

staff

- David Bruer • Alison Crosby • Elaine Edwards
- Peter Gillespie • Heather Johnston • Molly Kane
- Samantha McGavin • Elizabeth Milan
- Rita Morbia • Marie José Morrissette
- Brian Murphy • Laura O'Neill • Anna Paskal
- Sylvie Perras • Karen Seabrooke • Jean Symes
- Sheila Whyte • Anne-Marie Zilliagus

board

Caroline Andrew
Dean of Social Sciences, University of Ottawa

David Austin
Community worker, Montreal

Louise Chicoine
Human rights activist, Montreal

Agathe Gaulin
Adult educator and community activist,
Comox Valley, BC

Nathan Gilbert
Executive Director, Laidlaw Foundation

Joan Kuyek
National Coordinator, MiningWatch Canada

Hélène Lagacé
Program Officer, Human Rights Section, CECI

Yew Lee
Consultant, community and organizational
development, Ottawa/ Hull

Tamara Levine
Coordinator, Workplace Literacy Project, CLC

Shree Mulay
Professor, McGill University, and women's health
activist

Roxana Ng
Sociologist, University of Toronto

Delyse Sylvester
Executive Director, Selkirk College Foundation,
social justice fundraising trainer

Sari Tudiver
Researcher, writer, policy analyst on women's
health issues

Bill Van Iterson
Former senior public servant, actively involved in
community and economic development

Doug Ward
Former Director of Radio, CBC Ottawa

supporters

In addition to the generous support of thousands
of individuals, the work of Inter Pares was assisted
in 2004 by contributions from:

Canadian International Development Agency (CIDA)

Congregation of Notre-Dame

CUPE Local 4600

The EJLB Foundation

Filles de la Providence

Fleming Foundation

Fondation Internationale Roncalli

B & B Hamilton Fund
(Toronto Community Foundation)

The Howard C. Green Memorial Fund
(Vancouver Foundation)

International Development Research Centre

The Just Aid Fund
(Tides Canada Foundation)

Latin American Support Group – Niagara

The J.W. McConnell Family Foundation

Movimondo Molisv

The Peterborough K.M. Hunter Charitable
Foundation

Nicaragua Children's Fund

Primate's World Relief and Development Fund

St. Helen's Anglican Church Women

Sisters of Charity of St. Louis

Sisters of Providence of St. Vincent de Paul

Sisters of St. Joseph, Hamilton

Sisters of St. Joseph of the Diocese of London

Trinity Jubilee Foundation Inc.

Wild Rose Foundation

Women's Inter-Church Council of Canada

We are also grateful to those who have supported
our work through a bequest:

Estate of Joanne V. Brown

Estate of Glenna M. Graham

Estate of Kathleen M. Leslie

Estate of Muriel W. Townsend

Estate of Boukje de Vries

Estate of Charles Edward Watters

2004 audited financial statements

auditors' report

TO THE MEMBERS, INTER PARES

We have audited the statement of financial position of Inter Pares as at December 31, 2004 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, 2004 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 Ouseley Hanvey Clipsham Deep LLP
February 17, 2005 Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As At December 31, 2004

| | 2004 | 2003 |
|--|--------------|--------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 873,411 | \$ 644,790 |
| Accounts receivable | 46,751 | 67,257 |
| | 920,162 | 712,047 |
| INVESTMENTS (note 1) | 418,719 | 356,350 |
| CAPITAL ASSETS (note 2) | 760,260 | 781,767 |
| DEFERRED CHARGE (note 3) | — | 8,000 |
| | \$ 2,099,141 | \$ 1,858,164 |
| LIABILITIES | | |
| CURRENT | | |
| Advances on projects | \$ 524,037 | \$ 512,796 |
| Accounts payable and accrued liabilities | 27,241 | 52,086 |
| Current portion of mortgage payable (note 4) | 24,973 | 15,815 |
| | 576,251 | 580,697 |
| SEVERANCE PLAN PAYABLE (note 3) | 86,283 | 83,342 |
| MORTGAGE PAYABLE (note 4) | 279,560 | 403,503 |
| | 942,094 | 1,067,542 |
| NET ASSETS | | |
| Unrestricted | (76,132) | (50,360) |
| Invested in capital assets | 455,727 | 362,449 |
| Bequest Fund (note 5) | 280,657 | — |
| Reserve Fund (note 6) | 305,190 | 297,725 |
| Endowment Fund (note 7) | 191,605 | 180,808 |
| | 1,157,047 | 790,622 |
| | \$ 2,099,141 | \$ 1,858,164 |

STATEMENT OF CHANGES IN FUND BALANCES

For The Year Ended December 31, 2004

| | | | | | | 2004 | 2003 |
|--|-------------------------------------|----------------|--------------|--------------|----------------|--------------|------------|
| | Invested in Unrestricted Net Assets | Capital Assets | Bequest Fund | Reserve Fund | Endowment Fund | Total | Total |
| FUND BALANCES – BEGINNING OF YEAR | \$ (50,360) | \$ 362,449 | \$ — | \$ 297,725 | \$ 180,808 | \$ 790,622 | \$ 729,494 |
| Excess of revenue over expense | 19,006 | — | 329,157 | 7,465 | 10,797 | 366,425 | 61,128 |
| Purchase of capital assets | (11,255) | 11,255 | — | — | — | — | — |
| Amortization of capital assets | 32,762 | (32,762) | — | — | — | — | — |
| Principal repayment of mortgage | (114,785) | 114,785 | — | — | — | — | — |
| Interfund transfers (note 5) | 48,500 | — | (48,500) | — | — | — | — |
| FUND BALANCES – END OF YEAR | \$ (76,132) | \$ 455,727 | \$ 280,657 | \$ 305,190 | \$ 191,605 | \$ 1,157,047 | \$ 790,622 |

STATEMENT OF REVENUE AND EXPENSE

For The Year Ended December 31, 2004

| | | | | | 2004 | 2003 |
|--|--------------------|--------------|--------------|----------------|-------------|-------------|
| | General Operations | Bequest Fund | Reserve Fund | Endowment Fund | Total | Total |
| REVENUE | | | | | | |
| Donations | \$1,255,049 | \$ 329,157 | \$ — | \$ 250 | \$1,584,456 | \$1,275,771 |
| CIDA-VSP | 1,335,985 | — | — | — | 1,335,985 | 1,053,323 |
| CIDA – other projects | 2,614,082 | — | — | — | 2,614,082 | 3,679,685 |
| Project generated grants | 77,965 | — | — | — | 77,965 | 200,057 |
| Interest and other | 3,785 | — | 7,465 | 10,547 | 21,797 | 31,572 |
| | 5,286,866 | 329,157 | 7,465 | 10,797 | 5,634,285 | 6,240,408 |
| EXPENSE | | | | | | |
| Program | | | | | | |
| Projects | 3,742,166 | — | — | — | 3,742,166 | 4,588,973 |
| Operations | 935,404 | — | — | — | 935,404 | 974,488 |
| | 4,677,570 | — | — | — | 4,677,570 | 5,563,461 |
| Administration | 285,025 | — | — | — | 285,025 | 323,386 |
| Fundraising | 305,265 | — | — | — | 305,265 | 292,433 |
| | 5,267,860 | — | — | — | 5,267,860 | 6,179,280 |
| EXCESS OF REVENUE OVER EXPENSE FOR THE YEAR | \$ 19,006 | \$ 329,157 | \$ 7,465 | \$ 10,797 | \$ 366,425 | \$ 61,128 |

NOTES TO FINANCIAL STATEMENTS – DECEMBER 31, 2004

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 underdevelopment 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. Donations are recorded as revenue when received.

c) Investments: Investments consist primarily of government bonds and other loans receivable and are recorded at cost which approximates market value.

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.

2. CAPITAL ASSETS

| | 2004 | | 2003 | |
|-------------------------------|------------|--------------------------|------------|------------|
| | Cost | Accumulated Depreciation | Net | Net |
| Land | \$ 200,000 | \$ — | \$ 200,000 | \$200,000 |
| Building | 582,230 | 37,000 | 545,230 | 559,980 |
| Computer and office equipment | 151,373 | 136,343 | 15,030 | 21,787 |
| | \$ 933,603 | \$ 173,343 | \$ 760,260 | \$ 781,767 |

During the year, depreciation of capital assets amounted to \$32,762 (2003 – \$29,623).

3. PENSION AND SEVERANCE PLAN During 1998 a pension plan was implemented to contribute to staff Retirement Savings Plans. In addition, an institutional staff severance plan was established. The cost to establish these plans was estimated to be \$128,000. This cost is being amortized over a seven year period. During the year the amount amortized to expense was \$8,000 (2003 – \$20,000)

4. MORTGAGE PAYABLE

| | 2004 | 2003 |
|---|------------|------------|
| Royal Bank of Canada — mortgage payable at \$3,945 monthly including interest at 7.75%, due July 1, 2007, secured by 221 Laurier Avenue East. | \$ 304,533 | \$ 419,318 |
| Less current portion | 24,973 | 15,815 |
| | \$ 279,560 | \$ 403,503 |

5. BEQUEST FUND During the year a bequest fund was established. Bequests received are recorded as revenue in this fund. During the year \$48,500 was transferred to unrestricted net assets.

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 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 \$70,850 (2003 - \$70,600) in externally restricted gifts.