

CHILDCARE WORLDWIDE
FINANCIAL STATEMENTS
Year Ended December 31, 2006
With
Independent Auditor's Report

CHILDCARE WORLDWIDE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Childcare Worldwide

We have audited the accompanying statement of financial position of Childcare Worldwide as of December 31, 2006 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Childcare Worldwide as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 5, the accompanying statement of activities includes support and revenue and program service expense of \$11,615,679 for the year ended December 31, 2006, for donated goods received and subsequently distributed through partnering activities with another organization.

Larson Gross PLLC

Bellingham, Washington
June 22, 2007

Childcare Worldwide

STATEMENT OF FINANCIAL POSITION

December 31, 2006

ASSETS

Cash and cash equivalents	\$ 389,462
Receivables	98,887
Investments	54,812
Land, property, and equipment, net	403,374
Other	<u>10,772</u>
Total assets	<u><u>\$ 957,307</u></u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued liabilities	\$ 152,171
Net assets	
Unrestricted	
Board designated	284,307
Undesignated	191,377
Temporarily restricted	<u>329,452</u>
Total net assets	<u>805,136</u>
Total liabilities and net assets	<u><u>\$ 957,307</u></u>