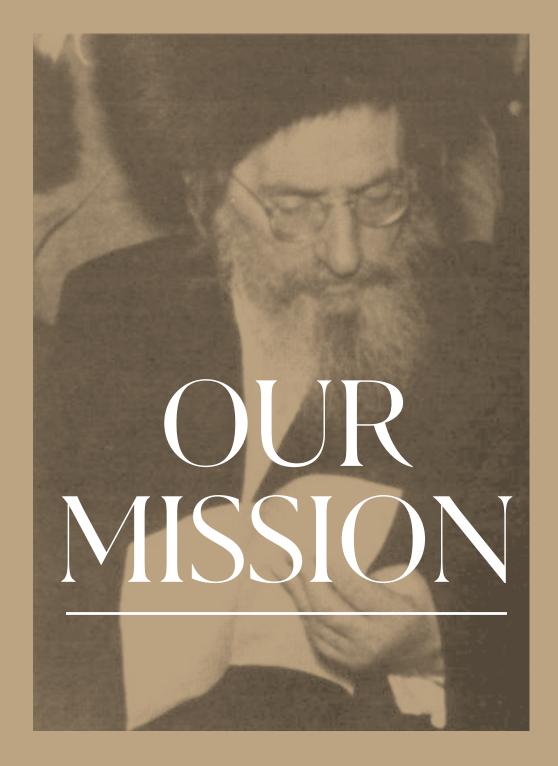


# KABBALAH CENTRE

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Rav Ashlag opened the doors to The Kabbalah Centre in 1922 with the goal of bringing about the end of global pain and suffering through the spreading of Light in the world. This vision has been the driving force behind every material we create, every connection we make, every book we publish, every class we teach, every article we post. Just as the Rav always said, the Kabbalah Centre "is not another spiritual organization, we do not exist simply to teach and improve other's lives. We have a very distinct and clear mission, to help bring about an end to pain and suffering once and for all."

Kabbalah teaches us that not only does every act of sharing make a difference in the lives of others, but it also makes a difference in our own life. Innumerable students across the globe have used the tools of Kabbalah to transform themselves and experience miracles in their lives, and we hope millions more will too.

Our hope is that every year, every student feels a stronger connection to our work and our purpose. We hope you see that what you are doing is making a real difference. You are lighting up the world, one step at a time.

There are no limits to what we can achieve when we all work together. We thank you for your continued support.



Rav Ashlag opened the doors to The Kabbalah Centre in 1922 with the goal of bringing an end to global pain and suffering through the spreading of Light in the world. This vision has been the driving force behind every charitable cause and project we create, connection we make, book we publish, class we teach, or article we post. The Kabbalah Centre is not another spiritual organization; we do not exist simply to teach and improve others' lives. We have a very distinct and clear mission, to help bring about an end to pain, suffering, and death once and for all.

That one mission is the reason we do everything we do. Kabbalah teaches us that not only does every act of sharing make a difference in the lives of others, but it also makes a difference in our own life.

There are no limits to what we can achieve when we all work together. For when we come together in unity, the possibilities of revealing Light in the world are endless.

### Rav Berg

The spark that is our soul finds its way into the body and environment that is perfect for it to complete its work. As I understand it from all that I have read and learned through the wisdom of Kabbalah, the soul travels through this physical world on a journey of correction and growth, connecting to people and situations that allow what is missing to become whole and what is broken to become healed.

If we lack compassion, we are given the opportunities to feel pain; if we are wise, we are given a chance to learn humility; if we are angry or frustrated, we can learn to be creative and discover how to serve others rather than ourselves; if we are victims, we can become a leader rather than a complainer.

These situations assist us to build those spiritual muscles that we were not born with. There is a beautiful story of a man who asked the Creator, "How can I get close to You, what kind of work can I do?" The Creator sent him out to the field, showed him a giant boulder, and said, "Push this boulder every day, and in this way, when you have completed this work, you will be close to Me." The man endeavored every day for hours, and yet the giant rock never moved. Days, months, and years passed by. One day, in frustration, the man yelled up to the Creator and said, "For thirty years, I have pushed this boulder, and it has not moved. All I wanted was to be close to You, and You sent me here to move an immovable rock." To which the Creator answered, "I did not ask you to move the stone, only to push it. In pushing against it, look at what you have become, look at the muscles you have grown, look how beautiful you are. My son, I did not want you to move the stone. I can move it. I only asked you to push against it so that you can get as strong as you are so that now you can come back to Me fulfilled and whole."

It is not that we are born with this quality of soul within us; rather, it is the circumstances of our lives that push us to complete our spirit.

I have never been more proud of the work of the Centre and of our global community because we have been tested, and with those tests, each of us individually has become more developed, and this has led to an ability to be even more focused on the original vision of the Centre. Today, more people than ever know who we are and what we do, and those who would like to walk this path with us are participating. We have accomplished much, thanks to the support of our financial donors and with the help of those who donate their time. But we also see how much there still is to do.

We don't have time to sit back on our achievements; we are pushing forward, always seeking new ways to give more people access to the beauty of Kabbalah. And through our pushing, may the Light move the boulder for the whole world.

### Karen Berg









The end of pain and suffering is something we take very seriously at The Kabbalah Centre. It's one of the most important purposes of our existence. Every book that we publish, every student that we teach, every Centre that we open, is with an eye for achieving that one purpose. Why? Because the kabbalists teach that when a critical mass of people attain this wisdom and use its tools to grow and change, the end of pain and suffering will come to this world. If I didn't believe that this was possible, I wouldn't be doing this work.

Further, the reason the Rav and my mother, Karen, continuously pushed themselves was because they believed the end of pain and suffering is a possibility in our lifetime. I hope that you, too, truly believe this idea. Your support in helping us spread the wisdom of Kabbalah is, to me, a tangible representation of that belief, and I am deeply grateful for it.

From newly launched programs and media such as the Kabbalah Youth Program and the How to Be series on YouTube to our ever-expanding spread of the Zohar, your generosity is helping to share the life-changing tools of Kabbalah at an unprecedented rate. In the even bigger 'big picture,' the purpose of this life is to achieve that critical mass, because when a huge amount of Light is revealed to the world, the end of pain and suffering will come. We're building towards that pivotal point for humanity every day, knowing in our hearts that it is actually attainable. It's an incredibly exciting time, as I hope this report will convey. And, as I've said before and will say over and over again, none of it would be possible without you. My sincerest admiration and gratitude are yours.

Michael Berry

Reflecting back on 2021, I feel grateful and inspired by how our community consistently shows up for each other. I'm reminded of something Mister Rogers once shared, "When I was a boy, and I would see scary things in the news, my mother would say to me, 'Look for the helpers. You will always find people who are helping.'" The Kabbalah Centre is a community of helpers that I am proud to be a part of. It's a comfort to know that when you need the community, the community is there with an open heart.

It's not just during times of crisis or great sadness that we come together. I see our communities around the world sharing their journeys and joys. There is always a blessing to be celebrated, an accomplishment to recognize, or a milestone to honor, and it's made sweeter by sharing it. Also, the path is less daunting when we walk it with friends—growing and learning along the way. Transformation isn't a solitary act.

The Centre and the wisdom of Kabbalah create an opening and a path where anything is possible. I know that I've experienced this firsthand over and over again. In fact, my daughter, Abigail, and I wrote a children's book in 2021. It's a true story based on Abigail's journey after being diagnosed with dyslexia. With enthusiasm from our community, the support of my family, and everyone who cheered me on along the way, we made the book a reality. Because of this wisdom and the support and care of every member of our community, we are all enabled to do and see things we never imagined were possible. Because when people show up for us and support us, we are able to share more, love more, and give more. It's a virtuous cycle that benefits not only ourselves and our community but reverberates out into the world.

Looking ahead, I am committed to finding ways to give and share more, as I hope you are, too. And as I've said before and will say over and over again, none of this would be possible without you.

Warmly,





As part of an ongoing effort to learn and grow as an organization, we enlisted Whitman Insight Strategies to conduct an intensive consumer survey earlier this year so we could get a better sense of student and prospective student sentiment..

Whitman concludes that The Centre is having an extraordinarily positive impact on people's lives. Satisfaction with and likelihood to recommend The Kabbalah Centre is extremely high, as are membership retention and student re-enrollment.

Onehouse Community Members report an impressive 94% satisfaction rate on the impact that The Kabbalah Centre has had on their lives. The underlying sentiment is that as involvement in a student's spiritual practice grows, so does their positivity towards life.

Making the wisdom even more practical through tools and technology that help translate it into daily action is our greatest challenge...and most significant opportunity.

The need for Kabbalah is greater than ever and our virtual/digital approach over the last two years has been very successful. To grow to the next level where we can impact tens of millions requires a sophisticated hybrid approach that sees community and experiences as virtual and practical tools as well as end benefits themselves.

Special thanks to Bernard Whitman for your generosity, support, and efforts in helping this wisdom reach more people.

### 2021 AT A GLANCE + OUR REACH IS GLOBAL

Our wisdom is learned in 12 languages, and in more than 100 countries around the World: English, Spanish, Portuguese, Russian, German, Italian, Polish, Farsi, French, Dutch, Arabic, and Hebrew.

52.6 million

SOCIAL MEDIA REACH

**30K** 



IMPACTED BY THE SCHOLARSHIP FUND

81.1K



NUMBER OF ZOHARS REVEALED

20,521



STUDENTS WHO TOOK KABBALAH 1

25,743



NEW STUDENTS

97,090



NEW STUDENTS REACHED BY PUBLISHING



### REOPENING OUR DOORS

The Rav always reminded us that the physical Centres are a great source of Light for the community, city, and country. Following local COVID-19 safety guidelines, Kabbalah Centres around the world have begun to once again hold in-person classes and events. Our goal is to safely build back the vibrancy of our local Centre communities. Community-focused events such as retreats, Shabbat, the High Holidays, New Moons, and more have opened for in-person attendance, allowing for our students to connect with each other more personally.









### Spiritually Hungry welcomes over 200,000 listeners every month.

### Spiritually Hungry impacts listeners deeply. Here are few of the many stories we received:

"I've been tempted to write you an email for some time now, to thank you for all the wonderful content you share, and finally wrote it after listening to the alacrity episode. I listen to your podcast almost every day while sleeping my one-year-old and it has changed my life. Every time I am in the middle of a hardship, I can hear Michael's voice saying "this is an opportunity for you to grow" and oh Monica I resonate so much with you, I am very vocal and my husband doesn't even know sometimes that he's having a hard time, and as a mom I can't thank you enough for being so open and sharing your journey as a mother. You guys are such an inspiration for my life and my marriage. We'll be moving to the States soon, and I wasn't very happy about it, but after a good number of episodes I have accepted that this is what we need to do to grow, and it has made my life way easier. Each episode is like "OMG this makes all the sense", almost like if I knew all these and forgot it, you've opened my eyes to so much knowledge I can even describe it. I will be forever grateful because now my baby boy will be able to grow having a more meaningful life and access to all these wonderful tools the Kabbalah has to offer. You are such a blessing; we are very lucky we have access to your teachings. I'm sure the world is already a better place thanks to you."

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Sending you all the love! Estefania Espinosa "I just started listening to your potcast out of curiosity. I belong to another religious tradition. Your words began to resonate with me, so I started listening to your older ones.

I want to share this story with you, so you know, your words bring clarity. I was on vacation with my son and his family. We were out of the US, enjoying our time together, when my youngest grandson became ill. He was admitted to the children hospital icu. In that moment, I remembered Michael's words from a podcast (the bulldozer), "This moment is as it is supposed to be. Every situation will teach a lesson. Find the light, the opportunity in the moment." Surrender, not the moment to be a bulldozer was the message I received. Certainly, I had the clarity to act when needed, and when to let go. The drs. found out the cause of his illness and he is in the process of recovery. Thank you. You provided a roadmap to follow. Please keep sharing your wisdom."

Sincerely,
Daisy RojasLehman

"Thank you for the podcasts I love listening to them over and over. The one on resilience was so powerful. My nephew is 24 and both of his parents passed when he was young. He has struggled with addiction and depression for many years. This spring he was in an Uber on his way to work when they were struck by a drunk driver. His body had over 21 broken bones, his pelvis especially was in 4 pieces... 6 surgeries, 7 weeks later he is out if the hospital. He is struggling with PTSD, depression and physical issues. I was looking for something positive to share with him, so I took him to lunch and shared Karina's story with him. I also found some YouTube videos where she is speaking...and sent him the links. My point is.... Had you not shared that powerful story I might not have had it to share with him. I think you were right when you said... when things happen that we perceive as bad or negative, we tend to think they are only happening to us. But clearly they aren't. Hopefully this will help him to keep trying to recover physically as well as emotionally and spiritually (internally)."

Thank you again. M. Brigid Surber

Special thanks to the many committed Video Volunteers who make each episode available in Spanish, Portuguese, and Hebrew every week.

# CELEBRATING OUR AMAZING TEACHERS

The Kabbalah Centre teachers and staff members continue to support our students, teach classes and invest in our growing online community.

They gave countless hours to teach, inspire, care, and elevate the lives of so many people all around the World. Here are two stories from students impacted by their teachers:

"I saw a change in my life immediately. This is a blessing and I am so grateful for the opportunity to be part of the Kabbalah Centre. My teacher never gave up on me and encouraged me and my family to bring out the best of ourselves and life. We unveil miracles in our lives because we become able to see them when they happen. The knowledge we get through constant study, deep understanding, and support from a teacher that is willing to walk the path with us is priceless. Only living the experience will make someone able to understand the blessings and the spiritual greatness this will bring into your life." - Claudia, Brazil

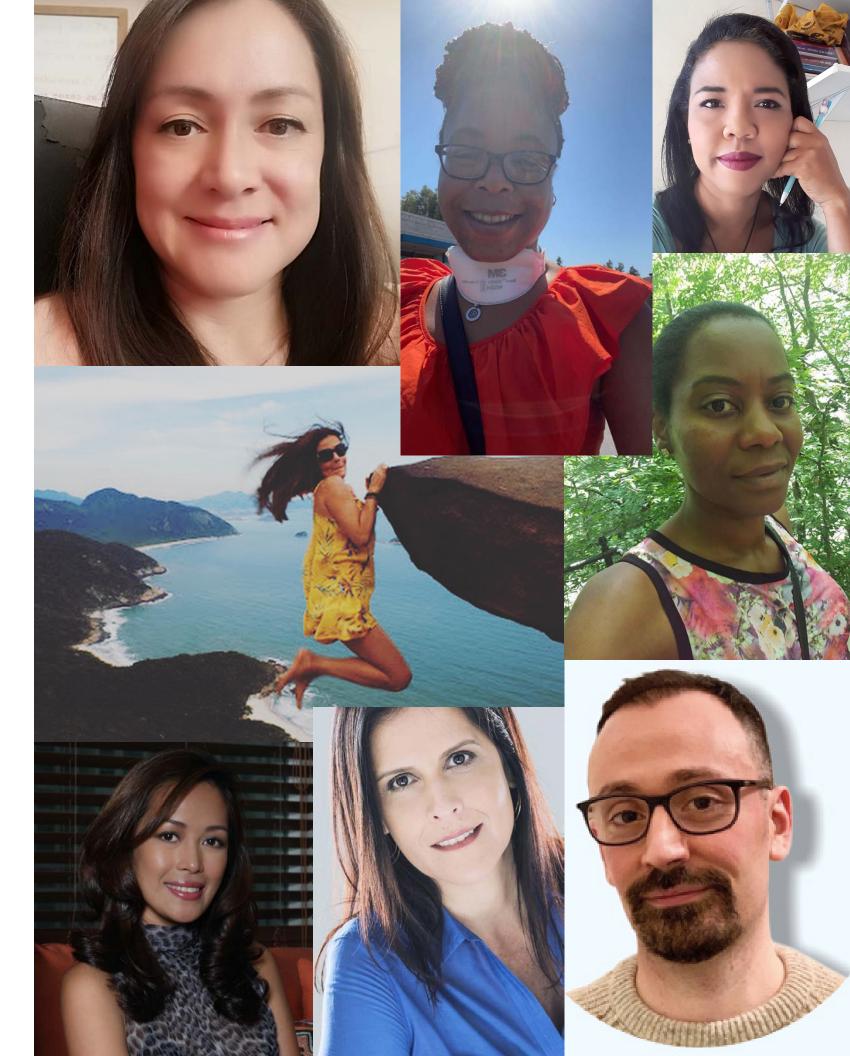
"I would like to thank my amazing, beautiful teacher who was always there for me, supporting me in each step of transformation towards becoming a better person. To receive for the sake of sharing is the most powerful wisdom that can make anyone a better person." - Catherine, London

They also create content that changes lives every single day to be shared on Kabbalah.com, social media and in-person. This story stands out:

"In less than two years, my life greatly improved and that's a result of the wisdom of Kabbalah that has been shared by such wonderful Kabbalah teachers. Kabbalah has helped me emerged from my cocoon and I see myself flourishing. It has improved my relationship with myself, family, work and relationships. You grow from one stage of consciousness to another.

For example I was comfortable with my job but I felt the "want" to do more and Kabbalah has helped me strive for the more that my soul wants."

- Elvira, New York



### YOUR IMPACT

None of the work we do would be possible without the generosity and dedication of our incredible community. We are eternally grateful for your donations that help fund so many important programs and ways to spread the powerful wisdom of Kabbalah. In 2021, your support enabled us to make upgrades in the following initiatives:



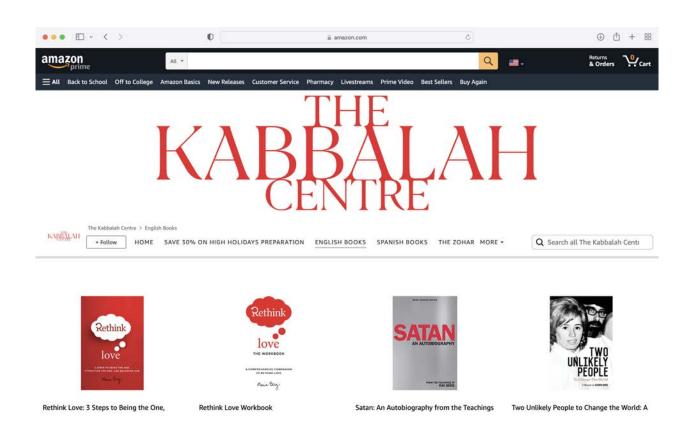


### VIDEO VOLUNTEERS

Subtitling and translating all online content: This year, 40 volunteers joined the Video Volunteers team and select content is now offered in a new language: Serbian. Over 7,700 subtitle files were created and over 2,300 videos uploaded in either English, Spanish, Portuguese, German, French, Italian, Russian, or Hebrew.

### 24/7 GLOBAL ZOHAR SCANNING PROGRAM

We are scanning Zohars 90% of every day, with hundreds of volunteers committed to doing their part every week.



### **AMAZON STORE**

The Kabbalah Centre has a thriving store on Amazon.com. Students are also encouraged to register The Kabbalah Centre as their non-profit of choice through smile.amazon.com, which prompts Amazon to donate a percentage of students' purchases to the Centre. Through new products like a limited edition lavender pocket Pinchas, 72 Names of God jewelry, and special offerings like free shipping, our stores are growing and doing well.

### TRAINING AND ADDING MENTORS IN K1, 2, 3

Nearly 130 Kabbalah Teachers and volunteers around the world have committed their time and efforts to supporting over 20,000 new students in our online global foundational courses this year. New training was developed on how to best care for and build community among hundreds of students, and more and more students are connecting quickly and deeply.

### **COMMUNITY OUTREACH**

Students in Colombia partnered with The Fundei Foundation, a non-profit organization dedicated to the development of people with cognitive disabilities, mental health disorders, and victims of armed conflict. Thanks to our students' efforts and donations, a vast array of clothes, accessories, toys, snacks, and other assorted items were delivered to those in need.

Volunteers from The Kabbalah Centre of Argentina visited the non-profit organization called Pequeño Hogar Exaltación, which shelters and protects children at risk. Our volunteers engaged the children in various activities such as art, music, and book readings, while also collecting toys and other needed items or simply preparing them something delicious to eat.



In Panama, a group of 15 volunteers shared a morning with young people at a nonprofit called New Generation Movement, which provides at-risk children with a safe and fun venue to play and learn. Volunteers brought a tasty lunch for the kids and teachers and shared Pinchas with several people.



### COMMUNITY CENTRE EVENTS

The Centre in Tel-Aviv hosted a multicultural solidarity event, in which speakers from different faiths and cultures in Israel spoke about human dignity and collaboration.

The NY Centre partnered with Meals on Wheels during Thanksgiving to deliver meals to senior citizens and families in need. During the Christmas season, volunteers helped Hearts of Gold wrap gifts for homeless mothers and children.

The Toronto Centre gave out hundreds of pinchasim to vaccination sites and front-line workers. On Mother's Day, volunteers brought tulips to essential workers at different sites in their community.



### THE KAREN BERG SCHOLARSHIP FUND

By removing all financial barriers, you are helping more people find their way to Kabbalah.

The scholarship fund also directly supports all of our pay-what-you-can courses and events, making kabbalistic tools even more accessible to people from all walks of life.

Since launching in 2020, over 100,000 students have been impacted by The Karen Berg Scholarship Fund. Over 30,000 students were supported this year alone.

"It means so much to me, and I'm so grateful! I've been a student of Kabbalah University for a very long time and I loved it very much. Now I wouldn't be able to afford the cost of a OneHouse subscription and I bless the donors that made it possible for me to access this. There is so much to learn and so much to go deeper into. For an eager student as I am, this means the world, really. Thank you, from the bottom of my heart." - Alberto B., Italy

"It means so much to me because I stopped my membership for a few months due a big move that I'm about to make. I missed taking classes and having online access, but I knew I would go back eventually. I was so excited when I got a message from our Center in Manila asking if I wanted to apply for a scholarship, so I did and I got it! I am really happy that now I can make use of all the tools, teachings and wisdom while I am rebuilding a new life, without having to worry about the financial aspect of it. I am very grateful to the Karen Berg Scholarship Fund for making all this possible. Thank you!" - Andrea M., Philippines, Manila

"The scholarship is a great gift from the Light. I am so grateful that I somehow got to the kabbalah center. Receive this support to learn more about Kabbalah. I am immensely grateful to all the professors at the Kabbalah Center Brazil, but especially to Michael Berg, for his lectures, they are sensational." - Ana C., Brazil



# THE RAV BERG ZOHAR PROJECT

### Over 81,000 Zohars revealed in 2021.

Thanks to students from all over the world that made this possible!

Rav Berg's long-held dream was for every single person in this world to possess a Zohar and its wisdom and Light. This is a goal that has been held by kabbalists for centuries. In 2021, we published the first-ever The Rav and Karen Berg Zohar Edition, a special version that carries with it the tremendous energies of both of these great kabbalists.

Over 2,000 donors not only made this special edition possible, you ensured our continued sharing of thousands of free Zohars through our Share the Zohar campaign, in which people can receive a free copy of the seminal book via Kabbalah.com.

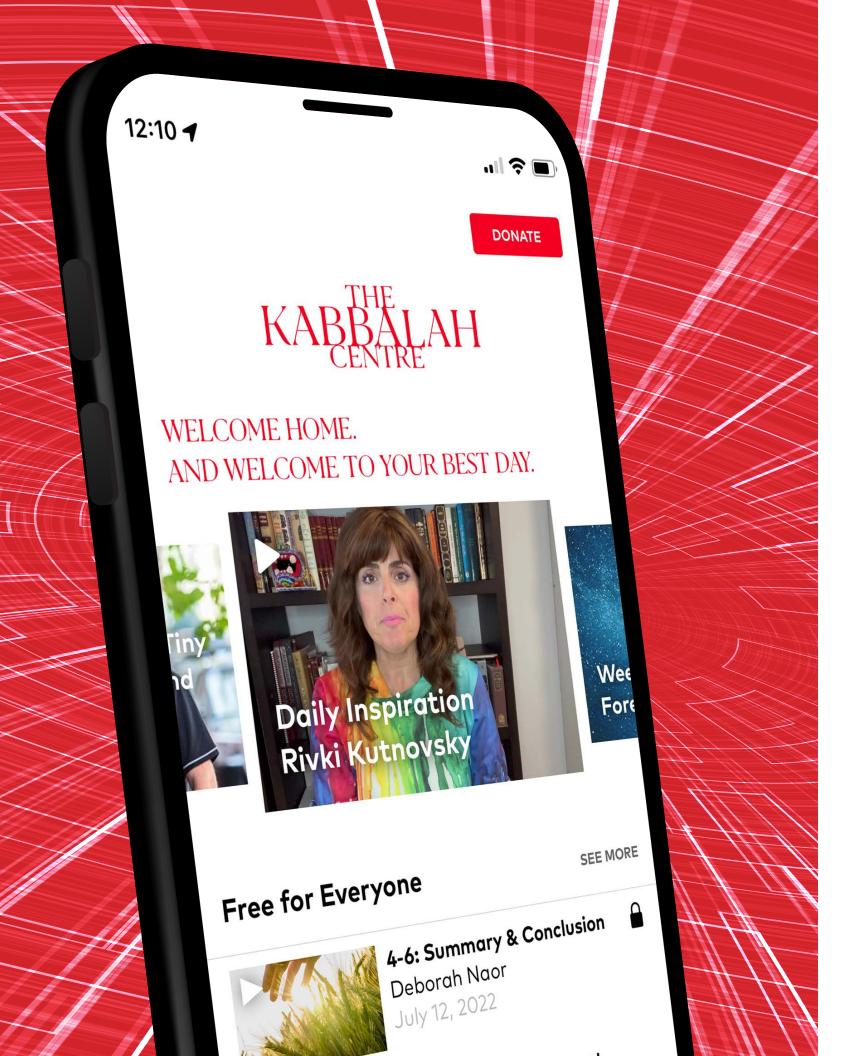
Thanks to the support of students like you, the Rav Berg Zohar Project continues to grow and thrive. We are immensely grateful for your wonderfully enthusiastic support.

"After knowing the impact that I can make just by scanning for at least half an hour a day, I have decided to make it part of my daily routine and because I want a better world with better people for my son and his children." - Patricia, Mexico

"I'll say that it's more than a book with great knowledge... it's a very special instrument of healing, blessings and miracles. I feel more connected with Kabbalah every day and this feeling fills my days with hope." Juliana, Brazil

"A few years back my dad was very ill in the hospital and we thought we were going to lose him. I was unsure how to move forward and communicate with the hospital staff. I took out my pocket Zohar and just started to scan the pages and pray for direction. The Zohar gave me such amazing strength and insight that I know came from our creator. It gave me the courage to speak up for my dad's health and to create change that I believe helped my dad pull through."

- Barbra, Canada



# THE ZOHAR APP

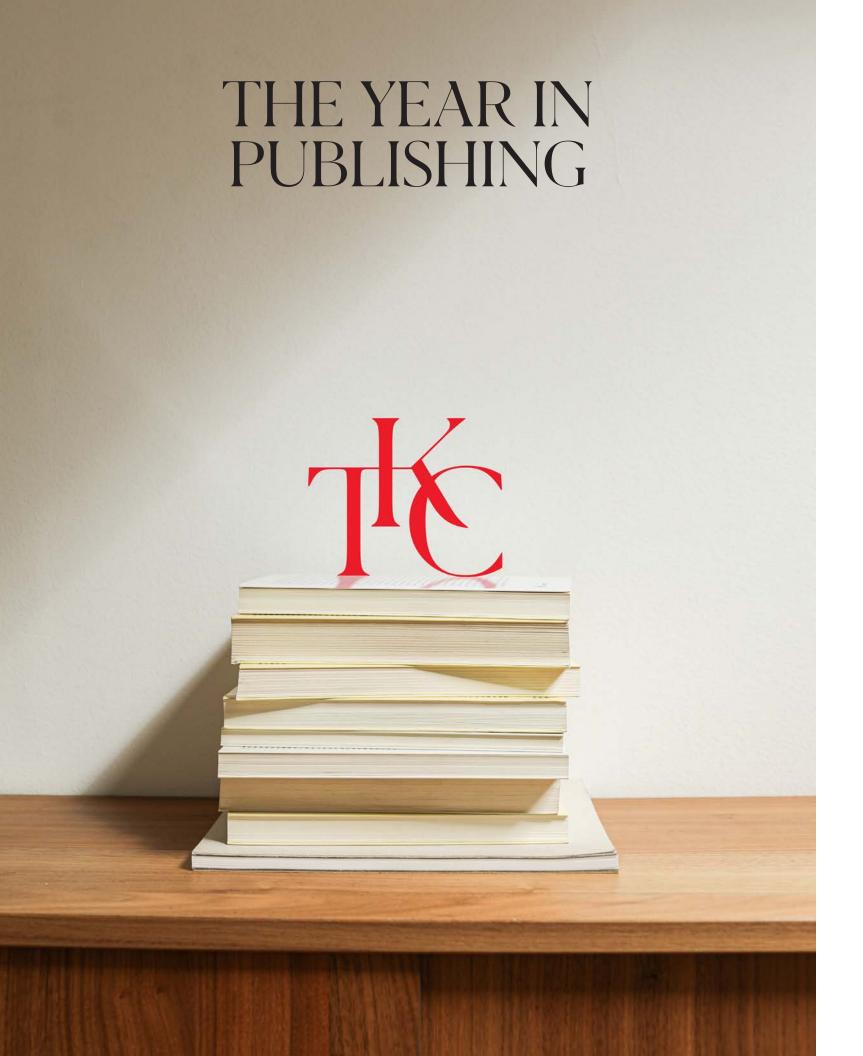
As we strive to use modern technology in ways that benefit more people and make Kabbalah accessible to millions more, we're excited to announce we have launched the first version of the **Zohar App!** 

Our goal is to make the Zohar available to every smartphone holder in the world, who now have the Light of the Zohar at their fingertips. This year, the next version will be released which will include more languages, the ability to listen to teachers reading in Aramaic, and the option to study directly on the app.









## New titles published, titles revised, and best-selling books reprinted with the generous help of our donors.

### New

Path to the Light Volume 7 Path to the light Volume 8

### Revised

Dialing God Satan English and Spanish Pesach Haggadah

### New Language

Rethink Love in Spanish Power of Kabbalah in Chinese

### Reprint

Wisdom of Truth English
Power of Kabbalah English
To Be Continued reprint Spanish
Consciousness and the Cosmos



### KABBALAH YOUTH PROGRAM

Youth comes once in a lifetime. As E.E. Cummings said, "It takes courage to grow up and become who you really are." At The Kabbalah Centre, we strive to provide young adults with the tools and consciousness to navigate adulthood as conscious, loving, independent, sharing global citizens capable of pursuing their dreams.

In 2021, we began the journey to develop kabbalistic content for children of all ages. It's amazing to realize that a large part of our teachers today were children who grew up with the wisdom of Kabbalah and tremendously benefitted from this wisdom at a young age. So much so that they felt inspired to make it their life's mission to share Kabbalah with others. In 2022, we are excited to offer online classes, workshops, and other activities geared toward children and teens ages 7-17, plus an "edutainment" holiday video series for early childhood and elementary age children.

Our goal at The Kabbalah Centre is to provide children and teens with the kabbalistic tools they need to navigate life, become leaders, and positively impact the world. Visit **giving.kabbalah.com/youth** for more information.

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"My years as a teenager felt a lot like a storm or lost in a tsunami rather, where there was just so much going on internally. Externally...it was so hard to know how to be myself, how to feel like myself, confident in myself. But there were times where, thankfully due to the tools and wisdom of Kabbalah, I was able to figure out what it is that I really wanted to do, who I wanted to be, how I wanted to act, talk, and think. Not from a place of oh to fit in and be this, you know, cool person or functioning member of society, anything like that. It was to really be my best version of myself...who I feel good being. It's even carried into my adult years and I've come to love who I am a lot more thanks to that."

- Mordechai, Los Angeles

"During most of my teen years, I suffered from very severe eczema, which would make me very stressed out. And then in turn the stress would make it worse...I really would be very self conscious about it to the point where I really wouldn't be able to leave my house, it was very hard for me. But... Kabbalah really taught me that everything was there for a reason and thinking like that really would help me calm down. It would then help me with my skin overall and understand that there is nothing to be ashamed of. We all go through different processes and this is mine and I don't understand why it's happening, but I do understand that it's here for a reason and to teach you something... and it really helped me work through it and really work through all of the feelings that I felt towards that situation." - Leah

"When I was in High School, I was sometimes jealous of the popular girls and I always wanted to fit in. The tools of kabbalah showed me that I'm not going to be happy if I fit in, I'm not going to be happy if I'm the coolest. I'm going to be happy if I do what truly gives me joy. I started to take more time to be with my family and be honest with myself....The memories and the difficulties that I had in high school aren't going to stay with me, I'm going to move on from them and I'm going to learn from that....And then I was truly happy because I didn't care what other people thought of me or who I was because I liked who I was."

- Miriam, Los Angeles

Our goal at The Kabbalah Centre is to provide children and teens with the kabbalistic tools they need to navigate life, become leaders, and positively impact the world.

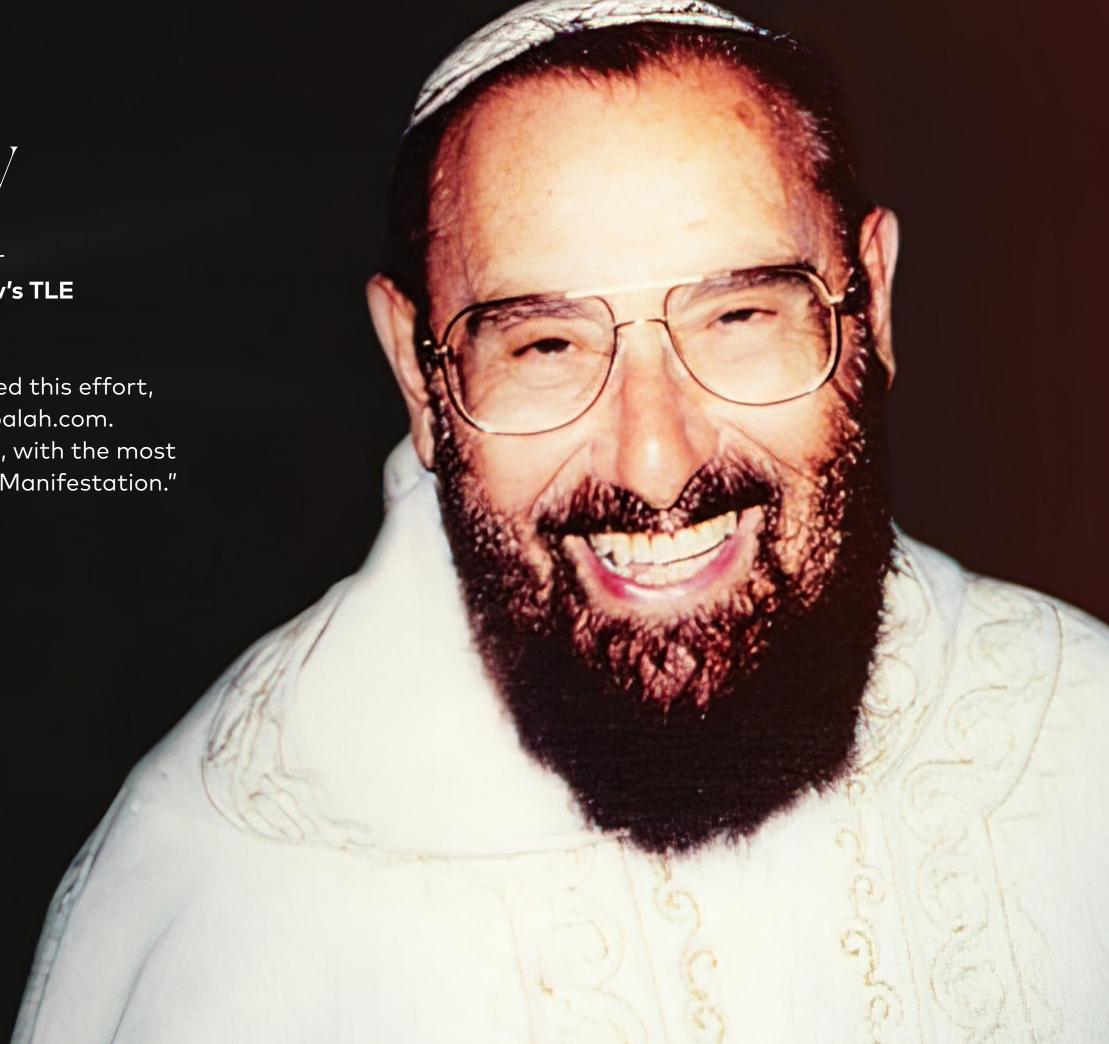
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Visit giving.kabbalah.com/youth for more information.



A project that is near and dear to our hearts is the digitalization of **The Rav's TLE** (*Ten Luminous Emanations*) lessons.

Thanks to the students who supported this effort, 23 lessons are now available on Kabbalah.com. Thousands of students have tuned in, with the most watched being "Thoughts Preceding Manifestation."



### FINANCIALS

Dear Students, Community Members, and Supporters,

The year 2021 was another challenging and dynamic year for our organization, as it was for most businesses, families and governments around the world as we begin to ascend from the COVID-19 pandemic. It was also a rewarding year, with positive developments and progress made on our main initiatives. Despite the challenges faced, we were able to achieve another year of resilient cash flow performance and continued building a strong liquidity position, which we were able to achieve. Throughout 2021, we have exhibited continued financial discipline and managed our costs flexibly and fully in-line with business recovery. We made further progress on increasing efficiencies and reducing costs throughout the organization with a holistic and organization-wide transition to become more centralized and digitally focused. The Centre has continued to allow for the widest dissemination of the wisdom through the ever-growing Karen Berg Scholarship Program and Pay What You Can model, setting the organization up for stability and growth in the years to come.

Through the finance, leadership and management teams' steadfast hard work, determination, and great care over these past twelve months, The Kabbalah Centre has continued the incredible financial transformation, which started in 2019, that has allowed us to reach and achieve financial stability both in 2021 and thus far in 2022. This transformation is a direct result of the hard work to manage, and significantly reduce, the Centre's operating expenses, headcount, physical spaces, and contractual obligations. Equally as important to our growth, the Centre has continued to proactively invest in our digital infrastructure, which has allowed us to generate enormous sustainable growth through online classes and events. Together, through the generation of mixed revenue sources and with reduced expenses, we have been able to realize results in 2021 that have yielded a solid operating surplus for the Centre.

### **ACCOUNTABILITY**

For the fourth consecutive year starting in 2018, we engaged an independent audit firm, SAX LLP, to conduct a thorough review of the Centre's financial statements. All of this was pursued with our goal and commitment to you of fostering a culture of transparency, accountability, and stewardship for the financial support and donations you entrust us with. Throughout this process, we have held ourselves to higher standards of financial reporting and review

than those required of a non-profit 501(c)(3) religious sub-class designated organization, which is The Kabbalah Centre's filing status under the U.S. IRS tax code, which are not required under law to file annual financial updates.

It is with great privilege and pleasure that we hereby report that the independent outside audit firm issued a clean opinion of the Centre's financial statements for the year ended December 31, 2021. The bottom-line results for 2021 reflect an overall net surplus of \$7.6 million before depreciation expense and \$3.6 million excluding depreciation expense. We were able to achieve such results while furthering our efforts to invest in our technological infrastructure and continuing to streamline our predominantly physical presence to the more unified, cohesive and cost-efficient digital presence we began in 2020. This digital presence has allowed the Centre to have a vast global outreach to the current community and new students through a robust calendar of online classes, publications and events.

### **STEWARDSHIP**

Our concerted internal efforts over the past year have also yielded many improvements, both toward our collective growth goals as well as our goal to continually improve our stewardship of resources. Below is an overview of the results of those efforts:

Expense Reduction: From our 2017 peak of \$60 million, we've reduced our overall annual expenses to ~\$23.5 million as of December 31, 2021, a 60% reduction in total expenses.

These reductions were mainly accomplished through:

- Organizational staff reductions by over 50% at both the global and local Centre levels
- Centralization of financial/operational functions and continuing the cost-sharing model implemented in 2020 with our local Centres
- Reduction of all costs by maximizing our efforts, streamlining processes and vendor negotiations

### Pay What You Can (PWYC):

The Pay What You Can model allows members, the community and students – both new and existing – to contribute what they can for select online classes, courses and events. Throughout its use in 2021, the PWYC model generated approximately \$670K in revenue. This model proves to be vital in sharing the

teachings and resources of the Centre to our worldwide community and reaching all those with a desire to learn, regardless of their financial means. During the pandemic, this model enabled the Centre to sustain our operating revenue and will continue to do so in the years to come.

<u>Technology:</u> KCI significantly reduced its day-to-day operating IT expenses through contract negotiations and reduction of services resulting in annualized savings of ~\$2M, while maintaining our focus on growing the Centre's online presence and moving forward with the Pay What You Can (PWYC) model. We continue to learn from our experiences and we are prepared to make a sizable capital investment in our overarching technological infrastructure over the next 3 years.

KCI continues to achieve the goals that were set forth at the beginning of 2021 and continues to operate on a breakeven basis.

### **STABILITY & GROWTH**

As we look ahead to 2022 and the Centre's 100 year anniversary, we are committed to continuing our efforts of financial accountability and stewardship while looking to invest in our talent and technological infrastructure to enable stability and growth for many years to come. In our pursuit of growth, we're focused on five categories:

- 1. Technology and digital presence
- 2. Reaching new students at a global level
- 3. Spreading The Zohar In English & Spanish
- 4. Educating and supporting kids and teens The Kabbalah Youth Program
- 5. Kabbalah Centre Publishing

Underpinning these five categories of growth is the Centre's digital presence and platforms. We will continue to invest in it with innovative technology and we are prepared to make a sizable capital investment in our overarching technological infrastructure in 2022, 2023 and 2024 toward the goal of exponential growth and global impact to bring the wisdom to tens of thousands of new students.

Amidst all of these concerted positive efforts, there are still obstacles and challenges facing the financial health of The Kabbalah Centre. As a non-profit organization dedicated to altruistic goals of spreading spiritual teachings and, through them, improving our students' lives, we endeavor

to make the teachings and services we offer as affordable as possible for anyone to be able to access them. In addition, much like higher educational institutions, we rely on a robust cast of talented teachers and Chevre and their dedication, passion, and knowledge to disseminate this wisdom and nurture the spiritual journeys of our students. This large, global staff base carries an associated cost, one in which are committed to continuing to invest in by offering competitive wages and benefit packages.

As of this letter dated July 2022, the current state of world affairs reflects that of extreme uncertainty over the conflict in Ukraine initiated by Russia. Though no one can predict the outcome, the strife and violence have already impacted financial markets globally. The economic effect of sanctions could be severe and long-lasting, and spread beyond regional and national borders. As a result, inflation is expected remain at higher-than-normal levels throughout 2022. Additional considerations and global volatility including fuel prices, shipping costs and logistics, and unforeseen stock market impacts are all factors we continue to closely monitor and how the talks of a recession may play an impact on financial projections. As these events showcase, the world is in need of the Kabbalistic wisdom and tools the Centre offers more than ever, and we are committed to supporting its widespread dissemination through thoughtful and cost-effective means.

As we look ahead, our goal is to remain cash-flow positive throughout 2022. We are on track to meet this goal, based on current financial projections, planned technological infrastructure capital investments, and further expense reduction exploration. Our priority amidst all cost-cutting measures is to ensure The Kabbalah Centre continues to fulfill our mission of spreading the wisdom of Kabbalah to all who desire to learn around the world, with as minimal impact to the offerings, services, and experience of our student base. The Kabbalah Centre has gone through many iterations and evolutions throughout its history, and our operational and financial commitment to you is to ensure the organization is on solid and stable ground to enable a foundation that can allow it to evolve and grow in the decades to come, and beyond.

With warmest regards, **Angelo Federico, CFO** 

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# THE PAST FISCAL YEAR:

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# AUDITOR'S (SAX) CONSOLIDATED FINANCIAL REPORT FOR 2021

Supplementary Information - C	ombining S	tatement of	Activities a	nd Changes	s in Net Ass	ets	
Y	ear Ended I	December 3	31, 2021				
	KCI	KCNY	KCFL	KCUS	Subtotal	Eliminations	Combined
REVENUES, GAINS, AND OTHER SUPPORT							
Contributions, includes in-kind of \$25,000	\$ 10,326,364	\$ 3,353,933	\$ 1,829,569	\$ 1,014,065	\$ 16,523,931	\$ -	\$ 16,523,931
Premium and community membership	1,718,689	189,685	156,842	127,077	2,192,293	-	2,192,293
Events and classes registration	1,021,427	463,759	134,825	165,134	1,785,145	-	1,785,145
Less events and space rental costs	(404,436)	(169,220)	(40,601)	(56,397)	(670,654)		(670,654
Net events and classes sales	616,991	294,539	94,224	108,737	1,114,491	-	1,114,49
Bookstore sales	1,349,135	169,443	232,030	185,911	1,936,519	-	1,936,519
Less cost of good sold	(326,065)	(77,542)	(52,956)	(67,810)	(524,373)		(524,37
Net bookstore sales	1,023,070	91,901	179,074	118,101	1,412,146	-	1,412,146
Social media revenue	4,500	-	-	-	4,500	-	4,50
Administration services	1,416,000	-	-	-	1,416,000	(1,296,000)	120,000
Interest and dividends income	3,558,035	1,229	408	15,962	3,575,634		3,575,63
Net unrealized and realized gain on investments	227,585	2,194	1,050	13,356	244,185	-	244,18
Net gain (loss) on sale of fixed assets		(263,941)	3,613	2,421,231	2,160,903	-	2,160,90
Rental income	216,000	2,632,031	471,252	578,159	3,897,442		3,897,44
Miscellaneous income	226,143	11,239	17,607	33,024	288,013		288,01
Net revenue, gains, and other support	19,333,377	6,312,810	2,753,639	4,429,712	32,829,538	(1,296,000)	31,533,538
UNCTIONAL EXPENSES							
Program services							
Services to members	9,799,942	4,931,223	2,394,583	2,310,006	19,435,754	(1,296,000)	18,139,75
Supporting services							
Management and general	2,179,112	2,298,367	550,305	592,323	5,620,107		5,620,10
Fundraising	182,178	-			182,178	-	182,178
Total supporting services	2,361,290	2,298,367	550,305	592,323	5,802,285	-	5,802,28
Total functional expenses, before depreciation and amortization	12,161,232	7,229,590	2,944,888	2,902,329	25,238,039	(1,296,000)	23,942,03
Change in net assets, before depreciation and amortization	7,172,145	(916,780)	(191,249)	1,527,383	7,591,499		7,591,49
Depreciation and amortization	466,320	2,371,510	591,320	559,745	3,988,895		3,988,89
HANGES IN NET ASSETS	6,705,825	(3,288,290)	(782,569)	967,638	3,602,604	-	3,602,604
IET ASSETS, beginning of year	(4,476,666)	41,057,311	8,284,499	30,303,399	75,168,543		75,168,543
IET ASSETS, end of year	\$ 2,229,159	\$ 37,769,021	\$ 7,501,930	\$ 31,271,037	\$ 78,771,147	s -	\$ 78,771,14



The last two years have allowed us to build a solid foundation for growth and expansion – in many ways out of necessity. 2022 was about creating an entirely new level – new avenues for a new kind of student – through initiatives such as our newly launched Youth Program and the upcoming Recovery Program. We're striving every day to find new ways for our students to connect, which led us to developing an inspiring and user-friendly Zohar App. And we are continuing to reveal paradigm-shifting secrets in the world through the Ari Legacy Project, featuring "The Origins of Consciousness: A Study of the Ten Luminous Emanations" by Rav Ashlag and Commentary by Michael Berg and the English translation of the Gates to Reincarnation.

With your support, we know that anything is possible. The Kabbalah Centre has existed for 100 years, and from Day 1 our heart and soul has always been our community. As we launch towards the next 100 years of the Centre, we thank you for your generosity and for sharing your soul's beautiful Light with us and your fellow students.

To learn more about current and future Centre projects, please contact donorcare@kabbalah.com or visit Giving.kabbalah.com

### KABBALAH CENTRE