Letter from the Board

Dear Diamond Approach students and friends of the teaching,

Our exposure to COVID-19 and its associated realities has had such a powerful and extensive impact that sharing in July 2020 this Friends of Ridhwan 2019 Annual Report feels like reporting on ancient history. The Ridhwan School and our wider community have responded in many ways to support us and to connect us with each other and the precious teaching to be in the world but not of it. Our purpose remains to help that support continue.

From the current perspective, we feel it particularly important to express our gratitude for your 2019 support of the funding activities of Friends of Ridhwan. We wish to share with you how your generosity helps to sustain the Ridhwan School and make the teaching available in the world. Additionally, a part of this report shares our broad priorities for 2020 and the current support opportunities.

We on the Friends board are all students of the Diamond Approach and are dedicated to serving the needs of the School. We are likewise committed to remaining impeccable stewards of your generosity.

Please contact us if you have questions or ideas for providing further support for the teaching. Additionally, if you are not currently a donor to Friends, your support in the current challenging period is particularly welcome.

With love and appreciation,

The Friends of Ridhwan Board

Sam Barakat
Angelika Boehme
Guus Brackel
Laurie Chestnut

Rob Gussenhoven
Seth Schapiro
Scott Vachon
Richard Wallstein
Our Mission

Friends of Richwan is a student-run organization designated by the Richwan School’s Obsidian Synod as the body responsible for both short-term and future-oriented fundraising on behalf of the School. It acts cooperatively and co-evolves with the School and its various manifestations.

Established in 2015, Friends of Richwan is incorporated as a not-for-profit organization in California as an Affiliated Auxiliary of the Richwan Foundation.

USA
Friends is recognized by the United States IRS as a 501(c)(3) tax-exempt, charitable organization.

Gifts to Friends are tax-deductible to the extent the law allows.

GERMANY
Tax-deductible donations can be made through Richwan Stiftung GmbH, registered in Germany.

For more information please email Angelika at info@ridhwan-stiftung.de.
Your Generosity

$1.2 M  |  +37%  |  +26%
Total 2019 Giving  |  Increase over 2018  |  Increase in Donors

Friends received notification from five individuals who have named us as a beneficiary in their estate plans. While some of these indications do not include an estimated value, the overall minimum, at a future date, could well be $400,000 or more.

"We especially want to express our gratitude for your support of Friends of Ridhwan in 2019, and share with you the results of your generosity."

MONTHLY GIVING MATCHING GRANT CHALLENGE WAS MET

<table>
<thead>
<tr>
<th>Pledged Donations</th>
<th>$34,728</th>
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</thead>
<tbody>
<tr>
<td>Matching Grant Challenge</td>
<td>$30,000</td>
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</table>
Financials

In 2019, we received funding to support the development of a sustainable and efficient operational infrastructure (including funding earmarked for Sustainability, hiring an Associate Director, and performing an Organizational Effectiveness Audit). We also received funding to enhance our internal communication, to develop the Student Body Committee, and to continue to support the planning and development of Diamond Net and the development of technology and website infrastructure.

The scholarship donations listed in this report represent only a portion of the scholarship donations given by students to their groups, because many Diamond Approach groups have independent scholarship funds that are not held or managed by Friends of Ridhwan. The funds shown in the table are for fewer than half of the groups in the School.

OF NOTE

- A $121,000 donation was received to balance Ridhwan’s 2019 budget. This is part of a donor’s pledge of up to $200,000 in 2018, 2019, and 2020 to offset any deficit in our operations budget, if needed. The Ridhwan Foundation is continuing to adjust its revenues to cover the increases in operating expenses that have occurred over several years. Dues and fees to Ridhwan were increased for 2020 and beyond, to address the shortfall in the long term. Since these are not considered donations, they are not shown in the table.

- The construction of the parsonage at the Berkeley Center was completed in 2019.

- Funding continues to come to Ridhwan from a long-term charitable trust established decades ago by a deceased Diamond Approach student. The impact of this trust has been critical to sustaining School operations and to buying and renovating the Berkeley Center. Funding from the trust diminishes every year.

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<table>
<thead>
<tr>
<th>TOTAL GIVEN</th>
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<tbody>
<tr>
<td>Unrestricted Donations</td>
<td>$333,310</td>
</tr>
<tr>
<td>Operational support, future sustainability and infrastructure support</td>
<td>$392,577</td>
</tr>
<tr>
<td>Diamond Net</td>
<td>$95,620</td>
</tr>
<tr>
<td>Contingency donation (to close the Ridhwan operational deficit)</td>
<td>$121,818</td>
</tr>
<tr>
<td>Endowment and other restricted*</td>
<td>$52,531</td>
</tr>
<tr>
<td>Scholarship funds, restricted**</td>
<td>$204,385</td>
</tr>
<tr>
<td>2019 Fundraising Revenue</td>
<td>$1,200,032</td>
</tr>
<tr>
<td>Charitable trust***</td>
<td>$63,200</td>
</tr>
<tr>
<td>Donated proceeds from sales, restricted****</td>
<td>$18,205</td>
</tr>
<tr>
<td>Parsonage, restricted</td>
<td>$59,500</td>
</tr>
<tr>
<td>Total Given</td>
<td>$1,340,937</td>
</tr>
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</table>

* Accounts include Endowment, Friends of the Logos (book editing), property funds, and various community support funds.
** California and Colorado Diamond Heart Groups, Diamond Heart Retreat Groups, seminaries, and various Diamond Approach Groups.
*** Annual payment from a deceased student’s trust established in the 1990’s, payment is diminishing each year.
**** Proceeds from sales of retreat recordings and other fees that would have passed to Hamreed or Karen, which they directed to support teacher training.

38% of 2019 Donations was unrestricted, allowing the School to allocate funding to areas of greatest need.
93% of all donated funds directly supported Ridhwan. The 2019 fundraising, administrative, and legal costs of Friends were just under 7% of funds raised.

“We wish to honor and thank the hundreds of volunteers supporting our groups, the Ridhwan School and Friends of Ridhwan.”

According to the Association of Fundraising Professionals, the overall fundraising cost in the United States is 25% of funds raised. The expected costs of processing online donations alone can range from 3% to 75% of the amount of each gift (which is included in 7% above).

In 2019, a professional fundraising advisor, whose costs were covered by a donor, assisted Friends with our yearly planning and through the year-end campaign. This enhanced our effectiveness and kept our out-of-pocket costs very low.

We contract with the Ridhwan Foundation for the management of our fundraising activity, the receipt and processing of all donations, donor communication and gift acknowledgement, fund management, and coordination of the end-of-year campaign. Ridhwan has a part-time staff member dedicated to overseeing all those activities. We use external venders for material design and website management, and retain legal counsel as needed.
Activities Supported by Donors

Strengthening the sense of community within the School

Donors’ generosity allowed us to create the new Student Body Committee and to provide financial aid for additional staff hours to facilitate the all-school online “Community Conversations with Hameed.”

Offering timely teachings through Diamond Approach Online (DAO)

Donors made it possible to provide new, introductory programs that helped participants bring the Diamond Approach teachings and practices into their daily lives. The Spirituality in a Fractured World online course launched at the beginning of 2020 with a video mini-series viewed by over 28,000 people, including 24,000 people who were new to the Diamond Approach.

Continuation of the Ridhwan strategic planning process

In 2018, five strategic priorities were identified by the Strategy Committee, with support of a consultant and input from many bodies throughout the School, to help the sustainability and the efficiency of the Ridhwan School: Develop the teacher body, Develop the student body, Manifest the Diamond Net, Co-evolve a sustainable financial model and Co-evolve more effective and efficient ways of working. In 2019, through the generosity of a donor, Ridhwan proceeded with the second phase of our living strategic planning process, with the same consultant.

Planning and developing the unfolding vision for the Diamond Net

Donors supported the successful first stage of DAO website technical upgrades, which greatly improved both student learning experiences and staff efficiency. A needs assessment and initial prototyping were completed for the design of a unified technological platform for the Diamond Net.

Book editing and promotion

In 2019, the first book of the Love series, Love Unveiled, was finalized and early in 2020 it was released. In addition, Keys to the Enneagram was submitted to Shambhala in early 2020. The planned publication date is the spring of 2021. Lastly, about half of the second of the Love book series was edited, and this volume will be completed in 2020.

Continuation of financial support for students

Friends continues to help students who require financial assistance to participate in the teachings.
2019 Grants and Awards

A significant share of the gifts Friends of Ridhwan received in 2019 came through the year-end appeal, and these funds are being used in 2020 to support key initiatives of the School and its operating costs.

Through the generosity of donors, the development of a sustainable and effective Ridhwan operational infrastructure is underway.

In addition, we continued to provide funding for developing our internal communication capacity and the Student Body Committee, editing and promotion of new books, support for programming through Diamond Approach Online, and planning to provide the teaching through Diamond Net in the future.

Last year, $901,320 in grants and awards was made possible by donations to Friends of Ridhwan in 2019 and previous years.

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Note: Not all funds are spent the same year they are received.
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<table>
<thead>
<tr>
<th>Unrestricted funds to support operations and administrative upgrades</th>
<th>$518,119</th>
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</thead>
<tbody>
<tr>
<td>Funds granted to editing and publicizing books</td>
<td>$21,677</td>
</tr>
<tr>
<td>Scholarships awarded</td>
<td>$123,765</td>
</tr>
<tr>
<td>Restricted funds for Diamond Net planning and development</td>
<td>$99,729</td>
</tr>
<tr>
<td>Restricted funds for initiatives and infrastructure</td>
<td>$84,958</td>
</tr>
<tr>
<td>Capital spending on website and School-wide portal</td>
<td>$32,251</td>
</tr>
<tr>
<td>Other restricted funds</td>
<td>$20,821</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$901,320</strong></td>
</tr>
</tbody>
</table>

“Through the generosity of donors, the development of a sustainable and effective Ridhwan operational infrastructure is underway.”
2019 Accomplishments

Increased Overall Fundraising
We received $1,200,000, thanks to many generous donors. This represents an increase of 37% over 2018 fundraising.

Co-Hosted Community Meetings
Friends co-hosted community meetings for over 300 students at each of Hameed’s summer retreats, one in California and one in the Netherlands. We presented information about the history and evolution of the School, its current status and challenges, and the overall financial picture. Lively discussions followed the presentations. The high attendance and active interest revealed that members are very interested in this sort of information, transparency, and dialogue.

Increased Ongoing Monthly Giving
With the extra incentive of a $30,000 matching challenge, donors increased their pledges for ongoing monthly giving and more than met the challenge. Annually, the amount of unrestricted donations coming in via monthly commitments is now $82,000.

Increased Number of Donors
We are just over 10% of Diamond Approach students donating (8% in 2018), and close to 18% if we include scholarships funds handled by Friends. (This understates total scholarship giving because most DA groups manage their scholarship funds independently.)

Broadened Communication
We broadened the communication with interested students and friends regarding opportunities for leaving a legacy gift to support the teaching.
2020 Ridhwan Needs and Priorities

Our primary focus will be to continue to address, manage and adjust to the challenges and uncertainties that COVID-19 will bring while at the same time moving forward on programs that support the teachings. The resolution of the COVID-19 pandemic will allow us to fully focus on our overarching priorities of developing more effective working and financial models and further growing our outreach activities.

In general, the Synod asked Friends of Ridhwan to seek support for the following projects and areas:

**Unrestricted Giving**

An increased focus on donations to support Ridhwan through unrestricted giving to balance its budget and to support meeting its strategic priorities:

- Develop the teacher body
- Develop the student body
- Manifest the Diamond Net
- Co-evolve a sustainable financial model
- Co-evolve more effective and efficient ways of working

**Grow the Endowment**

Continuing contributions to the Ridhwan Endowment for the Future. The current amount in un-spendable principal from which Ridhwan may draw interest each year is $410,000.

**Books**

Editorial and promotional costs for A.H. Almaas’s upcoming books.

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P.O. Box 10174 Berkeley, CA 94709, USA  |  www.friendsofridhwan.org  |  contact@friendsofridhwan.org  |  Tel: +1 510-269-8033  |  Fax: +1 510-528-5311