

Muhammad Subuh Foundation

moving forward _____

moving forward . . .

Bapak's vision was of a Subud association which was active and effective in the world, in all the fields of human endeavour. He also saw the need for a body to fund these efforts, and this is the reason the Muhammad Subud Foundation was established.

The next few years will see MSF provide funding not just for Subud houses, but also for a much wider range of projects undertaken by both the Subud organisation and its members. This will be matched with a focused campaign to encourage enterprise contributions and to facilitate bequests.

Over time, MSF will become a more vigorous servant of the World Subud Association in funding youth, humanitarian, communication and cultural projects, as well as Subud Houses.

This process has already begun with a grant to Fundacion Amor in Columbia and a grant to SPI for the production of "The Complete Recorded Talks of Bapak". Proposals for a youth project and free distribution of Bapak's talks are currently being considered.



The Muhammad Subuh Foundation honours the name of Subud's founder, Bapak Muhammad Subuh Sumohadiwidjojo. It provides financial support to further the aims of the World Subud Association and thereby carries forward Bapak's mission of making the latihan available to all of mankind.

Origins

The Muhammad Subuh Foundation had its origins in the mid 1960s when the Chair of the World Subud Association, Varindra Vittachi, had a special dream.

"I saw a big building and on its white marble facade were the words: 'Muhammad Subuh Foundation'. When I entered the building, it seemed to be a formal place like a bank, but instead of money what I saw was a stack of legal documents which turned out to be people's Wills and Testaments in which Subud members had willed a portion of their assets as bequests to the Brotherhood.



I woke up with a strong impulse to see Bapak and ask for instructions about following the meaning of the dream. I flew to Jakarta immediately and told Bapak about this experience."

Bapak explained:

"Your dream is a true dream. It is right that you start work on establishing such a Foundation to look after bequests of Subud members. But Bapak asks that as long as Bapak is in this world it should not be called the Muhammad Subuh Foundation. Better call it Subud Brotherhood International Foundation (SBIF)."

SBIF was subsequently established and in 1971 Bapak further clarified its role:

"Thus SBIF is like a go-between, an intermediary body to receive the funds derived from the enterprises of Subud members and distribute them to the various Subud centres for the establishment of latihan premises, guesthouses, hospitals, schools, and the homes required for the old and needy."

Over the years, the role of SBIF moved away from its original purpose. Therefore in 1991, four years after Bapak's death, the World Subud Association established the Muhammad Subuh Foundation to fulfil the role envisaged by Bapak.

What is MSF?

From a legal perspective, MSF is a non-profit tax-exempt body. It is registered in the United States because that is probably the most user-friendly place in the world from which to operate an international foundation.

The Foundation can be viewed as the financial arm of the World Subud Association (WSA) and therefore comes under its control. WSA appoints and can remove Trustees; it approves MSF's annual budget and controls voting rights over any shares owned by the Foundation.

Why a Foundation?

Foundations are established by many organisations as vehicles to accumulate substantial sums of money which can be applied to those long term objectives which are not met by annual administrative budgets.

In particular, organisations often establish foundations to receive bequests as these require long term arrangements involving a high degree of confidentiality and trust. This function is, by its nature, very different from the day to day management of an organisation.

The Need to Give... and the Need to Do

Many Subud members around the world are motivated to turn their sincere hopes for Subud into reality.

Some will do this through their projects and others by providing financial support.

MSF is a link between the two. It is simply a means of channelling money between those who have the need to give and those who have the need to do.

So, the role of MSF is not to control but to stimulate the activities and projects of Subud and its members. It does this by encouraging and facilitating bequests and enterprise contributions and by evaluating the needs and the potential of projects seeking funds.

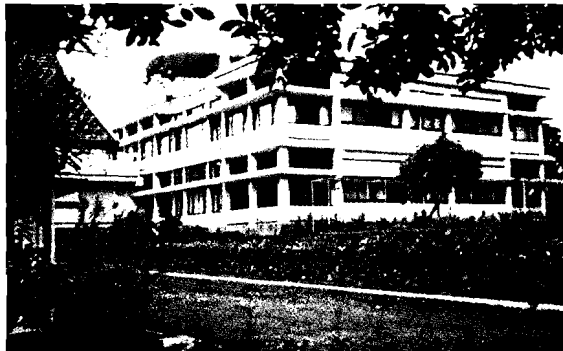
The Muhammad Subud Foundation is the vehicle for attracting, growing and distributing funds to best support the long-term objectives of our Subud Association.

What is YMS?

YMS is Yayasan Muhammad Subuh and is the Indonesian representative of MSF.

"Yayasan" is the Indonesian equivalent of a foundation. YMS was established in 1989 to hold and manage Bapak's house in Cilandak. In accordance with the original purpose for its purchase, Bapak's House has become a focus for many activities, in particular the Cita Buana School which has nearly 200 students, and a separate highly successful music school, Yayasan Musik Internasional.

As well as Bapak's House, YMS owns and manages the Archive House in Cilandak, the Tengkilang Guest House in Kalimantan and Bapak's Personal Archives.



The "Big House" at Cilandak

In 1993, ownership of the company Bapak established for enterprises in Kalimantan was passed to YMS and has continued to facilitate pioneering work in Kalimantan. Through this company YMS has, or will hold, significant shareholdings in the mineral exploration, plantation and real estate projects in Kalimantan.

In 1997, YMS came under the legal umbrella of MSF through the appointment of MSF as the "founder" of YMS. However, the day-to-day work of YMS continues to be carried out by its Board of Management under the Chair of Ibu Rahayu. A joint MSF/YMS Committee exists to ensure effective communication.

Who Manages MSF?

MSF is managed by a Board of nine Trustees dedicated to the long term development of Subud worldwide. WSA appoints seven trustees from nominations put forward by national organisations through their zonal representatives, World Subud Council members and MSF Trustees. The other two Trustees are Ibu Rahayu, Bapak's daughter, who is an Honorary Trustee, and the World Subud Council Chair, who is an ex-officio member of the Board. The Trustees meet at least annually for two days, at the same time as the World Subud Council.

Between meetings, the Trustees have quarterly teleconferences. Currently, the Administrative Office is in Rotterdam, Netherlands. A group of three Trustees (Rahman Connelly, Rohana Mitchell and Peter Filippelli) act as an Executive Committee of the Board. In addition to this, the Board has various committees for Grants and Loans, Communications, Investment, and MSF/YMS. To facilitate the work of MSF, national representatives are being appointed to act as sources of local expertise on MSF matters.

The MSF Team

Ibu Siti Rahayu Wirohudoyo, Honorary Trustee

Ibu Rahayu is the daughter of YM Bapak Muhammad Subuh Sumohadiwidjojo. She studied law at Gajah Mada University and the University of Indonesia. She is currently a Director of PTS Widjojo. She is Chair of Yayasan Muhammad Subuh (YMS), and several Indonesian companies.



Rahman Connelly, Chair

Rahman, who lives in Australia, was appointed as Trustee in June 1995. He has held various local and national positions and is currently a Director of SES International. Rahman is Chair of Connelly Temple Ltd, a pension management company. He and Bradford Temple published the book "Human Enterprise" in 1995.



Peter Filippelli, Vice Chair

Peter is a civil lawyer in San Francisco and was appointed as a Trustee in 1997. He is a previous Chair of Subud San Francisco and Subud USA. He became Foundation Secretary for MSF in 1993. He is responsible for Wills and Bequests and is Chair of the Grants and Loans Committee.



Sharif Horthy, Ex-Officio Trustee as WSA Chair

Sharif has degrees in physics from Oxford University and civil engineering from Imperial College. He lived in Indonesia from 1967 to 1989. He was one of the founders of IDC and of S. Widjojo and also Bapak's secretary and interpreter. He lives in Britain and is president of the Guerrand-Hermes Foundation for Peace, a Director of Premier Hotels and on the Board of the Three Faiths Forum.



Leonard van Hien, Trustee, Treasurer

Leonard is a chartered accountant who lives in Indonesia. He is the country Chairman for the Jardine Matheson Group in Indonesia. He has been actively involved in the development of YMS and Kalimantan enterprises and projects. He is Chair of the Investment Committee and the Joint MSF/YMS Committee.



Simon Xavier Guerrand Hermes, Trustee

Simon graduated from the Institute of Finance & AMP Harvard. He was appointed as a Trustee in 1991 and is a member of the Investment Committee. He lives in France and has worked in investment banking. He is a former president of Hermes of Paris and is also a member of the World Council of Churches.



Rohana Mitchell, Trustee

Rohana was appointed as a Trustee in June 1995. She was opened in 1957 and lived with her family in Cilandak from 1967 to 1982. She served as an International Helper for Area 1 between 1989-1993. She lives in Australia and is Chair of the Communications Committee and a member of the Grants and Loans Committee.



Siti Hardiyati Syafrudin, Trustee

Ibu Yati was previously an International Helper for Area 1. She is a Board member of YMS and was appointed as a Trustee in 1997. She is the daughter of YM Bapak Muhammad Subuh Sumohadiwidjojo. She is a member of the Joint MSF/YMS Committee and is currently a Director of PTS Widjojo.



Muhammad Kuswanda, Trustee

Pak Kuswanda holds a senior government position and was appointed as a Trustee in 1997. He is currently Committee Councillor for Indonesia and has held numerous national positions. He is Deputy Chair of YMS and of several other Indonesian companies.



Leonard van Willenswaard, Administration Manager

Leonard has a degree in Law and for fourteen years was a partner in a successful import/export company, Image Trading International. He is a Director of S. Widjojo International and is responsible for their investors' records as well as those of Kalimantan Investment Corporation.



MSF National Representatives

These representatives are the focal point for information and inquiries about MSF in their countries. They are nominated by national committees and appointed by MSF.

Australia	Freeman Wyllie	Netherlands	Maarten Giel
Britain	Lambert Hughes	Portugal	Hamid Da Silva
India	Ashwin Rajaraman	Spain	Sergio Moreno

Fund Raising

In its formative years, MSF focused on establishing its goals, structures and internal processes. Initially it did not actively seek funds but relied instead on the initiative of members to contribute. Nonetheless, since its inception a total of US\$2.7 million has been contributed to MSF by 220 members of which 45% came from two large contributions. Today, liquid investments amount to US\$1.2 million.

Contributors can direct funds to either MSF's Capital Use Fund, where Trustees may spend a combination of capital and income; or to MSF's Permanent Capital Fund, where the capital is preserved and only the income is available for expenditure.

Where substantial sums are contributed, the donors may request a special-purpose endowment fund where they can specify how the money is spent. For example, MSF's Farkas Fund supports children's projects and the publication of Bapak's talks.

In accordance with Bapak's original guidance, MSF will become more active in seeking contributions from enterprises and members' bequests. The Trustees are collecting information on estate tax laws applicable in different countries so that both members and their legal advisers have adequate information to structure a bequest to MSF in the simplest and most tax-effective manner.

Financial Management

There are several aspects to sound financial management - the application of appropriate expertise, a spending policy which determines the proportion of income/capital spent each year, and a policy which determines how funds are invested.

Leonard van Willenswaard, is the part-time salaried Administration Manager whose role is to ensure a professional level of administration is applied to the Foundation's activities.

The objective of a foundation is to accumulate a substantial pool of capital from which to fund projects. The distribution of this pool of capital is determined by a "spending policy". Most foundations spend only a portion of their income and no capital. However, the 1997 World Congress approved a generous policy of MSF spending up to 15% of MSF's liquid capital each year (except in the case of endowment funds), plus current year income.

This policy intends to strike a balance between the wish to fund the maximum number of projects whilst at the same time preserving an adequate capital base. It is hoped that the visible results of MSF's work will also encourage further contributions.

Trustees have the responsibility for investing the Foundation's capital. They have established an Investment Committee chaired by Leonard van Hien, Trustee.

Funding Projects

MSF's "spending policy" shapes its annual budget. This budget covers overheads and project funding. Initially MSF funds were limited and the Trustees decided to focus on providing financial support for Subud houses in developing countries. This policy was adopted because Subud houses are fundamental to the growth of Subud and no other part of the organisation was focusing on this need. Over the last two years, MSF has funded projects to the value of US\$196,032.

Type of Project	No.	Funding
Subud Houses	9	US\$145,000
Volume 3 of Bapak's Talks	1	US\$14,432
Social/Educational Projects	2	US\$36,600
Total	12	US\$196,032

At the 1997 World Congress it was decided to extend the financing of Subud houses to developed countries. In addition, it was decided to more fully embrace MSF's role of financing the aims of the World Subud Association. The first such initiative was the Trustees' decision in December 1997 to provide US\$20,000 to Fundacion Amor. US\$5,000 came from MSF's Farkas Fund to support children's projects, and another US\$15,000 was applied to the repayment of a crippling loan, both of these grants were recommended by Susila Dharma.

In April 1998, MSF also made a grant of US\$14,432 to assist in the development of "The Complete Recorded Talks of Bapak" Volume 3. Further initiatives being considered by the Trustees are a youth scholarship and the free distribution of Bapak's talks as inserts in Subud publications.

————— **Funding Criteria** —————

In general, funds are granted on the basis of need, and therefore input is sought from the relevant International Helpers, Zonal Representatives and National Committees. Assessing and implementing funding arrangements can be complex depending upon local legal and financial conditions.

The Foundation has therefore developed a comprehensive checklist of criteria, (including the degree of local support and ability to meet financial commitments), which must be satisfied before funds are provided.

MSF's role is providing support in situations where there is already a high degree of commitment from those involved in a project. Therefore, grants generally cover only part of the total costs of purchasing or of construction. Whether interest will be charged on loans depends on circumstances, but generally, interest is not charged. MSF works to ensure that Subud properties are owned by the registered Subud body in that country.

MSF Funded Projects

The Amanecer Centre

MSF acted as a conduit to finance construction of the latihan hall for the 1993 World Congress. MSF now owns the latihan hall and the land on which it stands.

Date: 1993

Total: US\$250,000



Subud House - Mina Clavero, Argentina Hall Construction

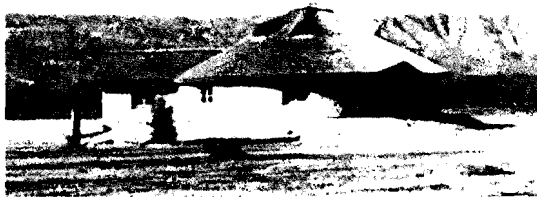
Date: March 1996

Loan: US\$15,000*

Grant: US\$10,000

Total: US\$25,000

*Repaid in full.



"The building of our latihan hall in Mina Clavero has had a big impact in Subud Argentina. ... It has become a sort of national focal point for the latihan and many SICA activities. It has been a blessing that MSF could help us build our premises."

Alberto Young

Subud Indonesia Transfer Title of Bogor Subud House to Subud Indonesia

Date: May 1997

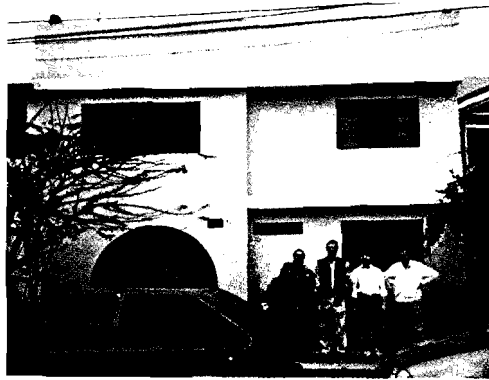
Grant: US\$5,000



The Bogor Subud House is 60 kms from Jakarta. There are 76 members in the group which had its house built in 1982. It was officially opened by Bapak on 4 December of that year.

Subud House - Lima, Peru, South America
Renovation and Enlargement

Date: August 1996
Grant: US\$20,000



"I am telling you for you to understand that their house which you helped them to renew is very important to the future and actually to the continuation of the group. The house I felt was a kind of strong stone - I can compare it to Jerusalem for the Jewish people - for them to continue to do the latihan. The house is really solid and beautiful and they deserve it. You were right helping them with the donation."

Paula Egedy, Zone 9 Representative

Subud House - Tlaxcala, Mexico
Renovations and extensions

Date: May 1997
Loan: US\$ 3,000
Grant: US\$ 7,000
Total: US\$10,000



"The group there is an extraordinary bunch of people. They are all native Mexicans and all of them are only 4-5 years in Subud. They have a tremendous quality of sincerity, honesty, openness and surrender to the Will of God.

We inaugurated the new latihan hall by doing consecutive latihan. The house is only half built, but they placed heavy blankets in the window holes and doors, and the men "guarded" the ladies, by sitting on chairs outside the latihan hall while the ladies did latihan. The house, designed by Muchtar Martins is truly beautiful. It is made of adobe, will be all natural materials, and will be very adequate for their needs."

Rochanah Weissinger, April 1998.

Subud House - Kuala Lumpur, Malaysia
Purchase and Refurbishing

Date: January 1997

Loan: US\$30,000



Members of the Kuala Lumpur Group

Subud House - Cherkassy, Ukraine
Purchase and Renovations

Date: March &
December 1997

Loan: US\$16,000

Grant: US\$16,000

Total: US\$32,000



The fast growing Cherkassy Group
outside their new Subud House.

Subud House - Quevedo, Ecuador
Completion of construction

Date: November 1996

Grant: US\$10,000



*"Once again, from our group here, thank Almighty God for this grant and pray
that this building will establish our Subud identity here at Quevedo, God Willing."*

Leopoldo Guerra, Chair Subud Quevedo

Subud House - Kinshasa, Congo
Land Purchase and Latihan Premises

Date: August & December 1997
Grant: US\$20,000 of which
US\$8,000 has been
paid to acquire the land.



"At first I kept thinking that this piece of ground an hour out of the centre of Kinshasa was impractical, but the more I was with the members and in Kinshasa the more I realised what hope this piece of ground gave the members. There are almost no surfaced roads left in Kinshasa, no garbage removal and often no water, as we experienced it, so this ground gives hope of upliftment. The members are so appreciative of what the international community are doing, even in the fact that we were able to visit them. Many members plan to move there to plant veges, produce eggs etc."

Fatidjah Murton, Representative, Zones 5/6

Fundacion Educativa Amor, Colombia

Date: December 1997
Grant: US\$15,000
Farkas Grant: US\$5,000



In a report to Susila Dharma in November 1997, Michael Lloyd wrote:

"Amor is hardly 'just a school', it is certainly a school but also very much more. In my opinion it is one of the places in the world where new concepts are being evolved in education and in the possibility of bringing about positive change in a very hard pressed society. The Foundation is in one of the worst physical and social towns in Colombia, which itself is a country in chaos and racked by violence. What makes it happen is immense faith in the love of God, a driving belief in what they are doing, and profound commitment and dedication by all the staff, and the support of the latihan. Its existence is a daily miracle, and sometimes supported by equally unexpected gifts. It is an utter contradiction but also an oasis for the children and if ever there was a 'candle in the wind' it is here".

YMS Improvements to School Facilities
in Bapak's House

Date: July 1997
Grant US\$16,600



"The parents are extremely pleased with their children's progress and the local UN representative has praised it. Actually, so far, there is only one teacher in Subud, but that special quality is there. Maybe because of its location or because the original intention was to enable Indonesians and other nationalities to study together. It is unique for Indonesia - the only truly cross-cultural school. There are other international schools - but children of Indonesian fathers aren't allowed to go there. The opening of this school has had a major impact in showing the local community that Subud is not a cult but has something to give the wider community. The Indonesian Government has acknowledged that it is a model that should be emulated."

Sharif Horthy, Subud Voice, 1997

Subud Publications International
Volume 3, Bapak's Complete Recorded Talks

Date: April 1998
Grant US\$14,432



"On behalf of us all, working on Bapak's Volume Project, I would like to thank you very much for your financial support. The money you gave ensured that we were able to go ahead and publish Volume 3 with confidence. I would also like to tell you that it was very significant to me, that the Foundation, bearing Bapak's name, is supporting the project which is essentially Bapak's legacy to us."

Edward Mackenzie, SPI Chair

Contributing to MSF

"We, the trustees of the Foundation, ask for your empathy, support and help from every corner of the world so that the aims of the Muhammad Subuh Foundation will become a reality."

Ibu Rahayu 1996

Bequests

Many organisations seeking to secure long term funding through bequests use a foundation to facilitate this process. There are important reasons for this: strict rules apply to the management of foundations; they are usually granted tax concessions; and, most importantly, Trustees have a legal and moral obligation to act in accordance with the wishes of the contributor.

In the case of the Muhammad Subuh Foundation, its very origins lie in Varindra Vittachi's dream, and Bapak's explanation of it, that one day such a foundation would exist to which Subud members would leave a portion of their assets. It is for this reason, the Trustees are now making a concerted effort to bring this into reality.

In order to do this, one of the Trustees' tasks is to become familiar with the estate tax laws in various countries so that it is as simple and tax effective as possible to make a bequest. If you would like to consider making a bequest, you can write directly to MSF's Administrative Office or, where one exists, make contact with your National MSF Representative. Alternatively, if you and your legal adviser feel that there are no estate tax implications, you will only need to provide your adviser with the following information supplied in the MSF Directory at the end of this document.

Enterprise Contributions

Bapak reminded us many times that progress in fulfilling Subud's humanitarian and other aims in the world would only be possible through enterprise contributions.

As the "go-between" or "intermediary body" the Foundation can assess, with the assistance of the appropriate organisation, the many Subud projects around the world which seek funding at any one time. In this way, MSF provides a vehicle through which entrepreneurs can confidently channel their funds knowing that they will be applied to the best long-term interests of Subud.

In financing a wider range of projects, the Trustees will actively promote MSF as a vehicle for enterprise contributions.

Key Financial Indicators

There are five key indicators, which describe the Foundation's financial performance.

Contributions - The volume of contributions is an indication of support, and in recent years, MSF has received several large contributions which has enabled it to establish its capital base.

	1994	1995	1996	1997
	(\$US ,000)			
Cash	144	577	893	19
Non-Cash	13	37	13	133
	157	614	906	152

Assets - A foundation's annual budget is determined by the size of its capital base. Whilst in recent years MSF's capital base has grown rapidly, it is still small by the standards of foundations, and this limits the number of projects it can fund.

	1994	1995	1996	1997
	(\$US ,000)			
Liquid	152	146	917	1221
Non-Liquid	759	1202	1085	889
	911	1348	2002	2110

Investment Earnings - Although MSF has nearly \$2.2 million in assets, nearly half of these are non-income producing - the Amanecer Latihan Hall, loans made for Subud Houses and various shares donated to the Foundation. The balance of assets are mostly invested in money-market deposits. As these funds grow and as market circumstances allow, a portion will be invested in shares to maximise earnings.

	1994	1995	1996	1997
	(\$US ,000)			
Cash Investment Earnings	11	18	16	62

Expenses - Given MSF's relatively small asset base, operating expenses as a percentage of assets was quite high in the early years, but is now decreasing as the asset base grows. Operating expenses relate to accounting, audit, Administration Manager's salary and promotional expenses. Until 1997, Trustees met their own communication, travel and accommodation expenses. However, through necessity, the Foundation has started reimbursing current Trustees for certain expenses.

	1994	1995	1996	1997
	(\$US ,000)			
Expenses	36	37	62	51
Expenses % Assets	4%	2.7%	3%	2.4%

Project Assistance - The increase in MSF's liquid assets in recent years has allowed a corresponding increase in project support.

	1994	1995	1996	1997
	(\$US ,000)			
Grants/Loans	34	56	68	187

Condensed Accounts

Statements of Financial Position
as of December 31, 1997 and 1996
(U.S. Dollars)

ASSETS

	1997	1996
Cash Available for Current Use	\$ 1,142,075	\$ 27,995
Accounts Receivable - Trustee	-0-	4,200
Accounts Receivable	-0-	17,559
Dividends Receivable	14,020	3,672
Pledges Receivable	-0-	800,000
Investments	391,344	623,425
Notes Receivable from Yayasan Muhammad Subuh	275,000	275,000
Notes Receivable from Subud Organizations	52,000	8,000
Land and Buildings Net of Accumulated Depreciation	235,426	242,141
TOTAL ASSETS	\$ 2,109,865	\$ 2,001,992

LIABILITIES AND NET ASSETS

Liabilities

Loans from Trustees	\$ 41,100	\$ 41,100
Total Liabilities	\$ 41,100	\$ 41,100

Net Assets

Unrestricted - Capital Use Fund	\$ 834,880	\$ 1,409,270
Unrestricted - Designated as Capital Preservation Fund	797,885	95,622
Total Unrestricted Net Assets	\$ 1,632,765	\$ 1,504,892
Temporarily Restricted - Subud Houses Fund	\$ -0-	\$ 20,000
Permanently Restricted - Permanent Capital Fund	\$ 436,000	\$ 436,000
Total Net Assets	\$ 2,068,765	\$ 1,960,892
TOTAL LIABILITIES AND NET ASSETS	\$ 2,109,865	\$ 2,001,992

The condensed financial statements presented herein do not constitute a complete set. The complete set, including the statement of cash flows and notes to the financial statements, are available in the Foundation office. Our auditors, Schreiner, Legge & Company, issued an unqualified opinion on these financial statements dated March 10, 1998.

Condensed Accounts

Muhammad Subuh Foundation
Statement of Activities and Changes in Net Assets
for the Years ended December 31, 1997 and 1996
(U.S. Dollars)

	Unrestricted 1997	Temporarily Restricted 1997	Permanently Restricted 1997	Total 1997
<u>Support and Revenue</u>				
Contributions from Subud Members	\$ 134,294	\$ 6,030	\$ -0-	\$ 140,324
Contributions from Enterprises	845	-0-	-0-	845
Contributions In-Kind	10,259	-0-	-0-	10,259
Grants from World Subud Association	50,000	-0-	-0-	50,000
Dividends and Realized Gains	112,409	-0-	-0-	112,409
Interest Revenue	44,029	-0-	-0-	44,029
	<u>\$ 351,836</u>	<u>\$ 6,030</u>	<u>\$ -0-</u>	<u>\$ 357,866</u>
<u>Net Assets Released from Restrictions</u>	<u>\$ 26,030</u>	<u>\$ (26,030)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
TOTAL SUPPORT AND REVENUE	\$ 377,866	\$ (20,000)	\$ -0-	\$ 357,866
<u>Expenses</u>				
<u>Programs:</u>				
Grants for Subud Houses	\$ 58,615	\$ -0-	\$ -0-	\$ 58,615
Grants to World Subud Association	50,000	-0-	-0-	50,000
Grants - Other	20,000	-0-	-0-	20,000
Depreciation Expense on Long-Term Assets	6,715	-0-	-0-	6,715
Total Program Expenses	<u>\$ 135,330</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 135,330</u>
Management and General (See Schedule)	50,906	-0-	-0-	50,906
<u>Total Expenses</u>	<u>\$ 186,236</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 186,236</u>
<u>Other Losses</u>				
Unrealized Loss on Investments	\$ 63,757	\$ -0-	\$ -0-	\$ 63,757
TOTAL EXPENSES AND LOSSES	<u>\$ 249,993</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 249,993</u>
Change in Net Assets	\$ 127,873	\$ (20,000)	\$ -0-	\$ 107,873
Net Assets - Beginning of Period	1,504,892	20,000	436,000	1,960,892
Net Assets - End of Period	<u>\$ 1,632,765</u>	<u>\$ -0-</u>	<u>\$ 436,000</u>	<u>\$ 2,068,765</u>

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Condensed Accounts

Muhammad Subuh Foundation

Statement of Activities and Changes in Net Assets
for the Years ended December 31, 1997 and 1996

(U.S. Dollars) (Continued)

	Unrestricted	Temporarily Restricted		Permanently Restricted	Total 1996
	1996	Subud Houses 1996	Social Programs 1996	1996	
<u>Support and Revenue</u>					
Contributions from Subud Members	\$ 44,982	\$ 1,500	\$ 7,933	\$ -0-	\$ 54,415
Contributions from Enterprises	811,602	-0-	-0-	-0-	811,602
Contributions from Legacies and Bequests	28,085				
	-0-	-0-	-0-	28,085	
Contributions In-Kind	13,152	-0-	-0-	-0-	13,152
Grants from World Subud Association	10,000	-0-	-0-	-0-	10,000
Dividends and Realized Gains	23,992	-0-	-0-	-0-	23,992
Interest Revenue	1,258	-0-	-0-	-0-	1,258
	<u>\$ 933,071</u>	<u>\$ 1,500</u>	<u>\$ 7,933</u>	<u>\$ -0-</u>	<u>\$ 942,504</u>
<u>Net Assets Released from Restrictions</u>	<u>\$ 13,678</u>	<u>\$ (5,745)</u>	<u>\$ (7,933)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
TOTAL SUPPORT AND REVENUE	\$ 946,749	\$ (4,245)	\$ -0-	\$ -0-	\$ 942,504
<u>Expenses</u>					
<u>Programs:</u>					
Grants for Social Programs	\$ 7,933	\$ -0-	\$ -0-	\$ -0-	\$ 7,933
Grants for Subud Houses	31,500	-0-	-0-	-0-	31,500
Grants to World Subud Association	10,000	-0-	-0-	-0-	10,000
Grants - Other	11,200	-0-	-0-	-0-	11,200
Depreciation Expense on Long-Term Assets	7,024	-0-	-0-	-0-	7,024
	<u>\$ 67,657</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 67,657</u>
<u>Management and General (See Schedule)</u>	<u>61,896</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>61,896</u>
Total Expenses	\$ 129,553	\$ -0-	\$ -0-	\$ -0-	\$ 129,553
<u>Other Losses</u>					
Unrealized Loss on Investments	\$ 166,011	\$ -0-	\$ -0-	\$ -0-	\$ 166,011
Loss on Currency Exchange	2,441	-0-	-0-	-0-	2,441
TOTAL EXPENSES AND LOSSES	\$ 298,005	\$ -0-	\$ -0-	\$ -0-	\$ 298,005
Change in Net Assets	\$ 648,744	\$ (4,245)	\$ -0-	\$ -0-	\$ 644,499
Net Assets - Beginning of Period	856,148	24,245	-0-	436,000	1,316,393
Net Assets - End of Period	\$ 1,504,892	\$ 20,000	\$ -0-	\$ 436,000	\$ 1,960,892

The condensed financial statements presented herein do not constitute a complete set. The complete set, including the statement of cash flows and notes to the financial statements, are available in the Foundation office. Our auditors, Schreiner, Legge & Company, issued an unqualified opinion on these financial statements dated March 10, 1998.

Condensed Accounts

Supporting Schedules of Management
and General Expenses for the
Years Ended December 31, 1997 and 1996
(U.S. Dollars)

Management & General Expenses

	Unrestricted 1997	Unrestricted 1996
Trustee Meeting Expenses	\$ 11,567	\$ 10,590
Office Supplies and Expense	46	333
Telephone, Fax and Postage	2,282	5,631
Publicity - Printing and Publications	7,256	22,844
Administrative Services	18,591	12,958
Audit Services	2,760	2,200
Legal Fees	8,094	6,786
Bank Service Charges	285	288
Taxes, Licenses and Fees	25	25
Amortization Expense	-0-	241
TOTAL	\$ 50,906	\$ 61,896

The condensed financial statements presented herein do not constitute a complete set. The complete set, including the statement of cash flows and notes to the financial statements, are available in the Foundation office. Our auditors, Schreiner, Legge & Company, issued an unqualified opinion on these financial statements dated March 10, 1998.

A full copy of the Audited Accounts for 1997 is available from the Administration Manager. (See the MSF Directory at the end of this document for contact details.)

MSF Directory

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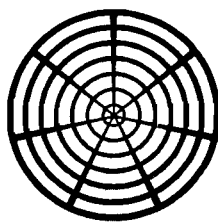
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Account No: 51.21.50.710; Account Name: Muhammad Subuh Foundation.

Muhammad Subuh Foundation, is a non-profit corporation organized in the Commonwealth of Virginia, USA whose tax exempt number is 52-1742864.



Muhammad Subuh Foundation