

UNIVERSITAS HKBP NOMMENSEN
DIREKTORAT PERENCANAAN, STRATEGI DAN KEMAJUAN ORGANISASI

DIRECTORS' STATEMENT LETTER
RELATED TO
ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31.12.2016
AND 31.12.2015

**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, 2016 and 2015**

1. Double as stated ID Card	: Jl. Sekeloa Utara No. 1, Pekanbaru, Riau - Medan
Office Phone Number	: +62 82277041999
Position	: Executive Director
2. Name	: Ruth Teruli P. Siberoan
Office address	: Jl. Gajah Mada No. 1, Sekeloa Utara B - Medan
Double as stated ID Card	: Komp. Cendekia No. 43, Jl. Arahmanto - Medan
Office Phone Number	: +62 82277041999
Position	: Finance & Admin Manager


Sapta, 2017

1. We are responsible for 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. All information in the financial statements of the Organization has been fully disclosed in a complete and faithful manner.
4. 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, February 28, 2017


Executive Director


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

REPORT OF INDEPENDENT AUDITOR

DIRECTORS' STATEMENT LETTER RELATED TO THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016 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 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 28, 2017

Kepler Silaban
Executive Director

Ruth Taruli P. Siburian
Finance & Admin Manager

No. : 007/03/LNS/II/2017

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, 2016, 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.


HENDRAWINATA
EDDY SIDDHARTA
& TANZIL
Registered Public Accountants
License No. 823/KM.1/2014

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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, 2016, 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

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

February 28, 2017

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

BALANCE SHEET as at 31 December 2016
(In Indonesia Rupiah)

ASSETS	Notes	2016	2015
Current Assets			
Bank	3.1	1.944.681.238	1.144.638.767
Cash	3.2	1.430.171	11.851.186
Advances	3.3	4.750.000	-
Total Current Assets		1.950.861.409	1.156.489.953
Non Current Assets			
Fixed Assets			
Buildings	3.4	956.796.000	956.796.000
Vehicles		831.000.000	831.000.000
		1.787.796.000	1.787.796.000
Less: Accumulated Depreciation		(1.137.174.720)	(1.098.902.880)
		650.621.280	688.893.120
Deferred Expenditure	3.5	75.916.715	269.880.770
Total Non Current Assets		726.537.995	958.773.890
TOTAL ASSETS		2.677.399.404	2.115.263.843
LIABILITIES AND RESERVES			
Current Liabilities			
Contributions Received in Advance	3.6	1.804.681.845	1.257.269.538
Accrued Expenses	3.7	213.360.803	169.101.185
LWF Myanmar	3.8	8.735.476	-
Total Current Liabilities		2.026.778.124	1.426.370.723
Reserves			
Asset Valuation Reserve	3.10	650.621.280	688.893.120
Total Reserves		650.621.280	688.893.120
TOTAL LIABILITIES AND RESERVES		2.677.399.404	2.115.263.843
Progressive Operations:			
22-4001 Program Management & Development (Direct)			
22-4001 Program Management & Development (Direct)			
Non - Project Expenditure			
TOTAL EXPENDITURE		6.741.362.931	6.264.370.665
Reserves - beginning of the year		130.271.840	130.271.840
Reserves - end of the year		650.621.280	688.893.120

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

INCOME AND EXPENDITURE STATEMENT for the period ended 31 December 2016
(In Indonesia Rupiah)

	<u>Appendix</u>	<u>2016</u>	<u>2015</u>
INCOME			
Statement of Needs Projects:			
32-4201 DRR through Rights Based Empowerment of Communities	2	6.656.803.094	6.123.899.998
Other Projects:			
32-4402 ALWS - Emergency Fund	3	-	-
32-4403 ICCO - Sinabung Eruption Response		-	-
32-4604 ALWS - Support HEPHATA	4	66.318.003	-
32-4606 ALWS - Child Protection Socialization	6	-	98.204.831
Programme Operations:			
32-4000 Program Management & Coordination (Indirect)	5	-	-
32-4001 Program Management & Implementation (Direct)	5-B	-	-
Non - Project Income		-	-
TOTAL INCOME		6.723.121.097	6.222.104.829
EXPENDITURE			
Statement of Needs Projects:			
32-4201 DRR through Rights Based Empowerment of Communities	2	6.656.803.094	6.123.899.998
Other Projects:			
32-4402 ALWS - Emergency Response	3	-	-
32-4403 ICCO - Sinabung Eruption Response		-	-
32-4604 ALWS - Support HEPHATA	4	66.318.003	-
32-4606 ALWS - Child Protection Socialization	6	-	98.204.831
Programme Operations:			
32-4000 Program Management & Coordination (Indirect)	5	-	-
32-4001 Program Management & Implementation (Direct)	5-B	-	-
Non - Project Expenditure		38.271.840	38.271.840
TOTAL EXPENDITURE		6.761.392.937	6.260.376.669
Increase/(decrease) in reserves for the year		(38.271.840)	(38.271.840)
Reserves - beginning of the year		688.893.120	727.164.960
Reserves - end of the year		650.621.280	688.893.120

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

STATEMENT OF CASH FLOW for the period ended 31 December 2016
(In Indonesia Rupiah)

	<u>2016</u>	<u>2015</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	<u>-</u>	<u>-</u>
Changes in working capital		
- Advance, other receivables and prepayments	(4.750.000)	4.710.000
- Current Account with LWF Geneva	-	(83.022.079)
- Project Balance Receivable	-	85.863.641
- Contribution Received in Advance	547.412.307	(105.024.023)
- Account payable and accrued expenses	246.959.149	(129.099.069)
Net change in working capital	<u>789.621.456</u>	<u>(226.571.530)</u>
Net cash generated from/(used in) operating activities	789.621.456	(226.571.530)
<u>Investing activities</u>		
Fixed Asset		
- Purchase of fixed asset	-	-
- Disposal of fixed asset	-	-
Net change in fixed asset	<u>-</u>	<u>-</u>
Net cash generated from/(used in) investing activities	-	-
Net increase/(decrease) in cash and cash equivalents	789.621.456	(226.571.530)
Cash and cash equivalents at the beginning of the year	1.156.489.953	1.383.061.483
Cash and cash equivalents at the end of the year	<u><u>1.946.111.409</u></u>	<u><u>1.156.489.953</u></u>

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

SUMMARY OF INCOME RECEIVED and INCOME RECOGNIZED IN 2016
 (In Indonesia Rupiah)

Appendix 1

	Received/ Reimbursed	2016 Income	Receivable	Received in Advance	Payable
Received and recognized in the current year					
Australian Lutheran World Service	5.341.416.848	4.186.804.563	-	1.154.612.285	-
Evangelical Lutheran Church in America	3.172.754.383	2.526.420.709	-	646.333.674	-
Bank Interest	8.327.469	8.327.469	-	-	-
Local Income - Farm Sales	-	-	-	-	-
Exchange gain	-	-	-	-	-
Total	8.522.498.700	6.721.552.740	-	1.800.945.959	-

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

DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES

Implementation Period: 1 January 2016 to 31 December 2016

CDRM&CDS Project No. 32-4201

Appendix 2

	Approved Budget 2016 IDR	Working Budget 2016 IDR	Actual 2016 IDR
INCOME			
Income recognized in the current year			
Australian Lutheran World Service	-	-	4.122.054.715
Evangelical Lutheran Church in America	-	-	2.526.420.910
Bank Interest	-	-	8.327.469
Local Income - Farm Sales	-	-	-
	<u>-</u>	<u>-</u>	<u>6.656.803.094</u>
Total Income			<u>6.656.803.094</u>
EXPENDITURE			
Objective 1. Empower communities for Disaster Risk Management (DRM)	1.267.305.000	1.267.305.000	726.919.515
Objective 2. Strengthen communities ability to manage the development processes and obtain their rights	1.059.635.000	1.059.635.000	728.739.450
Objective 3. Enhance community's access to and control over development resources for improved livelihood	553.175.000	553.175.000	314.487.655
Objective 4. Strengthen Indonesian Lutheran Church diaconal arms' organizational capacity for professional development service delivery.	1.415.900.000	1.415.900.000	550.529.844
Objective 5. Build effective and efficient CDRM&CDS organization, with knowledge, skills and attitude needed to fulfill its mission	542.000.000	542.000.000	358.597.083
	<u>4.838.015.000</u>	<u>4.838.015.000</u>	<u>2.679.273.547</u>
Total Activities (Obj. 1 - Obj. 5)			<u>2.679.273.547</u>
Project Management and Implementation			
Project Salaries and Benefits	1.745.608.000	1.745.608.000	1.701.386.581
Non-staff Cost	522.960.000	522.960.000	483.294.914
	<u>2.268.568.000</u>	<u>2.268.568.000</u>	<u>2.184.681.495</u>
Program Coordination			
Share of salaries and benefit	462.174.200	462.174.200	443.896.193
Share of non-staff cost	180.800.000	180.800.000	182.663.063
	<u>642.974.200</u>	<u>642.974.200</u>	<u>626.559.256</u>
Program Operations			
Share of salaries and benefit	902.987.900	902.987.900	705.375.336
Share of non-staff cost	192.000.000	192.000.000	460.913.460
	<u>1.094.987.900</u>	<u>1.094.987.900</u>	<u>1.166.288.796</u>
Total Expenditure	<u>8.844.545.100</u>	<u>8.844.545.100</u>	<u>6.656.803.094</u>
Closing Balance 31 December 2016			<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 2016 to 31 December 2016
CDRM&CDS Project No. 32-4201

Appendix 2-B

	Approved Budget 2016		Working Budget 2016		Actual 2016		Approved Budget 2016		Working Budget 2016		Actual 2016	
	USD	USD	USD	USD	USD	USD	IDR	IDR	IDR	IDR	IDR	IDR
INCOME												
Income recognized in the current year												
Australian Lutheran World Service	-	-	-	-	308.857	-	-	-	-	-	-	4.122.054.715
Evangelical Lutheran Church in America	-	-	-	-	189.300	-	-	-	-	-	-	2.526.420.910
Bank Interest	-	-	-	-	628	-	-	-	-	-	-	8.327.469
Local Income - Fair Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	-	-	-	-	498.785	-	-	-	-	-	-	6.656.803.094
					498.785							6.656.803.094
EXPENDITURE												
Objective 1. Empower communities for Disaster Risk Management (DRM).	93.184	93.184	93.184	93.184	54.209	1.267.305.000	1.267.305.000	1.267.305.000	1.267.305.000	1.267.305.000	726.919.515	726.919.515
Objective 2. Strengthen communities ability to manage the development processes and obtain their rights.	77.914	77.914	77.914	77.914	54.846	1.059.635.000	1.059.635.000	1.059.635.000	1.059.635.000	1.059.635.000	728.739.450	728.739.450
Objective 3. Enhance community's access to and control over development resources for improved livelihood.	40.675	40.675	40.675	40.675	23.661	553.175.000	553.175.000	553.175.000	553.175.000	553.175.000	314.487.655	314.487.655
Objective 4. Strengthen Indonesian Lutheran Church diaconal arms' organizational capacity for professional development service delivery.	104.110	104.110	104.110	104.110	41.444	1.415.900.000	1.415.900.000	1.415.900.000	1.415.900.000	1.415.900.000	550.529.844	550.529.844
Objective 5. Build effective and efficient CDRM&CDS organization, with knowledge, skills and attitude needed to fulfill its mission.	39.853	39.853	39.853	39.853	27.086	542.000.000	542.000.000	542.000.000	542.000.000	542.000.000	358.597.083	358.597.083
Total Activities (Obj. 1 - Obj. 5)	355.736	355.736	355.736	355.736	201.246	4.838.015.000	4.838.015.000	4.838.015.000	4.838.015.000	4.838.015.000	2.679.273.547	2.679.273.547
Project Management and Implementation												
Project Salaries and Benefits	128.354	128.354	128.354	128.354	127.653	1.745.608.000	1.745.608.000	1.745.608.000	1.745.608.000	1.745.608.000	1.701.386.581	1.701.386.581

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

DRR THROUGH RIGHTS BASED EMPOWERMENT OF COMMUNITIES
Implementation Period: 1 January 2016 to 31 December 2016
CDRM&CDS Project No. 32-4201

Appendix 2-B

	Approved Budget 2016		Working Budget 2016		Actual 2016		Approved Budget 2016		Working Budget 2016		Actual 2016	
	USD	USD	USD	USD	USD	USD	IDR	IDR	IDR	IDR	IDR	IDR
Non-staff Cost	38.453	38.453	36.223	36.223	522.960.000	522.960.000	483.294.914	2.268.568.000	2.268.568.000	2.184.681.495	2.184.681.495	2.184.681.495
Program Coordination												
Share of salaries and benefit	33.984	33.984	33.181	33.181	462.174.200	462.174.200	443.896.193	180.800.000	180.800.000	182.663.063	182.663.063	182.663.063
Share of non-staff cost	13.294	13.294	13.528	13.528	642.974.200	642.974.200	626.559.256	902.987.900	902.987.900	705.375.336	705.375.336	705.375.336
Program Operation												
Share of salaries and benefit	66.396	66.396	52.771	52.771	192.000.000	192.000.000	450.913.460	1.094.987.900	1.094.987.900	1.156.288.796	1.156.288.796	1.156.288.796
Share of non-staff cost	14.118	14.118	34.183	34.183	8.844.545.100	8.844.545.100	6.656.803.094	8.844.545.100	8.844.545.100	6.656.803.094	6.656.803.094	6.656.803.094
Total Expenditure	650.335	650.335	498.785	498.785								
Closing Balance 31 December 2016												

* Actual amounts received were AUD 455,015 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 3.6.

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

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

Appendix 3

	Actual 2012 IDR	Actual 2013 IDR	Actual 2014 IDR	Actual 2015 IDR	Actual 2016 IDR	Total Actual 2012 to 2016 IDR
INCOME						
Income recognized in the current year						
Australian Lutheran World Service	-	42.524.676	21.573.526	40.738.900	-	104.837.102
Total Income	-	42.524.676	21.573.526	40.738.900	-	104.837.102
EXPENDITURE						
Food Relief	-	23.425.076	5.028.800	16.470.000	-	44.923.876
Non-Food Relief	-	8.950.000	15.272.700	22.568.900	-	46.791.600
Assesment Cost	-	10.149.600	1.317.000	1.700.000	-	13.166.600
Currency Variance	-	-	(44.974)	-	-	(44.974)
Total Expenditure	-	42.524.676	21.573.526	40.738.900	-	104.837.102
Closing Balance 31 December 2016	-	-	-	-	-	-

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

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

Appendix 3-B

	Budget					Actual					Total		
	USD	2012 USD	2013 USD	2014 USD	2015 USD	2016 USD	2012 IDR	2013 IDR	2014 IDR	2015 IDR	2016 IDR	Actual USD	Actual IDR
INCOME													
Income recognized in the current year													
Australian Lutheran World Service	12.662	-	4.156	1.773	3.013	-	42.524.676	21.573.526	40.738.900	-	-	104.837.102	-
Total Income	12.662	-	4.156	1.773	3.013	-	42.524.676	21.573.526	40.738.900	-	-	104.837.102	-
EXPENDITURE													
Food Relief	-	-	2.379	413	1.207	-	-	23.425.076	5.028.800	16.470.000	-	44.923.876	-
Non-Food Relief	-	-	759	1.251	1.679	-	-	8.950.000	15.272.700	22.558.900	-	46.791.600	-
Assesment Cost	-	-	1.018	109	127	-	-	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	-	42.524.676	21.573.526	40.738.900	-	-	104.837.102	-
Closing Balance 31 December 2016	-	-	-	-	-	-	-	-	-	-	-	-	-

* 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.

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

SUPPORT HEPHATA - ALWS

Implementation Period: 1 January 2013 - 31 December 2016
 CDRM&CDS Project No. 32-4604

Appendix 4

	Actual 2013 IDR	Actual 2014 IDR	Actual 2015 IDR	Actual 2016 IDR	Total Actual IDR
INCOME					
Income received and recognized in the current year					
Australian Lutheran World Service	60.715.780	46.790.581	42.490.464	66.318.003	216.314.828
Total funds available	60.715.780	46.790.581	42.490.464	66.318.003	216.314.828
EXPENDITURE					
Staff salary & benefit	50.943.680	43.713.023	33.650.400	55.332.000	139.293.106
Transport and Accomodation	9.772.100	3.734.517	8.840.064	10.986.003	77.678.681
Currency Variance		(656.959)	-	-	(656.959)
Total Expenditure	60.715.780	46.790.581	42.490.464	66.318.003	216.314.828
Closing Balance 31 December 2016	-	-	-	-	-

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

SUPPORT HEPHATA - ALWS

Implementation Period: 1 January 2013 - 31 December 2016
CDRM&CDS Project No. 32-4604

Appendix 4-B

	Budget				Actual				Total		
	AUD	2013	2014	2015	2016	2013	2014	2015	2016	Actual	Actual
INCOME											
Income received in the current year											
Australian Lutheran World Service	15.170	6.033	4.406	4.243	6.670	60.715.780	46.790.581	42.490.464	66.318.003	216.314.828	
Total funds available	15.170	6.033	4.406	4.243	6.670	60.715.780	46.790.581	42.490.464	66.318.003	216.314.828	
EXPENDITURE											
Staff salary & benefit		5.070	4.058	3.349	5.576	50.943.680	43.713.023	33.650.400	55.332.000	183.639.103	
Transport and Accommodation		963	348	894	1.094	9.772.100	3.734.517	8.840.064	10.986.003	33.332.684	
Currency Variance							(656.959)			(656.959)	
Total Expenditure	15.170	6.033	4.406	4.243	6.670	60.715.780	46.790.581	42.490.464	66.318.003	216.314.828	
Closing Balance 31 December 2016	-	-	-	-	-	-	-	-	-	-	

* Actual amount received in 2016 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
Project No. 32-4000

Appendix 5

	Budget 2016 IDR	Actual 2016 IDR
EXPENDITURE		
Office Costs		
Vehicle Fuel	24.000.000	8.534.980
Vehicle maintenance, registration & related cost	36.000.000	37.170.717
Vehicle Insurance Premium	14.000.000	10.710.875
Travel - Domestic	-	66.017.862
Loss on forex	-	200.000.000
Building maintenance	40.000.000	15.099.142
Equipment maintenance	6.000.000	2.135.000
Utilities	24.000.000	14.457.249
Communication	36.000.000	41.324.902
Security Cost	-	58.500.000
Bank Charges	12.000.000	6.962.733
Total Office Costs	192.000.000	460.913.460
Salaries and Benefits		
National staff salaries and benefits	902.987.900	705.375.334
International staff salaries and benefits	-	-
Total Salaries and Benefits	902.987.900	705.375.334
TOTAL EXPENDITURE	1.094.987.900	1.166.288.794
Allocated to 32-4201 - Share of office cost	(192.000.000)	(460.913.460)
Allocated to 32-4201 - Share of Salaries and benefits	(902.987.900)	(705.375.334)
Closing Balance 31 December 2016	-	-

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

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

Appendix 5-B

EXPENDITURE	Budget 2016 IDR	Actual 2016 IDR
Office Costs		
Travel - Domestic	24.000.000	-
Office supplies	21.600.000	9.548.150
Office representation cost	14.400.000	11.644.182
Copying & printing	1.200.000	1.200.000
Courier & postage	3.600.000	3.571.180
Computer & related equipment	10.000.000	11.099.551
Audit fee	100.000.000	145.600.000
Furniture & fixtures	6.000.000	-
Total Office Costs	180.800.000	182.663.063
Salaries and Benefits		
National staff salaries and benefits	484.249.223	443.896.193
Total Salaries and Benefits	484.249.223	443.896.193
TOTAL EXPENDITURE	665.049.223	626.559.256
Allocated to 32-4201 - Share of office cost	(180.800.000)	(182.663.063)
Allocated to 32-4201 - Share of salaries and benefit	(484.249.223)	(443.896.193)
Closing Balance 31 December 2016	-	-

**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 2016
(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	5.214.849.068	49.981.651	79.953.236	5.344.783.955
Evangelical Lutheran Church in America	3.174.691.518	-	-	3.174.691.518
Bank Interest	8.327.469	-	-	8.327.469
Total	8.397.868.055	49.981.651	79.953.236	8.527.802.942

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 2016
 (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	4.122.054.715	-	66.318.003	4.188.372.718
Evangelical Lutheran Church in America	2.526.420.910	-	-	2.526.420.910
Bank Interest	8.327.469	-	-	8.327.469
Total	6.656.803.094	-	66.318.003	6.723.121.097

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
STUDIES - UNIVERSITAS HKBP NOMMENSEN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

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
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

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, 2016 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	13,803.13	15,081.30	10,060.91
February	13,864.26	15,116.20	9,803.62
March	13,369.98	14,715.00	9,633.39
April	13,249.84	15,004.12	10,161.26
May	13,186.50	14,977.23	10,047.79
June	13,645.00	15,199.17	9,803.39
July	13,144.50	14,577.25	9,776.17
August	13,102.50	14,530.67	9,861.33
September	13,264.99	14,814.35	10,018.49
October	12,975.00	14,559.25	9,943.48
November	13,050.50	14,253.76	9,881.97
December	13,572.50	14,354.28	10,101.53

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 2016**

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	1,492,477,185	423,404,201
Vehicle	5 years	334,758,687	286,116,606
		39,634,330	56,925,314
		17,738,533	27,812,546
		81,975,233	42,908,526
		<u>1,344,661,338</u>	<u>1,146,838,767</u>

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

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>2016</u>	<u>2015</u>
	Rp	Rp
Bank Mandiri – Acc. No. 106.00.0687109-2 (USD)	1,492,477,195	423,434,904
Bank Mandiri – Acc. No. 106.00.0603780-1 (IDR)	333,756,887	595,156,555
Bank Mandiri – Acc. No. 106.00.0654212-3 (IDR)	55,636,350	55,925,214
Bank BNI – Acc. No. 0179500872 (IDR)	11,735,533	27,612,556
Bank BRI – Acc. No. 00005494-01-003287-53 (IDR)	51,075,273	42,509,538
	<u>1,944,681,238</u>	<u>1,144,638,767</u>

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

3.2. Petty Cash Accounts

	<u>2016</u>	<u>2015</u>
	Rp	Rp
Head Office - Medan	743,125	11,847,701
Field Office - Mentawai	687,046	3,485
	<u>1,430,171</u>	<u>11,851,186</u>

3.3. Advance Accounts

	<u>2016</u>	<u>2015</u>
	Rp	Rp
Advance	4,750,000	-
	<u>4,750,000</u>	<u>-</u>

3.4. 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 2016	956,796,000	831,000,000	1,787,796,000
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2016	<u>956,796,000</u>	<u>831,000,000</u>	<u>1,787,796,000</u>
Accumulated depreciation			
Balance at 1 January 2016	267,902,880	831,000,000	1,098,902,880
Disposals	-	-	-
Depreciation charge for the year	38,271,840	-	38,271,840
Balance at 31 December 2016	<u>306,174,720</u>	<u>831,000,000</u>	<u>1,137,174,720</u>
Net book value at 31 December 2016	<u>650,621,280</u>	<u>-</u>	<u>650,620,280</u>
Net book value at 31 December 2015	<u>688,893,120</u>	<u>-</u>	<u>688,893,120</u>

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YEAR ENDED 31 DECEMBER 2016**

3.5. Deferred Expenditure

A net exchange loss was incurred in 2016 & 2015. A plan is in place to recover the expenditure.

	<u>2016</u>	<u>2015</u>
	Rp	Rp
Exchange loss	75,916,715	269,880,770
	<u>75,916,715</u>	<u>269,880,770</u>

3.6. Contribution Received in Advance

	Project #	<u>2016</u>	<u>2015</u>
		Rp	Rp
Australian Lutheran World Service	32-4201	1,092,794,353	683,064,667
	32-4402	49,981,651	51,317,124
	32-4604	13,635,233	4,902,879
		<u>1,156,411,237</u>	<u>739,284,670</u>
Evangelical Lutheran Church in America	32-4201	648,270,608	517,984,868
		<u>648,270,608</u>	<u>517,984,868</u>
		<u>1,804,681,845</u>	<u>1,257,269,538</u>

3.7. Accrued Expenses

	<u>2016</u>	<u>2015</u>
	Rp	Rp
Audit fee	132,000,000	120,000,000
Income Tax	17,667,803	-
Others	63,693,000	49,101,185
	<u>213,360,803</u>	<u>169,101,185</u>

**CENTER FOR DISASTER RISK MANAGEMENT & COMMUNITY DEVELOPMENT
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

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

3.8. Account Payables

	<u>2016</u> Rp	<u>2015</u> Rp
LWF Myanmar	8,735,476	-
	<u>8,735,476</u>	<u>-</u>

3.9. Exchange gains/(losses)

	<u>2016</u> Rp	<u>2015</u> Rp
Opening Balance		
Net gains/(losses) from revaluation	(18,506,075)	(81,016,475)
Net gains/(losses) from sale of USD	23,708,162	41,984,061
Net gains/(losses) on local currency project	833,858	4,624,610
Gain allocated to project	-	-
Allocation to project	(6,035,945)	34,407,804
	<u>-</u>	<u>-</u>

3.10. Asset Valuation Reserve

	<u>2016</u> Rp	<u>2015</u> Rp
Opening balance	688,893,120	727,164,960
Additions during the year	-	-
Disposals during the year	-	-
Depreciation	(38,271,840)	(38,271,840)
Closing balance	<u>650,621,280</u>	<u>688,893,120</u>

3.11. 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.

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 YEAR ENDED 31 DECEMBER 2016

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

3.11. 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	460,913,460	705,375,335	182,663,063	443,896,193
	<u>460,913,460</u>	<u>705,375,335</u>	<u>182,663,063</u>	<u>443,896,193</u>

3.12. Taxes

The CDRM&CDS is exempt from income taxes.

3.13. 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.

3.14. Capital commitments

There were no capital expenditure commitments at 31 December 2016.