

# MUNICIPAL DEBENTURES BOUGHT

MUNICIPALITIES WILL PROFIT  
BY COMMUNICATING WITH US  
WHEN CONTEMPLATING THE  
ISSUE OF DEBENTURES

**C. H. Burgess & Company**  
Traders Bank Bldg. - Toronto, Can.

WM. C. BRENT.

HAROLD BRENT.

## BRENT NOXON & CO.

DOMINION BANK BUILDING,  
TORONTO

DEALERS IN

# MUNICIPAL DEBENTURES

*Highest Market Prices Paid*

*Correspondence Solicited*

### NOTES ON MUNICIPAL FINANCE.

(Continued from Page 360.)

16th year	80,242.59	17,370.42	62,872.17	284,536.24
17th year	80,242.59	14,226.81	66,015.78	218,520.46
18th year	80,242.59	10,926.03	69,316.56	149,203.90
19th year	80,242.59	7,460.20	72,782.39	76,421.51
20th year	80,242.59	3,821.08	76,421.51	Debt paid off

\$1,604,851.80 604,851.80 1,000,000.00

#### Serial Instalment, Table No. 2.

Table illustrating the repayment of a loan of \$1,000,000, with interest at 5 p.c. per annum, in 20 years, according to Serial Instalment Method.

End of	Payment	Interest	Principal	Balance of Principal at end of year
			Original Loan	\$1,000,000.00
1st year	\$81,000	\$50,000	\$31,000	969,000
2nd year	80,450	48,450	32,000	937,000
3rd year	79,850	46,850	33,000	904,000
4th year	79,200	45,200	34,000	870,000
5th year	79,500	43,500	36,000	834,000
6th year	79,700	41,700	38,000	796,000
7th year	79,800	39,800	40,000	756,000
8th year	79,800	37,800	42,000	714,000
9th year	79,700	35,700	44,000	670,000
10th year	79,500	33,500	46,000	624,000
11th year	80,200	31,200	49,000	575,000
12th year	80,750	28,750	52,000	523,000
13th year	81,150	26,150	55,000	468,000
14th year	81,400	23,400	58,000	410,000
15th year	81,500	20,500	61,000	349,000
16th year	81,450	17,450	64,000	285,000
17th year	81,250	14,250	67,000	218,000
18th year	80,900	10,900	70,000	148,000
19th year	80,400	7,400	73,000	75,000
20th year	78,000	3,750	75,000	Debt paid off

\$1,606,250 \$606,250 \$1,000,000

#### Effect on Debt.

By the Annuity or Serial Instalment Method the amount of the debt repaid each year is a definite quantity, and the bonds corresponding thereto are redeemed and cancelled. As a result, the net indebtedness of the municipality at any given time can be determined with accuracy. By the Sinking Fund Method the entire debt and the bonds representing it remain outstanding until the end of the period, and, through the Sinking Fund, the debt is then paid off. The yearly reduction of a debt of any enterprise unquestionably tends to create a much more favorable impression of its financial position than a stationary liability of many years' standing, although there is an increasing asset (the Sinking Fund) to offset it.

#### Elimination of Sinking Fund.

Both Instalment Methods, which provide for the repayment of the debt gradually from year to year as the annual taxes are received, do away with the necessity of establishing a Sinking Fund, the management and conduct of which are always fraught with difficulties, dangers and temptation. The misuse of, the low rate of interest earned on, the failure to efficiently manage, the expense and time involved in administration of and the losses involved in Sinking Funds are thoroughly well known to those versed in municipal finance. Undoubtedly the best Sinking Fund ever devised is the partial payment of the debt year by year.

#### Market Standpoint.

More and more is it becoming recognized that the Instalment Method of repaying loans is the safest, surest and most economical. Bond houses and important investors in bonds, here and in the United States, are showing a preference for issues so made payable. They then have absolute knowledge that the municipality is steadily