

I pass on now to the accounts of the notable year 1873, when the College was once more thrown upon its own resources. In that year an important change was made in the financial management of the School, which it was hoped would be attended by very beneficial results to both School and College. The Rector took upon himself the entire financial responsibility of the School, agreeing to pay the College as rent for the buildings and furniture \$2,250 a year. This arrangement proved unsatisfactory, and was thrown up by the Rector after a two years' trial.

Well, the accounts for 1873 show a profit of \$609.56, but this year again I find an outlay of capital on the School Building of \$2,409.79. This year again we have invested our profit and \$1,800 more in the School Building. It may be a good investment, but so far it is only outlay.

In January, 1874, the School Building was burnt down; nevertheless the accounts for that year still show a profit of \$609.46.

The accounts for 1875 also exhibit a profit on the year of \$858.70. The profit for the two years 1874 and 1875, amount to \$1,468.16.

Over against this, however, is to be set the following items of expenditure by the College on account of the School in those two years:

Capital expended before the fire in 1874.....	\$ 14 95
Rent of Morris House.....	229 18
Law-suit against do. (? say).....	25 00
Rent of Gamsby House.....	21 00
Rent remitted to Rector on the score of deficiency of accommodation during the period between tearing down of old School-house and taking possession of new.....	1599 00
Books and Stationery do.	861 74
New Furniture for School purchased in 1875*.....	586 77
Expenditure of capital on School repairs, &c., in 1875.....	249 91

Total..... \$3,488 55

That is to say, in the two years, 1874 and 1875, the College expended on the School of its funds, which ought to have been invested, the sum of..... \$3,488 55
The profit for those two years was..... 1,468 16

Thus the excess of expenditure over profit amounts to \$2020 39

* This item is perhaps not properly chargeable to the College; nevertheless I feel quite certain that the College will in the end pay it.