

Asia

movements

resistance



work

Latin America

global



collaborative society

common cause

INTER PARES
2011 ANNUAL REPORT

what is social justice?

solidarity

efforts

world

activists

people



equality

Canada



human rights

hope

change

Africa

Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has. — Margaret Mead

OVER THE PAST THIRTY-SIX YEARS, Inter Pares has worked with small groups of people all over the world who are, each in their own way, changing the world. In every country, thoughtful and dedicated people are devoting their lives to promoting peace, justice, and equality in their society. While each works in its own milieu, by joining with other like-minded groups, small clusters of people expand and together build a movement. Though their efforts may appear slow to yield fruit, these movements can and do usher in change – sometimes haltingly through modest advancements, sometimes suddenly in a rush of turbulent transformation.

These victories both result from, and create, permanent shifts in how issues are framed. For instance, the mass mobilizations that took place in 2011, from the “Arab Spring,” to the *indignados*, to the Occupy movement, brought about profound change in global consciousness. *Inequality* and *democracy* were the new touchstones of this worldview, referenced by even the most conservative of commentators, now forced to use these frameworks. These mobilizations also brought a revival of public political conversations in North America, in which friends and strangers talked to each other about their dreams and how they envisioned a socially just world.

Building on these conversations, we asked our counterparts, collaborators, and supporters what social justice means to them. Their answers, some of which we share inside this Annual Report, tell us what social justice sounds like: resisting oppression, taking sides during struggle, ensuring enough for all, removing the obstacles to equal opportunity. These statements hearken to a vision for a more just world: one where all citizens are equal, are given the same chances to succeed, and have equitable access to resources; a world in which the well-being of people takes precedence over personal gain, and solidarity among individuals is paramount.

Through our work, Inter Pares has had the privilege of seeing these words made real, and knowing what social justice looks like. It is on the faces of young people in Peru who are creating a movement that reflects their aspirations for a democratic and vibrant country. It looks like activists in Burma, who through years of dedicated research, mobilization, and advocacy, are finally influencing decisions on dams, mines, and petroleum projects in their country,

helping to prevent displacement and environmental destruction. It resembles Sudanese women whose tireless efforts to end discrimination against themselves and their daughters is a vivid testimony to their courage and dignity.

The powerful examples we have witnessed over years of social justice work based on building movements has affirmed for us the importance of solidarity, weaving links, and drawing inspiration from struggles in other parts of the world. Indeed, our belief in the power of people working together has been unshaken since our founding. When a group of Canadian activists created Inter Pares in 1975, they wanted to build an organization that worked together with people in the global South, that nurtured relationships with community-based groups, popular movements, and activists based on equality and common cause. Just as important as supporting change processes abroad has been taking a long hard look here in Canada – asking ourselves important questions about how our country might be facilitating or hindering progress elsewhere, about how we fit into the global picture, and how local issues faced here are intrinsically linked to challenges faced elsewhere.

As Canadians, we have options in the face of the world’s current political context. We can allow ourselves to be blinded by the fog of pessimism that so often reigns, and be convinced that there is little hope for profound change. Or – we can roll up our sleeves to work for social justice, reminding ourselves as Margaret Mead once said, that we must never underestimate the force of our commitment. Because by coming together, we become much stronger than when we stand alone.



A vision of sustainable peace

Pippa Curwen is the director of **Burma Relief Centre (BRC)**, an organization with which Inter Pares has collaborated for over twenty years. “Working for social justice to me means working to oppose oppression and exploitation by any group of people over another,” she explained. “In Burma we work with marginalized communities, particularly women, to oppose the systematic denial of their rights and the exploitation of local natural resources by the country’s military elite, which is leading to increased militarization and human rights abuses, forcible displacement, loss of livelihoods, and environmental destruction.”

BRC has supported community-based organizations working in the areas of health care, women’s rights, human rights and the environment, local media, community development, and food relief since 1988. BRC, like Inter Pares, has long-term relationships with community groups working to address local social justice issues. For over two decades we have worked together towards a vision of sustainable peace in Burma.

While projects such as oil and gas pipelines, hydro-electric dams, and mining operations have the potential to benefit the people of Burma, current practices result in environmental destruction, human rights abuses, increased militarization, and little to no material benefit for local communities. BRC works with organizations that conduct research and produce educational materials about the impacts of these projects.

The **Pa-Oh Youth Organization (PYO)** is one such organization. PYO researches the impacts of Burma’s largest coal mine and coal-fired power plant, both of which are next to Burma’s famous Inle Lake. The mine and plant are not only polluting waterways, but also threatening the health of local populations and displacing villages. Each day the plant produces 100-150 tons of toxic fly ash, and the open-pit mine extracts up to two thousand tons of lignite, the most polluting of coals. About 10 percent of the plant’s power will be used in a giant open-pit iron ore mine at nearby Mount Pinpet. Excavation for the iron mine will displace 7,000 people and completely destroy the mountain.

In 2011, PYO launched *Poison Clouds*, a report which documents these impacts, and began hosting public workshops on the report findings. This work is slowly paying off, as mining companies and local authorities have begun to consider local concerns. BRC will continue to accompany communities as they seek ways to oppose oppression and exploitation currently inherent in these and other projects, while promoting their own vision of a peaceful and sustainable community.



Social justice means taking sides

When asked about his personal motivation behind a lifelong involvement in social justice issues, **Mike McBane**, Coordinator of the **Canadian Health Coalition (CHC)**, thinks back to his days working for the Canadian Conference of Catholic Bishops. Mike was mentored by activist bishops who were at one point criticized by “Bay Street tycoons” for taking sides on economic issues.

Mike recalls that “the Bishops would respond with, *on y croit ou on n’y croit pas*, meaning either you believe in an ethical position – in this case, the priority of labour over capital – or you don’t. They felt that there are circumstances when not taking a side in a conflict that involves injustice and oppression is, in effect, taking a side – the side of the status quo, which can benefit the oppressor.”

This mentoring in social justice served Mike well when he began working for the CHC in 1995. At the core of the CHC’s mission is defending the human dignity of the sick, the frail elderly, and society’s most vulnerable, an idea codified in the ethics of the *Canada Health Act*. Access to care must be based on need, not ability to pay. Health care is not a commodity to be bought and sold.

In 2011, the CHC concentrated on two major initiatives. The first was a pre-election primer that analyzed the growing costs in the health care system and proposed well-researched, evidence-based solutions such as the implementation of a national Pharmacare program. In his ground-breaking study, *The Economic Case for Universal Pharmacare*, Dr. Marc-André Gagnon writes “the rational implementation of universal Pharmacare . . . would not only make access to medicines more equitable in Canada and improve health outcomes, but also generate savings for all Canadians of up to \$10.7 billion” from the public purse and people’s wallets.

Last year, the CHC also organized a major conference, strategy workshop, and meetings on Parliament Hill with participation from health care activists, including those on the front lines of delivery. The conference, “Secure the Future of Medicare: A Call to Care,” included a powerful keynote speech by Roy Romanow and was followed by over one hundred meetings with politicians of every stripe, urging them to endorse a strong federal role in the enforcement of the *Canada Health Act*.

To paraphrase Mike’s mentors, you either believe in the principles and values of the *Canada Health Act* or you don’t. Sometimes, social justice means taking sides.

How does Inter Pares promote social justice?

Inter Pares strengthens social movements. All around the world, we collaborate with people and organizations who are struggling to build more just societies and create change. How do we do this?

- we raise money and political support for counterparts from the Canadian public and government;
- we support women's leadership, and bring a feminist perspective to analyzing issues;
- we offer our experience and perspective to counterparts to help them strengthen their organizations and advance their strategies;
- we link individuals and organizations to others who address similar issues in other countries, including in Canada, so that we can all learn from each other and collaborate;
- we advocate for responsible government policies and behaviour of Canadian companies, both in Canada and internationally;
- we share stories of domestic and international social change movements with Canadians to inspire and build awareness of the commonalities between struggles at home and abroad.

Each relationship with our counterparts is unique, adapted to the needs of each organization and our work together. They are not one-way relationships; our collaborators strongly contribute to our own understanding of issues, to our work in policy advocacy, and to building our programs.



Relationships at the heart of social justice

Lynne Brennan's work and travels have taken her all over the world; she is currently a professor in social services at George Brown College in Toronto. She has supported Inter Pares since 1988. Lynne offers her own answer to the question, "What does social justice mean to you?"

Social justice has to do with *enough for all*. At the heart, what makes social justice possible is *relationship* – relationships with each other, with the earth, with the past, and with the future.

How do I approach social justice? I try to follow a lifestyle consistent with justice-based values. As the old expression says, think globally, act locally, in as many ways as it is possible to do so.

This year I made a practice of beginning each of my community college classes with a gathering time, inviting students to speak about issues on their mind. Each day brought something different: the Occupy movement, the ban on blood donations from gay men, revolutionary actions in the Middle East, threatened cuts to the services and programs that make our city more liveable. Over the semester my students developed confidence in our classroom as a safe place to speak, and improved their ability to raise questions and analyze concerns. Democracy is only possible when people can and do voice issues. I am convinced we need to practice and protect democracy in every situation in which we find ourselves.

Supporting Inter Pares in their fine work is a privilege. I appreciate the opportunity to be with an organization that has been so steadfastly committed to social justice at all levels. I look forward to the arrival of my copy of the Inter Pares *Bulletin*. I appreciate feeling in touch with courageous, creative groups around the globe. Inter Pares nurtures long-term relationships, allowing partner organizations to count on support, and enabling all of us to hear about and learn from their work. I love how Inter Pares makes connections between ideas and groups, creating a finely spun web around the world.





Redressing the Sudanese constitution

Asha El-Karib, Executive Director of the **Sudanese Organization for Research and Development (SORD)**, views social justice as an intrinsic part of every action taken by the organization. For her, social justice is both a process and a goal: "As a process, it means challenging and dismantling power relations at all levels; it also means ending discrimination and discriminatory behaviour against people, so that they enjoy equal opportunities and full rights. As a goal, it is a state where societal and individual welfare are ensured within a social contract based on democratic governance; accountability; freedoms of thought, expression and assembly; shared responsibility; and balanced development."

SORD works toward greater gender justice and equality in Sudan, and promotes the acceptance of women's rights as human rights. A key target of these efforts is the country's constitution. The Sudanese constitution condones practices that discriminate against women and limit their representation and participation in public life. SORD has been a pioneer in advocating for its reform.

Since 2007, SORD has been working on developing an alternative constitution, an *Adila Law* (*adila* means "ideal"), that would eliminate legally endorsed discrimination against women. SORD has organized numerous consultations and workshops on constitutional reform across Sudanese society, bringing together legal experts, lawyers, journalists, civil society organizations, political parties, and unions. This collaborative process created debate that nourished the development of SORD's *Adila Law*.

This work is complemented by grassroots-level efforts to promote women's rights. SORD has organized a country-wide advocacy campaign promoting girls' education and discouraging discriminatory practices such as underage marriage. SORD is also using documentary film to raise awareness of the negative impact these traditions have on women and girls.

South Sudan's independence has meant the loss of a moderating influence on North Sudan. The country's leadership continues to be legally moving toward greater fundamentalism as the president declared several times that Sudan will adopt an entirely Islamic constitution. Despite the difficult context, SORD continues paving the road to gender equality. In October 2011, the organization presented its *Adila Law* to the public at an event attended by hundreds. The document has also been widely publicized and an advocacy campaign for its adoption begun.

SORD's leadership in gathering together people from across Sudanese society to re-imagine a better Sudanese constitution, one that would put an end to legally endorsed discrimination, illustrates how social justice is not just the dream we work towards, but the building of the road to get there.



Taking off the blindfold

Throughout Latin America, the promotion of social justice is intimately tied to the struggle for human rights. When Inter Pares began its work in Latin America in the 1970s, the region was embroiled in a number of bloody armed conflicts characterized by the systematic violation of fundamental human rights. When citizens spoke out against the unjust distribution of wealth, political exclusion, and social inequalities, they faced increased repression, imprisonment, torture, forced disappearance, or summary executions.

More than thirty years later, Inter Pares is working with local organizations like the **Sisay Centre for Andean Development (SISAY)**, which helps people in the Peruvian highlands rebuild the social fabric of their communities after the country's protracted armed conflict left deep and lasting scars.

SISAY's coordinator, **Felix Rojas**, believes that social justice is about creating the necessary conditions to build societies that are fair, in which every person's fundamental rights are respected, and where each person can live in conditions of dignity.

"It is often said that justice is blind," Felix told us. "Social justice therefore means taking off the blindfold so that we can see the realities and correct the inequalities and injustices that this system continuously produces and reproduces." It involves pressing "those in power to remove the barriers and obstacles that prevent the development of equal conditions and opportunities."

Throughout 2011, SISAY continued to accompany local grassroots organizations of rural youth, women, and small-scale farmers. This involves, among other things, strengthening their democratic governance structures and providing training on participatory municipal budget planning. In one of Peru's poorest and most historically neglected regions these efforts are helping to build a vibrant and democratic social movement.

The positive impact has been multiplied by complementary training in human rights promotion. In the words of Felix: "When people know that, as citizens, they have rights as well as duties, they are much more able to assume new challenges and social responsibilities which lead to greater political participation. We are especially seeing greater participation by women who are being elected as community presidents, councillors, and other officials. This is important for women and men alike – social justice is a necessary condition that will enable people to have better opportunities and improved living conditions." Inter Pares is honoured to collaborate with SISAY as it strives to remove the blindfolds in Peru.

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 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 equal relationships with our counterparts in Canada and abroad. Together we work 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 that operates on the principle of parity – parity of salary, responsibility and accountability.

STAFF IN 2011

- Sarah Blumel • David Bruer • Eric Chaurette • Karen Cocq
- Kathryn Dingle • Elaine Edwards • Bill Fairbairn • Nadia Faucher
- Rachel Gouin • Sophie Hargest • Sandra Le Courtois
- Samantha McGavin • Rita Morbia • Marie José Morrisette
- Laura O’Neill • Jean Symes • Sheila Whyte • Rebecca Wolsak
- Anne-Marie Zilliacus

BOARD IN 2011

- Suzie Boulanger • Amanda Dale • Verda Cook • Agathe Gaulin
- Nathan Gilbert • Mireille Landry • Amarkai Laryea (vice-Chair)
- Tamara Levine (Chair) • James Loney • Shree Mulay
- Roxana Ng • Jeannie Samuel • Delyse Sylvester • Sari Tudiver
- Bill Van Iterson (Treasurer)



COURTESY: MARY MONACO

MR. MONACO'S LEGACY

Inter Pares would like to pay special tribute to Mr. Eustachio Monaco, of Hamilton, Ontario, who left us a significant bequest upon his passing in 2011. An immigrant to Canada, Mr. Monaco held a deep conviction that even the most marginalized or oppressed people could change their own situation, given the tools and opportunity. He believed that every person should have the possibility of a full and creative life, a belief manifested in his generosity and trust in Inter Pares.

At Inter Pares, we are both inspired and humbled by his gift.

Mr. Monaco's legacy will be one of social justice action. His gift will sustain efforts such as helping women in the Philippines to reduce maternal and child mortality, assisting West African farmers regain control of their own seeds, and supporting the voices of displaced indigenous Colombians build a brighter future. For many, many years to come, Mr. Monaco's gift will accompany people and communities around the globe striving to make the world a better place.

INTER PARES' SUPPORTERS

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

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

Estate of Vide Appleby	Estate of Robert Earl Loveless
Estate of Eustachio Monaco	Estate of Patricia K. Skelton
Estate of Charles Edward Watters	Estate of Shelagh M. Wilson

We honour the people whose loved ones made a gift in their memory:

Jean Arnall	Alexander Gray
Liz Barkley	Robert Huggan
D. Joan Cartwright	Arnold Isсенman
Rachel Di Cara	Khanh Long Nguyen
Mary Agnes Frazer	Jack Potts
Paul Gousy-Caouette	

In addition to the generous support of thousands of individuals, Inter Pares is also grateful to our institutional donors and the many foundations, unions, company matching gifts programs, and religious communities that choose to assist us.

Canadian International Development Agency (CIDA)
 Canadian Auto Workers Social Justice Fund
 CSN/*Fonds Alliance Syndicats Tiers-Monde*
 Daly Foundation
 Development and Peace
 DRM Foundation
 EJLB Foundation
 EnCana Cares Foundation Matching Gift Program
Filles de la Providence
 Fleming Foundation
 Foster Fund of the Community Foundation of Ottawa
 Elisabeth Fulda Orsten Family Fund
 Google Matching Gift Program
 Howard C. Green Memorial Fund at the Vancouver Foundation
 Reesa Greenberg Foundation
 B & B Hamilton Fund at the Toronto Community Foundation
 International Development Research Centre (IDRC)
 Just Aid Foundation
 Labatt Employee Matching Gift Program
 McLean Smits Family Foundation
 Nicaraguan Children's Fund Inc.
 Peterborough K.M. Hunter Charitable Foundation
 Riviere Charitable Foundation
 Ken and Debbie Rubin Public Interest Advocacy Fund of the
 Community Foundation of Ottawa
 Saint Helen's Anglican Church Women
 School Sisters of Notre Dame
 Scott Island Foundation
 Seed Fund at the Greater Saint Louis Community Foundation
 Sisters of the Congregation of Notre-Dame
 Sisters of Mission Service
 Sisters of Providence of St. Vincent de Paul
 Sisters of St. Joseph of London
 Sisters of St. Joseph of Peterborough
 Janet Tanzer Fund at the Toronto Community Foundation
 Laura L. Tiberti Charitable Foundation
 Tikvah Grassroots Empowerment Fund of Tides Canada Foundation
 United Church of Canada
 Women's Inter-Church Council of Canada

OUR COMMITMENT TO OUR DONORS

Inter Pares is committed to ensuring that we have clear, transparent and positive contact with our donors, and that our donors have direct access to us. All staff members share a collective responsibility to ensure that our supporters' donations are used well.

There are two ways fundraising costs are calculated. The first way, used by the Canada Revenue Agency, calculates the ratio of fundraising expenses to dollars raised, excluding government sources. In 2011, Inter Pares' ratio was 11.8 %. This falls well below CRA guidelines, which stipulate that fundraising expenses not exceed 35 % of fundraised revenue excluding government sources.

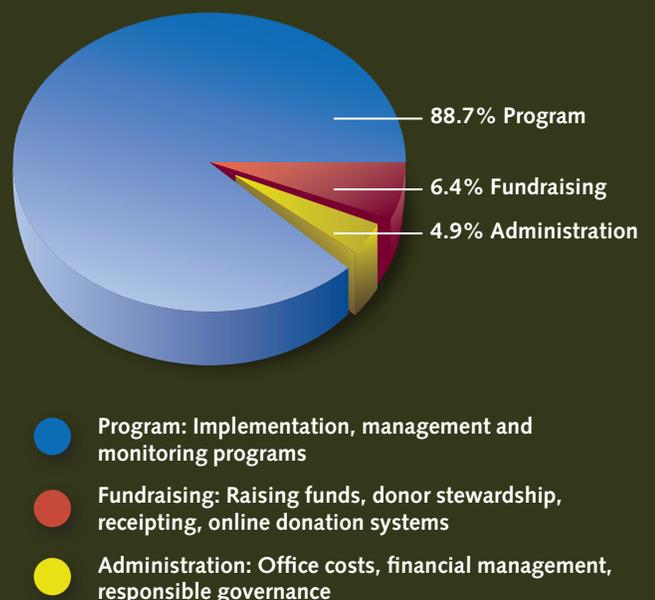
The second way calculates fundraising expenses as a percentage of all expenditures. In 2011, Inter Pares fundraising costs represented 6.4 % of all our expenditures. This means that for every dollar spent, 6.4 cents was spent on fundraising, including fundraisers' salaries, donor stewardship, and management of programs such as the cost-efficient monthly giving program.

With administration costs at 4.9 % of overall expenses in 2011, fully 88.7 % of our total expenditures were on our programs supporting social change in Asia, Africa, Latin America and Canada.

Inter Pares subscribes to both the Canadian Council for International Cooperation *Code of Ethics and Operational Standards* and the Canadian Association of Gift Planners *Code of Ethics*.

2011 EXPENSES

Here's how your donations work at Inter Pares:



Independent Auditors' Report to the Board of Directors, Inter Pares

We have audited the accompanying financial statements of Inter Pares, which comprise the statement of financial position as at December 31, 2011, and the statements of changes in fund balances and revenue and expense for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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 comply with ethical requirements and 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 judgment, including the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 present fairly, in all material respects, the financial position of Inter Pares as at December 31, 2011, 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 19, 2012

Ouseley Hanvey Clipsham Deep LLP
Licensed Public Accountants

Statement of Financial Position as at December 31, 2011

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 699,637	\$ 793,767
Accounts receivable	83,458	119,033
Program advances (note 5)	1,347,318	1,049,475
Prepaid expenses	30,428	19,340
Short-term investments (note 4)	377,668	97,750
	2,538,509	2,079,365
INVESTMENTS (note 4)	2,742,556	1,460,625
CAPITAL ASSETS (note 3)	656,806	677,783
	\$ 5,937,871	\$ 4,217,773
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 41,510	\$ 48,361
Deferred revenue (note 5)	1,319,796	1,306,091
	1,361,306	1,354,452
YEARS OF SERVICE BENEFITS PAYABLE (note 6)	100,414	110,925
	1,461,720	1,465,377
FUND BALANCES		
Unrestricted	182,718	64,654
Invested in capital assets	656,806	677,783
Bequest Fund (note 7)	2,551,556	970,507
Reserve Fund (note 8)	805,108	772,299
Endowment Fund (note 9)	279,963	267,153
	4,476,151	2,752,396
	\$ 5,937,871	\$ 4,217,773

Statement of Changes in Fund Balances for the Year Ended December 31, 2011

	Unrestricted Net Assets	Invested in Capital Assets	Bequest Fund	Reserve Fund	Endowment Fund	2011 Total	2010 Total
FUND BALANCES – BEGINNING OF YEAR	\$ 64,654	\$ 677,783	\$ 970,507	\$ 772,299	\$ 267,153	\$ 2,752,396	\$ 2,716,798
Net revenue for the year	97,087	—	1,581,049	32,809	12,810	1,723,755	35,598
Purchase of capital assets	(9,309)	9,309	—	—	—	—	—
Amortization of capital assets	30,286	(30,286)	—	—	—	—	—
FUND BALANCES – END OF YEAR	\$ 182,718	\$ 656,806	\$ 2,551,556	\$ 805,108	\$ 279,963	\$ 4,476,151	\$ 2,752,396

Statement of Revenue and Expense for the Year Ended December 31, 2011

	General Operations	Bequest Fund	Reserve Fund	Endowment Fund	2011 Total	2010 Total
REVENUE						
Donations	\$ 1,373,612	\$ 1,562,709	\$ —	\$ —	\$ 2,936,321	\$ 1,442,603
CIDA – PCB	1,257,730	—	—	—	1,257,730	427,359
CIDA – other projects	2,829,545	—	—	—	2,829,545	2,723,560
Project generated grants	49,546	—	—	—	49,546	39,212
Interest and other	83,353	18,340	32,809	12,810	147,312	149,084
	5,593,786	1,581,049	32,809	12,810	7,220,454	4,781,818
EXPENSE						
Program						
Projects	4,035,128	—	—	—	4,035,128	3,249,265
Operations	842,597	—	—	—	842,597	917,492
	4,877,725	—	—	—	4,877,725	4,166,757
Administration	269,853	—	—	—	269,853	236,632
Fundraising	349,121	—	—	—	349,121	342,831
	5,496,699	—	—	—	5,496,699	4,746,220
NET REVENUE FOR THE YEAR	\$ 97,087	\$ 1,581,049	\$ 32,809	\$ 12,810	\$ 1,723,755	\$ 35,598

Notes to Financial Statements December 31, 2011

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 counterparts. 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. 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 the carrying value of the financial instruments approximates their fair value.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2011 Net	2010 Net
Land	\$ 200,000	\$ —	\$ 200,000	\$ 200,000
Building	582,230	140,250	441,980	456,730
Computer and office equipment	118,772	103,946	14,826	21,053
	\$ 901,002	\$ 244,196	\$ 656,806	\$ 677,783

During the year, amortization of capital assets amounted to \$30,286 (2010 - \$31,803).

4. INVESTMENTS

Investments consist primarily of bonds earning interest at rates between 1.1% and 5.7% per year, with varying maturities from March 2012 to August 2017. The fair value of investments is \$3,153,737 (2010 - \$1,611,006).

5. 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 amounts related to unspent overseas program advances.

6. YEARS OF SERVICE BENEFITS PAYABLE

Employees of Inter Pares accrue a years of service benefit at a rate of one week per year of service to a maximum of twelve weeks. Eligibility to receive the benefit vests when the employee has completed five years of service.

7. BEQUEST FUND

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

8. RESERVE FUND

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

9. 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 \$82,900 (2010 - \$82,900) in externally restricted gifts.