

**Financial report to World Congress 2010  
by the WSA Executive (ISC)  
19 December 2009**

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1. General

This report will discuss the development of the finances of WSA during the term since the last world congress in 2005 until the end of the 3<sup>rd</sup> quarter 2009. We will try to verbally present to congress a first draft of the full 2009 accounts.

All audited annual accounts as well as the unaudited quarterly interim accounts are available on <http://www.subudworldnews.com> and will therefore only be summarised in this report. During this term the auditors of the annual WSA accounts were Ernst & Young in Rotterdam.

For information purposes a *pro forma* consolidated balance sheet is presented of WSA and its related bodies (Muhammad Subuh Foundation, Susila Dharma International, Subud International Cultural Association, Subud International Health Association, Subud Publications International, Yayasan Muhammad Subuh and its affiliate Archives in Indonesia, Yayasan Subud and the Subud World Congress Inc in New Zealand).

Leonard van Willenswaard, who has been the WSA accountant since 2001, has decided to resign. We thank him most cordially for his excellent work and major contribution towards establishing clear and transparent accounting and cash control systems, which have greatly assisted in maintaining a clear overview at all times.

We are grateful that Elwyn Waugh from Subud Britain has accepted the offer to succeed Leonard as the next WSA accountant. Elwyn is a Chartered Accountant with his own practice and has in the past among others been the national treasurer and accountant for Subud Britain. Presently he is the Kejiwaan Councillor for Subud Britain. The handover between Leonard and Elwyn will take place in the first quarter of 2010.

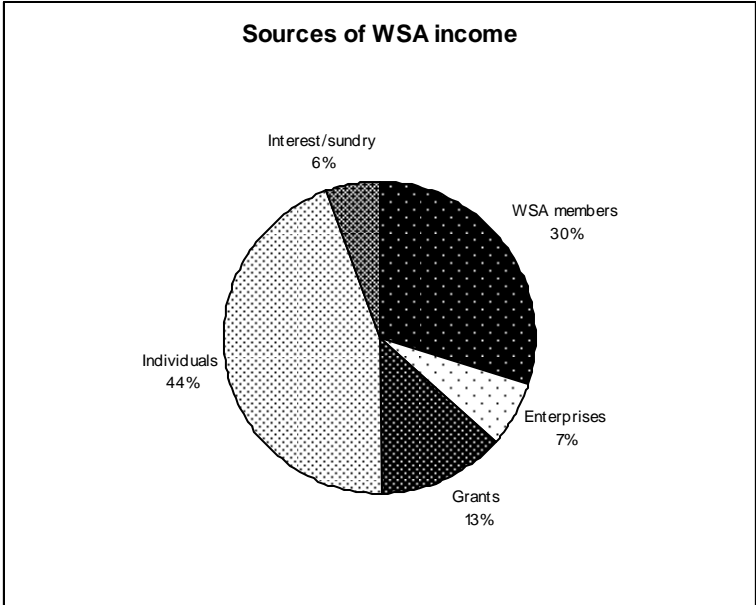
2. WSA 2005-Q3 2009 accounts

2.1 WSA income

See Appendix 5.1 „2005-Q3 09 WSA income”

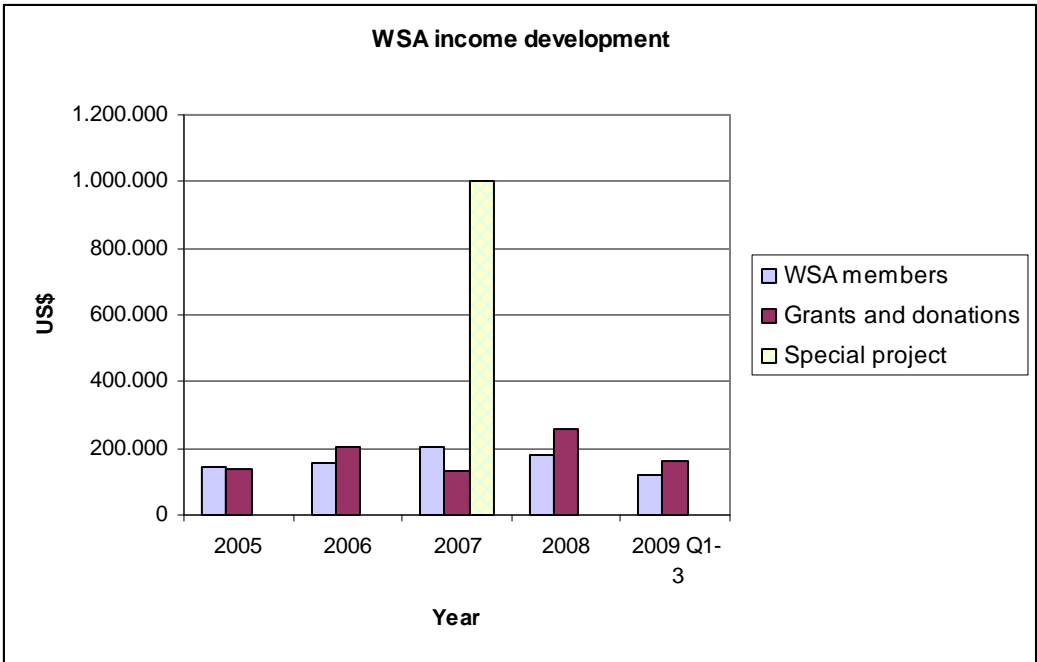
Income has regularly been received from WSA members (Subud countries and zones), donations from enterprises and individuals and grants from other organisations (mainly the

Muhammad Subud Foundation and the Guerrand Hermès Foundation for Peace). In average since 2005 the distribution has been:



This average distribution is however distorted by a large one time donation in 2007 for a specific project administered by WSA. Excluding the restricted portion of this donation, WSA members in average covered 41%, grants represented 18% and enterprises/individuals 10% / 23% of total income.

Excluding this special donation regular income was more or less flat over the period, with the exception of 2008 when, following the sale of the PTSW building, higher than usual donations from individuals were received:



Zone 3 (Western Europe) countries are with a good margin the largest WSA member contributors followed by Zone 7 (North America), Zone 1&2 (Asia- Pacific) and Zone 4 (Central and Eastern Europe).

Enterprise contributions show a slight downward trend as the number of donating enterprises has come down.

Direct donations to WSA from individuals reached a peak in 2008 following the sale of PTSW, when many shareholders made donations to among others WSA.

Special fund raising projects have been carried out with support from some countries.

In order to gain a better understanding of underlying financial income trends on the country level a survey was carried out among the zone representatives. As only zones 3 and 4 could respond to the survey their conclusions of course cannot be generalised but are of interest as they represent 2/3 of WSA members' contributions:

- In most countries income is stable but a large part comes from a small group of older members. One of the larger countries reported that 65% of total income came from 35% of the oldest members.
- In some countries (Britain, France and Italy) income from the rental of Subud houses is increasing and for Subud Britain represents over 40% of income and in France and Italy ca 25%.
- Countries with the highest contributions to WSA not surprisingly report that members' awareness of the international Subud organisation and its needs is good, particularly among older members. These comments probably also reflect a general sentiment towards Subud finances: *“Annual National Budget well debated and discussed. Overall consolidated Groups, Regions and National figures are probably unknown to most members, although annual audited accounts are distributed and approved at Congress. Zone and International figures are probably also unknown to most members. (Subud Britain) and “There is indeed a good awareness among older members and also youngsters that have their own enterprises. New Members need to be made aware of the National and International financial needs of Subud through realisations and general development of the Association. This would be desirable right from their opening. » (Subud France)*
- Zone 4 reports that the larger countries and until now the major contributors to the zonal and WSA budgets, because of their age pyramids, expect shrinking contributions in the next future.

## 2.2 WSA Expenses

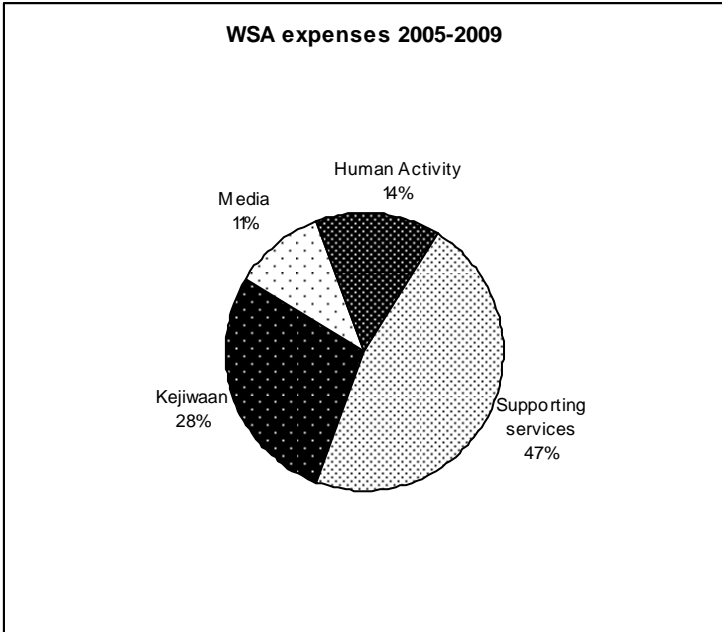
See Appendix 5.2 2005-Q3 09 WSA expenses

WSA's programs are, with few exceptions, carried out by a large number of honorary workers and are financed on a year-by-year basis through WSA's annual expense budgets. The work programmes are grouped into three areas: the Kejiwaan, Media and Human Activity Programs.

The annual expense budgets require approval by the World Subud Council and are annually drafted as a base and a stretch budget, as the uncertain income situation usually requires flexibility during the year. The objective is not only to allow income to cover expenses but also to gradually build up the net assets of WSA, in other words to produce at least a modest surplus.

In 2008 a high one-time expense was incurred in the WSA accounts as the Special Project/Hardship Fund was executed. 2/3 of the donation was spent on the Hardship fund and is shown under Human Activity Project/Other in 2008 in the attached accounts. The remainder of the donation can be used by WSA for its regular projects.

Net of this one time expense the average regular expense allocation during the period of 2005-Q3 2009 has been:



It is obvious by the numbers that many programmes received very little or no funding from WSA, particularly SDIA, SICA and SES. SDIA receives their funding from other sources, while SICA and SES have not as yet developed fundable projects. Some of the programmes that receive larger funding could productively use even bigger amounts, e.g. the International Helpers and Archives.

The Archives programme is at an important junction. The long term safekeeping of important documents, above all Bapak's talks, requires magnitudes of funding that exceed the present ability of WSA.

Supporting Services expenses require further explanations. Under this heading the expenses are summarised for the WSA Chair and Zonal Representatives (mainly travel), ISC (remunerations, travel and general operational expenses), Pensions for the widows of the helpers in Bapak's secretariat, WSC meetings and World Congress preparations (that are not part of the proper Congress budget). Since 2005 the average percentages of total expenses (net of the Special project expenses mentioned above) have been:

WSA Chair/zone reps	6%
ISC	21%
Pensions	5%
WSC meetings, gatherings	10%
World congress preparation	4%
<u>Supporting Services</u>	<u>47%</u>

WSC meetings took place in Bangalore, India in 2006, Ascot, UK in 2007, Amanecer, Colombia in 2008 and in Poio, Spain in 2009. In addition to the expenses under Supporting Services travel expenses for WSC meetings have been charged to the individual budgets of participants. By combining the WSC meetings with Gatherings a considerable part of general costs and accommodation is covered by the income from the gatherings. In some cases also WSC members agreed to pay for attendance by themselves.

The total net costs for the WSC meetings have been about US\$136,000 or ca 8% of total expenses net of the special project.

### 2.3 WSA net assets and balance sheet

See Appendix 5.3 2005-Q3 09 WSA net assets and balance sheet

In 2004 WSA showed net assets of ca \$117k. By September 2009 net assets had been increased to \$368k, representing 27% p.a. cumulative growth, to a large degree made possible by the Special donation and, following the sale of PTSW, other donations from individuals. With negligible liabilities and safe deposits for its cash funds the balance sheet is solid. The total surplus since 2005 amounts to ca US\$250k or 9% of total income.

Still unknown is the financial outcome of the 2010 World Congress. Until end of September 2010 WSA had booked a total of ca \$72k as expenses for congress preparations. Whether they can be covered by a congress surplus is at the time of writing this report uncertain. A possible deficit would have to be covered by WSA. Efforts have been made over the last years to build up net assets, among others in order to minimise the impact of a possible deficit.

### 3. WSA and related bodies

See Appendix 5.4 Consolidated balance sheet of WSA and associated bodies (30.9.09)

Although there is no formal requirement to report accounts consolidated between WSA and its related and associated international bodies there are many benefits in doing so. However, while this has been discussed in the past no agreement or resolution has been reached on this issue.

The international Subud structure, having grown historically over many years and with frequent change of officers, is not a cohesive one. Discussions are under way that eventually will more clearly define the relationships between WSA as Subud's highest policy making body and its related organisations, such as MSF, SDIA, SICA, SIHA, SPI, YMS and Yayasan Subud. From a finance governance point of view this is an important objective.

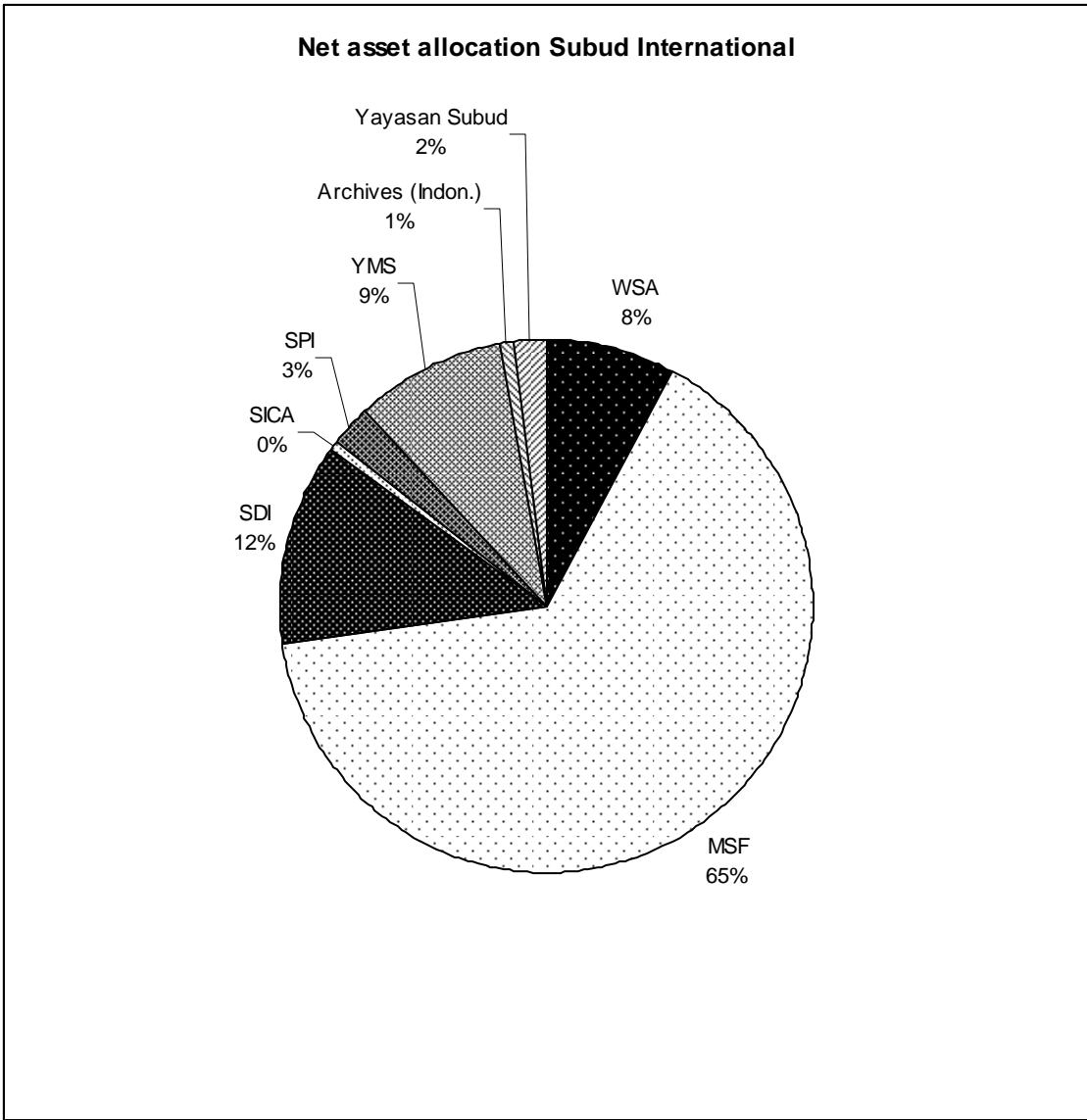
As a contribution in this direction but also towards providing better transparency in Subud's international financial affairs an unaudited *pro forma* consolidated balance sheet has been

developed including the above mentioned organisations. This work was made possible thanks to the initiative and efforts by Leonard van Hien and the cooperation of the financial officers in all entities.

After providing for provisions and depreciations on the asset portfolio the consolidated balance sheet is solid. Net assets (or total accumulated reserves) are 84% of total assets and, in reverse, liabilities are only 16% of total assets. How land and building assets shown in the accounts compare with current market prices could not be clarified but 43% depreciations on original value should be reasonably conservative.

Total consolidate net assets (or accumulated reserves) have been calculated to be US\$ 4.8 million.

The allocation of net assets among the various bodies:



MSF holds almost 2/3 of net assets while the remainder is mainly held by SDI (12%), YMS (10%) and WSA (8%).

#### 4. Conclusions and recommendations

WSA's financial situation has improved over the last years but is still not strong by any means for a global organisation with 10,000+ members. While good work is carried out by workers on an honorary basis and sometimes at considerable personal sacrifice all programmes could benefit from stronger financial resources, while other programmes, e.g. Archives, do require much stronger funding to achieve its objectives.

At the same time international Subud assets, income and expenses are allocated between WSA and its related international bodies in a way that has developed historically according to the evolving understanding of how to share the responsibility of working towards Subud's aims as described in the WSA articles.

Clear finance governance (and ultimately trust building among Subud members and the world in general) requires regular reviews of this understanding with the objective to maintain or establish clear operative and finance agreements between the bodies holding Subud's main international assets. These are also the ones attracting most contributions and donations: WSA, MSF, SDI, YMS.

Here are some recommendations to be considered for the future, either by the upcoming World Congress or by the new teams after congress:

- Fundraising: Agreements on fund raising are needed between e.g. WSA/MSF/SDI and national Subud organisations. Consider establishing joint or coordinated fund raising projects. Awareness building among members about Subud's international aims and projects.
- Build on the examples of some Subud countries, e.g. Britain, on how to generate income from Subud Houses and create awareness and enthusiasm in other countries to do the same. This could e.g. be done by a dedicated task force.
- WSA should consider the effectiveness of the present governance structure, i.e. WSC, and how it could be improved to justify expenses at the order of 8% of total WSA costs.
- Improve operative agreements between WSA/MSF/Wings that are needed to define areas of operative responsibilities and synergies, and ultimately provide for also financial transparency. Communicate agreements jointly to the membership.
- Establish annual *pro forma* consolidated financial accounts for the main international Subud bodies.

Vienna 19 December 2009  
Samuel Simonsson  
WSA Treasurer

**WSA financial report to 2010 World congress**  
**Appendix 5.1 WSA Income**

Year	audited 2005	audited 2006	audited 2007	audited 2008	unaudited 2009 Q1-3	Total 2005-Q3 09
Member countries:						
Z1&2	12.271	14.553	32.550	20.140	19.203	98.717
Z3	77.474	85.489	105.165	105.815	67.168	441.111
Z4	17.459	24.129	23.700	14.091	16.363	95.742
Z5&6	681	0	0	0	0	681
Z7	37.427	32.801	40.965	35.619	17.689	164.501
Z8	0	100	0	458	0	558
Z9	702	1.439	1.227	1.328	44	4.740
<b>Total members</b>	<b>146.014</b>	<b>158.511</b>	<b>203.607</b>	<b>177.451</b>	<b>120.467</b>	<b>806.050</b>
Enterprise donations	47.008	41.181	30.519	38.753	29.549	187.010
Grants <sup>1</sup>	37.096	69.671	74.127	64.000	105.527	350.421
Individual members <sup>2</sup>	28.722	20.715	1.019.692	114.800	23.496	1.207.425
Interest and sundry <sup>3</sup>	27.722	71.424	9.830	41.893	2.310	153.179
<b>Total Income</b>	<b>286.562</b>	<b>361.502</b>	<b>1.337.775</b>	<b>436.897</b>	<b>281.349</b>	<b>2.704.085</b>
Of which restricted	88.577	174.750	1.139.826	164.696	137.948	1.705.797
Of which non-restricted	197.985	186.752	197.949	272.201	143.401	998.288
<sup>1</sup> MSF	27.000	50.000	60.000	60.000	80.000	277.000
<sup>1</sup> GHFP	10.096	2.478	14.127	4.000	21.027	51.728
<sup>1</sup> SDIA					4.500	
<sup>1</sup> Subud Britain		17.193				17.193
<sup>1</sup> Donations for Youth Travel Fund					69.684	69.684
<sup>2</sup> 2007/08 Special Project: Hardship fund administered by WSA						
<sup>3</sup> From activities		62.141		17.206		79.347



**WSA financial report to 2010 World congress**  
**Appendix 5.2. WSA Expenses**

Year	audited 2005	audited 2006	audited 2007	audited 2008	unaudited 2009 Q1-3	Total 2005-Q3 09
<u>Kejiwaan Program</u>						
Area 1	10.858	26.000	17.609	35.142	12.779	102.388
Area 2	14.482	32.341	36.076	54.368	21.261	158.528
Area 3	14.564	28.769	28.812	26.670	16.396	115.211
Ibu Rahayu office and travel	12.520	20.588	12.520	12.520	9.390	67.538
Helpers without Borders/Sundry	1.880	0	2.669	3.490	3.820	11.859
<b>Total</b>	<b>54.304</b>	<b>107.698</b>	<b>97.686</b>	<b>132.190</b>	<b>63.646</b>	<b>455.524</b>
<u>Media Program</u>						
Archives	26.973	30.311	27.745	23.016	12.578	120.623
SPI/Bapak's talk project	0	0	0	0	0	0
History of Subud	10.700	10.200	11.970	10.000	5.000	47.870
Other	0	3.500	4.285	0	0	7.785
<b>Total</b>	<b>37.673</b>	<b>44.011</b>	<b>44.000</b>	<b>33.016</b>	<b>17.578</b>	<b>176.278</b>
<u>Human Activity Project</u>						
WSA Care support	5.000	4.538	27.050	22.802	8.225	67.615
Social Welfare/SDIA	933	880	1.000	5.431	260	8.504
Youth International	0	4.849	1.431	9.635	5.957	21.872
Youth Travel Fund					69.684	69.684
Culture/SICA	3.604	2.605	1.927	7.254	1.000	16.390
Enterprise/SES	0	0	0	0	0	0
External Relations	0	5.245	8.644	0	1.483	15.372
Zone support	0	0	0	0	7.917	7.917
Communications	0	0	0	8.619	1.194	9.813
Other <sup>1</sup>		2.964	11.154	751.535	0	765.653
<b>Total</b>	<b>9.537</b>	<b>21.081</b>	<b>51.206</b>	<b>805.276</b>	<b>95.720</b>	<b>982.820</b>
<u>Supporting Services</u>						
WSA Chair/zone reps	9.498	25.516	18.679	32.944	12.911	99.548
ISC	54.938	67.137	78.699	88.085	57.498	346.357
Pensions	14.970	16.467	16.467	16.467	12.050	76.421
WSC meetings, gatherings	70.880	61.160	0	19.500	13.262	164.802
World congress preparation	0	0	3.735	15.882	52.287	71.904
<b>Total</b>	<b>150.286</b>	<b>170.280</b>	<b>117.580</b>	<b>172.878</b>	<b>148.008</b>	<b>759.032</b>
<b>Total expenses</b>	<b>251.800</b>	<b>343.070</b>	<b>310.472</b>	<b>1.143.360</b>	<b>324.952</b>	<b>2.373.654</b>

<sup>1</sup> 2007/08 Special Project: Hardship fund administered by WSA

**WSA financial report to 2010 World congress**  
**Appendix 5.3. WSA net assets and balance sheets**

<b>Year</b>	audited <b>2005</b>	audited <b>2006</b>	audited <b>2007</b>	audited <b>2008</b>	unaudited <b>2009 Q1-3</b>	<b>Total 2005-Q3 09</b>
Total Income	286.562	361.502	1.337.775	436.897	281.349	2.704.085
Total Expenses	-251.800	-343.070	-310.472	-1.143.360	-324.952	-2.373.654
Currency differences	0	0	0	-74.201	-5.536	-79.737
<b>Change in net assets</b>	<b>34.762</b>	<b>18.432</b>	<b>1.027.303</b>	<b>-780.664</b>	<b>-49.139</b>	<b>250.694</b>
<b>Net assets end of period</b>	<b>152.163</b>	<b>170.595</b>	<b>1.197.898</b>	<b>417.234</b>	<b>368.095</b>	

**Balance sheet development**

Assets

Banks/cash	141.034	148.071	1.195.921	441.648	336.614
Custodial accounts	25.527	38.285	33.281	28.863	58.808
Receivables	40.700	43.002	19.839	14.584	

Total assets	207.261	229.358	1.249.041	485.095	395.422
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Liabilities

Accounts payable	29.571	20.478	17.862	23.734	27.327
Custodial accounts	25.527	38.285	33.281	44.127	
	0				

Total liabilities	55.098	58.763	51.143	67.861	27.327
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<b>Net assets</b>	<b>152.163</b>	<b>170.595</b>	<b>1.197.898</b>	<b>417.234</b>	<b>368.095</b>
- of which restricted	16.728	36.335	1.025.100	181.452	44.026
-of which unrestricted	135.435	134.260	172.798	235.782	324.069

WSA financial report to 2010 World congress

Appendix 5.4 Pro Forma unaudited consolidated balance sheet of WSA and related bodies

Date: 30 September 2009

Consolidated Total	WSA & ISC <i>Highest Subud Policy Making Body</i>	MSF <i>Custodian Trustee</i>	SDI <i>Social Welfare</i>	SICA <i>Culture</i>	SIHA <i>Health</i>	SPI <i>Publications</i>	Yayasan Muh. Subuh <i>Foundation - Arm of WSA/MSF</i>	Archives in Indonesia <i>Archives Part of YMS</i>	Yayasan Subud <i>Owns/maintains Wisma Subud</i>	Subud World Congress Inc. <i>Organises 2010 congress</i>	Consolidation adjustments	
<b>BALANCE SHEET</b>												
<b>Assets</b>												
Cash in bank/at hand & time deposits	2.730.484	336.614	1.388.938	114.135			121.192	171.204	19.952	55.145	523.304	
Debtors & receivables	38.982	58.808		10.722	16.215		(3.314)	5.437	313	21.522		70.721
Inventory	63.631							675		2.836		
Investments	2.594.107		1.423.422	466.985				703.700				
<i>less provision</i>	(615.367)							(615.367)				
Loans for Subud Houses	47.825		83.825									36.000
Long term loans	392.097		266.518					175.705				50.126
<i>less provision</i>	(175.705)							(175.705)				
Land, buildings & equipment	944.413		269.982					471.398	20.259	181.311	1.463	
<i>less depreciation</i>	(404.933)		(108.421)					(121.783)	(10.790)	(163.939)		
Congress prelim'y expenses&prepayments	127.414										127.414	
Other	4.340					2.350	549			1.441		
<b>TOTAL ASSETS</b>	<b>5.747.288</b>	<b>395.422</b>	<b>3.324.264</b>	<b>591.842</b>	<b>16.215</b>	<b>Nil</b>	<b>180.348</b>	<b>615.813</b>	<b>29.734</b>	<b>98.316</b>	<b>652.181</b>	<b>156.847</b>
<b>Liabilities &amp; reserves</b>												
	-											
	-											
	-											
Current Liabilities	375.467	27.327	194.268				57.139	27.456		1.213	138.785	70.721
World congress fees received in advance	515.260										515.260	
Long term liabilities	52.083							138.209				86.126
<b>TOTAL LIABILITIES</b>	<b>942.810</b>	<b>27.327</b>	<b>194.268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.139</b>	<b>165.665</b>	<b>1.213</b>	<b>654.045</b>	<b>156.847</b>	
<b>Accumulated reserves</b>												
Restricted	1.334.606	44.026	1.105.983	86.399			98.198					
Unrestricted	3.471.736	324.069	2.024.013	505.443	16.215		25.011	450.148	29.734	97.103		
<b>Total Accumulated reserves</b>	<b>4.806.342</b>	<b>368.095</b>	<b>3.129.996</b>	<b>591.842</b>	<b>16.215</b>	<b>-</b>	<b>123.209</b>	<b>450.148</b>	<b>29.734</b>	<b>97.103</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; RESERVES</b>	<b>5.749.152</b>	<b>395.422</b>	<b>3.324.264</b>	<b>591.842</b>	<b>16.215</b>	<b>Nil</b>	<b>180.348</b>	<b>615.813</b>	<b>29.734</b>	<b>98.316</b>	<b>654.045</b>	<b>156.847</b>

Notes:

1. WSA/ISC include: International Archives, History of Subud Project, WSA Care Support Project, Youth International, SES/Enterprise
2. These summary financials are based on the unaudited interim financial statements of the respective bodies for the 9 months to 30 September 2009. Further information can be obtained from officers of the respective bodies.
3. This exercise could not have been completed without the cooperation of the following officers of the various WSA bodies: Osanna Vaughn, Leonard van Willenswaard, Sharifin Gardiner, Virginia Thomas, Samuel Chapleau, Sachlan Fraval, Maxwell Fraval, Leonard Hurd, Amalijah Thompson, Farlan Williams, Amalijah Lerrigo, Yulia Besty and Andrina Kustiwanan.