

DIRECTORS' STATEMENT LETTER
RELATED TO

THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS

ENDED DECEMBER 31, 2018

FOR RISK MANAGEMENT &

UNIVERSITAS HKBP NOMMENSEN

Financial Statements and
Report of Independent Auditor
Center For Disaster Risk Management and Community
Development Studies – Universitas HKBP Nommensen
For the year ended December 31, 2018 and 2017

Office Phone Number : +62 8277041998

Position : Executive Director

Name : Ruth Yareli P. Siharing
Affiliation : B. Ranga Ranga V, Singaperbangsa B - Medan
Dominant e-mail ID Card : Kumpi Lestari B No. 63, B. Abdi Halim - Medan
Office Phone Number : +62 8277041998
Position : Finance & Admin Manager

Statement:

1. We are responsible for preparation and representation of the Financial Statements of Center For Disaster Risk Management & Community Development Studies – Universitas HKBP Nommensen.
2. The financial statements of the Organization have been prepared and presented in accordance with International Financial Accounting Standard.
3. a. All information in the Financial statements of the Organization has been fully disclosed in a complete and truthful manner.
b. The Financial statements of the Organization do not contain false material information or facts.
c. We are responsible for the internal control systems of the Organization.

This statement letter is made officially.

Medan, July 12, 2019.

Secretary
Executive Director

Ruth Yareli P. Siharing
Finance & Admin Manager



CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES UNIVERSITAS HKBP NOMMENSEN

Jl. Bunga Rampai V Porlak Nommensen, Simalingkar B, Medan 20135 - Indonesia, Phone : 082277041999

DIRECTORS' STATEMENT LETTER RELATED TO

THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
**CENTER FOR DISASTER RISK MANAGEMENT &
COMMUNITY DEVELOPMENT STUDIES – UNIVERSITAS HKBP NOMMENSEN**

We, the undersigned:

1. Name : Kepler Silaban
Office address : Jl. Bunga Rampai V, Simalingkar B - Medan
Domicile as stated ID Card : Jl. Sawit 9 No. 1, Perumnas Simalingkar - Medan
Office Phone Number : +62 82277041999
Position : Executive Director
2. Name : Ruth Taruli P. Siburian
Office address : Jl. Bunga Rampai V, Simalingkar B - Medan
Domicile as stated ID Card : Komp. Classic III No. 63, Jl. Abdul Hakim - Medan
Office Phone Number : +62 82277041999
Position : Finance & Admin Manager

State that:

1. We are responsible on the preparation and representation of the Financial Statements of Center for Disaster Risk Management & Community Development Studies - Universitas HKBP Nommensen.
2. The financial statements of the Organization have been prepared and presented in accordance with Indonesian Financial Accounting Standard.
3. a. All information in the financial statements of the Organization has been fully disclosed in a complete and truthful manner.
b. The financial statements of the Organization do not contain false material information or facts, nor do they omit material information or facts.
4. We are responsible for the internal control system of the Organization.

This statement letter is made truthfully.

Medan, July 17, 2019

Kepler Silaban
Executive Director
Ruth Taruli P. Siburian
Finance & Admin Manager

No. : 00037/3.0346/AU.1/05/0038-2/1/VII/2019

REPORT OF INDEPENDENT AUDITOR

The Management

**Center For Disaster Risk Management and Community Development Studies
Universitas HKBP Nommensen**

We have audited the accompanying financial statements of the Center For Disaster Risk Management and Community Development Studies – Universitas HKBP Nommensen, (“Organization”) which comprise the balance sheet as at December 31, 2018, and the related income and expenditure statement and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions of the Lutheran World Federation.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with the financial reporting provisions of the Lutheran World Federation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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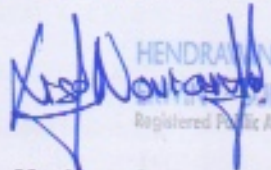
Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center For Disaster Risk Management and Community Development Studies - Universitas HKBP Nommensen as of December 31, 2018, and of its performance and cash flows for the year then ended, in accordance with the financial reporting provisions of the Lutheran World Federation.

Other Matter

Without modifying our opinion, we draw attention to Note 2.1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization to meet the reporting requirements of the Lutheran World Federation. As a result, the financial statements may not be suitable for another purpose.

HENDRAWINATA HANNY ERWIN & SUMARGO



HENDRAWINATA HANNY
ERWIN & SUMARGO
Registered Public Accountants

Lisa Novianty Salim, M.Si., CPA
Public Accountant License No. AP.0038

July 17, 2019

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

BALANCE SHEET as at 31 December 2018
(In Indonesia Rupiah)

	Notes	2018	2017
ASSETS			
Current Assets			
Bank	3.1	798.446.326	2.484.283.749
Cash	3.2	4.215.404	5.620.824
Advances	3.3	67.857.466	51.089.205
Other Receivables	3.4	275.936.929	152.980.942
Total Current Assets		1.146.456.125	2.694.174.720
Non Current Assets			
Fixed Assets			
Buildings	3.5	956.796.000	956.796.000
Vehicles		831.000.000	831.000.000
		1.787.796.000	1.787.796.000
Less: Accumulated Depreciation		(1.213.718.400)	(1.175.446.560)
		574.077.600	612.349.440
Total Non Current Assets		574.077.600	612.349.440
TOTAL ASSETS		1.720.533.725	3.306.524.160
LIABILITIES AND RESERVES			
Current Liabilities			
Contributions Received in Advance	3.6	722.100.453	2.335.725.670
Accrued Expenses	3.7	503.640.964	386.283.910
Total Current Liabilities		1.225.741.417	2.722.009.580
Reserves			
Exchange Gain/Losses	3.8	(79.285.292)	(27.834.860)
Asset Valuation Reserve	3.9	574.077.600	612.349.440
Total Reserves		494.792.308	584.514.580
TOTAL LIABILITIES AND RESERVES		1.720.533.725	3.306.524.160

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

INCOME AND EXPENDITURE STATEMENT for the period ended 31 December 2018
(In Indonesia Rupiah)

	Appendix	2018	2017
INCOME			
Statement of Needs Projects:			
32-4201 DRR through Rights Based Empowerment of Communities	2	<u>7.595.408.373</u>	7.328.499.107
Other Projects:			
32-4402 ALWS - Emergency Fund	3	8.925.734	
32-4604 ALWS - Support HEPHATA	4	<u>80.730.348</u>	120.495.803
TOTAL INCOME		<u>7.685.064.455</u>	<u>7.448.994.910</u>
EXPENDITURE			
Statement of Needs Projects:			
32-4201 DRR through Rights Based Empowerment of Communities	2	<u>7.595.408.373</u>	7.328.499.107
Other Projects:			
32-4402 ALWS - Emergency Response	3	8.925.734	
32-4604 ALWS - Support HEPHATA	4	<u>80.730.348</u>	120.495.803
TOTAL EXPENDITURE		<u>7.685.064.455</u>	<u>7.448.994.910</u>
Increase/(decrease) in reserves for the year		(38.271.840)	(38.271.840)
Reserves - beginning of the year		612.349.440	650.621.280
Reserves - end of the year		<u>574.077.600</u>	<u>612.349.440</u>

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

STATEMENT OF CASH FLOW for the period ended 31 December 2018
(In Indonesia Rupiah)

	2018	2017
Operating activities:		
Change in net asset	(38.271.840)	(38.271.840)
Adjustment for:		
- Depreciation	38.271.840	38.271.840
- Exchange gain/loss	(51.450.432)	(27.834.860)
- Deferred expenses	-	75.916.715
Operating surplus/(deficit) before changes in working capital	(51.450.432)	48.081.855
Changes in working capital		
- Advance, other receivables and prepayments	(139.724.248)	(199.320.147)
- Contribution Received in Advance	(1.613.625.217)	531.043.825
- Account payable and accrued expenses	117.357.054	164.187.631
Net change in working capital	(1.635.992.411)	495.911.309
Net cash generated from/(used in) operating activities	(1.687.442.843)	543.993.164
Investing activities		
Net cash generated from/(used in) investing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(1.687.442.843)	543.993.164
Cash and cash equivalents at the beginning of the year	2.490.104.573	1.946.111.409
Cash and cash equivalents at the end of the year	802.661.730	2.490.104.573

2.1. Basis of preparation

The financial statements are prepared in Indonesian Rupiah.

The financial statements have been prepared under the historical cost convention, except for securities which are stated at fair value. Fair value is the amount for which an asset, liability or security could be exchanged between knowledgeable and willing parties in an arm's length transaction.

Preparation of the financial statements requires the use of 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. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates and the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

2.2. Restricted/unrestricted funds

The financial statements distinguish between Restricted and Unrestricted use funds. Restricted use funds are those funds received from third parties who have imposed restrictions on the purposes for which they may be used. Unrestricted use funds are those funds where there are no externally imposed restrictions and which assets freely available, except in order to reserves for externally designated purposes.

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

NOTE 1 - ACTIVITIES

Center for Disaster Risk Management and Community Development Studies (CDRM&CDS) is a non-profit organization for the specific purpose of capacity building for community empowerment towards disaster risk reduction and sustainable development by achieving the following objective which has been established in the Program Cooperation Agreement.

CDRM&CDS Universitas HKBP Nommensen's principal office is located at Jl. Bunga Rampai V, Simalingkar B - Medan Tuntungan, Indonesia.

Based in the Decision Letter from the Rector of Universitas HKBP Nommensen No. 68/SK/R/XII/2006, Universitas HKBP Nommensen established a CDRM&CDS in order to be responsible in identifying the need for Disaster Risk Management (DRM) and Community Empowerment. CDRM&CDS has a mandate from Lutheran World Federation (LWF) Committee in Indonesia and its twelve member churches to set up a DRM and community development program.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

2.1. Statement of compliance

The financial statements have been prepared in accordance with and comply with the financial regulations and the accounting principles of the Lutheran World Federation. The accounting policies have been based in part on the general principles of the International Financial Reporting Standards, as detailed in the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements.

2.2. Basis of preparation

The financial statements are presented in Indonesia Rupiah.

The financial statements have been prepared under the historical cost convention, except for securities which are stated at fair value. Fair value is the amount for which an asset, liability or security could be exchanged between knowledgeable and willing parties in an arm's length transaction.

Preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates and the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

2.3. Restricted/unrestricted funds

The financial statements distinguish between Restricted and Unrestricted use funds. Restricted use funds are those funds received from third parties who have imposed restrictions on the purposes for which they may be used. Unrestricted use funds are those funds where there are no externally imposed restrictions and include assets freely available or appropriated to reserves for internally designated purposes.

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

2.4. Foreign currency transactions

The presentation and functional currency of CDRM&CDS is the Indonesia Rupiah. The books of account are maintained in Indonesia Rupiah. Assets and liabilities, excluding fixed assets, denominated in currencies other than the Indonesia Rupiah have been translated at the December 31, 2018 rate of exchange per Bank Indonesia.

For foreign currency transaction Income and expenditure has been translated into Indonesia Rupiah using official LWF Geneva rate:

MONTH	1 USD =	1 EUR =	1 AUD=
January	13,562.00	16,184.89	10,557.66
February	13,389.00	16,630.48	10,837.72
March	13,672.78	16,818.89	10,714.03
April	13,758.66	17,057.99	10,574.01
May	13,855.25	16,723.29	10,468.41
June	13,947.65	16,223.91	10,528.85
July	14,330.00	16,598.44	10,523.32
August	14,391.00	16,814.44	10,645.42
September	14,690.00	17,175.55	10,724.66
October	14,905.89	17,450.33	10,771.81
November	15,214.05	17,301.42	10,796.52
December	14,344.55	16,334.14	10,521.18

Exchange gains/losses resulting from the application of the accounting principles outlined above are credited/charged to the applicable project or program operations.

2.5. Revenue and expenditure recognition

Restricted use funds are normally received as a result of a specific solicitation or with donor imposed restrictions and are recognized as income over the duration of the program/project in proportion to the achievement of the conditions attached to the contributions. Income for the year is therefore equal to expenditure. Expenditure in excess of funds received for projects or specific purposes are recorded in assets. Excess of expenditure is written off in the event that management determines that such over expenditure is unlikely to be recovered by additional funding. Contributions received but not yet recognized are included in Current Liabilities.

2.6. Cash and cash equivalents

The CDRM&CDS considers cash on hand and amounts due from banks to be cash and cash equivalents.

2.7. Accounts receivable

Receivables are stated at original amount less provision made for impairment of these receivables.

A provision for impairment is made when there is objective evidence that the CDRM&CDS will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

2.8. Inventories

Inventories purchased from Restricted use Funds are expensed in the year of purchase. Rights over inventories would not generate future economic benefit to the CDRM&CDS due to the short term nature of program contracts and the terms of contracts where rights over residual program assets are vested with the grantors.

There are no inventories of a material nature purchased from Unrestricted use Funds.

2.9. Fixed assets

a) Tangible assets

Fixed assets purchased from Restricted use Funds are expensed in the year of purchase. It is considered improbable that such expenditures will generate future economic benefit to the CDRM&CDS due to the short term nature of program contracts and the terms of contracts where rights over residual program assets are vested with the grantors.

Assets purchased from Unrestricted use Funds are capitalized and amortized as detailed in Note 2.10. Assets of a capital nature with a cost lower than USD 10,000 are not capitalized.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the Income and Expenditure Statement.

Repairs and maintenance costs are charged in the Income and Expenditure Statement during the financial period in which they are incurred.

Subsequent expenditure is capitalized only when it increases the probable future economic benefits of the asset.

b) Intangible assets

All intangible assets purchased have values less than EUR 10,000 and are therefore expensed when purchased.

2.10. Fixed assets - depreciation

Depreciation is calculated on the straight-line method to write off assets to their estimated residual values over their estimated useful lives as follows:

		2018	2017
Building	25 years	202,264,542	171,259,922
Vehicle	5 years	22,872,047	18,410,342
		225,136,589	189,670,264
		754,446,325	2,434,293,740

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS.
YEAR ENDED 31 DECEMBER 2018**

2.11. Impairment RELATING TO THE FINANCIAL STATEMENTS (Continued)

The carrying amount of the CDRM&CDS's assets, other than inventories (see Note 2.8), are reviewed at each balance sheet date to determine whether there is any indication of impairment or, if earlier, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of the asset's net selling price or its value in use. Impairment losses are recognized in the Income and Expenditure Statement.

An impairment loss is reversed if there is an upward revision of the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

2.12. Provisions

Employee termination benefits

These benefits are recognized proportionately as accrued over the employment period of personnel. They exist to meet any termination expenses under present contractual Indonesia program working conditions.

2.13. Reserves

Unrestricted reserves are earmarked as detailed below:

Fixed Asset Valuation Reserve

This reserve represents the valuation of the fixed assets that were purchased out of own funds and capitalized less the related depreciation on those assets.

NOTE 3 – DETAILS RELATING TO THE FINANCIAL STATEMENTS

This section provides a breakdown of the main items on the Balance Sheet, the Income and Expenditure Statement, the Cash Flow Statement and the Statement of Changes in Reserves.

3.1. Bank Accounts

	2018	2017
	Rp	Rp
Bank Mandiri – Acc. No. 106.00.0687109-2 (USD)	269,294,613	711,689,988
Bank Mandiri – Acc. No. 106.00.0603780-1 (IDR)	302,064,542	1,571,389,768
Bank Mandiri – Acc. No. 106.00.0654212-3 (IDR)	22,812,047	55,410,342
Bank BNI – Acc. No. 0179500872 (IDR)	92,975,201	68,456,866
Bank BRI – Acc. No. 00005494-01-003287-53 (IDR)	111,299,923	77,336,786
Net book value at 31 Dec 2018	798,446,325	2,484,283,749
Net book value at 31 Dec 2017	812,343,440	612,340,440

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
 STUDIES - UNIVERSITAS HKBP NOMMENSEN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 2018

NOTE 3 – DETAILS RELATING TO THE FINANCIAL STATEMENTS (Continued)

3.2. Petty Cash Accounts

	2018 Rp	2017 Rp
Head Office - Medan	1,058,498	2,534,700
Field Office - Mentawai	3,156,906	11,124
Field Office – Nias	-	3,275,000
	<u>4,215,404</u>	<u>5,820,824</u>

3.3. Advance Accounts

	2018 Rp	2017 Rp
Advance	67,857,466	51,089,205
	<u>67,857,466</u>	<u>51,089,205</u>

3.4. Other Receivables

	2018 Rp	2017 Rp
Project Receivables – Support Hephata LWSIT on 2018 AZEECON Summit	72,124,779	73,587,546
Others	179,589,150	-
	24,223,000	38,847,631
	<u>275,936,929</u>	<u>112,435,177</u>

3.5. Fixed Assets

Fixed assets purchased from unrestricted use funds are recorded in the balance sheet as follows:

	Buildings	Vehicles	Total
Cost			
Balance at 1st January 2018	956,796,000	831,000,000	1,787,796,000
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2018	<u>956,796,000</u>	<u>831,000,000</u>	<u>1,787,796,000</u>
Accumulated depreciation			
Balance at 1 January 2018	344,446,560	831,000,000	1,175,446,560
Disposals	-	-	-
Depreciation charge for the year	38,271,840	-	38,271,840
Balance at 31 December 2018	<u>382,718,400</u>	<u>831,000,000</u>	<u>1,213,718,400</u>
Net book value at 31 December 2018	<u>574,077,600</u>	<u>-</u>	<u>574,077,600</u>
Net book value at 31 December 2017	<u>612,349,440</u>	<u>-</u>	<u>612,349,440</u>

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

NOTE 3 – DETAILS RELATING TO THE FINANCIAL STATEMENTS (Continued)

3.6. Contribution Received in Advance

	Project #	2018 Rp	2017 Rp
Australian Lutheran World Service	32-4201	424,410,017	1,537,681,336
Accruing during the year	32-4402	4,018,333	12,210,948
Disposals during the year	32-4604	9,077,735	9,239,943
Depreciation		437,506,085	1,559,132,226
Closing balance			
Evangelical Lutheran Church in America	32-4201	284,594,369	776,593,443
3.10 Allocation of Program Management & Coordination Implementation Expenditure to Projects		284,594,369	776,593,443
		<u>722,100,454</u>	<u>2,335,725,670</u>

3.7. Accrued Expenses

	2018 Rp	2017 Rp
Audit Fee	132,000,000	132,000,000
Evaluation Fee	-	43,500,000
Churches Micro Project	226,178,700	82,488,000
Income Tax	43,154,965	21,896,922
Social Security (BPJS Ketenagakerjaan)	-	24,185,828
Health Insurance	6,751,299	17,223,962
Others	95,556,000	64,989,199
	<u>503,640,964</u>	<u>386,283,911</u>

3.8. Exchange gains/(losses)

	2018 Rp	2017 Rp
Opening Balance		
Net gains/(losses) from revaluation	15,829,237	20,481,660
Net gains/(losses) from sale of USD	63,115,485	7,353,200
Net gains/(losses) on local currency project	340,569	-
Gain allocated to project	-	-
Allocation to project	-	-
	<u>79,285,291</u>	<u>27,834,860</u>

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

NOTE 3 – DETAILS RELATING TO THE FINANCIAL STATEMENTS (Continued)

3.9. Asset Valuation Reserve

	2018	2017
	Rp	Rp
Opening balance	612,349,440	650,621,280
Additions during the year	-	-
Disposals during the year	-	-
Depreciation	(38,271,840)	(38,271,840)
Closing balance	<u>574,077,600</u>	<u>612,349,440</u>

3.10. Allocation of Program Management & Coordination and Program Management & Implementation Expenditure to Projects

Project 32-4000 and 32-4001 shows running cost of the country headquarters. 32-4000 discloses expenditure in relation to the running of the headquarters. 32-4001 includes costs incurred at the headquarters in relation to staff who are entirely project orientated. In each case, expenditure is shown in two sections. One section shows the amounts paid for office costs and the second section shows the amount paid for staff costs.

Allocations to 32-4201 were based on expenses incurred in 32-4000 and 32-4001. Management considers that these allocations fairly reflect the salary and office cost inputs to the project.

	Program Management & Coordination		Program Management & Implementation	
	Share of Office Costs	Salaries and benefits	Share of Office Costs	Salaries and benefits
32-4201 DRR through Rights Based Empowerment of Communities	215,310,834	792,259,647	238,617,758	388,056,695
	<u>215,310,834</u>	<u>792,259,647</u>	<u>238,617,758</u>	<u>388,056,695</u>

3.11. Taxes

The CDRM&CDS is exempt from income taxes.

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

NOTE 3 – DETAILS RELATING TO THE FINANCIAL STATEMENTS (Continued)

3.12. Financial risk management

The CDRM&CDS has minimal exposure to financial risks as detailed below.

a) **Market risk- Foreign currency risk**

Foreign currency risk arises primarily when the USD falls against the local currency. Bank accounts are kept in local and USD currency accounts to minimize this risk.

b) **Credit risk**

The CDRM&CDS's principal receivables are with its related donor agencies, governmental and intergovernmental agencies where credit risk is considered to be low. There is no significant concentration of credit risk.

c) **Liquidity risk**

The CDRM&CDS has no investments in securities; there is no exposure to liquidity risk.

d) **Interest rate risk**

There is no significant short-term exposure to changes in interest rates as cash and cash equivalents are held as cash on hand or on-demand deposits and earn minimal interest.

3.13. Capital commitments

There were no capital expenditure commitments at 31 December 2018.

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
 UNIVERSITAS HKBP NOMMENSEN, INDONESIA

SUMMARY OF INCOME RECEIVED and INCOME RECOGNIZED IN 2018
 (In Indonesian Rupiah)

Appendix 1

Received and recognized in the current year
 Australian Lutheran World Service
 Evangelical Lutheran Church in America
 Other Income

	Received/ Reimbursed	2017 Income	Receivable	Received in Advance	Payable
	4.756.729.456	4.319.223.371	-	437.506.085	-
	3.607.825.745	3.323.231.376	-	284.594.369	-
	42.609.709	42.609.709	-	-	-
Total	8.407.164.910	7.685.064.456	-	722.100.454	-

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES
Implementation Period: 1 January 2018 to 31 December 2018
CDRM&CDS Project No. 32-4201

Appendix 2

	Approved Budget 2018 IDR	Working Budget 2018 IDR	Actual 2018 IDR
INCOME			
Income recognized in the current year			
Australian Lutheran World Service	-	-	4.229.567.288
Evangelical Lutheran Church in America	-	-	3.323.231.376
Others	-	-	42.609.709
	<u>-</u>	<u>-</u>	<u>7.595.408.373</u>
Total Income			<u>7.595.408.373</u>
EXPENDITURE			
Objective 1. Empower communities for Disaster Risk Management (DRM)	840.125.000	840.125.000	687.586.950
Objective 2. Strengthen communities ability to manage the development processes and obtain their rights	1.304.130.000	1.304.130.000	971.506.150
Objective 3. Enhance community's access to and control over development resources for improved livelihood	444.520.000	444.520.000	315.524.200
Objective 4. Strengthen Indonesian Lutheran Church diaconal arms' organizational capacity for professional development service delivery.	1.307.000.000	1.307.000.000	960.203.164
Objective 5. Build effective and efficient CDRM&CDS organization, with knowledge, skills and attitude needed to fulfill its mission	621.000.000	621.000.000	525.492.657
	<u>4.516.775.000</u>	<u>4.516.775.000</u>	<u>3.460.313.121</u>
Total Activities (Obj. 1 - Obj. 5)			<u>3.460.313.121</u>
Project Management and Implementation			
Project Salaries and Benefits	2.052.693.200	2.052.693.200	2.039.008.120
Non-staff Cost	524.232.332	524.232.332	461.348.184
	<u>2.576.925.532</u>	<u>2.576.925.532</u>	<u>2.500.356.304</u>
Program Operations			
Share of salaries and benefit	377.759.120	377.759.120	388.056.695
Share of non-staff cost	103.200.000	103.200.000	70.750.272
	<u>480.959.120</u>	<u>480.959.120</u>	<u>458.806.967</u>
Program Coordination			
Share of salaries and benefit	860.586.214	860.586.214	792.259.647
Share of non-staff cost	478.750.000	478.750.000	383.178.320
	<u>1.339.336.214</u>	<u>1.339.336.214</u>	<u>1.175.437.967</u>
Currency Variance	-	-	494.014
Total Expenditure	<u>8.913.995.866</u>	<u>8.913.995.866</u>	<u>7.595.408.373</u>
Closing Balance 31 December 2018			<u>-</u>

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES
Implementation Period: 1 January 2018 to 31 December 2018
CDRM&CDS Project No. 32-4201

Appendix 2-B

	Approved Budget 2018		Working Budget 2018		Actual 2018	
	USD	IDR	USD	IDR	USD	IDR
INCOME						
Income recognized in the current year						
Australian Lutheran World Service	-	-	296.123	-	4.229.567.288	-
Evangelical Lutheran Church in America	-	-	232.668	-	3.323.231.376	-
Others	-	-	2.936	-	42.609.709	-
Total Income	-	-	531.727	-	7.595.408.373	-
EXPENDITURE						
Objective 1. Empower communities for Disaster Risk Management (DRM).	60.009	840.125.000	60.009	840.125.000	47.929	687.586.950
Objective 2. Strengthen communities ability to manage the development processes and obtain their rights.	93.152	1.304.130.000	93.152	1.304.130.000	67.190	971.506.150
Objective 3. Enhance community's access to and control over development resources for improved livelihood	31.751	444.520.000	31.751	444.520.000	22.147	315.524.200
Objective 4. Strengthen Indonesian Lutheran Church diaconal arms' organizational capacity for professional development service delivery.	93.357	1.307.000.000	93.357	1.307.000.000	66.426	960.203.164
Objective 5. Build effective and efficient CDRM&CDS organization, with knowledge, skills and attitude needed to fulfill its mission.	44.357	621.000.000	44.357	621.000.000	37.118	525.492.657
Total Activities (Obj. 1 - Obj. 5)	322.626	4.516.775.000	322.626	4.516.775.000	240.810	3.460.313.121
Project Management and Implementation						

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
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DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES
Implementation Period: 1 January 2018 to 31 December 2018
CDRM&CDS Project No. 32-4201

Appendix 2-B

	Approved Budget 2018		Working Budget 2018		Actual 2018	
	USD	IDR	USD	IDR	USD	IDR
Project Salaries and Benefits	146,621	2,052,693,200	146,621	2,052,693,200	143,396	2,039,008,120
Non-staff Cost	37,445	524,232,332	37,445	524,232,332	32,562	461,348,184
	184,066	2,576,925,532	184,066	2,576,925,532	175,958	2,500,356,304
Program Operation						
Share of salaries and benefit	26,984	377,759,120	26,984	377,759,120	27,248	388,056,695
Share of non-staff cost	7,371	103,200,000	7,371	103,200,000	16,799	70,750,272
	34,355	480,959,120	34,355	480,959,120	44,047	458,806,967
Program Coordination						
Share of salaries and benefit	61,471	860,586,214	61,471	860,586,214	55,712	792,259,647
Share of non-staff cost	34,196	478,750,000	34,196	478,750,000	15,200	383,178,320
	95,667	1,339,336,214	95,667	1,339,336,214	70,912	1,175,437,967
Currency Variance	-	-	-	-	-	494,014
Total Expenditure	636,714	8,913,995,866	636,714	8,913,995,866	531,727	7,595,408,373
Closing Balance 31 December 2018						

* Amounts received were AUD 286,689 from Australian Lutheran World Service as stipulated in the Project Agreement. This amount consist of AUD 141,768.36 as part of DFAT Funding commitment and AUD 144,930.64 as part of ALWS commitment. Amount USD 195,000 also received from Evangelical Lutheran Church in America. All the difference has been recognized as contribution received in advance in the balance sheet with details in note 3.6.

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

EMERGENCY RESPONSE - ALWS
CDRM&CDS Project No. 32-4402

Appendix 3-B

	Actual 2013				Actual 2014				Actual 2015				Actual 2016				Actual 2017				Actual 2018				Total Actual	
	USD	USD	USD	USD	USD	USD	USD	USD	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR	IDR		
INCOME																										
Income recognized in the current year																										
Australian Lutheran World Service	4,156	1,773	3,013	2,819	624	12,385			42,524,676	21,573,526	40,738,900	-	37,533,300	8,925,734	151,296,136											
Total Income	4,156	1,773	3,013	2,819	624	12,385			42,524,676	21,573,526	40,738,900	-	37,533,300	8,925,734	151,296,136											
EXPENDITURE																										
Food Relief	2,379	413	1,207	451	-	4,450			23,425,076	5,028,800	16,470,000	-	6,000,000	-	50,923,676											
Non-Food Relief	759	1,251	1,878	1,835	321	5,645			8,950,000	15,272,700	22,568,900	-	24,439,300	4,390,000	75,620,900											
Assessment Cost	1,018	108	127	533	303	2,090			10,148,600	1,317,000	1,700,000	-	7,094,000	4,535,889	24,786,289											
Currency Variance	-	-	-	-	-	-			-	(44,974)	-	-	-	-	45											
Total Expenditure	4,156	1,773	3,013	2,819	624	12,385			42,524,676	21,573,526	40,738,900	-	37,533,300	8,925,734	151,296,136											
Closing Balance 31 December 2017	-	-	-	-	-	-			-	-	-	-	-	-	-											

* Actual amount received in 2012 was USD 12,662. The difference has been recognized as contribution received in advance in the balance sheet with details in note 3.6.

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UNIVERSITAS HKBP NOMMENSEN, INDONESIA

SUPPORT HEPHATA - ALWS

Implementation Period: 1 January 2013 - 31 December 2018
CDRM&CDS Project No. 32-4604

Appendix 4-B

	Actual AUD					Actual IDR					Total Actual AUD	Total Actual IDR	
	2013	2014	2015	2016	2017	2018	2013	2014	2015	2016			2017
INCOME													
Income received in the current year													
Australian Lutheran World Service	6.033	4.406	4.243	6.670	8.112	7.572	60.715.780	46.790.581	42.490.464	66.318.003	82.962.503	80.730.348	380.007.679
Total funds available	6.033	4.406	4.243	6.670	8.112	7.572	60.715.780	46.790.581	42.490.464	66.318.003	82.962.503	80.730.348	380.007.679
EXPENDITURE													
Staff salary & benefit	5.070	4.058	3.349	5.576	7.780	7.149	50.943.680	43.713.023	33.650.400	55.332.000	79.501.503	76.140.399	338.281.005
Transport and Accomodation	563	348	894	1.094	332	424	9.772.100	3.734.517	8.840.064	10.988.003	3.461.000	4.590.000	41.383.684
Currency Variance	-	-	-	-	-	-	-	(656.859)	-	-	-	(51)	(657.010)
Total Expenditure	6.033	4.406	4.243	6.670	8.112	7.572	60.715.780	46.790.581	42.490.464	66.318.003	82.962.503	80.730.348	380.007.679
Closing Balance 31 December 2018	-	-	-	-	-	-	-	-	-	-	-	-	-

* Total commitment in 2018 was AUD 7.585. The difference has been recognized as contribution received in advance in the balance sheet with details in note 3.6.

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

PROGRAM MANAGEMENT AND COORDINATION - INDIRECT
Implementation Period: 1 January 2018 to 31 December 2018
Project No. 32-4000

Appendix 5

	Budget 2018 IDR	Actual 2018 IDR
EXPENDITURE		
Office Costs		
Courier and postage	3.000.000	2.015.150
Furniture & Fixtures	9.000.000	560.000
Computer & related equipment	19.000.000	38.571.500
Audit Fee	145.000.000	146.400.000
Building maintenance	31.500.000	24.422.433
Equipment maintenance	4.800.000	577.000
Copying and printing	33.375.000	1.900.500
Office representation cost (tea, coffee, water, etc)	10.200.000	15.150.700
Office supplies	149.000.000	18.592.800
Travel Cost	-	44.208.257
Security Cost	39.675.000	62.400.000
Bank Charges	7.200.000	8.465.064
Utility - electricity, water	27.000.000	19.914.916
Total Office Costs	478.750.000	383.178.320
Salaries and Benefits		
National staff salaries and benefits	860.586.214	792.259.647
International staff salaries and benefits	-	-
Total Salaries and Benefits	860.586.214	792.259.647
TOTAL EXPENDITURE	1.339.336.214	1.175.437.967
Allocated to 32-4201 - Share of office cost	(478.750.000)	(383.178.320)
Allocated to 32-4201 - Share of Salaries and benefits	(860.586.214)	(792.259.647)
Closing Balance 31 December 2018	-	-

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
UNIVERSITAS HKBP NOMMENSEN, INDONESIA

PROGRAM MANAGEMENT AND IMPLEMENTATION - DIRECT
Implementation Period: 1 January 2018 to 31 December 2018
Project No. 32-4001

Appendix 5-B

EXPENDITURE	Budget 2018 IDR	Actual 2018 IDR
Office Costs		
Vehicle fuel	18.600.000	6.581.850
Vehicle insurance premium	15.600.000	1.794.281
Vehicle maintenance, registration & related cost	36.000.000	23.220.550
Communication cost - phone, internet, etc	24.000.000	23.726.483
Travel Domestic	9.000.000	15.427.108
Total Office Costs	<u>103.200.000</u>	<u>70.750.272</u>
Salaries and Benefits		
National staff salaries and benefits	377.759.120	388.056.695
Total Salaries and Benefits	<u>377.759.120</u>	<u>388.056.695</u>
TOTAL EXPENDITURE	<u>480.959.120</u>	<u>458.806.967</u>
Allocated to 32-4201 - Share of office cost	(103.200.000)	(70.750.272)
Allocated to 32-4201 - Share of salaries and benefit	(377.759.120)	(388.056.695)
Closing Balance 31 December 2018	<u> -</u>	<u> -</u>

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
 UNIVERSITAS HKBP NOMMENSEN, INDONESIA

Matrix of Donations by Donors to Each Project
 SUMMARY OF INCOME RECEIVED IN 2018
 (in Indonesia Rupiah) Appendix 6

	SoN Project - DRR 32-4201	ALWS - Emergency 32-4402	ALWS - Support HEPHATA 32-4604	Total
Income received in the current year				
Australian Lutheran World Service	4.653.977.305	12.944.067	89.808.083	4.756.729.455
Evangelical Lutheran Church in America	3.607.825.745	-	-	3.607.825.745
Others	42.609.709	-	-	42.609.709
Total	8.304.412.759	12.944.067	89.808.083	8.407.164.909

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT STUDIES
 UNIVERSITAS HKBP NOMMENSEN, INDONESIA

Matrix of Donations by Donors to Each Project
 SUMMARY OF INCOME RECOGNIZED IN 2018
 (In Indonesia Rupiah)

Appendix 6-B

	SoN Project - DRR 32-4201	ALWS - Emergency 32-4402	ALWS - Support HEPHATA 32-4604	Total
Income recognized in the current year				
Australian Lutheran World Service	4.229.567.288	8.925.734	80.730.348	4.319.223.370
Evangelical Lutheran Church in America	3.323.231.376	-	-	3.323.231.376
Bank Interest	42.609.709	-	-	42.609.709
Total	7.595.408.373	8.925.734	80.730.348	7.685.064.455