



2016
ANNUAL
REVIEW



THE
KABBALAH
CENTRE

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LETTER FROM OUR DIRECTORS



We're pleased to share with you The Kabbalah Centre's first annual review, providing a concise, yet comprehensive overview of how your financial contributions are making our work possible. We hope you'll be inspired to learn of the many ways in which your donations are helping to share the wisdom of Kabbalah and support our teachers, students, and program partners worldwide.

One of the most important changes we've undertaken in the past two years has been the elevation of the Centre in ways not just spiritual, but also professional. Starting in 2016, we welcomed a number of executive staff members including Chief Financial Officer, Yair Segev; Chief Operating Officer, Adi Vaxman; Chief Marketing Officer, Paul Geller; Chief Technology Officer, Alex Lerner; and Chief People Officer, Val Golan.



As we anticipate unprecedented growth in the coming years, these key staff members will be dedicated to ensuring that The Kabbalah Centre meets the highest standards in transparency, leadership, digital offerings, professional partnerships, and branding.

In 2016, our commitment to transparency propelled our move to global accounting and customer relationship management systems, enabling more in-depth reporting, tracking, and insights into the operations of the Centre. These tools will now allow us to give you deeper insights into the impact of your donations and support of the Centre's work.

Your support has allowed us to not only grow internally, but also to touch the lives of thousands of individuals from New York to Berlin to Sri Lanka. Together, we've opened the doors to new Kabbalah Centre locations, provided much-needed humanitarian relief for people in need, and translated ancient kabbalistic texts.

For decades now, The Kabbalah Centre has continued to grow and transform. Through all these many changes, one constant has been the unwavering support and passion of students and champions like you. We humbly, and joyfully, thank you for your continued generosity.

Blessings,

Karen Berg Michael Berg

ABOUT US

The Kabbalah Centre is a non-profit organization that makes Kabbalah understandable and relevant to everyday life. The Centre was founded by Kabbalist Rav Yehuda Ashlag in 1922 and now spans the globe with brick-and-mortar locations, study groups, and an extensive online presence. The Centre works to share the wisdom of Kabbalah and support global charitable initiatives that create positive change in the world.

WHERE WE WORK

OUR MISSION

The Kabbalah Centre operates 29 Kabbalah Centres & 56 Study Groups in over 40 countries worldwide. Our mission is to share Kabbalah and its powerful life-changing wisdom with as many people in the world as possible.



- Kabbalah Centre
- ✕ Study Group
- Bookstore & Study Group

OUR IMPACT

IN 2016, OUR COMMUNITY DONATED

\$19,894,000

TO THE KABBALAH CENTRE'S
IN THE UNITED STATES AND
HELPED US TO:



Inspire giving & acts of
transformation throughout

29 Kabbalah Centres
& **56** Study Groups
around the world

Share the
wisdom & tools
of Kabbalah with

42,957
Students &
10,912
Volunteers



Donate
178,465
Zohars
worldwide



Catalog
& digitize
1,600

Video lectures and
audio recordings
from Rav Berg's
archives

Provide class and event
scholarships to

3,000
students in need

SUPPORT

118

KABBALAH
TEACHERS



Contribute
\$830,000
to global
humanitarian
causes

HIGHLIGHTS

Through the generosity
of our supporters,
The Kabbalah Centre
continues to grow and
make a difference in the
lives of countless people
worldwide. Here are just a
few of our many highlights
from our projects in 2016.

KABBALAH CENTRES & STUDY GROUPS

“ I have no words to say thank you for sharing the wisdom of Kabbalah on my spiritual journey. Kabbalah is for me the manifestation of the Light in my life, and I want to thank you all from the bottom of my heart. ”

-Elizabeth Portugal, Kabbalah Centre Student

KABBALAH CENTRES & STUDY GROUPS TEACH KABBALISTIC WISDOM THAT STUDENTS CAN APPLY TO IMPROVE THEIR OWN LIVES AND BY DOING SO, MAKE THE WORLD BETTER.

In 2016, we:

- ✦ Shared the wisdom of Kabbalah with 42,957 students in North America, South America, Central America, Europe, Africa, Asia, and the Middle East.
- ✦ Operated Kabbalah Centres & Study Groups in 43 countries, as well as a global long distance learning program for students who do not have access to a Kabbalah Centre in their community.
- ✦ Connected 10,912 students to volunteer outreach projects with local community-based organizations and international charities including Habitat for Humanity, Sunrise Day Camp, and Kids Creating Peace.
- ✦ Opened new Kabbalah Centres in Berlin and Manhattan, and began construction on a new location in Brooklyn, New York.



RAV BERG LEGACY PROJECT

“ What we have today is a beautiful capacity to take almost everything the Rav has said and written and share it with generations to come. We will have the Rav with us for centuries to come. ”

— Karen Berg,

Spiritual Director of
Kabbalah Centre International

RAV BERG LEGACY PROJECT IS DEDICATED TO ENSURING THAT KABBALIST RAV BERG'S EXTENSIVE ARCHIVES OF TEACHINGS AND WRITINGS ARE PRESERVED FOR FUTURE GENERATIONS.

In 2016, we:

- ◆ Partnered with digitization and media company, DiJiFi, to catalog Rav Berg's extensive archives.
- ◆ Digitized over 1,600 video lectures and audio recordings from Rav Berg's archives.
- ◆ Implemented Knowvation to ensure that all of Rav Berg's cataloged and digitized works will be made available from anywhere in the world within one easy-to-use system.
- ◆ Cataloged and edited Rav Berg's notes and lectures on *Beresheet*, *Noach*, and *Lech Lecha* for inclusion in the Rav's forthcoming anthology of commentary on the Bible, *Path to the Light*.

KABBALAH CENTRE SCHOLARSHIP FUND

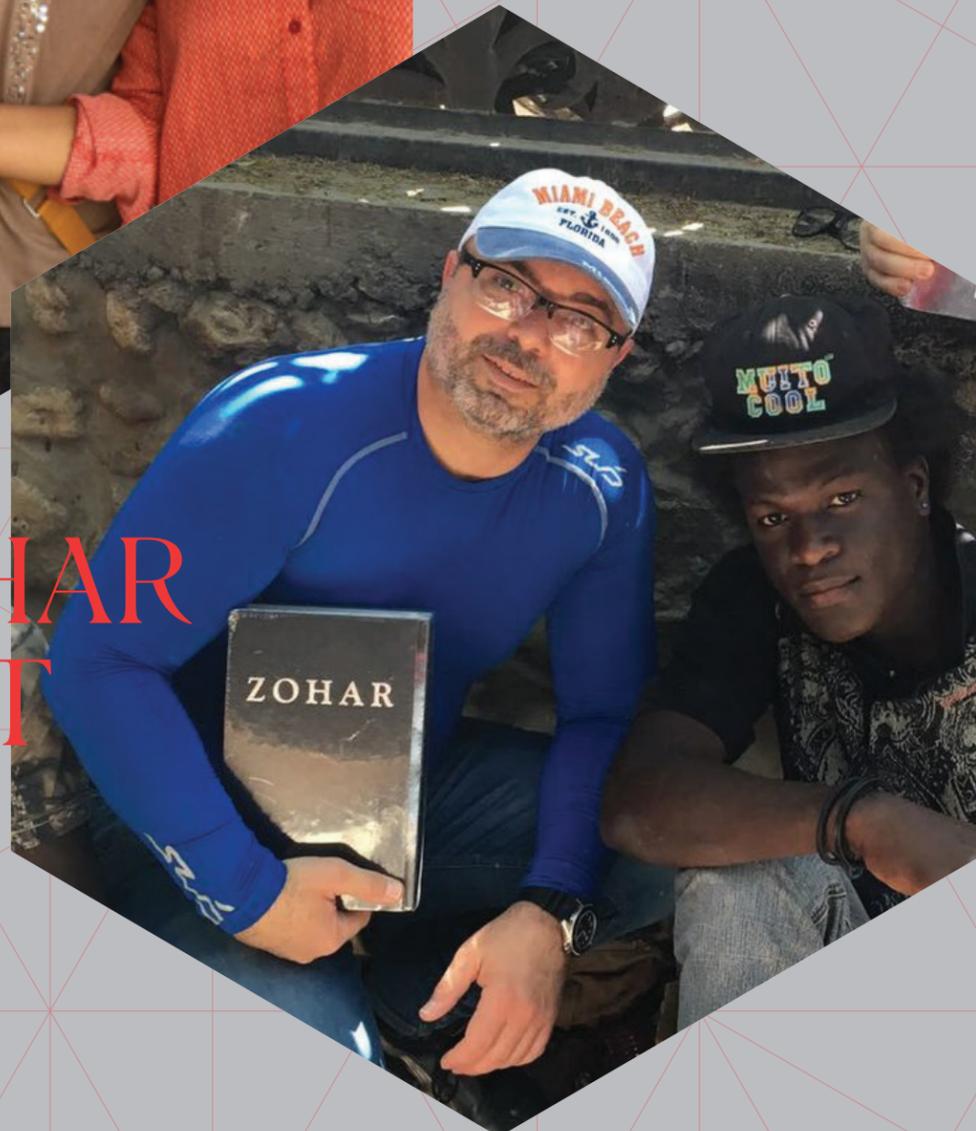
“ I personally have no words to describe what Kabbalah has done for me. I cannot begin to think how I survived so many years without it. Through the generosity of the Kabbalah University Scholarship, I am able to connect anytime, anywhere.”

— **Motshabi Sekhoane**, Kabbalah Centre Student

KABBALAH SCHOLARSHIP FUND MAKES THE WISDOM AND TOOLS OF KABBALAH ACCESSIBLE, AFFORDING AS MANY PEOPLE AS POSSIBLE THE OPPORTUNITY TO IMPROVE THEIR LIVES.

In 2016, we:

- ✦ Provided 1,680 scholarships for students enrolled in Power of Kabbalah in New York, Los Angeles, Miami, Boca Raton, London, Mexico City, and Tel Aviv.
- ✦ Donated over 2,133 Kabbalah books to inmates in federal prisons and correctional facilities in the United States, Mexico, and Panama.
- ✦ Provided 2,550 Kabbalah University Scholarships for students in India, Iran, Mexico, France, Japan, Canada, Tanzania, Israel, Ghana, Brazil, New Zealand, Hungary, and the United States.
- ✦ Sponsored 500 students worldwide to attend international Rosh Hashanah and Pesach services.



THE ZOHAR PROJECT

“ The Zohar Project has deeply affected our lives in West Africa over the years. The impact is not only on a personal level, but it also extends to the national level. We believe that our work of sharing the Zohar has contributed to the avoidance of bloodshed in the Ivory Coast. ”

— **Firmin Ahoua**, Zohar Project Volunteer

THE ZOHAR PROJECT SHARES THE ZOHAR WORLDWIDE FOR THE PURPOSE OF REVEALING SPIRITUAL LIGHT IN THE WORLD.

In 2016, we:

- ◆ Sponsored a total of 178,465 Zohars for police and fire stations, hospitals, clinics, government offices, military bases, charitable organizations and individuals worldwide.
- ◆ Organized Zohar Project volunteer trips to Austin, Texas; Detroit, Michigan; Santo Domingo, Dominican Republic; Washington, D.C.; and Port-Au-Prince, Haiti to share 25,000 Zohars with people in need.
- ◆ Donated 1,000 Zohars to prisons and correctional facilities in the United States.
- ◆ Reduced the retail price of the 23 volumes of the Zohar in English and Hebrew from \$415 to \$72 for 3,000 people, lowering the barrier of entry for students who desire to own the complete Zohar.

KABBALAH PUBLISHING

“ I began reading the writings of Rav Ashlag as soon as they became available in English translation. Because of these books, I now know there is a spiritual system available for all mankind to take advantage. This wisdom has changed my life immeasurably. ”

— **Joseph Van Arsdale**, Kabbalah Centre Student

KABBALAH PUBLISHING SHARES THE WISDOM OF KABBALAH THROUGH THE TRANSLATION AND PUBLICATION OF KABBALISTIC BOOKS AND ANCIENT TEXTS.

In 2016, we:

- ✦ Printed and disseminated 87,856 books on Kabbalah to our students worldwide.
- ✦ Launched new titles including Karen Berg's Finding the Light Through the Darkness, and the Shabbat Connections book featuring songs, prayers, and meditations from the writings of the Ari.
- ✦ Began work on the English translations of sacred writings of the kabbalists including the Tikkunei Zohar and the Ari's Gates of Reincarnation.
- ✦ Completed the first-ever translation of the 23-volume Zohar in Spanish.

KABBALAH CENTRE CHARITABLE CAUSES



“ We are grateful to The Kabbalah Centre for helping us to build 100 homes in Sri Lanka. The Kabbalah Centre is one of our largest faith-aligned partners and a shining example of what happens when we all come together to address urgent needs in our communities, nation, and world. ”

— **Jeremy Kraut-Ordover**, Deputy Director Habitat for Humanity

KABBALAH CENTRE CHARITABLE CAUSES PROVIDES HUMANITARIAN AID TO PEOPLE IN NEED IN PARTNERSHIP WITH OTHER NON-PROFIT ORGANIZATIONS.

In 2016, we:

- ◆ Donated \$830,000 to charitable organizations working to support children and families in need worldwide.
- ◆ Partnered with Sunrise Day Camp to allow 250 children in need to attend Sunrise Day Camp and experience the joy of childhood, unburdened by their conditions.
- ◆ Supported Kids Creating Peace’s Wings of Peace program, allowing 150 Israeli and Palestinian teenagers to be recruited as peace advocates and leaders.
- ◆ Worked with Habitat for Humanity to support the building of 5 homes in East Los Angeles for economically challenged families; and completes the building of 100 homes in Sri Lanka for Tamil refugees.

STATEMENT OF ACTIVITIES

Dollars In Thousands

KCI Kabbalah Centre International
SG US Study Groups United States
KCLA Kabbalah Centre Los Angeles
KCFL Kabbalah Centre Florida
KCNY Kabbalah Centre New York

FINANCIALS FISCAL YEAR 2016

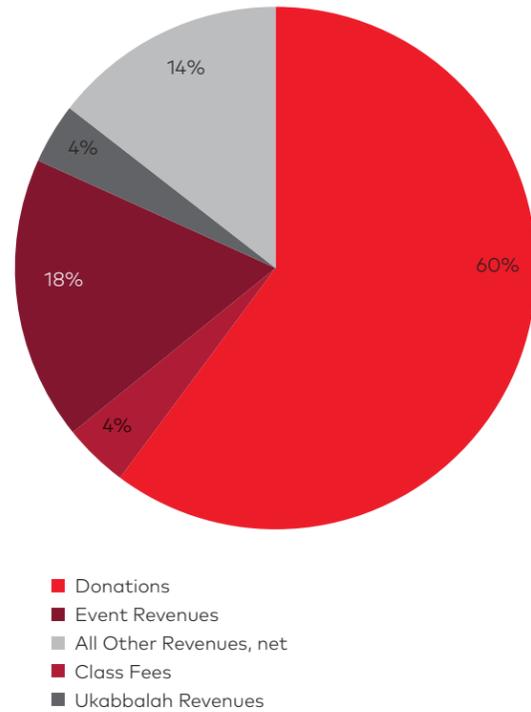
FINANCIAL SUMMARY

Revenues	KCI	SG US	KCLA	KCFL	KCNY	TOTAL
Unrestricted donations	2,276	3,241	3,723	3,611	7,043	19,894
Class fees	76	107	139	358	624	1,304
Event revenues	3,342	85	775	772	972	5,947
Ukabbalah revenues	1,232					1,232
All other revenues, net	2,271	339	498	856	610	4,573
Subtotal - Revenues	9,197	3,773	5,135	5,596	9,250	32,950
Costs Of Goods Sold	697	142	180	268	269	1,556
Net Revenues						31,394

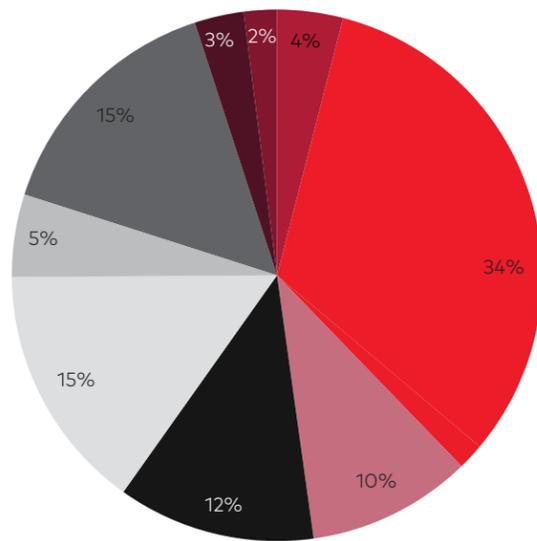
Operating Expenses						
Staff wages & salaries	8,878	652	795	1,663	1,827	13,815
Teacher salaries & costs	772	1,172	717	631	768	4,060
Occupancy (OC)	1,639	438	977	926	703	4,684
Events & classes	3,231	100	858	822	1,135	6,147
Professional services	3,057	63	18	59	17	3,215
Kabbalah Children's Academy	936					936
Digital & web	1,496					1,496
Publishing	561					561
Video production	386					386
Gifts and grants	1,144					1,144
Zohar Project	829					829
Administrative expenses	(9,602)	1,525	2,076	2,262	3,739	
All other operating expenses	1,727	235	314	365	461	3,103
Subtotal - expenses	15,053	4,186	5,755	6,728	8,652	40,374
NET OPERATING INCOME (LOSS)	(6,554)	(555)	(800)	(1,400)	329	(8,980)
<i>as a percentage of Revenues</i>	-71%	-15%	-16%	-25%	4%	-27%
NON-OPERATING INCOME / EXPENSES	(997)		1,848	12	143	1,006
NET Change	(7,551)	(555)	1,047	(1,388)	473	(7,974)

INCOME & EXPENSES

INCOME BY SOURCE:
\$32.95 million



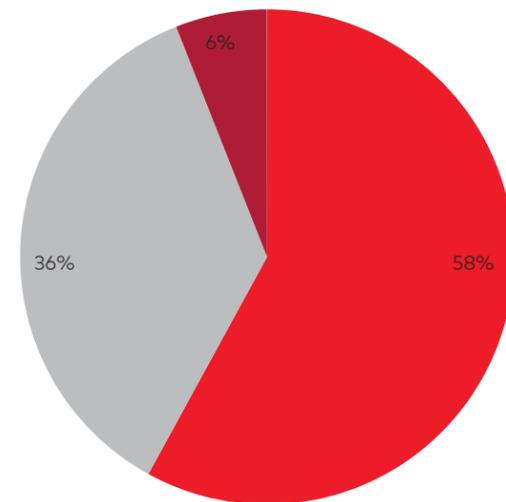
ALLOCATION OF EXPENSES:
\$40.37 million



- Cost of Goods Sold
- Staff Salaries & Wages
- Teacher Salaries & Costs
- Events & Classes
- Other Operating Expenses
- KCA
- Occupancy
- Professional Services
- Gifts & Grants

- KCI - 22%
- KCNY - 4%
- KCLA - 2%
- KCFL - 4%
- SG US - 2%

ALLOCATION OF CHARITABLE GRANTS:
\$830,000



- Habitat for Humanity
- Kids Creating Peace
- Sunrise Day Camp

REVENUES

Total revenue in fiscal year 2016 was \$32.9 million, \$19.8 million of which came as unrestricted donations. Event revenue totaled \$5.9 million, while \$1.3 million was received in class fees, and \$1.2 million came from Kabbalah University memberships. Also included in revenue were \$4.5 million in product sales and other income.

EXPENSES

In 2016, the Centre's income was in line with historical trends while realizing an increase in expenses in capital investments made to further address our organizational professionalism, accountability, and reporting. These include, but are not limited to, hiring a full executive staff, as well as upgrading our internal systems to NetSuite and Salesforce to meet the higher demands of operations as a global non-profit organization. The value of these investments will be realized over the long-term.

A positive trend seen in the 2016 financial data is a 23% increase in the number of individual donations from fiscal year 2015. As we continue our

efforts to reach more people with the wisdom of Kabbalah, we look forward to this trend continuing and helping to increase the diversity of our donations among more of our supporter base.

The charitable grants made by the Centre in 2016 were 400% higher than historical trends. Fiscal year 2016 reflects a one-time donor-directed grant of \$480,000 to Habitat for Humanity in support of safe, decent housing for low-income families in East Los Angeles. We were honored to facilitate this level of financial support to our non-profit partners due to the generous donations of our supporters.

As students and supporters of the Centre, you know that change is at the core of our teachings and change is imperative to how the Centre will achieve its mission – to bring the Light and wisdom of Kabbalah to as many people as possible. We are excited to keep you apprised of new updates and progress moving forward, and to share our detailed financial report for fiscal year 2017 in the coming months.

THANK
YOU.

On behalf of The Kabbalah Centre,
we thank you for your generosity.
Your support is changing lives
around the world in meaningful and
measurable ways.

To learn more, please contact
donorcare@kabbalah.com.

giving.kabbalah.com

THE
KABBALAH
CENTRE