

FINANCIAL STATEMENTS
For
SISIP FINANCIAL
For year ended
DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Non-Public Property Board

We have audited the accompanying financial statements of SISIP Financial which comprise the balance sheet as at December 31, 2017 and the statements of operations and changes in surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SISIP Financial as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
October 11, 2018.

**SISIP FINANCIAL
BALANCE SHEET
DECEMBER 31, 2017**
(in thousands of dollars)

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 53	\$ 8
Work in progress	13	159
Prepaid expenses	<u>71</u>	<u>47</u>
	<u>137</u>	<u>214</u>
OTHER ASSETS		
Segregated funds (note 5)	420,630	399,700
Net plan assets (note 4)	<u>19,692</u>	<u>28,731</u>
	<u>440,322</u>	<u>428,431</u>
PROPERTY AND EQUIPMENT (note 6)	<u>633</u>	<u>507</u>
	<u>\$ 441,092</u>	<u>\$ 429,152</u>
<u>LIABILITIES AND SURPLUS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 301	\$ 326
SURPLUS (note 7)	<u>440,791</u>	<u>428,826</u>
	<u>\$ 441,092</u>	<u>\$ 429,152</u>
Commitments (note 10)		

Approved on behalf of the Non-Public Property Board:

..... Shirley Tang-Jassemi, Chief Financial Officer

(See accompanying notes)

**SISIP FINANCIAL
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DECEMBER 31, 2017**
(in thousands of dollars)

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Approved on behalf of the Non-Public Property Board:

..... Shirley Tang-Jassemi, Chief Financial Officer

(See accompanying notes)

Welch LLP

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SISIP FINANCIAL
STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

	<u>2017</u>	<u>2016</u>
Revenue		
Premium (note 2)	\$ 76,153	\$ 73,729
Interest credited (notes 2 and 3)	6,607	8,322
Gain on segregated funds	33,757	17,415
Gain (loss) on net plan investments	1,465	(2,025)
CAF LTD administration fee	<u>4,264</u>	<u>3,809</u>
	<u>122,246</u>	<u>101,250</u>
Expenses		
Claims and related expenses	51,132	53,171
Reserve increase - plan experience	7,310	4,253
Policy administration	1,910	1,675
Premium tax	1,894	1,810
Other operating expenses	8,232	7,819
Reinsurance	4,481	4,331
Investment management fees	826	866
Premium tax adjustment	<u>(517)</u>	<u>(824)</u>
	<u>75,268</u>	<u>73,101</u>
Reserve (increase) decrease - assumption changes (notes 2 and 4)	<u>(5,321)</u>	<u>2,188</u>
Income from operations	41,657	30,337
Other items		
Grant to Morale and Welfare Programs	(5,000)	(5,000)
Contribution to Canadian Forces Central Fund (note 11)	(24,000)	(25,000)
Net loss from Financial Planning division (Schedule A)	<u>(692)</u>	<u>(795)</u>
Net income (loss)	11,965	(458)
Surplus, beginning of year	<u>428,826</u>	<u>429,284</u>
Surplus, end of year	<u>\$ 440,791</u>	<u>\$ 428,826</u>

(See accompanying notes)

Welch LLP[®]

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SISIP FINANCIAL
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

	<u>2017</u>	<u>2016</u>
CASH PROVIDED FROM (USED IN)		
Operating activities		
Net income (loss)	\$ 11,965	\$ (458)
Items not affecting cash:		
Unrealized segregated fund income, net of expense	(32,930)	(16,549)
Unrealized (gain) loss on net plan investments	(2,091)	7,289
Unrealized income from net plan assets	(5,870)	(21,077)
Amortization	101	56
	<u>(28,825)</u>	<u>(30,739)</u>
Change in level of:		
Work in progress	146	(112)
Prepaid expenses	(24)	4
Accounts payable and accrued liabilities	(25)	36
	<u>(28,728)</u>	<u>(30,811)</u>
Investing activities		
Proceeds from withdrawal of segregated funds	24,000	3,500
Proceeds from withdrawal of net assets	5,000	27,323
Purchase of property and equipment	(227)	(354)
	<u>28,773</u>	<u>30,469</u>
INCREASE (DECREASE) IN CASH	45	(342)
CASH, BEGINNING OF YEAR	<u>8</u>	<u>350</u>
CASH, END OF YEAR	<u>\$ 53</u>	<u>\$ 8</u>

(See accompanying notes)

SISIP FINANCIAL
STATEMENT OF OPERATIONS OF FINANCIAL PLANNING
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

	<u>2017</u>	<u>2016</u>
Revenue		
Financial counseling and education	\$ 2,886	\$ 3,063
Commissions	3,983	3,527
Subscriptions	52	377
Income tax returns	27	113
Interest income	17	17
	<u>6,965</u>	<u>7,097</u>
Expenses		
Payroll and benefits	6,044	5,976
Mutual fund management fees	628	550
Lease payments	281	292
Office	152	148
Communications	70	83
Travel	86	106
Cleaning services	40	36
Temporary work contracts	81	119
Amortization	101	56
Advertising and printing	53	47
Other	33	135
License fees	21	33
Insurance liabilities and property	11	20
Training	38	36
Personnel education program	18	255
	<u>7,657</u>	<u>7,892</u>
Loss for the year	<u>\$ (692)</u>	<u>\$ (795)</u>

(See accompanying notes)

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

1. NATURE OF OPERATIONS

Service Income Security Insurance Financial Services ("SISIP Financial") is a commercial activity of the Canadian Forces Morale and Welfare Services ("CFMWS") operating under the authority of the Chief of the Defence Staff ("CDS") in his Non-Public Property ("NPP") capacity. Responsibility for directing the affairs of SISIP Financial rests with the Managing Director of NPP as delegated by the CDS. Operations are divided between SISIP Financial - Proper ("SISIP Proper") and SISIP Financial - Financial Planning ("SISIP FP") (see schedule A).

SISIP Proper provides financial products and services to Canadian Forces' members and their families to enhance the financial well-being of the Canadian Forces community through tailored and unbiased financial solutions; thereby contributing to operational readiness and effectiveness. SISIP Proper, provides the following products: Survivor Income Benefit (SIB), Dependent Life (DL), Optional Group Term Insurance (OGT), Insurance for Released Members (IRM), Coverage After Release (CAR), Reserve Term Insurance Plan (RTIP), Spousal Disability Plan (SDP), Optional General Officers Insurance Plan (Opt GOIP), Term 100 (T100), travel insurance and critical illness (the "Plans"). The Plans are managed by The Manufacturers Life Insurance Company ("Manulife") based on a Financial and Operations Agreement (the "Agreement") between the CDS and Manulife. The CDS has surplus under the Plans with Manulife for the purpose of funding the payment of claims under the plans. Should these funds not be sufficient to discharge all claims, the CDS is responsible for funding the deficit.

Manulife is the Insurer of the insurance program and provides administration services such as premium review, claims adjudication and the payment of lump-sum and monthly benefits for the Plans. However SISIP Financial and the CDS have the right to make adjudication decisions as they determine needed.

SISIP Financial is responsible for managing the program and working with the various stakeholders to ensure excellence in customer service to their Canadian Forces clients. Along with some administration functions, SISIP Financial is responsible to ensure that the Plans are being administered in accordance with contractual provisions and they are on a sound financial footing.

SISIP FP provides military personnel and their families with:

1. nationwide access to the services of a Certified Financial Planner (CFP), including access to a complete financial plan and investment services;
2. financial counseling services to help the Canadian Forces (CF) members to develop and manage budgets, alleviate a difficult financial situation or simply provide advice when members have to make important financial decisions; and
3. professional personal financial education services to military recruits and officer cadets so they become familiar with key financial management principles, such as using credit with the help of a budget, and also provides training to those attending junior and intermediate leadership schools.

The Canadian Forces Central Fund ("CFCF") is a separate entity under the directional responsibility of the NPP Board which provides banking services and financial assistance to NPP entities and has responsibility for SISIP Financial.

In common with other non-public funds, SISIP Financial is exempt from paying income tax under Part 1 of the Income Tax Act.

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements are prepared in accordance with the Canadian generally accepted accounting principles for private enterprises with the exception of the Coverage After Release (CAR) paid-up policy and Supplementary Survivor Benefit (SSB) for which no future premium payment will be made. Under Canadian accounting standards for private enterprises these are liabilities in determining the net plan assets or liabilities. SISIP Financial does not recognize a liability for these coverages until the plan member is entitled to an issued policy. This is consistent with the treatment of the benefits under the Agreement. The estimated value of these claims has been disclosed as a commitment in note 10.

Financial Instruments

(a) Measurement of financial instruments

SISIP Financial initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Cash, segregated funds and plan investments are subsequently measured at fair value. Changes in fair value are recognized in the statement of operations in the period incurred. The fair value of segregated funds and plan investments are determined by reference to published price quotations in active market at year-end.

(b) Transaction costs

Transaction costs are recognized in the statement of operations in the period incurred, except for financial instruments that will be subsequently measured at amortized cost.

Revenue recognition

Revenues are recorded in the period in which they are earned, when collection of any related amounts receivable is probable, where per service evidence of an arrangement exists and the sales price is fixed and determinable. Unearned amounts for which material program benefits or services have yet to be delivered are recorded as deferred revenue.

Property and equipment

Property and equipment are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method at the following annual rates:

Furniture and fixtures	12%
Computer equipment	24%
Leasehold improvements	9%

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Cont'd.

Net plan assets and liabilities

Under the terms of the Agreement, SISIP Proper is required to fund all liabilities associated with the Plans. Funds are held on deposit by Manulife which are used to discharge these liabilities. Funds held on deposit are required to be held until all liabilities are discharged and Manulife has the legal right under the Agreement to use these funds in discharging the liabilities before SISIP Proper can withdraw the funds. As a result, the difference between the estimated liabilities and funds held on deposit are presented net as either assets or liabilities.

The net plan assets and liabilities are measured at each reporting period as the difference between the plan reserves and plan investments.

The Plan reserves are measured by estimating the actuarial determined liabilities for the Plans plus an amount for a Claims Fluctuations Reserve ("CFR") (note 4) required under the Agreement. Canadian accounting standards for private enterprises do not have guidance in determining these liabilities. As a result SISIP Proper follows IFRS 4, Insurance Contracts in determining the measurement of plan reserves. The plan reserves were determined in accordance with the standards established by the Canadian Institute of Actuaries. Manulife's plan reserves have been determined using the Canadian Asset Liability Method ("CALM"). Changes in the liabilities are recorded in the statement of operations when incurred.

The Plan investments represent the cumulative incomes in excess of expenditures before considering Plan reserves.

Premium income and related expenses

Gross premiums for all types of insurance contracts, and contracts with limited mortality or morbidity risk, are recognized as revenue when due.

Expenses are recognized when incurred. Plan assets and liabilities are computed at the end of each year, resulting in benefits and expenses being matched with the premium income.

Interest credited

Interest is credited to the Plans for plan investments based on an interest crediting formula defined in the Agreement. The formula is based on the actual return of a predetermined asset mix.

Employee future benefits

SISIP Financial participates in the Canadian Forces Non-Public Funds Employees Pension Plan ("the Pension Plan"), which is a multiemployer, contributory, defined benefit plan. The Pension Plan provides retirement benefits relating to contributions and years of service of staff of all Non-Public Funds. Substantially all SISIP Financial employees are eligible to be members of the Pension Plan.

SISIP Financial's portion of the Pension Plan is accounted for as a defined contribution plan as there is insufficient information available to use defined benefit plan accounting. As a result, SISIP Financial's contributions to the Pension Plan are included as an expense in the statement of operations. A pension asset has not been recorded on the balance sheet.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management makes estimates in determining the estimated useful life of SISIP Financial's property and equipment, its plan reserves and certain accrued liabilities. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

SISIP Financial is exposed to various risks through its financial instruments. The following analysis provides a measure of SISIP Financial's risk and exposure and concentrations.

SISIP Financial does not use derivative financial instruments to manage its risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

SISIP Financial is exposed to credit risks principally from cash, segregated funds and plan investments. SISIP Financial carries out, on a continuing basis, a review of outstanding amounts and also deals with credit worthy counterparts to mitigate the risk of financial loss from default.

Liquidity risk

Liquidity risk refers to the adverse consequences that SISIP Financial will encounter should difficulty in meeting the obligations associated with its financial liabilities arise, which are comprised of accounts payable and accrued liabilities.

SISIP Financial manages this risk by maintaining sufficient cash to meet their current obligations and management establishes budget and cash estimates to determine their future cash flow requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) **Currency risk**

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

Substantially all SISIP Financial's transactions are in Canadian dollars and as a result, management does not believe it is exposed to significant currency risk.

ii) **Interest rate risk**

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

SISIP Financial is exposed to interest rate risk as result of the potential claims from the members of the various plans. If cash flow from assets supporting claim liabilities does not match the timing and amount of the claim cash flows, interest rate losses or gains may occur due to changing interest rates in the future. The quality of the asset liability matching program is reviewed quarterly at Manulife using duration measures and cash flow testing under alternative economic scenarios. An investment policy was implemented and this policy is structured to provide much better matching of assets and liabilities.

iii) **Other price risk**

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

Other price risk affecting segregated funds is disclosed in note 5.

Changes in risk

There have been no material changes in SISIP Financial's risk exposures from the prior year.

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

4. NET PLAN ASSETS AND LIABILITIES

The net plan assets represent the following held by Manulife:

	<u>2017</u>	<u>2016</u>
Plan reserves	\$ (255,566)	\$ (242,935)
Plan investments	<u>275,258</u>	<u>271,666</u>
Net plan assets	<u>\$ 19,692</u>	<u>\$ 28,731</u>

SISIP Financial is entitled to any surplus once all obligations under the Plan have been paid. Also, should the Plan be in a deficit position, SISIP Financial is responsible to fund the liability.

Actuarial reserves used in the determination of plan liabilities are calculated by Manulife based on the methodology described in note 2. Assumptions used by Manulife to determine the reserves are only changed after proper notice has been given to SISIP Financial.

The determination of the actuarial reserves included in plan liabilities involves the use of estimates and assumptions which are comprised of two major components; a best estimated amount and a provision for adverse deviation. In conjunction with prudent business practices to manage both business and investment risks, the selection and monitoring of appropriate assumptions are designed to minimize SISIP Proper's exposure to measurement uncertainty.

Best estimate assumptions are made with respect to mortality and morbidity, investment returns, rates of policy termination, operating expenses and certain taxes. Actual experience is monitored to ensure that the assumptions remain appropriate and assumptions are changed as warranted.

The assumptions made in establishing actuarial reserves reflect expected best estimates of future experience. To recognize the uncertainty in these best estimate assumptions, to allow for possible under or over estimation of and deterioration in experience and to provide a greater degree of assurance that actuarial reserves are adequate to pay future benefits, SISIP Proper is required to include a margin in each assumption.

Minimum requirements are prescribed by the Canadian Institute of Actuaries for determining margins related to interest rate risk. Specific guidance is also provided for other risks such as market, credit, mortality and morbidity risks. For other risks which are not specifically addressed by the Canadian Institute of Actuaries, a range is provided of five per cent to 20 per cent of the expected experience assumption. Annual assumptions used are within the permissible ranges, with the determination of the level set taking into account the risk profile of the business. On occasion, in specific circumstances for additional prudence, a margin may exceed the high end of the range, which is permissible under the Standards of Practice. Each margin is reviewed annually for continued appropriateness.

The Agreement defines the requirements for SISIP Proper to fund any Plan shortfalls and when SISIP Proper is entitled to withdraw the plan assets. SISIP Proper is required to maintain a CFR up to 25% of the Plan premiums. The CFR restricts SISIP Proper from withdrawing surplus from the Plan.

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

5. SEGREGATED FUNDS

SISIP Proper's surplus assets are held in a segregated fund. The fund value is presented at fair value and any unrealized gains or losses are recorded in the statement of operations in the period in which the change occurs. The segregated assets are invested in accordance with the guidelines set out in the investment policy developed by SISIP Financial. The investment policy has set targeted investment mix of cash 5%, bonds 50%, Canadian equity 15%, US large equity 15% and international equity 15%. The actual allocation of the funds is as follows:

	<u>2017</u> %	<u>2016</u> %
Cash	3.7	3.9
Bonds	44.8	48.8
Canadian Equity	17.4	17.0
US Large Equity	17.0	15.8
International Equity	<u>17.1</u>	<u>14.5</u>
	<u>100.0</u>	<u>100.0</u>

Subsequent to the year-end, the investment policy was revised with a targeted investment mix of cash and fixed income 32%, equities 48% and infrastructure, alternatives and real estate 20%.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Furniture and fixtures	\$ 248	\$ 137	\$ 111	\$ 110
Computer equipment	135	96	39	25
Leasehold improvements	<u>910</u>	<u>427</u>	<u>483</u>	<u>372</u>
	<u>\$ 1,293</u>	<u>\$ 660</u>	<u>\$ 633</u>	<u>\$ 507</u>

7. SURPLUS

Under the Reinsurance Funding Agreement, SISIP Financial is required to maintain a minimum surplus of \$260,000 (with CFCF committing an additional \$100,000) to cover claims in excess of reinsurance coverage made in relation to hostile events. SISIP Financial must provide Manulife with at least nine months' notice should it intend to reduce the surplus below \$260,000.

A further restriction related to CFR (as outlined in note 4) is maintained separately.

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

8. PENSION PLAN

All eligible employees are members of the defined benefit, Staff of the NPF Pension Plan ("the Plan"). SISIP's share of contributions to the Plan were \$449 (2016 - \$417) and are included in the applicable expense category on the statement of operations and changes in surplus.

Actuarial valuations prepared as at December 31 2017, on a going concern basis as well as on a solvency basis, indicated the following information about the Plan:

	<u>2017</u>	<u>2016</u>
Fair value of plan assets	\$ 355,840	\$ 318,136
Actuarial benefit obligation	<u>(260,814)</u>	<u>(243,028)</u>
Surplus	<u>\$ 95,026</u>	<u>\$ 75,108</u>

Under the going concern basis, this valuation compares the relationship between the value of the Pension Plan's assets and the present value of the expected future benefit cash flows in respect of accrued service, assuming the Pension Plan will be maintained indefinitely. Under this scenario, the valuation resulted in a surplus of \$87,900.

Conversely, under the hypothetical solvency (or wind up) basis, the Pension Plan is assumed to be wound up and settled on the valuation date, assuming benefits are settled in accordance with the existing taxation rules and under circumstances producing the maximum wind up liabilities on the valuation date. This valuation resulted in a deficit of \$29,300.

These valuations are utilized to assess monthly and annual employer contributions. The Plan is required to have its next actuarial valuation performed as at December 31, 2018.

9. RELATED PARTY TRANSACTIONS

In 2017, SISIP Financial paid lease expenses of \$157 (2016 - \$162) to the Canadian Forces Exchange System ("CANEX"), an entity which is part of Canadian Forces Morale and Welfare Services. All revenue in 2017 and 2016 from financial counseling and education services is received from the Department of National Defence, operating under the authority of the Chief of the Defence Staff.

All transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

SISIP FINANCIAL
NOTES TO FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED DECEMBER 31, 2017
(in thousands of dollars)

10. COMMITMENTS

SISIP Proper has estimated future liabilities not yet recognized related to the CAR paid-up policy and SSB for which no future premium payments will be made. The terms of the Agreement do not include these amounts in the determination of plan reserves. The estimated present value of these future liabilities has been assessed at \$116,040 as of December 31, 2017.

SISIP Financial is committed to payments under an operating lease for the premise at 234 Laurier Avenue West, Ottawa through 2020. Annual payments for the next three years are as follows:

2018	\$	81
2019		82
2020		<u>75</u>
	\$	<u>238</u>

11. CONTRIBUTION

During the year, \$24,000 was provided by SISIP Financial to CFCF to support NPP programs, capital and operations and maintenance projects.

12. COMPARATIVE FIGURES

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.