

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, 2015 and 2014



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, 2015
CENTER FOR DISASTER RISK MANAGEMENT &
COMMUNITY DEVELOPMENT STUDIES - HKBP NOMMENSEN UNIVERSITY

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 not omit material information or facts.
4. We are responsible for the internal control system of the Organization.

This statement letter is made truthfully.

Medan, February 15, 2016

Kepler Silaban
Executive Director

Ruth Taruli P. Siburian
Finance & Admin Manager

No. : 004/03/LNS/I/2016

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, 2015, 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.



Page 2

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, 2015, 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 EDDY SIDDHARTA & TANZIL


Registered Public Accountants

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

February 15, 2016

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

BALANCE SHEET as at 31 December 2015
(In Indonesia Rupiah)

	<u>Appendix</u>	<u>Notes</u>	<u>2015</u>	<u>2014</u>
ASSETS				
Current Assets				
Bank		3.1	1,144,638,767	1,369,955,964
Cash		3.2	11,851,186	13,105,519
Advances		3.3	-	4,710,000
Other Receivables		3.4	-	85,863,641
Total Current Assets			<u>1,156,489,953</u>	<u>1,473,635,124</u>
Non Current Assets				
Fixed Assets				
Buildings		3.5	956,796,000	956,796,000
Vehicles			831,000,000	831,000,000
			<u>1,787,796,000</u>	<u>1,787,796,000</u>
Less: Accumulated Depreciation			<u>(1,098,902,880)</u>	<u>(1,060,631,040)</u>
			<u>688,893,120</u>	<u>727,164,960</u>
Deferred Expenditure		3.6	269,880,770	239,616,856
Total Non Current Assets			<u>958,773,890</u>	<u>966,781,816</u>
TOTAL ASSETS			<u>2,115,263,843</u>	<u>2,440,416,940</u>
LIABILITIES AND RESERVES				
Current Liabilities				
Contributions Received in Advance		3.7	1,257,269,538	1,362,293,561
Accrued Expenses		3.8	169,101,185	267,936,340
Current Account - LWF Geneva	1		-	83,022,079
Total Current Liabilities			<u>1,426,370,723</u>	<u>1,713,251,980</u>
Reserves				
Asset Valuation Reserve		3.10	688,893,120	727,164,960
Total Reserves			<u>688,893,120</u>	<u>727,164,960</u>
TOTAL LIABILITIES AND RESERVES			<u>2,115,263,843</u>	<u>2,440,416,940</u>

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

INCOME AND EXPENDITURE STATEMENT for the period ended 31 December 2015
(In Indonesia Rupiah)

	<u>Appendix</u>		<u>2015</u>	<u>2014</u>
INCOME				
Statement of Needs Projects:				
32-4201 DRR through Rights Based Empowerment of Communities	3	6,123,899,998	6,123,899,998	7,750,338,802
Other Projects:				
32-4402 ALWS - Emergency Fund	4	40,738,900		
32-4403 ICCO - Sinabung Eruption Response		-		
32-4604 ALWS - Support HEPHATA	5	42,490,464		
32-4606 ALWS - Child Protection Socialization	6	14,975,467	98,204,831	144,905,871
Programme Operations:				
32-4000 Program Management & Coordination (Indirect)	7	-		
32-4001 Program Management & Implementation (Direct)	8	-	-	-
Non - Project Income			-	-
TOTAL INCOME			<u>6,222,104,829</u>	<u>7,895,244,673</u>
EXPENDITURE				
Statement of Needs Projects:				
32-4201 DRR through Rights Based Empowerment of Communities	3	6,123,899,998	6,123,899,998	7,750,338,802
Other Projects:				
32-4402 ALWS - Emergency Fund	4	40,738,900		
32-4403 ICCO - Sinabung Eruption Response		-		
32-4604 ALWS - Support HEPHATA	5	42,490,464		
32-4606 ALWS - Child Protection Socialization	6	14,975,467	98,204,831	144,905,871
Programme Operations:				
32-4000 Program Management & Coordination (Indirect)	7	-		
32-4001 Program Management & Implementation (Direct)	8	-	-	-
Non - Project Expenditure			38,271,840	38,271,840
TOTAL EXPENDITURE			<u>6,260,376,669</u>	<u>7,933,516,513</u>
Increase/(decrease) in reserves for the year			(38,271,840)	(38,271,840)
Reserves - beginning of the year			727,164,960	765,436,800
Reserves - end of the year			<u>688,893,120</u>	<u>727,164,960</u>

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

STATEMENT OF CASH FLOW for the period ended 31 December 2015
(In Indonesia Rupiah)

	<u>2015</u>	<u>2014</u>
<u>Operating activities:</u>		
Change in net asset	(38,271,840)	(38,271,840)
Adjustment for:		
- Depreciation	38,271,840	38,271,840
- Asset Valuation Reserves	-	-
- Prior period adjustment	-	-
Operating surplus/(deficit) before changes in working capital	-	-
Changes in working capital		
- Advance, other receivables and prepayments	4,710,000	(2,444,416)
- Current Account with LWF Geneva	(83,022,079)	65,574,040
- Project Balance Receivable	85,863,641	(85,863,641)
- Contribution Received in Advance	(105,024,023)	(412,408,242)
- Account payable and accrued expenses	(129,099,069)	246,487,123
Net change in working capital	(226,571,530)	(188,655,136)
Net cash generated from/(used in) operating activities	(226,571,530)	(188,655,136)
<u>Investing activities</u>		
Fixed Asset		
- Purchase of fixed asset	-	-
- Disposal of fixed asset	-	-
Net change in fixed asset	-	-
Net cash generated from/(used in) investing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(226,571,530)	(188,655,136)
Cash and cash equivalents at the beginning of the year	1,383,061,483	1,571,716,619
Cash and cash equivalents at the end of the year	<u>1,156,489,953</u>	<u>1,383,061,483</u>

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

CURRENT ACCOUNT - LWF GENEVA as at 31 December 2015
(In Indonesia Rupiah)

Appendix 1

Opening Balance 1 January 2015	(83,022,079)
Add:	
Fund received by LWF Geneva	33,421,563
Received from Debtors	<u>49,600,516</u>
	<u>83,022,079</u>
Less:	
Inter country transaction	-
Other creditors paid by LWF Geneva	<u>-</u>
	<u>-</u>
Closing Balance at 31 December 2015	<u>-</u>

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

SUMMARY OF INCOME RECEIVED and INCOME RECOGNIZED IN 2015
 (In Indonesia Rupiah)

Appendix 2

	Received/ Reimbursed	2015 Income	Receivable	Received in Advance	Payable
Received and recognized in the current year					
Australian Lutheran World Service	4,201,586,416	3,462,301,746	-	739,284,670	-
Evangelical Lutheran Church in America	3,270,427,729	2,752,442,861	-	517,984,868	-
ICCO	-	-	-	-	-
Bank Interest	7,360,222	7,360,222	-	-	-
Local Income - Farm Sales	-	-	-	-	-
Exchange gain	-	-	-	-	-
Total	7,479,374,367	6,222,104,829	-	1,257,269,538	-

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

DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES
Implementation Period: 1 January 2015 to 31 December 2015
CDRM&CDS Project No. 32-4201

Appendix 3

	Approved Budget 2015 IDR	Working Budget 2015 IDR	Actual 2015 IDR
INCOME			
Income recognized in the current year			
Australian Lutheran World Service	-	-	3,364,096,915
Evangelical Lutheran Church in America	-	-	2,752,442,861
Bank Interest	-	-	7,360,222
Local Income - Farm Sales	-	-	-
	-	-	6,123,899,998
Total Income	6,157,065,695	6,157,065,695	6,123,899,998
EXPENDITURE			
Objective 1. Empower communities for Disaster Risk Management (DRM)	725,719,250	725,719,250	563,580,500
Objective 2. Strengthen communities ability to manage the development processes and obtain their rights	759,098,900	759,098,900	623,378,655
Objective 3. Enhance community's access to and control over development resources for improved livelihood	406,776,800	406,776,800	234,910,050
Objective 4. Strengthen Indonesian Lutheran Church diaconal arms' organizational capacity for professional development service delivery.	637,000,000	637,000,000	573,142,238
Objective 5. Build effective and efficient CDRM&CDS organization, with knowledge, skills and attitude needed to fulfill its mission	292,255,615	292,255,615	455,169,427
	2,820,850,565	2,820,850,565	2,450,180,870
Total Activities (Obj. 1 - Obj. 5)	2,820,850,565	2,820,850,565	2,450,180,870
Project Management and Implementation			
Project Salaries and Benefits	1,316,930,504	1,316,930,504	1,678,516,150
Non-staff Cost	413,185,293	413,185,293	449,360,825
	1,730,115,797	1,730,115,797	2,127,876,975
Program Coordination			
Share of salaries and benefit	484,249,223	484,249,223	427,099,300
Share of non-staff cost	97,119,984	97,119,984	208,953,865
	581,369,207	581,369,207	636,053,165
Program Operations			
Share of salaries and benefit	866,417,108	866,417,108	770,900,645
Share of non-staff cost	158,313,018	158,313,018	138,888,343
	1,024,730,126	1,024,730,126	909,788,988
Currency Variance	-	-	-
Total Expenditure	6,157,065,695	6,157,065,695	6,123,899,998
Closing Balance 31 December 2015	-	-	-

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

DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES
Implementation Period: 1 January 2015 to 31 December 2015
CDRM&CDS Project No. 32-4201

Appendix 3-B

	Approved Budget 2015		Working Budget 2015		Actual 2015		Approved Budget 2015		Working Budget 2015		Actual 2015	
	USD	USD	USD	USD	USD	USD	IDR	IDR	IDR	IDR	IDR	IDR
INCOME												
Income recognized in the current year												
Australian Lutheran World Service	-	-	-	-	249,901	-	-	-	-	-	-	3,364,096,915
Evangelical Lutheran Church in America	-	-	-	-	204,465	-	-	-	-	-	-	2,752,442,861
Bank Interest	-	-	-	-	544	-	-	-	-	-	-	7,360,222
Local Income - Farm Sales	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	454,910	-	-	-	-	-	-	6,123,899,998
Total Income	456,079	456,079	456,079	456,079	454,910	454,910	6,157,065,695	6,157,065,695	6,157,065,695	6,157,065,695	6,123,899,998	6,123,899,998
EXPENDITURE												
Objective 1. Empower communities for Disaster Risk Management (DRM).	53,757	53,757	53,757	53,757	41,899	41,899	725,719,250	725,719,250	725,719,250	725,719,250	563,580,500	563,580,500
Objective 2. Strengthen communities ability to manage the development processes and obtain their rights.	56,230	56,230	56,230	56,230	45,639	45,639	759,098,900	759,098,900	759,098,900	759,098,900	623,378,655	623,378,655
Objective 3. Enhance community's access to and control over development resources for improved livelihood.	30,132	30,132	30,132	30,132	17,369	17,369	406,776,800	406,776,800	406,776,800	406,776,800	234,910,050	234,910,050
Objective 4. Strengthen Indonesian Lutheran Church diaconal arms' organizational capacity for professional development service delivery.	47,185	47,185	47,185	47,185	41,446	41,446	637,000,000	637,000,000	637,000,000	637,000,000	573,142,238	573,142,238
Objective 5. Build effective and efficient CDRM&CDS organization, with knowledge, skills and attitude needed to fulfill its mission.	21,649	21,649	21,649	21,649	33,520	33,520	292,255,615	292,255,615	292,255,615	292,255,615	455,169,427	455,169,427
Total Activities (Obj. 1 - Obj. 5)	208,953	208,953	208,953	208,953	179,873	179,873	2,820,850,565	2,820,850,565	2,820,850,565	2,820,850,565	2,450,180,870	2,450,180,870

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

DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES
Implementation Period: 1 January 2015 to 31 December 2015
CDRM&CDS Project No. 32-4201

Appendix 3-B

	Approved Budget 2015		Working Budget 2015		Actual 2015		Approved Budget 2015		Working Budget 2015		Actual 2015	
	USD	USD	USD	USD	USD	USD	IDR	IDR	IDR	IDR	IDR	IDR
Project Management and Implementation												
Project Salaries and Benefits	97,550	97,550	126,041	126,041	35,870	35,870	1,316,930,504	1,316,930,504	484,249,223	484,249,223	1,678,516,150	1,678,516,150
Non-staff Cost	30,606	30,606	33,533	33,533	7,194	7,194	413,185,293	413,185,293	97,119,984	97,119,984	449,360,825	449,360,825
	128,156	128,156	159,574	159,574	43,064	43,064	1,730,115,797	1,730,115,797	581,369,207	581,369,207	2,127,876,975	2,127,876,975
Program Coordination												
Share of salaries and benefit	35,870	35,870	32,043	32,043			484,249,223	484,249,223			427,099,300	427,099,300
Share of non-staff cost	7,194	7,194	15,418	15,418			97,119,984	97,119,984			208,953,865	208,953,865
	43,064	43,064	47,461	47,461			581,369,207	581,369,207			636,053,165	636,053,165
Program Operation												
Share of salaries and benefit	64,179	64,179	57,733	57,733			866,417,108	866,417,108			770,900,645	770,900,645
Share of non-staff cost	11,727	11,727	10,269	10,269			158,313,018	158,313,018			138,888,343	138,888,343
	75,906	75,906	68,002	68,002			1,024,730,126	1,024,730,126			909,788,988	909,788,988
Total Expenditure	456,079	456,079	454,910	454,910			6,157,065,695	6,157,065,695			6,123,899,998	6,123,899,998
Closing Balance 31 December 2015												
	-	-	-	-			-	-			-	-

* Actual amounts received were USD 243,774.67 from Australian Lutheran World Service and USD 200,000 from Evangelical Lutheran Church in America. The difference has been recognized as contribution received in advance in the balance sheet with details in note 3.8.

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

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

Appendix 4-B

	Budget					Actual					Total	
	USD	2012	2013	2014	2015	USD	2012	2013	2014	2015	USD	IDR
INCOME												
Income recognized in the current year												
Australian Lutheran World Service	12,662	-	4,156	1,773	3,013	8,942	121,711,702	42,524,676	21,573,526	40,738,900	104,837,102	
Total Income	12,662	-	4,156	1,773	3,013	8,942	121,711,702	42,524,676	21,573,526	40,738,900	104,837,102	
EXPENDITURE												
Food Relief	-	-	2,379	413	1,207	3,999	-	23,425,076	5,028,800	16,470,000	44,923,876	
Non-Food Relief	-	-	759	1,251	1,679	3,689	-	8,950,000	15,272,700	22,568,900	46,791,600	
Assesment Cost	-	-	1,018	109	127	1,254	-	10,149,600	1,317,000	1,700,000	13,166,600	
Currency Variance									(44,974)	-	(44,974)	
Total Expenditure	12,662	-	4,156	1,773	3,013	8,942	121,711,702	42,524,676	21,573,526	40,738,900	104,837,102	
Closing Balance 31 December 2015	-	-	-	-	-	-	-	-	-	-	-	

* 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 3.8.

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

SUPPORT HEPHATA - ALWS

Implementation Period: 1 January 2013 - 30 July 2015

CDRM&CDS Project No. 32-4604

Appendix 5

	Budget 2013 to 2015 IDR	Actual 2013 IDR	Actual 2014 IDR	Actual 2015 IDR	Total Actual IDR
INCOME					
Income received and recognized in the current year					
Australian Lutheran World Service	149,968,193	60,715,780	46,790,581	42,490,464	149,996,825
Total funds available	149,968,193	60,715,780	46,790,581	42,490,464	149,996,825
EXPENDITURE					
Staff salary & benefit	-	50,943,680	43,713,023	33,650,400	128,307,103
Transport and Accomodation	-	9,772,100	3,734,517	8,840,064	22,346,681
Currency Variance			(656,959)	-	(656,959)
Total Expenditure	149,968,193	60,715,780	46,790,581	42,490,464	149,996,825
Closing Balance 31 December 2015	-	-	-	-	-

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

SUPPORT HEPHATA - ALWS

Implementation Period: 1 January 2013 - 30 July 2015

CDRM&CDS Project No. 32-4604

Appendix 5-B

	Budget				Actual				Total	
	AUD	2013 AUD	2014 AUD	2015 AUD	2013 AUD	2014 AUD	2015 AUD	Actual 2014	Actual 2015	Actual IDR
INCOME										
Income received in the current year										
Australian Lutheran World Service	15,170	6,033	4,406	4,243	60,715,780	46,790,581	42,490,464			149,996,825
Total funds available	15,170	6,033	4,406	4,243	60,715,780	46,790,581	42,490,464			149,996,825
EXPENDITURE										
Staff salary & benefit		5,070	4,058	3,349	50,943,680	43,713,023	33,650,400			128,307,103
Transport and Accomodation	-	963	348	894	9,772,100	3,734,517	8,840,064			22,346,681
Currency Variance			-	-	-	(656,959)	-			(656,959)
Total Expenditure	15,170	6,033	4,406	4,243	60,715,780	46,790,581	42,490,464			149,996,825
Closing Balance 31 December 2015	-	-	-	-	-	-	-			-

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

ALWS - CHILD PROTECTION SOCIALIZATION
Implementation Period: 1 December 2014 - 31 March 2015
CDRM&CDS Project No. 32-4606

Appendix 6

	Budget 2014 to 2015 IDR	Actual 2014 IDR	Actual 2015 IDR	Total Actual IDR
INCOME				
Income received in the current year				
Australian Lutheran World Service	18,532,795	2,850,000	14,975,467	17,825,467
Total funds available	18,532,795	2,850,000	14,975,467	17,825,467
EXPENDITURE				
Child Protection Policy socialization to CDRM staffs	-	2,850,000	-	2,850,000
Printing Child Protection Policy	-	-	-	-
Child Protection Policy socialization to LPM/SATLINMAS	-	-	14,975,467	14,975,467
Total Expenditure	18,532,795	2,850,000	14,975,467	17,825,467
Closing Balance 31 December 2015	-	-	-	-

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

PROGRAM MANAGEMENT AND COORDINATION - INDIRECT
Project No. 32-4000

Appendix 7

	<u>Budget 2015 IDR</u>	<u>Actual 2015 IDR</u>
EXPENDITURE		
Office Costs		
Vehicle Fuel	18,763,018	12,219,517
Vehicle maintenance, registration & related cost	27,000,000	26,310,805
Vehicle Insurance Premium		
Travel - Domestic	44,550,000	7,032,000
Loss on forex		
Building maintenance	10,000,000	36,192,895
Equipment maintenance	4,000,000	-
Utilities	18,000,000	21,647,732
Communication	27,000,000	25,518,042
Bank Charges	9,000,000	9,967,352
Total Office Costs	<u>158,313,018</u>	<u>138,888,343</u>
Salaries and Benefits		
National staff salaries and benefits	770,651,000	722,559,410
International staff salaries and benefits	95,766,108	48,341,235
Total Salaries and Benefits	<u>866,417,108</u>	<u>770,900,645</u>
TOTAL EXPENDITURE	<u>1,024,730,126</u>	<u>909,788,988</u>
Allocated to 32-4201 - Share of office cost	(158,313,018)	(138,888,343)
Allocated to 32-4201 - Share of Salaries and benefits	(866,417,108)	(770,900,645)
Closing Balance 31 December 2015	<u>-</u>	<u>-</u>

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

PROGRAM MANAGEMENT AND IMPLEMENTATION - DIRECT
Project No. 32-4001

Appendix 8

	Budget 2015 <u>IDR</u>	Actual 2015 <u>IDR</u>
EXPENDITURE		
Office Costs		
Travel - Domestic	18,000,000	-
Office supplies	16,200,000	17,784,450
Office representation cost	10,800,000	10,357,460
Copying & printing	900,000	1,952,000
Courier & postage	2,700,000	2,427,377
Computer & related equipment	-	31,206,921
Audit fee	44,019,984	144,825,657
Furniture & fixtures	4,500,000	400,000
Total Office Costs	<u>97,119,984</u>	<u>208,953,865</u>
Salaries and Benefits		
National staff salaries and benefits	484,249,223	427,099,300
Total Salaries and Benefits	<u>484,249,223</u>	<u>427,099,300</u>
TOTAL EXPENDITURE	<u>581,369,207</u>	<u>636,053,165</u>
Allocated to 32-4201 - Share of office cost	(97,119,984)	(208,953,865)
Allocated to 32-4201 - Share of salaries and benefit	(484,249,223)	(427,099,300)
Closing Balance 31 December 2015	<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 2015
(In Indonesia Rupiah)

Appendix 9

	SoN Project - DRR 32-4201	ALWS - Emergency 32-4402	ALWS - Support HEPHATA 32-4606	ALWS - CP Socialization 32-4606	Total
Income received in the current year					
Australian Lutheran World Service	4,047,161,582	92,056,024	47,393,343	14,975,467	4,201,586,416
Evangelical Lutheran Church in America	3,270,427,729	-	-	-	3,270,427,729
Bank Interest	7,360,222	-	-	-	7,360,222
Total	7,324,949,533	92,056,024	47,393,343	14,975,467	7,479,374,367

**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 2015
(in Indonesia Rupiah)**

Appendix 10

	SoN Project - DRR 32-4201	ALWS - Emergency 32-4402	ALWS - Support HEPHATA 32-4606	ALWS - CP Socialization 32-4606	Total
Income recognized in the current year					
Australian Lutheran World Service	3,364,096,915	40,738,900	42,490,464	14,975,467	3,462,301,746
Evangelical Lutheran Church in America	2,752,442,861	-	-	-	2,752,442,861
Bank Interest	7,360,222	-	-	-	7,360,222
Local Income - Farm Sales	-	-	-	-	-
Total	6,123,899,998	40,738,900	42,490,464	14,975,467	6,222,104,829

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015**

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 to apply for the status of an LWF Associate 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 2015**

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, 2015 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	12,417.52	15,099.70	10,149.01
February	12,619.35	14,278.80	9,823.73
March	12,845.98	14,537.80	10,125.93
April	13,068.42	14,172.70	10,010.38
May	12,918.38	14,212.80	10,327.57
June	13,198.42	14,381.00	10,079.90
July	13,355.16	14,868.30	10,235.65
August	13,490.64	14,779.00	9,810.16
September	14,017.39	15,794.80	10,003.67
October	14,675.38	16,442.30	10,270.66
November	13,680.88	14,953.20	9,680.95
December	13,826.65	14,628.60	9,958.88

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 2015**

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:

Building	25 years
Vehicle	5 years

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015**

2.11. Impairment

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

	<u>2015</u> Rp	<u>2014</u> Rp
Bank Mandiri – Acc. No. 106.00.0687109-2 (USD)	423,434,904	1,113,040,761
Bank Mandiri – Acc. No. 106.00.0603780-1 (IDR)	595,156,555	135,814,047
Bank Mandiri – Acc. No. 106.00.0654212-3 (IDR)	55,925,214	104,312,099
Bank BNI – Acc. No. 0179500872 (IDR)	27,612,556	14,335,610
Bank BRI – Acc. No. 00005494-01-003287-53	42,509,538	2,453,446
	<u>1,144,638,767</u>	<u>1,369,955,963</u>

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015**

3.2. Petty Cash Accounts

	2015	2014
	Rp	Rp
Head Office - Medan	11,847,701	12,246,419
Field Office - Mentawai	3,485	859,100
	11,851,186	13,105,519

3.3. Advance Accounts

	2015	2014
	Rp	Rp
Advance	-	4,710,000
	-	4,710,000

3.4. Other Receivables

	2015	2014
	Rp	Rp
Project Receivables	-	85,863,641
	-	85,863,641

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 January 1, 2015	956,796,000	831,000,000	1,787,796,000
Additions	-	-	-
Disposals	-	-	-
Balance at December 31, 2015	956,796,000	831,000,000	1,787,796,000
Accumulated depreciation			
Balance at January 1, 2015	229,631,040	831,000,000	1,060,631,040
Disposals	-	-	-
Depreciation charge for the year	38,271,840	-	38,271,840
Balance at December 31, 2015	267,902,880	831,000,000	1,098,902,880
Net book value at December 31, 2015	688,893,120	-	688,893,120
Net book value at December 31, 2014	727,164,960	-	727,164,960

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
 STUDIES - UNIVERSITAS HKBP NOMMENSEN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 2015

3.6. Deferred Expenditure

A net exchange loss was incurred in 2015 & 2014. A plan is in place to recover the expenditure.

	<u>2015</u> Rp	<u>2014</u> Rp
Exchange loss	269,880,770	239,616,856
	<u>269,880,770</u>	<u>239,616,856</u>

3.7. Contribution Received in Advance

	Project #	<u>2015</u> Rp	<u>2014</u> Rp
Australian Lutheran World Service	32-4201	683,064,667	692,184,018
	32-4402	51,317,124	83,761,754
	32-4604	4,902,879	48,337,181
	32-4606	-	15,365,459
		<u>739,284,670</u>	<u>839,648,412</u>
Evangelical Lutheran Church in America	32-4201	517,984,868	522,645,149
		<u>517,984,868</u>	<u>522,645,149</u>
		<u>1,257,269,538</u>	<u>1,362,293,561</u>

3.8. Accrued Expenses

	<u>2015</u> Rp	<u>2014</u> Rp
Audit fee	120,000,000	99,520,000
Income Tax	-	19,623,229
Others	49,101,185	148,793,111
	<u>169,101,185</u>	<u>267,936,340</u>

CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
 STUDIES - UNIVERSITAS HKBP NOMMENSEN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 2015

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

3.9. Exchange gains/(losses)

	<u>2015</u>	<u>2014</u>
	Rp	Rp
Opening Balance		
Net gains/(losses) from revaluation	(81,016,475)	(273,530,101)
Net gains/(losses) from sale of USD	41,984,061	20,405,970
Net gains/(losses) on local currency project	4,624,610	13,507,275
Gain allocated to project	-	-
Allocation to project	<u>34,407,804</u>	<u>239,616,856</u>
	<u>-</u>	<u>-</u>

3.10. Asset Valuation Reserve

	<u>2015</u>	<u>2014</u>
	Rp	Rp
Opening balance	727,164,960	765,436,800
Additions during the year	-	-
Disposals during the year	-	-
Depreciation	<u>(38,271,840)</u>	<u>(38,271,840)</u>
Closing balance	<u>688,893,120</u>	<u>727,164,960</u>

3.12. 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.

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015**

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

3.12. Allocation of Program Management & Coordination and Program Management & Implementation Expenditure to Projects (continued)

	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	138,888,343	770,900,645	208,953,865	427,099,300
	<u>138,888,343</u>	<u>770,900,645</u>	<u>208,953,865</u>	<u>427,099,300</u>

3.13. Taxes

The CDRM&CDS is exempt from income taxes.

3.14. 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&CD 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.

3.15. Capital commitments

There were no capital expenditure commitments as at 31 December 2015.