

The future has never been more uncertain, but that's not all bad news. This moment could belong to those who want to articulate something that is . . . local, durable, human, imaginative, inclusive, and open to ongoing improvisation, rather than locked in place as a fixed ideology. The moment is ours to seize.

Rebecca Solnit



Several years ago, an Inter Pares staff member had the opportunity to participate in a biodiversity festival in Andhra Pradesh, India, organized by the Deccan Development Society. It was an extraordinary sight. The festival was comprised of women farmers who walked from village to village, accompanied by a procession of carts pulled by oxen garlanded with flowers. The carts, decorated with sheaves of grain, flowers, and colourful fabrics, carried baskets of seed varieties the women saved and used in the growing season. The women sang and danced, proudly displaying the rich biodiversity that is the foundation of their agriculture. When the procession ended, colourful clay pots with seeds were arranged in rows, and an oil lamp ceremonially lit in front of each row. The women sang prayers to seek the blessing of the Lord of Food and Farming.

These women know that diversity is at the root and the heart of life. And through their work on their farms and in their villages, they are doing what Rebecca Solnit describes as “local, durable, human, and imaginative.” They are devising their own solutions to meet their food security needs.

As we emerge from the first decade of the 21st century, the need for imaginative and durable solutions has never been more apparent. Violent conflict continues in places such as the Middle East, Iraq, Burma, and Afghanistan, destroying the lives of millions. The economic crisis has demonstrated the urgent need for fundamental reform of the global financial system. Speculation in the world's food markets has helped push food prices beyond the reach of millions of people. In Copenhagen, world leaders were unable to reach a consensus on a binding climate change treaty, leaving the poor in both the North and South more vulnerable.

It is these political and policy failures that are opening up spaces for people to take control over their own lives, to invent new ways forward and imagine new futures. People around the world are challenging the old nostrums of how the world works. They are rejecting the notion that economic growth will eradicate poverty, that corporations will solve food insecurity, that the market is the best mechanism for allocating resources and privilege, or that technological fixes will alleviate climate change. They know the problems of the world will never be solved by top-down solutions devised in Washington or London. They understand there can be no peace without justice, and that the crimes of the past cannot be extinguished from memory.

On the cusp of a new decade, these voices for change are speaking out. People are protesting that Northern governments have chosen to reinvest in the International Monetary Fund whose lending policies have wreaked havoc on Southern economies. People are speaking out against ‘land grabbing,’ in which foreign countries lease large land areas in other countries to meet their own domestic food needs. People are resisting corporate control over food production. And people are demanding more effective forms of international collaboration to address global problems such as climate change.

Inter Pares' thirty-five year history has reinforced our belief in diverse and multiple solutions, and in locally rooted responses to poverty, oppression and injustice. There is no panacea to the world's problems; no single solution to hunger, oppression, environmental pillage. In fact, there are *many*. There are solutions in the strong women who farm the fields of Andhra Pradesh, preserving and celebrating their biodiversity. There are solutions in the backpack health workers who provide health services to displaced communities in Burma. There are solutions in the human rights workers from Chiapas who, despite death threats and assault, are bearing witness in the face of extreme danger. There are solutions in the Ghanaian men and women who insist on transparency in the trade and resource extraction agreements between their government and Northern interests.

In this *Annual Report*, we provide a glimpse of how Inter Pares and our counterparts are seizing the moment, how together we are resisting the imposition of top-down political and economic monocultures, and creating solutions that begin with those most affected.

We invite you to read our report, and to join us in seizing this moment.



DECCAN DEVELOPMENT SOCIETY, INDIA



ANNA PASKAL

## Daring to speak the truth

In Mexico, the southern state of Chiapas is a war zone. Through checkpoints, raids, arrests, and harassment, the army and paramilitary groups have terrorized indigenous communities for sixteen years. This low-intensity counterinsurgency war has been justified as a “war on drugs” and on organized crime, opening the way for paramilitary groups to attack with impunity communities who dare speak out against the violence.

Inter Pares counterpart Fray Bartolomé de las Casas Human Rights Centre (FrayBa) works to expose these terror strategies and human rights violations. This past year, working closely with indigenous communities throughout Chiapas, FrayBa produced a “Calendar of Infamy” which documents, month by month, major incidents of human rights violations and the justice that has, or has not, been served in these cases. The calendar highlights crimes against humanity and human rights violations, particularly where the state itself is implicated, and draws attention to the hard-won victories of community groups who have been fighting for justice.

In Burma, Inter Pares counterpart Shan Herald Agency for News (SHAN) is also exposing state complicity in criminal activity, in particular, the military junta’s role in the illicit drug trade – the cultivation, production, and distribution of opium, heroin, and amphetamines. In June 2009, despite the risks of exposing this intricate web of state collusion, SHAN produced its fifth *Shan Drug Watch* publication.

SHAN’s 2009 publication evaluates the first decade of the Burmese regime’s fifteen-year drug plan to eradicate all drug cultivation and production by 2014. This analysis clearly demonstrates that the junta has consistently overstated the extent of the drug trade in order to claim a higher success rate in its eradication program. While official records show numerous regions with drastically reduced drug production, in reality the last ten years have seen poppy cultivation and production shifting location and increasing. The UN Office on Drugs and Crimes has also been forced to admit that their own data on Burma’s drug trade, which was aligned with the regime’s official statistics, had been incorrect. By exposing the regime’s misrepresentation of data and its manipulation of international bodies to cover up its involvement in illegal drug production, SHAN’s work is helping undermine the illegal regime.

## Cultivating diversity

Farmers have always saved seeds at harvest time for the next planting season. These seeds, selected over generations, are adapted to local growing conditions, allowing farmers to cope with changing climatic conditions and pest outbreaks.

For these reasons, farmers are resisting pressure from governments and multinational companies to use genetically modified (GM) seeds, which increases costs, threatens biodiversity, and heightens crop vulnerability. In West Africa, the Coalition for the Protection of African Genetic Heritage (COPAGEN) represents millions of small-scale farmers and is involved in educating farmers, urban communities, and politicians about the consequences of genetic engineering in agriculture. This work is leading to positive results. The government of Benin, for example, recently renewed a five-year moratorium on the introduction of genetically modified crops.

In Canada, a national biotechnology strategy created in 1983 promised greater crop yields, reduced pesticide use, and better returns for farmers. Three decades later, these promises remain unfulfilled. Farmers are more dependent on expensive seeds and chemicals, pesticide use is at an all-time high, and farm incomes remain low. Last December, Devlin Kuyek, advisor to the Canadian Biotechnology Action Network (CBAN), testified before the Standing Committee on Agriculture and Agrifoods. Devlin noted that a deliberate policy shift has converted a formerly public seed system to a private one under the control of a very small number of corporations, most of them pesticide companies outside of Canada. This policy shift has meant a decrease in public plant breeding programs, and the introduction of corporate patents on seeds, making it difficult or impossible for farmers to save their own seeds.

CBAN brings farmers, scientists, and social justice activists together to educate the public and decision-makers about these issues. CBAN is calling for greater transparency and public accountability over food and agriculture policies. Recently, Inter Pares, CBAN and other Canadian groups launched the People’s Food Policy Project to provide a forum for Canadians to discuss problems in our national food system and develop a proposal for a national food policy.

To learn more:

[www.cban.ca](http://www.cban.ca) and [www.peoplesfoodpolicy.ca](http://www.peoplesfoodpolicy.ca).



MOYSES ZÚNIGA



REBECCA WOLSKA

# Innovation for change

*Inter Pares works in collaboration with social justice organizations in Asia, Africa, Latin America, and Canada. We provide financial, organizational, and political assistance to our counterparts to address the root causes of poverty, injustice, and conflict in their communities and societies.*

*Social change work requires imagination, patience, and perseverance. Often this work requires courage, because powerful interests resist change, sometimes with repression and violence.*

*This Annual Report provides a few examples of what we and our counterparts have achieved with the support of Canadians. For more information about our program, please see [www.interpares.ca](http://www.interpares.ca).*



REBECCA WOLSKA

## A collective vision of economic justice

Colombia's 1991 Constitution enshrines the collective rights of indigenous and afro-Colombian communities to land and territory. The presence of armed actors, however, often prevents communities from exercising these rights. In addition, their resource-rich lands are coveted by the Colombian government, armed actors, and multinational companies. Sixty-five percent of the mining concessions granted in Colombia, many to Canadian companies, are located on ancestral lands. While the Constitution and international treaties signed by Colombia decree that indigenous people and afro-Colombians must be consulted prior to the exploration or exploitation of resources on their land, this rarely happens. The lack of consultation and respect for local decision-making jeopardizes the communities' autonomy and control over their resources.

In 2009, the Process of Black Communities (PCN) and the National Indigenous Organization of Colombia (ONIC) raised concerns with the Canadian government while Parliament was debating legislation for a new trade agreement with Colombia. In letters to Canadian parliamentarians, ONIC, PCN, and others expressed fears that increased investment in or near their territories would have serious negative impacts given this context. They urged Canadian decision-makers to ensure that strong regulations and consultations with rural people be mandatory for Canadian companies operating in Colombia.

Over the last two years, Inter Pares facilitated a research project on Canadian companies operating resource extraction projects in Colombia and the human rights risks inherent in their activities. The report concluded that there is a high risk that companies may inadvertently benefit from human rights violations, or that those responsible for human rights violations may benefit from the investment. This report was presented in 2009 to Canadian parliamentarians to assist in framing the deliberations about the Canada-Colombia trade agreement.

Indigenous people and afro-Colombian communities are asserting their right to protect their territories and decide how to use their resources. This is often misinterpreted as backward. In fact, they are asserting their collective vision of economic justice based on a diversity of considerations: environmental sustainability, respect for their traditions and livelihoods, and maintaining control over their own resources.

*Inter Pares' report on Canadian extractive industry investment in Colombia Land and Conflict is available at [www.interpares.ca/en/publications/pdf/Land\\_and\\_Conflict.pdf](http://www.interpares.ca/en/publications/pdf/Land_and_Conflict.pdf).*



ERIC CHARBETTE

## Communities creating their own solutions

In 2009, Inter Pares continued to support Nijera Kori's work with 800,000 landless people in rural Bangladesh. Nijera Kori provides organizing assistance and training to help poor women and men to collectively bargain for better wages, to demand health, education, and other services from government, and to protect their rights to communal resources.

The results of Nijera Kori's work are remarkable. People who participate in Nijera Kori's program have improved their livelihoods and gained access to resources such as common land and bodies of water. Their children, especially girls, are far more likely to attend school. There has been a marked decline in teenage marriage. Women participants report enhanced decision-making roles in the household and in the community. And in some villages, women participants have been elected to local government positions.

Nijera Kori's work demonstrates what can be achieved by organizing the poorest and most vulnerable people so that they can improve their lives.

For impoverished people living in the squatter areas of Metro Manila in the Philippines, conditions are abysmal. There is no sanitation, and little access to water and electricity. Health services are non-existent. Children suffer the diseases of poverty; for women, pregnancy can be dangerous.

Fifteen years ago, these conditions led two young women physicians to create a community health program, called Likhaan, in several areas of Metro Manila. Likhaan trained local women to become community health promoters, and established health surveillance systems to monitor health needs. Small clinics were set up so that health promoters could deal with family planning, pregnancies, and common childhood diseases. Communities mobilized to campaign for better public funding of health services. With support from Inter Pares in 2009, several communities created ten new health insurance circles to support members in the event of health emergencies.

Likhaan has shown that when communities are provided appropriate support, they can take greater control of their own health needs.



CP (JONATHAN HAYWARD)

## Women bearing witness

This past year, Inter Pares staff member Rebecca Wolsak testified before the Canadian Senate's Standing Committee on Human Rights, which was conducting a study on Canada's implementation of UN Security Council Resolutions 1325 and 1820. These resolutions address the impact of war on women and the importance of including women in peace building processes, and condemn the use of rape as a weapon of war, categorizing it as a crime against humanity. In Burma, as in many other regions affected by armed conflict, sexual violence is used to terrorize communities and destroy the social fabric. Rebecca spoke about the work of the Women's League of Burma (WLB) and its member organizations documenting the use of rape by the Burmese military and providing support to women survivors.

Rebecca's testimony focused on the impunity that continues to exist for these crimes, and the need for the international community – including the Canadian government and the UN – to use international mechanisms to enforce the provisions of Resolutions 1325 and 1820. She spoke of the need for comprehensive, long-term, and grassroots initiatives which promote women's full autonomy and control over their lives.

In Guatemala, where rape was also used pervasively during the armed conflict, Inter Pares counterparts have been working with women survivors towards these same goals. In addition to appealing to national and international mechanisms to seek justice for crimes of sexual violence, women's organizations are working with survivors to define their own concepts of justice.

The National Union of Guatemalan Women (UNAMG), the Community Studies and Psychosocial Action Team (ECAP), and Agents for Change organized a Tribunal of Conscience this year where survivors of sexual violence testified before judges about their experiences. The Tribunal offered an alternative to the formal justice that has been so elusive, but was conducted according to the standards of a court of law so that the testimony collected and judgments made can be used in future legal cases. The Tribunal was a historic moment that made public the experiences of women during the war and increased pressure on the state to fulfill its obligations to provide justice and reparations

To read Rebecca's testimony before the Senate Committee on Human Rights, [www.interpares.ca/en/publications/reportsandpresentations.php#violence](http://www.interpares.ca/en/publications/reportsandpresentations.php#violence).



ERIC CHAURETTE

## What is Inter Pares?

Inter Pares is a Canadian social justice organization working in Canada and around the world to create understanding about the causes and effects of poverty and injustice, and to support actions that lead to positive social and economic change.

Inter Pares collaborates with social change organizations that share our analysis that poverty and injustice are caused by inequalities within and between nations, and who are working to promote social and economic justice in their communities and societies.

Inter Pares – the name means “among equals” – was founded in 1975 to practice a new form of international cooperation, conceived not as charity but as profound solidarity. Inter Pares’ work is grounded in the belief that we and our counterparts are equals, working in common cause to confront injustice and to promote more sustainable models of human community and interaction in the world we share. The name Inter Pares also describes how we work internally. Inter Pares staff form a cooperative management team working on the principle of parity – parity of salary and parity of responsibility.

Inter Pares is a registered Canadian charity supported through the generous donations of almost 8,000 Canadians. In our approach to the public, rather than spending resources on large fundraising campaigns, we have chosen to develop a solid core of committed supporters over time. This strategy has not made Inter Pares a household name, but reflects the type of commitment our supporters and counterparts expect of us.

## Staff in 2009

- Caroline Boudreau • David Bruer • Karen Cocq
- Eric Chaurette • Elaine Edwards • Nadia Faucher
- Peter Gillespie • Rachel Gouin • Erum Hasan
- Molly Kane • Samantha McGavin • Rita Morbia
- Marie José Morrissette • Laura O’Neill
- Karen Seabrooke • Jean Symes • Sheila Whyte
- Rebecca Wolsak • Anne-Marie Zilliagus

## Board in 2009

**Caroline Andrew** is the Director of the Centre of Governance at the School of Political Studies, University of Ottawa.

**David Austin** is a community worker in Montréal.

**Suzie Boulanger** is the coordinator of the *Groupe de recherche sur les activités minières en Afrique* at the *Université du Québec à Montréal*.

**Amanda Dale** is a trusted consultant to the non-profit and women’s rights sector, currently studying for her Masters in International Human Rights Law at Oxford University.

**Agathe Gaulin** is an adult educator and a consultant in community and organizational development from Comox, B.C.

**Nathan Gilbert** is the Executive Director of the Laidlaw Foundation in Toronto.

**Mireille Landry** is program coordinator at the Institute in Management and Community Development, Concordia University, Montréal.

**Amarkai Laryea** is a labour activist and lawyer working with the union Public Service Alliance of Canada, Ottawa.

**Tamara Levine, Chair**, is an adult educator and labour activist in Ottawa.

**Shree Mulay** is a women’s health activist and professor at Memorial University, Newfoundland.

**Roxana Ng** is a sociologist at the University of Toronto.

**Marie-Claude Rioux** is a community activist and the Executive Director of the *Association des juristes d’expression française de la Nouvelle-Écosse*, Halifax.

**Delyse Sylvester** is a fundraising consultant living in Nelson, B.C.

**Sari Tudiver** is a researcher and policy analyst on women’s health issues, Ottawa.

**Bill Van Iterson, Treasurer**, is an advisor on economic development and management issues.

## Inter Pares’ supporters

Inter Pares’ social justice work is an expression of values shared by most Canadians – of one standard of dignity and equality for all, of international cooperation and solidarity. For thirty-five years, thousands of Canadians have expressed these values through financial contributions to Inter Pares. Without this support, our work would not be possible.

The generosity of Inter Pares’ supporters extends beyond immediate financial assistance. Many contributors have introduced us to their friends, made gifts in honour of special occasions, and hosted gatherings with us in their homes. We have also been honoured by those who have helped us build a legacy for the future by leaving Inter Pares a bequest in their will.

Inter Pares is also grateful to our institutional donors, including the Canadian International Development Agency (CIDA) and the International Development Research Centre (IDRC); many foundations, union locals, and religious communities; various organizations that contribute through their solidarity funds; and businesses that support their employees’ philanthropy through matching gifts.

As the political and economic context of our work changes, increasing our financial independence will help assure our political autonomy and our ability to carry out progressive programs to bring about social change. Our individual donors are integral to the sustainability of our work.

For more information on our fundraising, including the many ways in which you can support our work, please visit our Web site at [www.interpares.ca](http://www.interpares.ca) or contact us directly.

## Institutional supporters

In addition to the generous support of thousands of individuals, the work of Inter Pares was assisted in 2009 by contributions from:

Canadian International Development Agency (CIDA)  
Canadian Auto Workers Social Justice Fund  
CSN/*Fonds Alliance Syndicats Tiers-Monde*  
Daly Foundation  
Development and Peace  
*Filles de la Providence*  
Fleming Foundation  
*Fondation Denise et Robert Gibelleau*  
Howard C. Green Memorial Fund at the Vancouver Foundation  
B & B Hamilton Fund at the Toronto Community Foundation  
Peterborough K.M. Hunter Charitable Foundation  
International Development Research Centre (IDRC)  
Just Aid Foundation  
McLean Smit Family Foundation  
Nancy’s Very Own Foundation  
Nicaraguan Children’s Fund  
Orcutt Family Fund at the Vancouver Foundation  
Elisabeth Fulda Orsten Family Fund  
Primates World Relief and Development Fund  
Religious Hospitallers of St. Joseph of Kingston  
Riviere Charitable Foundation  
Roncalli International Foundation  
St. Helen’s Anglican Church Women  
Scott Island Foundation  
Sisters of the Congregation of Notre-Dame  
Sisters of Providence of St. Vincent de Paul  
Sisters of Mission Service  
Sisters of Service of Canada  
Sisters of St. Joseph of Hamilton  
Sisters of St. Joseph of London  
Tikvah Fund of Tides Foundation of Canada  
United Church of Canada  
Women’s Inter-Church Council of Canada

We are also grateful to those who have left a legacy gift to Inter Pares in their will:

Estate of Jack Allen	Estate of Muriel Luca
Estate of Peter J. Block	Estate of Beatrice A. McCreary
Estate of Margaret B. Hammer	Estate of Edward R. Southcott
Estate of James Hartman	Estate of Charles Edward Watters

We would also like to honour the people whose loved ones made a gift in their memory:

E. Beattie	David Money
Louise Landry Bolas	Carolynn Schwartz
Oliver Carmichael	Elizabeth Sowerly Taylor

## Auditors' Report to the Members, Inter Pares

We have audited the statement of financial position of Inter Pares as at December 31, 2009 and the statement of revenue and expense and changes in fund balances for the year then ended. These financial statements are the responsibility of the organization'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 organization as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Ottawa, Ontario  
March 01, 2010

Ouseley Harvey Clipsham Deep LLP  
Licensed Public Accountants

## Statement of Financial Position as at December 31, 2009

	2009	2008
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 658,237	\$ 301,310
Accounts receivable	97,787	82,891
Program advances (note 3)	760,031	734,605
	1,516,055	1,118,806
<b>INVESTMENTS</b> (note 4)	1,458,845	1,558,140
<b>CAPITAL ASSETS</b> (note 2)	691,782	712,859
	\$ 3,666,682	\$ 3,389,805
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 100,794	\$ 92,176
Deferred revenue (note 3)	746,177	639,658
	846,971	731,834
<b>YEARS OF SERVICE BENEFITS PAYABLE</b>	102,913	104,765
	949,884	836,599
<b>FUND BALANCES</b>		
Unrestricted	56,076	20,766
Invested in capital assets	691,782	712,859
Bequest Fund (note 5)	901,868	797,416
Reserve Fund (note 6)	811,524	779,880
Endowment Fund (note 7)	255,548	242,285
	2,716,798	2,553,206
	\$ 3,666,682	\$ 3,389,805

## Statement of Changes in Fund Balances for the Year Ended December 31, 2009

	Unrestricted Net Assets	Invested in Capital Assets	Bequest Fund	Reserve Fund	Endowment Fund	2009 Total	2008 Total
<b>FUND BALANCES – BEGINNING OF YEAR</b>	\$ 20,766	\$ 712,859	\$ 797,416	\$ 779,880	\$ 242,285	\$ 2,553,206	\$ 2,434,265
Excess of revenue over expense	14,233	—	104,452	31,644	13,263	163,592	118,941
Purchase of capital assets	(5,276)	5,276	—	—	—	—	—
Amortization of capital assets	26,353	(26,353)	—	—	—	—	—
<b>FUND BALANCES – END OF YEAR</b>	\$ 56,076	\$ 691,782	\$ 901,868	\$ 811,524	\$ 255,548	\$ 2,716,798	\$ 2,553,206

## Statement of Revenue and Expense for the Year Ended December 31, 2009

	General Operations	Bequest Fund	Reserve Fund	Endowment Fund	2009 Total	2008 Total
<b>REVENUE</b>						
Donations	\$ 1,395,806	\$ 79,191	\$ —	\$ 600	\$ 1,475,597	\$ 1,471,737
CIDA – VSP	1,718,694	—	—	—	1,718,694	1,437,888
CIDA – other projects	3,621,818	—	—	—	3,621,818	4,696,598
Project generated grants	199,286	—	—	—	199,286	138,517
Interest and other	77,286	25,261	31,644	12,663	146,854	153,455
	7,012,890	104,452	31,644	13,263	7,162,249	7,898,195
<b>EXPENSE</b>						
Program						
Projects	5,558,642	—	—	—	5,558,642	6,045,437
Operations	782,233	—	—	—	782,233	966,558
	6,340,875	—	—	—	6,340,875	7,011,995
Administration	260,957	—	—	—	260,957	300,827
Fundraising	396,825	—	—	—	396,825	466,432
	6,998,657	—	—	—	6,998,657	7,779,254
<b>EXCESS OF REVENUE OVER EXPENSE FOR THE YEAR</b>	\$ 14,233	\$ 104,452	\$ 31,644	\$ 13,263	\$ 163,592	\$ 118,941

## Notes to Financial Statements December 31, 2009

### 1. SIGNIFICANT ACCOUNTING POLICIES

(a) **Organization:** Inter Pares works overseas and in Canada in support of self-help development groups, and in the promotion of understanding about the causes, effects and solutions to under-development and poverty. Inter Pares was incorporated without share capital under Part II of the *Canada Business Corporations Act*. The Corporation is a registered charity under Section 149(1)(c) of the *Income Tax Act* and as a result is not subject to income taxes.

(b) **Revenue recognition:** Inter Pares follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Funds received from CIDA for overseas programs are recorded as program advances when sent overseas, and are subsequently recorded as expense when amounts are spent by overseas partners. Donations are recorded as revenue when received.

(c) **Financial instruments:** Investments are classified as held to maturity and are recorded at amortized cost. Other financial instruments are recorded at their initially recognized amounts less appropriate allowances.

(d) **Capital assets:** Capital assets are recorded at cost. Amortization is provided on a straight line basis over 5 years for office equipment. Computer equipment is amortized 50% in the first year and 25% in the remaining 2 years. The building is amortized on a straight line basis over 40 years.

(e) **Use of estimates:** The preparation of these financial statements in conformity with Canadian 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.

### 2. CAPITAL ASSETS

	Cost	Accumulated Amortization	2009 Net	2008 Net
Land	\$ 200,000	\$ —	\$ 200,000	\$ 200,000
Building	582,230	110,750	471,480	486,230
Computer and office equipment	117,258	96,956	20,302	26,629
	\$ 899,488	\$ 207,706	\$ 691,782	\$ 712,859

During the year, amortization of capital assets amounted to \$26,353 (2008 – \$28,563).

3. **PROGRAM ADVANCES AND DEFERRED REVENUE** Program advances can vary significantly from year to year depending on the timing of funds sent overseas and the reporting back by overseas counterparts. Deferred revenue consists mainly of revenue related to unspent overseas program advances.

4. **INVESTMENTS** Investments consist primarily of government bonds and GICs earning interest at rates between 2.8% and 6.2% per year, with varying maturities from March 2011 to October 2014. The fair value of investments is \$1,538,669 (2008 – \$1,639,307).

5. **BEQUEST FUND** During 2004 a bequest fund was established. Bequests received are recorded as revenue in this fund.

6. **RESERVE FUND** Inter Pares maintains an unrestricted operational reserve to assure that obligations are honoured in the event of unanticipated changes in external funding.

7. **ENDOWMENT FUND** The Margaret Fleming McKay Endowment Fund receives gifts whose principal is invested and held for a minimum of ten years. In addition to such externally restricted gifts, the Endowment Fund contains transfers from Inter Pares which are subject to the same restrictions. As at the year end, the Endowment Fund includes \$82,700 (2008 – \$82,100) in externally restricted gifts.

8. **FINANCIAL INSTRUMENTS** The organization's financial instruments consist of cash, accounts receivable, investments, accounts payable and years of service benefits payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, or credit risks arising from these financial instruments and that carrying amounts approximate their fair value.

9. **CAPITAL DISCLOSURE** The organization defines its capital as its net assets, which are not subject to external requirements other than a portion of the Endowment Fund. Management's objective, when managing capital, is to safeguard the organization's ability to continue as a going concern, so that it can continue to provide services in accordance with its mission.