

WSA Financial Report to WSC meeting June 2013, Poio, Spain

22 June 2013

By WSA Treasurer Hammond Peek

Summary:

Overall in 2012 we received slightly less in donations and grants to WSA than we had budgeted, but we also spent less than budgeted. Thus overall our actual budget deficit (-\$61,619) was smaller than our forecast budget deficit of -\$76,764.

For the third year running the WSA Audited Accounts were completed on time.

An often overlooked part of the audit is that for at least ten years running, including 2012, the auditors have proposed no changes, and have given a clean audit report to the WSA. This doesn't happen by accident - it happens because WSA has been well managed financially. Congratulations to Elwyn Waugh, our current WSA Accountant, for taking such good care of our WSA finances.

After 22 weeks of our current WSA 2013 year our financial picture is interesting. We have a substantial extra fundraising target this year that is showing encouraging signs that it may possibly be met. We are behind though in our regular budgeted donations. We may need to make some cuts to the WSA 2013 budget during this WSC meeting to achieve our shared goal of a balanced budget for this year.

I am presenting a WSA 2014 Draft Budget V1 – with 3 budget options for us to consider for 2014: Basic, Medium, & Full. I believe we must aim for a balanced budget for 2014, and that is what I am proposing.

Fundraising for WSA Archives (including the 10 year WSA Archives Strategic Plan, plus possible eventual reimbursement of Memnon costs to MSF), and all our regular WSA needs, is a huge ongoing commitment. Stuart Cooke will present his latest Fundraising Plan that includes coordinating fundraising at all levels of our Subud organisation, to financially strengthen Subud long term.

1. Deficit for 2012 not as much as budgeted.

Enterprise donations were slightly more than what we planned for, whilst overall expenses for 2012 were less than we anticipated - resulting in a final deficit of -\$61,619 against the -\$76,764 we had budgeted – a reasonably positive result for the year. For World Congress preparations we also spent \$46,908 out of the World Congress Fund in 2012, leaving a balance in that fund of \$100,592. This World Congress Fund will be replenished from 2014 World Congress proceeds.

2. Audited 2012 Accounts delivered on time.

The audited WSA 2011 Financial Statements were delivered well on target, before the end of May.

We have Total Net Assets at the End of 2012 of \$363,931 comprising:

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| • Unrestricted | \$216,615 |
| • Board designated – World Congress Fund | \$100,592 |
| • Subud Emergency Fund | \$ 15,672 |
| • Temporarily Donor restricted | \$ 31,052 |

Any changes to our current WSA 2013 Budget are to be confirmed here, at our June 2013 WSC meeting, so that the final, adjusted WSA 2013 budget may then be confirmed.

(Note: Attached is the approved WSA 2013 Budget, with adjustments made at Poio)

6. Proposed WSA 2014 Draft “Basic” Budget V1 – for discussion

This “Basic” WSA 2014 Draft Budget V1 offers 3 options. It is up to this meeting to decide which option to take for 2014.

Whichever option we choose, my recommendation is that we adopt a balanced budget, rather than a deficit budget.

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| Basic | - | Lots of cuts from current figures |
| Medium | - | Some cuts from current figures |
| Full | - | Similar to 2013, but with \$163,800 (almost double) for WSA Archives, and consideration of 2014 World Congress |

(Note: Attached is the WSA 2014 Draft Budget V1, with adjustments made at Poio, for further development during the remainder of 2013)

7. Fundraising – for all our WSA programs (including WSA Archives program)

Our WSA programs include all our regular WSA budget needs (IH travel, etc), plus all our WSA Archives programs (including the WSA Archives 10 year Strategic Plan, plus 2012 and 2013 Memnon costs). This is a large, ongoing fundraising commitment.

Stuart Cooke will present his latest Fundraising Plan that includes coordinating fundraising at all levels of our Subud organisation, to financially strengthen Subud, long term. This ambitious plan involves a total revamp of the way donations are collected, from the group level upwards.

Conclusion

I believe WSA is at a crossroads financially, where the level of donations and grants over the last few years are struggling to meet the needs of the WSA programs and services WSA is providing to our members worldwide.

I recommend the following:

- that the wings (SICA, SESI, SYAI, SDIA) all work towards being self-funding as soon as possible
- that more use is made of skype and other free, or inexpensive, internet based communications for council members to connect
- that we look at holding a physical council meeting every two years rather than each year

To ‘balance the books’, where we end up spending only what we get in each year, we either have to raise income, or cut services and expenses...or both.

I believe funding is our biggest financial challenge. **We need a total grass-roots change.** Ordinary members, enterprises, the better off amongst us, and those who continue to contribute little or nothing, all need active encouragement, to bridge this gap between what activities WSA wants to promote and provide, and the funds currently coming in to do it with.

Bearing all this in mind, I feel quietly confident that we will achieve our WSA financial goals this year.

Attachments (these reports may be viewed by the council online, at the WSA Online Office. Some of these financial report attachments can also be viewed on the Subud websites):

1. WSA 2012 Audited Financial Statements
2. WSA 2013 Q1 (first quarter) Financial Statements
3. WSA 2013 Actuals v Budget Week 22 commencing 26 May 2013 Revised
4. WSA 2013 Budget – Final (with adjustments as agreed at Poio)
5. WSA 2014 Draft Budget V1 (with adjustments as agreed at Poio)

WSA Financial report 22 June 2013, to WSC meeting Poio, Spain, June 2013