

CHRIST CHURCH/CANTERBURY SCHOOL

There has been a lot of discussion in the church as well as in the community with reference to the closing of Canterbury School. Unfortunately, a lot of the rumors floating around are not factually true and we, the Vestry of Christ Church feel it is important for the health of this church and for the support of this community that the facts be made available. The purpose of this report is to present factual events, which led the Vestry to a unanimous decision to close the school at the end of the school year in 2000.

The following is a list of Board members of The Canterbury School as of February 20, 2000: James Thompson, Chairman of the Board; Ann Terry, Vice Chair; Harvey Camp, Treasurer; Edna Trioano, Secretary; Rev. Bob Stephenson, Priest in charge; Peter Mead, Headmaster; Patrick Allen, Libby Campbell, Charles Day, Jane Dinsmore, Bill Gallagher, Earlyn Howard, Dorothy Odell, Kathy Walker and Laura Gillespie. Barbara Sturman replaced Bill Gallagher and Wes Courtney came on the Board in February of 2000 when they were elected to the Vestry of Christ Church

Summary of events:

By February 1, 2000, the Vestry had agreed to forgive all utility expenses and repayment of Christ Church's loan to Canterbury which is \$2,500 or \$500/month and their portion of the Grounds \$100/month to us up through the end of June 2000.

In April we were confronted with having to help them meet payroll and pay other necessary expenses in the amount of \$11,000.00. The first payroll in May we gave an additional \$6,400.

The Vestry, on April 16, at our annual retreat was given the run down on the entire Canterbury situation. We at that time told both the Chairman of the Board, Jim Thompson and the Treasurer of Canterbury, Harvey Camp that we needed to see a plan of action. We needed something that would convince the Vestry that Canterbury was moving in a positive direction. We were assured at this meeting that Peter Meade was absolutely committed to Canterbury School.

On April 26, Barbara Sturman and Wes Courtney met at Jim Thompson's house. Harvey Camp and Bill Gallagher were also present. Jim told us that

Peter Meade was resigning. At this executive committee meeting it was stated that they would fully understand if the Vestry voted to close the school. The only recommendation they offered was to ask Mary Beth Egan, currently assistant Headmaster, to take the position of Headmaster as an interim to give us time to find a new Headmaster. We immediately approached Mary Beth on two separate occasions. She indicated she was not interested in accepting the position. Thus the Vestry was confronted with the following:

- Peter Meade had resigned.
- We were unable to find an interim.
- Neither the Canterbury School Board nor Peter Meade had any plan for recruitment of students.
- As of May 3, 2000 there were only 12 signed contracts for the next year. Not all of these were "full pay" tuition.
- To break even Canterbury needs 44 full paying students, which means the school has to enroll somewhere in the range of 50-60 students.
- Currently there were only 39 students enrolled in Canterbury with only 13 of these students paying the full tuition of \$8,750.00.
- There was no more room for cutbacks. Teachers were doing bus driving, Peter was doing the bookkeeping and teaching full time (due to the fact a teacher had reneged on her contractual obligation). There were no more ways to cut back and save. There was no custodial service and many of you complained of the filthy conditions in the school.
- Teachers were waiting to sign their contracts for next year. Parents of students needed to find a place for their children to attend school. The Church needed to know that their financial obligation to this school was going to stop.
- Christ Church has a budget of about \$100,000 and it cannot support a school with a budget of \$400,000.

On May 3, 2000 the vestry unanimously voted to close Canterbury School, but not until the end of the school year. We would be financially responsible to honor the teacher's contracts until year-end and to not complete the school year for the students, we thought would be unethical and also lead to possible lawsuits against us.

On May 4th the Canterbury School Board met. Barbara Sturman informed them of the Vestry's decision to close the school. Following that meeting

Harvey Camp, Treasurer disclosed additional financial information showing the school in an even more serious financial situation than what had previously been reported. This information included outstanding accounts receivable from previous years.

On May 5th, 2000 Barbara Sturman spoke with Jim Thompson, Chairman of the Canterbury School Board. She told him that Peter Meade had stated that he was only interested in working through the Chairman to give us the necessary information and documents required to close the school as smoothly and efficiently as possible. Jim stated that he wanted to distance himself from the situation and not be involved. The Vestry was in a position where we had to get all the documents to show proof of outstanding tuition's, insurance records, contractual agreements and many other records.

On May 7, 2000, the Vestry of Christ Church voted to dissolve the Board of Directors of Canterbury School. Peter Meade would then have no option but to give the information to the Vestry. A certified letter of explanation and thanks went to all Canterbury Board members to inform them of the Vestry's decision.

Financial Impact on Christ Church:

Tuition Due by end of school year by currently enrolled students was \$28,000.00

Delinquent tuition of students no longer attending was \$34,200. \$26,800 of this is being handled legally at this time. The balance is in collections.

The bank loan that we currently hold for Canterbury at Old Line Bank has a balance of \$19,477.81, payable monthly at \$1,378.35. Loan matures on 8/14/01.

The school has a Van loan in the amount of \$7,776.43, payable monthly at \$345.18. Loan matures on 12/10/02.

There were additionally 3 more payrolls that needed to be met totaling about \$36,000. This does not take into consideration the other monthly expenses which were about \$5,000/month through August.

All monies that we have given to Canterbury School in the past 6 months have come out of reserves. At this time we have not taken out any additional loans to support this debt.

On Monday June 5, 2000 Wes Courtney and Barbara Sturman met with Jim Cornelson of Old Line Bank to discuss renewing the loan of Canterbury School back up to its original amount of \$66,000.00. This would help the Church's liquidity position. Jim indicated at that time that he saw no problem with our request but wanted us to submit to him current financials.

Prior to leaving on June 11, 2000 Peter Meade transferred all monies from a CD at Old Line into the general checking account of Canterbury School. While reviewing bookkeeping records, our Vestry treasurer found out that Peter Meade, prior to leaving on June 11th, wrote himself a check to pay his full salary through July 15 out of the general fund Canterbury bank account. He did this after we had told him that we would pay all salaries, including his, on the scheduled pay dates in order to insure we had the funds available.

Barbara Sturman E-Mailed Dr. Meade on June 30, 2000, indicating to him how unethical his action was and how we hoped future matters on the school closing would be open and honest. As of this date Peter Meade has made himself unavailable to students and parents of Canterbury and to the Vestry of Christ Church.

A rough inventory of assets has been taken of the school. This includes the vans, computers, TV's, books, desks, copy machines etc. All assets belong to the church and we will be able to sell any of these items in order to help reduce our debt.

At our June 7, 2000 Vestry meeting, the Vestry unanimously agreed that we would like to see an educational institution occupy our building as long as our church would not be liable in any way. This new institution would have to be totally financially and legally independent from Christ Church

On July 6, 2000 the Vestry received a letter from our lawyer indicating that "Accokeek Academy", which Kay Powell and others were trying to organize to replace Canterbury School, would still be a financial liability to Christ Church.

On Thursday July 27, Wes Courtney, Barbara Sturman and Bob Stephenson met with Kay Powell. At that time we indicated to Kay that we would no longer be interested in having a school occupy our building because of the legal implications connecting Christ Church and the school.

On July 30, 2000 we received a copy of a \$10,000 loan agreement between James Thompson and the Canterbury School. There is no Vestry member's signature on this loan and at this time we have no written documentation that the Vestry of Christ Church approved this loan agreement.

On August 6, 2000 we received a copy of a \$5,000 loan agreement between Edna Trioano and the Canterbury School. There is no Vestry member's signature on this loan and at this time we have no written documentation that the Vestry of Christ Church approved this loan agreement.

As a Vestry we are concerned that a failing institution, which the vestry of Christ Church is responsible for, approved a loan without the financial means to honor that loan. We are also concerned that Board members who knew that Canterbury was failing and were taking a risk in loaning the money now are seeking payment.

As further evidence that the school was rapidly declining, approximately of the 41 students that attended Canterbury at some point of the school year, only 13 were paying the full tuition. Many students were given discounts for services they or their parents performed or were supposed to perform, i.e. cleaning, painting, bus driving, teaching and some discounts without any real reasons that are documented.

Barbara Sturman has been working closely with parents of students and with other schools in an attempt to resolve all Canterbury issues. Barbara has also been working with the State Department of Education to make the necessary arrangements for officially closing the school.

Wes Courtney has been working with attorneys to settle outstanding debts. He has been able to secure several promissory notes and sell some inventory totaling approximately \$20,000 to help offset the debt.

The Treasurers of Christ Church, Adelaide Copeland and Melinda Courtney have been working to close out accounts and pay outstanding bills. As of July 15 there were many outstanding Canterbury bills to be paid that were not

reported on expense sheets. Our Treasurer and assistant treasurer have been working on a daily basis to verify expenses and then pay them.

On September 1, 2000, after not hearing back from Old Line Bank, Barbara Sturman and Wes Courtney went to Jim Cornelson at the bank to discuss renewing the existing loan that Canterbury held to give the church more liquidity. Negotiations are proceeding.

The Vestry did vote to have the summer camp. All Fire, Health, and Transportation codes were met and two co-directors were hired. The camp was a great success, with proceeds netting about \$10,000.

There is an ongoing attempt to clean up the hall both inside and out. All carpets have been steam cleaned, rooms are being painted, new locks have been put on all doors and the grounds have been manicured.

On September 8, 2000 Wes Courtney and Barbara Sturman met with the lawyer handling the lawsuit against Canterbury School and Christ Church vs the Jones. He reviewed the entire case with us. September 15, 2000 was our court date. He strongly felt that the Jones' had no real case against us, but that you never know what could happen in court. We offered a settlement at that time to the Jones'. We, the Vestry, do not feel that a Church belongs in court with another member of our community. It was a good faith offer in which we recognize no fault but we also wanted to show compassion for a member of our community with no hard feelings attached. The Jones' initially accepted our offer but our attorney's are still in negotiations.

In summary, the Vestry is very disappointed in the lack of oversight that the Board of Directors of Canterbury School had over the Headmaster. Years ago standards and guidelines should have been established to insure financial success as well as academic success. The Headmaster, as part of his contractual agreement, should have been required to follow these standards in order to run the school properly. The Headmaster had too much free reign and no checks and balances. We also regret the fact that our Church had so little personal interest in the school. Our vestries over the years have let Canterbury do its thing without proper oversight. We pray that in the future when this church takes on an outreach of this magnitude that we, all of us, are willing to get our hands dirty and be a part of whatever it is. A chapter is over in the life of Christ Church, but a new one has just begun. Let's make it a good one. Thanks be to God.