

WORLD SUBUD
ASSOCIATION

FINANCIAL STATEMENTS

FOR THE YEAR 2011

WORLD SUBUD ASSOCIATION

Financial Statements for the year 2011

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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 2011 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, international generally accepted accounting principles and United Kingdom generally accepted accounting practice.

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

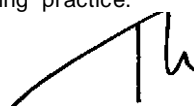
Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). 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 2011 and of its results for the year then ended; and have been properly prepared in accordance with international generally accepted accounting principles and United Kingdom generally accepted accounting practice.



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

12 June 2012

WORLD SUBUD ASSOCIATION

**Statement of Financial Position
as of December 31,2011 and 2010**
(in US dollars)

	2011	2010
ASSETS		
Banks/Cash	\$ 498,776	\$ 541,714
Custodial accounts	\$	\$ 20,167
Accounts receivables	\$ 15,948	\$ 30,312
Total Assets	<u>\$ 514,724</u>	<u>\$ 592 193</u>
 LIABILITIES & NET ASSETS		
Liabilities		
Expense vouchers and fees payable	\$ 39,783	\$ 24,859
Custodial accounts	\$	\$ 20,167
Total liabilities	<u>\$ 39,783</u>	<u>\$ 45,026</u>
 Net Assets		
Unrestricted/Undesignated	\$ 278,234	\$ 522,266
Board designated - World Congress Fund	\$ 147,500	\$
Subud Emergency Fund	\$ 15,672	\$ 15,672
Temporarily Donor Restricted	<u>\$ 33535</u>	<u>\$ 9,229</u>
Total Net Assets	<u>\$ 474,941</u>	<u>\$ 547,167</u>
Total Liabilities and Net Assets	<u>\$ 514 724</u>	<u>\$ 592 193</u>

Signed on behalf of
the Board of Directors

Hadrian Fraval
WSA Director

These Financial Statements were approved by the Board of Directors on 18 May 2012

WORLD SUBUD ASSOCIATION

Statement of Activity for the year 2011
(in US dollars)

	Unrestricted	Designated	Restricted	Total
Income				
Member contributions	\$ 147,223	\$	\$ 16,286	\$ 163,509
Enterprise donations	\$ 68,851	\$	\$	\$ 68,851
Grants received	\$	\$	\$ 107,743	\$ 107,743
Individual donations	\$ 26,825	\$	\$ 33,359	\$ 60,184
Other income	\$ 1'115	\$	\$	\$ 1'115
Total income	\$ 244,014	\$	\$ 157,388	\$ 401,402
Net Assets released from restrictions	\$ 133,082	\$	\$ (133,082)	\$
Total	\$ 377,096	\$	\$ 24,306	\$ 401,402
Expenses				
Programs				
Kejiwaan	\$ 107,353	\$	\$	\$ 107,353
Media Unit	\$ 81,415	\$	\$	\$ 81,415
Human Activity programs	\$ 93,888	\$	\$	\$ 93,888
Total program expenses	\$ 282,656	\$	\$	\$ 282,656
Supporting Services				
WSA Chair & Zone Reps	\$ 53,810	\$	\$	\$ 53,810
WSA Executive	\$ 125,542	\$	\$	\$ 125,542
World Congress preparation	\$	\$ 2,500	\$	\$ 2,500
Total Supporting Services	\$ 179,352	\$ 2,500	\$	\$ 181,852
Total Functional Expenses	\$ 462,008	\$ 2,500	\$	\$ 464,508
Currency differences	\$ 9,120	\$	\$	\$ 9,120
Total Expenses	\$ 471,128	\$ 2,500	\$	\$ 473,628
Change in Net Assets (deficit)	\$ (94,032)	\$ (2,500)	\$ 24,306	\$ (72,226)
Transfer to World Congress fund	\$ (150,000)	\$ 150,000	\$	\$
Net Assets beginning of period	\$ 522,266	\$	\$ 24,901	\$ 547,167
Net Assets end of period	\$ 278,234	\$ 147,500	\$ 49,207	\$ 474,941

WORLD SUBUD ASSOCIATION

Statement of Activity for the year 2010

(in US dollars)

	Unrestricted	Restricted	Total
Income			
Member contributions	\$ 144,548	\$	\$ 144,548
Enterprise donations	\$	\$ 3,254	\$ 3,254
Grants received	\$	\$ 75,422	\$ 75,422
Individual donations	\$ 10,424	\$ 1,363	\$ 11,787
Interest received	\$ 855	\$	\$ 855
Income from activities	\$	\$	\$
Result World Congress 2010	\$ 146,682	\$	\$ 146,682
Other income	\$ 1,534	\$	\$ 1,534
Total income	\$ 304,043	\$ 80,039	\$ 384,082
Net Assets released from restr.	<u>\$ 84,761</u>	<u>\$ (84,761)</u>	<u>\$</u>
Total	\$ 388,804	\$ (4,722)	\$ 384,082
Expenses			
Programs			
Kejiwaan	\$ 84,936	\$	\$ 84,936
Media Unit	\$ 66,796	\$	\$ 66,796
Human Activity programs	\$ 75,622	\$	\$ 75,622
Total program expenses	<u>\$ 227,354</u>	<u>\$</u>	<u>\$ 227,354</u>
Supporting Services			
WSA Chair & Zone Reps	\$ 52,639	\$	\$ 52,639
WSA Executive	\$ 100,379	\$	\$ 100,379
World Congress prep.	\$	\$	\$
Total Supporting Services	<u>\$ 153,018</u>	<u>\$</u>	<u>\$ 153,018</u>
Total Functional Expenses	\$ 380,372	\$	\$ 380,372
Currency differences	\$ 18,019	\$	\$ 18,019
Total Expenses	\$ 398,391	\$	\$ 398,391
Change in Net Assets (deficit)	\$ (9,587)	\$ (4,722)	\$ (14,309)
Net Assets beginning of period	\$ 531,853	\$ 29,623	\$ 561,476
Net Assets end of period	\$ 522,266	\$ 24,901	\$ 547,167

WORLD SUBUD ASSOCIATION

Statement of Cash Flows for the year 2011
(in US dollars)

	2011	2010
Cash flows from operating activities (Decrease)/Increase in Total Net Assets (unrestricted)	\$ (72,226)	\$ (14,309)
Adjustments to reconcile net surplus (deficit) to net cash provided by operating activities		
(Increase)/Decrease in accounts receivable and advances	\$ 14,364	\$ 296,877
Increase/(Decrease) accounts payable	\$ 14,924	\$ (18,754)
Net cash used in operating activities	\$ (42,938)	\$ 263,814
Net cash (Decrease)/Increase for the period	\$ (42,938)	\$ 263,814
Cash at beginning of period	\$ 541,714	\$ 277,900
Cash at end of period	\$ 498,776	\$ 541,714

WORLD SUBUD ASSOCIATION

Statement of Functional Expenses for the year 2011
(in US dollars)

Expenses	General	Travel/lodging	Remunerations	Office	Pensions	Total
Kejiwaan program						
Area 1		\$ 25,560				\$ 25,560
Area2		\$ 40,115				\$ 40,115
Area3		\$ 29,158				\$ 29,158
Ibu Rahayu				\$ 12,520		\$ 12,520
Media Unit program						
WSA Archives	\$ 32,700	\$ 5,458				\$ 38,158
Bapak's Talks Translation project	\$ 30,000					\$ 30,000
Translations	\$ 3,724					\$ 3,724
History of Subud project	\$ 9,533					\$ 9,533
Human Activity programs Care						
Support Program Christchurch	\$ 13,713					\$ 13,713
Earthquake Fund Japan	\$ 26,132					\$ 26,132
Tsunami Fund	\$ 492					\$ 492
Intl. Youth Travel Fund		\$ 7,730				\$ 7,730
Social Welfare	\$ 2,175	\$ 1,825				\$ 4,000
Enterprises	\$ 46	\$ 3,337				\$ 3,383
Health		\$ 1,000				\$ 1,000
Culture	\$ 4,977	\$ 2,023				\$ 7,000
Youth		\$ 6,824				\$ 6,824
External relations	\$ 1,542	\$ 1,237				\$ 2,779
Support for Zones	\$ 8,719					\$ 8,719
YES Qwest	\$ 7,000					\$ 7,000
Wisma Subud H.P.P.		\$ 2,637				\$ 2,637
Communications	\$ 2,479					\$ 2,479
Supporting services						
WSA Chair, Zone-Reps, WSC	\$ 16,704	\$ 28,439	\$ 8,667			\$ 53,810
WSA Executive	\$ 29,650	\$ 12,098	\$ 61,720	\$ 5,594	\$ 16,480	\$ 125,542
World Congress preparation		\$ 2,500				\$ 2,500
Totals	\$ 189,586	\$ 169,941	\$ 70,387	\$ 18,114	\$ 16,480	\$ 464,508

WORLD SUBUD ASSOCIATION

Statement of Functional Expenses for the year 2010
(in US dollars)

Expenses	General	Travel/lodging	Remunerations	Office	Pensions	Total
Kejiwaan program						
Area 1		\$ 25,983				\$ 25,983
Area 2		\$ 21,181				\$ 21,181
Area 3		\$ 25,252				\$ 25,252
Ibu Rahayu				\$ 12,520		\$ 12,520
Media Unit program						
International Archives	\$ 25,848	\$ 3,145				\$ 28,993
Inti. Archives Achel	\$ 3,733					\$ 3,733
Bapak's Talks Translation project	\$ 30,000					\$ 30,000
Translations	\$ 1,570					\$ 1,570
History of Subud project	\$ 2,500					\$ 2,500
Human Activity programs						
Care Support Program	\$ 14,901					\$ 14,901
Inti. Youth Travel Fund		\$ 842				\$ 842
Social Welfare		\$ 2,166				\$ 2,166
Enterprises	\$ 4,263	\$ 1,393				\$ 5,656
CuHure		\$ 2,171				\$ 2,171
Youth		\$ 4,539				\$ 4,539
External relations	\$ 500	\$ 5,381				\$ 5,881
Support for Zones*)	\$ 34,391					\$ 34,391
Wisma Subud H.P.P.		\$ 1,218				\$ 1,218
Communications	\$ 3,857					\$ 3,857
Supporting services						
WSA Chair, Zone-Reps, WSC	\$ 11,597	\$ 23,709	\$ 17,333			\$ 52,639
I.S.C.	\$ 17,077	\$ 7,048	\$ 49,796	\$ 10,458	\$ 16,000	\$ 100,379
Totals	\$ 150,237	\$ 124,028	\$ 67,129	\$ 22,978	\$ 16,000	\$ 380,372

•) includes grants for Subudhouses in Christchurch US\$ 18,000 (from World Congress result) and in Kinshasa US\$ 15,000

WORLD SUBUD ASSOCIATION

Statement of Income for the year 2011

(in US dollars)

Income	Unrestricted	Temporarily Restricted					Total Income
		Kejiwaan	Media Unit	Human Activity	Supp. Services	Total	
Member countries contributions							
Zone 1-2	\$ 25,123			\$ 2,705		\$ 2,705	\$ 27,828
Zone3	\$ 73,500					\$ -	\$ 73,500
Zone4	\$ 14,633					\$ -	\$ 14,633
Zone 5-6						\$ -	\$ -
Zone7	\$ 30,221	\$ 12,466		\$ 1,115		\$ 13,581	\$ 43,802
ZoneS	\$ 229					\$ -	\$ 229
Zone9	\$ 3,517					\$ -	\$ 3,517
	\$ 147,223	\$ 12,466	\$ -	\$ 3,820	\$ -	\$ 16,286	\$ 163,509
Enterprise donations							
Zone 1-2	\$ 68,851					\$ -	\$ 68,851
Grants							
Muhd. Subuh Foundation			\$ 50,000	\$ 10,000		\$ 60,000	\$ 60,000
G.H.F.P.				\$ 9,797	\$ 8,667	\$ 18,464	\$ 18,464
Other				\$ 29,279		\$ 29,279	\$ 29,279
	\$ -	\$ -	\$ 50,000	\$ 49,076	\$ 8,667	\$ 107,743	\$ 107,743
Individual member donations	\$ 26,825	\$ 1,523	\$ 50	\$ 31,786		\$ 33,359	\$ 60,184
Other income	\$ 1'115					\$ -	\$ 1'115
Totals	\$ 244,014	\$ 13,989	\$.50,050	\$ 84,682	\$ 8,667	\$ 157,388	\$ 401,402

WORLD SUBUD ASSOCIATION

Statement of Income for the year 2010

(in US dollars)

Income	Unrestricted	Temporarily Restricted					Total Income
		Kejiwaan	Media Unit	Human Activity	Supp. Services	Total	
Member countries contributions							
Zone 1-2	\$ 18,805					\$ -	\$ 18,805
Zone3	\$ 70,201					\$ -	\$ 70,201
Zone4	\$ 15,181					\$ -	\$ 15,181
Zone 5-6						\$ -	\$ -
Zone 7	\$ 26,400	\$ 12,198				\$ 12,198	\$ 38,598
ZoneS						\$ -	\$ -
Zone9	\$ 1,763					\$ -	\$ 1,763
	\$ 132,350	\$ 12,198	\$ -	\$ -	\$ -	\$ 12,198	\$ 144,548
Enterprise donations							
Zone3		\$ 3,254				\$ 3,254	\$ 3,254
Grants							
Muhd. Subuh Foundation			\$ 50,000	\$ 10,000		\$ 60,000	\$ 60,000
G.H.F.P.				\$ 2,422	\$ 13,000	\$ 15,422	\$ 15,422
	\$ -	\$ -	\$ 50,000	\$ 12,422	\$ 13,000	\$ 75,422	\$ 75,422
Individual member donations	\$ 10,424			\$ 1,363		\$ 1,363	\$ 11,787
World Congress result	\$ 146,682						\$ 146,682
Interest	\$ 855						\$ 855
Other income	\$ 1,534					\$ -	\$ 1,534
Totals	\$ 291 845	\$ 15 452	\$ 50 000	\$ 13 785	\$ 13 000	\$ 92 237	\$ 384 082

Enterprise donations were received from FloChem als (Norway) and AHar SA (Portual)

WORLD SUBUD ASSOCIATION

Statement of Changes in restricted donations in the year 2011
(in US dollars)

	Balance 2010	Received In 2011	Spent in 2011	Balance end 2011
Temporary Restriction				
International Helper Travel		\$ 12,581	\$ 12,581	\$
Ibu Rahayu Travel		\$ 1,408		\$ 1,408
Helpers without Borders	\$ 1,357			\$ 1,357
New Zealand Earthquake		\$ 27,166	\$ 26,131	\$ 1,035
Japan Tsunami		\$ 473	\$ 473	\$
Translation Bapak's Talks		\$ 30,000	\$ 30,000	\$
WSA Archives				
SIHA		\$ 1,032	\$ 1,000	\$ 32
History of Subud		\$ 5,000	\$ 5,000	\$
Care Support Program		\$ 10,000	\$ 10,000	\$
External Relations	\$ 1,541	\$ 4,000	\$ 5,541	\$
YES Qwest		\$ 7,000	\$ 7,000	\$
International Youth Travel Fund	\$ 3,743	\$ 26,159	\$ 7,729	\$ 22,173
SOIA		\$ 600		\$ 600
Subud Education Fund		\$ 1,275		\$ 1,275
WSAChair		\$ 8,667	\$ 8,667	\$
Medical Fund		\$ 4,180		\$ 4,180
WSHPP	\$ 2,588		\$ 1,113	\$ 1,475
Support for Zones		\$ 2,797	\$ 2,797	
	\$ 9,229	\$ 157,388	\$ 133,082	\$ 33,535
Permanent Restriction				
Subud Emergency Fund	\$ 15,672	\$	\$	\$ 15,672
Totals	\$ 24,901	\$ 157,388	\$ 133,082	\$ 49,207

Statement of Changes in Board designated funds in the year 2011

	Balance 2010	Designated in 2011	Spent in 2011	Balance end 2011
World Congress Fund		\$ 150,000	\$ 2,500	\$ 147,500

WORLD SUBUD ASSOCIATION

Statement of Changes in restricted donations In the year 2010
(in US dollars)

	Balance 2009	Received in 2010	Spent in 2010	Balance end 2010
Temporary Restriction				
International Helper Travel		\$ 3,254	\$ 3,254	\$
Helpers without Borders	\$ 1,357			\$ 1,357
Translation Bapak's Talks		\$ 30,000	\$ 30,000	\$
WSA Archives		\$ 15,000	\$ 15,000	\$
History of Subud		\$ 5,000	\$ 5,000	\$
Care Support Program		\$ 10,566	\$ 10,566	\$
External Relations	\$ 5,000	\$ 2,422	\$ 5,881	\$ 1,541
YES Qwest				\$
International Youth Travel Fund	\$ 3,789	\$ 796	\$ 842	\$ 3,743
WSAChair		\$ 13,000	\$ 13,000	\$
WSHPP	\$ 3,805		\$ 1,218	\$ 2,587
Support for Zones				
	<hr/> \$ 13,951	<hr/> \$ 80,038	<hr/> \$ 84,761	<hr/> \$ 9,228
Permanent Restriction				
Subud Emergency Fund	\$ 15,672	\$	\$	\$ 15,672
Totals	<hr/> \$ 29,623	<hr/> \$ 80,038	<hr/> \$ 84,761	<hr/> \$ 24 900

WORLD SUBUD ASSOCIATION

Notes to the Financial Statements for 2011

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 2011 and 2010 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 is located in Kambah, Australia, and 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 2011

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.

NOTE 3- CREDIT RISKS -FINANCIAL INSTRUMENTS

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

By the end of 2011 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 2011 were insured. The amounts on deposit in the United Kingdom bank at the end of the year amounted to \$ 297,236, 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 2011

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 2011 and 2010 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 2011 pension costs amounted to \$16,480 (2010: \$ 16,000). 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.