

Backgrounder to Motion regarding Canterbury Hills Endowment Fund

The Synod of the Diocese of Niagara owned the land that was previously occupied by Canterbury Hills Camp and Conference Centre. Canterbury Hills paid rent of \$1 per year for use of the land. In 2014 and 2015 the Diocese sold off 2 parcels of the property. A large section (~60 acres) of land was sold to Hamilton Conservation Authority (HCA) and another 7 acres, including the former Conference Centre was sold to the Dundas Valley Montessori School. The net proceeds are \$1,154,505. The proceeds are currently in our general operating bank account pending a decision by Synod about how the funds are to be dispersed. Without these funds in our account, we would owe \$1.03M on our line of credit. It is important to note that the main camp property (~10 acres) was retained and continues to run as a camp from mid-June to August with licensed access to the former lands that are now part of the HCA. From September to mid-June the property is leased to Adventureworks! Inc.

In the past the Diocese contributed to the funding of from two lines of the operating budget each year. For 2015 and the previous few years the funding was, (a) a capital contribution of \$25,000 and (b) a camp staff cost contribution of \$15,000, for a total of \$40,000 per annum.

At the time of the sale the Camp owed the Diocese \$545,000 in payroll and camp costs and owed another \$85,000 against the CIBC Diocesan guaranteed line of credit. Since the Camp has no assets, it has no way to repay the debts. As a result, the debts are being written off by the Diocese of Niagara in 2015.

While there is a diocesan policy for how to disperse the proceeds from disestablished parishes, there is no policy that specifically applies to other diocesan properties. The Board of Directors of the Camp is trying to revitalize the camp and make it a breakeven venture in the near future. The Camp's financial statements will be stronger after the debt is removed, and thus the Camp will more likely be eligible for a variety of grants related to its mandate surrounding children and summer camp experiences. The year ending 2015 will be very close to a break-even (after the forgiveness of debt). The 2015 debts will be paid in full.

Synod Council reviewed several proposals and recommends that the first use of the net funds would be to reimburse the Diocese of Niagara \$630,032 the amount which the Diocese forgave.

Synod Council then recommends that remainder would be set up as an internally restricted fund with the use of income supporting Canterbury Hills for program or capital costs as the Board of Canterbury Hills sees fit. By restricting the capital, the portions of the sale proceeds set aside for Canterbury Hills use are protected.

Should a time arise when Canterbury Hills no longer requires financial support, the funds will be redirected to the Disestablished Properties Fund.