



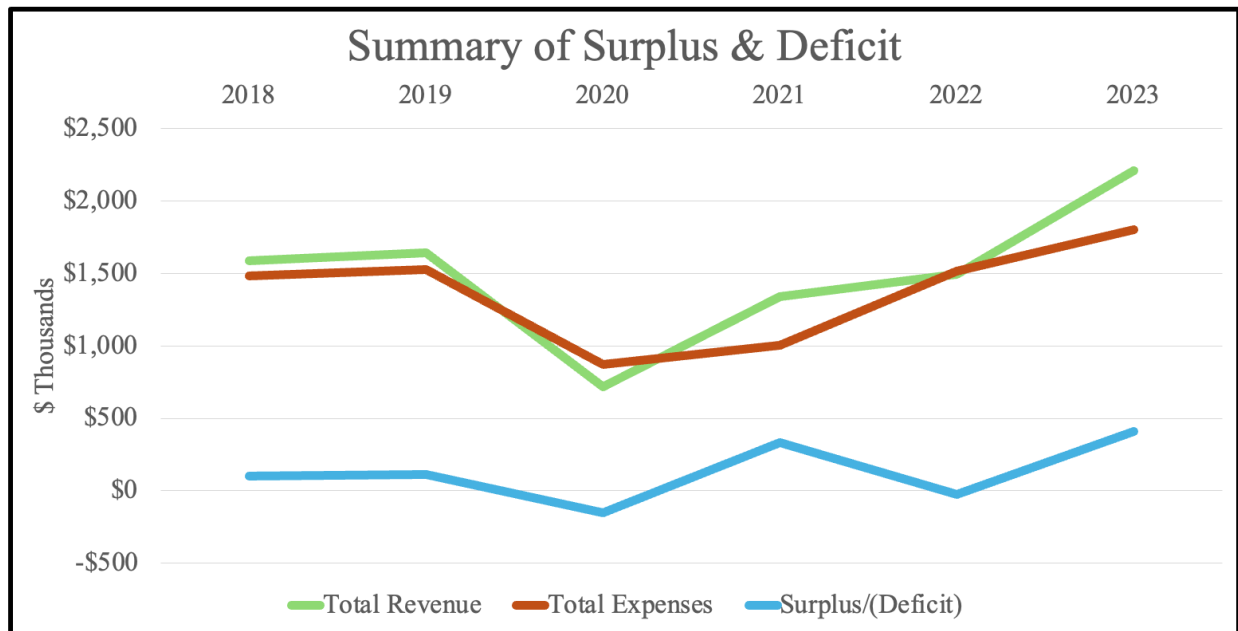
October 2024

**Guest House Annual Report of Operations 2020-2024**

**Dear Friends,**

It has been four years since we sent an Annual Report of Guest House Operations. We kept you informed over the last four years by regular emails and annual newsletters. Now, with hindsight over these turbulent pandemic times, we feel it is important to give you a summary of how Guest House coped with the pandemic, slowly rebuilt, and has now surpassed historic levels of revenues. With the many lessons learned over that time, we feel we are close to achieving financial sustainability.

The financial summary below shows stability in 2018-2019, radical swings in 2020-2022, with a complete turnaround in revenues and surplus in 2023. Guest attendance and revenues are higher now than they were before the pandemic.



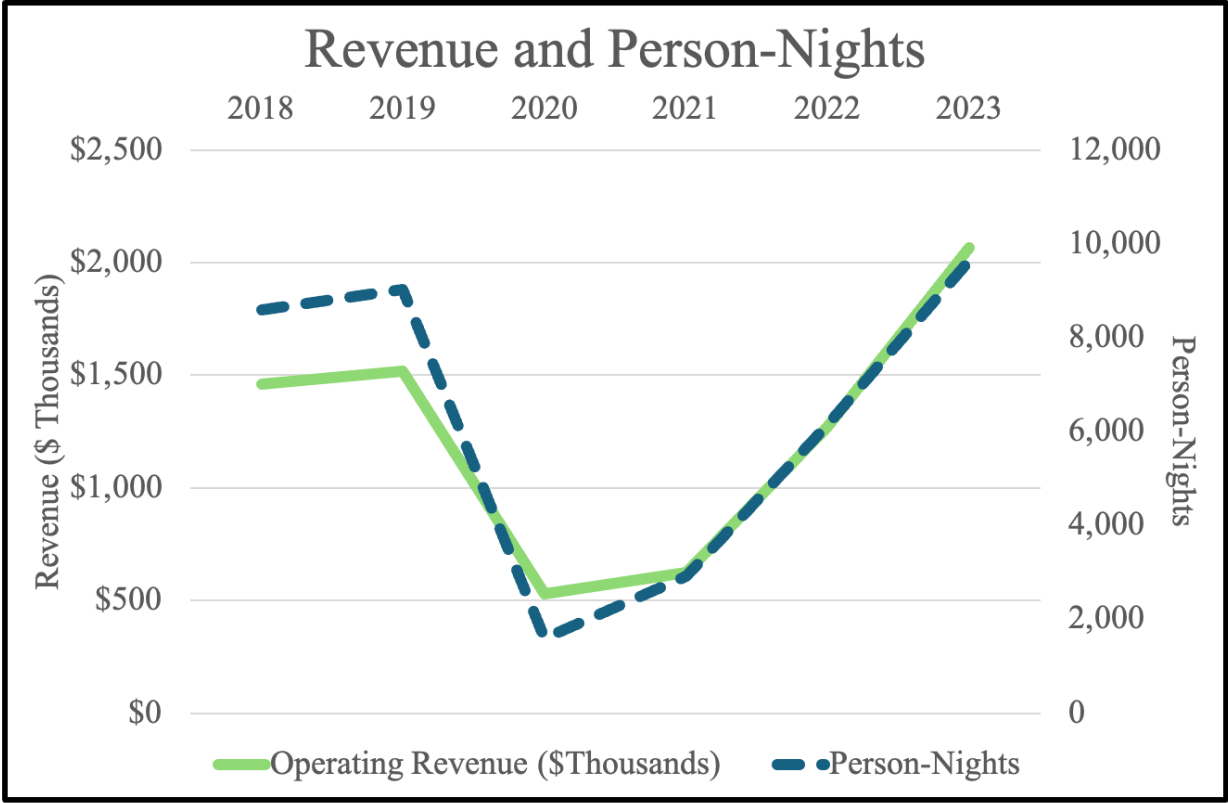
**Guest House – 2018-2023 Actual: Summary of Surplus & Deficit**

<b>Year (\$ Thousands)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total Revenue	\$1,587	\$1,643	\$717	\$1,339	\$1,491	\$2,211
Total Expenses	\$1,483	\$1,529	\$871	\$1,005	\$1,518	\$1,804
Surplus/(Deficit)	\$104	\$114	-\$154	\$334	-\$27	\$407

As background, the two main sources of revenues for GH are room-and-board fees (88-90%) and contributions (8-10%). Contributions, although a relatively small percent of total revenues, are essential to fund expenses and capital projects in any one year.

The business and stability of Guest House depend on in-person attendance. An easy way to track this over time is with “person-nights.” This is a measure of how many people stay with us and how many nights they stay (a 40-person retreat for 5 nights = 200 person-nights).

As shown below, the number of person-nights correlates directly with the success of GH. As a result of this business model, the management team and staff are highly focused on providing the highest level of service and comfort to meet guests’ expectations. The fact that more and more of our Guest Groups book for several years out and return year after year helps build our continuing stability.



**2020**

We entered 2020 after having just completed our most successful year ever. Revenues of \$1,643,000 in 2019 surpassed 2018 revenues by 4%. Surplus was up 10% over 2018, to \$114,000. Exterior and interior areas of the facility were replaced, repaired and renovated, ensuring that GH not only looked beautiful, but was also safe and sound. We had a brand-new parking lot and potable water system. Guest House was “zinging,” ready for a successful 2020, with 95% of budgeted sales already booked and new groups booking for 1-3 years into the future. Our staff and board were in high spirits.

Then the pandemic struck, and GH was forced to close our doors March 11, 2020. All employees were furloughed so they could qualify for unemployment benefits. A group of the senior team worked part time for the rest of the year to provide customer contact, bookkeeping and basic communications with stakeholders. The facility required security, and the team checked the building every night. These minimal expenses ran about \$35,000 a month with no incoming revenue. GH had cash reserves but not enough to sustain operations and payroll for a long time.

From that moment on, we have called on you, and your response has been absolutely incredible. In 2020 and 2021, contributions were at an all-time high. This, in addition to government relief, gave us a longer window of time to continue to pay for the ongoing expenses of keeping GH in shape and safe during the shutdown, and to help staff members who were experiencing hardship.

With a few retreats in early 2020 before we closed our doors and few in the fall of 2020 when the pandemic appeared to be waning, GH reported a small level of revenues of \$717,000 that did not cover expenses. Despite a 50% increase in revenue from contributions, GH sustained a deficit of \$154,000 in 2020. In 2021, we knew the financial need to continue to employ our staff would grow as federal unemployment insurance support would eventually run out. Once again you responded to our call to donate to the special one-time Guest House Sustainability Fund, which raised over \$400,000. Your gifts helped to retain key workers who might otherwise have been forced to find other jobs. Your generosity kept up the spirits of all the staff and the board. Saralyn held weekly Zoom calls with staff and bi-weekly Zoom calls with the executive committee of the board. This was an enormous collaboration and morale builder that kept the staff, senior team and board operating together even when there was little or no business.

### **2021-2022**

2021 was the most challenging year for GH as the erratic guest bookings made planning impossible. It was your contributions, along with U.S. government grants and loans of \$714,000, that supported GH. Altogether, GH avoided a deficit of \$380,000 and instead we reported a surplus of \$334,000. Your contributions and government grants helped GH maintain the physical integrity and safety of the building and grounds throughout these early years of the pandemic.

Guest revenues remained precarious through the first quarter of 2022, as Covid came and went. But after the initial omicron wave, guest groups started to grow, reaching total revenues of \$1,275,000 by year end, more than double that of 2021. Inquiries for retreats and bookings began to grow, and by the end of 2022 we started to think that 2023 might just be a record-breaking year.

### **2023**

And it was. We were ready to respond to the pent-up demand from our old—and many new—groups to hold in-person retreats. Diamond Approach groups started to return for in-person/hybrid retreats, rejuvenating the energy and aliveness of pre-pandemic times.

Finally, in 2023 guest groups and Diamond Approach groups returned with robust confidence. Revenues of \$2,211,000 exceeded the historic high set in 2019 by 34.5%. The surplus was also a

record high of \$407,000. This success has enabled GH to maintain and improve the safety of our infrastructure. Recently we have also been able to enhance guest comfort with new chairs in the White Barn, inspire visitors and staff with a new birch grove by the entrance (and solved substantial drainage issues in the process), contribute more (in some cases double) to employee insurance plans, budget to match contributions to retirement accounts, and expand diversity and inclusivity training for our employees.

## **2024**

Looking ahead, we anticipate 2024 revenues will decline about 10-15 %, but our cash flow will remain robust. GH, like all small businesses, is facing rising food costs, increased wages to maintain the expertise of our staff, and higher energy costs. The reduced level of revenue is more of a smoothing-out after the burst in 2023. Most of our longtime repeat groups have booked for next year and beyond, and the length of those retreats is increasing. Over the next 2-3 years, we anticipate: steady business comparable to 2023/2024, continued expense control ensuring stable cash flow, and continued development of staff. This all will help keep GH performance steady and achieve sustainability over the long run.

Guest House has been through a lot, but after 16 years, we feel we are stable and sustainability is at hand. In 2021, at the bottom of our performance, we knew GH had to create a stronger financial foundation for the long term to weather any unknown future crises. In response, we publicly launched the Guest House Legacy Circle. Your planned donations when you pass, have already started to build the financial foundation to respond to future unexpected events. Please help to build the Legacy Circle at [guesthousecenter.org/give](http://guesthousecenter.org/give).

We hope this annual report and review of our business operations for the last five years has served to inform you and give you confidence in the future of Guest House. This report will now return to being published every year to keep you informed about the well-being of your spiritual home.

*With our care of and appreciation for Guest House and you, our community.*

Guest House Board of Directors