOUNTANT

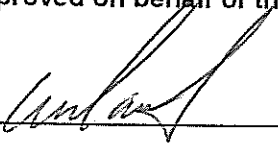
WATER WOLF ECONOMIC DEVELOPMENTS INC.
STATEMENT OF INCOME AND CHANGES
IN GENERAL FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2007
with comparative figures from the year ended March 31, 2006


	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash in bank	\$ -	\$ 8,766
Accounts receivable - WD	31,347	17,393
Accounts receivable - RDI	<u>10,861</u>	<u>5,392</u>
	42,208	31,551
 CAPITAL ASSETS (Note 3)		
	<u>2,820</u>	<u>1,857</u>
	<u>\$ 45,028</u>	<u>\$ 33,408</u>

LIABILITIES and FUND BALANCES

CURRENT LIABILITIES		
Bank overdraft	\$ 6,583	\$ -
Accounts payable	1,965	-
Staff loan payable to CFDC	10,000	2,257
	<u>35,000</u>	<u>19,797</u>
	<u>53,548</u>	<u>22,054</u>
 FUND BALANCES		
Invested in capital assets	2,820	1,857
Unrestricted	<u>(11,340)</u>	<u>9,497</u>
	<u>(8,520)</u>	<u>11,354</u>
	<u>\$ 45,028</u>	<u>\$ 33,408</u>

Approved on behalf of the board of directors:


 _____ Director


 _____ Director

See Accompanying Notes

WATER WOLF ECONOMIC DEVELOPMENTS INC.
STATEMENT OF INCOME AND CHANGES
IN GENERAL FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2007
with comparative figures from the year ended March 31, 2006

	<u>2007</u>	<u>2006</u>
REVENUE		
WD Funding	\$ 54,250	\$ 75,541
RDI Funding	42,716	30,395
RDI Workshop	2,000	
Other Income	885	412
	<u>99,851</u>	<u>106,348</u>
EXPENSES		
Salaries and benefits	76,834	66,030
Professional expenses:	-	
Audit and legal fees	1,100	1,548
Education - Staff	309	900
Administration:		
Advertising and promotion	950	377
Bank charges	-	206
Memberships, dues, & subscriptions	145	87
Catering	268	375
Conferences & trade shows	150	150
Rent	731	500
G.S.T. expense	1,269	619
Office supplies	198	28
Staff - travel	13,505	10,337
Travel & entertainment	1,037	1,152
Telephone	2,325	1,048
Miscellaneous	100	67
Map Data - TSC	5,521	
Board member expenses	7,028	4,964
Board member honorariums	7,100	3,950
	<u>118,570</u>	<u>92,338</u>
INCOME (LOSS) BEFORE OTHER INCOME (EXPENSES)	(18,719)	14,010
Amortization	<u>(1,155)</u>	<u>(729)</u>
NET INCOME (LOSS)	(19,874)	13,281
GENERAL FUND BALANCE, beginning of year	9,497	-
Prior periods adjustment	-	(1,927)
Transfer to (from) invested in capital assets fund	<u>(963)</u>	<u>(1,857)</u>
GENERAL FUND BALANCE, end of year	<u>\$ (11,340)</u>	<u>\$ 9,497</u>

See Accompanying Notes

WATER WOLF ECONOMIC DEVELOPMENTS INC.
STATEMENT OF INCOME AND CHANGES
IN GENERAL FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2007
with comparative figures from the year ended March 31, 2006

	<u>OPERATING</u> <u>ACTIVITIES</u>	<u>FINANCING &</u> <u>INVESTING</u> <u>ACTIVITIES</u>	<u>2007</u> <u>TOTAL</u>	<u>2006</u> <u>TOTAL</u>
SOURCES OF CASH				
WD Funding	\$ 54,250	\$ -	\$ 54,250	\$ 75,541
RDI Funding	42,716	-	42,716	30,395
RDI Workshop	2,000	-	2,000	-
Other Income	885	2,118	3,003	2,998
	<u>99,851</u>	<u>2,118</u>	<u>101,969</u>	<u>108,934</u>
USES OF CASH				
Salaries and benefits	76,834	-	76,834	66,030
Materials and services	38,366	-	38,366	31,552
Purchase of capital assets	-	2,118	2,118	2,586
	<u>115,200</u>	<u>2,118</u>	<u>117,318</u>	<u>100,168</u>
NET INCREASE (DECREASE) IN CASH	(15,349)	-	(15,349)	8,766
CASH, beginning of year	<u>8,766</u>	-	<u>8,766</u>	-
CASH, end of year	<u>\$ (6,583)</u>	<u>\$ -</u>	<u>\$ (6,583)</u>	<u>\$ 8,766</u>

See Accompanying Notes

WATER WOLF ECONOMIC DEVELOPMENTS INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

1 PURPOSE OF THE ORGANIZATION

Water Wolf Economic Developments Inc., is a community organization which is analyzing the potential of Lake Diefenbaker and the South Saskatchewan River Valley with partial relationship to their strategic partnership with the Whitecap First Nation. With consultation with Western Economic Development's suggestions and Whitecap's priorities, the organization is targeting the following areas of community economic development which are Water, Tourism and Geographical Information Systems (GIS).

The corporation is incorporated under the Saskatchewan Corporations Act as a non-profit organization. It is exempt from income tax under the Income Tax Act as a non-profit organization.

2 SIGNIFICANT ACCOUNTING PRINCIPLES

Fund Accounting

The organization follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received, or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured.

The General Fund accounts for the organization's operating costs and general revenues.

Capital Assets

Purchased capital assets are recorded at cost. Amortization is calculated using the declining balance method at a rate of 30% on the computer software and 20% on the cell phones.

3 CAPITAL ASSETS

	2007			2006
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	NET BOOK VALUE
Computer software	\$4,237	1,716	\$2,521	\$1,483
Cell phones	467	168	299	374
	\$4,704	1,884	\$2,820	\$1,857

WATER WOLF ECONOMIC DEVELOPMENTS INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007

4 FINANCIAL INSTRUMENTS

The organization's financial assets and liabilities at March 31, 2007 include cash in bank, accounts receivable and accounts payable. Due to the short term nature of these items, carrying amounts are considered to approximate fair value.