

WORLD SUBUD ASSOCIATION

**FINANCIAL STATEMENTS
FOR THE YEAR 2014**

WORLD SUBUD ASSOCIATION

Financial Statements for the year 2014

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WORLD SUBUD ASSOCIATION

Financial Statements for the year 2014

DIRECTORS

Directors during the year were: To August 2014

From August 2014

WSA Chair Luke Penseny

Elias Coragem Dumit

Zonal Representatives

Zones 1 & 2	Hadrian Fraval	Suryadi Haryono
Zone 3	Paloma de la Vina	Andrea Vivit
Zone 4	Robiyan Easty	Farah Czwiertnia
Zone 5	Harvey Peters	Hakeem Naibi
Zone 6	Rida Odon-Francois Liobo Loote	Rida Odon-Francois Liobo Loote
Zone 7	Dave Hitchcock	Frenando Fatah Nieva
Zone 8	Rodrigo Pavel Mudarra Michelena	Paloma Munos
Zone 9	Mauricio Castillo	Uraidah Arratia

OFFICERS

WSA Deputy Chair Elias Coragem Dumit

Lucia Boehm

EXECUTIVE COMMITTEE

Executive committee officers during the year were:

Chief Executive Officer	Maxwell Fraval	Ismanah Schulze-Vorberg
Executive Vice-Chair	Maya Korzybska	Anwar Ziesel
Treasurer	Hammond Peek	Hilaria Dette
Executive Secretary	Silvana Caradoc Evans	Silvana Caradoc Evans
Accountant	Elwyn Waugh	Elwyn Waugh

REGISTERED OFFICE

4101 Legation St. NW
Washington D.C. 20015
USA

EXECUTIVE OFFICE

To August 2014	From August 2014
51 Learmonth Drive	Rennenbergstrasse 3
Kambah ACT 2902	53639 Koenigswinter
Australia	Germany.

AUDITORS

Thomas Westcott
Chartered Accountants and Registered Auditors
26-28 Southernhay East
Exeter, Devon, EX1 1NS
United Kingdom

Independent Auditor's report to the management board of the World Subud Association

We have audited the financial statements of World Subud Association for the year ended 31 December 2014 which comprise the Statement of Financial Position, Statements of Activity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reportings Standards (IFRS) as adopted by the European Union.

Our audit work has been undertaken so that we might state to the management board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the management board as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of management and auditors

Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the entities circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the management; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:
give a true and fair view of the state of the affairs of World Subud Association as at 31 December 2014 and of its results for the year then ended; and have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

1 July 2015



Thomas Westcott
Chartered Accountants and Registered Auditors
26 - 28 Southerhay East
Exeter, Devon EX1 1NS
United Kingdom

WORLD SUBUD ASSOCIATION

**Statement of Financial Position
as of December 31, 2014 and 2013
(in US dollars)**

	2014	2013
ASSETS		
Banks/Cash	\$ 445,274	\$ 385,214
Accounts receivables and prepayments	\$ 14,814	\$ 168,270
Total Assets	<u>\$ 460,088</u>	<u>\$ 553,484</u>
 LIABILITIES & NET ASSETS		
Liabilities		
Expense vouchers and income received in advance	\$ 64,745	\$ 115,777
Total liabilities	<u>\$ 64,745</u>	<u>\$ 115,777</u>
Net Assets		
Unrestricted/Undesignated	\$ 214,626	\$ 214,766
Board designated - World Congress Fund	\$ 155,582	\$ 179,277
Subud Emergency Fund	\$ 15,672	\$ 15,672
Temporarily Donor Restricted	\$ 9,463	\$ 27,992
Total Net Assets	<u>\$ 395,343</u>	<u>\$ 437,707</u>
Total Liabilities and Net Assets	<u>\$ 460,088</u>	<u>\$ 553,484</u>

Signed on behalf of
the Board of Directors



Elias Dumit
WSA Chair

These Financial Statements were approved by the Board of Directors on 19 June 2015

WORLD SUBUD ASSOCIATION

Statement of Activity for the year 2014
(in US dollars)

	Unrestricted	Designated	Restricted	Total
Income				
Member contributions	\$ 161,162	\$ -	\$ -	\$ 161,162
Enterprise donations	\$ 100,000	\$ -	\$ -	\$ 100,000
Grants received	\$ 2,032	\$ -	\$ 32,475	\$ 34,507
Individual donations	\$ 66,485	\$ 36,850	\$ 81,620	\$ 184,955
Other income	\$ 3	\$ 500,515	\$ -	\$ 500,518
Total income	\$ 329,682	\$ 537,365	\$ 114,095	\$ 981,142
Net Assets released from restrictions	\$ 132,624	\$ -	\$ (132,624)	\$ -
Total	\$ 462,306	\$ 537,365	\$ (18,529)	\$ 981,142
Expenses				
Programs				
Kejiwaan	\$ 77,929	\$ -	\$ -	\$ 77,929
Media Unit	\$ 78,101	\$ -	\$ -	\$ 78,101
Human Activity programs	\$ 167,606	\$ -	\$ -	\$ 167,606
Total program expenses	\$ 323,636	\$ -	\$ -	\$ 323,636
Supporting Services				
WSA Chair & Zone Reps	\$ 25,634	\$ -	\$ -	\$ 25,634
WSA Executive	\$ 91,271	\$ -	\$ -	\$ 91,271
Audit	\$ 4,500	\$ -	\$ -	\$ 4,500
World Congress accommodation	\$ 11,305	\$ -	\$ -	\$ 11,305
World Congress	\$ -	\$ 561,060	\$ -	\$ 561,060
Total Supporting Services	\$ 132,710	\$ 561,060	\$ -	\$ 693,770
Total Functional Expenses	\$ 456,346	\$ 561,060	\$ -	\$ 1,017,406
Currency loss	\$ 6,100	\$ -	\$ -	\$ 6,100
Total Expenses	\$ 462,446	\$ 561,060	\$ -	\$ 1,023,506
Change in Net Assets	\$ (140)	\$ (23,695)	\$ (18,529)	\$ (42,364)
Net Assets beginning of period	\$ 214,766	\$ 179,277	\$ 43,664	\$ 437,707
Net Assets end of period	\$ 214,626	\$ 155,582	\$ 25,135	\$ 395,343

WORLD SUBUD ASSOCIATION

Statement of Activity for the year 2013

(in US dollars)

	Unrestricted	Designated	Restricted	Total
Income				
Member contributions	\$ 166,075	\$ -	\$ 1,652	\$ 167,727
Enterprise donations	\$ 100,488	\$ -	\$ 1,700	\$ 102,188
Grants received	\$ -	\$ -	\$ 30,000	\$ 30,000
Individual donations	\$ 106,131	\$ -	\$ 8,150	\$ 114,281
Other income	\$ 1,297	\$ 205,852	\$ -	\$ 207,149
Total income	\$ 373,991	\$ 205,852	\$ 41,502	\$ 621,345
Net Assets released from restrictions	\$ 44,562	\$ -	\$ (44,562)	\$ -
Total	\$ 418,553	\$ 205,852	\$ (3,060)	\$ 621,345
Expenses				
Programs				
Kejiwaan	\$ 125,146	\$ -	\$ -	\$ 125,146
Media Unit	\$ 93,731	\$ -	\$ -	\$ 93,731
Human Activity programs	\$ 63,058	\$ -	\$ -	\$ 63,058
Total program expenses	\$ 281,935	\$ -	\$ -	\$ 281,935
Supporting Services				
WSA Chair & Zone Reps	\$ 53,477	\$ -	\$ -	\$ 53,477
WSA Executive	\$ 80,297	\$ -	\$ -	\$ 80,297
Audit	\$ 4,500	\$ -	\$ -	\$ 4,500
World Congress preparation	\$ -	\$ 127,167	\$ -	\$ 127,167
Total Supporting Services	\$ 138,274	\$ 127,167	\$ -	\$ 265,441
Total Functional Expenses	\$ 420,209	\$ 127,167	\$ -	\$ 547,376
Currency loss	\$ 193	\$ -	\$ -	\$ 193
Total Expenses	\$ 420,402	\$ 127,167	\$ -	\$ 547,569
Change in Net Assets	\$ (1,849)	\$ 78,685	\$ (3,060)	\$ 73,776
Net Assets beginning of period	\$ 216,615	\$ 100,592	\$ 46,724	\$ 363,931
Net Assets end of period	\$ 214,766	\$ 179,277	\$ 43,664	\$ 437,707

WORLD SUBUD ASSOCIATION

Statement of Cash Flows for the year 2014
(in US dollars)

	2014	2013
Cash flows from operating activities		
(Decrease)/Increase in Total Net Assets	\$ (42,364)	\$ 73,776
Adjustments to reconcile net surplus (deficit) to net cash provided by operating activities		
(Increase)/Decrease in accounts receivable and prepayments	\$ 153,456	\$ (141,975)
Increase/(Decrease) accounts payable	\$ (51,032)	\$ 94,615
Net cash used in operating activities	<u>\$ 60,060</u>	<u>\$ 26,416</u>
Cash at beginning of period	\$ 385,214	\$ 358,798
Cash at end of period	\$ 445,274	\$ 385,214
Net cash (Decrease)/Increase for the period	<u>\$ 60,060</u>	<u>\$ 26,416</u>

WORLD SUBUD ASSOCIATION

Statement of Functional Expenses for the year 2014
(in US dollars)

Expenses	General	Travel / lodging	Remunerations	Office	Pensions	Total
Kejiwaan program						
Area 1		\$ 18,264				\$ 18,264
Area 2		\$ 27,056				\$ 27,056
Area 3		\$ 20,089				\$ 20,089
Ibu Rahayu's Office				\$ 12,520		\$ 12,520
Media Unit program						
WSA Archives	\$ 26,783		\$ 9,960			\$ 36,743
Bapak's Talks Translation project	\$ 26,000					\$ 26,000
Translations	\$ 6,358					\$ 6,358
History of Subud project	\$ 9,000					\$ 9,000
Human Activity programs						
Care Support Program	\$ 15,657					\$ 15,657
Delegates to World Congress	\$ 32,348					\$ 32,348
Intl. Youth Travel Fund		\$ 79,397				\$ 79,397
Social Welfare	\$ 3,750					\$ 3,750
Enterprises		\$ 1,860				\$ 1,860
Culture	\$ 3,750					\$ 3,750
Youth	\$ 3,728	\$ 7,656				\$ 11,384
Support for Zones	\$ 490					\$ 490
YES Quest	\$ 10,000					\$ 10,000
Communications	\$ 8,970					\$ 8,970
Supporting services						
WSA Chair, Zone-Reps, WSC	\$ 697	\$ 24,937				\$ 25,634
WSA Executive	\$ 7,377	\$ 15,374	\$ 54,180	\$ 899	\$ 13,441	\$ 91,271
Audit	\$ 4,500					\$ 4,500
World Congress accommodation		\$ 11,305				\$ 11,305
Totals	\$ 159,408	\$ 205,938	\$ 64,140	\$ 13,419	\$ 13,441	\$ 456,346

WORLD SUBUD ASSOCIATION

Statement of Functional Expenses for the year 2013
(in US dollars)

Expenses	General	Travel / lodging	Remunerations	Office	Pensions	Total
Kejiwaan program						
Area 1		\$ 33,789				\$ 33,789
Area 2		\$ 43,148				\$ 43,148
Area 3		\$ 35,689				\$ 35,689
Ibu Rahayu's Office				\$ 12,520		\$ 12,520
Media Unit program						
WSA Archives	\$ 31,147	\$ 2,096	\$ 23,222			\$ 56,465
Bapak's Talks Translation project	\$ 22,302					\$ 22,302
Translations	\$ 6,964					\$ 6,964
History of Subud project	\$ 8,000					\$ 8,000
Human Activity programs						
Care Support Program	\$ 16,026					\$ 16,026
Christchurch Earthquake Fund						-
Intl. Youth Travel Fund		\$ 1,347				\$ 1,347
Social Welfare	\$ 3,000					\$ 3,000
Enterprises		\$ 2,870				\$ 2,870
Culture	\$ 12,000					\$ 12,000
Youth	\$ 6,117	\$ 8,162				\$ 14,279
Support for Zones	\$ 4,034					\$ 4,034
Wisma Subud H.P.P.						-
Communications	\$ 9,502					\$ 9,502
Supporting services						
WSA Chair, Zone-Reps, WSC	\$ 402	\$ 53,075				\$ 53,477
WSA Executive	\$ 809	\$ 11,320	\$ 48,180	\$ 2,503	\$ 17,485	\$ 80,297
Audit	\$ 4,500					\$ 4,500
World Congress preparation	\$ 127,167					\$ 127,167
Totals	\$ 251,970	\$ 191,496	\$ 71,402	\$ 15,023	\$ 17,485	\$ 547,376

WORLD SUBUD ASSOCIATION

Statement of Income for the year 2014
(in US dollars)

Income	Unrestricted	Designated World Congress	Temporarily Restricted				Total	Total Income
			Kejiwaan	Media Unit	Human Activity	Services		
Member countries contributions								
Zone 1-2	\$ 26,541						\$ -	\$ 26,541
Zone 3	\$ 71,220						\$ -	\$ 71,220
Zone 4	\$ 16,268						\$ -	\$ 16,268
Zone 5-6	\$ -						\$ -	\$ -
Zone 7	\$ 45,633						\$ -	\$ 45,633
Zone 8	\$ -						\$ -	\$ -
Zone 9	\$ 1,500						\$ -	\$ 1,500
	\$ 161,162		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,162
Enterprise donations								
Zone 1-2	\$ 100,000						\$ -	\$ 100,000
Grants								
Muhammad Subuh Foundation			\$ 30,000				\$ 30,000	\$ 30,000
SICA	\$ 2,032						\$ -	\$ 2,032
Yarralumla Foundation						\$ 2,475	\$ 2,475	\$ 2,475
	\$ 2,032		\$ 30,000	\$ -	\$ -	\$ 2,475	\$ 32,475	\$ 34,507
Individual member donations	\$ 66,485	\$ 36,850	\$ 210	\$ 7,096	\$ 74,314		\$ 81,620	\$ 184,955
Other income	\$ 3	\$ 500,515					\$ -	\$ 500,518
Totals	\$ 329,682	\$ 537,365	\$ 30,210	\$ 7,096	\$ 74,314	\$ 2,475	\$ 114,095	\$ 981,142

WORLD SUBUD ASSOCIATION

Statement of Income for the year 2013
(in US dollars)

Income	Unrestricted	Designated World Congress	Temporarily Restricted				Total	Total Income
			Kejiwaan	Media Unit	Human Activity	Supp. Services		
Member countries contributions								
Zone 1-2	\$ 31,233						\$ -	\$ 31,233
Zone 3	\$ 69,853						\$ -	\$ 69,853
Zone 4	\$ 12,830		\$ 1,307				\$ 1,307	\$ 14,137
Zone 5-6	\$ 1,410						\$ -	\$ 1,410
Zone 7	\$ 44,061						\$ -	\$ 44,061
Zone 8	\$ 475						\$ -	\$ 475
Zone 9	\$ 6,213		\$ 345				\$ 345	\$ 6,558
	\$ 166,075		\$ 1,652	\$ -	\$ -	\$ -	\$ 1,652	\$ 167,727
Enterprise donations								
Zone 1-2	\$ 100,488				\$ 1,700		\$ 1,700	\$ 102,188
Grants								
Muhammad Subuh Foundation			\$ 30,000				\$ 30,000	\$ 30,000
	\$ -		\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Individual member donations	\$ 106,131		\$ 4,440	\$ 1,037	\$ 2,673		\$ 8,150	\$ 114,281
Other income	\$ 1,297	\$ 205,852					\$ -	\$ 207,149
Totals	\$ 373,991	\$ 205,852	\$ 36,092	\$ 1,037	\$ 4,373	\$ -	\$ 41,502	\$ 621,345

WORLD SUBUD ASSOCIATION

Statement of Changes in restricted donations in the year 2014
(in US dollars)

	Balance end 2013	Received in 2014	Spent in 2014	Balance end 2014
Temporary Restriction				
International Helper Travel	\$ -	\$ 30,210	\$ 30,210	\$ -
Ibu Rahayu Travel	\$ 1,408	\$ -		\$ 1,408
Helpers without Borders	\$ -	\$ -		\$ -
WSA Archives	\$ -	\$ 6,796	\$ 6,796	\$ -
Care Support Program	\$ -			\$ -
SESI	\$ -	\$ 40	\$ 40	\$ -
International Youth Travel Fund	\$ 21,995	\$ 56,739	\$ 78,734	\$ -
SDIA	\$ -	\$ 40	\$ 40	\$ -
Medical Fund	\$ 4,180	\$ -		\$ 4,180
SIHA		\$ 1,400		\$ 1,400
Bapak's Talks Translations		\$ 300	\$ 300	\$ -
YES Quest		\$ 10,059	\$ 10,059	\$ -
Intranet		\$ 2,475		\$ 2,475
World Congress		\$ 4,251	\$ 4,251	\$ -
SICA		\$ 135	\$ 135	\$ -
Subud Youth		\$ 1,650	\$ 1,650	\$ -
WSHPP	\$ 409	\$ -	\$ 409	\$ -
	<u>\$ 27,992</u>	<u>\$ 114,095</u>	<u>\$ 132,624</u>	<u>\$ 9,463</u>
Permanent Restriction				
Subud Emergency Fund	\$ 15,672	\$ -	\$ -	\$ 15,672
Totals	<u>\$ 43,664</u>	<u>\$ 114,095</u>	<u>\$ 132,624</u>	<u>\$ 25,135</u>

Statement of Changes in Board designated funds in the year 2014

	Balance end 2013	Received in 2014	Spent in 2014	Balance end 2014
World Congress Fund	\$ 179,277	\$ 537,365	\$ 561,060	\$ 155,582

WORLD SUBUD ASSOCIATION

Statement of Changes in restricted donations in the year 2013
(in US dollars)

	Balance 2012	Received in 2013	Spent in 2013	Balance end 2013
Temporary Restriction				
International Helper Travel	\$ -	\$ 36,092	\$ 36,092	\$ -
Ibu Rahayu Travel	\$ 1,408	\$ -	\$ -	\$ 1,408
Helpers without Borders	\$ 1,357	\$ -	\$ 1,357	\$ -
WSA Archives	\$ -	\$ 1,037	\$ 1,037	\$ -
Care Support Program	\$ 1,640	\$ 100	\$ 1,740	\$ -
SESI	\$ -	\$ 1,700	\$ 1,700	\$ -
International Youth Travel Fund	\$ 21,458	\$ 1,884	\$ 1,347	\$ 21,995
SDIA	\$ 600	\$ 689	\$ 1,289	\$ -
Medical Fund	\$ 4,180	\$ -	\$ -	\$ 4,180
WSHPP	\$ 409	\$ -	\$ -	\$ 409
	<hr/> \$ 31,052	<hr/> \$ 41,502	<hr/> \$ 44,562	<hr/> \$ 27,992
Permanent Restriction				
Subud Emergency Fund	\$ 15,672	\$ -	\$ -	\$ 15,672
Totals	<hr/> \$ 46,724	<hr/> \$ 41,502	<hr/> \$ 44,562	<hr/> \$ 43,664

Statement of Changes in Board designated funds in the year 2013

	Balance end 2012	Received in 2013	Spent in 2013	Balance end 2013
World Congress Fund	\$ 100,592	\$ 205,852	\$ 127,167	\$ 179,277
	<hr/> \$ 100,592	<hr/> \$ 205,852	<hr/> \$ 127,167	<hr/> \$ 179,277

WORLD SUBUD ASSOCIATION

Notes to the Financial Statements for 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization, Purpose, Affiliation, and Tax Status

The World Subud Association, a non-profit tax-exempt corporation, was organized October 2, 1989, in the District of Columbia, United States of America. The Organization was created for the purpose of assisting the worldwide development of Subud, which stands for Susila Budhi Dharma, a training in the worship of Almighty God. The Organization solicits Subud members, national Subud organizations, and enterprises of Subud members for contributions, whether or not restricted as to manner, amount, or timing, and applies these funds in programs. In 2014 and 2013 the Organization's programs included the provision of travel and communications funds to volunteer international helpers and others who assisted members and applicants, and the provision of funds to other volunteers who worked for the various so called Bapak Legacy projects and other programs. In addition to this, the Organization made grants to affiliated organizations to further develop Subud worldwide. Since the World Congress in January 2010 the principal office of the Organization was located in Kambah, Australia. Since the World Congress in August 2014 the office is located in Koenigswinter, Germany.

The members of the governing council reside in Asia, Australia, Europe, Africa, and the Americas.

The World Subud Association organized the Muhammad Subuh Foundation, a Virginia non-profit tax-exempt corporation, in 1991 for the purpose of holding the long-term assets of the Organization and major gifts, bequests, and endowments of Subud Members. Although the Organization has the right to jointly approve the Foundation's operating budget, the governing bodies and operations of each organization are independent. Accordingly, the accounts of the Foundation have not been combined with those of the World Subud Association.

Income Taxes

On April 19, 1990, the Organization was granted tax-exempt status as a section 501 (c)(3) organization and was recognized as a public charity by the United States Internal Revenue Service. Accordingly, no provision has been made for United States Federal or state income taxes.

Classification of Net Assets

Net assets are assets reduced by liabilities and are reported in the financial statements in three classes: unrestricted net assets, temporarily restricted net assets, or permanently restricted net assets, based on the absence or existence of donor-imposed restrictions.

Permanently restricted net assets generally result from long-lived assets donated for a specific purpose with a donor stipulation that the assets be preserved and not sold, or from assets donated with donor stipulations that they be invested to provide a permanent source of income, e.g., endowment funds. The Organization had no permanently restricted net assets during the period covered by the financial statements.

Temporarily restricted net assets are those assets donated for (a) support of particular operating activities, (b) temporary investment for a specified term, (c) use in a specified future period, or (d) acquisition and use of long-lived assets such as buildings.

Unrestricted net assets generally result from receipt of unrestricted contributions, grants, revenues from providing services, producing and delivering goods, and receiving dividends or interest from investments in income-producing assets, less expenses incurred in providing services, producing and delivering goods, raising contributions, and performing administrative functions. The only limitations on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in the articles of incorporation or bylaws, limits from contractual agreements with suppliers and creditors, and self-imposed limits such as voluntary resolutions by the Directors to designate a portion of its unrestricted net assets for a particular use.

WORLD SUBUD ASSOCIATION

Notes to the Financial Statements for 2014

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Support, Revenue, and Pledges

Contributions are solicited from individual Subud members, businesses of Subud members, and Subud organizations worldwide and no solicitations are made to the general public. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions are recorded as income when received and allowances are provided for pledges estimated to be uncollectible.

Property and Equipment

Property is recorded at cost or at the estimated fair value at the date of the gift, if donated. Minor equipment purchases such as office equipment and personal computers are expensed when acquired because management believes that the expensing of these types of acquisitions does not materially affect the financial statements. Accordingly, there were no depreciable assets as of the date of the statement of financial position. Maintenance, repairs, and renewals are expensed, and additions and improvements, when material, are capitalized. Depreciation is computed on a straight-line basis over the estimated useful life of the asset.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Association considers all cash on hand, demand cash balances, and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

Currency Valuation

All values presented in the financial statements are stated in United States dollars and assets and liabilities stated at interbank exchange rates as of the last day of the applicable years.

NOTE 2- CASH

The Association maintains current accounts in USD, CAD, EUR and GBP with the NatWest Bank in the United Kingdom and checking savings accounts with the Wells Fargo Bank in the United States of America and a EUR account in Germany.

NOTE 3- CREDIT RISKS - FINANCIAL INSTRUMENTS

Concentration of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

By the end of 2014 the Association's U.S. bank deposits were under the U.S. federal deposit insurance ceilings for U.S. banks of \$250,000 and thus deposits in the U.S. bank accounts at the end of 2014 were insured. The amounts on deposit in the United Kingdom bank at the end of the year amounted to \$ 204,757, mainly held in USD and EUR. In view of the short term use of these funds they do not constitute a significant credit risk to the Association.

WORLD SUBUD ASSOCIATION

Notes to the Financial Statements for 2014

NOTE 4- DONATED SERVICES AND FACILITIES

There is no value reflected in the accompanying financial statements for donated services where non-financial assets were not enhanced and the services were not of a nature typically purchased by the Organization. Nevertheless, a substantial number of directors, officers, and volunteers have donated significant amounts of time in attempting to raise contributions and organize the Organization's activities.

The owners of such facilities have donated the use of operating facilities worldwide. The estimated rental value of these facilities is not reflected in the accompanying financial statements since the use was intermittent and there was no objective basis available by which to measure the value of such facilities.

NOTE 5- ALLOCATION OF JOINT COSTS

In 2014 and 2013 there were no allocated joint costs that were material to the financial statements.

NOTE 6- PENSIONS

The Association is obligated to provide joint survivor pensions for certain helpers that worked in the International Secretariat for the founder of Subud, in Wisma Subud, Jakarta, Indonesia. In 2014 pension costs amounted to \$13,441 (2013: \$17,485). These pension obligations are expected to continue for the foreseeable future, with an annual 3% increase adjustment.

NOTE 7- PROCESSING OF GRANTS RECEIVED

Annually the Association receives from the Muhammad Subuh Foundation substantial grants for projects and programs managed by the WSA Executive (previously called "International Subud Committee"). In accordance with agreed procedures the Foundation may transfer these grants directly to the projects for reasons of efficiency. Such payments by the Foundation are included in the Association's financial statements by recognizing them as "grants received" and "expenditure of the project".

NOTE 8 – DESIGNATED FUNDS

In 2010 the Association designated an amount of \$ 150,000 as a "World Congress Reserve" to cover the initial costs of arranging each successive Subud World Congress. This reserve is to be replenished from the income from each World Congress so that the reserve remains intact for use by the next World Congress. After the 2014 World Congress at the end of December 2014 the Reserve balance was \$ 155,582.