Presuming that from the above five sources an income of $28,188 is derived, it will be seen that the annual income of the University has been reduced to the extent of $39,562 per annum.

Income and Expenditure.

The General Income Fund is derived from "the fees received for "tuition, examination, degrees, certificates of honor, or otherwise, in the "said University of Toronto, or in University College, or such part thereof "as may be payable into the General Fund thereof, the rents, issues, pro-"fits, interest on lands sold," &c., &c. See cap. 62, sect. 75, Con. Stat.

Tuition fees have never formed any part of the Income Fund. Matriculants in University College being exempted from payment of fees for tuition, and those charged to non-matriculants being assigned as perquisites to the several Professors or Tutors, in addition to their stated salaries. The reasons assigned for the course pursued by the Council of the College, will be found in the answer of the President of University College, to questions 99 and 100, App.

The following concise Statement of Income and Expenditure in each year, since 1853, is taken from the Bursar's Returns Nos. 7 and 9 App.

Year.	Income.	Expenditure.	Excess of Income, "Surplus Income Fund."	Excess of Expenditure.
	$ cts.	$ cts.	$ cts.	$ cts.
1853.	67,076 78	54,928 52	12,148 26	
1854.	52,928 83	49,453 10	13,475 73	
1855.	57,476 91	56,779 93	696 98	
1856.	66,577 22	65,206 24	1,370 98	
1857.	60,132 16	60,917 16	....	785 50
1858.	55,733 97	55,386 25	347 72	
1859.	51,585 53	70,154 89	....	18,569 36
1860.	54,375 31	63,153 27	....	8,777 96
1861.	50,355 16	61,829 11	....	11,473 95
			$28,039 67	$39,606 77

From the above, it will be seen that the Income Fund is inadequate to meet the present scale of expenditure, and that immediate action is needed to prevent a further diminution of the permanent endowment. In the course of the report it will be shown that the expenditure can be considerably reduced without impairing the efficiency of the University or