

GEORGE A. TOUCHE & CO.

Chartered Accountants
410 St. Nicholas Street
Montreal

Montreal, Toronto, London, Winnipeg,
Regina, Saskatoon, Edmonton, Calgary,
Vancouver, Victoria

Represented in the
United States of America
and Great Britain
February 16th, 1959.

The Honourable,
The Minister of Transport,
Ottawa, Canada.
Sir,

As auditors of Trans-Canada Air Lines for the year 1958, we submit this report to Parliament through you.

1. *Financial Statements for 1958*

Included in the annual report of the Corporation, together with the usual financial statements, is a report from us in which we state that we have examined the accounts of the Corporation for the year 1958 and that, in our opinion, the balance sheet and statement of income are properly drawn up so as to give a true and fair view of the Corporation's affairs for 1958 and that these statements are prepared on a basis consistent with that of the preceding year.

We also state that, in our opinion, proper books of accounts have been kept by the Corporation and that the transactions coming to our notice have been within the powers of the Corporation.

2. *Materials and Supplies*

During 1958 a physical inventory of materials and supplies was taken by the Corporation's personnel; the items included in this inventory were valued on a basis consistent with prior years, that is, laid down cost based on latest invoice price with appropriate reductions for obsolete items. Where overages and shortages were disclosed by the inventory taking, suitable adjustments have been made in the records.

Although the investment in certain classifications of materials and supplies increased during the year, these increases were offset by reductions through the disposal of a quantity of DC3 spare parts.

3. *Insurance Fund*

At December 31st, 1958, the balance in the fund comprised:

Cash and accrued interest	\$ 76,175
Securities, at cost	5,998,620
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	\$6,074,795
Less: Amount payable to the Corporation	74,795
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	\$6,000,000
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