

101. Mission Statement and Context: We offer Natural settings where all are welcome. Here the experience and respect for God's creation connects people in an oasis where Christian community and adventures invite spiritual growth.

102. The Camping and Retreat Ministries (CRM) Governing Board is a subset organization of the NYAC with membership elected from the NYAC membership body. The CRM Governing Board has undergone many manifestations, but currently serves to guide and supervise the camping staff and acting executive director. The CRM Governing Board confers directly with Conference Council on Finance and Administration (CCF&A), and the Conference Trustees on the management of properties for which we are stewards.

103. The CRM Governing Board has many facets to fulfill the mission to which we have been charged. The Board's representatives see themselves as constituents to the larger mission and each member has a focused role or camp to which they have a connection. We, the CRM Governing Board, have made deep changes in response to current difficult economic conditions. Maximizing our ministry's efficiency is of critical importance.

104. The Properties, Ministry and the Future: Sweeping changes at the sites have taken place prompting the need to reevaluate how we operate and administer the properties. Staff re-allocation, insurance reassessments, and new technologies to collect fees have all contributed to a better use of limited resources. The Bishop's Task Force on Camping and Retreat Ministry was commissioned in 2011 to allow the CRM Governing Board to act upon opportunity in a timeline that matches that of traditional business organizations.

105. The NYAC of the United Methodist Church's shrinking and declining populations cannot be ignored. However, we also believe our role extends far beyond that of "making Methodists." While we understand that we are focused to grow and support a church of "heart warmed United Methodists," we need to re-examine the feasibility of operating three retreat centers if our population is shrinking. With usage by United Methodist populations at an all time low, Camp Epworth in High Falls, NY cannot be maintained. Even beyond the conference subsidy to the ministry, Epworth, from an historic perspective, runs both program and capital deficits together, totaling approximately \$100,000 annually.

106. Conference Budget and Support Going Forward: In response to the stressed and delicate financial condition of the NYAC, the CRM has pledged for 2012 and 2013 (as per our budget request) to ask for only \$90,000 in administrative subsidy to be used primarily for capital improvements or debt service on capital improvements. As 2012 closed, the CRM overran subsidized allowances by \$96,000 and NYAC covered as much as possible. These costs were for

capital and payroll costs primarily at the Epworth facility. In terms of cash flow, Quinipet traditionally supports Epworth in times of cash shortages, such as the winter season, for direct pay expenses like insurance and fuel bills. In 2012, Quinipet injected \$101,000 into Epworth for these kinds of expenses.

107. The conclusion of the Bishop's Task Force was A) It is not possible for Epworth to become financially sustainable in the near future. B) The Conference has no funds allocated to continue to subsidize the property and program at Epworth at the above referenced amount. C) It was recommended that the Conference sell the property to eliminate the financial drain. This will enable the CRM Governing Board to focus its full attention on the programs and properties at Kingswood and Quinipet, and, therefore, ensure we provide a healthy and vital camping and retreat ministry to the member churches of the NYAC.

108. The CRM financial system relies on "fee for use" with a 5-8% amount built into the fee for capital improvement and large "upkeep" items in addition to the \$90,000 subsidy. To sustain the approximately 900 acres and 55 buildings, the capital contingent in the fees would need to be 10-12% and the subsidy \$180,000, neither of which our market can bear at this time. By use of the current fee structure, the CRM Governing Board is attempting to recognize challenges within the subsidy system while continuing to be a part of the bigger picture of ministry of the NYAC.

109. As was concluded in 2005, over two million dollars in capital improvement needed to be completed to be code compliant and to continue serving those organizations, churches and campers that use the facilities. To date, our campaigns have raised approximately half that amount and the CRM borrowed the remainder. Upon the closing of the mortgage and elimination of some smaller lines of credit, the CRM entered the 2013 season with outstanding borrowings from the NYAC of approximately \$746,000.

110. Upon the sale of Epworth, the CRM Governing Board will work in conjunction with CCF&A and the Conference Trustees to reimburse the NYAC first, followed by the mortgage. If following precedents and the wish of the CRM Governing Board, all remaining proceeds of the sale of Epworth will be under the advisement of the CRM Governing Board. Additionally, we are pleased to report a new Task Force comprised of heads of the Conference Trustees and CCF&A, the Conference Treasurer and key members of the CRM Governing Board has been formed to reinforce communication across all bodies of the NYAC as it relates to the CRM.

111. Capital Campaign: The CRM raised 50% of the financial goal of \$2,300,000 allowing for many improvements including the addition of the Klein Welcome Center, Infirmary and Administrative Building at Quinipet, addressing the needs of code compliance. Those who have

contributed to the campaign and those who have maintained their capital contributions are to be commended.

112. The campaign of 2008 ended in 2012, but opportunities to donate to the CRM remain abundant. Both Quinipet and Kingswood rely heavily on contributions to take that "extra step" or add additional improvements or programs. Please refer to our campsites' respective websites to see future plans for expansion of ministry, as well as more information on the concepts listed below. Very special thanks to the Newtown UMC and The Paul R Carey Foundation for grants and contributions of significant size.

113. Kingswood Camp Site in Hancock, NY 766 Acres (www.kingswoodcampsite.org): – Seasonal: Kingswood remains a self-sufficient property in terms of cash flow. Proceeds of the timber harvest contract from 2011 allow Kingswood to continue making capital improvements without seeking funding from the CRM system.

114. Kingswood is run by volunteer director Cheryl Winship and operates under a New York State Children's Camp Permit and a New York State Temporary Residence Permit. Julie Wityk oversees the children's camp, and Holly Moore, who is on site for the majority of the summer season, serves as Kingswood's primary contact for event organization and family camp reservations.

115. Kingswood continues to make landscape improvements such as the dam restoration project including a new boat dock, a rebuilt campsite due to storm damage, an installation of a new well-pump, drainage improvements to the pole barn and a new roof installed on the addition of the farmhouse with plans for a new roof on the remaining part of the farm house and retreat center. Plans are in place to provide electric to the new limited mobility campsite, to provide electric to and expand the number of RV camping sites, to install a new septic tank and to improve access to the bathhouse.

116. The Hydraulic Fracturing Industry has the area around Hancock (where Kingswood is located) in its future sights for development. Awareness of what is happening in the Natural Gas Industry and markets is under constant surveillance. As you might know, the issue is highly charged and politically and environmentally directed depending on the NY State Gubernatorial Leadership.

117. Kingswood is a cash flow neutral property. There was \$64,500 in program revenues for 2012, while the program operation/expense was \$80,500. The timber harvest proceeds have netted \$211,000 in 2011/2012. Kingswood used these funds in 2012 to cover the \$16,000 loss and add \$40,000 in capital and fixed assets.

118. Kingswood will have to make some adjustments to their program revenue in order to remain cash flow neutral in the future. The program is strong, vital and volunteer based, and a need to increase revenue should not affect the program to a great extent going forward.

119. Epworth Center in High Falls, NY, 165 Acres (www.epworthcenter.com): - Year Round The programs held over the years at Epworth will leave a lasting legacy in the New York Annual Conference. It is expected that Epworth will be listed for sale by the Conference Trustees in the fall of 2013. No asking price has been established at the time of publishing this document. The CRM has and will continue to maintain the camp in the utmost saleable condition.

120. Justin Savarese is the property manager on-site. He is responsible for the operations of the entire site with some assistance from part time workers and contractual laborers. Laura Pickard assists by keeping the books and financial operations under the direction of Greg Nissen, Acting Executive Director.

121. Epworth operates under a New York State Children's Camp Permit, a New York State Temporary Residence Permit, and operates an approved NY State non-municipal potable water system along with current SPECDES permits.

122. Epworth ran a successful day camp program in 2012; however the CRM Governing Board has determined it will not be sustainable for 2013. The 2013 Season will bring family camping, youth retreat camping and many smaller contractual usages by other organizations. Contracts will continue to be fully executed with rental organizations for the 2013 season and will continue into 2014 pending a sale.

123. While we have completed improvements, we remain realistic on our total exposure. Capital improvements are being implemented with the intent of carry-over value to potential new operators. Improvements made to pre-existing and non-conforming structures have value as replacement costs are often much higher than the improvement costs.

124. We have a great responsibility in the stewardship and future of Epworth. Land preservation groups and some educational groups have already expressed interest. The CRM Governing Board prays that Epworth will go to an organization that embodies the traditions and principals it has been operated with since our purchase. Before our ownership, the property was operated by

Dreamland Farm, bringing visitors closer to the environment as a 'resort farm'. Epworth is a unique and wonderful parcel of land, rich in its history with the NYAC.

125. In recent years including 2012, Epworth was a cash flow negative property. Epworth had program revenues of \$236,000 and additional NYAC subsidized support of \$24,000. Additional funds were also allocated to Epworth from Quinipet (\$101,000) for fixed asset and program (salary) expenses as cash flow required. Of that, \$83,000 in capital and fixed asset expenditures relating to the replacement of the oil fired heating and air conditioning system with a propane fired system were used so we could remove the large storage tanks. The program loss was \$44,000 in 2012. Epworth reduced staff at the end of 2012 by eliminating two ³/₄ time positions leaving the Property Manager to handle all facets of running the camp.

126. Quinipet Camp and Retreat Center in Shelter Island Heights, NY 25 Acres

(www.quinipet.org): - Year Round The Quinipet facility serves as our main office and houses the CRM administration. Gregory Nissen, the Acting Executive Director is located primarily at this site. Lauren Ruiz, the Administrator, and Bryan Knipfing, the Assistant Director responsible for both school groups and summer programs, maintain the program and its operations. Chris Baer is the full-time Food Service Manager serving both the retreat groups and summer camp operations. Jennifer Martin maintains our web site, assists in producing publications and various office tasks on a part time basis. Quinipet reduced staff in 2012 by eliminating a dedicated school group coordinator/marketer and no longer has a full time dedicated facility manager.

127. Quinipet has an active Christian sleep-away camp over a 6-week season. About 500 campers attend during that period of time. Our day camp, which also operates for a 6-week period, has approximately 500 campers. Finally, the community sailing program, housed out of the waterfront, enrolls about 100 campers over the course of the summer season.

128. Running a sleep-away camp on Eastern Long Island has been a challenge. The ability to offer day camp and a community sailing program helps to offset the cost for the Christian sleep-away camp and helps to keep our prices from growing exponentially.

129. During the non-summer season, Quinipet hosts many church and non-profit retreats on weekends. Approximately 35% of these are United Methodist. In the spring and fall seasons, Quinipet hosts approximately 25 school programs during the mid-week periods. The CRM Governing Board will remain attentive in our goal of filling critical high-capacity buildings and maintaining continual revenue streams year round.

130. Quinipet had \$1,300,000 in program revenue in 2012. Contributions, primarily towards the construction of the Klein Welcome Center, netted approximately \$35,000, which is included in the figure above. The total program expense was \$1,260,000, netting \$38,000 in positive cash. The NYAC invested \$56,000 of subsidized funds toward Quinipet. Quinipet then supported Epworth with \$101,000 - all related to seasonal cash flow conditions. Quinipet added approximately \$81,000 in capital and fixed assets for 2012.

131. Quinipet has future growth plans that can be viewed at www.quinipet.org. Future projects include a renovated and restored sailing barn to continue the community sailing program, additional meeting rooms built in basement spaces which are not yet maximized, general efficiency, handicapped accessibility, and environmental improvements, as well as a 31 room adult retreat house to replace the aged Cliff Cabins and serve an expanded demographic.

132. Summary: Creative opportunities continue to bless the CRM every day. Some doors close, others open. The future of the program relies on the ability to be financially conservative and creative in the use of our awesome resources.

133. The Camping and Retreat Ministries Governing Board asks that you consider these properties first when planning any retreat events. Visit our websites or call and speak with our staff, who are well versed on all properties and ready to accommodate your needs. Our sleep-away camps offer our youth excellent opportunity for Christian growth in the church as well as the community. Please contact Quinipet to discuss scholarship programs offered by the CRM or for help in establishing one at your church. Brochures are sent to every church prior to the summer season and CRM Governing Board members are happy to visit churches to make a camp presentation. If you would like to contact Greg Nissen, Acting Executive Director, you may do so at greg@quinipet.org or by calling the office at 631-749-0430. Both Greg and members of the CRM Governing Board will be available during Annual Conference at the CRM Table.