



THE ASSOCIATES OF THE UNIVERSITY OF
TORONTO, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Members

The Associates of the University of Toronto, Inc.,

We have audited the accompanying financial statements of the Associates of the University of Toronto, Inc. (a New York nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements. Whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Associates of the University of Toronto, Inc. as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Peter Gill CPA, LLC

Hawthorne, New Jersey

June 11, 2021

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

NEW JERSEY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
STATEMENTS OF FINANCIAL POSITION
YEARS ENDED DECEMBER 31, 2020 and 2019**

ASSETS	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,357,143	\$ 744,717
Collections - Gifts in Kind	\$ 3,645	\$ -
	<u>\$ 1,360,788</u>	<u>\$ 744,717</u>
TOTAL ASSETS	<u>\$ 1,360,788</u>	<u>\$ 744,717</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued Expenses	\$ 14,422	\$ 3,148
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 1,264,168	\$ 740,569
Designated by Board for Operating Reserves	\$ 81,198	\$ -
With Donor Restrictions	\$ 1,000	\$ 1,000
	<u>\$ 1,346,366</u>	<u>\$ 741,569</u>
Total Net Assets	<u>\$ 1,346,366</u>	<u>\$ 741,569</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,360,788</u>	<u>\$ 744,717</u>

(See notes to financial statements.)

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 and 2019

CHANGE IN NET ASSETS	<u>2020</u>	<u>2019</u>
Revenue, Support and Gains		
Contributions		
Currency	\$ 2,866,755	\$ 2,162,291
Collections	26,561	15,356
Securities	798,297	1,464,325
Interest	1,660	4,167
	<u> </u>	<u> </u>
Total Revenues, Support and Gains	<u>\$ 3,693,273</u>	<u>\$ 3,646,139</u>
 Expenses and Losses		
Grants for Benefit of the University of Toronto	\$ 3,156,537	\$ 4,314,631
Administrative Expenses	13,137	12,594
	<u> </u>	<u> </u>
Total Expenses and Losses	<u>\$ 3,169,674</u>	<u>\$ 4,327,225</u>
 Change in Net Assets	 523,599	 (681,086)
 Net Assets, Beginning of Year	 741,569	 1,422,655
	<u> </u>	<u> </u>
Net Assets, End of Year	<u>\$ 1,265,168</u>	<u>\$ 741,569</u>

(See notes to financial statements.)

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 and 2019

OPERATING ACTIVITIES	<u>2020</u>	<u>2019</u>
Change in net assets	\$ 523,599	\$ (681,086)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
(Gain)/Loss on Sale of Securities	(1,952)	16,944
Accrued Expenses	11,274	773
Net Cash Provided by (Used For) Operating Activities	<u>532,921</u>	<u>17,717</u>
 INVESTING ACTIVITIES		
Acquisition of Collections	(26,561)	(15,356)
Collections Transferred	22,916	15,356
Securities Contributed	(796,345)	(1,481,268)
Proceeds of Securities Sold	798,297	1,464,325
Designated by Board for Operating Reserves	81,198	-
Net Cash Provided (Used) by Investing Activities	<u>79,505</u>	<u>(16,944)</u>
 Net Change in Cash and Cash Equivalents	612,426	(680,313)
 Cash and Cash Equivalents, Beginning of Year	<u>744,717</u>	<u>1,425,030</u>
 Cash and Cash Equivalents, End of Year	<u><u>\$ 1,357,143</u></u>	<u><u>\$ 744,717</u></u>

(See notes to financial statements)

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 and 2019

Note 1: Nature of Organization and Significant Accounting Policies

The Associates of the University of Toronto, Inc. (the Organization) was organized on January 14, 1947 as a New York, not-for-profit membership corporation and has been granted and maintains a public charity status as defined by the United States Department of the Treasury. The Organization accepts contributions from alumni and friends of the University of Toronto resident in the United States. All grants paid are for the benefit of the University of Toronto.

Basis of Presentation

The accounting principles used in the preparation of the financial statements of the Organization are the generally accepted accounting principles used in the United States. Amounts shown are denominated in U.S. currency.

Support and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. The organization reports gifts of cash and other assets as donor-restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets without donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated Services

A number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs through its Members, Board of Directors, and Executive Committee. The value of this contributed time is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, money market accounts, and commercial paper with maturities of less than 90 days. At year-end and throughout the year, the Organization's cash and cash equivalent balances were deposited in one financial institution. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 and 2019

Note 1: Nature of Organization and Significant Accounting Policies (continued)

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at a high-quality financial institution. The Organization's investments do not represent concentrations of market risk since the Organization's investments are sold upon receipt.

Foreign Currency Translation

Foreign currency assets and liabilities of the Organization's activities are translated into U.S. dollars at the year-end exchange rate. Foreign currency revenues and expenses are translated at the exchange rate in effect on the dates of the related transactions. Foreign currency gains and losses are included in income currently.

Contributions Receivable

Management believes that all contributions receivable are collectable. Accordingly, no allowance has been recorded for uncollectible receivables.

Note 2: Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents and marketable securities approximates fair value of these instruments. The fair value of marketable securities is based on quoted market prices, which is a level one input within the fair value hierarchy.

Note 3: Income Taxes

The Organization is a nonprofit corporation whose revenue is derived from contributions and investment income, and is not subject to federal or state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ended 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

Note 4: Net Assets With Donor Restrictions

Net assets with donor restrictions of \$1,000 are restricted to investments in perpetuity, the income from which is expendable for the operating expenses of the Organization.

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 and 2019

Note 5: Collections

The Organization receives works of art, historical manuscripts and letters, literary works, and other memorabilia which are housed at various libraries of the University of Toronto. Such contributions are recorded at appraised value when received. Collections received are recorded as an asset of the Organization until management authorizes the transfer of ownership to the University of Toronto. Upon transfer of ownership, collections are removed from the assets of the Organization and recorded as grants paid to the University of Toronto.

Note 6: Functional Allocation of Expenses

The expenses of the Organization as shown in the Statement of Activities are allocated as follows:

	<u>2020</u>	<u>2019</u>
Program services	\$ 3,157,718	4,315,631
General and administrative	10,778	10,597
Fundraising	1,178	997

Note 7: Major Contributors

The Organization, from time to time, receives large contributions from various foundations, corporations, and individuals. Contributions from major contributors (\$100,000 or more) represented 79% of total contributions for 2020 and 74% for 2019.

Note 8: Subsequent Events

Management has evaluated subsequent events through June 11, 2021 which is the date the financial statements were issued.

Due to the novel Coronavirus (Covid-19) pandemic, the Associates have been experiencing previously unthought of challenges in how they conduct their business. Management is well aware of the current risks that the pandemic poses to its operations. In reviewing the business strategies as well as the financial impact that the Covid-19 pandemic may have on the current and future operations, we have been assured that business operations will continue into the foreseeable future. The Associates are well equipped to face the challenges that may continue for years.

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 and 2019

Note 9: Liquidity Risk Management

Cash and Cash Equivalents, 12/31/20	1,357,143
2021 Grant Scheduled	<u>(1,315,445)</u>
Financial assets available to meet cash needs for general expenditures	 41,698

The University receives significant contributions from the Associates that are earmarked for certain programs. The University of Toronto meets to review and approve grant requests. Due to this timing, the Associates strive to maintain financial assets available to meet general expenditures at a level that represents 100% of annual expenditures for administrative, general, and fundraising expenses plus an amount that represents the next expected payment for grant commitments approved. The University has provided additional funds to the Associates in an amount which is well above the expected expenditures for the upcoming year. The Associates and the University have a liquidity policy that monitors Cash reserves versus liabilities. During the years ended December 31, 2020 and 2019, the level of liquidity and reserves were managed within policy requirements.

PETER GILL CPA, LLC

625 LAFAYETTE AVENUE

HAWTHORNE, NJ 07506

Tel: (973)-423-4949

PETER GILL CPA

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Board of Directors and Members

The Associates of the University of Toronto, Inc.,

We have audited the financial statements of The Associates of the University of Toronto, Inc., as of and for the years then ended December 31, 2020 and 2019, and have issued our report thereon dated June 11, 2021 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole.

The Schedules of Grants Disbursed and Administrative Expenses for the years then ended December 31 2020 and 2019 and the Schedule of Securities Contributed and Securities Sold for the year ended December 31, 2020 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Peter Gill CPA, LLC

Hawthorne, New Jersey

June 11, 2021

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
SCHEDULE OF GRANTS DISBURSED
YEARS ENDED DECEMBER 31, 2020 AND 2019

GRANT RECIPIENT	2020	2019
Grant Recipient		
Cash Grants:		
Faculty of Medicine	\$ 1,471,966	\$ 254,650
University of Toronto Schools	\$ 431,466	\$ 1,708,630
Faculty of Arts and Sciences	\$ 396,826	\$ 243,379
Faculty of Law	\$ 218,811	\$ 18,425
University of Toronto Scarborough	\$ 116,200	\$ 65,437
Innis College	\$ 100,250	\$ 100
University of Toronto Mississauga	\$ 70,290	\$ -
Faculty of Applied Science and Engineering	\$ 59,850	\$ 176,417
Faculty of Music	\$ 54,665	\$ 27,500
Faculty of Kinesiology and Physical Education	\$ 50,650	\$ 53,796
Faculty of Architecture, Landscape and Design	\$ 48,300	\$ 19,500
St. Michael's College	\$ 28,069	\$ 644,200
General University Fund	\$ 18,638	\$ 24,072
Student Awards	\$ 16,241	\$ -
Rotman Commerce	\$ 14,120	\$ 1,500
Faculty of Social Work	\$ 10,000	\$ 6,394
Victoria College	\$ 9,822	\$ 8,832
Other Grants Under - \$5,000	\$ 8,896	\$ 7,556
Trinity College	\$ 8,561	\$ 910,773
University College	\$ -	\$ 73,114
Library	\$ -	\$ 30,000
Faculty of Forestry	\$ -	\$ 25,000
Total Cash Grants	\$ 3,133,621	\$ 4,299,276
Gifts in Kind:		
Gifts to Fisher Rare Book Library	\$ 22,916	\$ 15,356
Total Gifts in Kind	\$ 22,916	\$ 15,356
Total Grants:	\$ 3,156,537	\$ 4,314,632

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
SCHEDULE OF ADMINISTRATIVE EXPENSES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Accounting and Auditing Fees	\$ 9,600	\$ 9,600
Administrative Fee to University of Toronto	2,317	1,955
Meetings Expense	683	644
Filing Fees	275	275
Bank fees	262	120
Total Administrative Expenses	<u>\$ 13,137</u>	<u>\$ 12,594</u>

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
SCHEDULE OF SECURITIES CONTRIBUTED AND SOLD
YEAR ENDED DECEMBER 31, 2020

<u>DESCRIPTION</u>	<u>DATE ACQUIRED</u>	<u>DATE SOLD</u>	<u>ASSIGNED VALUE</u>	<u>PROCEEDS FROM SALE</u>	<u>GAIN (LOSS) ON SALE</u>
DAVID L WRIGHT	5/4/2020	5/14/2020	\$ 187,910	\$ 191,961	\$ 4,051
PAUL CADARIO	7/14/2020	8/20/2020	\$ 222,051	\$ 222,373	\$ 322
PAUL CADARIO	7/14/2020	8/20/2020	\$ 75,202	\$ 76,167	\$ 965
LAURENCE S GRAFSTEIN	11/20/2020	11/23/2020	\$ 191,509	\$ 190,533	\$ (976)
ANONYMOUS	11/18/2020	12/11/2020	\$ 76,779	\$ 76,279	\$ (500)
LAUREN WU	9/20/2020	1/29/2020	\$ 26,961	\$ 25,013	\$ (1,948)
LAUREN WU	10/16/2020	1/29/2021	\$ 15,933	\$ 15,971	\$ 38
TOTALS			<u>\$ 796,345</u>	<u>\$ 798,297</u>	<u>\$ 1,952</u>