

ANNUAL REPORT 2016



FRIENDS OF RIDHWAN
(formerly Friends of Diamond Heart)

Published 20 July 2017

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LETTER FROM THE BOARD

Dear friends of the Diamond Approach,

We are pleased to share with you the first annual report of Friends of Ridhwan.

In doing so, we also want to extend our heartfelt gratitude to each of you who has helped support the ongoing manifestation and dissemination in the world of the Diamond Approach by giving to Friends of Ridhwan. As interest in the teaching grows, the Ridhwan School continues to offer new ways for seekers to access and engage the Diamond Approach. In the 2016 alone:

- ▶ 3 new groups were established worldwide with 130 new students
- ▶ 17 new teachers were ordained
- ▶ 4 courses through Diamond Approach Online engaged 1,961 participants from Europe, Asia, Australia, Africa, and North and South America, countries on all continents
- ▶ 4 new books by A.H. Almaas and Karen Johnson were in various stages of writing, editing and publishing

This activity and growth could not happen without the significant philanthropic support given by you and others through Friends of Ridhwan.

In addition to providing a report on the previous year's giving, we also want to share with you opportunities in the coming year that may interest you.

Sincerely yours,

The Friends of Ridhwan Board:

Sam Barakat, Angelika Boehme, Guus Brackel, Laurie Chestnut, Dana Harrison, Scott Vachon and Richard Wallstein

INTRODUCTION

Friends of Ridhwan (formerly Friends of Diamond Heart) is a student-run organization designated by the Ridhwan School's Obsidian Synod as the body responsible for both short-term and future-oriented fundraising on behalf of the School. It has been created to act cooperatively and to co-evolve with the School and its various manifestations. Both the Ridhwan Foundation and Friends of Ridhwan serve under the guidance of the Obsidian Synod.

Establishing a separate legal entity for fund raising activities frees the Ridhwan Foundation to serve fully in its role to support the teaching; it does this by supporting teachers and students in the School, training and ordaining teachers, and presenting public programs. Friends of Ridhwan is able to focus on activities related to seeking and receiving charitable gifts.

NEW NAME

Friends of Diamond Heart was incorporated in 2015 as a not-for-profit organization in California and recognized by the United States IRS as a 501(c)(3) tax-exempt, charitable organization as an Affiliated Auxiliary of the Ridhwan Foundation. In early 2017, at the urging of the Obsidian Synod, we changed our name to Friends of Ridhwan to more clearly communicate the purpose and scope of our work on behalf of the entirety of the Ridhwan School worldwide.

PAST AND FUTURE GIFT DESIGNATIONS

All checks written to support our work should be made out to Friends of Ridhwan. However, if you make a check out to Friends of Diamond Heart or even the Ridhwan Foundation, rest assured that your gift will be accepted by us without problem or delay.

As well, if you have named us in your estate as a trust or bequest beneficiary using Friends of Diamond Heart there is no need to change this designation. Your commitment will now support the Diamond Approach through the Friends of Ridhwan.

2016 FINANCIAL OVERVIEW

Funds donated by individuals to Ridhwan in 2016 (via Friends or the Ridhwan Foundation) were \$483,502. This represents an increase in donations of more than \$160,000 from 2015. Of the \$483,502, nearly half was unrestricted. The largest portion of the \$483,502 was for specific scholarships funds and the unrestricted was the next largest category.

In addition, funds came to Ridhwan from a decades-old charitable trust and from donated proceeds from sales of retreat recordings. Funds were also donated for the construction of the parsonage at the Berkeley, California, property. These three activities are not being handled by Friends of Ridhwan, so are not counted in the total above.

2016 Fundraising Revenue

	TOTAL GIVEN
Unrestricted Donations	\$206,143
Scholarship Funds – Restricted *	\$219,282
Endowment - Restricted	\$34,097
Other Restricted **	\$23,981
Subtotal for 2016	\$483,502
Charitable Trust***	\$80,600
Donated Proceeds from Sales – Restricted****	\$58,035
Parsonage – Restricted	\$152,300

* California and Colorado Diamond Heart Groups, Diamond Heart Retreat Groups, Diamond Heart Estes Park Group, STP, US RISNG (Seminary) and DASf. Because many donations are aggregated by individual groups and then submitted to Friends of Ridhwan, it is not possible to know the actual number of donors.

** Accounts include: Friends of the Logos (Book Editing), Gateway, Tech Development, Capital Building Improvements, Teacher Training Support, End of Life Support, Teacher-to-Teacher Fund, Administrative and Internal Development.

*** 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 Hameed or Karen that they directed to support teacher training.

WHERE FUNDS WENT IN 2016

Most of the gifts we received in 2016 came through the Year-End Appeal and will be used to support key initiatives and the School overall in 2017. Through your generosity, we have already provided needed 2017 funding for new book editing and promotion and to support expansion of programming through Diamond Approach Online, including research in support of a potential new group in Asia. In addition, a grant was made in early 2017 to complete the donor challenge for the endowment.

In 2016, a total of \$747,215 in grants and awards was made possible by donations in 2016 and in previous years. This includes a substantial investment made using savings from previous years' donations in the new Diamond Approach website and school-wide technology infrastructure upgrade, being completed in 2017.

2016 GRANTS & AWARDS

	TOTAL
Unrestricted funds used to support operations, including new online programs*	\$221,413
Unrestricted funds granted to editing of books	\$10,922
Scholarships awarded	\$122,544
Restricted funds applied to support teacher training	\$131,378
Capital spending on new website and school-wide technology infrastructure upgrade	\$212,156
Parsonage design and permitting	\$48,802
Total	\$747,215

*This includes a payment from the charitable trust.

ADMINISTRATIVE, LEGAL & FUNDRAISING COSTS

Friends of Ridhwan is happy to report that our fund raising, administrative, and legal costs in 2016 were just shy of 10% of the funds raised. According to the Association of Fundraising Professionals, the overall cost to raise a dollar in the United States is \$0.25. The expected costs of processing online donations alone can range from 3% to 7.5% of the amount of each gift. That said, organizations experience vastly different fundraising costs based on the size, age and type of the organization. Looking at costs, alone is an overly simplistic way of measuring nonprofit effectiveness.

Friends of Ridhwan contracts with the Ridhwan Foundation for fundraising activity management, the receipt and processing of all donations, gift acknowledgement, and fund management. We use vendors for material design and website management and retain legal counsel, as needed. Starting in 2017, Friends has a dedicated staff person, Eme LeCavalier, who oversees all donor communications and acknowledgements.

Transition to the new website will require some attention later this year.

2016 ACCOMPLISHMENTS

- ▶ **Increased Overall Fundraising** – We received \$483,502 through the generosity of many donors. This represents an increase of more than 50% over 2015 fundraising.
- ▶ **Matched the Endowment Challenge & Established the Ridhwan Endowment for the Future** – Only because of your support, we met the matching challenge issued by an anonymous donor two years ago. As a result, the Ridhwan Endowment for the Future has been seeded with a total of \$372,847 in fund principal as of early 2017.
- ▶ **Communicated Use of Current School Funding and Presented to Donors New Projects & Special Initiatives** – In collaboration with the Ridhwan Foundation and the Obsidian Synod, we shared with donors and all friends two important documents.
 - **Charitable Support and the Diamond Approach** provides an overview of where student dues and fees go, and why charitable support is especially important now.
 - **Special Needs and New Initiatives** was first used in the 2016 Year-End Appeal to articulate some of the most critical and future-oriented projects requiring charitable support. This document is now updated periodically on our website, as some needs receive funding and others are identified.
- ▶ **Developed Planned Giving Resources for Donors** – Because of increasing requests for information about planned giving to support the Diamond Approach, we developed a number of materials for interested donors, all of which can be found on our website:
 - **Planned Giving Flyer** – Information on why and how to make a planned gift to FOR
 - **Planned Gift Intention Form** – To be used in communicating a planned gift intention to FOR
 - **Sample Language for A Bequest** – Simple, standard wording for donors to use in naming FOR as a beneficiary in a will
 - **Gifts of Retirement Plan Assets and Insurance** – Information needed in naming FOR as a beneficiary through one of these vehicles
- ▶ **Began Offering Charitable Donation and Funds Management to a Limited Number of Diamond Approach (Outlying) Groups** – In addition to providing donors to these scholarship funds, we provided gift documentation for tax purposes in the United States; this service also includes: managing and investing the scholarship funds, and providing fund reports to group liaisons.

2017 PRIORITIES & INITIATIVES

- ▶ **Friends of Ridhwan Gathering at Asilomar** – We will be hosting a casual reception for donors and anyone else who wishes to make time to learn more about Friends of Ridhwan and current and future School needs.
- ▶ **Hosting Web-based Conversations with Donors and Others** – In the second half of 2017, we are planning on engaging lead teachers, project leaders, Friends of Ridhwan donors, and other friends of the Diamond Approach in conversations about current School needs and initiatives: Diamond Approach Online; editing, publishing and promotion of Hameed and Karen's books; and Planned Giving opportunities.
- ▶ **Developing Comprehensive, Strategic Investment Policies & Procedures** – In collaboration with the Ridhwan Foundation, we will be crafting the means by which to best protect donor gifts and other School funds while also providing for the best return on investment.
- ▶ **Continuing Our Efforts Globally** – In the past year, the Ridhwan Foundation, Friends of Ridhwan, and the European members of the FOR board, have been engaged in pursuing the legal means by which to best secure the Diamond Approach in Europe. While these efforts are complex, we hope to make headway in the coming year for the benefit of donors, all Diamond Approach students, and others with an interest in the work.
- ▶ **Website Migration** – Along with all other manifestations of the Ridhwan School, we look forward to migrating to the new DiamondApproach.org web platform in mid-2017.
- ▶ **Periodic Updates in the Monthly Diamond Approach E-News** – As we started in 2016, we will continue using the monthly e-news as an easy means to communicate news and needs from Friends of Ridhwan.
- ▶ **2017 Year-End Appeal** – Look for communication about the 2017 appeal in November!