

Worldwide Diamond Approach - 2017

	PROGRAMS	GEN'I ADMIN	FUNDRAISING	TOTAL	Ridhwan Foundation TOTAL	Friends of Ridhwan TOTAL
<b>EARNED INCOME</b>						
TUITION						
Big Group Tuition	\$ 3,531,154			\$ 3,531,154		
Small Group Tuition	\$ 1,155,369			\$ 1,155,369		
Private Session Fees	\$ 4,428,762			\$ 4,428,762		
Seminary Tuitions	\$ 586,244			\$ 586,244		
TOTAL TUITION	\$ 9,701,529			\$ 9,701,529	\$ 2,115,645	
MEMBERSHIP DUES	\$ 439,967			\$ 439,967	\$ 439,967	
OTHER INCOME	\$ 364,156	\$ 32,293	\$ 8,665	\$ 405,115 *	\$ 377,856	\$ 8,665
<b>TOTAL EARNED INCOME</b>	<b>\$ 10,505,652</b>	<b>\$ 32,293</b>	<b>\$ 8,665</b>	<b>\$ 10,546,610</b>	<b>\$ 2,933,468</b>	<b>\$ 8,665</b>
<b>CONTRIBUTED INCOME (RF + FDH)</b>						
Unrestricted donations			\$ 354,284	\$ 354,284	\$ 271,294	\$ 82,990
Temporarily Restricted Income			\$ 482,435	\$ 482,435	\$ 256,854	\$ 225,581
Permanently Restricted Income			\$ 154,574	\$ 154,574		\$ 154,574
<b>TOTAL CONTRIBUTED INCOME</b>			<b>\$ 991,293</b>	<b>\$ 991,293</b>	<b>\$ 528,148</b>	<b>\$ 463,145</b>
Temp Rest Income Released			\$ (370,842)	\$ (370,842)	\$ (183,790)	\$ (187,052)
In-kind Income			\$ 9,500	\$ 9,500		\$ 9,500
<b>TOTAL INCOME</b>	<b>\$ 10,505,652</b>	<b>\$ 32,293</b>	<b>\$ 638,616</b>	<b>\$ 11,176,561</b>	<b>\$ 3,277,826</b>	<b>\$ 294,258</b>
<b>EXPENSE</b>						
DIRECT TEACHING EXPENSES						
Payments to Directors & Teachers	\$ 7,414,926			\$ 7,414,926		
Other Group Expenses (incl Admin)	\$ 1,225,579			\$ 1,225,579		
Core Contributions	\$ 471,049	\$ (471,049)				
Teacher Insurance	\$ 22,323			\$ 22,323		
TOTAL DIRECT TEACHING EXPENSES	\$ 9,133,878	\$ (471,049)		\$ 8,662,829	\$ 1,058,352	
DIAMOND APPROACH ONLINE (DAO)	\$ 189,431	\$ (61,763)		\$ 127,668	\$ 127,668	
SEMINARIES	\$ 586,244	\$ (68,664)		\$ 517,579	\$ 517,579	
PROGRAM SUPPORT	\$ 422,243			\$ 422,243	\$ 422,243	
GRANTS	\$ 301,616			\$ 301,616	\$ 71,739	\$ 229,877
FACILITIES (CA and CO)	\$ 123,445	\$ 21,716		\$ 145,161	\$ 145,161	
GENERAL ADMINISTRATIVE SUPPORT	\$ 18,951	\$ 932,521		\$ 951,472	\$ 951,472	
FUNDRAISING			\$ 52,624	\$ 52,624	\$ 1,324	\$ 51,299.83
<b>TOTAL EXPENSE</b>	<b>\$ 10,775,808</b>	<b>\$ 352,760</b>	<b>\$ 52,624</b>	<b>\$ 11,181,191</b>	<b>\$ 3,295,537</b>	<b>\$ 281,177</b>
<b>NET INCOME FROM ACTIVITIES</b>	<b>\$ (270,155)</b>	<b>\$ (320,467)</b>	<b>\$ 585,992</b>	<b>\$ (4,630)</b>	<b>\$ (17,711)</b>	<b>\$ 13,081</b>
DEPRECIATION				\$ 199,301	\$ 199,301	
<b>NET INCOME</b>	<b>\$ (270,155)</b>	<b>\$ (320,467)</b>	<b>\$ 585,992</b>	<b>\$ (203,931)</b>	<b>\$ (217,012)</b>	<b>\$ 13,081</b>
Core Support fees paid	\$ 601,476	\$ (601,476)	\$ -	\$ -		
<b>TOT EXP w/o CORE SUPPORT ALLOC'N</b>	<b>\$ 10,174,331</b>	<b>\$ 954,236</b>	<b>\$ 52,624</b>	<b>\$ 11,181,192</b>		
<b>EXPENSE RATIOS</b>	<b>PROGRAMS</b>	<b>Core Costs</b>	<b>Fundraising</b>			
	91%	9%	0%	100%		

\* For Ridhwan, "Other Income" includes DAO income.

## Statements of Financial Position December 31, 2017

	<b>Ridhwan Foundation</b>	<b>Friends of Ridhwan</b>
	<b>TOTAL</b>	<b>TOTAL</b>
<b>ASSETS:</b>		
Cash Accounts	\$1,615,636	\$1,059,552
Other Current Assets	\$229,151	\$1,344
Property & Equipment	\$4,721,828	\$0
Long Term Assets	\$0	\$230,000
Other Assets	\$521,420	\$0
<b>Total Assets</b>	<b>\$7,088,036</b>	<b>\$1,290,896</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Current Liabilities	\$487,292	\$87,153
Pre-paid Tuitions	\$312,512	\$0
Other Liability	\$34,714	\$31,102
<b>Total Liability</b>	<b>\$834,518</b>	<b>\$118,256</b>
<b>Net Assets:</b>		
<b>Restricted Funds:</b>		
Scholarship Funds	\$0	\$281,090
Restricted Funds Other	\$679,691	\$468,421
Permanent Restricted Fund	\$0	\$374,039
Board Rest Funds	\$525,000	\$0
Unrestricted Net Assets	\$5,048,827	\$49,090
<b>Total Net Assets</b>	<b>\$6,253,517</b>	<b>\$1,172,640</b>
<b>Total Liability &amp; Equity</b>	<b>\$7,088,036</b>	<b>\$1,290,896</b>

## Notes on Diamond Approach Financial Statements – 2017

The income and expenses included in Worldwide Diamond Approach represent the teaching activities of all ordained Ridhwan teacher-ministers worldwide, including the those of the Ridhwan Foundation (a U.S. registered 501(c)3 nonprofit), and its Affiliated Auxiliary fundraising organization, Friends of Ridhwan, which support the worldwide activities of the Ridhwan School in offering the Diamond Approach. Results for the two legal entities—Ridhwan Foundation and Friends of Ridhwan (FOR)—individually appear in adjacent columns. As many teaching activities are organized autonomously by teachers, a large part of student tuition does not flow through the central organization although all teachers pay a portion of their tuition revenue to the Ridhwan Foundation to support its core costs.

As interest in the teaching grows, the Ridhwan School continues to offer new ways for seekers to access and engage the Diamond Approach. In 2017 alone:

- 3 new groups (Dawn, CODH, Boston 4) were established with 80 new students in total
- 22 new teachers were ordained
- 8 online courses, 7 online programs, 1 online summit, and 3 webinars through Diamond Approach Online engaged 1,805 participants from countries in Europe, Asia, Australia, Africa, and North and South America.
- 4 new books by A.H. Almaas and Karen Johnson were in various stages of writing, editing and publishing

Earned income was \$10.5mm, or 94% of the total organizational revenue. Worldwide teaching activities received \$9.7mm in 2017 of which 6% represented tuitions for Seminary (teacher training) programs. Membership dues contributed an additional \$440k. The remaining \$405k comes from Diamond Approach Online courses (tuition or shared revenue from outside producers), facilities rental fees, AV Library fees, and interest and foreign exchange income.

Contributed income of \$630k was split between unrestricted donations (\$354k) 56% and restricted income 44%. Half of the restricted income was for scholarships and the other half was for the endowment fund. The net of restricted income released for activities in 2017 was \$370k. In addition, the organization received an in-kind donation of fundraising support for Friends of Ridhwan's end-of-year campaign equal to \$9,500.

Total worldwide expenses were \$11.2mm. Of this, \$10,147k (91%) was spent on program activities, \$954k on core costs /general administration (9%), and \$52,624 (<0.5%) on fundraising activities. Note that, for organizations of this size, Guidestar's National Nonprofit Research Database shows a median core cost percentage of 12.2%; 13.7% for educational institutions.

Membership dues covered about 46% of the core costs (general administration) of running the Ridhwan organization. The rest is covered from the teaching percentages paid from worldwide activities and unrestricted donations.

Ridhwan Foundation's budget is designed to break even on operational activities. In 2017, the legal entity showed a loss of \$17,711 (.5%). Note that Ridhwan Foundation does not include depreciation in its budget planning, as the organization has always relied on donations to cover capital expenses.