

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)

FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION
AND INDEPENDENT AUDITOR'S REPORT

Years Ended December 31, 2006 and 2005

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James E. Raftery, CPA, PC

606 N. Stapley Drive
Mesa, Arizona 85203

(480) 835-1040
FAX (480) 835-8832

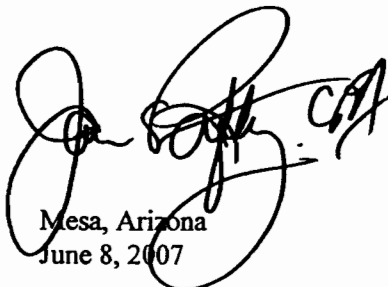
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
World Emergency Relief
Carlsbad, California

I have audited the accompanying statements of financial position of World Emergency Relief, (a California nonprofit organization) as of December 31, 2006 and 2005 and the related statements of activities, functional allocation, and cash flows for the years then ended. These financial statements are the responsibility of World Emergency Relief's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Emergency Relief as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. The information in the accompanying schedules of support and other revenues, program activities, and international program activities is not a required part of the basic financial statements and is presented only for supplementary analysis purposes. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Mesa, Arizona
June 8, 2007

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

	2006	2005
<i>Current Assets</i>		
Cash	\$ 543,513	\$ 563,726
Pledges receivable, net	55,027	51,152
Employee advance	3,422	2,667
Due from affiliated organizations	70,771	34,871
Prepaid expense	16,669	53,392
Total Current Assets	689,402	705,808
 <i>Property and Equipment, net</i>	 119,069	 123,241
 <i>Other Assets</i>		
Investments	27,684	17,525
Security deposit	5,303	5,303
	32,987	22,828
	\$ 841,458	\$ 851,877

LIABILITIES AND NET ASSETS

<i>Current Liabilities</i>		
Accounts payable	\$ 233,759	\$ 210,937
Accrued expenses	144,943	119,096
Total Current Liabilities	378,702	330,033
 <i>Long Term Debt</i>	 92,000	 -
 <i>Net Assets</i>		
Unrestricted	356,706	306,820
Temporarily restricted	14,050	215,024
	370,756	521,844
	\$ 841,458	\$ 851,877

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
STATEMENTS OF ACTIVITIES
Years Ended December 31,

	2006	2005
<i>Unrestricted Net Assets</i>		
Support		
Gifts-in-kind	\$ 47,560,895	\$ 79,225,969
Grants	3,550	151,000
Contributions	2,980,403	3,248,365
Investment income	4,830	7,928
Bequests	-	101,719
Miscellaneous income	519	3,406
	50,550,197	82,738,387
Net assets released from restriction	332,251	367,584
Total Unrestricted Revenue, Gains, and Other Support	50,882,448	83,105,971
<i>Expenses and Losses</i>		
Program services	49,046,523	81,428,206
Management services	488,374	762,324
Fundraising	1,305,768	886,125
Total Expenses	50,840,665	83,076,655
<i>Other Gains and Losses</i>		
(Loss) on sale of stock	(67)	-
Unrealized gain on marketable securities	10,159	410
Total Expenses and Losses	50,830,573	83,076,245
Increase (Decrease) in Unrestricted Net Assets	51,875	29,726
<i>Temporarily Restricted Net Assets</i>		
Grants	129,288	215,024
Net assets released from restrictions	(332,251)	(367,584)
(Decrease) in Temporarily Restricted Net Assets	(202,963)	(152,560)
Increase (Decrease) in Net Assets	(151,088)	(122,834)
<i>Net Assets, beginning of year</i>	521,844	644,678
<i>Net Assets, end of year</i>	\$ 370,756	\$ 521,844

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
STATEMENTS OF FUNCTIONAL ALLOCATION
Year Ended December 31, 2006

	Program	Supporting Services		Totals
	Services	Management	Fundraising	
Gifts-in-kind	\$ 47,560,895	\$ -	\$ -	\$ 47,560,895
Salaries and wages	230,698	190,326	155,720	576,746
Direct mail postage	164,371	-	251,759	416,130
Direct mail printing	140,361	-	214,983	355,344
Lettershop	134,532	-	206,055	340,587
Grants & allocations	227,823	-	-	227,823
Officer's compensation	46,248	34,686	34,686	115,619
Occupancy	45,992	67,456	39,860	153,308
Shipping fees	150,202	-	-	150,202
Office postage	54,338	-	83,226	137,564
Broker fees	51,776	-	79,303	131,079
Direct mail fundraising	-	-	105,537	105,537
Employee benefits	38,458	31,728	25,959	96,144
Professional fees	5,457	43,658	5,458	54,573
Program travel	50,204	-	-	50,204
Taxes and fees	17,711	14,611	11,955	44,277
Temporary help	1,817	1,817	32,699	36,333
Freight/domestic	36,006	-	-	36,006
Conferences and research	8,769	12,861	7,600	29,230
Director's compensation	26,227	1,457	1,457	29,141
Other expenses	7,218	10,586	6,256	24,060
Depreciation	20,301	3,582	-	23,883
Computer expense	10,530	7,097	5,265	22,892
Travel	-	21,183	-	21,183
Office expenses	6,341	9,300	5,496	21,137
Insurance	7,582	6,255	5,117	18,954
Bank Fees	-	14,450	-	14,450
Copywriting	-	-	12,850	12,850
Advertising	790	790	9,705	11,285
Interest Expense	-	6,986	-	6,986
Equipment rental/maintenance	1,876	2,751	1,626	6,253
Dues and subscriptions	-	4,286	-	4,286
Office printing	-	-	3,196	3,196
Other mailing expenses	-	2,508	-	2,508
	<u>\$ 49,046,523</u>	<u>\$ 488,374</u>	<u>\$ 1,305,768</u>	<u>\$ 50,840,665</u>

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
STATEMENT OF FUNCTIONAL ALLOCATION
Year Ended December 31, 2005

	Program	Supporting Services		Totals
	Services	Management	Fundraising	
Gifts-in-kind	\$ 79,225,969	\$ -	\$ -	\$ 79,225,969
Salaries and wages	242,864	194,291	48,572	485,727
Direct mail postage	223,204	22,776	209,539	455,519
Direct mail printing	171,761	17,527	161,244	350,532
Lettershop	167,090	17,050	156,861	341,001
Shipping fees	307,682	-	-	307,682
Direct mail fundraising	145,922	14,890	136,988	297,800
Employee benefits	92,273	73,818	18,455	184,546
Officer's compensation	99,179	49,590	16,530	165,299
Grants & allocations	165,004	-	-	165,004
Occupancy	48,914	65,219	48,915	163,048
Broker fees	79,099	8,071	74,256	161,426
Office postage	-	93,166	-	93,166
Professional fees	59,770	29,439	-	89,209
Freight/domestic	71,495	-	-	71,495
Travel	34,215	34,215	-	68,430
Program travel	67,503	-	-	67,503
Conferences and research	48,987	8,645	-	57,632
Insurance	22,808	22,808	1,901	47,517
Taxes and fees	21,536	17,228	4,307	43,071
Other expenses	18,613	18,613	-	37,226
Temporary help	17,822	17,821	-	35,643
Office expenses	15,157	15,156	-	30,313
Bank Fees	11,050	11,050	-	22,100
Depreciation	18,107	3,195	-	21,302
Computer expense	8,184	12,276	-	20,460
Telephone	15,757	2,781	-	18,538
Other non-profits	12,553	-	-	12,553
Dues and subscriptions	4,993	4,992	-	9,985
Advertising	611	611	7,502	8,724
Website expense	3,218	3,218	715	7,151
Office printing	2,315	2,314	-	4,629
Equipment rental/maintenance	3,213	227	340	3,780
Other mailing expenses	1,338	1,337	-	2,675
	<u>\$ 81,428,206</u>	<u>\$ 762,324</u>	<u>\$ 886,125</u>	<u>\$ 83,065,571</u>

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
STATEMENTS OF CASH FLOW
Years Ended December 31,

	2006	2005
<i>Cash Flows from Operating Activities</i>		
Cash received from donors and grants	\$ 3,073,399	\$ 3,750,800
Cash paid to suppliers and employees	(3,170,495)	(3,664,523)
Interest income	4,830	7,928
Miscellaneous income	519	3,406
Net Cash (Used) Provided By Operating Activities	(91,747)	97,611
<i>Cash Flows from Investing Activities</i>		
Increase in employee advance	(755)	(1,391)
Purchase of fixed assets	(19,711)	(46,328)
Net Cash (Used) In Investing Activities	(20,466)	(47,719)
<i>Cash Flows from Financing Activities</i>		
Notes Payable	92,000	-
Net Cash Provided by Financing Activities	92,000	-
<i>Net (Decrease) Increase in Cash and Cash Equivalents</i>	(20,213)	49,892
<i>Beginning Cash and Cash Equivalents</i>	563,726	513,834
<i>Ending Cash and Cash Equivalents</i>	\$ 543,513	\$ 563,726
<i>Reconciliation of Changes in Net Assets to Net Cash (Used) Provided by Operating Activities:</i>		
(Decrease) in net assets	\$ (151,088)	\$ (122,834)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	23,883	21,302
Unrealized (gain) on marketable securities	(10,159)	(410)
(Increase) decrease in assets		
Pledges receivable	(3,875)	3,054
Prepaid expenses	36,723	15,446
Miscellaneous receivable	(35,900)	10,882
Bequests receivable	-	20,756
Increase in liabilities		
Accrued expenses	25,847	100,889
Accounts payable	22,822	48,526
<i>Net Cash (Used) Provided By Operating Activities</i>	\$ (91,747)	\$ 97,611

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
NOTES TO FINANCIAL STATEMENTS
 December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

WER reports in accordance with the American Institute of Certified Public Accountants Industry Audit Guide, Audits of Voluntary Health and Welfare Organizations. WER reports adhere to the following accounting policies:

Corporate Organization

World Emergency Relief d.b.a. Children's Food Fund/World Emergency Relief (hereafter referred to as "WER") is a non-profit corporation incorporated December 14, 1985 in the state of California. WER, also d.b.a. Native American Emergency Relief, is dedicated to spreading the Gospel throughout the world to meet the physical, emotional, spiritual, and economic needs of needy peoples, fostering economic development and providing both disaster and sustained relief.

To that end, WER is committed to serving a wide variety of people in diverse cultural and economic settings, especially children and their families, who suffer emotional, spiritual, physical, and economic needs that result from conditions beyond their personal control.

Fair Values of Financial Instruments

The estimated fair values of the Organization's financial instruments are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and Short-Term Investments	\$ 543,513	\$ 543,513
Pledges Receivable	\$ 55,027	\$ 55,027

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and Short-Term Investments- The carrying amount approximates fair value because of the short maturities of those investments.

Pledges Receivable- Receivables are carried at net realizable value, which equals the principal outstanding less an allowance for uncollectible balances and the costs of collecting accounts.

The Organization estimates that the fair value of all financial instruments at December 31, 2006, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying Statements of Financial Position.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, WER is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets as of December 31, 2006 and 2005. Temporarily restricted net assets at December 31, 2006 and 2005 was \$14,050 and \$215,024, respectively. Temporarily restricted net assets in 2006 consisted fully of various small programs. Temporarily restricted net assets in 2006 consisted of \$2,500 for Philippine disasters, \$11,000 for the high donor special projects, and \$550 for the Tsunami disaster.

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue and Support Recognition

Support restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues of the current restricted fund when WER has incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet expended are reported as temporarily restricted deferred revenue.

WER recognizes pledges as revenue under Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made." Under SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Income Taxes

WER is a public charity, nonprofit organization as defined in the Internal Revenue Code Section 501(c) (3) and is therefore exempt from federal and state income taxes.

Gifts in Kind

WER records gift-in-kind donations and distributions of food, clothing, and medical equipment and supplies in accordance with industry standards developed by the Association of Evangelical Relief and Development Organizations and subsequently adopted by InterAction, and referred to as the *Interagency GIK Standards*, which is in accordance with generally accepted accounting principles. Donated materials are recorded at their estimated fair market value (generally wholesale or less) at the time the goods are received from the donor and recorded at such time as WER distributes the goods for charitable purposes. Donated materials for December 31, 2006 and 2005 were \$47,560,895 and \$79,225,969, respectively.

The recognition of the gift-in-kind revenue and expense is limited to instances where WER takes possession or constructive title of a gift-in-kind donation from the original donor, or takes possession as the end-user agency.

In addition to the gift-in-kind recorded on the accompanying financial statements, during 2006 and 2005, WER assisted in the placement of \$28,479,026 and \$46,938,596 of gift-in-kind with other non-profit organizations, respectively. WER did not record the value of this gift-in-kind in its financial statements.

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with initial maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Property and Equipment

WER capitalizes all expenditures for property and equipment that materially prolong the useful life of an asset. Property and equipment acquisitions are recorded at cost, except for donated items which are recorded at the fair market value when received. Depreciation is recognized using the straight-line method over the assets estimated lives of five and ten years.

Functional Expenses

The cost of providing the programs and other activities has been summarized on a functional basis in the statements of activity. Accordingly, certain costs have been allocated among the program and support services benefited as estimated by World Emergency Relief's management.

Allocation of Joint Costs

WER incurred joint costs of \$1,380,704 and \$1,308,478 for activities that included program materials and fundraising appeals during 2006 and 2005, respectively. Of these amounts, WER allocated \$545,378 and \$641,154 to program services, \$-0- and \$65,424 to management services, and \$835,326 and \$601,900 to fundraising services for the years ended December 31, 2006 and 2005, respectively.

Advertising Costs

The Organization expenses advertising costs as they are incurred. Advertising costs for the years ended December 31, 2006 and 2005 were \$11,285 and \$8,724, respectively.

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE B – PLEDGES RECEIVABLE

Pledges receivable expected to be collected in the following year consist of the following as of December 31,

	<u>2006</u>	<u>2005</u>
Christian Service Charities	\$ 50,651	\$ 50,971
Neighbor to Nation	18,133	12,969
Less 20% shrinkage	<u>(13,757)</u>	<u>(12,788)</u>
	<u>\$ 55,027</u>	<u>\$ 51,152</u>

NOTE C – INVESTMENTS

Investments consist of a donated timeshare ownership recorded at the fair market value at the time of donation, 296 shares of Procter & Gamble Company common stock donated to WER in 1997 with a cost basis of \$3,027. The stock is presented at the lower of cost or market value, plus or minus unrealized gain or loss:

	<u>2006</u>	<u>2005</u>
Timeshare ownership	\$ 9,000	\$ 9,000
Basis in marketable securities	3,027	3,027
Unrealized gain/(loss) on marketable securities at beginning of year	5,498	5,088
Unrealized gain/(loss) on marketable securities for the year ended	<u>10,159</u>	<u>410</u>
	<u>\$ 27,684</u>	<u>\$ 17,525</u>

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2006 and 2005, consisted of the following:

	<u>2006</u>	<u>2005</u>
Property, Plant and Equipment	\$ 112,688	\$ 112,063
Furniture and Fixtures	113,896	110,006
Leasehold Improvements	<u>25,196</u>	<u>10,000</u>
	251,780	232,069
Accumulated Depreciation	<u>(132,711)</u>	<u>(108,828)</u>
	<u>\$ 119,069</u>	<u>\$ 123,241</u>

Depreciation expense for the years ended December 31, 2006 and 2005 was \$23,883 and 21,302, respectively.

NOTE E – LINE OF CREDIT

WER has a line of credit totaling \$98,000 with interest accruing at a rate of 11.5 percent. The amount of unused credit was \$98,000 as of December 31, 2006 and 2005. The primary purpose of the line of credit is to provide interim financing for overseas freight expenditures in anticipation of grants receivable.

NOTE F – ACCRUED EXPENSES

Accrued expenses as of December 31, 2006 and 2005 consisted of \$144,664 and \$119,096, for reimbursable vacation and sick time.

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
NOTES TO FINANCIAL STATEMENTS
December 31, 2006

NOTE G- NOTES PAYABLE

WER received \$92,000 from two lenders to be used for mailing list services for the year ended December 31, 2006. The unsecured notes bear interest at 12% with interest only payments for twelve months with the principle due in full on May 31, 2007. Subsequent to year end, the notes were extended to May 31, 2008.

NOTE H- CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2006 and 2005 the Organization's uninsured cash balances total \$230,231 and \$233,917, respectively.

NOTE I- COMMITMENTS

WER leases its office and warehouse space under a sixty-four month operating lease, expiring in May 2010, and office equipment under a thirty-six month operating lease, expiring in February 2007. Total rental expense for the years ended December 31, 2006 and 2005 was \$99,308 and \$94,609, respectively. Future minimum lease payments are as follows:

<u>Year</u>		
2007	\$	86,615
2008	\$	89,234
2009	\$	92,373
2010	\$	38,967

WER also leases a warehouse in Flagstaff, Arizona for the storage of gift-in-kind donations. The lease is on a month-to-month basis and the monthly lease expense is \$1,250. Total rental expense for the warehouse was \$15,000 and \$15,000 for 2005 and 2004, respectively.

NOTE J- EMPLOYEE BENEFIT PLAN

The Organization established a non-contributory 403 (b) contribution in 2000.

NOTE K- SIGNIFICANT ACCOUNTING ESTIMATES

The Organization participates in the Combined Federal Campaign (CFC) in which federal employees are eligible to participate by selecting one or more charitable organizations to receive donations as a payroll deduction from the employee's compensation. The Organization also participates in a state and local campaign. The amount of pledges to eventually be collected is an estimate. The Organization estimates shrinkage of approximately 20% from what was pledged to what is eventually collected. Based on the history of the Organization and their campaigns, management believes this reduction reasonably states the true net value of what it will receive. While it is at least reasonably possible that the estimate will change materially in the near term, no estimate can be made of the range of additional adjustments that is possible.

SUPPLEMENTARY INFORMATION

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
SCHEDULES OF SUPPORT AND OTHER REVENUES
For The Years Ended December 31,

	2006			2005		
	Contributions	Cash Grants	Other Income Totals	Contributions	Cash Grants	Other Income Totals
Gift-in-kind	\$ 47,560,895	\$ -	\$ -	\$ 79,225,969	\$ -	\$ -
Direct mail income	3,175,977	-	-	3,472,972	-	-
Combined federal and state campaigns	136,677	-	-	142,977	-	-
Non-profit organization grants	-	3,550	-	-	151,000	-
General contributions and bequests	-	-	-	101,719	-	-
Investment income	-	-	4,830	-	-	7,928
Miscellaneous income	-	-	519	-	-	3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
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	136,677		136,677			142,977
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	136,677		136,677			142,977
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			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349	\$ 82,943,637	\$ 151,000	\$ 11,334
	\$ 47,560,895		\$ 47,560,895			\$ 79,225,969
	3,175,977		3,175,977			3,472,972
	136,677		136,677			142,977
			3,550			151,000
			-			-
			4,830			7,928
			519			3,406
	\$ 50,873,549	\$ 3,550	\$ 5,349			

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
SCHEDULE OF PROGRAM ACTIVITIES
For the Year Ended December 31, 2006

	US Disaster Relief	Native American Relief	Domestic Totals	International Relief	Totals
Gifts-in-kind	\$ 276,282	\$ 819,890	\$ 1,096,172	\$ 46,464,723	\$ 47,560,895
Salaries and wages	1,163	3,451	4,614	226,084	230,698
Grants & allocations	9,000	3,290	12,290	215,533	227,823
Shipping fees	-	-	-	150,202	150,202
Office postage	274	813	1,087	53,251	54,338
Program travel	253	751	1,004	49,200	50,204
Officer's compensation	233	692	925	45,323	46,248
Occupancy	232	688	920	45,072	45,992
Employee benefits	194	575	769	37,689	38,458
Freight/domestic	9,075	26,931	36,006	-	36,006
Director's compensation	132	392	525	25,702	26,227
Depreciation	102	304	406	19,895	20,301
Taxes and fees	89	265	354	17,357	17,711
Computer expense	53	158	211	10,319	10,530
Conferences and research	44	131	175	8,594	8,769
Insurance	38	113	152	7,430	7,582
Other expenses	36	108	144	7,074	7,218
Office expenses	32	95	127	6,214	6,341
Professional fees	28	82	109	5,348	5,457
Equipment rental	9	28	38	1,838	1,876
Temporary help	9	27	36	1,781	1,817
Advertising	4	12	16	774	790
	<u>\$ 299,759</u>	<u>\$ 866,141</u>	<u>\$ 1,165,900</u>	<u>\$ 47,880,623</u>	<u>\$ 49,046,523</u>

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
SCHEDULE OF PROGRAM ACTIVITIES
For the Year Ended December 31, 2005

	US Disaster Relief	Native American Relief	Domestic Totals	International Relief	Totals
Gifts-in-kind	\$ 1,552,829	\$ 1,616,210	\$ 3,169,039	\$ 76,056,930	\$ 79,225,969
Shipping fees	6,031	6,277	12,307	295,375	307,682
Salaries and wages	4,760	4,955	9,715	233,149	242,864
Direct mail postage	4,375	4,553	8,928	214,276	223,204
Direct mail printing	3,367	3,504	6,870	164,891	171,761
Lettershop	3,275	3,409	6,684	160,406	167,090
Grants & allocations	5,409	5,629	11,038	153,966	165,004
Direct mail fundraising	2,860	2,977	5,837	140,085	145,922
Officer's compensation	1,944	2,023	3,967	95,212	99,179
Employee benefits	1,809	1,882	3,691	88,582	92,273
Broker fees	1,550	1,614	3,164	75,935	79,099
Freight/domestic	71,495	-	71,495	-	71,495
Program travel	1,323	1,377	2,700	64,803	67,503
Professional fees	1,172	1,219	2,391	57,379	59,770
Conferences and research	960	999	1,959	47,028	48,987
Occupancy	959	998	1,957	46,957	48,914
Travel	671	698	1,369	32,846	34,215
Insurance	447	465	912	21,896	22,808
Taxes and fees	422	439	861	20,675	21,536
Other expenses	365	380	745	17,868	18,613
Depreciation	355	369	724	17,383	18,107
Temporary help	349	364	713	17,109	17,822
Telephone	309	321	630	15,127	15,757
Office expenses	297	309	606	14,551	15,157
Other non-profits	12,553	-	12,553	-	12,553
Bank fees	217	225	442	10,608	11,050
Computer expense	160	167	327	7,857	8,184
Dues and subscriptions	98	102	200	4,793	4,993
Website expense	63	66	129	3,089	3,218
Equipment rental	63	66	129	3,084	3,213
Office printing	45	47	93	2,222	2,315
Other mailing expenses	26	28	54	1,284	1,338
Advertising	12	12	24	587	611
	<u>\$ 1,680,569</u>	<u>\$ 1,661,684</u>	<u>\$ 3,342,253</u>	<u>\$ 78,085,953</u>	<u>\$ 81,428,206</u>

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
SCHEDULE OF INTERNATIONAL PROGRAM ACTIVITIES
For the Year Ended December 31, 2006

	Eastern Europe	Africa	Asia/Pacific	South/Latin America	Totals
Gifts-in-kind	\$ 639,288	\$ 6,054,315	\$ 9,055,069	\$ 30,716,051	\$ 46,464,723
Salaries and wages	2,261	29,391	45,217	149,215	226,084
Grants & allocations	3,646	10,215	85,145	116,527	215,533
Shipping fees	5,501	46,504	72,395	25,802	150,202
Office postage	533	6,923	10,650	35,146	53,251
Program travel	492	6,396	9,840	32,472	49,200
Officer's compensation	453	5,892	9,065	29,913	45,323
Occupancy	451	5,859	9,014	29,748	45,072
Employee benefits	377	4,900	7,538	24,874	37,689
Director's compensation	257	3,341	5,140	16,964	25,702
Depreciation	199	2,586	3,979	13,131	19,895
Taxes and fees	174	2,256	3,471	11,456	17,357
Computer expense	103	1,342	2,064	6,811	10,319
Conferences and research	86	1,117	1,719	5,672	8,594
Insurance	74	966	1,486	4,904	7,430
Other expenses	71	920	1,415	4,668	7,074
Office expenses	62	808	1,243	4,101	6,214
Professional fees	53	695	1,070	3,530	5,348
Equipment rental	18	239	368	1,213	1,838
Temporary help	18	231	356	1,176	1,781
Advertising	8	101	155	510	774
	<u>\$ 658,937</u>	<u>\$ 6,247,555</u>	<u>\$ 9,422,642</u>	<u>\$ 31,551,489</u>	<u>\$ 47,880,623</u>

See accompanying notes to the financial statements

WORLD EMERGENCY RELIEF
(d.b.a. Children's Food Fund/World Emergency Relief)
SCHEDULE OF INTERNATIONAL PROGRAM ACTIVITIES
For the Year Ended December 31, 2005

	Eastern Europe	Africa	Asia/Pacific	South/Latin America	Totals
Gifts-in-kind	\$ 1,521,139	\$ 3,802,847	\$ 35,746,757	\$ 34,986,187	\$ 76,056,930
Shipping fees	5,907	14,769	138,826	135,871	295,375
Salaries and wages	4,663	11,657	109,580	107,248	233,149
Direct mail postage	4,286	10,714	100,710	98,566	214,276
Direct mail printing	3,298	8,245	77,499	75,849	164,891
Lettershop	3,208	8,020	75,391	73,787	160,406
Grants & allocations	3,079	7,698	72,364	70,825	153,966
Direct mail fundraising	2,802	7,004	65,840	64,439	140,085
Officer's compensation	1,904	4,761	44,750	43,797	95,212
Employee benefits	1,772	4,429	41,634	40,747	88,582
Broker fees	1,519	3,797	35,689	34,930	75,935
Program travel	1,296	3,240	30,457	29,809	64,803
Professional fees	1,148	2,869	26,968	26,394	57,379
Conferences and research	941	2,351	22,103	21,633	47,028
Occupancy	939	2,348	22,070	21,600	46,957
Travel	657	1,642	15,438	15,109	32,846
Insurance	438	1,095	10,291	10,072	21,896
Taxes and fees	414	1,034	9,717	9,509	20,675
Other expenses	357	893	8,398	8,221	17,868
Depreciation	348	869	8,170	7,996	17,383
Temporary help	342	855	8,041	7,871	17,109
Telephone	303	756	7,110	6,958	15,127
Office expenses	291	728	6,839	6,693	14,551
Bank fees	212	530	4,986	4,880	10,608
Computer expense	157	393	3,693	3,614	7,857
Dues and subscriptions	96	240	2,253	2,204	4,793
Website expense	62	154	1,452	1,421	3,089
Equipment rental	62	154	1,450	1,419	3,084
Office printing	44	111	1,045	1,023	2,222
Other mailing expenses	26	64	604	591	1,284
Advertising	12	29	276	270	587
	<u>\$ 1,561,722</u>	<u>\$ 3,904,296</u>	<u>\$ 36,700,398</u>	<u>\$ 35,919,535</u>	<u>\$ 78,085,953</u>

See accompanying notes to the financial statements