

WSA Financial Report to WSC meeting June 2011

11 June 2011

By WSA Treasurer Hammond Peek

Summary:

1. 2010 was our first full year as the new WSC team
2. The highly successful 13th Subud World Congress held in Christchurch, new Zealand in January 2010 resulted in a surplus for WSA of \$146,682
3. WSA 2010 Financial Statements – audit of draft accounts still in progress
4. Christchurch earthquake in February 2011 has Hussein Dickie stepping in as Interim Treasurer for Hammond for 3 months – assisted by out-going WSA Accountant Leonard van Willenswaard
5. WSA 2011 Actuals v Budget to Week 21, 28 May 2011
6. Proposed WSA 2011 Draft Budget V9 for approval
7. Proposed WSA 2012 Draft Budget V3 for approval
8. Fundraising – for both WSA Archives & WSA core programmes
9. Online payment gateway to WSA almost completed
10. Issues & recommendations

Appendices:

- A1. WSA 2010 Financial Statements – Draft
- A1.N Notes to WSA 2010 Financial Statements
- A2. Subud World Congress Inc 2011 Financial Statements – Yr to 31Mar2011
- A3. WSA 2011 Actuals v Budget to Week 21, 28 May 2011
- A4. WSA 2011 Draft Budget V9
- A5. Proposed WSA 2012 Draft Budget V3

1. 2010 was our first full year as the new WSC team

Our new WSA team have spent 2010 ‘finding their feet’ – myself included. It certainly has been a challenging, learning experience. 2011 continues the learning experience.

2. 13th Subud World Congress

Roughly 1700 Subud members attended and enjoyed this very successful World Congress in Christchurch, New Zealand at the start of 2010. Largely as a result of the tireless efforts of a dedicated group of hardy volunteers the Congress was able to provide a much needed surplus of \$146,682 to help fund our WSA programmes for 2010. This Congress surplus was ahead of the earlier projected figure of \$125,000.

Subud World Congress Incorporated (SWC), the entity set up in New Zealand to run the World Congress, is in the process of winding up. As the New Zealand financial year runs from 1 April to 31 March of the following year the attached SWC 2011 Financial Statements run through to 31 March 2011.

3. WSA 2010 Financial Statements – Draft – Audit to be completed in June

The aim for 2010 was for ‘A seeding, growing, expanding - rather than standing still budget’. We planned for a deficit of -\$48,705 and the final result was a deficit of -\$9,586, achieved by both receiving and spending less than we budgeted for, and by the World Congress returning a larger than forecast surplus.

Income highlights for 2010 compared to 2009:

- contributions from member countries decreased from 2009. Traditionally there is a drop in income in the period immediately following a World Congress. The 2009 figures included substantial earmarked donations of \$47,167 – mainly for World Congress
- Enterprise donations plummeted – from \$29,549 in 2009 to just \$3,254 in 2010
- Grants decreased after World Congress to more normal levels
- Individual donations in 2009 included the roughly \$205,000 from BSB shareholders. 2010 donations of \$11,787 were down considerably on the usual \$20,000 - \$30,000 range
- World Congress 2010 surplus of \$146,682

Expenses highlights for 2010 compared to 2009:

- Kejiwaan program (International Helpers & Ibu Rahayu) was 10% lower in 2010
- With \$30,000 being provided to SPI (Subud Publications International) for translation of Bapak's talks the Media Unit spend increased from \$32,386 in 2009 to \$66,796 in 2010
- Other programs in 2010 include: \$15,000 for Subud Kinshasa; \$18,000 for Subud Christchurch (granted to the host group as part of the World Congress surplus). 2009 programs included roughly \$90,000 for International Youth Travel Fund to World Congress
- \$13,000 was paid for WSA Chair Support - funded by a grant received by WSA

Total Net Assets at the End of 2010 of \$547,167 comprising:

- | | |
|--------------------------------|-----------|
| • Unrestricted | \$522,266 |
| • Board designated* | \$ - |
| • Subud Emergency Fund | \$ 15,672 |
| • Temporarily Donor restricted | \$ 9,229 |

*Although it doesn't appear as such in the Financial Statements, \$150,000 of this \$547,167 has been designated as a permanent reserve for setting up future World Congresses. This will be used to help stage the 2014 Subud World Congress, with the plan being to repay this fund from World Congress proceeds.

4. Christchurch earthquake in February 2011

As a result of the damaging Christchurch earthquake on 22 February 2011, I was temporarily out of action as WSA Treasurer. Hussein Dickie graciously stepped in as Interim Treasurer for 3 months – ably assisted by out-going WSA Accountant Leonard van Willenswaard. At the end of May I was able to resume my Treasurer duties.

5. WSA 2011 Actuals v Budget to Week 21, 28 May 2011

Total income to 28 May 2011 is 40% below target, while total expenses are 15% below target, thus our overall current deficit of -\$97,666 is running higher than budgeted for this time of the year.

Income:

- Income from the Zones (ie WSA member countries) is 40% below target. Nothing received yet in 2011 from Zones 4, 5 & 6
- Enterprise donations are zero
- Individual members donations of \$28,394 include approximately \$22,000 for the NZ (Christchurch) earthquake appeal

Expenses:

- Kejiwan program expenses are 42% above that budgeted. Airfares for the WSC meeting being partly responsible.
- Media Unit budget is looking ok
- Human Activities/Other Programs is 20% below budget
- Supporting Services are 10% above budget

6. Proposed WSA 2011 Draft Budget V9 for approval

A proposed WSA 2011 V8 Budget has been circulated. V9 differs slightly from V8. After correcting 'currency differences' for 2010 this results in a deficit of -\$9,586 instead of the incorrect surplus reported in V8 of \$1,815. The "Transfer from Reserves" is listed at the end, to make the funding of the budget more transparent.

The single biggest item is WSA's commitment to fund the WSA Archives project to protect Bapak's legacy. \$150,000 is budgeted this year, to come from dedicated Archives fundraising of the same amount. Assuming this WSA Archives fundraising target is achieved, we are still looking at a WSA 2011 full stretch budget deficit of -\$117,580. This more than likely would need to be funded from WSA reserves.

The World Subud Council meeting in June 2011 needs to confirm this draft budget.

7. Proposed WSA 2012 Draft Budget V3 for approval

The WSA 2012 Draft Budget V3 attached shows actual final figures for 2010 (rather than the interim 2010 figures appearing in V2). This is a 'base budget', a 'bare bones, stripped back, frugal, tight' budget that is still a little ambitious on the income side – based on actual 2010 figures, and it has us reducing our funding to a number of areas such as International Helpers. This trimmed down budget shows a deficit of -\$28,947. We would need to increase income or cut expenses further to eliminate this deficit. One way of reducing expenses would be to not hold a full WSC meeting in 2012.

What this makes patently obvious is that we just aren't receiving enough income – from whatever sources – to fund our expense needs.

8. Fundraising – for both WSA Archives & WSA core programmes

'Fundraising' is 'the elephant in the room' – we must make it a priority of our attention moving forward. So - how do we go about solving the "how do we raise more funds" riddle?

The WSA Executive together with the Zone reps and WSA affiliates (wings) are developing plans to:

- Target selected Member countries for a pilot fundraising program (probably USA, Britain & Indonesia initially)
- Talk with key entrepreneurs about sponsoring specific WSA activities eg Archives
- Along with SESI, target Subud businesses to financially support WSA
- Send out a special Archives Fundraising package to Subud members worldwide – seeking their financial support
- Work with the Zone Reps to increase contributions from all member countries
- MSF support for WSA – is this able to be increased this year?
- Appoint professional fundraisers. For decades within Subud we have been relying on volunteers mainly, with limited time and skills, to 'solve' our WSA funding issues. I feel now is the time to also use professional fundraisers
- Make personal approaches to entities that already support us - GHFP, FloChem, Miguel Guerin Enterprises, plus others

- Finalise the online payment gateway to WSA, so that members can easily donate funds online to support WSA programs

9. Online payment gateway to WSA almost completed

We have wanted members to be able to donate online direct to WSA's programs for some time now. This online payment gateway is in the advanced stages of being set up. Once completed, it will hopefully increase the donations received by WSA, by making the donation process easier, simpler and more immediate for many members world-wide.

10. Issues and recommendations – from the Treasurer

The stand out issue for me is fundraising.

We simply need more money coming in than we're getting. We either raise more money, or we cut our WSA programs: less for International Helpers travel, translations of talks, Archives, wings, support of the Zones, communications/websites, travel & meetings, WSA chair & executive team.

I support Subud being more visible, out-going and engaging with the rest of the world. We in the Council need to somehow nurture Subud enterprises. We all know Bapak's thoughts about relying solely on members donations to fund the organisation – it will never be enough! We need our enterprises to stand up and support our organisation, otherwise...

I believe our young Subud members have huge, mostly untapped potential...

We need to come up with a clear policy on how we handle the WSA reserves. The WSA reserves are currently being used to fund our WSA deficit. Should we continue spending part, all, or none of these reserves on supporting our WSA programs? If we do choose to continue spending them then that just may delay the day we are forced to face the fact that we are currently spending much more than we are getting in...not a recipe for longevity for any organisation.

I support the WSA 2011 full stretch budget.

Living here now in Christchurch with the continuing aftershocks, the damage, upturned lives, destroyed businesses – Subud folk overseas constantly ask me 'have things back to normal yet?' – for me the old normal is gone, forever - there is now a 'new normal', a new 'set of clothes' to put on, stretch about in and get accustomed to. I feel it's now time for each of us to cast off our current Subud 'normal'... and to find a new way forward.