






PEACE, EQUALITY AND SOCIAL JUSTICE



THIRTY-FIVE YEARS OF SOCIAL JUSTICE ACTION




In 1975, several young Canadians returned home from experiences overseas and decided to create a new social justice organization in Ottawa. Their vision was a Canadian organization that would engage with people, both internationally and at home, in the struggle for peace, equality, and social justice. After some debate, they decided to call the new organization *Inter Pares* – among equals – a name that embodied the values they wanted to promote.



Thirty-five years later, Inter Pares continues to be inspired by this vision and works towards achieving these goals. Over the years, Inter Pares has worked with farmers' groups, women's organizations, human rights groups, indigenous organizations, health associations and social movements around the world. We have had the privilege of relating to people who share our goals and who are working, often against great odds, to overcome the obstacles to social justice.


The pursuit of equality and justice, however, is as challenging today as it was thirty-five years ago.




The role of government should be to orient its economic and social policies for the well-being of all and to be accountable to its citizens for the implementation of a just democracy. Instead we see governments around the world supporting a global economy organized in the interests of speculators, and largely disconnected from how most people earn a living. The campaign by financial and political elites to eliminate regulatory oversight of the banking system has led to an economic collapse that continues to inflict enormous damage throughout the world. The subsequent bailout of banks and financial institutions is being paid for by cutting back social services, education, workers' pensions, and healthcare around the world.




The global financial crisis has deeply affected the lives of people everywhere. Southern countries are experiencing decreased remittances from migrant workers, diminished export revenues, burgeoning unemployment rates, weakening commodity prices, and precipitous increases in food and energy prices. An additional 130 to 155 million people have been pushed into poverty. More than a billion people go to bed at night hungry and 50,000 people die every day from poverty and poverty-related causes.




There is growing economic disparity in many countries including our own. Indeed, the current levels of economic inequality in both Canada and the United States have not been seen since 1929, the very cusp of a worldwide depression. Before the onset of the financial crisis in 2008, 3.5 million Canadians lived in poverty; some estimates suggest this figure could increase by another 1.8 million by the end of 2011. In Canada, one in nine children lives in poverty; that figure is one in four for aboriginal children. This is a tragedy and a national scandal.



Deepening economic inequality is not only a moral issue, but also portends a serious social crisis. Research from the recently published book, *The Spirit Level: why equality is better for everyone*, convincingly argues that more egalitarian societies have significantly lower incidences of physical and mental health problems, addictions, crime, imprisonment, violence, and better child well-being outcomes. This research demonstrates what many of us intuitively know – more equal societies are happier and healthier and enjoy higher levels of social cohesion, trust and civic engagement.



What is clear is that the global economy is not working in the interests of the majority of people in either the South or the North. A global economy that pushes millions of people into poverty and bankrupts countries is not only irrational but fundamentally unjust.



While these are grim trends, there is good news. Citizen's groups everywhere are working to democratize their political systems and economies. They are promoting political participation and challenging governments to become accountable to all citizens. In all the places where Inter Pares works, people are reclaiming their right to have their interests represented in social and economic policies. In Canada, the Canadian Health Coalition is educating decision-makers on how our healthcare system can remain cost-effective and universal. In Peru, our counterparts are teaching economic literacy so that people can understand and influence how local governments establish budget priorities. In Bangladesh, poor women and men are organizing to demand access to basic government services for the least privileged. In Africa, people are working regionally to ensure that agreements with mining companies are transparent, and that taxes and royalties benefit local economies.

In this Annual Report, we provide a glimpse of how some of our counterparts are promoting equality, democracy and justice in their communities and societies.



JEAN SYMES



RACHEL GOUIN



DOMINIQUE CAQUETTE



LINHAAN



REBECCA WOLSKA



THE LAW

Defending equality under the law in Canada and elsewhere.

In October 2010, *La Ligue des droits et libertés* appeared before the Inter-American Commission on Human Rights to denounce Canada's violations of human rights during the G20 Summit in Toronto. *La Ligue*, *Université de Montréal's* human rights defence clinic, and the International Federation for Human Rights called for an independent inquiry into security measures before and during protests, including surveillance and infiltration of groups before the event, the use of *agents provocateurs*, preventive mass arrests, and conditions of detention. The Commission asked Canada to respond promptly to the allegations. *La Ligue* is intent on ensuring the government acts responsibly and in accordance with human rights law. For more information, visit www.cidhhu.uqam.ca/documents/rapport_G20_anglais.pdf.

In Sudan, the Sudanese Organization for Research and Development (SORD) is working to reform the country's criminal law – a law that affords women witnesses an inferior status, conflates rape with adultery, provides immunity for public officials, and punishes “public indecency” with 40 lashes. SORD is also attempting to reform Sudanese family law, which regulates the age of marriage, divorce, and child support. SORD aims to improve the public's understanding of how these laws attack basic freedoms, particularly those of women and girls. In 2010, SORD staff members attended trials, documenting the application of laws, and held consultations with judges, lawyers, and religious and community leaders. Through public consultations, SORD is ensuring that the alternative laws they are proposing are well understood by the Sudanese people, and that they will have the broad base of support they require for lasting change.

In 2010, the International Civil Liberties Monitoring Group (ICLMG), a coalition of 40 organizations that includes Inter Pares, testified before a parliamentary committee studying the government's proposed changes to Canada's Aeronautics Act. These changes, adopted in March 2011, will require all Canadian airlines to ask permission from the United States before allowing travellers to board a plane flying over the U.S. Bill C-42 will grant American authorities the power to decide, on the basis of arbitrary and discretionary criteria, who may board a plane on most international flights to and from Canada. According to the ICLMG, the adoption of Bill C-42 will see an increased number of travellers grounded, without any due process, independent adjudication or effective redress. The ICLMG works to ensure that any amendment to proposed legislation abides by international law and the Canadian constitution.

U a i i t

GENDER

Challenging women's inequality in innovative and inspiring ways.

In Chiapas, Mexico, the Women's Rights Centre (CDMCH) has been supporting rural indigenous women to gain more control over their land and exercise their political rights. Because they rarely hold title to their land, women are often excluded from decision-making in the *ejidos* (land management councils where farmers collectively take decisions affecting their communities). But women play central roles in farming, and are increasingly the primary producers in their communities, as men migrate to other parts of Mexico or the United States for work. CDMCH works with women's collectives to educate their communities and local authorities about women's rights. In 2010, CDMCH initiated a dialogue with the Chiapas state government to review the regulations governing *ejido* decision-making to ensure greater participation for women.

In Burma, there is a common saying: "respect son as master, and husband as god." In just eight words, the scope of the task of achieving women's equality in Burma is clearly illustrated. But this is a task that members of the Women's League of Burma (WLB) are taking on strategically and creatively. In 2010 WLB discovered a new tool for public education: television. They produced four comedy shows for the Democratic Voice of Burma's satellite TV which have been viewed by millions throughout Burma and its border regions. These skits, created and performed by women, integrate traditional and modern songs and plays. The shows cover issues such as women's genuine political participation, the failings of the 2008 constitution and election laws, poverty, access to education, unemployment and the environment. Burmese speakers can enjoy WLB's skits on their youtube channel: www.youtube.com/user/womenofburma.

In Africa, the Agency for Cooperation in Research and Development (ACORD) published a comprehensive study on access to justice for women survivors of sexual violence in the Great Lakes region. ACORD's review of legal, police, and health systems in the Democratic Republic of Congo, Burundi, Tanzania, Kenya and Uganda revealed that governments have not taken action to support survivors: legal systems have not been changed to reflect international law nor have governments provided resources to defend the rights of victims or provide adequate legal and psychological support. ACORD is challenging this impunity by educating government, judiciary, and policing institutions about women's rights as survivors, and working with women's organizations to build support for women's access to justice.

DEMOCRACY

More than just elections, promoting genuine participation in the decisions that affect us all.

Inter Pares' counterparts promote participatory democracy in communities in Huancavelica, Peru. For instance, SISAY (The Centre for Andean Development) teaches economic literacy to communities so that people can understand and influence how local governments establish budget priorities. This also assists grassroots organizations in holding their local government accountable for the decisions they take. Following municipal and regional elections in 2010, SISAY and IDES-Ayllu (also a counterpart) participated in a transition process to ensure that the new authorities were accountable to the decisions made by their predecessors. Information sessions were organized with new mayors who received briefing materials with bylaws and policies approved by the previous administration, thus ensuring that advances in gender equality and human rights will be preserved under the new government.

In Burma, an oppressive military dictatorship runs the country for the enrichment of a small group of generals and business elites. In 2010 they carried out the first elections in 20 years, engaging in massive fraud to guarantee that their candidates won and that they remained in control. Also in 2010, several of our counterparts from Burma launched a report documenting the appalling health situation in eastern Burma, demonstrating the military junta's lack of accountability to its own population. The report provided strong evidence for the campaign to establish a United Nations Commission of Inquiry to investigate the war crimes and crimes against humanity committed by the regime, and to hold the regime accountable in the international community.

In Canada, our democratic systems can also lack accountability. For example, Canadian mining corporations receive significant support from the federal government to develop and carry out mining projects overseas. As a member of the Canadian Network on Corporate Accountability, Inter Pares collaborated with organizations across Canada to hold the Canadian government accountable for these expenditures. We want to ensure that mining projects receiving financial support from the Canadian public meet minimum standards of respect for human rights, labour and environmental safety. In 2010, longtime counterpart MiningWatch Canada played a key role in educating the public and government officials about the proposed legislation (Bill C-300) that would have done this. While ultimately defeated in Parliament by only six votes, the campaign raised debate and awareness of the issues. The narrow margin of defeat demonstrated that the public considers corporate accountability a central part of our democracy.

Y and

ECONOMIC JUSTICE

Advocating for economic policies and practices in the interest of all, including the most vulnerable.

A new scramble is on for Africa's land and resources. In the wake of the 2008 food crisis, corporations and foreign states are rushing to secure large tracts of land for the production of export crops and agrofuels. These deals are struck in secret, with no democratic debate, and no consideration for the people living on these lands. This was the case recently in Mali, where the country's most fertile irrigated land was leased to the government of Libya, forcing hundreds of farm families off their land. With Inter Pares counterpart COPAGEN, through research, community organizing and political engagement, farmers are fighting to put a stop to land grabbing. To shed light on how farmers around the world are resisting this phenomenon, Inter Pares co-organized "Earth Grab" a public forum at the University of Montreal. Watch the presentations at: www.interpares.ca/en/publications/multimedia/EarthGrab.php.

According to a study by the Transnational Institute, \$534 billion were transferred from the poorest regions of the world to the richest between 2000 and 2008. This injustice could not be clearer than in Africa, a continent with immense mineral wealth where mining companies (many of them Canadian) make enormous profits while local populations remain among the most impoverished on the planet. Inter Pares counterpart Third World Network-Africa (TWN-Africa) is working to ensure that Africans get a fairer share of this revenue by conducting research and analysis, organizing communities, and sustaining political pressure. Thanks to TWN-Africa's work, the governments of Ghana and Zambia have increased the royalties that must be paid by foreign mining companies operating in their countries.

In 2010, Inter Pares continued to support the work of the Canadian Health Coalition (CHC), a national organization dedicated to defending and improving Canada's universal healthcare system. In September of 2010, the CHC co-released the groundbreaking report: *The Economic Case for Universal Pharmacare*. The report outlines how a national public drug plan could cover every Canadian's access to prescription medicines while saving up to \$10.7 billion annually in national healthcare spending. For more information, visit www.pharmacarenow.ca.



RACHEL GOUJIN



ORGANIZACION NACIONAL INDIGENA DE COLOMBIA



RACHEL GOUJIN



FARIS AHMED, USC CANADA



REBECCA WOLSKA

OUR COMMITMENT TO OUR DONORS

Inter Pares is committed to ensuring that we have direct contact with our donors, and that our donors have direct access to us. We are also committed to making the very best use of the money entrusted to us by our donors. This is why all our fundraising is done in-house by Inter Pares staff, and all staff are responsible for ensuring donor funds 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 2010, Inter Pares' ratio was 23%. 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 2010, Inter Pares fundraising costs represented 7.2% of all our expenditures. This means that for every dollar spent, 7.2 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 5.0% of overall expenses in 2010, 87.8% of our total expenditures were on our programs 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.

2010 EXPENSES

Here's how your donations work at Inter Pares:



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 2010

• Caroline Boudreau • David Bruer • Karen Cocq • Eric Charette
• Kathryn Dingle • Elaine Edwards • Nadia Faucher
• Peter Gillespie • Rachel Gouin • Erum Hasan • Sophie Hargest
• Samantha McGavin • Rita Morbia • Marie José Morrissette
• Laura O'Neill • Karen Seabrooke • Jean Symes • Sheila Whyte
• Rebecca Wolsak • Anne-Marie Zilliacus

BOARD IN 2010

• 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)

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-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 and networks, 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, unions, 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 in which we work changes, Inter Pares is working to increase our financial independence to enhance our political autonomy and our ability to carry out progressive programs to bring about social change. Our individual donors are key to this priority and 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 website at www.interpares.ca or contact us directly.

We gratefully acknowledge the particularly generous support of the following individuals:

The Williams Family Dorothy Zarski

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

Estate of Dorothy Melissa Beattie Estate of Bob Johnstone
Estate of Charles Edward Watters

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

Rachel DiCara Joe O'Brien
John Evans Catherine Potter
Thurlo Frazer Dianne Purcell
Alexander Gray Timothy Sammond
Gil Levine Norris Williamson

In addition to the generous support of thousands of individuals, the work of Inter Pares was assisted in 2010 by contributions from:

Canadian International Development Agency (CIDA)
CSN/Fonds Alliance Syndicats Tiers-Monde
Daly Foundation
DRM Foundation
EJLB Foundation
Elisabeth Fulda Orsten Family Fund
Filles de la Providence
Fleming Foundation
Fondation Denise et Robert Gibelleau
Grey Sisters of the Immaculate Conception
B & B Hamilton Fund at the Toronto Community 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 of the Vancouver Foundation
Roncalli International Foundation
Ken and Debbie Rubin Public Interest Advocacy Fund of the Community Foundation of Ottawa
Community Foundation of Ottawa (Grants)
Scott Island Foundation
St. Helen's Anglican Church Women
Sisters of the Congregation of Notre-Dame
Sisters of Providence of St. Vincent de Paul
Sisters of Mission Service
Sisters of St. Joseph of Hamilton
Sisters of St. Joseph of London
Tikvah Grassroots Empowerment Fund of Tides Canada Foundation
R. Howard Webster Foundation
Women's Inter-Church Council of Canada

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, 2010, 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, 2010, 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 4, 2011

Ouseley Hanvey Clipsham Deep LLP
Licensed Public Accountants

Statement of Financial Position as at December 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash	\$ 793,767	\$ 658,237
Accounts receivable	119,033	97,787
Program advances (note 5)	1,049,475	760,031
Prepaid expenses	19,340	—
	1,981,615	1,516,055
INVESTMENTS (note 4)	1,558,375	1,458,845
CAPITAL ASSETS (note 3)	677,783	691,782
	\$ 4,217,773	\$ 3,666,682
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 48,361	\$ 100,794
Deferred revenue (note 5)	1,306,091	746,177
	1,354,452	846,971
YEARS OF SERVICE BENEFITS PAYABLE (note 6)	110,925	102,913
	1,465,377	949,884
FUND BALANCES		
Unrestricted	64,654	56,076
Invested in capital assets	677,783	691,782
Bequest Fund (note 7)	970,507	901,868
Reserve Fund (note 8)	772,299	811,524
Endowment Fund (note 9)	267,153	255,548
	2,752,396	2,716,798
	\$ 4,217,773	\$ 3,666,682

Statement of Changes in Fund Balances for the Year Ended December 31, 2010

	Unrestricted Net Assets	Invested in Capital Assets	Bequest Fund	Reserve Fund	Endowment Fund	2010 Total	2009 Total
FUND BALANCES – BEGINNING OF YEAR	\$ 56,076	\$ 691,782	\$ 901,868	\$ 811,524	\$ 255,548	\$ 2,716,798	\$ 2,553,206
Net revenue (expense) for the year	(5,421)	—	68,639	(39,225)	11,605	35,598	163,592
Purchase of capital assets	(17,804)	17,804	—	—	—	—	—
Amortization of capital assets	31,803	(31,803)	—	—	—	—	—
FUND BALANCES – END OF YEAR	\$ 64,654	\$ 677,783	\$ 970,507	\$ 772,299	\$ 267,153	\$ 2,752,396	\$ 2,716,798

Statement of Revenue and Expense for the Year Ended December 31, 2010

	General Operations	Bequest Fund	Reserve Fund	Endowment Fund	2010 Total	2009 Total
REVENUE						
Donations	\$ 1,400,345	\$ 42,058	\$ —	\$ 200	\$ 1,442,603	\$ 1,475,597
CIDA – PCB	427,359	—	—	—	427,359	1,718,694
CIDA – other projects	2,723,560	—	—	—	2,723,560	3,621,818
Project generated grants	39,212	—	—	—	39,212	199,286
Interest and other	75,323	26,581	35,775	11,405	149,084	146,854
	4,665,799	68,639	35,775	11,605	4,781,818	7,162,249
EXPENSE						
Program						
Projects	3,174,265	—	75,000	—	3,249,265	5,558,642
Operations	917,492	—	—	—	917,492	782,233
	4,091,757	—	75,000	—	4,166,757	6,340,875
Administration	236,632	—	—	—	236,632	260,957
Fundraising	342,831	—	—	—	342,831	396,825
	4,671,220	—	75,000	—	4,746,220	6,998,657
NET REVENUE (EXPENSE) FOR THE YEAR	\$ (5,421)	\$ 68,639	\$ (39,225)	\$ 11,605	\$ 35,598	\$ 163,592

Notes to Financial Statements December 31, 2010

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. **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	2010 Net	2009 Net
Land	\$ 200,000	\$ —	\$ 200,000	\$ 200,000
Building	582,230	125,500	456,730	471,480
Computer and office equipment	126,235	105,182	21,053	20,302
	\$ 908,465	\$ 230,682	\$ 677,783	\$ 691,782

During the year, amortization of capital assets amounted to \$31,803 (2009 - \$26,353).

4. **INVESTMENTS** Investments consist primarily of bonds earning interest at rates between 2.8% and 6.3% per year, with varying maturities from March 2011 to August 2016. The fair value of investments is \$1,611,006 (2009 - \$1,538,669).

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 (2009 - \$82,700) in externally restricted gifts.

10. **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.