

before the shareholders their report, with the financial statement for the year just closed, and in congratulating them upon the continued success which has attended the operations of the Association. The amount paid up on account of capital has reached the sum of \$636,802.30, being an increase over last year of \$142,299.87; whilst the deposits, notwithstanding the scarcity of money and the high rates of interest which prevailed for a great portion of the year, amounted at the end of it to \$148,961.55. In consequence of the depression which existed in the value of real estate, and the possibility of a still further decline in prices, the Directors considered it prudent to restrict the amount loaned, especially for *building* purposes; and the result has been that, whilst less business has been done, higher rates of interest have been obtained, and the margins have been largely increased. After paying a dividend at the rate of 9 per cent. per annum, and all expenses of management, the Reserve Fund has been increased to \$65,808.63, by the addition for the past year of \$10,773.69. The Directors are fully alive to the importance of increasing the resources of the Association, by the issue of debentures bearing a moderate rate of interest; and they recommend, so soon as the Bill now before the Ontario Legislature shall become law, that steps be taken to insure this desirable object. The borrowers have, on the whole, met their regular payments with punctuality, the amount in arrears being very moderate, and the Directors have no losses to report. The thorough and searching monthly audit continues, as heretofore, to be maintained with the most satisfactory results. In conclusion, the Directors have much pleasure in testifying to the zeal and diligence displayed by the Secretary and all the officers of the Association in the performance of their respective duties.

All of which is respectively submitted.

LARRATT W. SMITH, President.

BALANCE SHEET.

Dr.	ASSETS.
Dec. 31, 1875.	
To present value of Loans and Mortgages, including arrears of instalments	\$832,076 62
To insurance due from borrowers	2,473 80
	\$834,550 42
To other securities	11,068 57
To Bank of Commerce	17,049 06
To cash in hand	1,768 64
	\$864,426 79
Cr.	LIABILITIES.
Dec. 31, 1875.	
By stock capitalized	\$574,625 00
By stock accumulated	62,177 30
	\$636,802 30
By deposits	148,961 55
By dividend payable	12 830 06
Jan. 3, 1876	34 25
By sundries	
By Reserve Fund, 1874	\$ 55,034 94
By Reserve Fund, 1875	10,773 69
	\$ 65,808 63
	\$864,436 79
Dr.	PROFIT AND LOSS.
Dec. 31, 1875.	
To interest to depositors	\$ 7,668 51
To directors and auditors' fees	3,885 00
To salaries, rent and office expenses	5,050 88
DIVIDENDS.	
No. 10	\$11,269 62
No. 11	13,190 31

No. 12	13,784 73
No. 14	14,124 79
	\$ 52,369 45
Balance to Reserve Fund	\$68,973 84
	10,773 69
	\$79,747 53
Cr.	CONTRA.
Dec. 31, 1875.	
By Interest on Arrears	831 44
By Premiums on Stock	1,072 00
By Accrued Interest on Loans	76,844 09
	\$79,747 53
	\$79,747 53

The Auditors hereby certify that they have audited all the books of the Association for the year ending 31st December, 1875, in detail, and all securities, vouchers, and documents relating to the same; they have also valued all the mortgages, and have compared the accompanying balance sheet, comprising "The Assets and Liabilities, and the Profit and Loss Account," with said books, and have found them correct and satisfactory in every respect.

WILLIAM R. ORR, } Auditors.
JAMES GRAHAM, }

Before moving the adoption of the Report, the President remarked that the Shareholders might be congratulated on the results of the business for 1875, and although from a sense of caution, looking to the depression that had existed during the past year, the business transacted had not reached that of the previous year in extent, still, what had been done, had been done with greater profit to the Association, and with increased margins. The face value of the securities held by the Association amounted to nearly \$1,250,000; the Cash which had passed through the Bank to over \$1,326,000; there had been received on Deposit nearly \$500,000; and the balance at the end of the year, to the credit of this account, though not so large as on the previous year, arising no doubt from the fact, that money could be more profitably employed, still amounted as the statement showed, to the respectable sum of \$148,961.55. The loans made during the year would be in the neighbourhood of \$215,000; showing a greater shrinkage than in any other item, as compared with the previous year's business, but the Shareholders could not have failed to observe that house property had been greatly affected during the past year by the unusual depression in trade, and when this state of things existed, it was not desirable to extend in the direction of housebuilding, and accordingly the Directors had pursued a more than usually conservative course, and had only taken up such loans as were of an undoubted description, the consequence of which had been, that there was no loss to report and not a single suit in the Solicitors' hands at the present time. The loans repaid in 1875, had exceeded in amount those of 1874, and the applications rejected, for various reasons, amounted to \$104,800. The Directors have used the utmost circumspection and economy in the management of the Association, as was shown by the addition of \$10,773 69 to the rest, which now amounts to \$65,808 63, or to a little over 10 per cent. on the average of capital paid up during the year. It might be noticed, that nothing was carried forward in the shape of Preliminary expenses, suspense account or furniture, as everything of this description had been wiped out and paid for, out of the General expense account of each year. In regard to the recommendations contained in the Report for increasing the resources of the Association by the issue of debentures, bearing a moderate rate of interest, steps have

already been taken to carry this object into effect, and the Directors to be appointed for the present year, will doubtless lose no time in carrying out so important a suggestion. With these few observations, and desiring to furnish any further information that might be required, he would move, seconded by E. Schluter, Esq., that the Report just read be adopted and printed, and that a copy be sent to each of the shareholders. Carried.

Moved by Rev. Thos. Rattray, seconded by Mr. C. E. Hooper: That the following gentlemen be elected Directors of this Association for the current year, viz.—Dr. L. W. Smith, J. H. Mead, T. McCrosson, J. Kerr, Benjamin Walton, P. Paterson, D. Gilbraith, and Professor Goldwin Smith. Carried.

Moved by Mr. Jas. Beatty, Q. C., seconded by Mr. Alex. Purse:—That Messrs. W. R. Orr, and James Graham be elected Auditors for this Association for the current year. Carried.

Moved by Mr. Jas. Scott, seconded by Mr. J. L. Blaikie:—That in future the Dividends on Stock be paid half-yearly instead of quarterly, as during the past year. Carried. Mr. Scott, in moving this resolution, took occasion to observe that he considered the experiment of paying quarterly dividends had not answered the expectations of the Directors, inasmuch as it was of no object to the Shareholders to have their dividends more frequently paid than half-yearly, whilst the effect on the Stock had been to depress it, and to the Shareholders, to add materially to the expenses of the Association, without any corresponding advantage. Mr. Blaikie, in seconding the motion, entirely agreed with the remarks which had fallen from the mover, and hoped the resolution would pass, availing himself, at the same time, of the opportunity of expressing his great satisfaction at the statements laid before them to-day, as to the position of the Association.

Moved by Mr. Geo. Murray, seconded by Mr. C. Carnegie:—That the thanks of the shareholders are justly due and are hereby tendered to the President, Vice-President and Directors for their services during the past year, and that the sum of \$3.50 be appropriated for their attendance fees. Carried.

Moved by Mr. G. W. McWilliams, seconded by Mr. G. Boyd, jun.:—That the thanks of the shareholders are hereby tendered to the auditors for their zeal and diligence in the discharge of their important duties during the past year, and that the sum of \$350 be paid to each of them for their services. Carried. Before putting this resolution the President observed that the Auditors had fairly entitled themselves to the liberality of the Shareholders. The audit was not a *formal* one made at the end of each half year, or year, but a *continuous monthly audit*, occupying some eight days of five hours each, in every month of the year, at which every item of every transaction of the Association was carefully examined and scrutinized by the Auditors, and every voucher produced and to show how thorough the Audit had been and how efficiently the office staff had performed their duties it gave him (the President) pleasure to read a letter from the Auditors to the Board, wherein after the conclusion of the year's audit, they were enabled to say, that not one single error of any description had appeared on the Books for the whole year, which could not prove otherwise than satisfactory to the Shareholders.

Moved by Principal Cockburn, seconded by Mr. Jas. Beatty, Q. C.:—That a vote of thanks be given to Dr. L. W. Smith for his able and efficient conduct in the chair. Carried.

At a subsequent meeting of the Board, L. W. Smith Esq., D. C. L., was unanimously re-elected President, and J. H. Mead, Esq., Vice-President for the present year.