

THE
KABBALAH
CENTRE

ANNUAL
REPORT

2018

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Thank You



LETTER FROM OUR DIRECTORS



"If you want to achieve something you have never achieved then you have to do something you have never done." – Michael Berg

Dear Donor,

The Kabbalah Centre continues a long tradition of Kabbalists. Most recently, Rav Ashlag and his student Rav Brandwein founded the precursor to the Kabbalah Centre in 1922. 50 years ago, in 1969, Rav Brandwein left this world and left the work to his student the Rav. In the 1970's the Rav and Karen began a revolution in the long history of Kabbalah and began opening up this life changing wisdom to the world. Since then, millions of people have studied this wisdom through the Kabbalah Centre, improving themselves, their lives, and our world.

In recent years the centre has gone through challenges but continues this mission of bringing this wisdom to the world. As we continue to elevate the centre and continue its holy work, it is important that we acknowledge you our donors. Especially as you have supported us through these challenging years.

We have grown a lot and in many ways this past year both internally and externally. In order to make the Kabbalah Centre financially sustainable we have created different programs such as membership and supporters of the work. We have also revised and made many cuts to the centres budget.

Also we continue in the process to make the centres financials more transparent to our donors. Working with our finance committee members Ken Fried and Ed Sirlin and with our CFO Angelo Federico we chose SAX LLP as our external review and audit partner.

This year the Kabbalah Centres financials have been reviewed by SAX LLP and we are

preparing to have the Centres 2019 financials Audited by Sax LLP as well. The financials shared in this report are taken from the financials reviewed by SAX LLP.

Even as we worked to cut costs, we still continued to disseminate the wisdom of Kabbalah and the light of the Zohar more then ever before. I am happy to share that because of your support:

We were able to keep our Kabbalah Centres open worldwide for all of our students and communities.

Because of you, thousands of students from all over the world gather every day at the centres to study, grow and support each other.

Because of your support, our communities are able to bring great light to the world by coming together at rosh chodesh, shabbat and times of connection.

Because of you, we shared the message of Kabbalah with 60,000,000 people. We increased the number of Kabbalah 1 classes from 72 in 2017 to 165 in 2018 and we taught more than 6000 new students.

Because of you, we shared 9,273 Zohars through price subsidization and the Zohar Project Tour.

Because of you, The Kabbalah Centre is supplying more than 1.4 million liters of water per year with our first Giving Water-funded well. Giving Water is not only a spiritual tool. Each liter sold provides the equivalent of ten liters of clean water to a community in need.

Because of you, we invested in the future by building the infrastructure for a Kabbalah Centre that connects communities in their homes, on their electronic devices, and in our classrooms around the world.

For almost fifty years, The Kabbalah Centre has been donor-supported with nearly all products and services subsidized by donations, including all of our classes, courses and seminars, online scholarships, outreach tools, and the publishing and distribution of every book we've ever printed – including the Zohar.

The Kabbalah Centre is a steward of your donations, and your support is both valued and respected.

It is with this in mind that we present the Kabbalah Centre International 2018 Annual Donor Report.

Blessings,

Karen Berg *Michael Berg*

Karen Berg and Michael Berg

WHERE WE WORK

ABOUT US

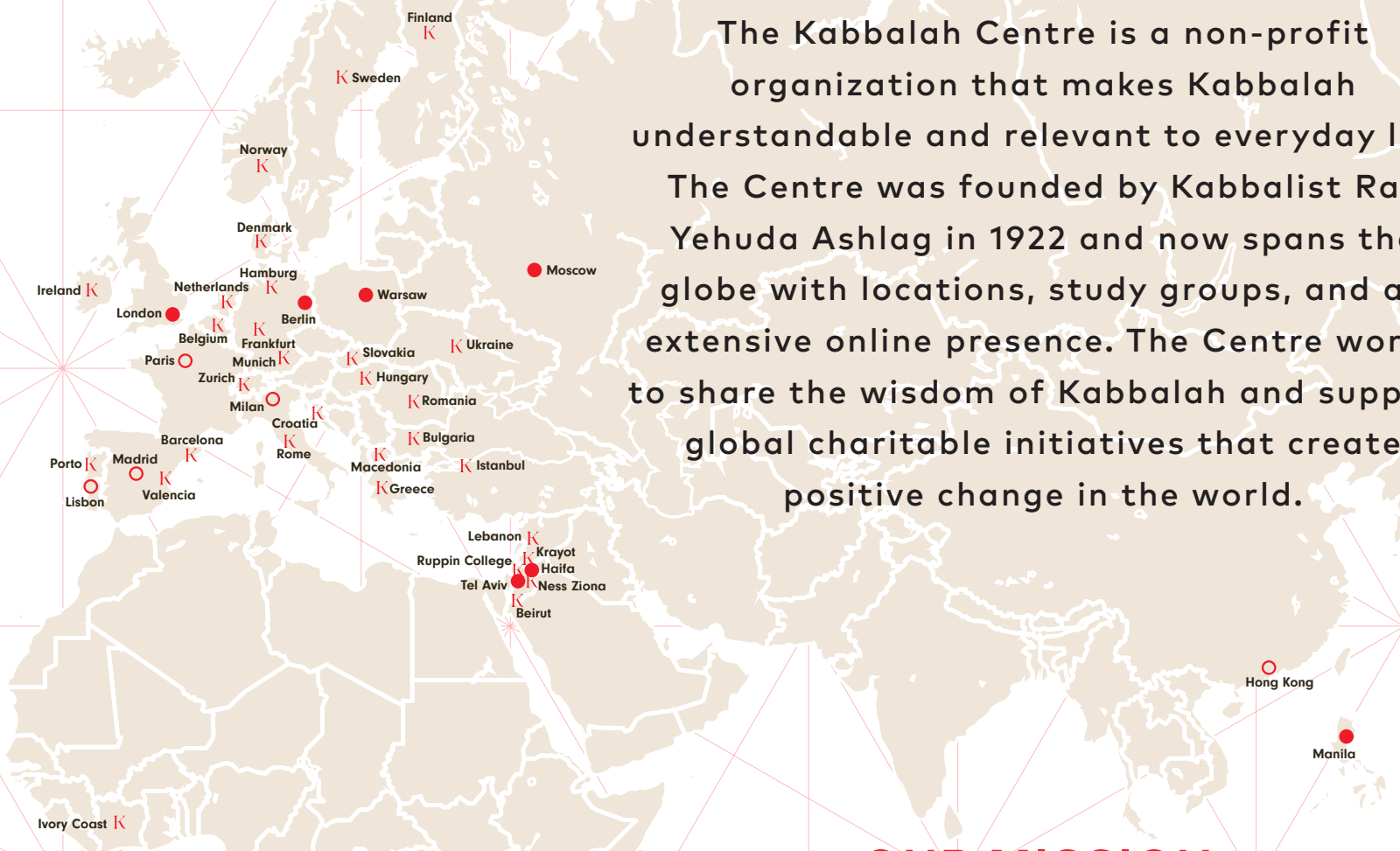
The Kabbalah Centre is a non-profit organization that makes Kabbalah understandable and relevant to everyday life. The Centre was founded by Kabbalist Rav Yehuda Ashlag in 1922 and now spans the globe with locations, study groups, and an extensive online presence. The Centre works to share the wisdom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

OUR MISSION

The Kabbalah Centre's mission is to create a positive global change. Through the wisdom of Kabbalah, we empower humanity to transform and achieve true fulfillment.



- Kabbalah Centre
- Bookstore
- K Study Group



OUR IMPACT

INSPIRE

HIGHLIGHTS

6,200
students
took full
Kabbalah 1
course in 2018

21 Kabbalah
Centres &
67 Bookstores
and Study Groups
around the world

In 2018,
our community
donated
\$9,829,974
to The Kabbalah
Centres throughout
the world

Contributed
\$69,500
to global
humanitarian
causes

From
196 countries
1,130,722
unique
online-learners
in 2018

Published
539 lessons,
497 articles,
and **1039** live
streams in English,
Russian, Spanish,
and Hebrew.

Provided class and
event
scholarships to
722
students in need

165 Kabbalah 1
courses in 2018
in the US, South
America, Berlin,
and London

Supported
104
Kabbalah
Teachers

Shared
8,088
Sacred and
Pinchas
Zohars
around the
world.

Donated
360 Kabbalah
Publishing books
to prisoners in
Correctional
facilities.

Donated
1,245
Sacred and
4,813
Pinchas Zohar's
around the world.

"Kabbalah has been a way of accelerating my personal growth. It has given me a set of tools to change some of the things about myself that I don't like or areas where I want to grow."

- Ryan, The Kabbalah Centre
New York



HIGHLIGHTS IN DIGITAL

THIS HAS BEEN A FOUNDATIONAL YEAR FOR THE KABBALAH CENTRE IN MANY WAYS. HERE ARE SOME OF THE EXCITING THINGS WE'VE ACHIEVED.

KABBALAH.COM LAUNCH – IN ENGLISH & SPANISH

In 2018 we made big strides digitally. One of the biggest developments was the re-launch and merging of all our domains onto Kabbalah.com, combining all our previous sites to make all the wisdom easy to find in both English & Spanish! (More languages to come soon)

COMMUNITY MEMBERSHIP

In an effort to help unite all our Centres and students we launched community membership midway through 2018. You now have access to all in Centre and Online classes, 10% discount in stores, and more all with one account.

EXPANSION OF KABBALAH 1

This past year we took great strides to achieve the goal of the Centre: to spread Kabbalah all over the world. In 2018 alone, we opened 165 K1 classes (up from 72 in 2017) in the US, South America, Berlin and London. 56,000 people registered for Kabbalah 1 intros, 12,000 attended Kabbalah 1 intros, and 6,200 paid for the full course in the US.

INCREASED LIVE STREAMED DIGITAL EXPERIENCE (+20 CLASSES A WEEK)

In an effort to provide our online students with the best experience, we've brought more of our classes from around the world to Kabbalah.com. In 2018 we streamed 1,039 classes in English, Spanish, Hebrew, and Russian.

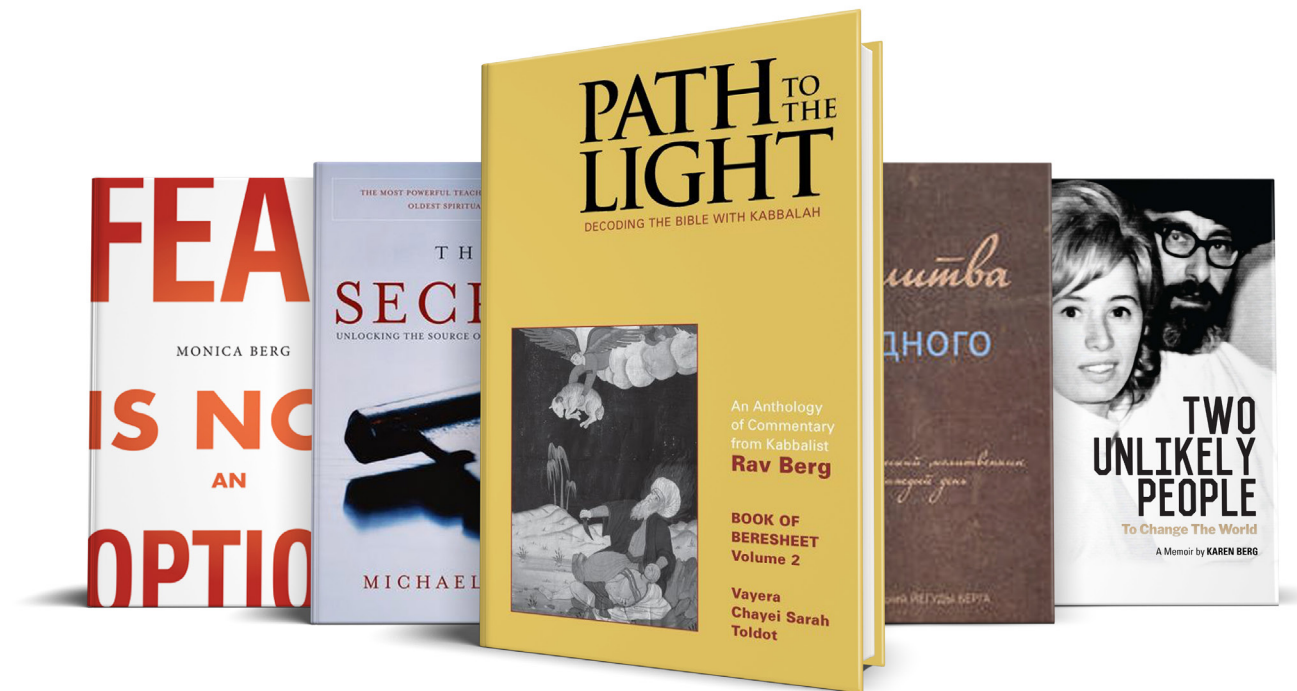
RAV BERG'S LEGACY PROJECT – TLE & NEVER BEFORE SEEN CLASSES

As part of The Rav Berg Legacy Project, we have remastered and released online for the first time some of the original Ten Luminous Emanations classes. Projects like this are only possible through your generous donations. By supporting the Rav Berg Legacy Project, you are ensuring future releases of content from Rav Berg and continuing his legacy.

UPDATED DIALING GOD APP

The digital world is advancing and so are we. This past year, we remastered our Dialing God app, adding features such as an English transliteration toggle, the Ana Bekoach customized for you based on the date, iPad and Android support, and more! In 2018 alone we had 795 net downloads.

KABBALAH PUBLISHING



PATH TO THE LIGHT VOL. 2

Continuing our work to spread the teachings of Rav Berg, Volume 2 of the Rav's series, Path of the Light, launched in October of 2018. With sagacity and good humor, Rav Berg continually reminds us that there is nothing to be gained from a literal reading of such stories without unraveling their real meaning into eternally relevant spiritual teachings. This is spiritual technology to bring about transformation and, ultimately, closeness to the Creator. We sold over 70 in the US alone.

30 FOR 30 WORKBOOK

To help our students further understand and connect to the Zohar, we put together our first 30 for 30 Workbook. The 30 for 30 Workbook is an active path for connecting to the power of the Zohar and the Light of the Creator. It gives students the opportunity to connect with the Zohar in mind, body, heart, and soul. Each day features a unique topic and section of the Zohar for deep study, followed by deep reflection through personal exercises and focused meditation to help internalize the specific energy and lesson of the day. You can find it on our online store, or free with each purchase of a Zohar set.

BOOKS IN RUSSIAN

In 2018, we translated and released five new books in Russian. Our newest additions are *The Prayer for the Poor: Rosh Hashanah*, *The Prayer for the Poor: Shabbat*, *On World Peace*, *Shabbat Connections Song Book*, and *Days of Power Part 2*. In total, we sold 6,700 copies.



THE ZOHAR

ZOHAR PROJECT TOURS & MISSIONS

2018 Houston: 216 Sacred and 1400 Pinchas Zohars distributed
 2018 St. Louis: 400 Sacred and 1800 Pinchas Zohars distributed
 2018 Jamaica: 101 Sacred and 700 Pinchas Zohars distributed
 2018 Las Vegas: 312 Sacred and 1060 Pinchas Zohars distributed
 US Border Mexico: 101 Sacred and 510 Pinchas Zohars distributed
 Pittsburg: 73 Sacred and 254 Pinchas Zohars distributed
 Korea: 42 Sacred and 119 Pinchas Zohars distributed



GRASSROOTS ZOHAR KITS

In 2018, the Zohar Project launched our first two "in-speak" and sold 1232 kits! The Grassroots Starter Kit was created to allow people to share the gift of the Zohar with friends, family, and those they encounter on their path. The Zohar Project has subsidized this product in an effort to make the sharing of the Zohar more accessible. Each kit contains: 20 pocket Pinchas Zohars, 20 business cards, and 1 tote bag.

ZOHAR SET FOR \$91

With the help of our generous donors, we temporarily subsidized the cost of the Zohar set in all languages, dropping the price from \$250 to \$91. An exciting way for us to make the Zohar more affordable and accessible, we sold over 1,500 sets in the span of 6 months alone! Thank you to everyone who contributed to this initiative to reduce the price of the Zohar and help spread the wisdom of Kabbalah to more people.

OTHER HIGHLIGHTS

CHARITY WATER

The Kabbalah Centre is excited to work with **charity: water**, a non-profit organization bringing clean and safe drinking water to people in developing countries, on the construction of a much-needed well in Malawi. Kabbalah Centre Charitable Causes has sponsored construction of the well through **charity: water**, which will take 22-24 months to build. Access to clean drinking water and improved sanitation can drastically reduce both risks.

"The Kabbalah 1 course is important on a global level because this wisdom is such an important thing for people to learn, do, and implement in their lives. It can actually change our global consciousness and there be an actual shift in our reality and that for me is so important."

- Grace, The Kabbalah Centre
New York

GIVING WATER

Almost 1 in 10 people across the world lack access to life's most basic necessity. The Kabbalah Centre's new Giving Water is named for its sharing capacity: For every bottle sold, The Kabbalah Centre will provide 10 liters of clean drinking water to those in need.

To see an updated list of Giving Water charitable partners, please visit: givingwater.com



ROSH HASHANAH 2018

Due to the generous donations of one of our students this past year, we were able to host our international Rosh Hashanah event for free! This enabled 2,200 of our students and friends to come together from all parts of the world and participate in the Rosh Hashanah connection together.



HIGHLIGHTS FROM AROUND THE WORLD

MEXICO:

In 2018, The Kabbalah Centre Mexico moved into a new location in Cervantes, Mexico. We celebrated with Karen and Michael in an opening ceremony. The new building is spacious and ready to better serve our wonderful community.



LONDON:

In 2018, the Zohar Project in London pushed the boundaries sharing more Zohars, in more places, and with more volunteers than ever before. We launched the 'Zohar for Everyone' initiative the week of Beresheet, where teams organize weekly Sunday outings targeting both Central London hotspots as well as inner city areas and country villages. Everyone from the community is invited to share 5 Zohars each month. In 2018, as a team, we shared 2,158 Black Sacred Zohars and 10,430 Pinchas Zohars.

We also spread our wings venturing to Scotland, Wales, and Latvia, meeting up with students from across Europe. Hungry for more, in 2019 we are planning international trips to Budapest, Dublin, Belfast, and Geneva.

BERLIN:

In 2018, The Kabbalah Centre Berlin began livestreaming their events and courses, making Kabbalah more accessible in the German language. Many events and courses offered at the Berlin Centre are simultaneously livestreamed to students all over Germany, Austria, and Switzerland. With each new Kabbalah 1 course taught in German, we look forward to expanding our online community and making the Berlin Centre the heart of the German-speaking Kabbalah community.

BRAZIL:

In 2018, the Brazil Centre's outreach partnered with "Novas Arvores por ai" and planted over 40 trees in the public gardens of Sao Paulo.



PHILIPPINES:

The Kabbalah Centre Philippines is replete with active Zohar Project volunteers. In 2018, the Zohar Project donated 46 Zohar sets, 88 Sacred Zohars, and over 3,200 Pinchas Zohars. The group covered many different sectors including universities, local government units, hospitals, health centers, and homes for the elderly. Much effort was also put into sharing the Zohar with faith-based communities and organizations.

The Zohar and our volunteers were warmly received by a Taoist temple, a Hindi temple, Methodist and Catholic Churches, and mosques and Muslim communities. We also visited the University of the Philippines and Project NOAH (National Operational Assessment of Hazards). It was during these outings that the volunteers had lively conversations with people from different belief systems and were able to meaningfully bring to life the idea of building bridges rather than walls.



RUSSIA:

In Russia, we opened a new Kabbalah Centre branch in the business center of Moscow known as Moscow City – a striking complex of skyscrapers home to some of the world’s largest companies. We held two short Power of Kabbalah courses at the complex, both of which were well-attended and created buzz for Kabbalah.

STATEMENT OF ACTIVITIES

Dollars In Thousands

KCI Kabbalah Centre International
 KCNY Kabbalah Centre New York
 KCFL Kabbalah Centre Florida
 KCUS Kabbalah Centre United States

FINANCIALS FISCAL YEAR 2018

FINANCIAL SUMMARY

Revenues	KCI	KCNY	KCFL	KCUS	Eliminations	Consolidations
Contributions, includes in-kind of \$16,000	\$5,111,772	\$2,437,871	\$1,329,916	\$950,415	.	\$9,829,974
Premium and community membership	\$418,363	\$77,820	\$68,587	\$51,308	.	\$616,078
Events and classes registration	\$1,761,227	\$994,425	\$819,426	\$872,456	.	\$4,447,534
Less events and space rental costs	(\$1,269,542)	(\$662,868)	(\$361,712)	(\$603,837)	.	(\$2,897,959)
NET EVENTS AND CLASSES SALES	\$491,685	\$331,557	\$457,714	\$268,619	.	\$1,549,575
Bookstore Sales	\$1,235,042	\$283,737	\$431,624	\$252,138	.	\$2,202,541
Less cost of good sold	(\$776,917)	(\$133,720)	(\$97,251)	(\$70,863)	.	(\$1,078,751)
NET BOOKSTORE SALES	\$458,125	\$150,017	\$334,373	\$181,275	.	\$1,123,790
Social Media revenue	\$565,058	\$565,058
Administrative services	\$814,377	.	.	.	(\$814,377)	.
Interest and dividends income, net of fees \$40,086	\$4,891,318	\$154,774	\$61,496	\$107,878	.	\$5,215,466
Net unrealized and realized gain (loss) on investments	(\$225,844)	(\$104,886)	(\$15,471)	(\$9,217)	.	(\$355,418)
Gain (loss) on sale of property and equipment	\$2,554,392	.	\$78,403	.	.	\$2,632,795
Rental income	\$1,210,887	\$3,580,733	\$23,080	\$409,152	(\$1,246,000)	\$3,977,852
Miscellaneous income	\$48,073	\$23,961	\$243,197	.	.	\$315,231
NET REVENUE, GAINS, AND OTHER SUPPORT	\$16,338,206	\$6,651,847	\$2,581,295	\$1,959,430	(\$2,060,377)	\$25,470,401

Functional Expenses						
<i>Program services</i>						
Services to members	\$19,107,077	\$8,512,234	\$4,182,127	\$2,540,732	.	\$34,342,170
<i>Supporting Services</i>						
Management and general	\$4,916,306	\$5,569,053	\$1,247,878	\$1,020,305	(\$2,060,377)	\$10,693,165
Fundraising	\$871,120	.	\$2	.	.	\$871,122
TOTAL SUPPORTING SERVICES	\$5,787,426	\$5,569,053	\$1,247,880	\$1,020,305	(\$2,060,377)	\$11,564,287
FUNCTIONAL EXPENSES	\$24,894,503	\$14,081,287	\$5,430,007	\$3,561,037	(\$2,060,377)	\$45,906,457
CHANGE IN NET ASSETS	(\$8,556,297)	(\$7,429,440)	(\$2,848,712)	(\$1,601,607)	.	(\$20,436,056)

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



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