

BE IN CHRIST CHURCH CANADA

Financial Statements

December 31, 2019

BE IN CHRIST CHURCH CANADA

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Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Be In Christ Church Canada

Qualified Opinion

We have audited the financial statements of Be In Christ Church Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses, and cash flows for the year ended December 31, 2019, current assets as at December 31, 2019, and fund balances as at January 1 and December 31, 2019. We were not engaged to audit, review, or apply any procedures to the financial statements of the Organization for the year ended December 31, 2018.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2018 has been restated. Our opinion is not modified in respect of this matter.

As part of our audit of the financial statements of the Organization for the year ended December 31, 2019, we also audited the adjustments described in Note 2 that were applied to restate the financial statements for the year ended December 31, 2018. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements of the Organization for the year ended December 31, 2018.

Other Matter

The financial statements for the year ended December 31, 2018 were reviewed by another independent practitioner who expressed an unmodified conclusion on those financial statements on August 13, 2019. As such, the 2018 figures are marked as unaudited.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hogg, Shain & Scheck PC

Toronto, Ontario
April 23, 2020

Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

BE IN CHRIST CHURCH CANADA

Statement of Financial Position

As at December 31, 2019

	2019	2018
	2019	<i>Unaudited</i> <i>(As restated -</i> <i>Note 2)</i>
ASSETS		
Current		
Cash	\$ 128,706	\$ 43,872
Accounts receivable	64,138	154,385
Harmonized Sales Tax recoverable	40,690	13,137
Prepaid expenses and advance payments	31,169	40,080
	<u>264,703</u>	251,474
Investments (Note 4)	2,435,713	3,408,023
Church properties (Note 5)	2	2
	<u>\$ 2,700,418</u>	<u>\$ 3,659,499</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 25,392	\$ 87,532
Deferred revenues	5,000	-
Due to related parties (Note 6)	10,812	87,886
	<u>41,204</u>	175,418
FUND BALANCES		
Internally Restricted Funds (Note 7)	2,257,370	3,427,617
Endowment Funds (Note 7)	101,844	99,041
Conference Fund (Deficit)	300,000	(42,577)
	<u>2,659,214</u>	3,484,081
	<u>\$ 2,700,418</u>	<u>\$ 3,659,499</u>

APPROVED ON BEHALF OF THE BOARD

_____ Director

_____ Director

See the accompanying notes to these financial statements

BE IN CHRIST CHURCH CANADA

Statement of Operations

Year Ended December 31, 2019

	Conference Fund	Internally Restricted Funds <i>(Note 6)</i>	Total 2019	Total 2018 <i>Unaudited (As restated - Note 2)</i>
REVENUES				
Shared contributions	\$ 1,089,711	\$ -	\$ 1,089,711	\$ 1,050,957
Contributions for Network Churches	-	235,053	235,053	202,982
Designated contributions	32,179	-	32,179	40,320
Event and registration fees	21,340	-	21,340	4,617
Bequests	-	-	-	43,313
Investment income	130,758	-	130,758	30,262
Other	88,081	-	88,081	123,010
	<u>1,362,069</u>	<u>235,053</u>	<u>1,597,122</u>	<u>1,495,461</u>
EXPENSES				
Leadership	474,391	95,000	569,391	524,569
Disbursements for Network Churches	172,308	382,569	554,877	517,718
Community Churches	187,573	-	187,573	158,696
General office	170,364	-	170,364	154,859
Global Ministry <i>(Note 6)</i>	130,000	16,464	146,464	155,200
Administration and professional fees	81,316	-	81,316	106,024
FLOW Internship Program	80,019	-	80,019	56,202
Developing Leaders	61,133	-	61,133	119,617
Fraternal support	43,718	-	43,718	32,704
Student Ministries	35,711	-	35,711	24,384
Other	10,276	-	10,276	2,021
	<u>1,446,809</u>	<u>494,033</u>	<u>1,940,842</u>	<u>1,851,994</u>
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>(84,740)</u>	<u>(258,980)</u>	<u>(343,720)</u>	<u>(356,533)</u>
OTHER INCOME (DISBURSEMENTS)				
Proceeds from property sales	-	236,692	236,692	694,858
Investments from churches	-	25,000	25,000	-
Funds returned to churches	-	(742,839)	(742,839)	(100,060)
	<u>-</u>	<u>(481,147)</u>	<u>(481,147)</u>	<u>594,798</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (84,740)</u>	<u>\$ (740,127)</u>	<u>\$ (824,867)</u>	<u>\$ 238,265</u>

See the accompanying notes to these financial statements

BE IN CHRIST CHURCH CANADA
Statement of Changes in Fund Balances
Year Ended December 31, 2019

	Externally Restricted Funds	Internally Restricted Funds <i>(Note 6)</i>	Endowment Funds <i>(Note 6)</i>	Conference Fund	Total 2019	Total 2018 <i>(Unaudited)</i>
BALANCES - BEGINNING OF YEAR						
As previously stated	\$ 456,334	\$ 2,772,258	\$ 99,041	\$ (22,355)	\$ 3,305,278	\$ 3,019,135
Accounting changes <i>(Note 2)</i>	(456,334)	655,359	-	(20,222)	178,803	226,681
As restated	-	3,427,617	99,041	(42,577)	3,484,081	3,245,816
Excess (deficiency) of revenues over expenses	-	(740,127)	-	(84,740)	(824,867)	238,265
Interfund transfers <i>(Note 7)</i>	-	(430,120)	2,803	427,317	-	-
BALANCES - END OF YEAR	\$ -	\$ 2,257,370	\$ 101,844	\$ 300,000	\$ 2,659,214	\$ 3,484,081

See the accompanying notes to these financial statements

BE IN CHRIST CHURCH CANADA**Statement of Cash Flows****Year Ended December 31, 2019**

	2019	2018 <i>Unaudited</i> <i>(As restated -</i> <i>Note 2)</i>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (824,867)	\$ 238,265
Item not affecting cash:		
Unrealized loss (gain) on investments	<u>(54,718)</u>	51,366
	<u>(879,585)</u>	289,631
Changes in non-cash working capital:		
Accounts receivable	90,247	(14,195)
Harmonized Sales Tax recoverable	(27,553)	5,531
Prepaid expenses and advance payments	8,911	(25,696)
Accounts payable and accrued liabilities	(62,140)	(107,586)
Deferred revenues	<u>5,000</u>	-
	<u>14,465</u>	(141,946)
Cash flows from (used by) operating activities	<u>(865,120)</u>	147,685
INVESTING ACTIVITY		
Change in investments (net)	<u>1,027,028</u>	(332,741)
FINANCING ACTIVITY		
Advances from (to) related parties (net)	<u>(77,074)</u>	161,177
NET INCREASE (DECREASE) IN CASH FLOWS	84,834	(23,879)
CASH - BEGINNING OF YEAR	<u>43,872</u>	67,751
CASH - END OF YEAR	<u>\$ 128,706</u>	<u>\$ 43,872</u>

See the accompanying notes to these financial statements

BE IN CHRIST CHURCH CANADA

Notes to Financial Statements

Year Ended December 31, 2019

1. NATURE AND PURPOSE OF ORGANIZATION

Be In Christ Church Canada (the "Organization") was federally incorporated without share capital under the Canada Not-for-profit Corporations Act and is a registered charity, exempt from income taxes under section 149(1) of the Income Tax Act (Canada).

The Organization serves as the denominational headquarters for the Be In Christ Churches in Canada, providing oversight and assistance to them. The continued operations of the Organization is dependent on the continued support of its members.

BIC Canada-Global

The Organization and BIC Canada-Global (formerly Brethren in Christ World Missions) are commonly controlled by the same Board of Directors. BIC Canada-Global is an unincorporated registered charity. Its purpose is to support and extend their ministry by partnering and labouring cross-culturally with other Christian believers to share faith, disciple, teach, train, serve, minister to humanity's needs, and plant churches. Summary financial information is disclosed in Note 7.

Camp Kahquah

The Organization is the beneficial owner of Camp Kahquah Corporation Limited (the "Camp"), which was incorporated under the Ontario Business Corporations Act on May 31, 1863, and operates a camp located on the shores of Ahmic Lake, near Magnetawan, Ontario. The Camp is a registered charity. Summary financial information is included in Note 8.

2. ACCOUNTING CHANGES

During 2019, the Organization discovered errors in the classification of funds between internally restricted and externally restricted funds; that transactions pertaining to the internally and externally restricted funds had previously been recorded directly in the funds instead of as revenues and expenses in the Statement of Operations; that an amount invested with the BIC Fund had been excluded from the assets and fund balances in error; and that investments in marketable securities were not recorded at their fair value as at December 31, 2018.

Accordingly, these errors were corrected by restating the 2018 amounts, as follows:

Statement of Financial Position as at December 31, 2018

	As previously stated	Adjustment	As restated
Investments	\$ 3,327,634	\$ 80,389	\$ 3,408,023
Church properties	-	2	2
Due to related parties	186,297	(98,411)	87,886
Internally Restricted Funds	2,772,258	655,359	3,427,617
Externally Restricted Funds	456,334	(456,334)	-
Conference Fund (previously Unrestricted Fund)	(22,355)	(20,222)	(42,577)

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BE IN CHRIST CHURCH CANADA

Notes to Financial Statements

Year Ended December 31, 2019

2. ACCOUNTING CHANGES *(continued)*

Statement of Operations for the year ended December 31, 2018

	As previously stated	Adjustment	As restated
Revenues	\$ 1,480,098	\$ 15,363	\$ 1,495,461
Expenses	(1,621,619)	(230,375)	(1,851,994)
Proceeds from property sales	-	694,858	694,858
Disbursements to churches	-	(100,060)	(100,060)
Excess (deficiency) of revenues over expenses	\$ (141,521)	\$ 379,786	\$ 238,265

Statement of Cash Flows for the year ended December 31, 2018

	As previously stated	Adjustment	As restated
Excess (deficiency) of revenues over expenses	\$ (141,521)	\$ 379,786	\$ 238,265
Unrealized loss on investments	-	51,366	51,366
Change in investments (net)	-	(332,741)	(332,741)
Advances from (to) related parties	259,588	(98,411)	161,177

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook and include the following significant accounting policies.

Fund accounting

The accounts are maintained in accordance with the principles of fund accounting, whereby fund balances of the Organization are classified for accounting and reporting purposes into funds to be used according to the direction of the donor or as determined by the Organization.

Internally Restricted Funds

The Organization has a number of internally restricted funds for various projects and initiatives (*Note 6*). The use of these funds is at the discretion of the Board of Directors.

Endowment Funds

The Endowment Funds report funds donated by individuals to be held in perpetuity, as well as accumulated investment income awaiting designation by the donors.

Conference Fund

The Conference Fund consists of unrestricted contributions and other revenue and related expenses for the program delivery, administrative activities and working capital requirements of the Organization. This fund also reports restricted contributions for which a separate fund does not exist.

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BE IN CHRIST CHURCH CANADA

Notes to Financial Statements

Year Ended December 31, 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund transfers

Transfers between funds are made when resources of one fund have been authorized to finance activities and acquisitions in another fund.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions.

Externally restricted revenues are recognized as revenues of the appropriate restricted fund in the year received. Externally restricted revenues to the Conference Fund are recorded as deferred revenues and subsequently recognized as revenues as the related expenses are incurred. If a project or mission for which funds had been contributed is overfunded or ceases, the funds are utilized at the discretion of the Organization.

Unrestricted contributions are recognized as revenues in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as revenues of an Endowment Fund in the year received.

Investment and other income is recognized as earned.

Financial instruments

The Organization's financial instruments are comprised of cash, accounts receivable, investments, and accounts payable.

Financial instruments are initially recorded at their fair value. The Organization subsequently measures its financial instruments at their amortized cost, except for investments, which are measured at their fair value.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in the year in which they become known. Actual results could differ from these estimates.

4. INVESTMENTS

Investments include funds for internally restricted funds and the Conference Fund, and are invested with the BIC Fund. The BIC Fund (formerly The Brethren in Christ Fund) is a separately incorporated entity, governed by an independent board, and is a loan fund that manages invested funds and provides lending to Be In Christ churches and ministries.

Investments consist of deposits which earn interest of 3% (2018 - 3%) per annum and have no maturity dates, as well as a portfolio of securities invested in the stock market.

	<u>2019</u>	<u>2018</u>
Fixed-interest earning deposits	\$ 1,689,335	\$ 2,716,163
Marketable securities	746,378	691,860
	<u>\$ 2,435,713</u>	<u>\$ 3,408,023</u>

BE IN CHRIST CHURCH CANADA

Notes to Financial Statements

Year Ended December 31, 2019

5. CHURCH PROPERTIES

The Organization has title to, but no beneficial interest in, church properties of its members. Accordingly, the value of these properties is recorded in the financial statements of the Organization at a nominal amount, even when the church property has been purchased by the Organization on a member church's behalf. When it is determined that a member church is not continuing operations, the beneficial ownership of the property will pass to the Organization.

The Organization has title to the following properties:

Boyle, St. Ann's, ON
Camp Kahquah, Magnetewan, ON
Clearview, Kindersley, SK
Covenant Church, Penetang, ON
Crossroads, Puslinch, ON
Delisle BIC, Delisle, SK
Fallsview, Niagara Falls, ON
Fordwich BIC, Fordwich, ON
Heise Hill, Gormley, ON
Kirkland Lake, Kirkland Lake, ON
Massey Place BIC, Saskatoon, SK
New Hope, Belleville, ON
New Life, Collingwood, ON
New Life Christian Church, Toronto, ON
Oak Ridges, Richmond Hill, ON
Orchard Creek, Thorold, ON
Pathway Community Church, Kitchener, ON
Port Colborne BIC, Port Colborne, ON
Riverside, Fort Erie, ON
Rosebank, New Dundee, ON
Sauble Christian Fellowship, Sauble Beach, ON
Stayner BIC, Stayner, ON
The Dwelling Place, Springvale, ON
The Meetinghouse Sandbanks, Sandbanks, ON
The Mission, Houghton, ON
Trinitylife, Sherkston, ON
Wainfleet BIC, Wainfleet, ON
Westheights BIC, Kitchener, ON
Welland BIC, Welland, ON

6. DUE TO RELATED PARTIES

The Be In Christ community includes a number of entities that have common objectives but that are governed by independent boards of directors.

Included in the due to related parties balance is \$20,000 (2018 - \$Nil) due to Welland BIC Church, offset by \$9,188 due from BIC Canada-Global (2018 - due to BIC Canada-Global of \$97,945, offset by \$10,059 due from the Bertie Church).

Related party balances are non-interest bearing and have no fixed terms of repayment.

BE IN CHRIST CHURCH CANADA

Notes to Financial Statements

Year Ended December 31, 2019

7. FUND BALANCES

	Balances, January 1, 2019	Excess (deficiency) of revenues over expenses	Transfers	Balances, December 31, 2019
<u>Internally Restricted Funds</u>				
Growth Fund	\$ 746,319	\$ -	\$ 318,443	\$ 1,064,762
Funds Held for Member Churches	1,092,255	(484,046)	97,636	705,845
Group Health Contingency Fund	456,334	(95,000)	13,404	374,738
Church Multiplication Fund	393,521	-	(393,521)	-
Global Engagement Fund	340,860	-	(340,860)	-
Communication Fund	173,637	-	(173,637)	-
Leadership Development Fund	97,607	-	(97,607)	-
World Hunger Fund	15,978	(15,978)	-	-
Network Churches				
Hamilton Fund	40,970	(22,324)	24,710	43,356
Story Church Fund	26,820	1,366	-	28,186
Brockville Fund	18,005	(61,653)	67,026	23,378
Oakville Fund	8,716	21,123	(11,349)	18,490
Vancouver Fund	21,413	(60,693)	43,061	3,781
St. John's Fund	(4,818)	(22,922)	22,574	(5,166)
	\$ 3,427,617	\$ (740,127)	\$ (430,120)	\$ 2,257,370
<u>Endowment Funds</u>	\$ 99,041	\$ -	\$ 2,803	\$ 101,844

8. BIC CANADA-GLOBAL

Summary financial information for BIC Canada-Global's fiscal year ended December 31, 2019 are as follows:

	<u>2019</u>	2018
Financial position:		
Assets	\$ 275,173	\$ 469,988
Liabilities	<u>(124,831)</u>	<u>(215,414)</u>
Fund balances	\$ 150,342	\$ 254,574
Results of operations:		
Revenues	\$ 675,987	\$ 685,868
Expenses	<u>(780,219)</u>	<u>(696,869)</u>
Deficiency of revenues over expenses	\$ (104,232)	\$ (11,001)

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BE IN CHRIST CHURCH CANADA

Notes to Financial Statements

Year Ended December 31, 2019

8. BIC CANADA-GLOBAL (continued)

Cash flows:

Cash flows used in operating activities	\$ (209,085)	\$ (41,261)
Cash flows from investing activities	59,322	40,490
Cash flows from financing activities	107,133	31,561
	<hr/>	<hr/>
Net increase (decrease) in cash	\$ (42,630)	\$ 30,790

During the year, the Organization contributed \$146,464 (2018 - \$155,200) of shared funds to BIC Canada-Global.

Transactions with BIC Canada-Global are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the parties.

9. CAMP KAHQUAH

The following summary financial information for the Camp for the year ended December 31, 2019 has been prepared by the Camp's management, is presented for information purposes only, and has not been audited.

	2019 <i>(Unaudited)</i>	2018 <i>(Unaudited)</i>
Financial position:		
Assets	\$ 617,093	\$ 534,835
Liabilities	(98,122)	(97,850)
	<hr/>	<hr/>
Fund balances	\$ 518,971	\$ 436,985
Results of operations:		
Revenues	\$ 680,584	\$ 521,288
Expenses	(576,109)	(520,242)
Other	(22,489)	(23,079)
	<hr/>	<hr/>
Excess (deficiency) of revenues over expenses	\$ 81,986	\$ (22,033)
Cash flows:		
Cash flows from operating activities	\$ 92,628	\$ 7,512
Cash flows from (used in) investing activities	(25,799)	22,612
Cash flows from financing activities	9,610	-
	<hr/>	<hr/>
Net increase in cash	\$ 76,439	\$ 30,124

During the year, the Organization contributed \$43,718 (2018 - \$32,704) to the Camp in fraternal support expenses.

Transactions with the Camp are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to between the parties.

BE IN CHRIST CHURCH CANADA

Notes to Financial Statements

Year Ended December 31, 2019

10. PENSION

The Organization and its member churches participate in the Canadian Council of Christian Charities ("CCCC") Employees' Pension Plan. As a service to its churches, the Organization handles the collection of all pension contributions and remits them on their behalf to the CCCC. These amounts are not included in the financial statements of the Organization.

The CCCC plan is a defined contribution plan under which the employer contributes 8% of the participant's gross pay and the participants contribute 5% of their gross pay. Participants are able to provide voluntary contributions in addition to the above defined contributions.

The employees of the Organization also participate in the pension plan. The total pension expense for the year was \$63,392 (2018 - \$49,364).

11. GUARANTEES

The Organization has provided guarantees to the BIC Fund for its loan receivable balances in the event of a default by the loan recipients. The total loan receivables balance guaranteed by the Organization as at December 31, 2019 is \$50,486 (2018 - \$58,113)

12. FINANCIAL RISKS

The Organization's main financial instrument risk exposure, which remains consistent with the prior year, is as follows:

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the market interest rates. The Organization is exposed to interest rate risk with respect to its fixed-income investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk with respect to its investment in marketable securities.

It is management's opinion that the Organization is not exposed to significant credit, liquidity or currency risks arising from its financial instruments.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
