

# REFUGE RECOVERY ANNUAL FINANCIAL REPORT 2017

## Introduction

This is the inaugural Annual Report for **Refuge Recovery**, the non-profit established to support the worldwide Refuge Recovery movement. Going forward, the Board of Directors intends for these reports to provide the details of our financial activity and to discuss our accomplishments throughout the prior year. Since this is our first report, however, it is necessary to give our readers the history that led to forming this organization, along with an overview of the past three years of activity which includes the period when Refuge Recovery was not a fully independent company but was instead Against the Stream Buddhist Meditation Society (ATS) doing business as **Refuge Recovery**. (ATS is a Los Angeles-based Buddhist community founded by Noah Levine in 2007, which is recognized by the IRS as a 501(c)(3) non-profit religious organization, or church.) This discussion assumes some prior knowledge of Refuge Recovery, and familiarizing oneself with our website, [refugerecovery.org](http://refugerecovery.org), before proceeding is recommended.

## The Eightfold Definitions of Refuge Recovery

The term “Refuge Recovery” has a number of connotations and below is a primer to acquaint the reader with each. The multiple uses of the same term have been a source of confusion for some, especially regarding this non-profit organization, **Refuge Recovery**, and the rehab named Refuge Recovery Treatment Centers. These are entirely separate and independent businesses. The various applications of the term “Refuge Recovery” are as follows:

1. The title of a book authored by Noah Levine, and published June 10, 2014, by HarperOne.
2. A Buddhist path to recovering from addiction as described in the book *Refuge Recovery*.
3. A peer-led support group for practitioners of the Refuge Recovery program (a Refuge Recovery meeting).
4. The international community of practitioners of the Refuge Recovery program (the Refuge Recovery sangha).
5. The model for professional substance abuse treatment created by Noah Levine and based on the Refuge Recovery program (the Refuge Recovery treatment model).
6. A Los Angeles-based substance abuse rehab center started by Noah Levine in 2014 (Refuge Recovery Treatment Centers).
7. This charity, a California Public Benefit corporation organized as tax-exempt under Section 501(c)(3) of the IRS Code. Throughout this document, when this charity is referred to by its name, **Refuge Recovery**, it will be in bold lettering to set it apart from other meanings.
8. The broadest sense of the term, combining the previous seven definitions.

## Our History

As a recovery support program, Refuge Recovery began as a special project of ATS in 2009. For readers who are interested in learning more about its origin, Joseph Rogers has published “The Early History of Refuge Recovery” on the web at

# REFUGE RECOVERY ANNUAL FINANCIAL REPORT 2017

[refugerecoverycenters.com/the-earlyhistory-of-refuge-recovery/](http://refugerecoverycenters.com/the-earlyhistory-of-refuge-recovery/). The discussion within this Annual Report is focused on the financial history of the non-profit **Refuge Recovery**.

While working on the book *Refuge Recovery*, Noah Levine also laid the groundwork for the Refuge Recovery program to be used as a treatment model for patients in substance abuse rehabilitation. Initially, Noah planned to work in partnership with a third-party inpatient treatment center. In conjunction, he established a sober living house as a safe place for the rehab's graduates to transition. He incorporated the business as Refuge Recovery House, LLC. This was the state of affairs when HarperOne published the book *Refuge Recovery* on June 10, 2014.

Soon afterwards, Noah became concerned about quality control at the rehab. He concluded that the only way to be confident in the integrity of a Refuge Recovery-based substance abuse treatment program would be to found a treatment center himself. So, he transformed Refuge Recovery House, LLC., into a treatment center, and while it retains its original legal name, it is now doing business as Refuge Recovery Treatment Centers. Following the publication of *Refuge Recovery*, peer-led Refuge Recovery support groups began surfacing around the United States and ATS was barraged with requests for support and guidance. The many needs presented by the growing Refuge Recovery community are reflected in a section of the **Refuge Recovery** By-Laws:

The specific objectives and purposes of **Refuge Recovery** are:

1. To build a comprehensive network of Refuge Recovery meetings, communities, and treatment options. Specifically:
  - a. To connect and support existing Refuge Recovery meetings and communities in order to share information regarding resources and Buddhist recovery treatment options, and aspirations.
  - b. To assist in the creation of new meetings, communities, and treatment options.
  - c. To hold in-person meetings and conferences.
  - d. To create and support electronic communities, websites, and other means of communication and collaboration.
  - e. To compile shared resources such as educational materials, lectures, teachings, books, and other writings that are useful for the Refuge Recovery mission.
2. To offer training and education:
  - a. For the leaders of meetings and communities to grow and develop in their ability to lead and serve.
  - b. For the general public, about the benefits and programs of Refuge Recovery

# REFUGE RECOVERY ANNUAL FINANCIAL REPORT 2017

3. To offer fundraising and financial support for meetings, communities, collaborative projects, and other vehicles of the Refuge Recovery movement.

These needs generally fall outside the mission of ATS, so our parent company began taking steps to establish **Refuge Recovery** as its own independent 501(c)(3) charity. ATS began tracking expenditures separately in late 2014, and they filed to incorporate **Refuge Recovery** in California on February 27, 2015. However, the effort to get **Refuge Recovery** on its own feet suffered a major setback when Dave Smith, the person leading the effort at the time, was in a near fatal traffic accident in October, 2016. Happily, Dave has made a full recovery, but the final step in this charity's complete autonomy didn't occur until August, 2017. When Jean Tuller was hired to be the Executive Director, **Refuge Recovery** funds were transferred from ATS to its own bank account for the first time. Also, Jean is the first administrator of the charity to not also be an employee of ATS, and/or Refuge Recovery Treatment Centers.

## Financial Accounting for January 2014 through July 2017

The following table shows the accounting provided by ATS for all activities related to **Refuge Recovery** from 2014 until August 2017. While the tracking of **Refuge Recovery** donations by ATS was thorough, many costs incurred by ATS and some in kind donations made by Refuge Recovery Treatment Centers are greatly understated. An obvious example is that the legal costs of filing for incorporation in 2015 clearly exceeded \$62. Also, both organizations have allowed us to use their facilities rent free for our annual conferences for four years running.

Revenues	2014	2015	2016	2017 (Jan-Jul)	Total
Donations – Scholarships	\$20,000	\$100,000	\$10,000		\$130,000
Donations – Other		\$7,572	\$8,340	\$1,716	\$17,628
Conference Registrations		\$8,334	\$13,573	\$13,407	\$35,314
Group Dana	\$50	\$2,487	\$7,582	\$5,661	\$15,780
<b>Total Revenues</b>	<b>\$20,050</b>	<b>\$118,393</b>	<b>\$39,495</b>	<b>\$20,784</b>	<b>\$198,722</b>

Expenses	2014	2015	2016	2017 (Jan-Jul)	Total
Administrative	\$569	\$46	\$922	\$3,541	\$5,078
Compensation		\$10,038	\$10,695	\$5,276	\$26,009
Conference		\$1,474	\$702	\$1,173	\$3,349
Legal		\$62	\$275	\$20	\$357
Scholarships	\$20,000		\$110,000		\$130,000
<b>Total Expenses</b>	<b>\$20,569</b>	<b>\$11,620</b>	<b>\$122,594</b>	<b>\$10,010</b>	<b>\$164,793</b>

Change in Net Assets	2014	2015	2016	2017 (Jan-Jul)	Total
	(\$519)	\$106,773	(\$83,099)	\$10,774	\$33,929

## Treatment Scholarships

In 2014 and 2015, ATS accepted treatment scholarship donations and made offsetting expenditures of a combined \$130,000. These donations were made with the restriction that the funds be used to pay for substance abuse treatment for people who otherwise

# REFUGE RECOVERY ANNUAL FINANCIAL REPORT 2017

couldn't afford it. That money was then spent for its intended purpose almost immediately.

To be a 501(c)(3) tax-exempt business, none of its earnings may inure to any private shareholder or individual. Since Noah Levine is a shareholder of Refuge Recovery Treatment Centers, steps were taken to document that neither he nor Refuge Recovery Treatment Centers profited from those transactions. The scholarships were reviewed and cleared by an attorney, and the rate paid for treatment was based on estimated cost and deeply discounted below the market rate.

## **Starter Kits**

In 2017, Refuge Recovery began offering starter kits to new groups. Revenues for these kits and related expenses were originally managed by ATS and do not appear on the above spreadsheet. Since pricing of the Kits was meant to be at cost, the revenues and related expenses are offsetting and not significant.

## **August to December 2017**

The following are financial reports for the partial year beginning August 1 and ending December 31, 2017. When **Refuge Recovery** began operating autonomously at the beginning of this period, it became subject to the IRS requirement to file annual information returns (Form 990s) for the first time. While both ATS and Refuge Recovery are 501(c)(3) tax-exempt charities, ATS is excluded from annual filing requirements with the IRS because it is classified as a religious organization. Therefore, the 2017 Form 990 information return is very unusual in that it only includes data for the last 5 months of 2017. Future filings will show all activity for the prior calendar year.

# REFUGE RECOVERY ANNUAL FINANCIAL REPORT 2017

## Refuge Recovery Statement of Financial Position As of December 31, 2017

	<u>Total</u>
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase	35,042
PayPal	<u>3,357</u>
Total Bank Accounts	<u>\$38,399</u>
Total Current Assets	<u>\$38,399</u>
<b>TOTAL ASSETS</b>	<b>\$38,399</b>
<b>LIABILITIES AND NET ASSETS</b>	
Total Liabilities	
Net Assets	
Initial Transfer from ATS	32,213
Change in Net Assets	<u>6,186</u>
Total Net Assets	<u>\$38,399</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$38,399</b>

# REFUGE RECOVERY ANNUAL FINANCIAL REPORT 2017

## Refuge Recovery Statement of Financial Activities

January - December 2017

	<u>Total</u>
<b>Revenues</b>	
Earned Revenue - Starter Kits	2,835
Contributed Revenue	<u>9,425</u>
<b>Total Revenue</b>	<b>\$12,260</b>
 <b>Expenses</b>	
<b>Professional Fees</b>	
Management Consulting	2,941
Legal & Professional Services	<u>500</u>
<b>Total Professional Fees</b>	<b>\$3,441</b>
 <b>Other Expenses</b>	
Bank Charges & Fees	216
Books for Starter Kits	460
Group Starter Kits	1,234
Misc	19
Office Supplies & Software	13
Podcast	240
Taxes & Licenses	25
Videoconferencing	150
Web Design & Maintenance	<u>276</u>
<b>Total Other Expenses</b>	<b>\$2,633</b>
<b>Total Expenses</b>	<b>\$6,074</b>
 <b>Net Increase in Cash or Cash Equivalents</b>	<b><u>\$6,186</u></b>
 <b>Beginning Transfer Balance from ATS (8/1/17)</b>	<b>\$32,213</b>
<b>Ending Balance 12/31/17</b>	<b>\$38,399</b>

# REFUGE RECOVERY ANNUAL FINANCIAL REPORT 2017

## **2017 Summary**

2017 was a year marked by many accomplishments and rapid growth. During the period from June 2017 to year end, we sold 38 New Meeting Starter Kits, and our meeting listing grew from 260 meetings to over 400. In June 2017, our Third Annual Conference was attended by over 100 people from the US and Canada. Our donor base has continued to grow, with 49 groups and individuals donating regularly to support our non-profit in 2017, including organizations that allow for the collections of donations in honor of an event (such as a birthday) from multiple donors, specifically Network for Good and Donate Well. In 2017, we sponsored the formation of 12 regions from around the world to support the rapidly growing local meetings. The Board of Directors was expanded to 14 members. Finally, we began publication of a monthly e-newsletter in December 2017, which reaches 20,000 individuals.

Our organization has accomplished much in a very short time, but we have barely scratched the surface of our potential. As the worldwide Refuge Recovery community continues to grow, so too will our challenges. We will face an increasingly greater need to coordinate international, national, and regional events. Our newsletter and podcasts will reach a larger and larger audience. The number of inquiries of all types and from all over will continue to increase. Demands to expand the topics of our literature and to translate what we have to other languages and to special needs formats will also grow. None of this will be possible without the continued support of our donors. Many thanks to those who have supported this organization in the past and to those who intend to support us in the future.

This Annual Report was prepared by Chris Kavanaugh, our board treasurer. Please feel free to contact him with any questions at [chris@refugerecovery.org](mailto:chris@refugerecovery.org).