



MUHAMMAD SUBUH
FOUNDATION

The Foundation of the Worldwide Subud Community

ANNUAL REPORT

2017

SUPPORTING THE WORLDWIDE GROWTH AND
LONG-TERM DEVELOPMENT OF SUBUD

REPORT FROM THE CHAIRPERSON



Dear Subud Sisters and Brothers:

2017-18 is my final year of my four-year term as Chair of the MSF Board. A new Chairperson will provide the 2018 'Report from the Chairperson'. My term began unexpectedly at the Puebla, Mexico Congress as both a new trustee and Chairperson and will end at this Congress in Freiburg, Germany. Excellent progress has been made in so many areas of MSF thanks to our hard working group of trustees along with the dedicated Executive work of Lillian Shulman, Lucian Parshall and our accountant Elwyn Waugh.

As you may be aware MSF has a dual mission: To help build the long-term development and worldwide growth of Subud community and to maintain a general fund to provide grants in its three support areas. Fortunately, through the very good upturn in the market our portfolio has grown over 10%. This increase along with a surge in the value of our Asiamet holdings enabled MSF to increase both its grant program and its asset base. We must acknowledge the ongoing professional management of our portfolio by Helene Jelman of Goldlake Capital Ltd. whose care and competence helped us succeed in our mission.

The delegates of the 2014 World Congress asked if MSF could increase funding for Subud properties. We are pleased to report that MSF was able to approve all grants and loan requests. I was particularly grateful that MSF could support capital improvements in two major buildings in South Africa that were in failing condition. We also realized the fruit of our grant to the Republic of the Congo with an excellent renovated structure in Kinshasa in a joint effort with Susila Dharma International. This was a great example of how cooperation and a united effort with our Susila Dharma wing can bring such good results.

It is fortunate that I was able to complete three business trips this year. The first, to celebrate the 70th Anniversary of Subud in Indonesia with visits to two centers that MSF supported including Kulon Progo in Central Java. In November, I traveled to Armenia, Colombia for the Subud Colombia National Congress and the Zone 8 meeting. This time was used to further MSF's agreement to fund the Gran Salòn to a level where a viable business could be sustained. WSA was well represented

by Elias Dumit (Chair of WSA), Ismanah Schulze-Vorberg (Chief Executive Officer of WSA) and Lucia Boehm (Deputy Chair of WSA). It became clear that in 2018 the WSA Executive team had to take the lead role in the re-development of the Gran Salòn and that MSF should assume its 'granting' support role and no longer continue its management role. Finally, in August, all Trustees met in Freiburg, Germany along with the WSC and had a very productive meeting and review of the site for the World Congress.

I see the following goals for 2018:

- Continue our campaign to develop a clear understanding among our members so they might feel to leave their bequest as their testament to Subud and continue to support MSF's mission.
- Develop a video presentation of MSF's first 25 years for presentation at the 2018 World Congress that will demonstrate the impact that MSF has had throughout the Subud world.
- Support the four new incoming trustees and Chair as they gain their footing in their fiduciary roles.
- Continue strengthening the functioning of our National Liaison program and find new Liaisons for the next four years.
- Move to complete the role that MSF has in the Amanecer Gran Salòn - not as managers but as supporters of a local Colombia entity to hold its title on behalf of WSA.

In closing, as I end my term as Chair of MSF in 2018, I wish to express my gratitude for all the support I have had in working toward a well-managed and strong Subud Foundation that with the help of Almighty God will continue in its role for the "the long-term growth and development of Subud in the World". It has truly been my pleasure and an honor.

With love and respect,

CAUTION AND CARE:

Preserving Trust

“The organisation [WSA] has always found it harder to raise money for running the organisation. Furthermore, those running the organization often want to make a difference during their term of office and so they develop ambitious plans and programs that they feel will benefit Subud. But because of the constant shortage of money, this can lead to frustration. Some may then think, ‘Oh, MSF has lots of money and it is easy for MSF to get money.But, if funds that members gave for Subud’s long-term security get drained, the impact would be devastating for Subud. MSF would end up hounding members for donations and the trust that MSF enjoys would be lost.

“Maintaining the members’ trust in MSF is vital. If members stop trusting MSF - if they feel the money they give is not being used in the way they hoped, if they become disappointed or disenchanted - they would stop donating money to MSF. So, MSF must always act carefully and wisely and must never pressure members for donations or to make bequests.

“So, in summary, I support MSF’s role as a ‘supporter’ for WSA, provided that the WSA and MSF always work together in a co-operative manner while respecting their respective roles. Hopefully, this advice will clarify a situation that seems to have become somewhat confused.”

Ibu Rahayu
Pamulang, 21st March 2013

GRANTS TO SUBUD GROUPS IN 2017



Johannesburg, South Africa



Perth, Australia.



Armenia, Colombia



Cape Town, South Africa

SUBUD HOUSES

Awards to Subud properties around the world in 2017

One ongoing priority of the Foundation is the establishment of new Subud houses. This year we were also able to assist in the capital improvement of existing Subud properties.

With a total in 2017 of USD 64,500 budgeted for grants and USD 56,000 available for loans the Foundation made awards to the following Subud groups:

SUBUD ARMENIA/COLOMBIA, USD 5,000

Subud Armenia used the funds to divide their one latihan hall into two latihan spaces, complete mold/humidity remediation, and other repairs/improvements. There are thirty members in this group and they had raised USD 400 towards their project.

SUBUD CAPE TOWN/SOUTH AFRICA, USD 10,000

Subud Cape Town used their grant funds to replace their deteriorating roof. The group raised sufficient funds themselves to purchase new carpets and renew their firedoors. The upper floor is currently rented out to a Subud member. In future, they hope to renovate this space to bring in more income.

SUBUD JOHANNESBURG/SOUTH AFRICA, USD 26,500

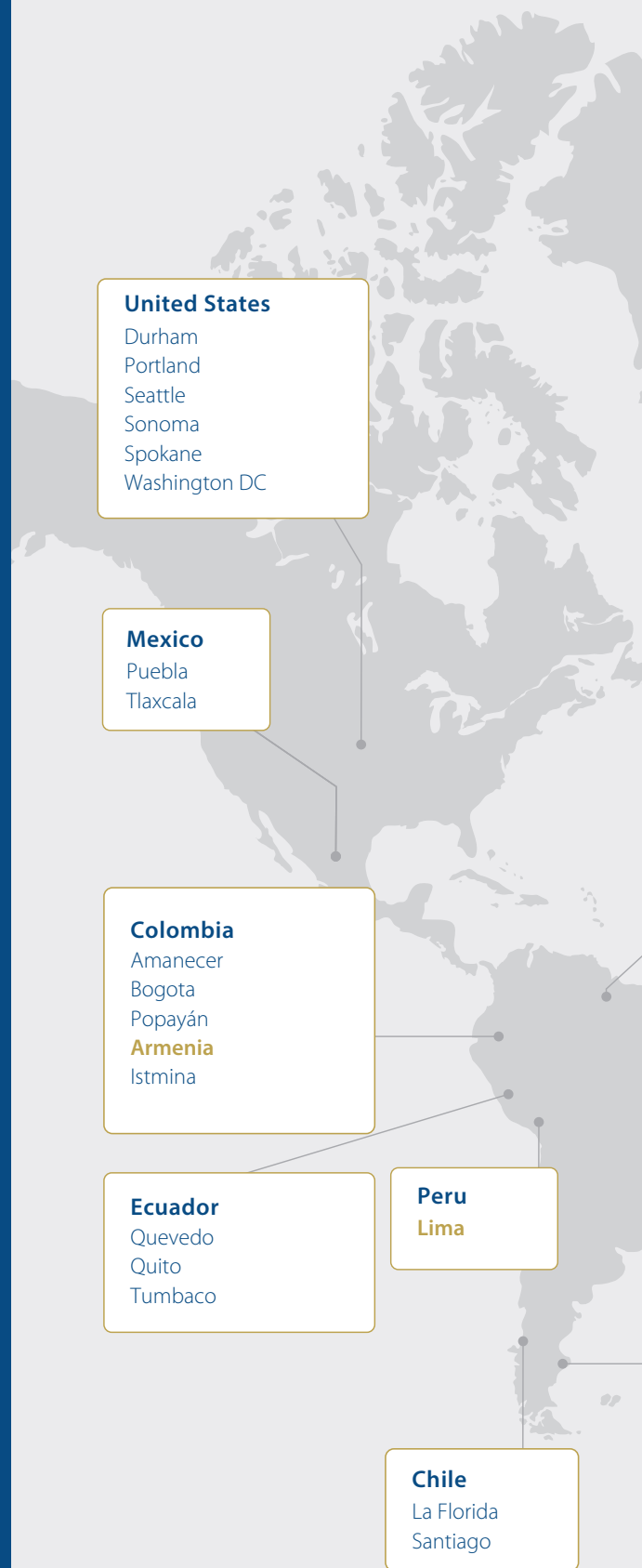
Subud Johannesburg is working on replacing the roof/ceiling that is in a dangerous condition, replacement of doors for security, and upgrading their restroom facilities.

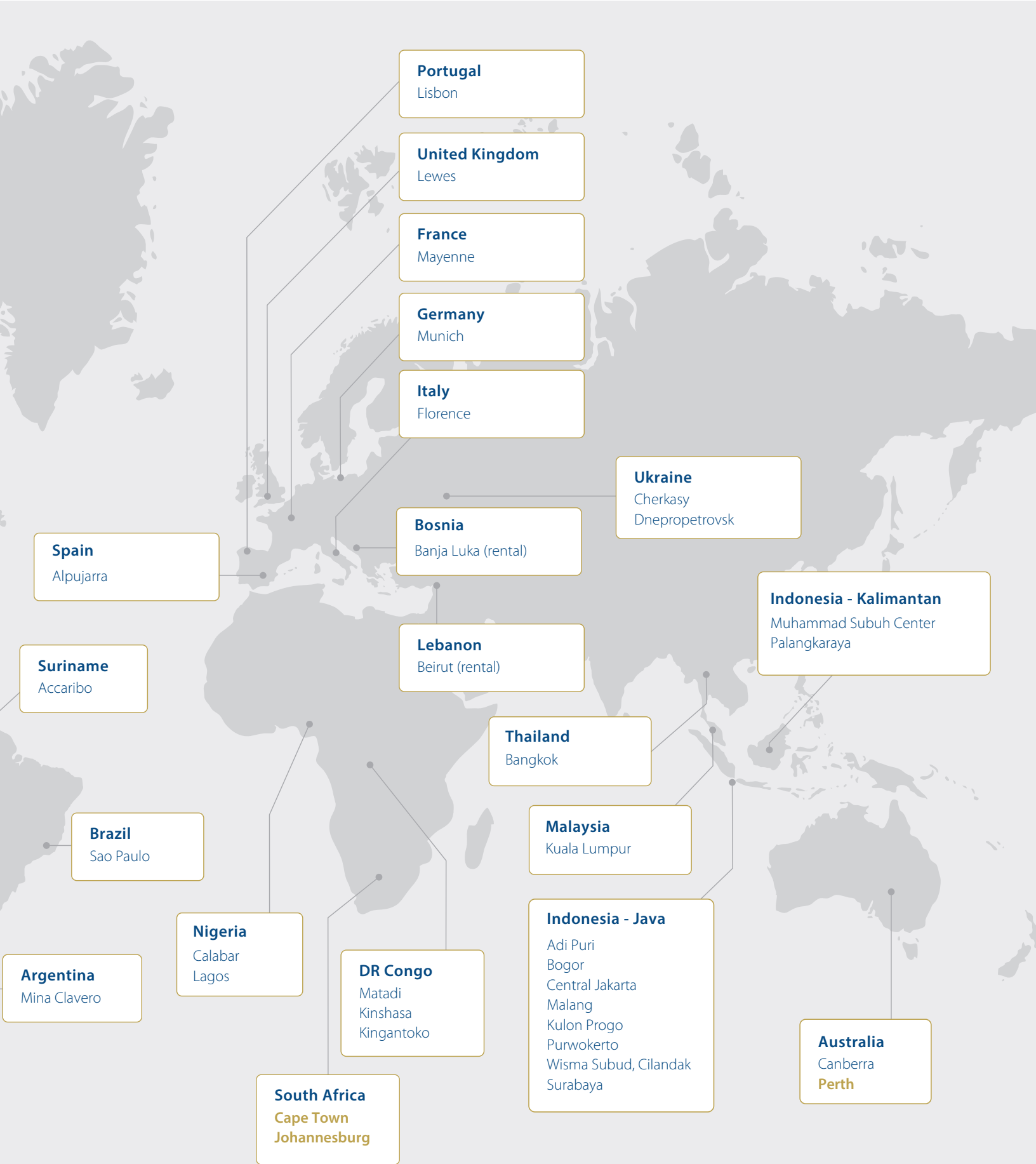
SUBUD LIMA/PERU, USD 23,000

Subud Peru plans renovations/additions for the kitchen and bathroom, as well as the addition of a roof over the stairwell to the roof terrace. They also plan to convert the first floor of the property to bring in income from Airbnb rentals, which is very exciting as the house is located in an interesting touristic section of Lima.

SUBUD PERTH/AUSTRALIA, USD 56,000

Subud Perth received a USD 56,000 loan. The loan will help fund the next stage of renovations that will complete an indoor social area flowing through into an outdoor garden space. They will also purchase a lockable outdoor shed for storage of chairs and trestle tables, basic equipment essential to rent out the space commercially.





Subud houses supported by MSF since 1991



Subud centers supported by MSF 2017

FISCAL REPORT (USD)

Statement of Activities and Change in Net Assets

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
	2017	2017	2017	2017	2016
SUPPORT AND REVENUE					
Contribution from Subud Members	43,134	30,981	0	74,115	177,617
Dividends & Interest	50,586	42,538	0	93,124	75,362
Realized gains	71,621	60,515	0	132,136	29,410
Unrealized gains/losses net	827,637	134,601	0	962,238	134,984
Gains on Foreign Currency exchange rates	-3,590	3,077	0	-513	2,257
Management Fee	19,410	-16,610	0	2,800	2,000
			0	1,263,900	421,630
Net Assets Released from Restrictions	42,135	-42,135	0	0	0
Total Support and Revenue	1,050,933	212,967	0	1,263,900	421,630
EXPENSES					
Grants for Subud Houses	63,005	0	0	63,005	74,251
Grants for World Subud Association	106,125	0	0	106,125	112,000
Grants Other	2,318	0	0	2,318	0
Amanecer property costs	12,836	0	0	12,836	43,099
Depreciation Expenses on Long Term Assets	5,475	0	0	5,475	5,475
		0	0		
		0	0		
		0	0		
Total Program Expenses	189,759	0	0	189,759	234,825
Management and General	106,582	0	0	106,582	101,536
Total Expenses	296,341	0	0	296,341	336,361
Change in Net Assets	754,592	212,967	00	967,559	85,269
Net Assets Beginning of Period	2,364,266	-1,570	1,460,714	3,823,410	3,738,141
Transfer - Inflation uplift		-36,518	36,518	0	0
Net Assets End of Period	3,118,858	174,879	1,497,232	4,790,969	3,823,410

Financial Report

	2017	2016
ASSETS		
Cash	570,086	441,612
Accounts Receivable & Prepayments	7,182	43,000
Investments	4,173,450	3,321,521
Notes Receivable Long Term	0	0
Notes Receivable from Subud Organisations	114,980	71,480
Land and Buildings Net of Accumulated Depreciation	104,847	110,322
Total Assets	4,970,545	3,987,935
LIABILITIES		
Euro Loan	79,510	71,723
Accounts Payable	100,066	92,802
Total Liabilities	179,576	164,525
Total Net Assets	4,790,969	3,823,410
FUNDS		
Unrestricted - General Fund	3,118,858	2,364,266
Unrestricted - Designated as Education Fund	0	0
Total Unrestricted Net Assets	3,118,858	2,364,266
Temporarily Restricted	174,879	-1,570
Permanently Restricted - Permanent Capital Fund	1,497,232	1,460,714
Total Funds	4,790,969	3,823,410

Seven Year Trend

	2011	2012	2013	2014	2015	2016	2017
Gifts	15,993	88,680	329,719	760,370	635,716	177,617	74,115
Grants	105,027	92,300	90,000	173,102	377,083	229,350	184,284
Assets	3,422,623	3,350,033	3,490,029	3,852,545	3,988,262	3,987,935	4,970,545

BUILDING OUR FUTURE

The Muhammad Subuh Foundation is in the building business. Not building in the sense of construction but building the financial capacity to grow the worldwide Subud community.

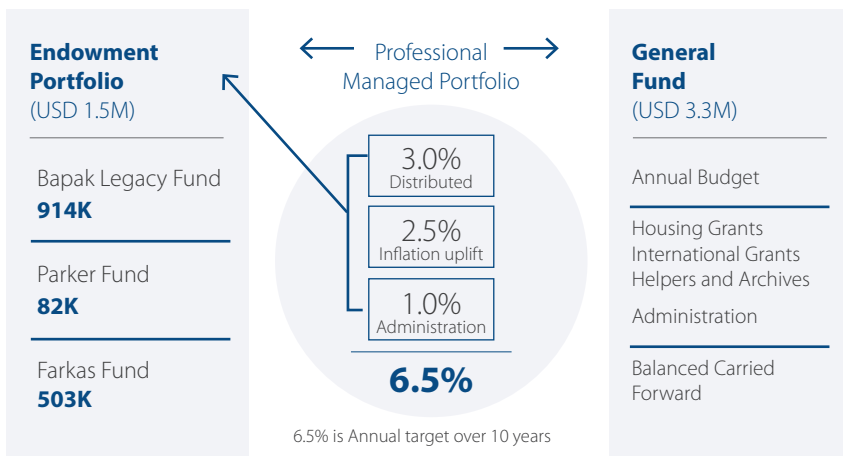
To build financial capacity the Foundation must use two approaches: increase its assets and provide grants; simply put, it needs to maintain a balance between saving and spending.

On the savings side the Foundation seeks to build its three endowment funds. These funds are held in a Fidelity portfolio that is professionally managed using a financial strategy that targets an annual growth of 6.5% per year, averaged over a 10-year period. The Foundation encourages members to contribute to these three endowments: the Parker Fund (for Subud Australia), the Farkas Fund (for the educational support of the very young and the promotion of Bapak and Ibu Siti Rahayu's talks) as well as the Bapak Legacy Fund (to support long-term growth).

These endowments are subject to USA regulations to maintain the principal including a 2.5% annual inflation rate. From this 6.5% the Foundation distributes 3% to the general budget to fund the purposes of these three endowments and 1% for administration. See chart below.

On the spending side, the Foundation uses funds to support the Subud community by providing grants to groups around the world from its general budget. In this way members have a house to practice their latihan, socialize and welcome new members. In addition, the general fund supports international archives projects and international helpers travel. These last two grants are awarded to WSA to distribute.

The fiduciary management of these funds is entrusted to Trustees, whose due diligence and prudent management for over 25 years has contributed to the long-term development and worldwide growth of Subud around the world.



DONATIONS & BEQUESTS

The Muhammad Subuh Foundation would like to express our sincerest appreciation to all of you who have given to the Foundation in 2017, in addition to the hundreds of members who have donated since MSF's inception in 1991.

MSF Donors 2017

- Dwayne Henson - USA
- Rasmini Gardiner - Indonesia,
in memory of her mother Kadarijah Gardiner
- Ilene Pevec - USA
- David Meacham - UK
- Harry Norman - UK
- Matthew Baerveldt - Canada
- Chris Neff - USA
- Sumiko & Taufik Bey - USA
- Iljas Baker - Thailand
- Marcella Cooke - USA
- John (Luthfi) Dixon - UK
- RegencyMgmt/Mansur Ghose - UK
- Lucian Parshall - USA
- Raymond Hensen - Norway
- Richard Dodson - USA
- Reynold Dodson - USA
- Elaina Dodson - USA
- Mustafa van Hien - UK
- Leonard Paice - UK,
in memory of his father, Howard E.S. Paice
- Hardwin Blanchard - USA
- Lillian Shulman - USA
- Lydia Farrand - USA
- J & G Woodruff - UK
- Robert Dodson - USA