

Due to the fact that the investments, buildings and grounds of the College are included in the accounts of the Royal Institution for the Advancement of Learning, neither the Balance Sheet of that Institution nor the published Balance Sheet of Macdonald College reflects the actual position of the College.

It is, however, worthy of mention that while the capital assets of the College are included with the assets of the Royal Institution, the sums that the University has advanced against the deficits of the College are shown as Accounts Receivable under the headings of "Deferred Charges" and "Advances to Endowed Departments and Colleges."

Your Committee has prepared a Balance Sheet of the College as at 30th June 1934, which is attached to this report as "Exhibit A." This Balance Sheet has been prepared from the audited statements of the University and of the College and shows that the University has advanced \$396,939.16 to the College and has realized a Net Profit of \$143,572.13 on the sale of securities from the College Endowment. The resultant figure of \$253,367.03 represents the Net Advances made by the University.

Exhibit "A" shows that the accumulated deficits to 30th June 1934 amounted to \$231,055.66, which is the net result of the operations of the College since its inception. The deficits on operations for the past five years have been as follows:

1930	\$31,218.17
1931	47,090.19
1932	28,284.29
1933	48,539.39
1934	47,435.44

Considerable economies have been effected during the current year, however, the budget for which shows an Estimated Deficit of \$31,806.00.

These deficits include charges made by the University for interest on advances, which interest is included in the University's income; and also a charge of \$900.00 per annum for technical advice regarding the Power House and other engineering matters. No other charge is made, however, for administrative supervision or investment service.

As per business practice - since the College has no separate legal existence