



THE ASSOCIATES OF THE UNIVERSITY OF
TORONTO, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

**Board of Directors and Members
of The Associates of the University of Toronto, Inc.
58 West 84th Street,
New York, NY 10024**

Opinion

We have audited the accompanying financial statements of The Associates of the University of Toronto, Inc. (a New York nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Associates of the University of Toronto, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Associates of the University of Toronto, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Associates of the University of Toronto, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Associates of the University of Toronto, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Peter Gill CPA, LLC

Hawthorne, NJ

June 17, 2024

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
STATEMENT OF FINANCIAL POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022

ASSETS	<u>2023</u>	<u>2022</u>
Current Assets		
Cash and Cash Equivalents	\$ 501,965	\$ 402,221
Collections - Gifts in Kind	1,822	407,956
	<u>\$ 503,787</u>	<u>\$ 810,177</u>
Total Current Assets	<u>\$ 503,787</u>	<u>\$ 810,177</u>
TOTAL ASSETS	<u>\$ 503,787</u>	<u>\$ 810,177</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued Expenses	\$ 2,602	\$ 2,301
Net Assets		
Without Donor Restrictions		
Undesignated	\$ 418,987	\$ 725,678
With Donor Restrictions	1,000	1,000
	<u>\$ 419,987</u>	<u>\$ 726,678</u>
Net Assets, End of Year	<u>\$ 419,987</u>	<u>\$ 726,678</u>
Designated by Board for Operating Reserves	\$ 81,198	\$ 81,198
	<u>\$ 501,185</u>	<u>\$ 807,876</u>
Total Net Assets	<u>\$ 501,185</u>	<u>\$ 807,876</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 503,787</u>	<u>\$ 810,177</u>

(See notes to financial statements)

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

CHANGE IN NET ASSETS	<u>2023</u>	<u>2022</u>
Revenue, Support and Gains		
Contributions		
Currency	\$ 2,446,812	\$ 1,739,684
Collections	1,822	407,956
Securities	466,522	104,575
Interest	8,320	1,420
	<u> </u>	<u> </u>
Total Revenues, Support and Gains	<u>\$ 2,923,476</u>	<u>\$ 2,253,635</u>
 Functional Expenses and Losses		
Grants for Benefit of the University of Toronto	\$ 3,217,436	\$ 3,267,823
Administrative Expenses	12,731	12,104
	<u> </u>	<u> </u>
Total Functional Expenses and Losses	<u>\$ 3,230,167</u>	<u>\$ 3,279,927</u>
 Change in Net Assets	 (306,691)	 (1,026,292)
 Net Assets, Beginning of Year	 726,678	 1,752,970
	<u> </u>	<u> </u>
Net Assets, End of Year	<u>\$ 419,987</u>	<u>\$ 726,678</u>

(See notes to financial statements)

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

OPERATING ACTIVITIES	<u>2023</u>	<u>2022</u>
Change in net assets	\$ (306,691)	\$ (1,026,292)
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
(Gain)/Loss on Sale of Securities	(142)	(1,779)
Accrued Expenses	301	(9,797)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (306,532)</u>	<u>(1,037,868)</u>
 INVESTING ACTIVITIES		
Acquisition of Collections	\$ (1,822)	\$ (407,956)
Collections Transferred	407,956	
Securities Contributed	(466,380)	(102,796)
Proceeds of Securities Sold	466,522	104,575
Designated by Board for Operating Reserves		
Net Cash Provided (Used) by Investing Activities	<u>\$ 406,276</u>	<u>\$ (406,177)</u>
 Net Change in Cash and Cash Equivalents	99,744	(1,444,045)
 Cash and Cash Equivalents, Beginning of Year	<u>402,221</u>	<u>1,846,266</u>
 Cash and Cash Equivalents, End of Year	<u>\$ 501,965</u>	<u>\$ 402,221</u>

(See notes to financial statements)

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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 (The University) resident in the United States. All grants paid through the Organization are a transfer of assets for the benefit of the University of Toronto, which is a related party of the Organization. As a related party, the University ultimately determines the grant distribution.

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, savings, money market accounts. 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. See note on Concentrations of Credit and Market Risk.

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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. The FDIC provides insurance coverage of \$250,000 per depositor, per insured bank, for each account ownership category. Cash balances for one account exceeded the FDIC insured limit by \$35,223 at December 31, 2023. Management is aware of FDIC limits.

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 2021, 2022, and 2023 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, 2023 AND 2022

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>2023</u>	<u>2022</u>
Program services	\$ 3,218,480	3,268,657
General and administrative	10,644	10,435
Fundraising	1,043	835

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 57% of total contributions for 2023 and 69% for 2022.

Note 8: Subsequent Events

Management has evaluated subsequent events through June 17, 2024 which is the date the financial statements were issued, and determined that there have been no events that occurred that would require adjustments to our disclosures in the financial statements.

Note 9: Liquidity Risk Management

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. At the time that the first grant was sent out in 2024, The Associates had more than enough financial assets available to meet the financial requirements of the grant transfer. The University has also 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, 2023 and 2022, the level of liquidity and reserves were managed within policy requirements. This is initially recorded at fair value. It is not subsequently revalued and continues to be carried at this value, which represents cost, net of any provisions for impairment.

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INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Board of Directors and Members

The Associates of the University of Toronto, Inc.

58 West 84th Street,

New York, NY 10024

We have audited the accompanying financial statements of The Associates of the University of Toronto, Inc., as of and for the years then ended December 31, 2023 and 2022, and have issued our report thereon dated June 17, 2024 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, 2023 and 2022, and the Schedule of Securities Contributed and Securities Sold for the year ended December 31, 2023 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 17, 2024

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
SCHEDULE OF GRANTS DISBURSED
YEARS ENDED DECEMBER 31, 2023 AND 2022

GRANT RECIPIENT	2023	2022
Grant Recipient		
Cash Grants:		
Woodsworth College	\$ 761,680	\$ -
Faculty of Medicine	\$ 525,100	\$ 37,200
Faculty of Applied Science and Engineering	\$ 403,280	\$ 185,310
Wycliffe College	\$ 393,544	\$ 999,075
Faculty of Arts and Sciences	\$ 198,202	\$ 1,120,764
Faculty of Law	\$ 169,221	\$ 259,925
Faculty of Music	\$ 54,700	\$ 51,500
St. Michael's College	\$ 54,387	\$ 56,517
Victoria College	\$ 53,530	\$ 55,280
Faculty of Social Work	\$ 50,000	\$ -
Trinity College	\$ 32,200	\$ 8,638
University of Toronto Schools	\$ 28,650	\$ 273,800
Student Awards	\$ 25,000	\$ -
President's Fund	\$ 15,786	\$ 16,047
Landmark Project	\$ 11,050	\$ -
Faculty of Kinesiology and Physical Education	\$ 6,000	\$ -
University of Toronto Scarborough	\$ 5,615	\$ 23,150
New College	\$ 5,000	\$ -
University of Toronto Mississauga	\$ 5,000	\$ 10,000
University College	\$ 3,182	\$ 5,000
Faculty of Architecture, Landscape and Design	\$ 3,000	\$ 47,000
Rotman Commerce	\$ 2,500	\$ 5,000
Innis College	\$ 100	\$ 7,250
Rotman School of Management	\$ 55	\$ 47,530
Faculty of Dentistry	\$ -	\$ 35,000
General University Fund	\$ -	\$ 14,787
Other Grants Under - \$5,000	\$ 2,700	\$ 9,050
Total Cash Grants	\$ 2,809,480	\$ 3,267,823
Gifts in Kind:		
Gifts to Fisher Rare Book Library	\$ 407,956	
Total Gifts in Kind	\$ 407,956	\$ -
Total Grants:	\$ 3,217,436	\$ 3,267,823

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
SCHEDULE OF ADMINISTRATIVE EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Accounting and Auditing Fees	\$ 9,600	\$ 9,600
Administrative Fee to University of Toronto	2,553	2,026
Meetings Expense		
Filing Fees	275	275
Bank fees	303	203
Total Administrative Expenses	<u>\$ 12,731</u>	<u>\$ 12,104</u>

THE ASSOCIATES OF THE UNIVERSITY OF TORONTO, INC.
SCHEDULE OF SECURITIES CONTRIBUTED AND SOLD
YEAR ENDED DECEMBER 31, 2023

<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>
Anonymous - 1000111200	2/1/2023	2/15/2023	\$ 27,501	\$ 27,408	\$ (93)
Elizabeth McColl	2/23/2023	2/28/2023	\$ 353,425	\$ 353,558	\$ 133
Elizabeth McColl	2/27/2023	3/15/2023	\$ 10,019	\$ 9,985	\$ (34)
Anonymous 30 - 9000461548	11/29/2023	12/15/2023	\$ 35,343	\$ 35,454	\$ 111
Anonymous 30 - 9000461548	11/29/2023	12/15/2023	\$ 40,092	\$ 40,117	\$ 25
TOTALS			<u>\$ 466,380</u>	<u>\$ 466,522</u>	<u>\$ 142</u>