

\$60,000 in 1936 and 1937; \$65,000 in 1938 and \$70,000 in 1939. If remaining \$250,000 authorized Series A bonds or bonds of any other series are issued, the sinking fund shall be increased \$1,000 for each \$5,000 of bonds issued. Bonds at face value or at cost to the company, whichever is lower, may be taken by the trustee in lieu of cash for the sinking fund.

*Provisions of Issue:* Remaining \$250,000 Series A bonds authorized, or additional bonds of subsequent series, maturing April 1, 1940, or thereafter, and bearing such rates of interest as may be determined, may not be issued in excess of 65% of cost or fair value, whichever is less, of

permanent betterments or improvements of, or additions to, land, buildings, equipment and plants of the Company, and then only when net earnings as defined in the indenture are 2½ times interest charges on bonds outstanding and to be issued; except that bonds of any subsequent issue may be issued par for par to refund bonds of this or any other series of this issue.

TRUSTEE: First Trust and Savings Bank, Chicago. Commerce Trust Company, Kansas City, Mo., co-trustee. INTEREST PAYABLE: April and October 1 at office of trustee or co-trustee. DENOMINATIONS: Coupon, \$500 and \$1,000, interchangeable. REGISTRATIONS: May be registered as to principal. TAX PROVISIONS: Company pays normal Federal income tax up to 2%.

**SECURED 6½% PURCHASE MONEY NOTES**

Outstanding June 30, 1928 **\$174,000**

*Title of Issue:* Second Mortgage Six and one-half Per Cent Secured Purchase Money Gold Notes.

*Amount Authorized:* \$247,000. *Outstanding June 30, 1928:* \$174,000.

*Date Issued:* April 25th, 1925 (bearing interest from March 1st, 1925). *Date Due:* Serially 74 to 118 Inclusive, September 1st, 1928; 119 to 163 Inclusive, September 1st, 1929; 164 to 193

Inclusive, September 1st, 1930; 194 to 243 Inclusive, September 1st 1931; 244 to 247 Inclusive, September 1st, 1932.

*Security:* Second Mortgage on all fixed property and equipment now owned by the Company.

TRUSTEE: Fidelity National Bank and Trust Company of Kansas City, Mo. INTEREST PAYABLE: March 1st and September 1st. DENOMINATION: \$1,000. TAX PROVISIONS: None.

## Illinois Northern Utilities Company

(Controlled by Middle West Utilities Company.)

ILLINOIS Northern Utilities Company operates in 18 counties in the northwestern part of Illinois. The company serves 96 communities, 93 with electricity and 9 with gas, having an estimated population of 129,000. The company has 41,180 electric customers and 13,370 gas customers.

Freeport, Dixon, Belvidere, Sterling and Mendota are among the communities to which electricity is supplied by the Company.

Capitalization at June 30, 1928:

**CAPITAL STOCK**

Common Stock	\$4,610,000
6% Preferred Stock	3,763,700
\$7 Junior Preferred Stock without par value (8,365 shares)	810,540

**FUNDED DEBT**

First and Refunding 5s of 1957	\$9,136,000
<i>Underlying:</i> Freeport Ry. and Lt. Co. First 5s of 1935	140,000

**COMMON STOCK**

(All owned by Middle West Utilities Company.)

Outstanding June 30, 1928 **\$4,610,000**

Income account for year ending Dec. 31, 1927:	
Gross Earnings	\$3,302,499.88
Operating Expenses and Taxes (Including Retirement Reserve of \$160,143.69)	1,907,279.79
Gross Income	\$1,395,220.90
Interest on Funded Debt	445,517.05
Other Deductions	\$ 949,703.04 42,890.00
Net Income	\$ 906,813.04
Dividends Paid and Accrued:	
On Preferred Stock	225,219.23
On Junior Preferred Stock	\$ 681,593.81 58,537.50
On Common Stock	\$ 623,056.31 356,241.66
Balance Carried to Surplus	\$ 266,814.65
For the twelve months ending June 30, 1928:	
earnings were as follows:	
Gross operating revenues	\$3,390,326.76
Net after taxes, interest and retirement provision	871,962.11