



Dear Friends,

The Board of Directors of Ten Directions is pleased to present our annual review of operations. This letter coincides with the audit of our 2012 financial statements prepared by our outside accounting firm. Complete financial statements can be mailed to anyone who requests a copy.

Financial results compared to 2011

In 2012 Guest House's total revenue was \$1,246,384, or 5% higher than 2011. \$755K (62%) of this was in revenue from guest groups (third-parties); this was a 22% increase over 2011. However, the decline in size of the Ridhwan groups (EM, Seminary and Boston) resulted in Ridhwan revenue of only \$220K, or 22% less than in 2011. Contributions totaled \$168K, or 12% less than 2011.

Total expenses were \$1,385,152, or 11% higher than 2011. The increased expenses were due mainly to an increase in the size of the staff that was necessary in order to serve the increased amount of third-party group business. Overall, the significantly increased sales to guest groups were not enough to outweigh the decline in the size of the Ridhwan groups, the drop in contributions, and the increased expenses. We therefore had a net loss of \$139K.

Below is a summary of the preliminary financial results for 2012 versus 2011.

Guest House – 2011 and 2012 Summary of Profit & Loss		
	Actual 2011	Actual 2012
Revenue from Operations	\$997,384	\$1,078,145
Contributions	<u>\$190,917</u>	<u>\$168,239</u>
Total Revenue	\$1,188,301	\$1,246,384
Operating Expenses before Interest & Extraordinary Expenses	<u>\$1,120,557</u>	<u>\$1,290,027</u>
Operating Surplus before Interest & Extraordinary Expenses	\$67,744	\$(43,643)
Interest on Debt	<u>\$(97,020)</u>	<u>\$(95,124)</u>
Deficit after Interest but before Extraordinary Expenses	\$(29,276)	\$(138,767)
Extraordinary Expenses	<u>\$(27,146)</u>	
Deficit after Interest and Extraordinary Expenses	\$(56,422)	\$(138,767)

Outlook for 2013

In 2013 we are projecting a net income of \$51K. We expect a 26% increase in sales to guest groups, and a 2% decrease in Ridhwan group sales. Contributions are expected to decline by 10%, primarily because a special grant we received in 2012 was only for that year. Operating expenses are budgeted to increase by 3%. For the first quarter of 2013, revenue is 12% higher and expenses are 2% higher than the same period last year. We are currently on track to reach our budgeted net income for 2013.

Mortgage Refinancing

On April 9, 2013 we refinanced our mortgage from RSF Social Finance for another five years, at better terms than the original mortgage. We also refinanced the loans from individual lenders to Guest House for an additional five years. We consider these both as votes of confidence that we are on track with the mission in which these generous lenders believed and invested.

Guests

Although Guest House was originally established as a center for East Coast Diamond Approach groups, we have become known as a highly regarded supportive haven for other organizations and paths that seek to develop human potential. In only five years we have become one of the most desired and well-respected retreat centers in the Northeast.

In our short history, we have gone from hosting a few hundred guests each year to over 3,000. In 2012 we served 95 different groups. Some of the groups that have used Guest House include the Hoffman Institute, the Foundation for Neurofeedback, the Wildlife Conservation Society, the United Nations Studies Program, Rutgers and Columbia Universities, Rupert Spira, the Connecticut Council on Philanthropy, Keep America Beautiful, A Society of Souls, the Foundation for Human Enrichment, the Four Winds Society, the Connecticut Association of Independent Schools, Trinity Wall Street, the Gestalt Center for Psychotherapy, the Ontological Design Community, the Hartford Family Institute, and many churches and arts groups.

Our hard-working staff has received glowing testimonials for their work, and almost every group that stays at Guest House tries to rebook for the following year. (Unfortunately, now that we are so busy, we haven't been able to accommodate all of them!) Thanks are due to all our employees, including department heads, Jim Emswiler, William Galvin, Marianne Hile, Steve Matterazzo, and Rhonda Nutile.

Facility Improvements

In 2012 we renovated the Tavern, removing the bar and installing a new tile floor. It can now be used as an additional dining space as well as a back-up meeting room. The posts were removed in the White Barn to improve sight lines to the dais, and allow room for more seats. A new public computer for guests was installed in the library. We also added new heating/cooling units to 21 guest rooms, which allow adjustment of the temperature in individual rooms.

New Logo

Guest House's beautiful new logo was unveiled in 2012. It was created by professional designer Chris Gonzalez, who donated his services. Throughout the year, we have been integrating it across platforms.

New Fundraising Initiatives

In July Guest House launched a new annual membership program called Friends of Guest House. Our objective is to create a broad base of community participation that will nourish and support the realization of our mission. In its first year over 80 people joined the Friends. A matching grant also allowed us to start the Alia Johnson Program Fund, to support programs produced by Guest House. An additional generous matching grant was received from the Community Foundation of Middlesex County.

Programs

Guest House produced three well-received programs in 2012: Trauma, Attachment & Essence, led by Diane Poole Heller; Body of Being, hosted by Hameed Ali; and Tango as a Door to Presence, led by Gawain Bantle. We produced a two-DVD recording of Body of Being that is sold in the Guest House store. We also continued our popular weekly meditation group for community residents.

Our 2013 schedule of programs includes Trauma, Attachment & Essence, led by Diane Poole Heller; Living a Life That Matters led by Walter Link and Bernie Glassman; 2013 Portals to Transformation in Popular Culture, led by Russ Hudson; Slain by Beauty: Freeing the Heart Through Sufi Dance, Music and Inquiry, led by Gayan Macher and Maitreya Jon Stevens; and Exploring the Heart: A Video Retreat which will present a video recording of one of Hameed Ali's California retreats, and will be facilitated by Jane Bronson and Anne Singer.

Conclusion

As Guest House continues into its sixth year in operation, we are buoyed by the overwhelming appreciation and affirmation we have received for our retreat and conference center from an ever-expanding list of guest groups. It is clear that our desire to create a space of openness and holding—one that encourages and supports growth and realization in a variety of ways—is resonating well beyond our initial expectations. At the same time, we continue to face challenges not dissimilar to those of many retreat centers across the country that are still weathering the impact of a tentative economy. We are constantly brainstorming new ways to translate that appreciation into financial commitment, and to devise new and imaginative ways to broaden our donor base and strengthen the sustainability of Guest House.

With gratitude,

Laurie Leonard, Board Chair, Guest House

Steve Kennedy, Executive Director, Guest House

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