

EAST MEETS WEST FOUNDATION

and

REACH VIETNAM

(a subsidiary)

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2004 and 2003

EAST MEETS WEST FOUNDATION
and
REACH VIETNAM
(a subsidiary)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
East Meets West Foundation and Reach Vietnam
Oakland, California

We have audited the accompanying balance sheet of East Meets West Foundation and its consolidated subsidiary, Reach Vietnam, as of December 31, 2004, and the related consolidated statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the East Meets West Foundation and its consolidated subsidiary, Reach Vietnam'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 East Meets West Foundation and its consolidated subsidiary, Reach Vietnam, as of December 31, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2003 financial statements were reviewed by us, and our report thereon, dated February 19, 2004, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with generally accepted accounting principles. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements taken as a whole.

Pohl, McNabola, Berg & Company, LLP
Certified Public Accountants

San Francisco, California
February 7, 2005

**EAST MEETS WEST FOUNDATION
and
REACH VIETNAM (a subsidiary)
Consolidated Statements of Net Assets
December 31, 2004 and 2003
(Audited 2004 and Reviewed 2003)**

ASSETS

	<u>2004</u>	<u>2003</u>
Assets:		
Cash including interest bearing accounts	\$ 2,292,280	7,450,995
Microloan receivables	36,975	39,593
Accrued interest	2,860	-
Prepaid expenses	72,716	28,708
Grants receivable	16,175,000	15,071,000
Investments at fair value	5,032,423	-
Property and equipment - net	<u>12,514</u>	<u>21,261</u>
Total assets	<u><u>\$ 23,624,768</u></u>	<u><u>22,611,557</u></u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable and accrued expense	\$ 40,776	25,951
Accrued payroll and other benefits	33,793	16,115
Deferred revenue	<u>19,500</u>	<u>-</u>
Total liabilities	<u><u>94,069</u></u>	<u><u>42,066</u></u>
Net assets:		
Unrestricted net assets	1,884,255	1,614,583
Temporarily restricted net assets (note 7)	<u>21,646,444</u>	<u>20,954,908</u>
Total net assets	<u><u>23,530,699</u></u>	<u><u>22,569,491</u></u>
Total liabilities and net assets	<u><u>\$ 23,624,768</u></u>	<u><u>22,611,557</u></u>

see accompanying notes to financial statements

EAST MEETS WEST FOUNDATION
and
REACH VIETNAM (a subsidiary)
Consolidated Statements of Activities
For the Years Ended December 31, 2004 and 2003
(Audited 2004 and Reviewed 2003)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2004</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2003</u>
Support and revenue:						
Donations	\$ 36,365	742,265	778,630	58,087	167,456	225,543
Foundation grants	1,099,353	7,539,472	8,638,825	36,263	9,292,109	9,328,372
Special events (net of expenses of \$9,465)	13,455	-	13,455	-	-	-
Other income	95,300	23,458	118,758	52,545	-	52,545
In-kind donations	157,423	-	157,423	70,800	-	70,800
Net assets released from restrictions	7,613,659	(7,613,659)	-	4,724,450	(4,724,450)	-
Total support and revenue	<u>9,015,555</u>	<u>691,536</u>	<u>9,707,091</u>	<u>4,942,145</u>	<u>4,735,115</u>	<u>9,677,260</u>
Expenses:						
Program services	7,897,255	-	7,897,255	6,197,955	-	6,197,955
Management and general	438,902	-	438,902	279,541	-	279,541
Fund raising	409,726	-	409,726	193,243	-	193,243
Total expenses	<u>8,745,883</u>	<u>-</u>	<u>8,745,883</u>	<u>6,670,739</u>	<u>-</u>	<u>6,670,739</u>
Change in net assets	269,672	691,536	961,208	(1,728,594)	4,735,115	3,006,521
Net assets at beginning of year	<u>1,614,583</u>	<u>20,954,908</u>	<u>22,569,491</u>	<u>3,343,177</u>	<u>16,219,793</u>	<u>19,562,970</u>
Net assets at end of year	<u>\$ 1,884,255</u>	<u>21,646,444</u>	<u>23,530,699</u>	<u>1,614,583</u>	<u>20,954,908</u>	<u>22,569,491</u>

see accompanying notes to financial statements

EAST MEETS WEST FOUNDATION
and
REACH VIETNAM (a subsidiary)
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2004 and 2003
(Audited 2004 and Reviewed 2003)

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Change in net assets	\$ 961,208	3,006,521
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	8,747	4,981
Donated securities	(12,993)	-
Realized and unrealized gains and losses	58	-
(Increase)/decrease in:		
Other accounts receivable	-	1,172
Microloan receivable	2,618	(4,611)
Accrued interest	(2,860)	-
Grants receivable	(1,104,000)	(2,450,000)
Prepaid expenses	(44,008)	(10,607)
(Increase)/decrease in:		
Accounts payable and accrued expense	14,825	13,562
Deferred revenue	19,500	-
Accrued payroll and other benefits	17,678	7,619
Net cash provided/(used) by operating activities	<u>(139,227)</u>	<u>568,637</u>
Cash flows from investing activities:		
Purchase of securities	(5,020,469)	-
Proceeds from sales of securities	981	-
Purchase of fixed assets	-	(26,242)
Net cash (used) by investing activities	<u>(5,019,488)</u>	<u>(26,242)</u>
Net increase/(decrease) in cash	(5,158,715)	542,395
Cash and cash equivalents at beginning of year	<u>7,450,995</u>	<u>6,908,600</u>
Cash and cash equivalents at end of year	<u>\$ 2,292,280</u>	<u>7,450,995</u>
Supplemental disclosure of cash flow information:		
In-kind donation	<u>\$ 157,423</u>	<u>70,800</u>

see accompanying notes to financial statements

EAST MEETS WEST FOUNDATION
and
REACH VIETNAM (a subsidiary)
Consolidated Statements of Functional Expenses
For the Years Ended December 31, 2004 and 2003
(Audited 2004 and Reviewed 2003)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2004</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2003</u>
Expenses:								
Salaries	\$ 498,243	191,811	129,725	819,779	304,171	149,480	103,759	557,410
Payroll taxes	29,029	10,900	8,426	48,355	17,888	10,661	7,658	36,207
Employees benefits	50,392	19,656	12,314	82,362	28,833	14,483	8,455	51,771
Total personnel costs	<u>577,664</u>	<u>222,367</u>	<u>150,465</u>	<u>950,496</u>	<u>350,892</u>	<u>174,624</u>	<u>119,872</u>	<u>645,388</u>
Construction and program expenses	6,490,937	-	-	6,490,937	5,378,716	867	461	5,380,044
Depreciation expense	4,390	2,596	1,761	8,747	3,348	1,440	193	4,981
Equipment and maintenance	8,627	1,587	1,189	11,403	-	-	-	-
Grants to others	122,611	-	-	122,611	41,042	-	1,500	42,542
Insurance	6,182	6,674	699	13,555	9,315	2,705	2,442	14,462
Miscellaneous	9,655	7,749	11,661	29,065	10,063	2,735	1,344	14,142
Occupancy	30,153	18,980	13,607	62,740	28,619	12,741	8,662	50,022
Office expense	63,911	8,573	16,393	88,877	11,624	5,942	4,157	21,723
Postage	7,334	961	29,580	37,875	2,668	1,566	1,124	5,358
Printing and copying	21,352	10,698	62,447	94,497	8,258	4,806	3,440	16,504
Professional fees	422,897	139,849	97,848	660,594	280,104	50,078	35,002	365,184
Scholarship and sponsorship	36,988	-	-	36,988	18,811	-	-	18,811
Telephone and internet	20,264	3,510	1,827	25,601	12,323	4,548	2,947	19,818
Travel and entertainment	74,290	15,358	22,249	111,897	42,172	17,489	12,099	71,760
Total	<u>\$ 7,897,255</u>	<u>438,902</u>	<u>409,726</u>	<u>8,745,883</u>	<u>6,197,955</u>	<u>279,541</u>	<u>193,243</u>	<u>6,670,739</u>

see accompanying notes to financial statements

EAST MEETS WEST FOUNDATION

AND

REACH VIETNAM (a subsidiary)

Notes to Consolidated Financial Statements (continued)

**December 31, 2004 and 2003
(Audited 2004 and Reviewed 2003)**

1. Nature of Activities and Summary of Significant Accounting Policies

(a) Organization and Nature of Activities

East Meets West Foundation is a charitable, non-profit organization, with a successful working history in Central Vietnam. It was founded in 1988 to partner with the people of Vietnam to improve their health, education, and economic conditions in an effort to eradicate poverty and help them achieve self-sufficiency.

Description of Program and Supporting Services:

Program expenses

- i) Community Development includes elementary schools, homes for poor families, bridges, safe drinking water, irrigation, micro-credit, the piglet program and electricity.
- ii) Health programs includes the dental clinic and mobile dental program, surgeries for children with heart and limb defects, reconstructive surgery for burn victims and kids with cleft palates, health programs and clinics.
- iii) Disadvantaged families includes family and child sponsorship programs, Village of Hope, Tien Phuoc Home for Disadvantaged Children, SPELL and other direct assistant.

General and administrative

General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the East Meets West Foundation and Reach Vietnam.

Fundraising

Fundraising expenses are costs of all activities that constitute an appeal for financial support, that is, costs incurred to induce others to contribute money, securities, time, materials, or facilities to the East Meets West Foundation and Reach Vietnam.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of Reach Vietnam, an organization controlled by East Meets West Foundation. All material inter-company accounts and transactions have been eliminated.

EAST MEETS WEST FOUNDATION

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REACH VIETNAM (a subsidiary)

Notes to Consolidated Financial Statements (continued)

(Audited 2004 and Reviewed 2003)

1. Nature of Activities and Summary of Significant Accounting Policies - continued

(c) Basis of Presentation

The financial statements are presented on the basis of unrestricted, temporarily restricted and permanently restricted net assets pursuant to Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*.

(d) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

(e) Temporarily Restricted Net Assets

Temporarily restricted net assets represent contributions whose use by the Foundation is limited by donor-imposed stipulations that can be fulfilled and removed by action of the Foundation pursuant to those stipulations or by the passage of time.

(f) Interest in Foundation

East Meets West Foundation and Reach Vietnam are considered interrelated organizations in that East Meets West Foundation has the ability to influence the operating and financial decisions of Reach Vietnam. East Meets West Foundation follows Financial Accounting Statement No. 136 (FAS 136) *Transfers of Assets to a Non-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. FAS 136 requires, among other matters, that the Foundation recognize in its financial statements, its interest in the net assets of Reach Vietnam.

(g) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, all unrestricted highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

(h) Fixed Assets

Fixed assets with an estimated useful life in excess of one year are capitalized at cost; donated assets are capitalized at the fair market value at date of receipt. Depreciation is computed using the straight-line method with estimated useful lives ranging between 3 and 7 years. East Meets West Foundation and Reach Vietnam capitalize fixed assets purchases of amounts in excess of \$2,500.

EAST MEETS WEST FOUNDATION

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REACH VIETNAM (a subsidiary)

Notes to Consolidated Financial Statements (continued)

(Audited 2004 and Reviewed 2003)

1. Nature of Activities and Summary of Significant Accounting Policies – continued

(i) Functional Allocation of Expenses

Expenses are charged to programs and supporting services on the basis of periodic time and expense studies as well as estimates made by the organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of East Meets West Foundation.

(j) Donated Services

Donated services are recognized when received if such services (a) create or enhance non-financial assets, (b) require specialized skills, and (c) are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

East Meets West Foundation received pro-bono dental services and supplies from volunteer dentists who support the dental program held in Vietnam and donated goods and services for 2004 and 2005 Tet events. The established fair value of dental services received was based upon the number of hours contributed at appropriate billing rates, and has been recorded as an in-kind contribution and expense. The estimated donated goods and services received in 2004 and 2003 amounted to \$157,423 and \$70,800.

(k) Contributions

The Committee for East Meets West Foundation and Reach Vietnam have adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence or nature of any donor restrictions.

(l) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

EAST MEETS WEST FOUNDATION

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Notes to Consolidated Financial Statements (continued)

(Audited 2004 and Reviewed 2003)

1. Nature of Activities and Summary of Significant Accounting Policies – continued

(m) Investments

East Meets West Foundation and Reach Vietnam carry investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities and represent the change in the fair value of investments from one year to another.

(n) Foreign Currency Translation

Receipts and disbursements in foreign currencies are converted into U.S. dollars at the exchange rates approximating those at the dates of transactions. The cash balances denoted in foreign currencies are translated into U.S. currency at the exchange rate approximating the rate at the closing date.

2. Concentration of Credit Risk

East Meets West Foundation and Reach Vietnam maintain their cash balances at Citibank and Merrill Lynch in United States and VID Public Bank in Vietnam. Cash held by VID Public Bank in Vietnam is fully secured by the Vietnam State Bank. The Federal Deposit Insurance Corporation insures account balances at the US Banks up to \$100,000. Cash balances in excess of the federally insured limits as of December 31, 2004 and 2003 amounted to \$2,096,746 and \$6,213,349, which included the amount of \$950,115 and \$91,718 held by banks in Vietnam.

East Meets West Foundation and Reach Vietnam received \$8,405,000 or 87% and \$9,210,000 or 95% of the total revenue from the Atlantic Philanthropies Foundation for the years ended December 31, 2004 and 2003, respectively. Accounts receivable from the Atlantic Philanthropies totaled \$16,175,000 and \$15,071,000 for the years ended December 31, 2004 and 2003, respectively. A reduction in this funding would have a significant impact on the combined operations of East Meets West Foundation and Reach Vietnam.

3. Income Taxes

East Meets West Foundation and Reach Vietnam both are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and from California Franchise Tax under California Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for such taxes in the accompanying financial statements.

EAST MEETS WEST FOUNDATION

AND

REACH VIETNAM (a subsidiary)

Notes to Consolidated Financial Statements (continued)

(Audited 2004 and Reviewed 2003)

4. Related Party Transactions

East Meets West Foundation and Reach Vietnam share rent, payroll costs and other overhead expenses. The basis for allocation of these indirect expenses is the salary of employees, which relates to the time spent on programs of the respective organizations.

5. Property and Equipment

Property and equipment at December 31, 2004 and 2003 consisted of the following:

	<u>2004</u>	<u>2003</u>
Furniture and Equipment	\$ 33,317	33,317
Less: accumulated depreciation	<u>(20,803)</u>	<u>(12,056)</u>
Total property and equipment-net	\$ <u>12,514</u>	<u>21,261</u>

6. Investments

Investments are stated at fair value and consisted primarily of government and agency securities as of December 31, 2004, as follows: There were no investments held as of December 31, 2003.

	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ 36,617	36,617
CDs	550,002	548,513
Government and agency securities	4,277,423	4,287,677
Corporate bonds	150,000	147,662
Common stock	<u>11,964</u>	<u>11,954</u>
	\$ <u>5,026,006</u>	<u>5,032,423</u>

There were no realized gains and losses in 2004 and 2003. Net unrealized gains for the year ended December 31, 2004 amounted to \$6,417. There were no unrealized gains and losses in 2003.

EAST MEETS WEST FOUNDATION

AND

REACH VIETNAM (a subsidiary)

Notes to Consolidated Financial Statements (continued)

(Audited 2004 and Reviewed 2003)

7. Temporarily Restricted Net Assets

Support that is restricted by a grantor agency or a donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Temporarily restricted net assets at December 31, 2004 and 2003 are available for the following purposes:

	<u>2004</u>	<u>2003</u>
Community Development (Reach Vietnam)	\$ 2,161	19,464
Community Development (East Meets West Foundation)	5,506	8,286
Construction Projects (Reach Vietnam)	21,332,468	19,129,812
Disadvantaged Families (East Meets West Foundation)	118,860	5,834
Health Programs (Reach Vietnam)	44,449	81,512
New Initiatives (East Meets West Foundation)	143,000	-
Time Restriction-Granted for 2004 (Reach Vietnam)	-	<u>1,710,000</u>
Total	\$ <u>21,646,444</u>	<u>20,954,908</u>

Temporarily restricted net assets released from restrictions by incurring expenses were as follows:

	<u>2004</u>	<u>2003</u>
Community Development (Reach Vietnam)	\$ 80,962	15,675
Community Development (East Meets West Foundation)	299,544	121,106
Construction Projects (Reach Vietnam)	5,054,322	4,385,704
Disadvantaged Families (East Meets West Foundation)	292,273	68,145
Health Programs (Reach Vietnam)	37,063	105,839
Health Programs (East Meets West Foundation)	75,415	27,981
Public Education (East Meets West Foundation)	39,080	-
R & D (East Meets West Foundation)	25,000	-
Time Restriction-Granted for 2004 (Reach Vietnam)	<u>1,710,000</u>	-
Total	\$ <u>7,613,659</u>	<u>4,724,450</u>

EAST MEETS WEST FOUNDATION
AND
REACH VIETNAM (a subsidiary)
Notes to Consolidated Financial Statements (continued)
(Audited 2004 and Reviewed 2003)

8. Lease Commitments

East Meets West Foundation leases office space in Oakland, California under an operating lease that expires in June 2005. The Foundation also leases three office spaces in Vietnam under various operating leases. These leases are either on a month-to-month basis or the term is less than a year. Presented below is a schedule of minimum future lease obligations as of December 31, 2004.

Year ending December 31,	<u>Total</u>
2005	\$ <u>20,176</u>
Total	\$ <u>20,176</u>

Rent expense for 2004 and 2003 amounted to \$62,740 and \$50,022.

9. Pension Plan

East Meets West Foundation has a defined contribution pension plan for all eligible employees who have completed at least 6 months of service. Pension expense in 2004 and 2003 amounted to \$12,420 and \$3,683 respectively.

10. Deferred Revenue

East Meets West Foundation received advance ticket payment for Tet Event 2005 amounting to \$19,500 in 2004. There was no deferred revenue in 2003.

**EAST MEETS WEST FOUNDATION
and
REACH VIETNAM (a subsidiary)
Consolidating Statements of Net Assets
December 31, 2004 and 2003
(Audited 2004 and Reviewed 2003)**

ASSETS

	East				East			
	<u>West Foundation</u>	<u>Reach Vietnam</u>	<u>Eliminations</u>	<u>2004</u>	<u>West Foundation</u>	<u>Reach Vietnam</u>	<u>Eliminations</u>	<u>2003</u>
Assets:								
Cash including interest bearing accounts	\$ 311,724	1,980,556	-	2,292,280	55,041	7,395,954	-	7,450,995
Microloan receivables	36,975	-	-	36,975	-	-	-	-
Accrued interest receivable	-	2,860	-	2,860	39,593	-	-	39,593
Due from Reach Vietnam	-	-	-	-	107,865	-	(107,865)	-
Due from East Meets West Foundation	-	238,075	(238,075)	-	-	91,372	(91,372)	-
Prepaid expenses	50,503	22,213	-	72,716	15,602	13,106	-	28,708
Grants receivable	-	16,175,000	-	16,175,000	-	15,071,000	-	15,071,000
Investments at fair value	12,935	5,019,488	-	5,032,423	-	-	-	-
Property and equipment - net	12,514	-	-	12,514	21,261	-	-	21,261
Total assets	<u>\$ 424,651</u>	<u>23,438,192</u>	<u>(238,075)</u>	<u>23,624,768</u>	<u>239,362</u>	<u>22,571,432</u>	<u>(199,237)</u>	<u>22,611,557</u>

LIABILITIES AND NET ASSETS

Liabilities:								
Accounts payable and accrued expense	\$ 40,118	658	-	40,776	24,909	1,042	-	25,951
Due to Reach Vietnam	238,075	-	(238,075)	-	91,372	-	(91,372)	-
Due to East Meets West Foundation	-	-	-	-	-	107,865	(107,865)	-
Accrued payroll and other benefits	29,600	4,193	-	33,793	8,956	7,159	-	16,115
Deferred revenue	19,500	-	-	19,500	-	-	-	-
Total liabilities	<u>327,293</u>	<u>4,851</u>	<u>(238,075)</u>	<u>94,069</u>	<u>125,237</u>	<u>116,066</u>	<u>(199,237)</u>	<u>42,066</u>
Net assets:								
Unrestricted	(170,008)	2,054,263	-	1,884,255	100,005	1,514,578	-	1,614,583
Temporarily restricted	267,366	21,379,078	-	21,646,444	14,120	20,940,788	-	20,954,908
Total net assets	<u>97,358</u>	<u>23,433,341</u>	<u>-</u>	<u>23,530,699</u>	<u>114,125</u>	<u>22,455,366</u>	<u>-</u>	<u>22,569,491</u>
Total liabilities and net assets	<u>\$ 424,651</u>	<u>23,438,192</u>	<u>(238,075)</u>	<u>23,624,768</u>	<u>239,362</u>	<u>22,571,432</u>	<u>(199,237)</u>	<u>22,611,557</u>

see accompanying notes to financial statements

EAST MEETS WEST FOUNDATION
and
REACH VIETNAM (a subsidiary)
Consolidating Statements of Activities
For the Years Ended December 31, 2004 and 2003
(Audited 2004 and Reviewed 2003)

	East Meets				East Meets			
	West Foundation	Reach Vietnam	Eliminations	2004	West Foundation	Reach Vietnam	Eliminations	2003
Support and revenue:								
Donations	\$ 791,951	65,634	(78,955)	778,630	223,351	2,192	-	225,543
Foundation grants	893,825	8,405,000	(660,000)	8,638,825	436,872	9,241,500	(350,000)	9,328,372
Special events-net (net of expenses of \$9,465)	13,455	-	-	13,455	-	-	-	-
Other income	34,277	84,481	-	118,758	498	52,047	-	52,545
In-kind donations	157,423	-	-	157,423	70,800	-	-	70,800
Total support and revenue	<u>1,890,931</u>	<u>8,555,115</u>	<u>(738,955)</u>	<u>9,707,091</u>	<u>731,521</u>	<u>9,295,739</u>	<u>(350,000)</u>	<u>9,677,260</u>
Expenses:								
Salaries	358,881	460,898	-	819,779	280,180	277,230	-	557,410
Payroll taxes	24,035	24,320	-	48,355	20,212	15,995	-	36,207
Employees benefits	33,388	48,974	-	82,362	24,890	26,881	-	51,771
Construction expense	600,277	5,890,660	-	6,490,937	242,692	5,137,352	-	5,380,044
Depreciation expense	4,346	4,401	-	8,747	4,981	-	-	4,981
Equipment and maintenance	2,871	8,532	-	11,403	-	-	-	-
Grants to others	173,591	687,975	(738,955)	122,611	41,742	350,800	(350,000)	42,542
Insurance	4,412	9,143	-	13,555	6,823	7,639	-	14,462
Miscellaneous	17,770	11,295	-	29,065	3,995	10,147	-	14,142
Occupancy	33,902	28,838	-	62,740	23,720	26,302	-	50,022
Office expense	56,072	32,805	-	88,877	11,166	10,557	-	21,723
Postage	31,857	6,018	-	37,875	2,968	2,390	-	5,358
Printing and copying	76,074	18,423	-	94,497	9,100	7,404	-	16,504
Professional fees	371,160	289,434	-	660,594	122,142	243,042	-	365,184
Scholarship and sponsorship	36,988	-	-	36,988	18,811	-	-	18,811
Tarvel and entertainment	73,032	38,865	-	111,897	37,997	33,763	-	71,760
Telephone and internet	9,042	16,559	-	25,601	8,339	11,479	-	19,818
	<u>1,907,698</u>	<u>7,577,140</u>	<u>(738,955)</u>	<u>8,745,883</u>	<u>859,758</u>	<u>6,160,981</u>	<u>(350,000)</u>	<u>6,670,739</u>
Change in net assets	(16,767)	977,975	-	961,208	(128,237)	3,134,758	-	3,006,521
Net assets at beginning of year	114,125	22,455,366	-	22,569,491	242,362	19,320,608	-	19,562,970
Net assets at end of year	<u>\$ 97,358</u>	<u>23,433,341</u>	<u>-</u>	<u>23,530,699</u>	<u>114,125</u>	<u>22,455,366</u>	<u>-</u>	<u>22,569,491</u>

see accompanying notes to financial statements