Dear Diamond Approach students and friends of the teaching,

We are grateful for your support of Friends of Ridhwan in 2017 and are pleased to share with you the results of your generosity.

This annual report has two primary purposes.

- First, we want to share with you the ways—through your donations—we have been able to support Ridhwan and increasing the availability of the Diamond Approach teaching in the world.

- Second, as a result of current developments and opportunities, we want to present new ways that we can all support the teaching.

As the reach and impact of the Diamond Approach in the world expands, Ridhwan is, in turn, evolving into a more mature and complex organization. Among the most notable developments are the new ways we can use online technology to offer the teaching. These opportunities are arising at a time in which a growing number of current students—and others who would like to practice the Diamond Approach—find our classical form challenging because of time, geography and financial limitations. The practical considerations inherent in the School’s expansion are notable, and Ridhwan’s financial model must evolve to meet and support these opportunities.

As fellow students of the Diamond Approach, we on the Friends board remain committed to serving the needs of the School and being exemplary stewards of your generosity. Please contact us if you have any questions or ideas for providing further support of the teaching. Similarly, if you are currently not a donor to Friends, we would welcome your participation now or in the future.

In gratitude, and in loving memory of our dear, departed colleague and Ridhwan executive director, Dana Harrison,

The Friends of Ridhwan Board:

Sam Barakat, Angelika Boehme, Guus Brackel, Laurie Chestnut, Scott Vachon and Richard Wallstein
About Friends

Friends of Ridhwan 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.

Established in 2015, Friends of Ridhwan is incorporated 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.

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.

All gifts to Friends are tax deductible to the fullest extent of the law where you live.

2017 Financial Overview

In 2017, funds donated by individuals and foundations to Ridhwan (via Friends or the Ridhwan Foundation) were $660,033. This represents an increase in donations of more than $175,000 from 2016. Of the $660,033, 42% was unrestricted. The successful completion of the Endowment Fund matching campaign in 2016 caused Ridhwan to receive $150,000, representing the remainder of the generous challenge match of an anonymous donor. The permanently restricted Endowment Fund principal now stands at $374,000.

In addition:

- Funds continue to be donated for the construction of the parsonage at the Berkeley, California, property.
- Proceeds of sales of retreat recordings are being donated by Hameed and Karen to the teacher training support.
- 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 providing support to special projects, including purchase and renovation of the Berkeley Center. Funding from the trust diminishes every year.

These three activities are not being handled by Friends of Ridhwan and so are not counted in the Friends total above.

It is notable that, in 2017, the US RISNG seminary program took a break from fundraising. US RISNG had raised $47,489 in 2016 for its own scholarship needs in 2016. It will resume fundraising in 2018.
**2017 Fundraising Revenue**

<table>
<thead>
<tr>
<th><strong>TOTAL GIVEN</strong></th>
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<tbody>
<tr>
<td><strong>Unrestricted Donations</strong></td>
<td>$278,143</td>
</tr>
<tr>
<td><strong>Scholarship Funds – Restricted</strong></td>
<td>$111,156</td>
</tr>
<tr>
<td><strong>Endowment - Restricted</strong></td>
<td>$170,574</td>
</tr>
<tr>
<td><strong>Other Restricted</strong></td>
<td>$99,619</td>
</tr>
<tr>
<td><strong>2017 Fundraising Revenue</strong></td>
<td>$660,033</td>
</tr>
<tr>
<td><strong>Charitable Trust</strong>*</td>
<td>$75,600</td>
</tr>
<tr>
<td><strong>Donated Proceeds from Sales – Restricted</strong>****</td>
<td>$44,117</td>
</tr>
<tr>
<td><strong>Parsonage – Restricted</strong></td>
<td>$201,100</td>
</tr>
<tr>
<td><strong>Total Given</strong></td>
<td>$980,850</td>
</tr>
</tbody>
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* California and Colorado Diamond Heart Groups, Diamond Heart Retreat Groups, Diamond Heart Estes Park Group, STP, US RISNG (Seminary) and DASF.

** 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.

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**Where Funds Went in 2017**

Most of the gifts we received in 2017 came through the Year-End Appeal and will be used to support key initiatives and the School overall in 2018. Through your generosity, we have already provided needed 2017 funding for new book editing and promotion and to support programming through Diamond Approach Online, including support of the new Diamond Approach group in Asia.

In 2017, a total of $906,065 in grants and awards was made possible by donations in 2017 and in previous years. This included a substantial investment made using savings from previous years’ donations in the new Diamond Approach website and in upgrading the technology infrastructure for the School.

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**2017 Grants & Awards**

<table>
<thead>
<tr>
<th><strong>TOTAL</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted funds to support operations, including new online programs*</td>
<td>$311,294</td>
</tr>
<tr>
<td>Funds granted to editing of books</td>
<td>$9,772</td>
</tr>
<tr>
<td>Scholarships awarded</td>
<td>$132,956</td>
</tr>
<tr>
<td>Restricted funds for administrative upgrades</td>
<td>$13,435</td>
</tr>
<tr>
<td>Restricted and unrestricted funds to support teacher training</td>
<td>$72,852</td>
</tr>
<tr>
<td>Capital spending on new website and school-wide portal</td>
<td>$155,566</td>
</tr>
<tr>
<td>Parsonage design, permitting, and preparation</td>
<td>$208,704</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$904,579</td>
</tr>
</tbody>
</table>

* This includes a payment from the charitable trust.
Activities That Donors Supported in 2017

- **Launch of diamondapproach.org.** This new platform is much more than simply a new website. It is both the new public-facing site focused on making the teaching more accessible and also the new Ridhwan School student portal. Accessing information now is easy via smartphone and tablet, in addition to laptops and desktops, and offers a foundation for innovation in both presenting the teaching and enhancing community connectedness.

- **Exploration of new ways to offer the teaching through Diamond Approach Online—a program of the Diamond Net** – Online programs—produced internally and also with partner organizations—drew nearly 4,000 participants across Europe, Asia, Australia, Africa and North and South America. Half of the participants were new to the Diamond Approach.

- **Development of ways to make the Diamond Approach more visible to current students and more findable for interested new people** – Projects in the first category include our new Student Digest, Teacher Digest, and monthly e-newsletters highlighting a teaching, the teachers as wisdom-holders in the school, open groups, worldwide events and special programs. Projects in the second category include videos and stories of “Diamond Approach in the World” which help interested new people relate to the work.

- **Book Editing and promotion** – Both A.H. Almaas’s The Alchemy of Freedom Karen Johnson’s new book on early years of the Diamond Approach, The Jeweled Path, went through this critical process on the way to publication.

- **Ridhwan strategic planning process** – Through the generosity of an anonymous donor, Ridhwan was able to embark upon the first phase of a broad strategic planning process. Given the continuous unfoldment of the Diamond Approach teaching and the necessary, accompanying evolution of its home in the world—the Ridhwan School—this kind of process is exceedingly valuable now. The donor has generously agreed to fund the second phase of planning in 2018.

- **Continuation of support for students who, for whatever reason, require financial assistance to continue to participate in the teaching and/or events.**

**Administrative, Legal & Fundraising Costs**

The fundraising, administrative, and legal costs of Friends in 2017 were just shy of 8% of the funds raised. Because of certain incorporation and website costs in 2016 that were not necessary in 2017, our 2017 overall costs were two percentage points less during this year. 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.

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 who oversees all donor communications and acknowledgements on a part-time basis.
2017 Friends of Ridhwan Accomplishments

- **Increased Overall Fundraising** – We received $660,033 through the generosity of many donors. This represents an increase of more than 35% over 2016 fundraising.

- **Successfully migrated to the new Diamond Approach web platform and continued to provide valuable information and tools** for those moved to support the Diamond Approach through Friends.

- **Continued to work closely with Ridhwan in applying for ANBI status in The Netherlands** – ANBI (Algemeen Nut Beogende Instelling) is the non-profit designation in The Netherlands issued by the Tax Office to organizations that meet required criteria. Receiving this designation is a complicated process for foreign organizations and is much different than the U.S. designation. From a charitable standpoint, once successful, Ridhwan students in The Netherlands will be able to receive tax deductions related to their charitable support of Ridhwan.

- **Hosted a reception and informational meeting for 40 donors and other friends at Hameed’s summer retreat at Asilomar State Park, California.**

- **Developed and shared with all students and other friends of the teaching a series of video interviews** with Hameed, Karen Johnson, and other teachers and administrators related to School needs regarding new book editing and publishing; Diamond Approach Online and the emerging Diamond Net; and the benefits of planned giving through wills and trusts.

Ridhwan Needs in 2018 and Beyond

The Synod has asked Friends of Ridhwan to seek support for the following projects and areas:

- **Unrestricted donations** to support emerging opportunities, promising ideas, and general operations that support our global organization and presence.

- **Continuing support for the Ridhwan Endowment for the Future.** (The current amount in unspendable principal from which Ridhwan may draw interest is $375,000.)

- **Editing and promotional costs** for A.H. Almaas’s three new books on Love, the Instincts, and the Phenomenology of Experience, and also for promotional costs for Karen Johnson’s book, The Jeweled Path.

- **Continued development of our online presence, via Diamond Net and Diamond Approach Online**, capacity to offer the Diamond Approach teaching online.

- **Development of the grounds and landscaping at the Berkeley Center** once construction of the Parsonage is complete.

- **Creation of a school-wide scholarship fund** to help ensure that the teaching remains accessible to as many students as possible.
Friends of Ridhwan 2018 Priorities & Initiatives

- Join with the Obsidian Synod and Ridhwan Foundation in effectively communicating the vital role the School plays in the lives and practices of Diamond Approach students.

- Communicate to all students and friends the significant opportunities and benefits of the Diamond Net and Diamond Approach Online.

- Invite all students to consider participation in one or more primary ways of supporting Ridhwan:
  - **Citadel Circle** – A new opportunity for donors to generously support Friends through regular monthly or quarterly donations
  - **Legacy Circle** – Our current means by which donors provide for the future and long-term presence of the Diamond Approach in the world through bequests in the wills or trusts, retirement funds, property and real estate, and other common planned giving methods
  - **Catalyst Donors & Investors** – For any students and friends interested in learning about and providing significant charitable gifts (or low-interest loans) for some of the most broad, promising and potentially impactful initiatives currently available to the School

- Participate in a large group meeting at this year’s Asilomar retreat to answer questions and help share information about the School and the Diamond Approach teaching—yesterday, today and tomorrow.

- Continue our efforts globally by helping the School secure ANBI status and exploring similar status in other countries.

- Continue to provide periodic updates in the in the monthly Diamond Approach E-News, Student Digest and Teacher Digest.

- Conduct the 2018 Year-End Appeal starting this November.