

Council of the UCC. The Executive Secretary of Toronto Conference is a corresponding member of PTCC. The creation of PTCC in 2010 required the approval of the Supplementary Letters Patent and the Corporation's By-Laws by the executive of Toronto Conference and administrative approval by the General Council of the UCC. PTCC makes annual submissions to the Executive of TC of minutes, audited financial statements, insurance coverage, list of Directors and Members and any approved changes to the Supplementary Letters Patent or By-laws, all as required by The Manual. UCC also stipulates certain clauses that must be contained in the PTCC By-Laws, including eligibility for Membership in the Corporation. These requirements are in addition to many other legal requirements under legislation and regulations of the Province of Ontario and Government of Canada.

PTCC By-Laws are written to include roles for the current Founding Presbyteries including nominating individuals to serve as Members for 3-year terms and Directors to serve the corporation for 2-year terms.

Currently PTCC does not have the power under its By-Laws to designate or nominate Members for admission, and Directors for election to their positions within the corporation. Should the Founding Presbyteries cease to exist a new mechanism would of necessity have to be established.

In 2016 Toronto Conference contained 248 communities of faith and proposed Region 10 is comprised of 160 communities of faith. The majority of communities of faith "leaving" Toronto Conference are currently in Northern Waters Presbytery.

2. PTCC 2010 Operating Agreement with the Founding Presbyteries

The 2010 Operating Agreement and its amendment sets out the various points of "good governance" for the operation of PTCC and the Founding Presbyteries to achieve the object of PTCC making grants to the Presbyteries. The Agreement also sets out the rules for keeping financial records, details of the available grants, criteria for eligibility of grants, the process for making grants, and the statement that any assets received by PTCC become the property of PTCC.

Should the Founding Presbyteries cease to exist on December 31, 2018, many of the clauses of this 2010 Operating Agreement and its amendment will no longer be operative.

3. Memorandum of Understanding (2016) between PTCC, Toronto Conference & the Presbyteries

The 2016 Memorandum of Understanding sets out the operations of PTCC in meeting its object to provide grants under the terms of reference of the New Ministries Development & Leadership Fund (NMD & L Fund) that was established by Toronto Conference with initial funding given to PTCC of \$3,000,000.

Should Toronto Conference and the Founding Presbyteries cease to exist on December 31, 2018, this 2016 Memorandum of Understanding will be largely inoperative.

grants to charitable organizations with a valid CRA registration, within a program mandate of “Church Development/ Redevelopment”.

a) Grants made from Presbytery Funds to January 31, 2018:

PTCC has approved grants to January 2018 in the total amount of \$9,957,350 under the Operating Agreement with the Founding Presbyteries. The breakdown of the grant applications by Presbytery follows:

• South West Presbyteries Community Ministries	\$1,654,789
• South West Presbytery	\$1,686,688
• Toronto Southeast Presbytery	\$2,104,906
• Living Waters Presbytery	\$2,409,755
• Northern Waters Presbytery	<u>\$2,101,212</u>
Total	\$9,957,350

Grants approved to January 2018 can be broken down as follows:

- 40% of grants have been made to Communities of Faith (approximately \$3.98 million),
- 40% of grants have been made to Presbyteries (approximately \$3.98 million), and
- 20% of grants have been made to Other Charitable Organizations (approximately \$1.99 million).

b) Grants made from NMD & L Fund:

PTCC approved grants to November 2017 in the amount of \$716,486 (for payment in 2018 to 2020) under the 2016 MOU with TC and the Founding Presbyteries. The breakdown of the grant applications by Presbytery follows:

• South West Presbytery	\$198,000
• Toronto Southeast Presbytery	\$270,000
• Living Waters Presbytery	\$248,486
• Northern Waters Presbytery	<u>\$0</u>
Total	\$716,486

c) PTCC Fund Values for Presbyteries, SW Community Ministries & NMD & L Fund, as of December 31, 2017

• South West Presbyteries Community Ministries	\$512,003
• South West Presbytery	\$2,772,724
• Toronto Southeast Presbytery	\$2,926,970
• Living Waters Presbytery	\$2,425,608
• Northern Waters Presbytery	\$2,773,696
• New Ministries Development & Leadership Fund	<u>\$3,226,613</u>
Total	\$14,637,614

- a. To the “objects” of the Supplementary Letters Patent to reflect a new mandate of PTCC, and
 - b. To the By-Laws of the Corporation, and
 - c. To the “name” of the Corporation
- iii) *Regional Council 10, after consultation with PTCC will have to jointly conclude a “Successor Operating Agreement(s)/ Memorandum(s) of Understanding” to facilitate the use of the corporation’s funds, within the new Regional Council structure, including the New Ministries Development & Leadership Fund, based on a revised Terms of Reference for the NMD & L Fund.*

7. How PTCC has operated over the last 7 years.

PTCC’s operation in the past has not been affected by how many communities of faith have been in the Conference so providing services to the 160 Region 10 communities of faith in the future should not be onerous, especially as they have prior knowledge of the operation of PTCC.

As PTCC is entirely a volunteer organization, the critical element in the past for PTCC has been to have a knowledgeable and responsive grant application process within the Presbyteries, usually led or assisted by Presbytery staff. Each Presbytery has received recommendations from teams within the Presbytery prior to approving the applications and then forwarding the approved applications to the PTCC Secretary.

The introduction of the grant application process for the NMD & L Fund in September 2017 exposed PTCC to the work of the grant review team formed by TC for that purpose. The first round of grant applications from this fund were processed smoothly by PTCC in late November 2017.

To date the operation of PTCC with \$14.6 million in assets in 2017 has been accomplished by volunteers, 8 Board members and 12 Members. General and administrative expenses in 2017 were in the order of \$51,000, for investment management fees, audit fees, liability insurance and small miscellaneous expenses.

8. Suggestion for the Future of PTCC: Carry on as an *Incorporated Ministry - Financial* with Adjustments to Agreements, MOU’s, Supplementary Letters Patent and By-Laws.

- i) *PTCC carries on as an Incorporated Ministry – Financial providing grants to communities of faith and other charitable organizations within Region 10 and perhaps other Regions,*
- ii) *PTCC adopts a new name, “Newco” for now, until a name is chosen, to reflect its future work within the former Presbyteries of Living Waters, Northern Waters, South West, and Toronto Southeast, and its context within the new Regional governance model.*

- iii) *Newco carries on in its role of the distribution of Net Revenue Grants and Capital Grants for “Church Development/Redevelopment” within Region 10 and possibly in other Regions, under the terms of a Successor Operating Agreement(s)/Memorandum of Understanding(s) between Newco and Regional Council 10, with the cooperation of the Founding Presbyteries before their dissolution. If this were possible, it would enable PTCC to continue to discharge its obligations (e.g. paying approved grants) pending the formalization of the new Regional Councils.*

Any Agreements/MOU’s would of necessity be modified if flow of funds to PTCC from the sale of surplus property ended and or was greatly reduced.

- iv) *Newco and Regional Council 10 establish a “Newco Grant Review Committee(s)” to provide the functions previously provided by the former Presbytery staff, including review of grants and recommendations for the award of grants by the Regional Council; with approval of grant applications being made by the Executive of the Regional Council or some other body within the Regional Council. Grant applications would be forwarded by Regional Council to Newco for consideration and approval under the terms of a Successor Operating Agreement(s)/Memorandum of Understanding(s) between Newco and Regional Council 10.*
- v) *PTCC’s Supplementary Letters Patent and By Laws would have to be revised to reflect Newco’s new role within Region 10:*
- a. *The Objects and Special Provisions of the 2015 Supplementary Letters Patent of PTCC will have to be revised to reflect the new entities involved and the activities suggested for Newco (probably no change from PTCC for the Special Provisions).*
 - b. *By Laws will have to be prepared for Newco reflecting the discussions between Regional Council 10 (and other approving authorities) including-the method of nominating Members and Directors of Newco, terms of office and any other requirements.*
- vi) *Regional Council 10 decides whether the New Ministries Development & Leadership Fund set up by Toronto Conference is to continue and if the decision is positive, possibly enters into a Successor Operating Agreement/Memorandum of Understanding with Newco to provide the services previously provided by PTCC to Toronto Conference, with any changes, as may be required.*

Issued May 8, 2018