



A NEW DAWN FOR CAMP RISING SUN

**SUMMIT PRESENTATION
SEPTEMBER, 2014**



WHY YOU ARE HERE

To share your wisdom as the Board works to develop a comprehensive approach for:

- **Advancing our mission,**
- **Engaging alumni in a life-long connection, and**
- **Putting CRS on the path to financial sustainability,** resulting in an even more robust experience for generations to come.



WHY YOU ARE HERE

- **The Board needs your guidance and your leadership to move LAJF/CRS into a sustainable, forward-looking future.**
- **We ask that you help other alumni understand the situation and the choices so that they can give informed input into the solutions.**



BOARD PLEDGE

Unwavering commitment to:

- Core mission
- Work with boys and girls
- Camp as our firm programmatic purpose.



AGENDA

- | | |
|--------------|---|
| 9:00 | Welcome, Overview
Presentation |
| 9:45 | Q&A |
| 10:30 | Adjourn |



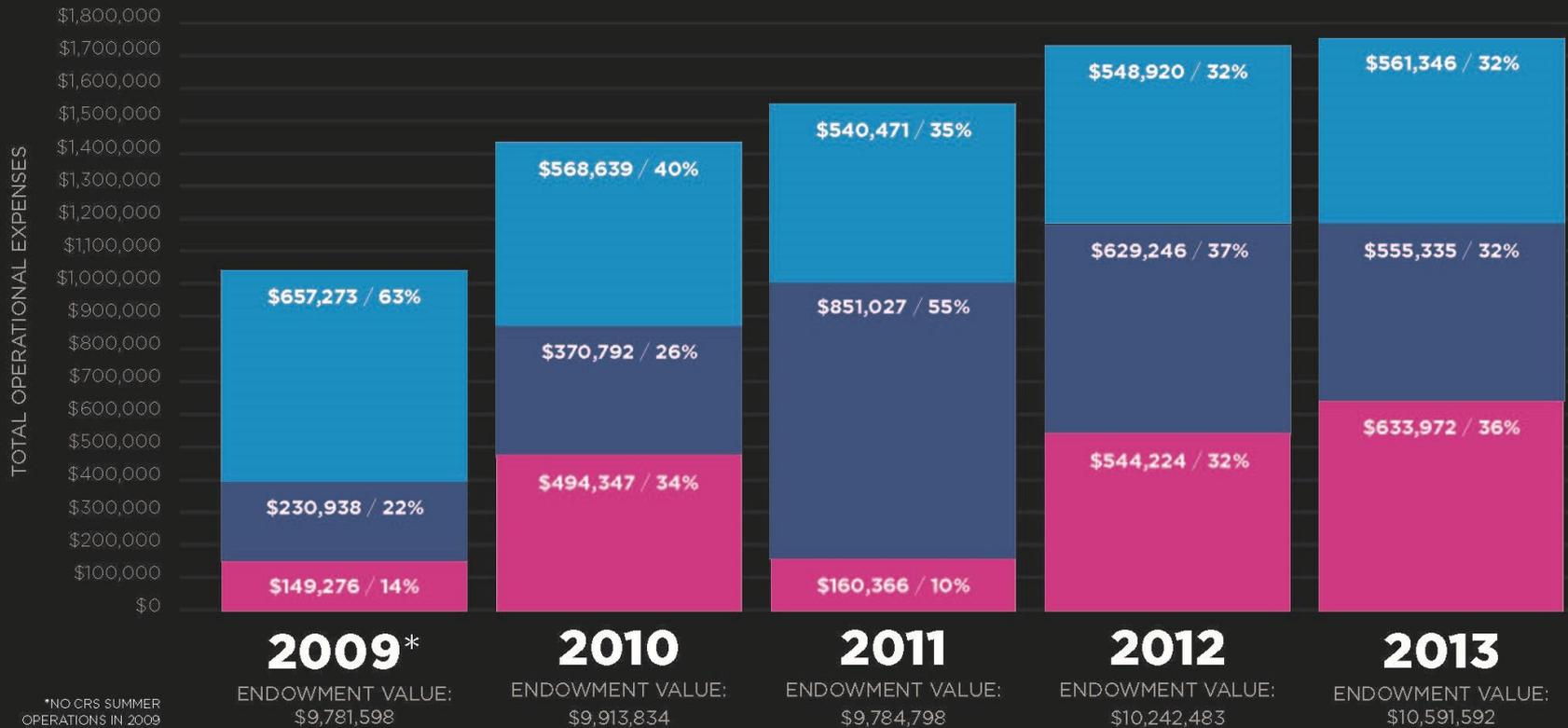
WHAT WE ASK OF YOU

- **Camp is all about respecting diversity. This will serve us well when considering different points of view.**
- **Participate fully.**
- **Be persuasive and persuadable – stay open if possible.**
- **It’s okay to disagree – respectfully.**
- **“The numbers are the numbers”.**
- **Use language that is descriptive rather than judgmental.**
- **Don’t personalize – focus on issues, not people.**
- **Share the air time!**
- **Stay on track/stick to the topic.**



CONTEXT: FINANCIAL CHALLENGES

FINANCIAL AND INVESTMENT SUMMARY 2009 - 2013



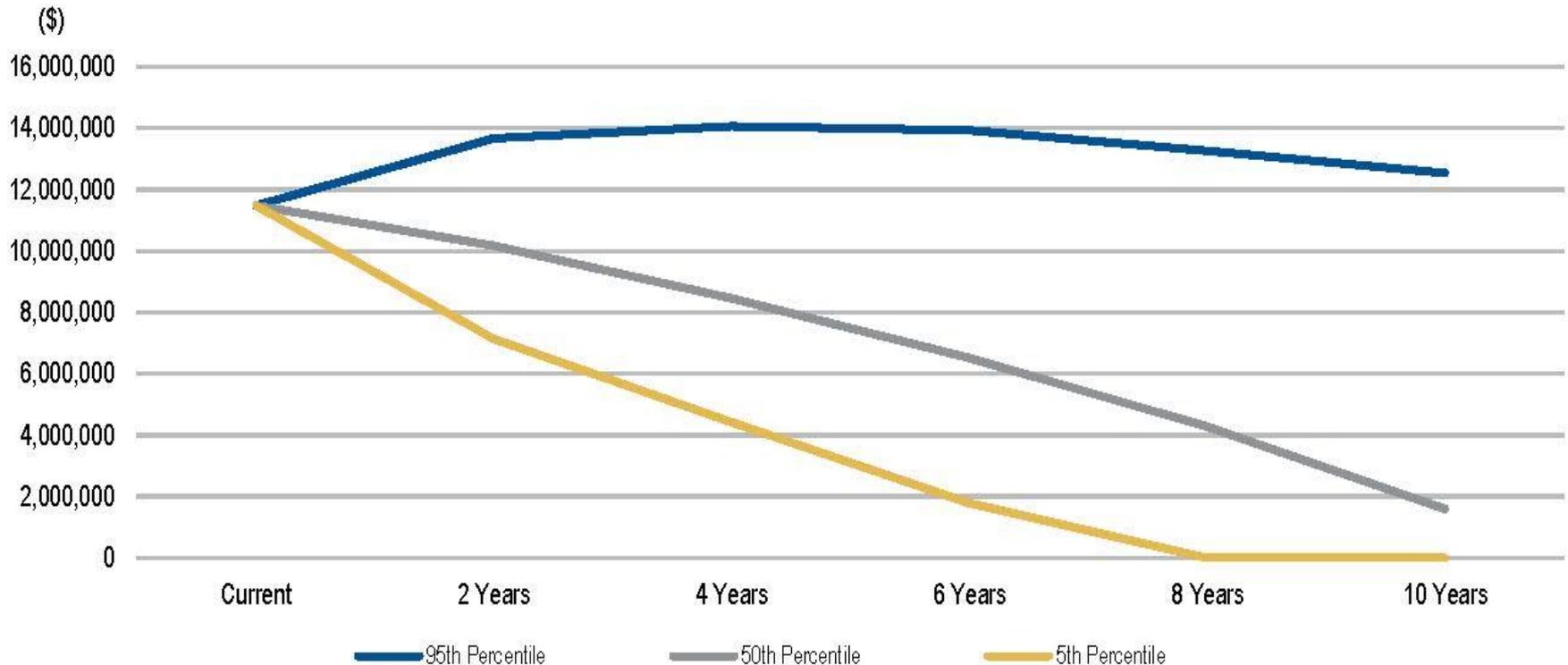
KEY

- Investment Earnings From Endowment
- Fundraising contributions
- Additional Funds Drawn from Endowment Corpus



FINANCIAL CHALLENGES

If revenue and expenses remain the same as they are today it is **highly probable that our “endowment” will be depleted by the end of 10 years.** Neuberger Berman Monte Carlo Analysis





GUIDING PRINCIPLES

A successful solution will accomplish the following:

- **Preserve “endowment” i.e. reduce withdrawals by \$600,000 - \$800,000/year**
- **Expand impact**
- **Sustain program integrity**
- **Expand revenue sources**
- **Inspire donors**



THE ALTERNATIVES

We have investigated over twenty alternatives in four arenas:



Alternatives within these areas will be combined to create a final solution.



OPERATING EXPENSES

**WE HAVE ALREADY REDUCED STAFF AND
RESTRUCTURED TO DECREASE OPERATING
EXPENSES**

Total Savings: \$150,000 per year.



OTHER STRATEGIES

WHERE'S THE OTHER \$450,000 - \$650,000 COMING FROM?

One or more of the following:

- **Program Innovation – Shorter season and/or fewer campers**
- **Increased Revenue – From contributions and/or tuition**
- **Property Sales**



PROGRAM ALTERNATIVES

INNOVATE PROGRAM - OPERATE ONE CAMP (temporarily or permanently)

May involve one or more of the following:

- **Fewer campers (60 vs 120)**
- **Boys one year, girls the next**
- **Boys and girls together, or in parallel programs**
- **Four week programs**

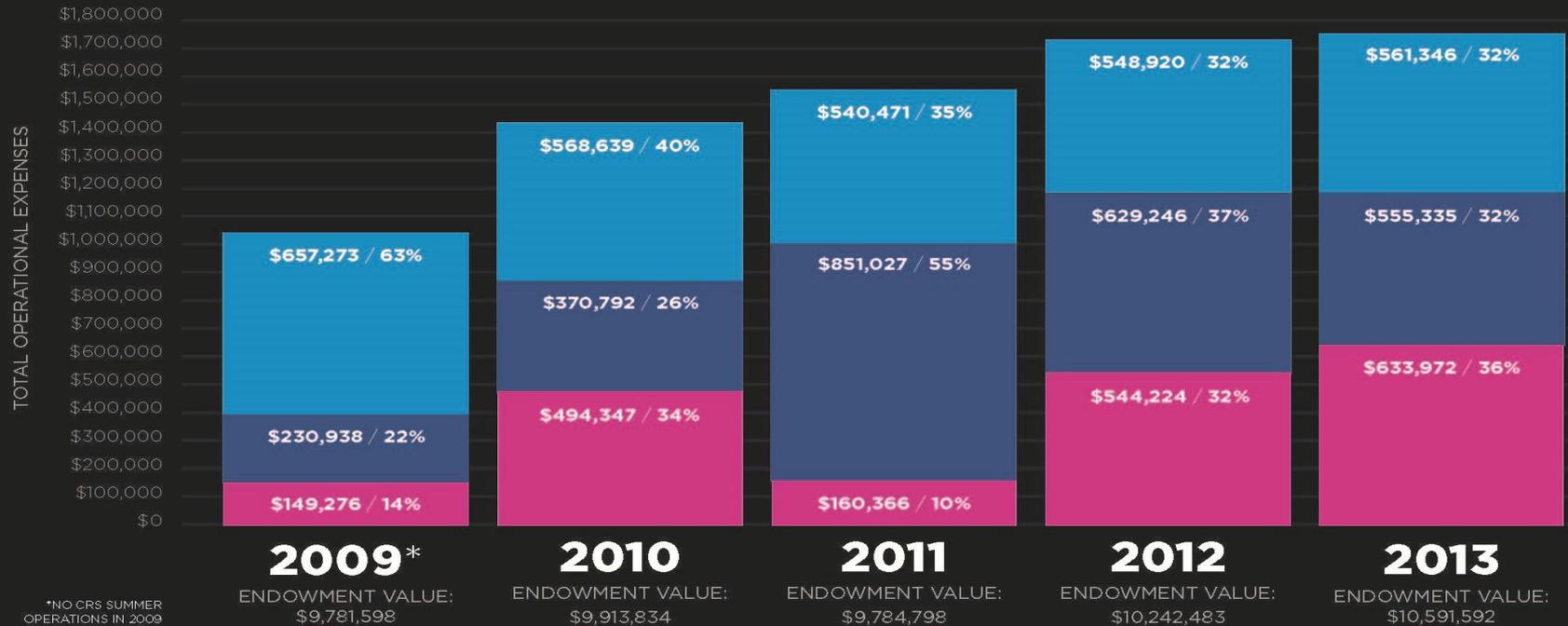
Savings: \$360,000 - \$380,000



REVENUE ALTERNATIVES

DOUBLE ALUMNI CONTRIBUTIONS (Long-term)

FINANCIAL AND INVESTMENT SUMMARY 2009 - 2013



*NO CRS SUMMER OPERATIONS IN 2009

KEY



Investment Earnings From Endowment



Fundraising contributions



Additional Funds Drawn from Endowment Corpus



REVENUE ALTERNATIVES

Why Not Foundations??

- Experienced fundraising professionals have been unable to attract foundation funding for us
- ...and others have advised us that we are not strong candidates for funding at our current scale
- ...and foundations tend to fund projects for 2 – 3 years rather than ongoing operations.



REVENUE ALTERNATIVES

ANOTHER ALTERNATIVE: TUITION

Charge tuition, and offer partial and full scholarships so all who qualify can attend
("Need-blind admissions")



PROPERTY ALTERNATIVES

- **SELL RED HOOK**
and/or
- **SELL CLINTON**
and/or
- **PURCHASE A NEW CAMP**



PROPERTY ALTERNATIVES

BACKGROUND

THE FINANCIAL GAP DOESN'T INCLUDE:

- Deferred Maintenance of \$750,000 - \$1 million for both properties
- Renovation costs of \$1 - \$3 Million for Clinton
- Renovation costs of \$3 - \$6 Million for Red Hook



PROPERTY ALTERNATIVES

WHERE DO RED HOOK NUMBERS COME FROM?

Deferred Maintenance includes:

- Retrofit Old House including new plumbing and electric,
- Renovate the Willy including plumbing and electric,
- Renovate ED hall including plumbing and electric,
- Restore Old Theater,
- General grounds upkeep



PROPERTY ALTERNATIVES

WHERE DO THE RED HOOK NUMBERS COME FROM?

Renovation costs (in 2007 dollars) includes:

- Renovations and Preservation to Old House, New House and Amphitheater \$380,000
- Site/Earthwork \$850,000
- New “Pavilions” – Staff, Lavatory/Laundry and Open Air \$1 million
- New Commons Pavilion including camper restrooms and locker room, kitchen and dining facilities, instructional space. \$2.4 million



PROPERTY ALTERNATIVES

BACKGROUND

- **There are opportunities to purchase and renovate a new camp property for \$2 - \$3 million in a state with fewer regulations.**
- **A professional appraisal indicates that we can expect to sell our current properties for \$2 million+.**



THREE OPTIONS

- A. SELL BOTH PROPERTIES, PURCHASE NEW (120 CAMPERS)**
- B. SELL ONE CAMP, OPERATE ONE CAMP (60 OR 120 CAMPERS, DEPENDING ON THE PROGRAM ALTERNATIVE)**
- C. OPERATE BOTH CAMPS, FOUR WEEK PROGRAMS (120 – 240)**



SELL ONE CAMP, OPERATE ONE PROGRAM

- Benefit for operations: **\$390,000**
- Capital considerations:
 - Eliminate deferred maintenance on one camp
 - Increase reserves by \$1 million, increase revenue @ **\$50,000/year**
- Additional funding for operations required: **\$100,000+**

Total Campers: 60 or 120



SELL BOTH, PURCHASE NEW

- Benefit for operations: **\$175,000 - \$200,000**
- Capital considerations:
 - Eliminate deferred maintenance on both camps (up to \$1 million)
 - Use income from property sale to purchase new camp.
Net \$0
 - Purchase + renovation < \$1 million additional investment.
- Additional funding for operations required:
\$300,000+ **Total Campers: 120+**



OPERATE BOTH CAMPS 4-WEEK PROGRAMS

- Benefit for operations: **-\$60,000**
- Capital considerations:
 - Retains need for deferred maintenance and renovation
- Could alternate sites to test 4-week program first
- Additional Funding for Operations: **\$500,000+**
 - Unless “needs blind” tuition implemented -- Could add \$200,000-\$500,000

Total Campers: 120 - 240



CLARIFYING QUESTIONS

WHAT ADDITIONAL INFORMATION
WOULD HELP YOU UNDERSTAND THE
SITUATION AND THE ALTERNATIVES
MORE FULLY?



NEXT STEPS

BOARD MEETS SEPTEMBER 25 – 27 TO:

- Review alumni input from Summit, World Reunion, and Alumni Associations
- Review additional analysis of the alternatives
- Determine which alternative(s) best fit with the guiding principles
- Plan for continued dialogue with the CRS community to implement a compelling, responsible course of action