

Financial Statements

**The Atkinson Charitable Foundation**

December 31, 2004

## AUDITORS' REPORT

To the Trustees of  
**The Atkinson Charitable Foundation**

We have audited the balance sheet of **The Atkinson Charitable Foundation** as at December 31, 2004 and the statements of income fund, capital fund and the Atkinson Fellowship in Public Policy fund for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with accounting practices prescribed by the Surrogate Court of the County of York as set out in note 2 to the financial statements.

*Ernst + Young LLP*

Toronto, Canada,  
May 12, 2005.

Chartered Accountants

**The Atkinson Charitable Foundation**

**BALANCE SHEET**

As at December 31

	2004	2003
	\$	\$
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<b>ASSETS</b>		
Cash	191,537	420,803
Investments, at cost [note 4]	51,937,342	48,928,742
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	52,128,879	49,349,545
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<b>FUND BALANCES</b>		
Income fund	6,767,007	7,756,172
Capital fund	45,354,667	41,578,001
The Atkinson Fellowship in Public Policy fund	7,205	15,372
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	52,128,879	49,349,545
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*See accompanying notes*

On behalf of the Trustees:

Trustee

Trustee

**The Atkinson Charitable Foundation**

**STATEMENT OF INCOME FUND**

Year ended December 31

	2004	2003
	\$	\$
<b>RECEIPTS</b>		
Interest on bonds	1,071,674	1,201,128
Dividends	391,501	578,612
Interest on cash and short-term investments	3,174	5,453
	<b>1,466,349</b>	1,785,193
Amount received from private estates, individuals and other entities	<b>358,140</b>	166,261
	<b>1,824,489</b>	1,951,454
<b>DISBURSEMENTS</b>		
General and administrative	237,907	209,329
Investment management	127,793	108,719
Grants program		
Program development	445,658	385,266
Grants paid	1,977,296	2,102,599
Grants paid to The Atkinson Fellowship in Public Policy fund	25,000	50,000
	<b>2,813,654</b>	2,855,913
<b>Deficiency of receipts over disbursements for the year</b>	<b>(989,165)</b>	(904,459)
Income fund balance, beginning of year	7,756,172	8,660,631
<b>Income fund balance, end of year</b>	<b>6,767,007</b>	7,756,172

*See accompanying notes*

**The Atkinson Charitable Foundation**

**STATEMENT OF CAPITAL FUND**

Year ended December 31

	<b>2004</b>	<b>2003</b>
	\$	\$
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<b>RECEIPTS</b>		
Gain on sale of investments	<b>3,776,666</b>	360,180
<b>Receipts for the year</b>	<b>3,776,666</b>	360,180
Capital fund balance, beginning of year	<b>41,578,001</b>	41,217,821
<b>Capital fund balance, end of year</b>	<b>45,354,667</b>	41,578,001

*See accompanying notes*

The Atkinson Charitable Foundation

**STATEMENT OF THE ATKINSON FELLOWSHIP  
IN PUBLIC POLICY FUND**

Year ended December 31

	2004	2003
	\$	\$
<b>RECEIPTS</b>		
Sponsors	100,000	100,000
Grants received from the income fund	25,000	50,000
	<b>125,000</b>	150,000
<b>DISBURSEMENTS</b>		
Printing and publishing	8,367	2,868
General	25,533	27,105
	<b>33,900</b>	29,973
Income before payments made to Fellowship recipients	91,100	120,027
Stipends	(84,000)	(90,000)
Reimbursed expenses	(15,267)	(19,026)
<b>Excess (deficiency) of receipts over disbursements and reimbursements for the year</b>	<b>(8,167)</b>	11,001
Fund balance, beginning of year	15,372	4,371
<b>Fund balance, end of year</b>	<b>7,205</b>	15,372

*See accompanying notes*

# The Atkinson Charitable Foundation

## NOTES TO FINANCIAL STATEMENTS

December 31, 2004

### 1. PURPOSE OF FOUNDATION

The Atkinson Charitable Foundation [the "Foundation"] was incorporated as a not-for-profit organization under the laws of the Province of Ontario in 1942. The mission of the Foundation is to promote social and economic justice in the tradition of its founder, Joseph E. Atkinson.

### 2. ACCOUNTING PRACTICES

The financial statements of the Foundation reflect accounting practices prescribed by the Surrogate Court of the County of York. In accordance with these accounting practices, receipts and disbursements are accounted for on a cash basis. Investments are carried at historic cost if purchased, or market value at the date of acquisition if acquired by gift.

If these financial statements had been prepared in accordance with Canadian generally accepted accounting principles, receipts and disbursements would have been accounted for on an accrual basis.

All gains and losses on the sale of investments are recorded in the capital fund. All other investment income is recorded in the income fund.

### 3. THE ATKINSON FELLOWSHIP IN PUBLIC POLICY

In 1988, The Atkinson Fellowship in Public Policy [the "Fellowship"] was established. It is designed to further the tradition of liberal journalism in Canada begun by the late Joseph E. Atkinson, founder of The Toronto Star. Recipients have been:

1988	Ann Pappert	1997	Scott Simmie
1989	Paul McKay	1998	Frances Bula
1990	Dan Smith and Andrew Nikiforuk	1999	Alison Griffiths and David Cruise
1991	Daniel Stoffman and Linda McQuaig	2000	Linda Goyette
1992	Marci McDonald	2001	Margaret Philp and Patti Gower
1993	Anne Mullens	2002	Ann Rees
1994	Sandra Martin and Miville Tremblay	2003	Andrew Duffy
1995	Lois Sweet	2004	Ann Silversides
1996	Lisa Priest and Andre Picard		

The Atkinson Charitable Foundation

NOTES TO FINANCIAL STATEMENTS

December 31, 2004

4. INVESTMENTS

Investments consist of the following as at December 31:

	2004	
	Book value \$	Market value \$
<b>Short-term investments</b>	<b>373,186</b>	<b>373,186</b>
<b>Canadian bond pooled funds</b>	<b>17,201,155</b>	<b>16,756,540</b>
<b>Canadian equities</b>	<b>17,120,626</b>	<b>18,965,684</b>
<b>Foreign equity pooled funds</b>	<b>17,242,375</b>	<b>20,474,324</b>
	<b>51,937,342</b>	<b>56,569,734</b>
	2003	
	Book value \$	Market value \$
<b>Short-term investments</b>	<b>1,122</b>	<b>1,122</b>
<b>Canadian bond pooled funds</b>	<b>18,450,874</b>	<b>17,962,435</b>
<b>Canadian equities</b>		
Common shares	1,321,669	2,735,071
Pooled funds	11,717,435	14,152,072
	<b>13,039,104</b>	<b>16,887,143</b>
<b>Foreign equity pooled funds</b>	<b>17,437,642</b>	<b>19,218,976</b>
	<b>48,928,742</b>	<b>54,069,676</b>

**The Atkinson Charitable Foundation**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2004

**5. INCOME TAX STATUS**

The Foundation is registered as a private foundation under the Income Tax Act (Canada) and while registered is exempt from income taxes. As part of maintaining its registration, the Foundation must meet a disbursement quota set by Canada Revenue Agency regulations. The Foundation has met this requirement in 2004.

**6. STATEMENT OF CASH FLOWS**

A separate statement of cash flows has not been presented since cash flows from operating, investing and financing activities are readily apparent from the other financial statements.