The auditors have faithfully discharged the duty laid upon them by the annual meeting, and the books and accounts have had their attention monthly.

The actuary's report will show that the practice of the association in going beyond the requirements of the Government standard of valuation has been continued. It may be mentioned that if the valuation had been based on the government standard, the surplus would have been increased to over *two hundred thousand dollars.*

It is with deep regret that your directors have to mention the removal by death of two old, and highly esteemed, members of the board, namely, the Hon. Isaac Burpee, M. P., and Fred'k. A. Ball, Esq. The board ordered a special minute to be recorded in respect to both of these gentlemen, and a copy of the same to be sent to the family, in each case.

The board takes pleasure in testifying to the continued faithful services rendered by the employees of the association.

All the members of the board retire, but are eligible for re-election. It will also be necessary to elect two new directors in the place of the deceased members above referred to.

J. K. Macdonald, *Managing Director.* W. P. Howland, *President.*

CASH STATEMENT.

Receipts.

1883.			
Dec. 31,	Cash on hand and in banks..	$ 54,929 52	
1884.	REVENUE ITEMS.		
Dec. 31,	Premiums................	349,948 20	
	" paid in advance..	580 19	
	Consideration of annuities	4,500 00	
	Interest	71,437 00	
	Rent..................	1,452 72	
	Profit on sale of real estate	116 29	
	REPAYMENT OF INVESTMENTS, ETC		
	Deposit to meet maturing debentures	120 21	
	Loans on policies	5,809 55	
	" mortgages......	42,593 81	
	" stock	18,341 73	
	Special loan on bond....	400 00	
	Sale of real estate.........	2,883 71	
	Debentures matured......	2,805 00	
	Agents' balances.........	583 72	
	Fire premiums, &c., repaid by Mortgagors	3,454 33	
	Fire loss, Erskine Church..	16,015 00	
	From sundry sources....	1,274 32	
		$577,245 30	

Expenditure.

1884.			
Dec. 31,	Expenses for year........	$ 81,730 30	
	Re-insurance	4,990 60	
	Surrendered policies.......	7,035 53	
	Death claims............	57,766 86	
	Matured endowments	4,000 00	
	Dividends to stockholders	8,000 00	
	Taxes on same..........	122 56	
	Annuities..............	1,717 30	
	Profits to policy-holders in cash	2,792 26	
	Profits in reduction of premiums..............	9,734 08	
	Commission on loans....	538 00	
	Rent..................	2,904 95	
	Taxes	404 75	
	Insurance supe intendence	323 07	
	INVESTMENTS.		
	Mortgages...	$186,675 54	
	Real estate..	6,697 20	
	Loans on policies....	13,217 83	
	Loans on stocks, &c.	74,248 03	
	Debentures purchased.	35,500 00	
	Accrued interest on same to date of purchase.....	1,536 61	317,875 21
	Furniture		359 48
	Fire premiums, &c., paid for mortgagors.		4,234 99
	Quebec government tax (in suspense).......		890 00
	Fire loss, Erskine Church		14,760 03
	Sundry advances, etc.....		989 29
	Cash on hand, $61 84; in banks, $56,014 40......		56,076 24
			$577,245 30

BALANCE SHEET.

Assets.

Dec. 31st, 1884.	
Debentures (par value)..........$	126,579 00
Mortgages	961,690 41
Real estate	24,801 68
Loans on stocks.................	63,797 56
Govt. 5 p. c. stock and savings bank deposit	4,616 10
Loans on company's policies	36,775 31
Agents' bal. $456 65 less written off as bad, $59.17	397 48
Quebec government tax (in suspense)	890 00
Sundry accounts	1,114 76
Furniture, $2,591.28, less 10 per cent. written off for year $259.12	2,332 16
Disbursements repayable by mortgagors	963 48
Cash on hand..................	61 84
Cash in banks..................	56,014 40
Premiums in course of collection (reserve thereon included in liabilities), of this the sum of $42,219.92 is covered by short date notes	69,112 35
Quarterly and half-yearly premiums on existing policies due, subsequent to Dec. 31st, 1884 (reserve thereon included in liabilities).....................	20,754 02
Interest due and accrued	46,043 48
	$1,415,944 03

Liabilities.

Dec. 31st, 1884.		
Assurance fund (including bonus additions)	$1,097,770 29	
Annuity funds	13,180 60	
	$1,110,950 89	
Less for policies re-assured	18,053 87	
		$1,092,897 02
For temporary reductions.........		23,181 09
Lapsed policies, value on surrender		1,962 89
		$1,118,041 00
Loss by death, not due (since paid)........................		11,594 99
Premiums paid in advance		580 19
Profits to policyholders..........		918 38
All other accounts, including medical fees, directors' fees, &c....		6,305 92
Sinking fund to meet maturing debentures		582 92
Surrendered policy waiting majority of beneficiary		197 36
Paid up capital stock		80,000 00
Held to cover cost of collecting premiums outstanding and deferred on Dec. 31st, 1884......		8,986 63
Surplus		188,736 64
		$1,415,944 03

J. K. Macdonald,
Managing Director.

We have made the usual thorough audit of the books of the association for the year ending 31st December, 1884, and have examined the vouchers in connection therewith, and have compared the above statement and balance sheet with the same, and found the whole correct.

We have also examined each of the securities represented in the assets, which are safely contained in the vaults of the association (excepting the securities held by the Dominion Government amounting to $83,852.00 par value), and found them in good order.

John Langton, John M. Martin, } Auditors.
Toronto, 18th April, 1885.

REPORT OF THE TRUSTEES UNDER "GOVERNMENT SECURITIES SAVINGS BANK POLICIES."

The trustees beg to report that they hold Government stock and deposits to the amount of $4,616.10, and that the liability under this class is $3,779.45 under 57 policies.

W. P. Howland, Wm. McMaster, J. K. Macdonald, } Trustees.
Toronto, April 20th, 1885.

ACTUARY'S REPORT.

I hereby certify that, having computed the value of the risks of the Confederation Life Association, as submitted to me and stated below, upon the basis of the Institute of Actuaries' life tables, and interest at the rate of four and one-half per cent. per annum, taking account of the net premiums only, and adding ten per cent. to the value of all paid-up life policies, and a corresponding amount in the case of those becoming paid up, I find the liability thereunder as follows, as at date of 31st December, 1884:

Number of policies valued, 8,051; insuring an amount of $12,370,185......................	$1,097,770 29
Of these 42 policies for an amount of $153,909 were reinsured....	18,053 87
Leaving a net liability of........	$1,079,716 42
And unclaimed surrender values to an amount of	1,952 89
And the present values of eight annuities for an amount for an amount of $2,692.30 per annum	13,180 60
To this must be added liability for temporary reductions	23,181 09
Making the total net liability..	$1,118,941 00

Charles Carpmael,
Toronto, April 16th, 1884. Actuary.

In moving the adoption of the above report the president said:—

It is a matter of sincere pleasure and gratification, gentlemen, to the directors and myself, to be able to lay before you such a satisfactory statement of the operations of the company for the past year. As you will perceive by the statements, our premium and interest income has amounted to $428,034.90, pretty well up to —and I hope by another year it will reach—half a million; the increase on these items over the year 1883, is $49,000. The assets, as stated in the report, have been increased by $263,215.55.

These statements, gentlemen, show the position of the company so plainly, that very little explanation is required, I apprehend, from any one. It is very gratifying to find whatever the state of things may be in the country, that this company is still making satisfactory progress. During the past year we have had a great many difficulties to contend with; it has been a season of very great depression, I may say of general apathy, in business, there has been a deadness in business that I have scarcely experienced before in the country, and at the same time we have had increased competition; yet, notwithstanding all that, as you see, we have had exceedingly satisfactory progress, and this has been mainly achieved, gentlemen, first, by the confidence which I believe we have established in the country, in this company, and secondly, by the unwearied exertions and able management of our managing-director, and the indefatigable labor performed by our agents.

There is one point to which I think we have a right to call the attention of the country. It is much more to the advantage of the insuring public, and the country generally, that more should be invested in deserving home institutions. Taking the past five years, an average of $1,223,312.00 has been withdrawn yearly from this country by American companies in the business. Now, in the case of our own and other Canadian companies, the capital that comes into our hands for the benefit of our insured, is not withdrawn from the country. It is at once loaned out and circulated, and so is of use, in the general business and operations of the country at large. Again, those investing their capital in that way, know the men in whose hands they have placed it, and have ample opportunity of supervising, and ascertaining how the business is managed, in which their money is invested. For these reasons I think we have a fair right to claim that the insuring public should give home institutions their preference and support.

If there is anything in reference to the statements and accounts generally, on which any explanation is desired, either the manager or myself, will be most happy to afford it.

The resolution for the adoption of the report, financial statements, &c., was then read by the President, and, after being seconded by William Elliot, Esq, V. P., was carried unanimously.

The usual resolutions followed, and at the close of the meeting, the report of the scrutineers was presented, shewing that the following gentlemen had been elected directors for the current year:—Hon. Sir W. P. Howland, Hon. Wm. McMaster, Wm. Elliot, Esq., Hon. Chief Justice Macdonald, Halifax, W. H. Beatty, Esq., Edward Hooper, Esq., J. Herbert Mason, Esq., Hon. James Young, M. P. P., M. P. Ryan, Esq.,