

WORLD SUBUD ASSOCIATION

**FINANCIAL STATEMENTS
FOR THE YEAR 2016**

WORLD SUBUD ASSOCIATION

Financial Statements for the year 2016

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WORLD SUBUD ASSOCIATION

Financial Statements for the year 2016

DIRECTORS

Directors during the year were:

WSA Chair	Elias Coragem Dumit	
Zonal Representatives:		
Zones 1 & 2	Suryadi Haryono	
Zone 3	Andrea Vivit	resigned July 2016
Zone 3	Matthew Weiss	appointed July 2016
Zone 4	Farah Czwiertnia	
Zone 5	Hakeem Naibi	
Zone 6	Rida Odon-Francois Liobo Loote	
Zone 7	Fernando Fatah Nieva	
Zone 8	Paloma Munoz	
Zone 9	Uraidah Arratia	

OFFICERS

WSA Deputy Chair	Lucia Boehm
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EXECUTIVE COMMITTEE

Executive committee officers during the year were:

Chief Executive Officer	Ismanah Schulze-Vorberg
Executive Vice-Chair	Anwar Ziesel
Treasurer	Hilaria Dette
Administrator and Secretary	Salamah Dick Le Claire
Accountant	Elwyn Waugh

REGISTERED OFFICE

631 D Street NW
Washington D.C. 20004
USA

EXECUTIVE OFFICE

Rennenbergstrasse 3
53639 Koenigswinter
Germany

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 2016 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 2016 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.

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, 2016 and 2015**
(in US dollars)

	2016	2015
ASSETS		
Banks/Cash	\$ 285,262	\$ 348,817
Accounts receivables and prepayments	\$ 127,784	\$ 117,737
Total Assets	<u>\$ 413,046</u>	<u>\$ 466,554</u>
LIABILITIES & NET ASSETS		
Liabilities		
Expense vouchers and income received in advance	\$ 47,334	\$ 38,742
Total liabilities	<u>\$ 47,334</u>	<u>\$ 38,742</u>
Net Assets		
Unrestricted/Undesignated	\$ 167,126	\$ 156,965
Board designated - World Congress Fund	\$ 151,536	\$ 155,582
Subud Emergency Fund	\$ 15,672	\$ 15,672
Temporarily Donor Restricted	\$ 31,378	\$ 99,593
Total Net Assets	<u>\$ 365,712</u>	<u>\$ 427,812</u>
Total Liabilities and Net Assets	<u>\$ 413,046</u>	<u>\$ 466,554</u>

Signed on behalf of
the Board of Directors

Elias Dumit
WSA Chair

These Financial Statements were approved by the Board of Directors on June 2017

WORLD SUBUD ASSOCIATION

Statement of Activity for the year 2016

(in US dollars)

	Unrestricted	Designated	Restricted	Total
Income				
Member contributions	\$ 171,479	\$ -	\$ 1,421	\$ 172,900
Enterprise donations	\$ 100,000	\$ -	\$ -	\$ 100,000
Grants received	\$ -	\$ -	\$ 119,804	\$ 119,804
Individual donations	\$ 43,740	\$ -	\$ 18,426	\$ 62,166
Other income	\$ 8	\$ -	\$ -	\$ 8
Total income	\$ 315,227	\$ -	\$ 139,651	\$ 454,878
Net Assets released from restrictions	\$ 207,866	\$ -	\$ (207,866)	\$ -
Total	\$ 523,093	\$ -	\$ (68,215)	\$ 454,878
Expenses				
Programs				
Kejiwaan	\$ 119,765	\$ -	\$ -	\$ 119,765
Media Unit	\$ 94,086	\$ -	\$ -	\$ 94,086
Human Activity programs	\$ 148,215	\$ -	\$ -	\$ 148,215
Total program expenses	\$ 362,066	\$ -	\$ -	\$ 362,066
Supporting Services				
WSA Chair, Zone Reps, WSC	\$ 43,874	\$ -	\$ -	\$ 43,874
WSA Executive	\$ 94,792	\$ -	\$ -	\$ 94,792
Audit	\$ 4,500	\$ -	\$ -	\$ 4,500
World Congress	\$ -	\$ 4,046	\$ -	\$ 4,046
Total Supporting Services	\$ 143,166	\$ 4,046	\$ -	\$ 147,212
Total Functional Expenses	\$ 505,232	\$ 4,046	\$ -	\$ 509,278
Currency loss	\$ 7,700	\$ -	\$ -	\$ 7,700
Total Expenses	\$ 512,932	\$ 4,046	\$ -	\$ 516,978
Change in Net Assets	\$ 10,161	\$ (4,046)	\$ (68,215)	\$ (62,100)
Net Assets beginning of period	\$ 156,965	\$ 155,582	\$ 115,265	\$ 427,812
Net Assets end of period	\$ 167,126	\$ 151,536	\$ 47,050	\$ 365,712

WORLD SUBUD ASSOCIATION

Statement of Activity for the year 2015
(in US dollars)

	Unrestricted	Designated	Restricted	Total
Income				
Member contributions	\$ 154,036	\$ -	\$ 20,248	\$ 174,284
Enterprise donations	\$ 100,000	\$ -	\$ -	\$ 100,000
Grants received	\$ 3,000	\$ -	\$ 191,689	\$ 194,689
Individual donations	\$ 42,538	\$ -	\$ 5,867	\$ 48,405
Other income	\$ 3	\$ -	\$ -	\$ 3
Total income	\$ 299,577	\$ -	\$ 217,804	\$ 517,381
Net Assets released from restrictions	\$ 127,674	\$ -	\$ (127,674)	\$ -
Total	\$ 427,251	\$ -	\$ 90,130	\$ 517,381
Expenses				
Programs				
Kejiwaan	\$ 130,396	\$ -	\$ -	\$ 130,396
Media Unit	\$ 100,780	\$ -	\$ -	\$ 100,780
Human Activity programs	\$ 56,777	\$ -	\$ -	\$ 56,777
Total program expenses	\$ 287,953	\$ -	\$ -	\$ 287,953
Supporting Services				
WSA Chair, Zone Reps, WSC	\$ 84,192	\$ -	\$ -	\$ 84,192
WSA Executive	\$ 105,120	\$ -	\$ -	\$ 105,120
Audit	\$ 4,500	\$ -	\$ -	\$ 4,500
	\$ -	\$ -	\$ -	\$ -
Total Supporting Services	\$ 193,812	\$ -	\$ -	\$ 193,812
Total Functional Expenses	\$ 481,765	\$ -	\$ -	\$ 481,765
Currency loss	\$ 3,147	\$ -	\$ -	\$ 3,147
Total Expenses	\$ 484,912	\$ -	\$ -	\$ 484,912
Change in Net Assets	\$ (57,661)	\$ -	\$ 90,130	\$ 32,469
Net Assets beginning of period	\$ 214,626	\$ 155,582	\$ 25,135	\$ 395,343
Net Assets end of period	\$ 156,965	\$ 155,582	\$ 115,265	\$ 427,812

WORLD SUBUD ASSOCIATION

Statement of Cash Flows for the year 2016
(in US dollars)

	2016	2015
Cash flows from operating activities		
(Decrease)/Increase in Total Net Assets	\$ (62,100)	\$ 32,469
Adjustments to reconcile net surplus (deficit) to net cash provided by operating activities		
(Increase)/Decrease in accounts receivable and prepayments	\$ (10,047)	\$ (102,923)
Increase/(Decrease) accounts payable	\$ 8,592	\$ (26,003)
Net cash used in operating activities	<u>\$ (63,555)</u>	<u>\$ (96,457)</u>
Cash at beginning of period	\$ 348,817	\$ 445,274
Cash at end of period	\$ 285,262	\$ 348,817
Net cash (Decrease)/Increase for the period	<u>\$ (63,555)</u>	<u>\$ (96,457)</u>

WORLD SUBUD ASSOCIATION

Statement of Functional Expenses for the year 2016

(in US dollars)

Expenses	General	Travel / lodging	Fees	Office	Pensions	Total
Kejiwaan program						
Area 1		\$ 51,527				\$ 51,527
Area 2		\$ 29,628				\$ 29,628
Area 3		\$ 29,220				\$ 29,220
Ibu Rahayu's Office				\$ 9,390		\$ 9,390
						\$ 119,765
Media Unit program						
WSA Archives	\$ 21,351		\$ 30,680			\$ 52,031
Bapak's Talks Translation project	\$ 25,000					\$ 25,000
Subtitling Bapak, Ibu Talks	\$ 1,100					\$ 1,100
Translations	\$ 7,140					\$ 7,140
History of Subud project	\$ 8,815					\$ 8,815
						\$ 94,086
Human Activity programs						
Care Support Program	\$ 17,929					\$ 17,929
Social Welfare		\$ 1,948				\$ 1,948
Human Force	\$ 13,903					\$ 13,903
Yes Quest	\$ 7,060					\$ 7,060
Subud Houses	\$ 69,989					\$ 69,989
Mecical assistance	\$ 3,200					\$ 3,200
Culture	\$ 715					\$ 715
Youth	\$ 2,147	\$ 9,543				\$ 11,690
Health	\$ 1,511	\$ 1,672				\$ 3,183
Support for Zones	\$ 13,556					\$ 13,556
Communications	\$ 5,042					\$ 5,042
						\$ 148,215
Supporting services						
WSA Chair, Zone-Reps, WSC	\$ -	\$ 43,874				\$ 43,874
WSA Executive	\$ 236	\$ 12,853	\$ 66,180	\$ 2,388	\$ 13,135	\$ 94,792
Audit	\$ 4,500					\$ 4,500
Totals	\$ 203,194	\$ 180,265	\$ 96,860	\$ 11,778	\$ 13,135	\$ 505,232

WORLD SUBUD ASSOCIATION

Statement of Functional Expenses for the year 2015

(in US dollars)

Expenses	General	Travel / lodging	Fees	Office	Pensions	Total
Kejiwaan program						
Area 1		\$ 46,262				\$ 46,262
Area 2		\$ 34,052				\$ 34,052
Area 3		\$ 37,562				\$ 37,562
Ibu Rahayu's Office				\$ 12,520		\$ 12,520
						\$ 130,396
Media Unit program						
WSA Archives	\$ 42,752		\$ 15,848			\$ 58,600
Bapak's Talks Translation project	\$ 25,000					\$ 25,000
Translations	\$ 8,180					\$ 8,180
History of Subud project	\$ 9,000					\$ 9,000
						\$ 100,780
Human Activity programs						
Care Support Program	\$ 17,265					\$ 17,265
Intl. Youth Travel Fund		\$ 90				\$ 90
Social Welfare		\$ 959				\$ 959
Enterprises		\$ 575				\$ 575
Culture	\$ 458					\$ 458
Youth	\$ 5,137	\$ 10,337				\$ 15,474
Health	\$ 906	\$ 1,716				\$ 2,622
Support for Zones	\$ 13,729					\$ 13,729
Communications	\$ 5,605					\$ 5,605
						\$ 56,777
Supporting services						
WSA Chair, Zone-Reps, WSC	\$ 520	\$ 83,672				\$ 84,192
WSA Executive	\$ 3,677	\$ 20,569	\$ 64,650	\$ 2,313	\$ 13,911	\$ 105,120
Audit	\$ 4,500					\$ 4,500
Totals	\$ 136,729	\$ 235,794	\$ 80,498	\$ 14,833	\$ 13,911	\$ 481,765

WORLD SUBUD ASSOCIATION

Statement of Income for the year 2016

(in US dollars)

Income	Unrestricted	Temporarily Restricted					Total	Total Income
		World Congress	Kejiwaan	Media Unit	Human Activity	Services		
Member countries contributions								
Zone 1-2	\$ 17,678						\$ -	\$ 17,678
Zone 3	\$ 66,113						\$ -	\$ 66,113
Zone 4	\$ 32,225	\$ 1,421					\$ 1,421	\$ 33,646
Zone 5-6	\$ 500						\$ -	\$ 500
Zone 7	\$ 47,537						\$ -	\$ 47,537
Zone 8	\$ 5,746						\$ -	\$ 5,746
Zone 9	\$ 1,680						\$ -	\$ 1,680
	\$ 171,479	\$ 1,421	\$ -	\$ -	\$ -	\$ -	\$ 1,421	\$ 172,900
Enterprise donations								
Zone 1-2	\$ 100,000						\$ -	\$ 100,000
	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Grants								
Muhammad Subuh Foundation			\$ 56,000	\$ 56,000			\$ 112,000	\$ 112,000
SDIA					\$ 938		\$ 938	\$ 938
Guerrand Hermes Foundation					\$ 6,866		\$ 6,866	\$ 6,866
	\$ -		\$ 56,000	\$ 56,000	\$ 7,804	\$ -	\$ 119,804	\$ 119,804
Individual member donations	\$ 43,740	\$ 805	\$ 3,936	\$ 20	\$ 13,665		\$ 18,426	\$ 62,166
Other income	\$ 8						\$ -	\$ 8
Totals	\$ 315,227	\$ 2,226	\$ 59,936	\$ 56,020	\$ 21,469	\$ -	\$ 139,651	\$ 454,878

WORLD SUBUD ASSOCIATION

Statement of Income for the year 2015

(in US dollars)

Income	Unrestricted	Temporarily Restricted					Total	Total Income
		World Congress	Kejiwaan	Media Unit	Human Activity	Services		
Member countries contributions								
Zone 1-2	\$ 21,344						\$ -	\$ 21,344
Zone 3	\$ 78,397				\$ 20,248		\$ 20,248	\$ 98,645
Zone 4	\$ 14,019						\$ -	\$ 14,019
Zone 5-6	\$ -						\$ -	\$ -
Zone 7	\$ 39,387						\$ -	\$ 39,387
Zone 8	\$ 889						\$ -	\$ 889
Zone 9	\$ -						\$ -	\$ -
	\$ 154,036		\$ -	\$ -	\$ 20,248	\$ -	\$ 20,248	\$ 174,284
Enterprise donations								
Zone 1-2	\$ 100,000						\$ -	\$ 100,000
	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Grants								
Muhammad Subuh Foundation			\$ 30,000	\$ 91,200			\$ 121,200	\$ 121,200
SDIA					\$ 500		\$ 500	\$ 500
Guerrand Hermes Foundation	\$ 3,000						\$ -	\$ 3,000
Usaha Mulia					\$ 69,989		\$ 69,989	\$ 69,989
	\$ 3,000		\$ 30,000	\$ 91,200	\$ 70,489	\$ -	\$ 191,689	\$ 194,689
Individual member donations	\$ 42,538	\$ 1,546	\$ 100	\$ 2,000	\$ 2,221		\$ 5,867	\$ 48,405
Other income	\$ 3						\$ -	\$ 3
Totals	\$ 299,577	\$ 1,546	\$ 30,100	\$ 93,200	\$ 92,958	\$ -	\$ 217,804	\$ 517,381

WORLD SUBUD ASSOCIATION

Statement of Changes in restricted donations in the year 2016

(in US dollars)

	Balance end 2015	Received in 2016	Spent in 2016	Balance end 2016
Temporary Restriction				
International Helper Travel	\$ -	\$ 59,935	\$ 59,935	\$ -
Ibu Rahayu Travel	\$ 1,408	\$ -	\$ -	\$ 1,408
Medical Assistance	\$ -	\$ 3,200	\$ 3,200	\$ -
WSA Archives	\$ -	\$ 56,000	\$ 56,000	\$ -
History of Subud	\$ -	\$ 50	\$ 50	\$ -
Care Support Program	\$ -	\$ -	\$ -	\$ -
SESI	\$ -	\$ -	\$ -	\$ -
International Youth Travel Fund	\$ 213	\$ 106	\$ -	\$ 319
Youth travel World Congress 2018	\$ 756	\$ -	\$ -	\$ 756
Medical Fund	\$ 4,180	\$ -	\$ -	\$ 4,180
SIHA	\$ 18,568	\$ 520	\$ 1,281	\$ 17,807
Bapak's Talks Translations	\$ -	\$ 20	\$ 20	\$ -
Inikisi Congo	\$ -	\$ 2,500	\$ 2,500	\$ -
Cali	\$ -	\$ 100	\$ 100	\$ -
Intranet	\$ 2,475	\$ -	\$ -	\$ 2,475
World Congress Reserve	\$ 1,546	\$ 2,227	\$ -	\$ 3,773
SICA	\$ 458	\$ -	\$ 458	\$ -
Subud Houses	\$ 69,989	\$ -	\$ 69,989	\$ -
Subud Youth	\$ -	\$ -	\$ -	\$ -
Human Force Camp	\$ -	\$ 14,563	\$ 13,903	\$ 660
Youth Zones 3/4	\$ -	\$ 330	\$ 330	\$ -
Basara Youth Camp	\$ -	\$ 100	\$ 100	\$ -
	<u>\$ 99,593</u>	<u>\$ 139,651</u>	<u>\$ 207,866</u>	<u>\$ 31,378</u>
Permanent Restriction				
Subud Emergency Fund	\$ 15,672	\$ -	\$ -	\$ 15,672
Totals	<u>\$ 115,265</u>	<u>\$ 139,651</u>	<u>\$ 207,866</u>	<u>\$ 47,050</u>

Statement of Changes in Board designated funds in the year 2016

	Balance end 2015	Received in 2016	Spent in 2016	Balance end 2016
World Congress Fund	\$ 155,582	\$ -	\$ 4,046	\$ 151,536

WORLD SUBUD ASSOCIATION

Statement of Changes in restricted donations in the year 2015

(in US dollars)

	Balance end 2014	Received in 2015	Spent in 2015	Balance end 2015
Temporary Restriction				
International Helper Travel	\$ -	\$ 30,100	\$ 30,100	\$ -
Ibu Rahayu Travel	\$ 1,408	\$ -	\$ -	\$ 1,408
Helpers without Borders	\$ -	\$ -	\$ -	\$ -
WSA Archives	\$ -	\$ 92,000	\$ 92,000	\$ -
Care Support Program	\$ -	\$ 1,274	\$ 1,274	\$ -
SESI	\$ -	\$ -	\$ -	\$ -
International Youth Travel Fund	\$ -	\$ 213	\$ -	\$ 213
Youth travel World Congress 2018	\$ -	\$ 756	\$ -	\$ 756
Medical Fund	\$ 4,180	\$ -	\$ -	\$ 4,180
SIHA	\$ 1,400	\$ 19,790	\$ 2,622	\$ 18,568
Bapak's Talks Translations	\$ -	\$ 1,200	\$ 1,200	\$ -
YES Quest	\$ -	\$ -	\$ -	\$ -
Intranet	\$ 2,475	\$ -	\$ -	\$ 2,475
World Congress Reserve	\$ -	\$ 1,546	\$ -	\$ 1,546
SICA	\$ -	\$ 458	\$ -	\$ 458
Subud Houses	\$ -	\$ 69,989	\$ -	\$ 69,989
Subud Youth	\$ -	\$ 478	\$ 478	\$ -
	\$ 9,463	\$ 217,804	\$ 127,674	\$ 99,593
Permanent Restriction				
Subud Emergency Fund	\$ 15,672	\$ -	\$ -	\$ 15,672
Totals	\$ 25,135	\$ 217,804	\$ 127,674	\$ 115,265

Statement of Changes in Board designated funds in the year 2015

	Balance end 2014	Received in 2015	Spent in 2015	Balance end 2015
World Congress Fund	\$ 155,582	\$ -	\$ -	\$ 155,582

WORLD SUBUD ASSOCIATION

Notes to the Financial Statements for 2016

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 2016 and 2015 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 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 2016

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, checking and 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 2016 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 2016 were insured.

The amounts on deposit in the United Kingdom bank at the end of the year amounted to \$ 109,263, 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 2016

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 2016 and 2015 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 2016 pension costs amounted to \$13,135 (2015: \$13,911). 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.