

MCC Canada
Annual Impact Report
2019/2020 Appendix

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This impact report is an addendum to the [MCC Canada annual impact report](#). Sections I and II show performance indicators for MCC Canada's strategic plan from 2015–2020. Section I includes performance indicators that are shared with MCC U.S., and section II includes indicators specific to MCC Canada. Section III shows a representative selection of project outcomes for MCC's international program (which is jointly managed by MCC Canada and MCC U.S.) for fiscal year 2020 as well as year-over-year output comparison and explanations. Section IV includes audited financial statements from MCC Canada.

Strategic Goals: Annual Progress Report for FYE 2020
MCC Canada

Below please find graphs tracking performance against the metrics used for measuring progress on MCC’s strategic goals. Each graph shows the baseline starting point for the metric, the target which MCC aims to reach by FYE 2020, and MCC’s actual performance for FYE 2020, with comparative data included from FYE 2018 and FYE 2019.

Legend:

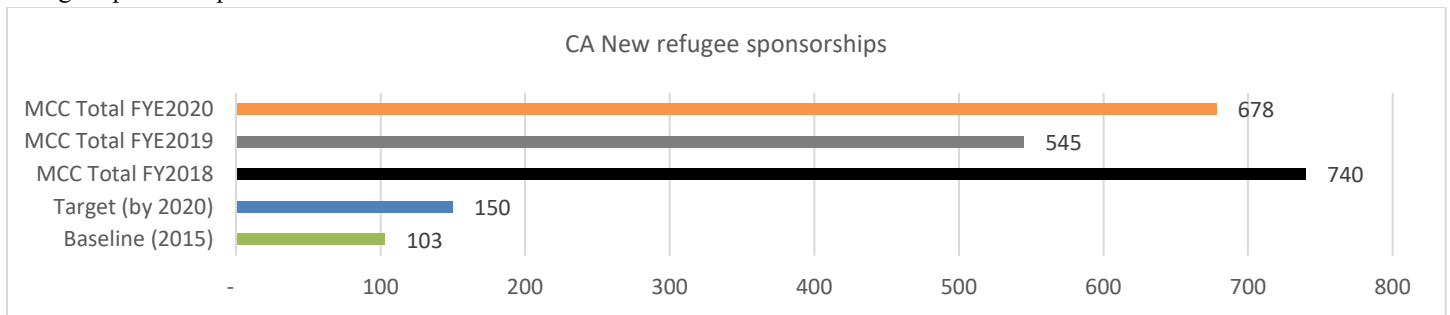
- Baseline (2015)
- Target (by 2020)
- MCC Total FY2018
- MCC Total FYE2019
- MCC Total FYE2020

I. Shared strategic goals

A. MCC will expand its efforts to provide access to clean water, food, and livelihoods for uprooted and vulnerable people.

1. *MCCs in Canada*

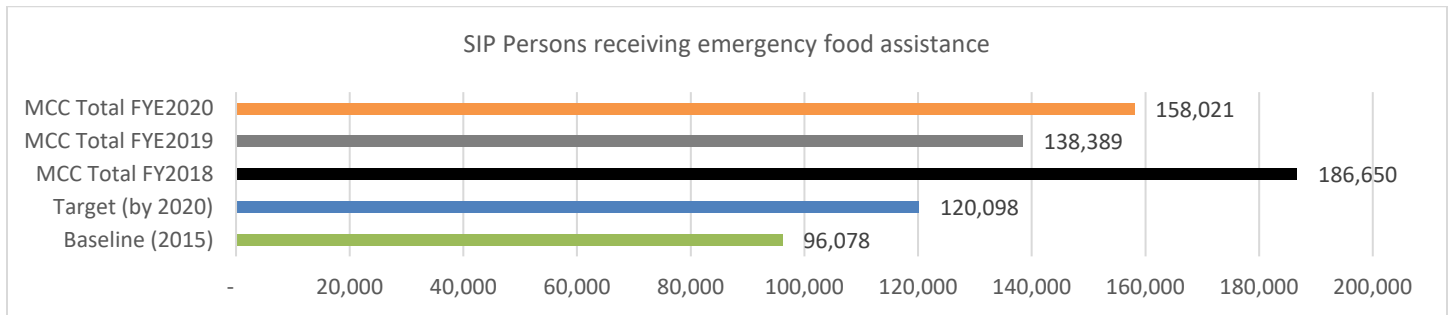
Refugee sponsorships



Baseline: 103 Target: 150

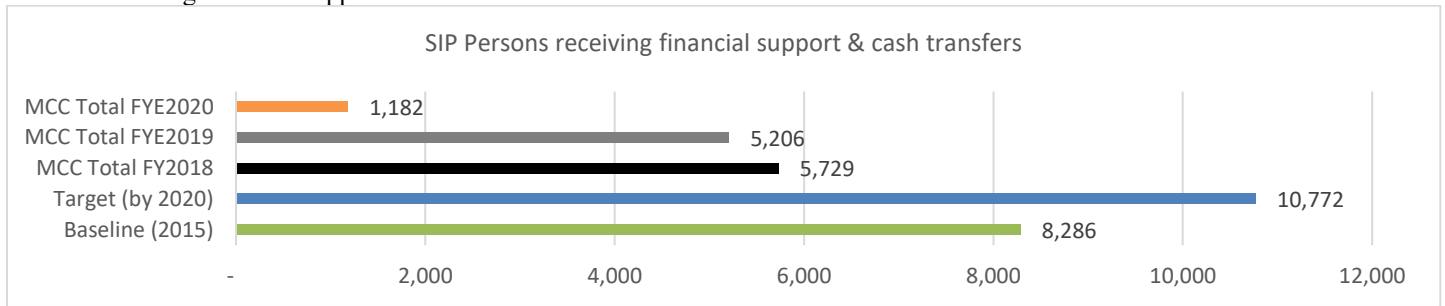
2. *Shared International Program (SIP)*

Persons receiving emergency food assistance



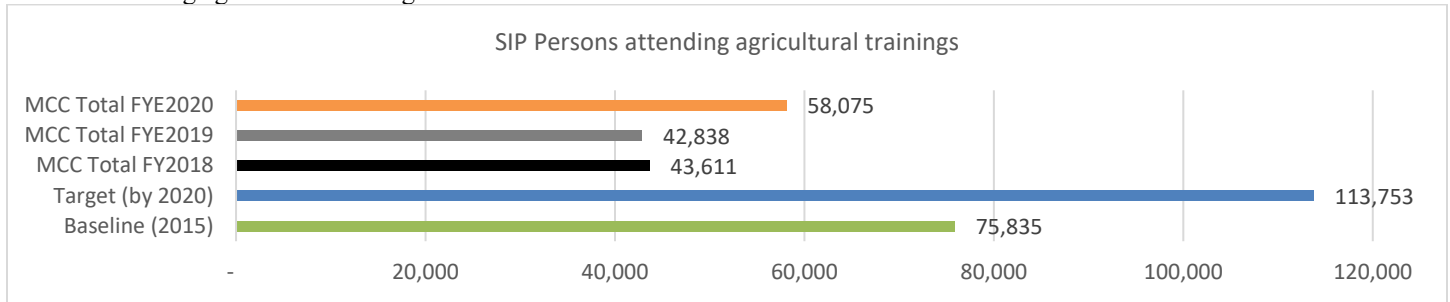
Baseline: 96,078 Target: 120,098

Persons receiving financial support & cash transfers



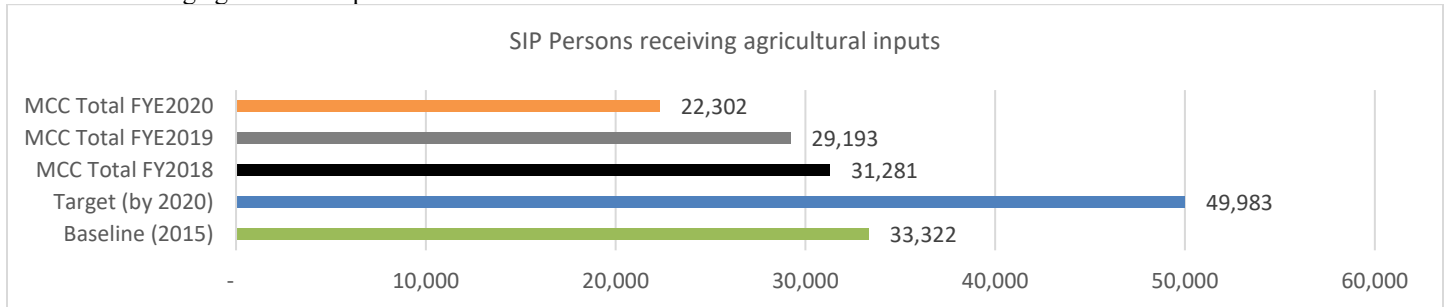
Baseline: 8,286 Target: 10,772

Persons attending agricultural trainings



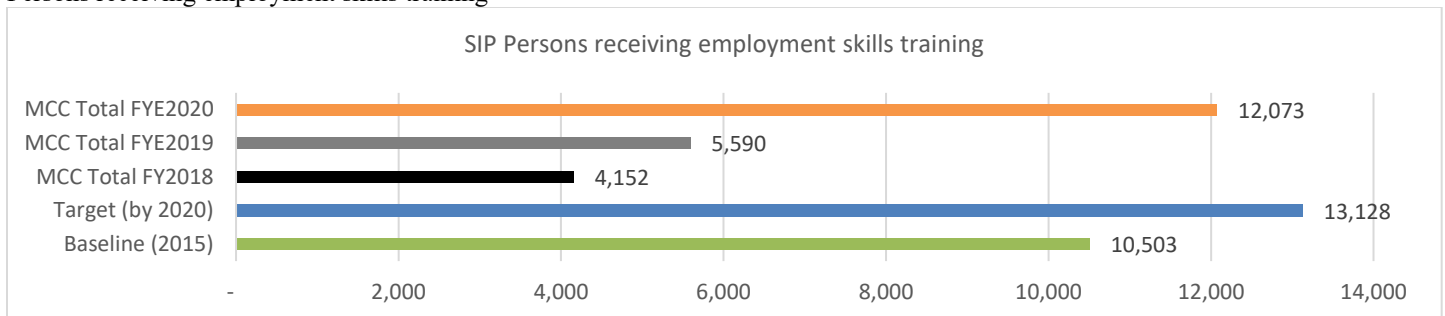
Baseline: 75,835 Target: 113,753

Persons receiving agricultural inputs



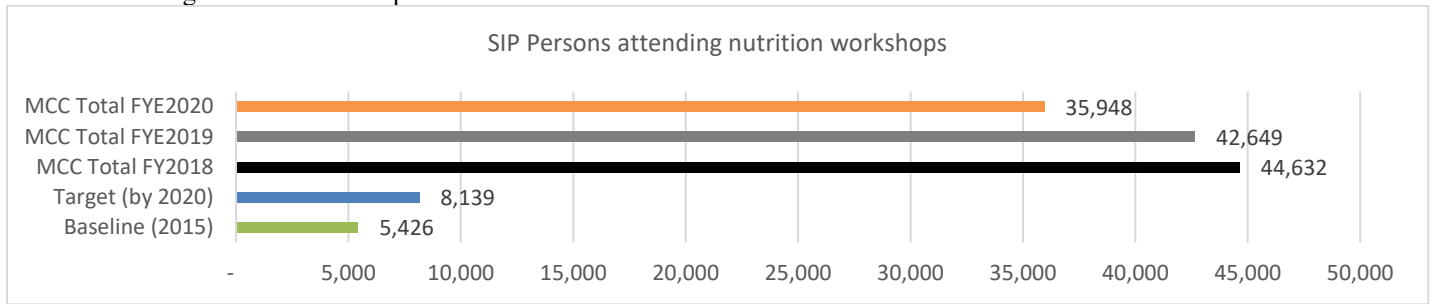
Baseline: 33,322 Target: 49,983

Persons receiving employment skills training



Baseline: 10,053 Target: 13,128

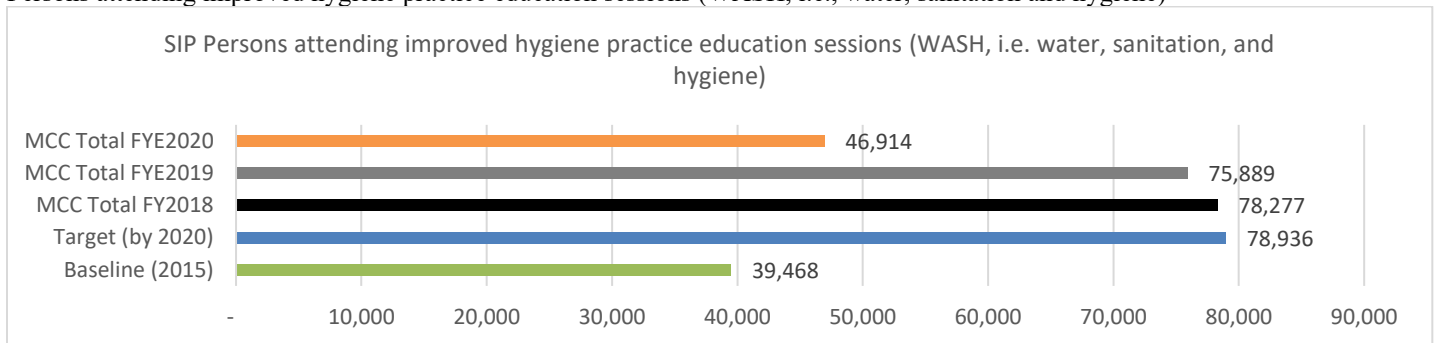
Persons attending nutrition workshops



Baseline: 5,426

Target: 8,139

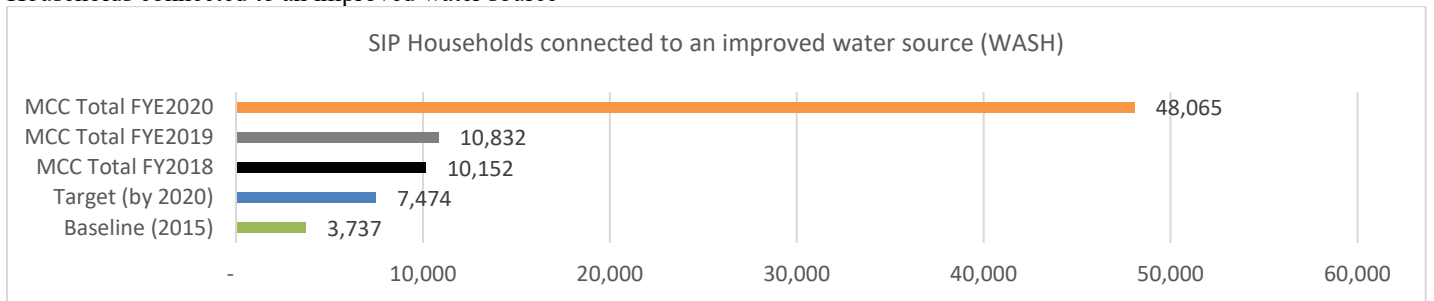
Persons attending improved hygiene practice education sessions (WASH, i.e., water, sanitation and hygiene)



Baseline: 39,468

Target: 78,936

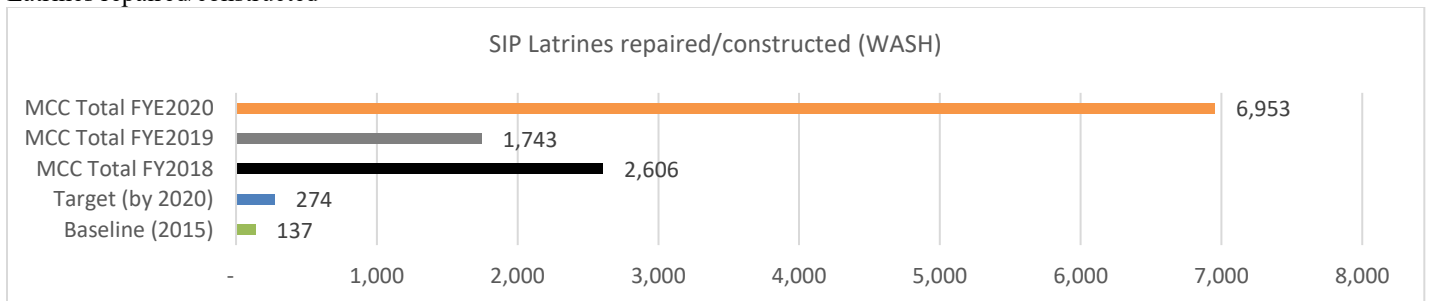
Households connected to an improved water source



Baseline: 3,737

Target: 7,474

Latrines repaired/constructed



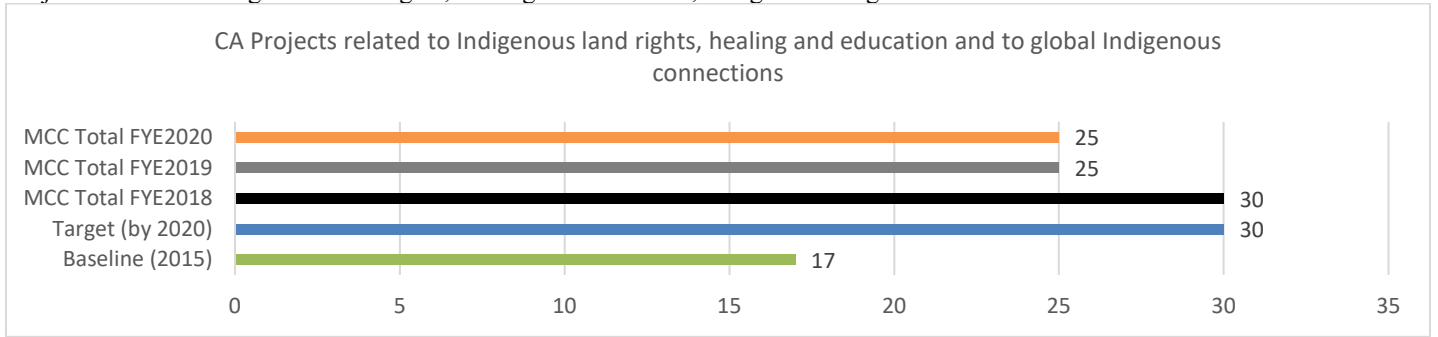
Baseline: 137

Target: 274

B. MCC will strengthen efforts to build bridges through innovative peacebuilding initiatives in communities divided by walls of hostility.

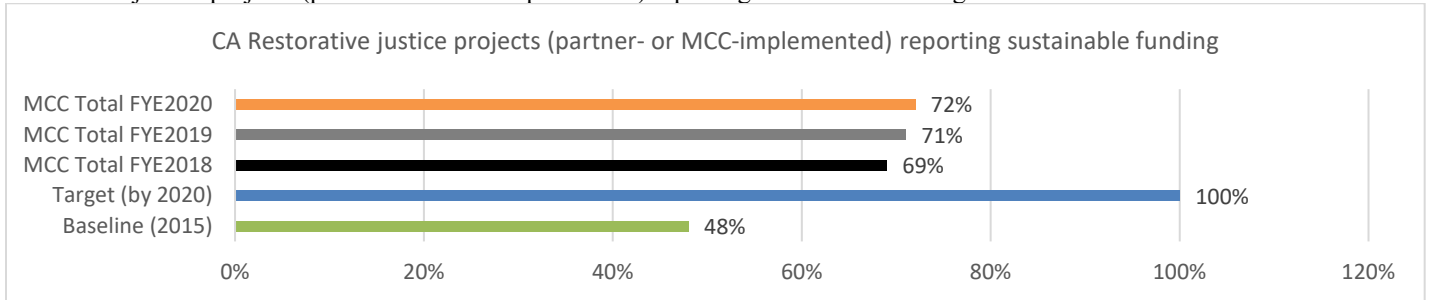
1. *MCCs in Canada*

Projects related to Indigenous land rights, healing and education, and global Indigenous connections



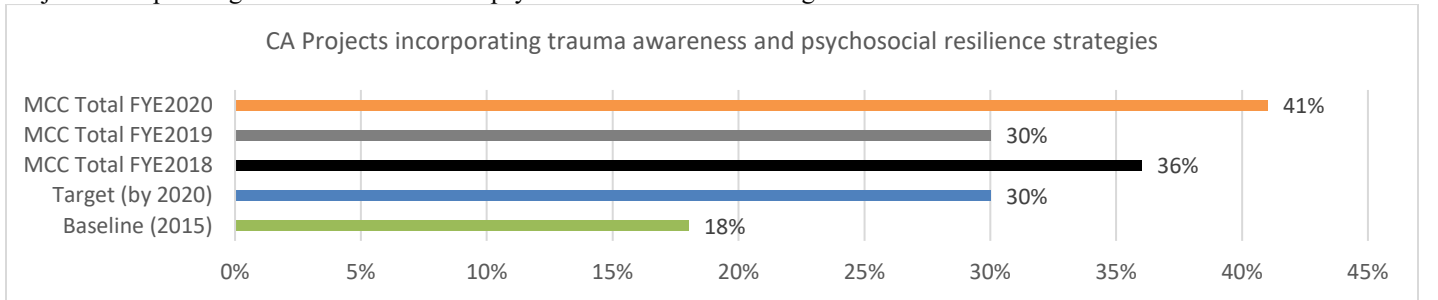
Baseline: 17 Target: 30

Restorative justice projects (partner- or MCC-implemented) reporting sustainable funding



Baseline: 48% Target: 100%

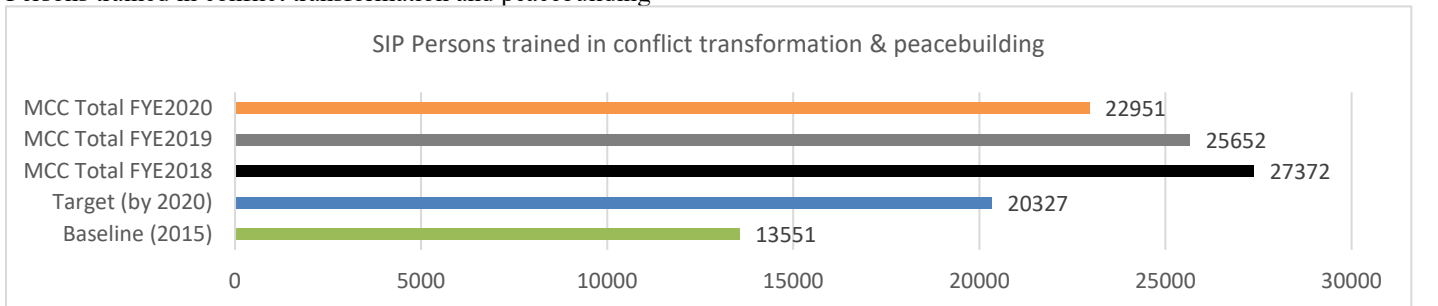
Projects incorporating trauma awareness and psychosocial resilience strategies



Baseline: 18% Target: 30%

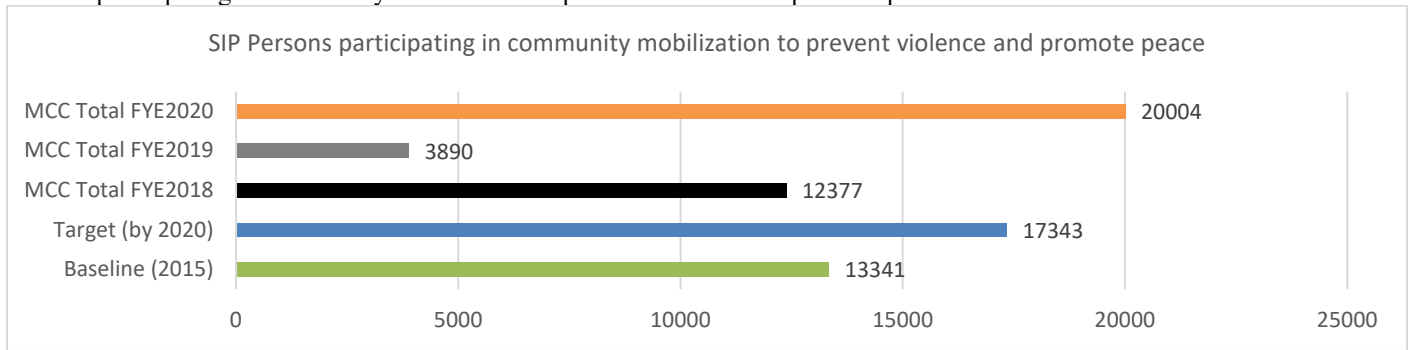
2. *Shared International Program*

Persons trained in conflict transformation and peacebuilding



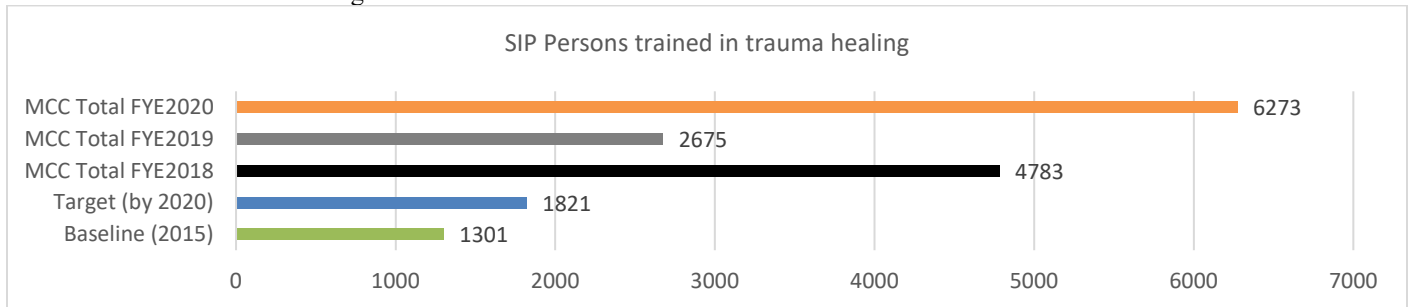
Baseline: 13,551 Target: 20,327

Persons participating in community mobilization to prevent violence and promote peace



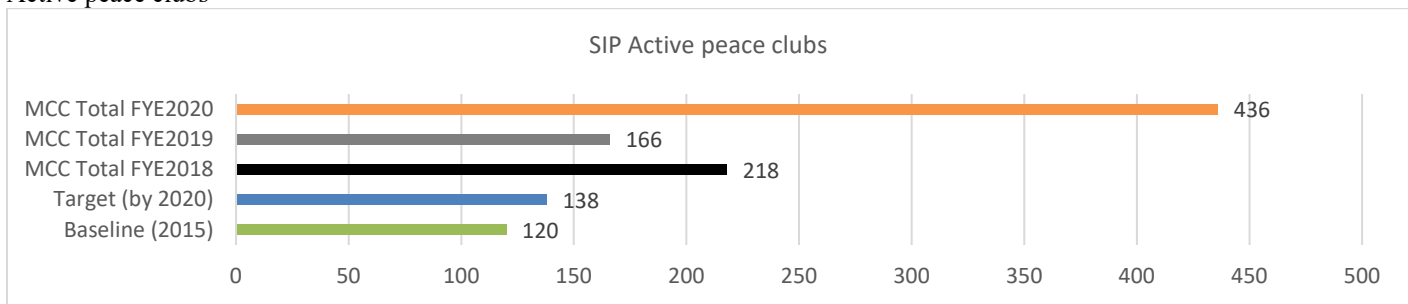
Baseline: 13,341 Target: 17,343

Persons trained in trauma healing



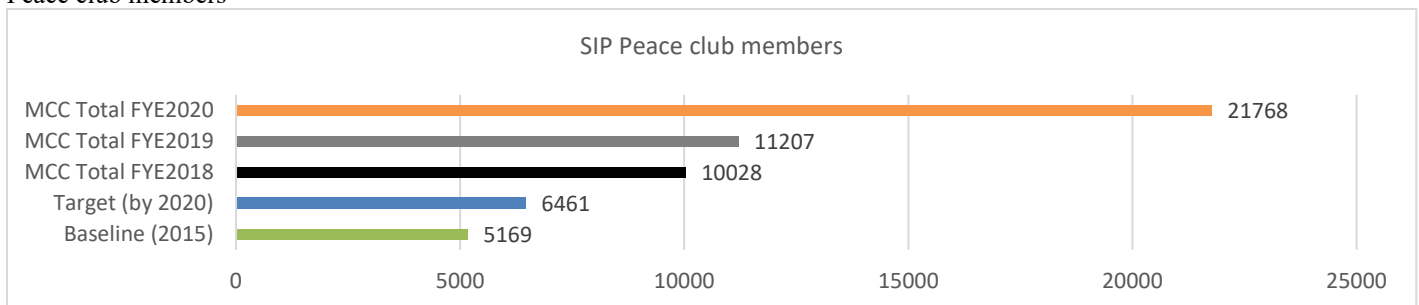
Baseline: 1,301 Target: 1,821

Active peace clubs



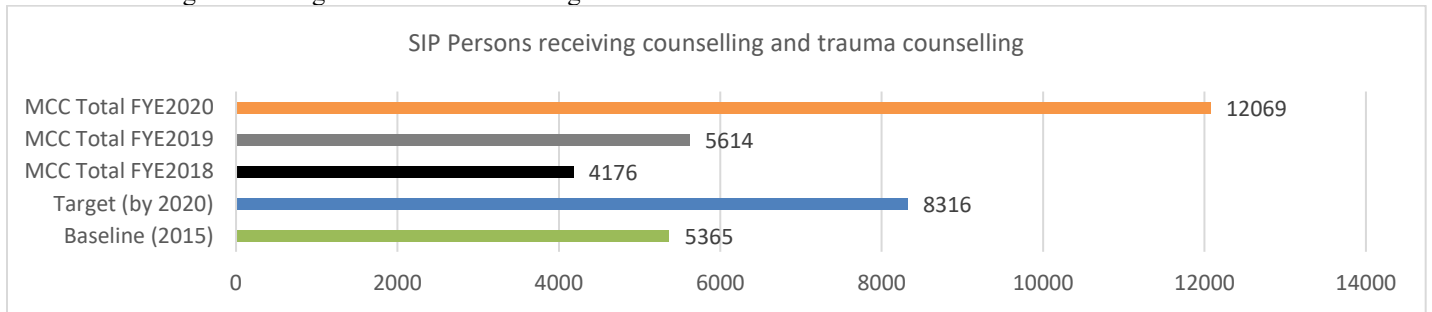
Baseline: 120 Target: 138

Peace club members



Baseline: 5,169 Target: 6,461

Persons receiving counselling and trauma counselling

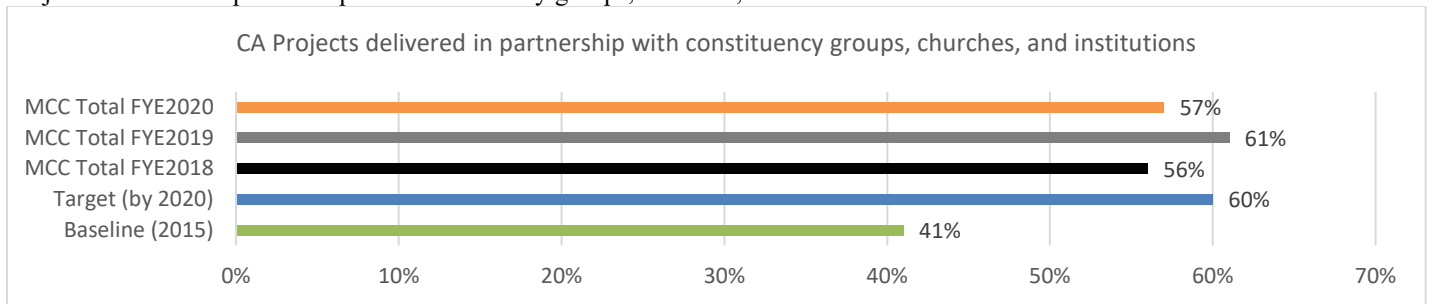


Baseline: 5,365 Target: 8,316

C. MCC will develop new partnerships with churches and supporting communities.

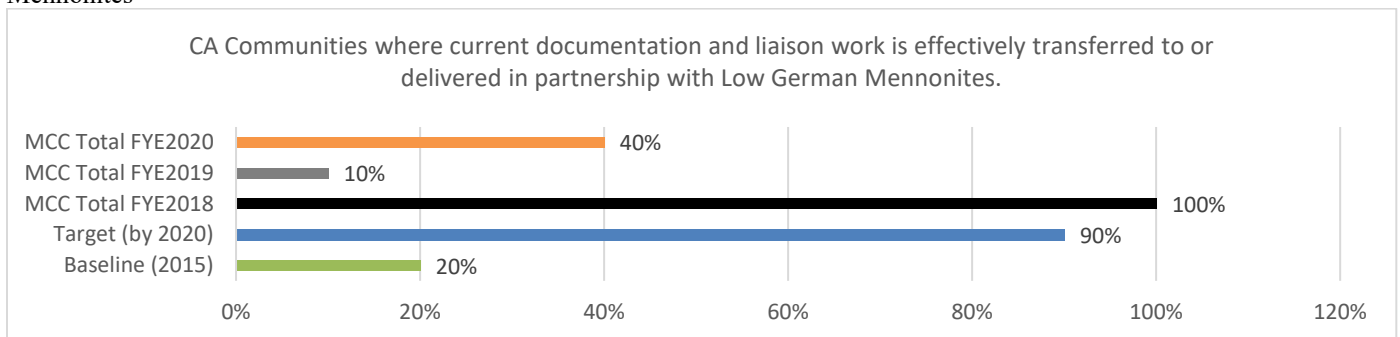
1. MCCs in Canada

Projects delivered in partnership with constituency groups, churches, and institutions



Baseline: 41% Target: 60%

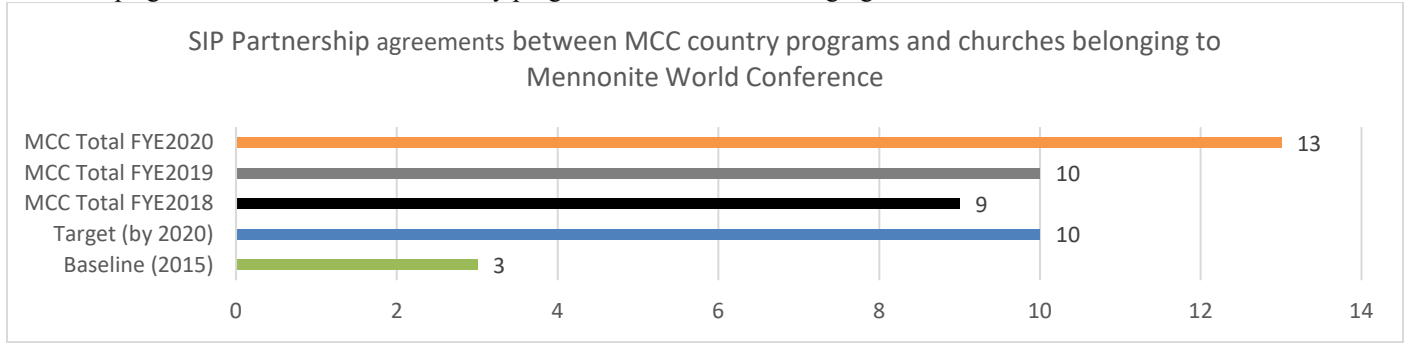
Communities where current documentation and liaison work is effectively transferred to or delivered in partnership with Low German Mennonites



Baseline: 20% Target: 90%

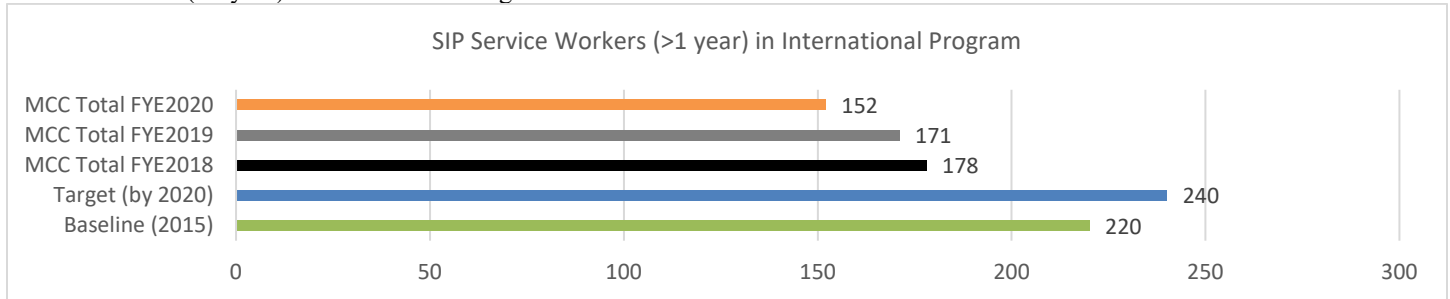
2. Shared International Program (SIP)

Partnership agreements between MCC country programs and churches belonging to Mennonite World Conference



Baseline: 3 Target: 10

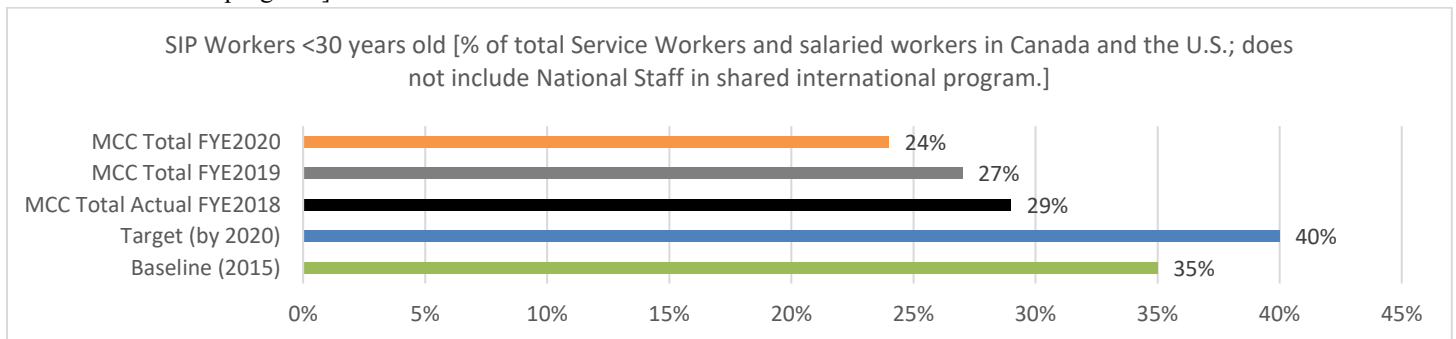
Service workers (>1 year) in International Program



Baseline: 220 Target: 240

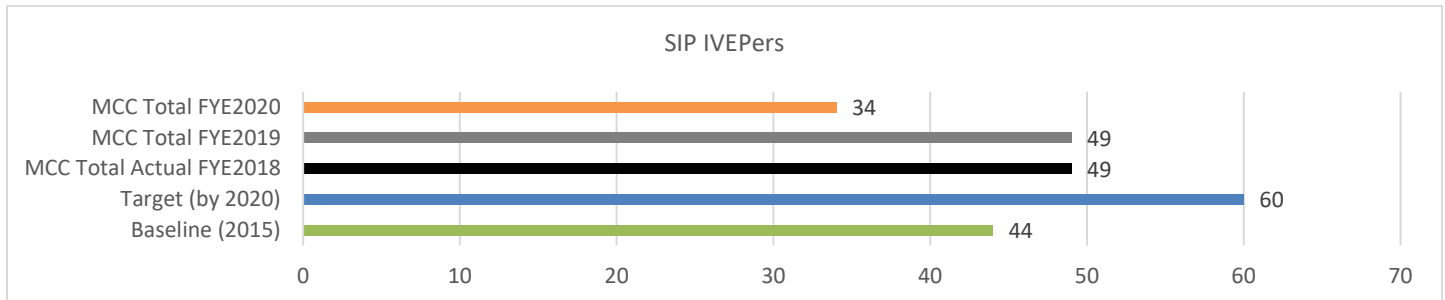
D. MCC will increase opportunities for young adults to serve, learn, and engage with MCC.

Workers <30 years old [% of total Service Workers and salaried workers in Canada and the U.S.; does not include National Staff in shared international program.]



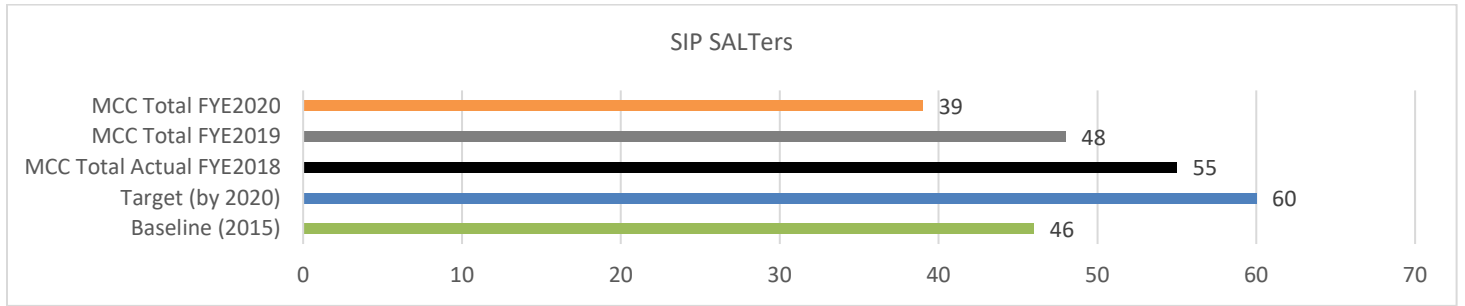
Baseline: 35% Target: 40%

IVEPers



Baseline: 44 Target: 60

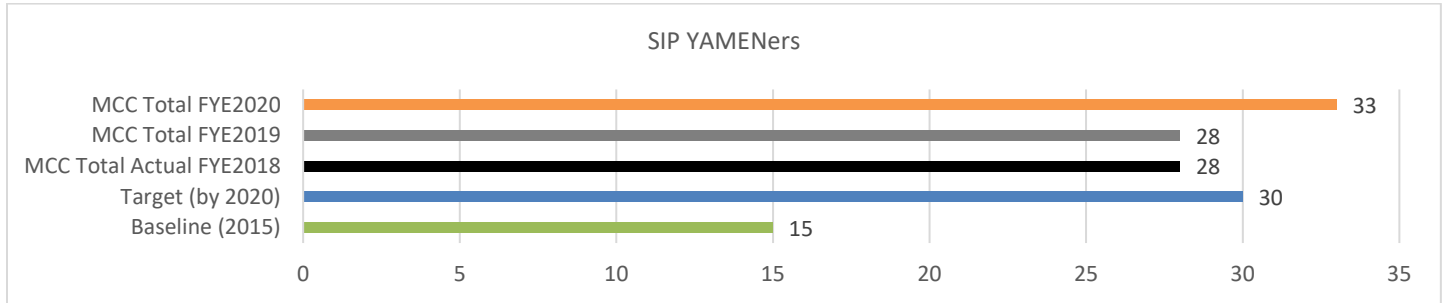
SALTERs



Baseline: 46

Target: 60

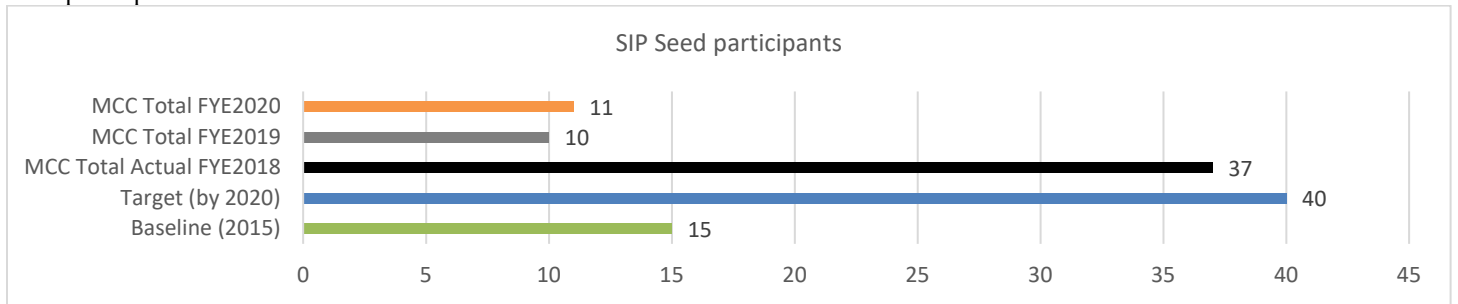
YAMENers



Baseline: 15

Target: 30

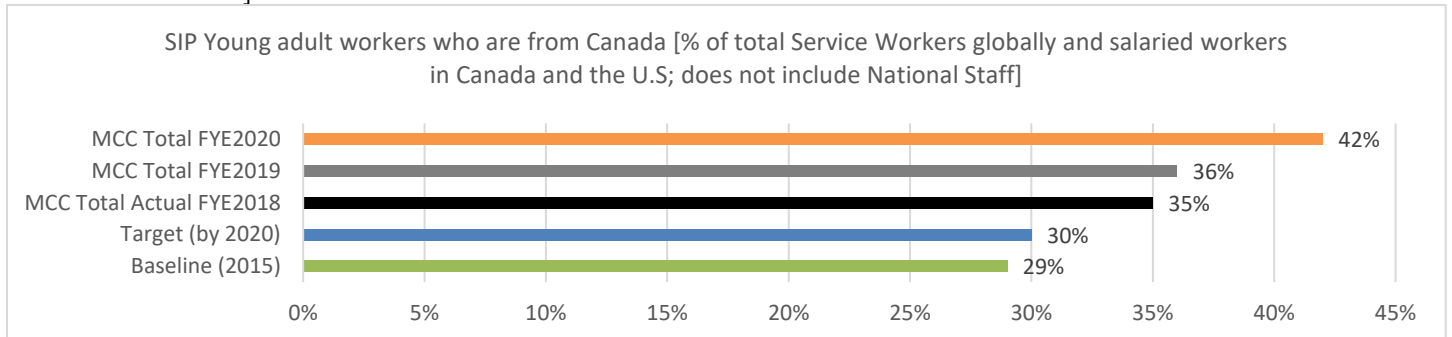
Seed participants



Baseline: 15

Target: 40

Young adult workers who are from Canada [% of total Service Workers globally and salaried workers in Canada and the U.S; does not include National Staff]



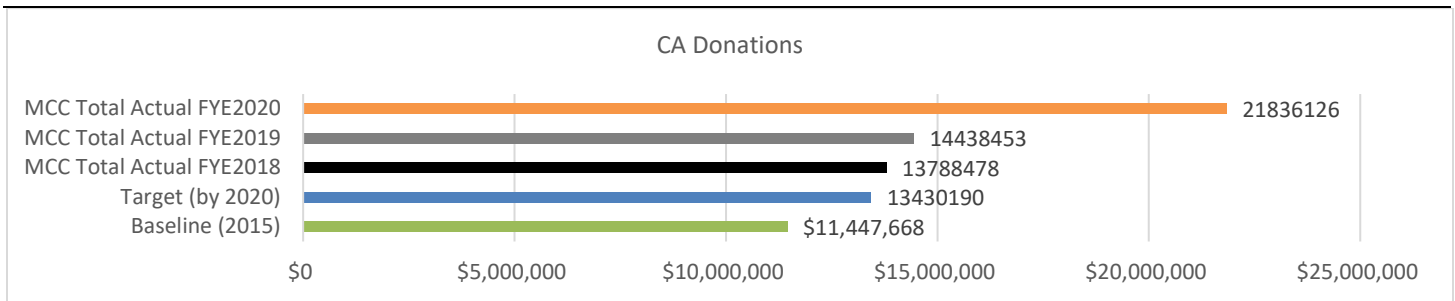
Baseline: 29%

Target: 30%

II. Canada strategic goals

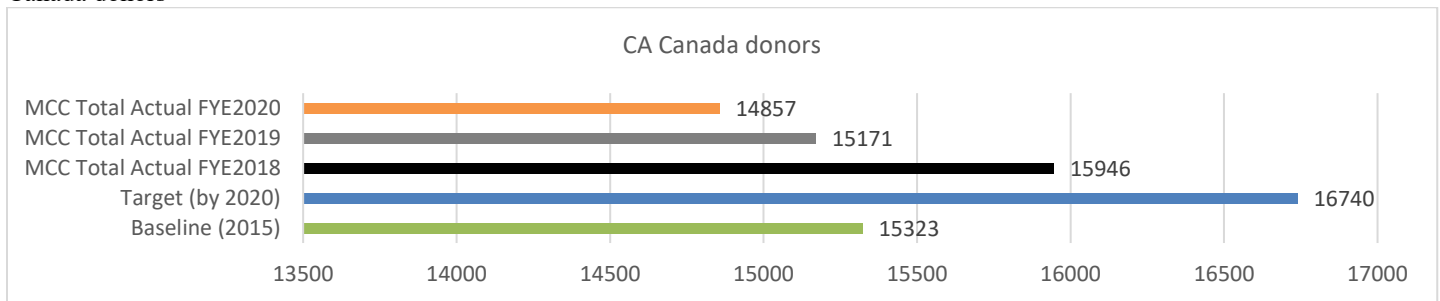
A. Leveraging our strategic initiatives and domestic/international connections, we will increase the donor base over the next five years (in terms of both dollar amounts and number of donors).

Donations



Baseline: CDN\$11,447,668 Target: CDN\$13,430,190

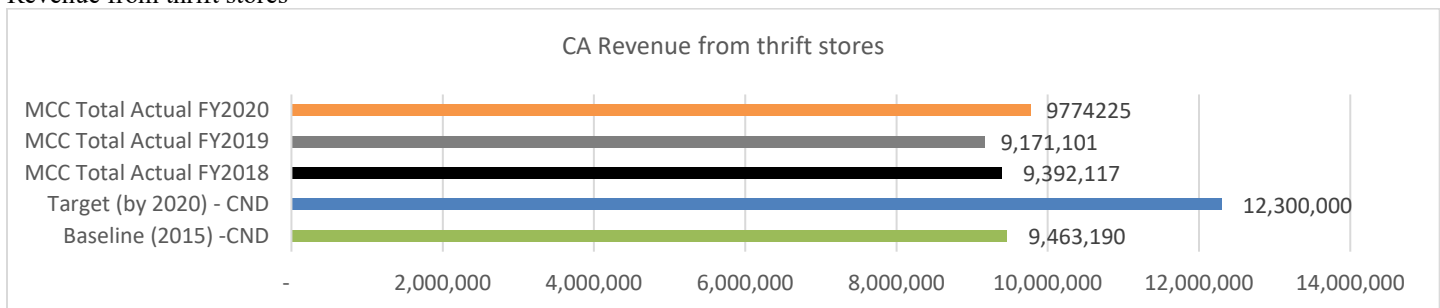
Canada donors



Baseline: 15,323 Target: 16,740

B. Engage Thrift as a marketing face of MCC in Canada.

Revenue from thrift stores



Baseline: CDN\$9,463,190 Target: CDN\$12,300,000

III. Program outputs and outcomes

Humanitarian Assistance

84 Projects 318,110 Participants 28 Countries

Output Highlights

- 158,021 Individuals received emergency food assistance
- 46,171 Individuals received non-food items, including clothing, kitchen items, bedding and MCC material resources
- 6,062 Individuals received training in disaster risk reduction and risk management, or other training related to risk reduction
- 215 Households received home repairs or reconstructed homes
- 1,182 Individuals received financial support, cash transfers or rent assistance
- 47,830 MCC comforters were shipped
- 21,724 MCC relief kits were shipped
- 55,180 MCC hygiene kits were shipped
- 849,024 Pounds of MCC canned meat shipped

Iraq – Improving food security in rural host and displaced communities

This project supported the livelihood needs of 640 households (3,840 people) in the governorates of Erbil and Sulaymaniyah of the Kurdistan region in Iraq. In addition to better access to food and improved income, the project also improved the participants' access to water by constructing dams. This project ended in February 2020.

- Increased household income of vulnerable host community population through the establishment of 201 kitchen gardens and 15 beekeeping arrays. The value of produce from each kitchen garden was estimated at US\$537.
- Through the construction of three small dams, water efficiency and agricultural output have improved. There has been a 70% increase in agricultural production.

Nepal – Integrated Earthquake WASH & Livelihood Recovery Project in North & South Dhading

This project helped improve the lives of marginalized and earthquake-affected households in North and South Dhading by providing improved access to basic health services, WASH facilities, and income-generating opportunities. Both projects in South and North Dhading ended in December 2019.

- Improved community access to water and sanitation facilities for 12,385 project participants (5,647 male and 6,738 female) in South Dhading and 9,606 (3,563 male and 6,043) in North Dhading.
- 3,334 male and 4,844 female earthquake-affected residents in South Dhading have increased access to techniques, skills, and capital to restore/ improve their livelihoods.

Zambia – School feeding in Choma District

Subsistence farming families in Choma district, Zambia, have been affected by drought and rising prices for staple foods, with food insecurity affecting children and their attendance and performance at school. The Brethren in Christ Church provided daily school meals to almost 7,000 students attending eight schools managed by the BIC church. This project will be completed at the end of this fiscal year.

- 6,822 students regularly attended school, up from 6,247 students at the start of the school year.
- Absenteeism dropped from 13% (934 students absent) to 5% (359 students absent).
- Teachers perceived class participation to be at 80% after the third term, compared to 17% at the start of the project.

Zimbabwe – Emergency food response to El Nino induced drought in Binga District

This project responded to increasing food insecurity due to drought and price increases through food-for-work programming for 2,700 vulnerable families (13,770 individuals) in nine wards of Binga District. Families received four months of maize, oil and beans from August to November 2019, and contributed to improving community resources, such as rehabilitating earth dams to increase the availability of water during the dry season. This project was completed in March 2020.

- 62% of participating households had acceptable levels of food consumption compared to only 17% at the start of the project.
- Food provided through the project reduced the need for households to use negative strategies in order to cope with food insecurity. 97% of households were not using negative coping strategies compared to 42% at the start of the project.

Education

140 Projects

72,054 Participants

38 Countries

Output Highlights

- 20,552 Children and youth participated in K-12 formal education
- 4,806 Children and youth participated in early childhood education
- 21,028 Children and youth participated in non-formal education support program
- 2,955 Children and youth participated in programs for students with disabilities
- 3,067 Teachers participated in professional development
- 193 Teachers' and educators' salaries paid fully or partially by the project
- 4,510 Children received scholarships or tuition support
- 3,143 Youth received vocational training
- 80,832 Children and youth received educational supplies (including MCC school kits and locally purchased items)
- 4,486 Children received food through a school feeding program
- 46 Schools received improvements or upgrades to learning facilities
- 94,073 MCC school kits shipped

Bolivia – Samuelito Holistic Children’s Center for Low-Income Families

This project provides holistic (cognitive, physical, spiritual, social-emotional) early childhood development for about 90 children from marginalized urban neighbourhoods in Santa Cruz. This project will be completed in March 2021.

- For school year 2019, the percentage of students assessed as having “high” language level increased from 15% in the first semester to 83% in the second semester. Similarly, students assessed as having “high” fine motor skills and “high” emotional skills increased from 8% and 10% in the first semester to 63% and 91% in the second semester, respectively.

Egypt – Supporting early childhood well-being through community-led activities for refugee families in Cairo

This project works with refugee families with young children in Cairo neighbourhoods where there are high concentrations of refugees to improve early childhood wellbeing by increasing quality early childhood opportunities through community-led initiatives that are sustainable and culturally relevant. Around 100 refugee children will be recruited to participate in the program. This project will be completed in March 2021.

- The number of children participating increased from 84 to 297 over two years.
- 149 of 155 children assessed (96%) showed improvement in three developmental areas: language/expression, social/behavioural, and emotional.
- 181 of 184 parents assessed (98%) showed increased knowledge in parenting and enhanced relationships with their children.

South Sudan – Education Quality Improvement Project

This project provides quality primary education for about 1,200 children per year in Juba, South Sudan. The first phase of this project ended in March 2020 and a second phase started in April 2020 and will run until March 2023.

- 100% of students (total 110: 49 boys, 61 girls) who sat for the most recent Grade 8 national exams passed.
- Across Grades 1 to 7, 775 (382 boys and 393 girls) of 1,093 students passed the promotional exams to pass on to the next grade.
- 697 students in Grades 4 to 8 reported using the library at least weekly. 150 of these students (85 boys, 65 girls) reported reading more than five books a week.

Food Security and Sustainable Livelihoods

122 Projects

149,638 Participants

37 Countries

Output Highlights

- 58,075 Individuals attended training in improved agriculture and animal production methods
- 7,096 Farmers participated in learning exchanges or extension visits
- 35,948 Individuals received nutrition training
- 12,073 Individuals received vocational, business skills and income generation training
- 22,302 Individuals received agricultural inputs
- 13,436 Individuals participated in savings and loans groups
- 5,893 Individuals participated in safety-net programming (cash-for-work/food-for-work)
- 170 Water harvesting structures for irrigation constructed or repaired

Burkina Faso – Food and Nutrition Security in Koti

This project facilitates access to funding for revenue-generating activities (RGAs) for women to support agro-food production. 100 women will be supported to secure plots of land and accompanied in cereal productions. The project also supports off-season gardening by improving access to water through the construction of wells, while also retraining 104 gardeners on technical aspects of vegetable production and ecological production. The project will be completed in December 2020.

- 86% of women have enough income to meet the food needs of their households, up from the baseline of 54%.
- Through the introduction of self-help groups, 79% of group members (all female) have accessed a loan. None of these women had access to loans prior to this project. The loan repayment rate is 100%.
- The prevalence of child malnutrition has decreased: from a rate of 10% MAM and 0.6% SAM at the baseline to 4.53% MAM and 0.27% SAM.¹

Ethiopia – Scale-Up of Conservation Agriculture in Three Woredas in East Gojjam Zone of Amhara Regional State

The project promotes conservation agriculture (CA) as a viable alternative to traditional and conventional farming practices while boosting food security in 3 Woredas (districts) in East Gojjam Zone in the face of erratic rainfall and other climatic factors as well as pest infestations in some project locations. This project will be completed in September 2020.

- The number of farmers practicing CA has significantly increased from 398 at the beginning of the project to 6,747 farmers, a 102% increase from the number of farmers targeted for the duration of the project.
- The average plots size where conservation agriculture is practiced by farmers increased from 0.01ha at the start of the project to 0.48 ha.

Nepal - Improving mother and child nutrition in rural village of Lalitpur

The project aims to improve poor dietary practices and build understanding of food security and its importance in Lalitpur, Nepal. Activities focus on nutrition and health education and enabling women to act on that education by promoting improve kitchen gardens and by working through the mothers' groups to improve livelihoods and women's access to decision-making power over household income. The project is in its second year and will be completed in March 2022.

- Average annual household income from agriculture and livestock production had increased from NPR 84,333 (USD 796) to NPR 169,641 (USD 1,600).
- Women's role and contribution in household decision-making has increased: the percentage of women who were involved in decisions around food purchases increased from 20% to 34.8%, and the percentage of women who were involved in decisions about agriculture plans increased from 8.77% to 38.3%.

¹ Moderate Acute Malnutrition (MAM) and Severe Acute Malnutrition (SAM)

Health

88 Projects

315,250 Participants

35 Countries

Output Highlights

- 16,300 Individuals tested for HIV
- 41,484 Individuals received direct clinical care
- 9,826 Individuals received home-based health care
- 144,936 Individuals attended health information sessions
- 46,914 Individuals received improved hygiene awareness sessions
- 10,615 Individuals received training as health care workers, community health promoters and caregivers
- 22,443 Individuals received access to a new or improved latrine or sanitation facility
- 48,065 Individuals provided access to an improved water source
- 89,649 Individuals received hygiene items, including feminine hygiene items
- 7,521 Individuals receive nutritional assistance through health or nutrition programs
- 266 Drinking water systems constructed or repaired
- 6,953 Latrines and sanitation facilities constructed or repaired
- 6,289 MCC infant care kits were shipped

Egypt – Access to clean water and safe sanitation

This project supports the health of the poorest families in small communities who have not yet received BLESS services in Greater Cairo and North/Upper Egypt by installing water and sewage pipelines to 120 families. Providing these families with access to water and a method for safe waste disposal will enhance their quality of health including that of the wider community. The project is expected to be completed in 2021.

- The need for women and girls to spend time collecting water has been eliminated, enabling them to dedicate more time to caring for their young children or doing other housework. Prior to the project, women and girls spent an average of 4 hours per household per day collecting/hauling water.

Haiti – Prevention of cholera and other waterborne illnesses through latrines, handwashing, and hygiene training

This project reduces the spread of cholera and other serious infectious diseases in the remote mountain community of Tibwa in Lachapel Commune, Haiti, by providing hygiene and sanitation training, basic sanitation starter supplies and support to construct a safe and durable household latrine for 150 extremely vulnerable families. This project ended in July 2019.

- 68% of households in the participating community have access to improved sanitation (latrines) compared to 8% prior to the project.
- Increased hygiene awareness among participating households. 90% reported regularly practicing good hand hygiene compared to 23% at the start of the project.

Nepal – Reintegration of Marginalized People with Mental Illness

The project supports persons with mental health problems, provide treatment and upon recovery, reintegrate and rehabilitate these individuals back into their families and communities. At least 90 people living with mental health issues will be supported and 1,350 family and community members will directly participate in psychoeducation programs. The second phase of this project started this April until March 2023 and will focus on women with mental health problems.

- 95% of participants have a stable source of income. None of the participants were earning an income prior to the project.
- The relapse rate for participants suffering from a mental health crisis within six months of discharge from inpatient care has decreased to 3% from 42% during the first year.

Peacebuilding

153 Projects

61,882 Participants

50 Countries

Output Highlights

- 22,951 Individuals trained in conflict transformation, peacebuilding or mediation strategies
- 6,273 Individuals trained in trauma awareness and resilience
- 20,004 Individuals participated in community mobilization to prevent violence and promote peace
- 12,069 Individuals received psychological support or trauma counselling
- 21,768 Individuals participated in 436 of peace clubs
- 83 Teachers trained in restorative discipline

Cuba – Defending the Rights of Children and Women Affected by Gender-Based Violence and Sexual Abuse in the Provinces of Matanzas

Working with 12 communities in the Province of Matanzas, this project seeks to promote a culture for peace by addressing violence from several perspectives: the prevention and treatment of sexual abuse and gender-based violence, particularly affecting women and children. The project also establishes support networks for families and victims as well as provides tools and further trainings to professionals formally responsible for providing direct response to victims of abuse. The project is in its fourth year and will be completed in March 2021.

- 10 of the 12 support groups continue to provide public awareness and support to victims of abuse with a high level of autonomy, including networking with other groups.
- 64% (13/21) of new victim-survivors identified have chosen to access psycho-social support sessions.
- More families are having their psychosocial needs supported. There are currently 40 families participating in group counselling sessions, up from 16 families in the first year of the project.

Jordan – SuperGirls

SuperGirls provides refugee girls in Amman with a safe and empowering space to learn and socialize while also supporting their learning in literacy and numeracy. Through a 6-month long program, girls between the ages of 6 and 12 learn new skills and develop the ability to process trauma. Almost 100 girls have graduated from the program since 2017. Now on its fifth cycle, another 30 girls will benefit from the SuperGirls program. The project ended in March 2020.

- 30 girls were successfully recruited to participate in the program as planned.
- The girls' overall difficulties, as evaluated using an emotional and behavioural screening questionnaire for children and young people, was reduced from 17.4 (borderline, pre-test result) to 9.5 (normal, post-test result).
- 77% (20/26) of parents indicated that their daughters have improved from the program, with 65% of parents observed improvement in the ways their daughters cope with challenges.

Mexico – Peacebuilding in Chiapas

This project seeks to accompany communities and social actors in conflict settings, through mediation, interlocution, negotiation, facilitation and agreement-building processes. At least 15 communities will be supported, and 40 social actors provided accompaniment. The project will also strengthen participants' capacities on the "positive transformation of conflicts" methodology. This project has been renewed, starting in April 2020 until March 2023.

- Accompanied 20 conflict processes, 15 of which have designed and implemented strategies for the "positive transformation of conflicts," and 10 of which are participating in spaces of collaboration for the defence of land and territory.

South Sudan – Loreto Peace Club

The project seeks to expand the outreach of the Loreto Peace Club as a resource for sharing conflict resolution strategies, peacebuilding skills, and trauma healing strategies within the school and the local community in Rumbek, located in the Western Lakes State of South Sudan. It is expected that at least 74 students and community members will benefit directly from the project and indirectly benefitting 820 more. This project has been extended for another three years, starting April 2020 to March 2023.

- 100% (36) of Peace Club members interviewed were able to share examples of application of a peacebuilding skill or nonviolent conflict resolution strategy.
- All four cases of conflicts reported to Peace Club in 2019 were resolved nonviolently.

FY2020 Outputs Comparison by Sector

Humanitarian Assistance

* Prior to FY2017, output number was the sum of several output categories, resulting in some beneficiaries being counted twice. This was changed for FY2017, resulting in a lower (but more accurate) output number being reported.

	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019	FY2020	Comments
Individuals received emergency food assistance	96,078	98,641	94,519	186,650	144,956	158,021	FY20 is consistent with FY19, and still has ongoing responses in Syria and Iraq, DR Congo and elsewhere. The slight increase is due to several FY19 projects ending in FY20, such as responses to Cyclone Fani in India and Cyclone Idai in Malawi and Mozambique.
Individuals received locally purchased non-food items*	98,186	92,732	25,834	24,994	50,215	46,171 ²	FY20 is consistent with FY19. Several MR projects in Syria and Jordan ended this year, which accounts for the tiny decrease in number (e.g. material resources to Syrian IDPs and vulnerable host communities).
Individuals received financial support, cash transfers or rent assistance	8,286	6,474	4,510	5,729	5,206	1,182	Cash allowances distribution projects in Syria ended in FY2019, (e.g. SOC and FMEEC monthly allowances) which accounts for the significant drop in number. The decrease is also indicative of a shift towards recovery work and providing more cash-for-work programs.
Individuals received repairs to home or reconstruction of home	1,608	15,149	8,193	3,490	1,533	215	Prior to FY19, output category was "Individuals received housing or rent assistance" and in FY19 the output did not include rent assistance. Major housing repair projects have been completed in previous years such as those in response to Hurricane Matthew and Irma. Existing projects are small-scale than in other years and several are still ongoing.
Blankets shipped	44,142	48,115	51,062	63,841	53,198	47,830	
Relief kits shipped	14,507	12,241	16,787	24,530	22,029	21,724	

Food Security and Sustainable Livelihoods

	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019	FY2020	Comments
Individuals attended agricultural trainings	75,835	69,215	41,706	43,611	42,838	58,075	Sectoral integration within MCC programming accounts for the increase in FY2020. Several education and health projects include training components on sustainable gardening and vegetable production.
Individuals received agricultural inputs	33,322	33,475	26,791	31,281	29,193	22,302	FY20 is consistent with previous years. The decrease is due to several CFGB projects in India and DR Congo, for instance, ending this year, with a few projects indicating that provision of inputs has been completed in previous years.
Individuals attended nutrition training	5,426	12,293	43,926	44,632	42,649	35,948	Small decrease as several larger CFGB projects did not carry out as much nutrition training in FY20 as in previous years. The COVID-19 pandemic

² 83% compromise of MR items distributed and only 17% as locally purchased. The biggest project contributing to this output number are those in Syria and Jordan: Material Resources to Syrian IDPs and Vulnerable Host Communities.

							also affected how activities are implemented (group trainings were discouraged due to the risk of virus exposure).
Adults received vocational, business skills and income generation training	10,503	6,754	6,808	4,152	5,590	12,073	Increase is indicative of a tactical shift towards program that supports revenue-generating activities. Projects are also giving greater focus to include participants from a marginalized population such as women and youth.
Pounds of canned meat shipped	874,021	894,558	579,643	774,069	667,839	849,024	

Health

	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020	Comments
Individuals attended health information sessions	206,823	133,138	91,354	101,061	61,480	144,936	Output category was expanded in FY2020 to include sessions on “preventive health and risk reduction, disease management, mental health, gender-based violence, and stigma reduction.” The significant increase in FY20 reflects the inclusion of mental health and protection from sexual exploitation and abuse (PSEA) across projects but also across sectors. In addition, several mental health projects ended in FY20.
Individuals received nutritional assistance through health or nutrition programs	83,462	43,519	71,355	57,683	45,052	7,521	This output was previously the combination of several different nutritional assistance outputs, resulting in feeding activities being categorized differently in FY19. Major health projects ended in the previous fiscal year which accounts for the significant decrease in FY20.
Individuals tested for HIV	63,876	22,704	14,498	24,507	20,881	16,300	FY20 is consistent with previous years. The slight decrease is due to some health projects ending this year and a decrease in projects focusing on this output category.
Individuals received direct clinical health care	51,199	27,471	18,462	15,403	20,519	41,484	Output category was changed in FY19 from “Individuals received or referred for treatment.” Increase in FY20 reflects a shift towards providing clinical mental health services, a significant increase in maternal and infant care projects and increased projects providing mobility aids and medication.
Individuals received water, sanitation or hygiene training	39,468	45,004	85,414	78,277	75,889	46,914	Several large WASH projects ended in the previous fiscal year which explains the decrease in FY20.
Households connected to an improved water source	3,737	6,757	8,090	10,152			No longer collecting information for this output. See output below. Individuals connected to an improved water source better accounts for household size variation and the use of public latrines.
Individuals provided access to improved water source					54,161	48,065	See note above

Latrines repaired or constructed	137	241	1,673	2,606	1,743	6,953	Large-scale WASH projects completed significant repairs and construction of latrines. MSCFSO repaired 5,200 latrines in FY20.
Hygiene kits shipped	57,640	49,529	55,115	69,375	63,560	55,180	

Peacebuilding							
	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019	FY2020	Comment
Individuals trained in conflict transformation, peacebuilding, or mediation	13,551	23,204	26,994	27,372	25,652	22,951	FY20 is consistent with previous years. The slight decrease accounts for the cancellation of activities due to COVID-19.
Individuals trained in trauma awareness and resilience	1,301	2,996	7,111	4,783	2,675	6,273	Sectoral integration within MCC programming accounts for the increase in FY2020. Projects working with displaced populations and with conflict-affected communities integrate trauma awareness and resilience workshop. The increase is consistent with the trend towards more mental health provision across sectors.
Individuals participated in community mobilization to prevent violence and promote peace	13,341	11,239	11,459	12,377	3,890	20,004	Increase is indicative of a strategic emphasis on peacebuilding and reflects increased engagement with established local peace infrastructures in preventing and managing conflict in communities.
Individuals received psychosocial support or trauma counselling	5,365	3,837	10,616	4,176	5,614	12,069	In FY2020, this output category was changed from “Individuals received counselling and trauma counselling.” Increase in FY20 is indicative of the shift towards providing more psychosocial support with projects moving into phases more based on providing clinical psychiatric or psychosocial care to the traumatized.
Individuals participated in peace clubs	5,169	10,041	11,297	10,028	11,207	21,768	Increase in FY20 reflects shift in approaches to doing peacebuilding, with greater focus on engaging schools and schoolchildren.
Active peace clubs	120	182	374	218	274	426	Increase in FY20 reflects shift in approaches to doing peacebuilding, with greater focus on engaging schools and schoolchildren through peace clubs.

Education							
	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019	FY2020	Comments
Children participated in K-12 formal education	34,304	43,807	45,151	39,979	24,628	20,552	FY20 is consistent with FY19. The slight decrease is due to schools being canceled due to COVID-19.
Children participated in early childhood education	1,627	2,799	3,381	2,553	5,919	4,806	FY20 is consistent with FY19. The slight decrease is due to schools being canceled due to COVID-19.
Children participated in programs for students with special needs	424	371	298	969	1,642	2,955	This increase is consistent with previous years. Similar to FY2019, new or expanded projects have started with a focus on this particular output category.
Youth who participated in vocational training	1,053	3,196	2,789	2,909	3,569	3,143	FY2020 is consistent with previous years.
Teachers participated in professional development	1,095	1,034	2,266	1,560	1,649	3,191	Overall increase is due to strategic emphasis on improving quality of education through teachers' training.
Children received scholarships or tuition support	3,488	5,731	4,560	4,393	4,641	4,510	FY20 is consistent with previous years
Children and youth received food through school feeding program	10,558	10,661	38,278	10,549	6,851	4,486	Decrease in FY20 is due to the completion of several large-scale school feeding projects in Zimbabwe in FY18 and fewer projects including this output category.
School kits	89,958	87,651	70,652	78,035	129,100	94,073	

Observations

- Output numbers naturally shift from year-to-year as a result of the completion or commencement of projects, especially large-scale projects funded through CFGB or external grants. In addition, increases and decreases in output numbers can be the result of ongoing improvement in project data reporting and compiling processes. In FY2020 just as in FY2019, modifications in the types of output data collected resulted in significant changes to output numbers and restricted the comparability of some output category with previous years' data (e.g. the expansion of output category: “individuals attended preventive health sessions”).
- Overall shifts for some output numbers since FYE2015 reflect strategic decisions. Examples include:
 - The shared program strategy to focus on health programming and expand preventative health strategies to include mental health and prevention from sexual exploitation and abuse has contributed to a significant increase in output numbers for “individuals attended health information sessions.” This has also corresponded to a decrease in numbers for “individuals tested for HIV” as MCC shifted to providing more mental health services.
 - The shared program strategy to increase attention to incorporating trauma healing into disaster response and peacebuilding initiatives is reflected in increased output numbers overall since FYE2015 for “individuals received psychosocial support or trauma counselling” and “individuals trained in trauma awareness and resilience.”
 - MCC’s strategic emphasis on peacebuilding is evident from the consistent high output numbers since FY2015 for “individuals trained in conflict transformation, peacebuilding or mediation,” and the increase in “individuals participated in community mobilization to prevent violence and promote peace.” This is also reflected in an increase in both the numbers of “active peace clubs” created or supported by MCC and the number of “individuals participated in peace clubs.”
 - MCC’s strategic focus on increasing education quality has led to a shift in education programming towards professional development for teachers, curriculum development, community ownership, and vocational training for youth and adults.

IV. MCC Canada audited financial statements

MENNONITE CENTRAL COMMITTEE CANADA

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019 (Restated, note 3)
Assets		
Current assets:		
Cash	\$ 11,119,730	\$ 6,939,570
Accounts receivable (note 4)	5,885,610	5,029,939
Prepaid expenses	828,217	578,667
Inventories (note 5)	2,050,980	5,079,103
Investments (note 6)	45,382	743,388
Assets held for sale (note 7)	1,328,156	—
	<u>21,258,075</u>	<u>18,370,667</u>
Long-term grants receivable	—	55,986
Investment in Canadian Foodgrains Bank Association Inc.	3,974,323	3,953,043
Capital assets (note 7)	1,502,066	3,536,552
	<u>\$ 26,734,464</u>	<u>\$ 25,916,248</u>

Liabilities, Deferred Contributions and Fund Balances

Current liabilities:		
Payable to MCC U.S., non-interest bearing	\$ 448,125	\$ 134,177
Accounts payable and accrued liabilities (note 9)	8,399,704	3,157,063
Payable to service workers	838,341	787,634
Current portion of long-term debt (note 11)	—	117,696
Liabilities relating to assets held for sale (note 11)	2,721,494	—
	<u>12,407,664</u>	<u>4,196,570</u>
Deferred contributions related to expenses of future periods (note 10)	—	183,510
Long-term debt (note 11)	—	2,721,494
Fund balances (note 12):		
Unrestricted	3,561,736	8,594,178
Internally restricted:		
General operations (note 13)	3,097,451	1,512,884
Ten Thousand Villages Canada	—	402,077
Externally restricted - International (schedule B)	7,667,613	8,305,535
	<u>14,326,800</u>	<u>18,814,674</u>
Commitments and contingencies (note 17) Subsequent events (notes 7,8,11 and 22)		
	<u>\$ 26,734,464</u>	<u>\$ 25,916,248</u>

See accompanying notes to financial statement

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

Operating	General Funds						Restricted Fund				
	2020		2019		Ten Thousand Villages Canada		Total		International		Total
		(Restated, note 3)	2020	2019	2020	2019	2020	2019	(Restated, note 3)	2020	(Restated, note 3)
Revenue (note 15):											
Contributions:											
General Designated:	\$ 17,070,942	\$ 11,275,018	\$ -	\$ -	\$ 17,070,942	\$ 11,275,018	\$ -	\$ -	\$ 17,070,942	\$ 11,275,018	
CFGB	282,825	307,901	-	-	282,825	307,901	3,253,308		3,540,859	3,536,133	3,848,760
Disaster restricted	28,456	10,814	-	-	28,456	10,814	116,371		359,204	144,827	370,018
Other	1,137,916	1,571,432	-	-	1,137,916	1,571,432	4,656,412		8,114,276	5,794,328	9,685,708
Centennial projects	44,123	-	-	-	44,123	-	138,954		-	183,077	-
Centennial other	874,327	-	-	-	874,327	-	1,242,836		-	2,117,163	-
Material resources	-	-	-	-	-	-	1,900,528		1,749,333	1,900,528	1,749,333
Grants:											
GAC - CFGB	-	-	-	-	-	-	8,454,375		8,444,850	8,454,375	8,444,850
CFGB	-	-	-	-	-	-	1,910,500		2,452,882	1,910,500	2,452,882
Other	22,283	1,138,538	-	-	22,283	1,138,538	(347,539)		174,346	(325,256)	1,312,884
Fair trade sales	-	-	9,169,177	9,027,387	9,169,177	9,027,387	-		-	9,169,177	9,027,387
Foreign exchange gain (loss)	10,357	(8,490)	(2,114)	20,769	8,243	12,279	238,193		183,568	246,436	195,847
Other (note 16)	233,869	348,671	410,131	1,259,010	644,000	1,607,681	503,932		572,630	1,147,932	2,180,311
	19,705,098	14,643,884	9,577,194	10,307,166	29,282,292	24,951,050	22,067,870		25,591,948	51,350,162	50,542,998
Expenses:											
Program (schedule A)	1,458,819	1,902,774	-	-	1,458,819	1,902,774	34,928,138		38,431,651	36,386,957	40,334,425
Fair trade (note 19):											
Cost of sales	-	-	6,185,318	4,102,417	6,185,318	4,102,417	-		-	6,185,318	4,102,417
Operations	-	-	4,664,351	4,741,643	4,664,351	4,741,643	-		-	4,664,351	4,741,643
Administration	-	-	3,409,382	1,628,729	3,409,382	1,628,729	-		-	3,409,382	1,628,729
Support services:											
Administration and communication	1,991,640	2,141,027	-	-	1,991,640	2,141,027	-		-	1,991,640	2,141,027
Resource generation	813,565	353,307	-	-	813,565	353,307	-		-	813,565	353,307
Other:											
Grants to Provincial MCCs (note 18)	2,386,823	698,490	-	-	2,386,823	698,490	-		-	2,386,823	698,490
	6,650,847	5,095,598	14,259,051	10,472,789	20,909,898	15,568,387	34,928,138	38,431,651	55,838,036		54,000,038
Excess (deficiency) of revenue over expenses	\$ 13,054,251	\$ 9,548,286	\$(4,681,857)	\$(165,623)	\$ 8,372,394	\$ 9,382,663	\$(12,860,268)	\$(12,839,703)	\$ (4,487,874)	\$ (3,457,040)	

See accompanying notes to financial statements.

Statement of Changes in Fund Balances

Year ended March 31, 2020, with comparative information for 2019

	General Funds			Restricted Fund		2019 Total (Restated, note 3)
	Unrestricted	Internally restricted	Ten Thousand Villages Canada	International	2020 Total	
Balance, beginning of year:						
As previously reported	\$ 10,010,178	\$ 1,512,884	\$ 402,077	\$ 6,309,368	\$ 18,234,507	\$ 22,271,714
Prior period adjustments (note 3)	(1,416,000)	–	–	1,996,167	580,167	–
As restated	8,594,178	1,512,884	402,077	8,305,535	18,814,674	22,271,714
Excess (deficiency) of revenue over expenses	13,054,251	–	(4,681,857)	(12,860,268)	(4,487,874)	(3,457,040)
Inter-fund transfers (note 13)	(4,621,511)	341,731	4,279,780	–	–	–
Inter-fund transfer for International programs (schedule B)	(13,465,182)	1,242,836	–	12,222,346	–	–
Balance, end of year	\$ 3,561,736	\$ 3,097,451	\$ –	\$ 7,667,613	\$ 14,326,800	\$ 18,814,674

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019 (Restated, note 3)
Cash provided by (used in):		
Operating:		
Deficiency of revenue over expenses	\$ (4,487,874)	\$ (4,037,207)
Items not involving cash: Amortization of capital assets	734,545	723,011
Loss on disposal of capital assets	172,883	41,315
	(3,580,446)	(3,272,881)
Change in non-cash operating working capital:		
Accounts receivable	(855,671)	942,697
Prepaid expenses	(249,550)	(95,936)
Inventories	3,028,123	1,084,780
Long-term grants receivable	55,986	508,486
Accounts payable and accrued liabilities	5,242,641	524,627
Payable to MCC U.S.	313,948	50,516
Payable to service workers	50,707	(25,514)
Repayment of loan payable	-	(3,389)
Change in deferred contributions related to expenses of future periods	(183,510)	(191,528)
	3,822,228	(478,142)
Investing activities:		
Increase in investment in Canadian Foodgrains Bank Association Inc.	(21,280)	(36,562)
Change in investments, net	698,006	(273,024)
Purchase of capital assets	(201,098)	(162,218)
	475,628	(471,804)
Financing activities:		
Repayment of long-term debt	(117,696)	(113,422)
Increase (decrease) in cash	4,180,160	(1,063,368)
Cash, beginning of year	6,939,570	8,002,938
Cash, end of year	\$ 11,119,730	\$ 6,939,570

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended March 31, 2020

1. Nature of the operations and basis of presentation:

Mennonite Central Committee (MCC), a worldwide ministry of Anabaptist churches, shares God's love and compassion for all in the name of Christ by responding to basic human needs and working for peace and justice. MCC envisions communities worldwide in right relationship with God, one another and creation.

Mennonite Central Committee Canada (MCCC) and Mennonite Central Committee U.S. (MCC U.S.) have entered into a covenant to share the ownership of each of the MCC international programs in each country that MCC operates in and all related assets including property, relationships, reputation, knowledge, experience, and supporting systems located in those countries. It is intended that the share that each national entity owns under this arrangement in each country program will be an undivided share.

Both MCCC and MCC U.S. have agreed to collaborate and work together in the operation of the shared program so that it will be seen as one integrated MCC shared program. This commitment does not preclude either entity from agreeing occasionally to fund and manage on its own an entire project or an entire country program. In addition to the international program MCCC and MCC U.S. agreed to resource and manage other programs on a shared basis.

MCCC receives the majority of its contribution revenue from Canadian Provincial MCC's and collaborates with the Canadian Provincial MCC's in Canadian domestic program activity.

MCCC is incorporated under a *Special Act of the Parliament of Canada* as a non-profit organization without share capital. MCCC is a registered charity within the meaning of the *Income Tax Act (Canada)* and is exempt from income taxes.

2. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant accounting policies incorporated into these financial statements are as follows:

(a) Fund accounting:

MCCC follows the restricted fund method of accounting for contributions.

2. Significant accounting policies (continued):

(i) General Funds:

(a) Unrestricted:

Operating activities include the administration of Domestic programming in the areas of Sustainable Community Development and Justice and Peacebuilding. Included in the unrestricted fund are amounts invested in capital assets and the non-building capital asset reserve.

(b) Internally restricted:

Funds have been internally restricted for various purposes as disclosed in note 13.

(c) Ten Thousand Villages Canada:

The operations of Ten Thousand Villages Canada (Villages Canada), a program of MCCC, create opportunities with artisans in developing countries to earn income by bringing their products and stories to Canadian markets through long-term fair-trading relationships.

During the year ended March 31, 2020, the Board of MCCC approved the decision to cease operations of Villages Canada by June 30, 2020. The financial statements of MCCC at March 31, 2020 include all anticipated costs associated with the Board's decision to cease operations including severance costs, costs associated with breaking of operating leases and write-down of inventory to its net realizable value (note 19). In addition, Villages Canada disposed of its land and buildings by June 30, 2020 (note 7) and the proceeds from the disposal will be utilized to repay the mortgage payable (note 11) and any remaining liabilities to external entities.

(ii) Restricted Fund - International:

Operating activities include the administration of international programming in the areas of Sustainable Community Development, Disaster Response and Justice and Peacebuilding. Included in this Fund are the contributions designated for international programs.

2. Significant accounting policies (continued):

Included in this fund are also the contributions received for MCCC's member account with Canadian Foodgrains Bank Association Inc. (CFGB). CFGB is a partnership of 15 Canadian churches and church-based agencies working to end global hunger. On behalf of its member agencies and their partners, CFGB collects grain and cash donations, provides funds and expert advice for projects submitted by member agencies and their partners, manages procurement and supply of food commodities, and engages in public policy and educational activities related to hunger.

(b) Change in accounting policies:

Effective April 1, 2019, MCCC adopted the new Handbook section, Section 4433, *Tangible capital assets held by not-for-profit organizations*, which directs organizations to apply the accounting guidance of Section 3061, *Property, Plant and Equipment*, in Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components. This section is applied on a prospective basis with the exception of the transitional provision to recognize an adjustment to opening net assets for partial impairments of tangible assets that existed as at April 1, 2019.

There was no impact to the financial statements of MCCC from adoption of this accounting standard.

(c) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the appropriate General Fund, depending on the nature of the contribution, in the year in which the related expenses are incurred. Contributions restricted for international programs are recognized as revenue in the Restricted International Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions received from the Government which are restricted for international programs are subject to review by the Government for utilization of the contribution in accordance with the Government agreement. Adjustments, if any, are recorded in the period they are communicated by the Government to MCCC.

Unrestricted contributions are recognized as revenue of the appropriate General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

2. Significant accounting policies (continued):

In accordance with the covenant referred to in note 1, MCCC has allocated to the General Operating Fund a portion of the designated contributions received for the Restricted International Fund. This allocation, which aggregated \$2,367,647 (2019 - \$1,890,147) for the year ended March 31, 2020, is to offset administrative and resource generation expenses incurred by the General Operating Fund.

Sales revenue is recognized when the related merchandise is sold to the customer. Interest and other revenue are recognized as earned.

(d) Foreign exchange:

Monetary assets and liabilities denominated in foreign currencies are converted to Canadian dollars using the year end exchange rate. Revenue and expense items are converted using the average exchange rate in the month of the transaction. The foreign exchange gain included in the statement of operations for the year ended March 31, 2020 is \$246,436 (2019 - \$195,847).

(e) Contributed services:

Volunteers are an integral part of carrying out the activities of MCCC. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

(f) Inventories:

Inventories of Villages Canada are valued at the lower of cost, determined on a weighted average basis and net realizable value, the estimated selling price in the normal course of operations less the estimated costs necessary to make the sale. Cost includes the purchase cost and transportation expenses incurred to bring inventory to its present location.

Material resource donations intended for overseas shipments are recorded as inventory and revenue in the Restricted Fund at fair value when received. Inventory is expensed when goods are shipped.

2. Significant accounting policies (continued):

(g) Investment:

The investment in CFGB is recorded utilizing the equity method of accounting. In accordance with the equity method of accounting, the carrying value of MCCC's investment in CFGB is adjusted by MCCC's share of the excess of revenue over expenses of CFGB. MCCC's share of the revenue includes donations received by MCCC for its member account at CFGB or received by CFGB for MCCC's member account. Revenues also include grants received by CFGB for MCCC's member account. MCCC's share of the expenses include project grants made by CFGB at the direction of MCCC. The accumulated net assets related to MCCC's investment in CFGB, are included in the externally restricted fund balance on the statement of financial position.

(h) Capital assets:

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful life of the assets as follows:

Asset	Term
Buildings	20 - 30 years
Equipment	3 - 10 years
Vehicles	3 - 5 years
Leasehold improvements	Term of the lease

Amortization of leasehold improvements is calculated on a straight-line basis over the term of the related lease.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When circumstances indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-down of the asset is charged to income during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

During fiscal 2020, the land, buildings and equipment of Villages Canada have been listed for sale and reclassified as "Assets held for sale". These assets were sold by June 30, 2020. Assets to be disposed are classified as held for sale and are no longer amortized. Assets held for sale are recognized at the lower of book value and fair value less cost of disposal. Long-term debt to be repaid as part of the sale transaction is also classified as "Liabilities relating to assets held for sales".

2. Significant accounting policies (continued):

(i) Financial instruments:

Financial instruments are recorded at fair value or exchange amount on initial recognition. Freestanding derivatives that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. MCCC has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

(j) Allocation of expenses:

MCCC records a number of its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program.

MCCC incurs a number of general program support expenditures that are common to the operation of the international and domestic programs. MCCC allocates its general program support expenditures by identifying the appropriate basis of allocating the component expenditures and applying that basis consistently each year.

General Program support expenditures relate primarily to the country program supervision costs, the Program Directors department and certain of the expenditures for the Program Learning and Disaster Response department. These expenditures have been allocated proportionately to the program priorities based on the direct expenditures attributable to those program priorities. The basis of allocation is reviewed periodically and may be revised according to circumstances prevailing from time to time.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of inventories and capital assets. Actual results could differ from those estimates.

3. Prior period adjustments:

In preparing its financial statements for the year ended March 31, 2020, MCCC made adjustments on a retroactive basis and accordingly the comparative figures have been restated to reflect:

- (i) additional GAC - CFGB revenue of \$580,167 for the year ended March 31, 2019 and an increase to MCCC's investment in CFGB in the same amount; and
- (ii) a restricted bequest of \$1,416,000 designated by the donor for international programs which should have been reflected as revenue of the Restricted Fund for the year ended March 31, 2019 but was previously reported as revenue of the General Fund.

4. Accounts receivable:

	2020	2019
Receivable from Provincial MCC's	\$ 2,699,741	\$ 2,937,769
Customers of Villages Canada	119,737	171,278
Current portion of long-term grants receivable	58,688	1,115,806
CFGB	2,606,606	602,025
Other	400,838	203,061
	<u>\$ 5,885,610</u>	<u>\$ 5,029,939</u>

5. Inventories:

	2020	2019
Villages Canada - merchandise	\$ 800,000	\$ 3,787,751
General operations - books and reading materials	324,667	343,546
Material resources	926,313	947,806
	<u>\$ 2,050,980</u>	<u>\$ 5,079,103</u>

The amount of inventories recognized as an expense within costs of sales and international programs for the year ended March 31, 2020 is \$8,400,138 (2019 - \$5,949,603).

6. Investments:

	2020	2019
Abundance Canada:		
Fixed income portfolio fund	\$ 20,368	\$ 718,371
Other	25,014	25,017
	<u>\$ 45,382</u>	<u>\$ 743,388</u>

The investments held at Abundance Canada (formerly Mennonite Foundation of Canada) may be withdrawn at any time, with due notice. Investment earnings are paid by Abundance Canada based on its pooled rate, less a fixed percentage for administration fees.

7. Capital assets:

	2020	2019
Accumulated	Net book amortization	Net book Cost value
Land	\$ 348,135	\$ 679,343
Buildings	1,687,394	1,774,501
Equipment	2,177,131	592,955
Vehicles	1,055,679	384,909
Leasehold improvements	138,651	104,844
	<u>\$ 5,406,990</u>	<u>\$ 3,536,552</u>

During fiscal 2020, the Board of MCCC approved ceasing operations of Villages Canada by June 30, 2020 (note 19). As a result, Villages Canada listed the property for disposal and the property is included in assets held for sale at March 31, 2020 on the statement of financial position. The sale of the property closed effective June 30, 2020 for proceeds of \$4,700,000.

8. Bank indebtedness:

Villages Canada has a line of credit with Kindred Credit Union up to a maximum of \$700,000 (2019 - \$900,000) payable on demand. Interest is payable at prime plus 1.25 percent for a total interest rate of 3.70 percent (2019 - 5.20 percent) at March 31, 2020. The line of credit is secured as disclosed in note 11. At March 31, 2020, Villages Canada utilized nil (2019 - nil) of this line of credit. Subsequent to March 31, 2020, the line of credit was cancelled on wind-up of the operations of Villages Canada.

9. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities as at March 31, 2020 are government remittances payable of \$38,792 (2019 - \$2,462) relating to federal and provincial sales tax, payroll taxes, health taxes and workers safety insurance.

10. Deferred contributions related to expenses of future periods:

Deferred contributions related to expenses of future periods represent restricted funding received for expenses to be incurred in the future years.

	2020	2019
Balance, beginning of year	\$ 183,510	\$ 375,038
Add amounts received during the year	–	–
Less amounts recognized into revenue in the year	(183,510)	(191,528)
Balance, end of year	\$ –	\$ 183,510

11. Long-term debt:

	2020	2019
Mortgage payable to Kindred Credit Union, repayable in blended monthly payments of \$19,020, interest at 3.99%, due May 16, 2021	\$ 2,721,494	\$ 2,839,190
Current portion	–	(117,696)
Reclassified to liabilities relating to assets held for sale	(2,721,494)	–
	\$ –	\$ 2,721,494

The mortgage payable is secured by an all-purpose collateral mortgage registered over the property at 65 Heritage Drive in New Hamburg, Ontario and a general security agreement covering inventory, accounts receivable and equipment of Villages Canada.

The mortgage has been reclassified at March 31, 2020 to liabilities relating to assets held for sale as the mortgage was repaid with the proceeds from the disposal of the land and building subsequent to March 31, 2020. The mortgage was repaid by Villages Canada in conjunction with the disposition of the property on June 30, 2020 (note 7).

12. Investment in capital assets:

MCCC has the following investment in capital assets included within the fund balances:

Ten Thousand	General Funds				Restricted Funds			
	Operating		Villages Canada		2020	International	Total 2020	Total 2019
	2020	2019	2020	2019		2019		
Capital assets	\$ 983,561	\$ 1,154,347	\$ -	\$ 1,826,451	\$ 518,505	\$ 555,754	\$ 1,502,066	\$ 3,536,552
Assets held for sale	-	-	1,328,156	-	-	-	1,328,156	-
Amounts financed by:								
Liabilities relating to assets held for sale	-	-	(1,219,494)	-	-	-	(1,219,494)	-
Long-term debt	-	-	-	(1,319,190)	-	-	-	(1,319,190)
	\$ 983,561	\$ 1,154,347	\$ 108,662	\$ 507,261	\$ 518,505	\$ 555,754	\$ 1,610,728	\$ 2,217,362

13. Internally restricted fund balance and inter-fund transfers:

The internally restricted fund balance consists of the following internally restricted funds for certain programs and expenses of future years:

	2020	2019
Investment in Donor Relations	\$ 282,485	\$ 31,023
Non-building capital asset reserve	50,000	50,000
MCC Canada Surplus Fund	348,574	-
MCC Canada Centennial Fund	279,550	272,350
Shared Program:		
Bequest Fund	235,883	-
Centennial Core Programming Fund	1,242,836	-
MCC's in Canada Bequest Fund	-	295,511
MCC's in Canada Centennial Projects	44,123	-
Strategic Investment Fund:		
Affordable housing	300,000	300,000
National domestic programs	129,000	379,000
General	185,000	185,000
	\$ 3,097,451	\$ 1,512,884

During the year, an amount of \$4,279,780 (2019 - \$166,213) was transferred from the General Operating Fund to Ten Thousand Villages Canada consisting of a \$4,446,170 equity transfer less \$166,390 of rental/human resource services and interest charges paid by Villages Canada to MCCC.

During the year ended March 31, 2020, \$251,462 (2019 - \$4,099) was transferred from the General Operating Fund to the Internally Restricted Fund held as an Investment in Donor Relations.

13. Internally restricted fund balance and inter-fund transfers (continued):

During the year ended March 31, 2020, \$348,574 (2019 - nil) was transferred from the General Operating Fund to the Internally Restricted Fund held as a Surplus Fund on behalf of MCC Canada.

During the year ended March 31, 2020, \$295,511 (2019 - \$109,084) was transferred from the Internally Restricted Fund to the General Operating Fund to cover the expenses incurred to fund certain costs associated with the Centennial Campaign.

During the year ended March 31, 2020, \$287,917 was transferred from the General Operating Fund to the Internally Restricted Fund. Of this amount \$235,883 was transferred to the Bequest Fund held on behalf of Shared Program, \$7,911 was transferred from the General Operating Fund to the Centennial Fund held for MCC Canada and \$44,123 was transferred from the General Operating Fund to the Centennial Projects Fund held on behalf of the MCC's in Canada.

During the year ended March 31, 2020, \$250,000 (2019 - \$430,000) was transferred to the General Operating Fund from the Internally Restricted Fund to cover the expenses to fund certain costs associated with the Centennial Grants to provinces.

The purpose of the Strategic Investment Fund is to provide funds to meet special targets of opportunity or needs that further the mission of MCC in Canada and throughout the world and which may or may not have specific expectation of incremental or long-term increased revenue. In addition, its purpose is to provide funds for organizational capacity such as staff development, research and development, or investment in infrastructure that will build long- term capacity of MCC in Canada. This fund is held by MCCC on behalf of all of the MCCs in Canada.

14. Allocation of international expenses:

General Program support expenditures relate primarily to the country program supervision costs, the Program Directors department and certain of the expenditures for the Program Learning and Disaster Response department. These expenditures totaling \$6,578,404 (2019 - \$6,379,098) have been allocated as follows:

	2020	2019
Sustainable Community Development	\$ 3,504,091	\$ 3,500,861
Disaster Response	1,201,517	1,114,685
Justice and Peacebuilding	1,872,796	1,763,552
	<u>\$ 6,578,404</u>	<u>\$ 6,379,098</u>

15. Revenue:

Included in MCCC's revenue are the following amounts that were recorded as revenue by the Canadian Provincial MCCs and forwarded to MCCC as grants in accordance with a predetermined revenue sharing agreement between the MCCs in Canada.

	2020	2019
Contribution revenue:		
General contributions	\$ 16,917,424	\$ 12,501,331
Designated contributions:		
CFGB	3,525,367	3,838,903
Disasters restricted	93,210	249,063
Other - international programs	5,729,399	7,944,642
Material resources	1,865,691	1,759,787
Grant revenue:		
Other	89,007	219,600
	<u>\$ 28,220,098</u>	<u>\$ 26,513,326</u>

16. Other revenue:

	2020	2019
Operating Fund:		
Administration fees from CFGB	\$ 173,640	\$ 173,047
Administration fees from Global Affairs Canada (GAC)	57,999	122,713
Interest	5,426	20,877
Other	(3,196)	32,034
Villages Canada:		
MCC U.S.	—	647,720
Canadian Provincial MCCs	—	300,000
Other	410,131	311,290
International:		
Other contributions and grants	503,932	572,630
	<u>\$ 1,147,932</u>	<u>\$ 2,180,311</u>

17. Commitments and contingencies:

MCCC has entered into agreements to lease premises for various periods until June 2024. The minimum lease payments, exclusive of realty taxes and other occupancy charges, for each of the next five years are as follows:

2021	\$	253,886
2022		201,846
2023		134,538
2024		34,665
2025		19,109

MCCC has signed a Private Sponsorship of Refugees (PSR) Agreement with Immigration Refugee and Citizenship Canada (IRCC) to provide financial, human resources and moral support to a certain number of refugees sponsored under the PSR program. MCCC's responsibilities under this agreement were assigned to the various Canadian MCCs but MCCC remains contingently liable for the financial obligations. The estimated amount of the contingent liability as at March 31, 2020 is approximately \$8,500,000 (2019 - \$5,500,000).

MCCC, together with MCC U.S., are committed to user fees in connection with the Human Resource Information System for \$140,000 (US\$99,000) per annum to December 28, 2022.

18. Grants to Provincial MCCs:

During the years ended March 31, 2020 and 2019, the following grant payments were made to provincial MCCs for the purposes indicated:

	2020	2019
Administrative recoveries Disaster/Centennial contributions	\$ 224,523	\$ 17,673
Bequest policy payments	890,513	435
Annual surplus policy payments	612,507	228,797
Strategic Investment Fund payments for Centennial Donor Relations	414,280	430,000
Other grants	245,000	21,585
	<hr/>	<hr/>
	\$ 2,386,823	\$ 698,490

19. Discontinued operations - Villages Canada:

During the year ended March 31, 2020, the Board of MCCC approved the decision to cease operations of Villages Canada by June 30, 2020. Six company stores and two board stores were closed at the end of March 2020 and the remaining five company stores as well as the webstore were closed at the end of May 2020. The head office staff were employed to the end of June 2020. The costs accrued during the year ended March 31, 2020 related to the decision to cease operations aggregated \$2,129,746 and include severance costs and costs associated with operating leases. In addition, inventory at March 31, 2020 was written down to its net realizable value of \$800,000.

20. Pension plan:

MCCC sponsors a defined contribution group RRSP for eligible employees. MCCC's contributions are based on 5 percent of salary costs. Contributions of \$429,440 (2019 - \$440,329) have been expensed during the year ended March 31, 2020 and are included in administration expenses.

21. Financial risks:

MCCC manages risk and risk exposures by applying policies approved by the Board of Directors of MCCC.

(a) Currency risk:

MCCC is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, MCCC and MCC U.S. incur international expenditures denominated in various foreign currencies and have agreed to share the currency risk related to these expenditures equally. On behalf of both national entities, MCCC entered into structured foreign exchange options to mitigate this risk during the year ended March 31, 2020. As at March 31, 2020, MCCC had no foreign exchange contracts outstanding.

Villages Canada is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, Villages Canada purchases inventories denominated in US dollars. Villages Canada entered into forward contracts to mitigate this risk during the year ended March 31, 2020. As at March 31, 2020, Villages Canada had no foreign exchange contracts outstanding (2019 - US\$99,675 at an exchange rate of 1.3290 which matured on May 31, 2019). Villages Canada has recognized an unrealized gain on these foreign exchange contracts at March 31, 2020 of nil (2019 - \$390) which is included in accounts payable and accrued liabilities.

21. Financial risks (continued):

These derivatives have not been designated as hedges for accounting purposes and are recorded at fair value.

(b) Liquidity risk:

Liquidity risk is the risk that MCCC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. MCCC manages its liquidity risk by monitoring its operating requirements. MCCC prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2019.

(c) Credit risk:

Credit risk refers to the risk that a counter party may default on its contractual obligations resulting in a financial loss. MCCC is exposed to credit risk with respect to the accounts receivable. MCCC assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The allowance for doubtful accounts at March 31, 2020 is nil (2019 - nil). There has been no change to the risk exposure from 2019.

(d) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes on Villages Canada's cash flows, financial position and operations. MCCC is exposed to interest rate risk on its fixed and variable interest rate financial instruments. Further details about the fixed rate financial instruments are included in note 8 and note 11. There has been no change to the risk exposure from 2019.

22. Subsequent events:

In the month of March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, MCCC has experienced a decline in contributions and mandatory working from home requirements for those able to do so as a result of the COVID-19 pandemic.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed as at year end. Management completed this assessment and did not identify any such adjustments.

The current events and conditions are expected to be temporary, however there is uncertainty around the length of the disruption and impact on future operations. As a result, an estimate of the financial effect of these items on MCCC is not practicable at this time.

Program Expenses

Schedule A

Year ended March 31, 2020, with comparative information for 2019

	Domestic Program	International Program	2020 Total	2019 Total
Sustainable Community Development:				
Education	\$ 80,501	\$ 4,647,645	\$ 4,728,146	\$ 5,067,440
Food security and sustainable livelihoods:	60,789	9,313,681	9,374,470	10,186,600
HIV AIDS	–	21,467	21,467	104,171
Water	–	592,880	592,880	745,358
Health:	7,482	1,300,994	1,308,476	1,171,863
HIV AIDS	–	609,789	609,789	637,372
Water	–	1,357,740	1,357,740	4,055,450
Migration and resettlement	298,006	196,910	494,916	441,413
	446,778	18,041,106	18,487,884	22,409,667
Disaster Response:				
Humanitarian relief and disaster response (HRDR)	145,264	2,643,166	2,788,430	2,868,076
HRDR - Food	–	9,453,956	9,453,956	9,221,935
	145,264	12,097,122	12,242,386	12,090,011
Justice and Peacebuilding:				
Peacebuilding and conflict transformation	679,993	3,784,208	4,464,201	4,464,381
Conflict prevention	17,066	971,535	988,601	1,026,252
Restorative justice	169,718	34,167	203,885	344,114
	866,777	4,789,910	5,656,687	5,834,747
Total expenses	\$ 1,458,819	\$ 34,928,138	\$ 36,386,957	\$ 40,334,425

Restricted Funds Summary

Schedule B

Year ended March 31, 2020, with comparative information for 2019

	Fund balance March 31, 2019	Revenue	Program expenses	Inter-fund transfers	Fund balance March 31, 2020
	(Restated, note 3)				
CFGB	\$ 3,953,043	\$ 13,618,183	\$ (13,596,901)	\$ -	\$ 3,974,325
Shared Program	1,171,418	-	-	-	1,171,418
Designated government grants:					
GAC	326,926	(347,539)	(428,234)	531,958	83,111
Designated contributions:					
The Meeting House	236,044	172,125	-	(408,169)	-
Nepal Earthquake	63,591	-	(63,591)	-	-
Africa Famine	-	-	-	-	-
East Africa Drought	-	-	-	-	-
Kasai Crisis	9,927	-	(9,927)	-	-
Rohingya Crisis	52,003	-	(52,734)	731	-
Syria/Iraq Crisis	5,256	116,371	(121,627)	-	-
Water restricted	24,507	867,110	(891,617)	-	-
Water general	-	-	-	-	-
Other international programs	-	4,117,805	(17,458,467)	13,340,662	-
Restricted bequest	1,416,000	-	(141,600)	-	1,274,400
Exchange & other income	-	-	-	-	-
Centennial Restricted	-	138,954	-	-	138,954
Core programming	-	1,242,836	-	(1,242,836)	-
Material resources	947,807	1,900,528	(1,922,022)	-	926,313
Constituency initiated projects	99,013	241,497	(241,418)	-	99,092
Total International Fund	\$ 8,305,535	\$ 22,067,870	\$ (34,928,138)	\$ 12,222,346	\$ 7,667,613

Note

In accordance with the Covenant referred to in Note 1, during the year ended March 31, 2020, \$13,465,182 (2019 - \$11,126,221) was allocated from other international programs to the Restricted Fund to cover related international program expenses from undesignated revenue in the General Fund.

During the year ended March 31, 2020, unspent externally restricted contributions included in the Restricted Fund of \$1,242,836 were transferred to the Internally Restricted Fund as the contributors removed the restriction and allowed the Board of MCCC to determine the use of the funds. The funds were designated by the Board for the Centennial Core Programming Fund held for Shared Program.