

INVESTMENTS.

1877.		
Dec. 31. By debentures (cost)	\$8,514 20	
" mortgages	75,116 49	
" loans on stock	1,500 00	
" " on eight policies	872 19	
" bills receivable	291 89	
" sundry advances	752 43	
" furniture	50 50	
		\$7,130 21
" cash in banks	12,331 71	
" cash on hand	80 91	
		\$194,105 32

BALANCE SHEET.

LIABILITIES.

Dec. 31, 1877.		
To Assurance Fund, on the Hm. Institute of Actuaries' Mortality and 4 per cent. (including bonus addition)	\$258,526 07	
Less, for reserve on policies re-insured	7,324 08	
		\$259,601 99
To reserve on lapsed policies, liable for surrender or restoration	2,026 23	
To Annuity Funds	4,917 00	
To losses by death, accrued, but not due (since paid)	4,032 00	
To all other accounts, including premiums paid in advance	3,804 45	
Total liabilities to policy-holders	265,381 67	
To amount of paid-up stock, being 10 per cent. on subscribed capital of \$500,000	50,000 00	
To amount held to cover the cost of collecting the premiums outstanding and deferred on Dec. 31st, 1877	3,210 33	
To half-year's dividend on stock, payable 1st Jan., 1878	2,000 00	
To surplus	49,275 07	
		\$309,870 91

ASSETS.

Dec. 31st, 1877.		
By debentures (market value, \$109 879 50) (cost)	\$106,683 20	
By mortgages	199,348 32	
By loans on stock	5,250 00	
By Government 5 per cent. stock (par)		
By \$5,500 (cost)	3,497 50	
By loans on policies	936 39	
By sundry accounts	910 31	
By bills receivable	291 89	
By furniture	1,651 31	
By death claim, re-assured (not yet due)	610 00	
By cash on hand	80 91	
By cash in banks	12,331 71	
By premiums in course of collection (reserve thereon included in liabilities)	20,726 05	
By quarterly and half-yearly premium on existing policies due subsequent to December 31, 1877 (reserve thereon included in liabilities)	11,376 02	
By interest due	597 99	
By interest accrued	6,266 31	
		\$309,870 91

J. K. MACDONALD,
Managing Director.

We have examined the Books of Account, Securities, and Vouchers representing the Cash Account and Investment Account, also the Securities represented in the Balance Sheets of Assets, and hereby certify to the correctness of the same; and find the Books, Securities, and Vouchers in a most satisfactory and clear condition.

ALFRED J. MASON, } Auditors.
JOHN N. LAKE,
Toronto, April 3rd, 1878.

Toronto, March 18th, 1878.

To the Board of Directors of the Confederation Life Association:

We, the Special Committee of your Board, charged with the duty of an examination of the Securities representing the investments of the Association on the 31st December, 1877, beg to report:

That we have examined each Mortgage, Debenture, Certificate, and Government Stock, and each loan on the security of Stock as collateral, and find the same correct, and kept safely and orderly.

The Loans of Mortgage amount to	\$109,348 32
Debentures (face, \$112,032 00) (cost)	106,683 20
Government Stock (face, \$3,500 00) (cost)	3,497 50
Loans and Stock Collaterals	5,250 00

Total.....\$314,779 02

And that these, in our opinion, are good and safe loans.

WM. ELLIOT,
B. HOOPER,
W. H. BEATTY, } Committee.

Toronto, April, 4th 1878.

I hereby certify that having computed the value of the risks of the CONFEDERATION LIFE ASSOCIATION, as 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, I find the liability thereunder as follows—as at date of 31st Dec., 1877:—

	Present Value or Reserve.
Number of Policies valued, 3,361, insuring an amount of \$4,588,755 18	\$258,526 07
Of these 29, for an amount of \$160,422, were re-insured	7,924 08
Leaving a net liability of	\$250,601 99
To this must be added unclaimed surrender values to an amount of	2,026 23
And the present value of 2 annuities	4,917 00
Making the total net liability	\$257,545 22

CHARLES CARPMAEL,

Actuary.

The Trustees beg to report—

That they hold Government Stock and deposit to the amount of four thousand one hundred dollars, covering a total liability, under 114 policies, of \$3,640.37.

W. P. HOWLAND,
WM. McMASTER,
J. K. MACDONALD, } Trustees.

The report and statements which I have now read and placed in your hands are so full, and the statements of the affairs of the Company are so simple and clear, that it will be unnecessary for me to detain you with any lengthened remarks of my own. In carrying on the work of the Company during the past year we have had to contend with a state of commercial depression which all will admit to have been unparalleled in this country.

We have also had to contend, not only with active competition, but in some cases with hostile attacks upon the system and management of the Company.

Our able and indefatigable manager has proved himself capable of contending with these difficulties, and of proving to the satisfaction of the public that the system adopted by this Company is such as entitles it to receive their confidence and support.

Our operations for the past year, both as regards the amount of the former business that has been carried on and the amount of new business which has been obtained, under the circumstances, I think is highly satisfactory to all concerned, and the plan that the Board has devised for supervising in carrying on these operations has fully realized all the expectations which they had formed of it. It is of the utmost importance in the arrangements of a company of this kind that a careful scrutiny shall be had of the applications that are made for insurance, and I think we have a committee that acts in this matter who are possessed of special qualifications for their duty, and the result to the Company, so far, is one that proves the good judgment and care that they have exercised in doing their part of the business. And the Committee that has charge of the agencies of the Company have, I think, shown equally good judgment in the performance of their duty. Our investments are each year becoming a more important branch of the Company's business. This is entrusted to the Finance Committee, of which I am chairman, and to which I give especial attention; and I may say that, so far, not a shilling of the money belonging to the Company has been lost, and I do not think any loss whatever can occur upon the large amount which the Company has now invested. I hope that we shall have the pleasure of hearing an expression of opinion from some of our policyholders and agents, so many of whom I am happy to see present.

If any further information is required, I shall be happy to furnish it.

I beg to move the adoption of the report.

W. S. LEE, Esq., said he thought that so much information and so full a report need not call for any further remarks. He thought the report was a most excellent one, and one that they might be proud of. He had much pleasure in seconding the adoption of the report.

The report was adopted.

The following gentlemen were re-elected as Directors:—

Hon. W. P. Howland, C.B., Hon. Wm. McMaster, Sir Francis Hincks, K.C.M.G., C.B., Hon. T. N. Gibbs, M.P., Hon. James Macdonald, Halifax, Robert Wilkes, Esq., B. Morton, Esq., W. H. Beatty, Esq., Hon. Isaac Burpee, Edward Hooper, Esq., J. H. Mason, Esq., Wm. Elliot, Esq., James Young, Esq., M.P., F. A. Ball, Esq., M. P. Ryan, Esq., Montreal, S. Nordheimer, Esq., W. H. Gibbs, Esq., M.P., and J. K. Macdonald, Esq.

At a subsequent meeting of the Board, the Hon. W. P. Howland, C.B., was re-elected President, and the Hon. Wm. McMaster and Wm. Elliot, Vice Presidents.

THE POSITION OF THE OTTAWA AGRICULTURAL.

OTTAWA, 12th April, 1878.

SIR,—The Directors of the Ottawa Agricultural Insurance Company, being given to understand that their action in suspending the late secretary has given rise to absurd rumors that this company has lost by him a large sum of money, sufficient to impair its capital and impede its operations, they have deemed it advisable to print and circulate the report of Mr. P. S. Ross, who audited the books and examined the affairs of the company, and they have much pleasure in handing you a copy thereof, as follows. They have considered it unnecessary to go to the expense of printing the appendix, as it only enlarges upon and gives examples illustrative of the matters pointed out in the report sent you.

JAMES SKEAD, President.

Ottawa, 6th April, 1878.

To the President and Directors of the Ottawa Agricultural Insurance Co.:—

GENTLEMEN,—Having received instructions, through your president, to make a thorough investigation of the Records of your company, and to report upon the present position of its affairs, I beg to state as follows, viz:—

That I have given the matter a very careful and painstaking investigation, and have examined and tested the stock and shareholders accounts; the receipts or income of the company; the cash disbursements and vouchers; the book-keeping of the books of account; and the system observed in the office work generally.

In each and all of them there are irregularities, though fortunately not to such an extent as to seriously affect the position of the company in any manner.

The only matter to which I have specially to draw your attention is to the fact that your secretary will have to account to you for several thousands of dollars, the exact amount not having been yet ascertained, as he has refused to give me certain requisite explanations, stating that he will do so to the board; but I think it will not exceed ten thousand dollars, and, as the company hold a guarantee bond covering his intrusions, the loss to you cannot be very great. I have thought it best not to make this report too voluminous, and have, therefore, in an appendix given to each of the paragraphs herein, fuller details and particulars, and also accompanied by statements of accounts where I have thought them required, so as to elucidate the points referred to. The original stock subscription books have not hitherto been all called in. This I would recommend you to do as soon as possible—the want of them has impeded