

**Watchmen Radio Ministries International
Unaudited Financial Statements- (Modified Accrual Basis)
For the Fiscal Years Ended December 31, 2004 and 2003**

As reviewed by the Finance Committee and recommended for approval by the Watchmen Board. Please note that financial reporting basis has changed from Cash Basis to Modified Accrual reporting Basis. This enabled the Organization to report \$19,691 of additional activities done in fiscal years 2004 and 2003. This necessitated restatement of the 2003 financial statements. The activities were financed by cash resources provided by Staff Reimbursement Carryover funds totaling \$10,506 in 2004 and \$9,185 in 2003. It is planned that reimbursements of funds to staff are to be budgeted over the next three years.

Signature of Directors:


James Alexander

09/01/05
Date


Maurice L. Anderson

08/22/05
Date


Peggy C. Anderson

8/22/05
Date

Prepared: August 22, 2005

Watchmen Radio Ministries International
Unaudited Statements of Activities (Modified Accrual Basis)
For the Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Revenue		
Cash donations	\$ 23,527	\$ 29,173
Total revenue	<u>\$ 23,527</u>	<u>\$ 29,173</u>
Expenses		
Watchmen support	\$ 2,864	\$ 4,591
Radio time and production	10,242	20,241
Outreach and followup	1,536	
Internet ministry	1,187	
Administrative support & radio ads	929	1,424
Staff reimbursement carryover expenses:		
Radio outreach & followup ministry support	1,505	2,643
Internet ministry	1,054	2,143
Central-south asia outreach	5,633	1,656
African cities outreach	491	2,081
Administrative & support	1,823	662
Total expenses	<u>\$ 27,264</u>	<u>\$ 35,441</u>
Changes in Net Assets	(3,737)	(6,268)
Net Assets at Beginning of Year	<u>(5,870)</u>	<u>398</u>
Net Assets at End of Year	<u>\$ (9,607)</u>	<u>\$ (5,870)</u>

Prepared: August 22, 2005

Watchmen Radio Ministries International
Unaudited Statements of Financial Position (Modified Accrual Basis)
As of December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Assets		
Cash in bank	\$ 10,084	\$ 3,315
Capital Assets:		
Recording studio	1,847	1,847
Studio improvement	500	500
Recording equipment	465	465
Word processor	399	399
Subtotal	3,211	3,211
Less Accumulated Depreciation	<u>3,211</u>	<u>3,211</u>
Total Assets	<u>\$ 10,084</u>	<u>\$ 3,315</u>
Liabilities and Net Assets		
Accrued staff reimbursement carryovers	\$ 19,691	\$ 9,185
Net Assets:		
Africa outreach	403	
Central Asia outreach	2,169	
India outreach	1,283	
China broadcasts	2,778	766
Spanish broacasts		456
English broadcasts		267
French broadcasts	612	372
WJIE short wave broadcasts	52	123
Internet ministry	1,374	300
Outreach ministry	1,002	178
Other	411	853
Staff reimbursement carryovers-		
Radio outreach & followup ministry support	(4,148)	(2,643)
Internet ministry	(3,197)	(2,143)
Central-south asia outreach	(7,289)	(1,656)
African cities outreach	(2,572)	(2,081)
Administrative & support expense	<u>(2,485)</u>	<u>(662)</u>
Total Net Assets (deficits)	<u>(9,607)</u>	<u>(5,870)</u>
Total Liabilities and Net Assets	<u>\$ 10,084</u>	<u>\$ 3,315</u>

Prepared: August 22, 2005