

CANADA AND THE SOUTH

WHAT UNITES US?

At the 2012 Food Secure Canada assembly in Edmonton, Eriel Deranger of the Athabasca Chipewyan First Nation spoke of the beauty of her traditional territory. She also spoke of the massive impact of recent decades of tar sands development, which has led to a breach of her people's treaty rights and compromised not only the ecosystem, but her nation's entire way of life. On the same panel was Augusta Henriques from Tiniguena, Inter Pares' counterpart in Guinea-Bissau, who spoke about the struggles and successes in protecting her country's Bijagos Islands, soon to be a UNESCO World Heritage Site. Though from half a world away, Augusta was moved by Eriel's story and her people's narrative. Exposed for the first time to realities of the Indigenous people in Canada, she felt Eriel's outrage, as well as a strong sense of solidarity.¹

Around the world, we have much in common, bound both by our existence on the same planet and our shared humanity. We breathe the same air; we want a bright future for our children; we take delight at a night sky full of stars. More than ever, we live in an interconnected and interdependent world. Everywhere systems are global, whether atmospheric or economic, virtual or real, climatic or corporate. Political decisions and social movements in one nation can have profound implications for an entire region. Communication with the other side of the globe is instantaneous, as technology facilitates the exchange of information like never before. People are travelling and migrating in greater and greater numbers.

Still, we do not always recognize ourselves in others as Augusta did in Eriel.

As a nation, Canada is known increasingly for its isolationist and individualistic positions rather than its collaboration. It has become a nation that pulled out of the Kyoto Accord; that along with a handful of countries, voted against recognizing Palestinian statehood at the United Nations; and that has allowed inequality to deepen within its own borders.

Despite this context, Inter Pares' experience is that many Canadians and people the world over recognize a common social justice agenda: for women's rights, for economic justice, for universal health care, for food sovereignty, and for the respect and dignity of everyone. And many of us who live in Canada understand the profound connections between striving for a compassionate and caring society here at home and abroad. Our dreams for a better future transcend borders.

Sometimes, these connections mean we engage in the same struggle. First Nations in Canada strive for self-determination and control over resources in their own communities, as do communities in Ghana and Guinea-Bissau. Canadians ask for federal leadership in enforcing the universality of health care, as do women's health advocates in the Philippines. Organic farmers in Canada and India raise their voices against the perils of genetically modified organisms. Different contexts. Same struggle.

Often what happens *there* is closely linked to what happens *here*. The rights of migrants from abroad, seeking a livelihood in Canada, are directly affected by our laws and policies governing temporary foreign worker programs. The poor conditions found in many communities affected by mining in the South are linked to the lack of rules and regulations governing Canadian mining companies operating overseas. The survival of important and effective social justice programs abroad, funded by the Canadian taxpayer, are at the mercy of Canada's ever-changing aid policies.

This *Annual Report* contains stories of courage and conviction, giving a glimpse of the connections between Inter Pares' social justice work in Canada and in the South. With your support, we continue to build common cause around the world. Inter Pares advocates a role for Canada that is internationalist: one that cultivates solidarity, where we act with compassion and kindness, and reject isolationism, militarism and individualism. This perspective, shared by our supporters who are also global in outlook, is more important than ever.



¹ To view this panel presentation, see www.youtube.com/watch?v=ordsB49prsl uploaded by Food Secure Canada.

Migrant Justice

It takes courage and integrity to stand up for what is right, especially when doing so means giving up much-needed income to sustain your family. That is exactly what Guatemalan farmer José Sicajau did in January 2007: he was warned that he could not keep working in Canada unless he tore up his sworn affidavit reporting an assault he witnessed against a fellow migrant worker by his Canadian employer. José, who had journeyed to Canada for four straight years to work on a Quebec farm under the Temporary Foreign Worker Program, refused – and was immediately blacklisted and denied re-entry into the program.

José Sicajau is now President of AGUND, a community-based organization in Guatemala comprised of former temporary migrant workers who have faced similar situations. The group is supported by Inter Pares and our Latin American counterpart Project Counselling Service (PCS) and is becoming an important voice for Guatemalan migrant workers, urging the Guatemalan government to protect the labour rights of its citizens who work abroad.

In 2012, Inter Pares brought José and two other migrant justice advocates to Canada on a nine-city tour throughout Ontario, Quebec, and Alberta. The goal was to raise awareness and encourage strategic alliances with people and organizations in Canada that share concern for the issues facing migrant workers, and that advocate for public policy changes.

Over the past decade, the number of temporary foreign workers admitted to Canada has increased so rapidly that they now outnumber those admitted as permanent residents. Importing workers from economically deprived areas where low-wage expectations are common, the Temporary Foreign Worker Program ties them to a specific Canadian employer upon whom they depend for their immigration status. This tie, combined with the isolation many migrant workers face and a lack of information about their rights, makes them especially vulnerable to exploitation and abuse.

Legislative changes introduced in 2012 now enable employers in Canada to pay foreign workers less than what they would offer Canadians. They also eliminate the few employment insurance (EI) benefits available to them – even though migrant workers contribute to the EI system.

Diego Lorente, Program Officer at PCS, says: “People are being treated like cheap labour, without rights. Initially it can seem advantageous to the economy of Canada ... but it can only lead to more serious violations of human rights.” Inter Pares agrees that stripping migrant workers of their rights feeds a downward spiral with serious implications for workers everywhere.



Food Sovereignty

Food sovereignty has emerged as a powerful idea that is uniting people from across the globe. It is based on the affirmation that food is not a simple commodity, it is essential to life, and all people should have a central voice in deciding how their food is produced and where it comes from. Inter Pares works with organizations and movements around the world who are transforming this idea into reality.

In January 2012, Inter Pares staff members David Bruer and Eric Chaurette organized an international exchange to Andhra Pradesh, India, which brought together activists, scientists, and farm leaders from Canada, West Africa, and Asia to share experiences of promoting food sovereignty. Hosted by the Deccan Development Society (DDS), they visited farmers and their fields and learned of the miracle of millets. Highly nutritious, millets do not need irrigation or costly and damaging chemical inputs to grow. Despite the arid environment, women working with DDS grow an incredible diversity of crops that are feeding their communities by using agro-ecological practices. For the West African participants, the demonstration of this millet-based agriculture was inspiring, and plans are underway to create an international network to promote biodiversity-based millet farming. For all participants, this exchange provided some real-life evidence of how small, biodiverse farms are feeding the world.

In 2012, Inter Pares dedicated more staff time and funds to the Canadian Biotechnology Action Network (CBAN) and to Food Secure Canada (FSC). This additional support enabled CBAN to build up momentum, which led to an important victory in its fight against genetically modified animals by stopping the

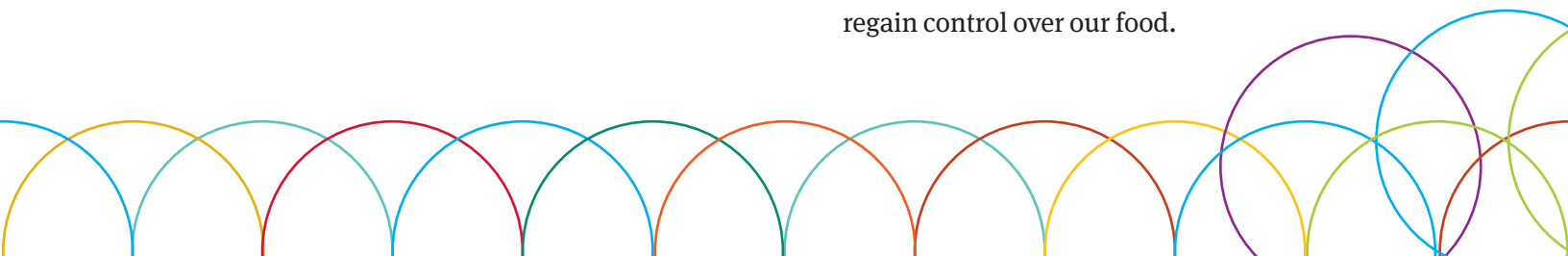
development of a genetically modified pig misleadingly called “Enviropig.”

Our strategic support also helped Food Secure Canada to blossom. Eric

Chaurette continues to serve as Chair, and under the

leadership of its Executive

Director, Diana Bronson, and very capable staff, FSC has become a strong voice on issues of food sustainability and hunger in Canada. During the UN Special Rapporteur’s mission to Canada in May, FSC led a campaign on the right to food. Mr. de Schutter heard directly from the public of the scandalous and increasing levels of hunger and inequality in Canada. In November, FSC held its assembly, bringing together 300 delegates from across the country and the globe, including 40 participants from Northern and Indigenous communities, where food insecurity is most acute. The assembly helped to foster greater bonds of solidarity among people – Southern and Northern, Indigenous and non-Indigenous, Canadian and non-Canadian – in our collective work to regain control over our food.



The How-To of Inter Pares

All around the world, Inter Pares collaborates with people and organizations who are struggling to build more just societies and create change. Here are some of this year's examples of how we do what we do.

We raise money and political support for counterparts from the Canadian public and government:

In 2012, Inter Pares raised \$1.4 million from over 6,000 individuals and organizations, and \$3.5 million from the Canadian government.

We support women's leadership, and bring a feminist perspective to the work we do:

In 2012, our collaboration with the National Indigenous Organization of Colombia (ONIC) enabled women leaders to participate directly in local and national councils, and take decisions on issues affecting their communities.

We offer our experience and financial and technical support to counterparts to help them strengthen their organizations and advance their strategies:

In 2012, Inter Pares assisted key Canadian coalitions in the areas of food sovereignty, healthcare, corporate accountability, and civil liberties to improve and expand their capacity for fundraising and media engagement.

We link individuals and organizations to others addressing similar issues in different countries so that we can all learn from each other and collaborate:

In 2012, Inter Pares brought civil society groups from Burma to India to meet farmer movements that are resisting corporate control of agriculture and promoting biodiverse, locally controlled food production. The Burmese groups learned about the opportunities and threats to agriculture that will arise as their country opens up to foreign investment.

We advocate for responsible government policies and behaviour of Canadian companies, both in Canada and internationally:

In 2012, Inter Pares helped Canadians for Tax Fairness launch an awareness campaign on tax havens, and collaborated with other groups through the Canadian Network on Corporate Accountability to advocate for measures to hold Canadian companies accountable for overseas activities.

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:

In 2012, staff from Guinea-Bissau's Tinguena spoke to hundreds of Canadians at gatherings and conferences about the importance of caring for local lands and people, and about the ways Indigenous groups in Guinea-Bissau are successfully preserving their culture and biodiversity.



MANHÉU DJERDOL

PIERRE CAMPREDON

GUILLEUME CHARBONNEAU

Mining

Canadian mining companies in Africa were much in the news in 2012, both for the potential benefits increased mineral exploitation could bring to struggling African economies, as well as for its severe negative environmental, social, and economic impacts.

For over ten years Inter Pares has helped facilitate the strategic collaboration between Third World Network-Africa (TWN-Africa), based in Ghana, and the Research Group on Mining in Africa (GRAMA), based at the University of Québec in Montreal. Together they work to develop evidence-based policy options for African nations and communities faced with the dilemmas inherent in natural resource exploitation.

Their work has been recognized internationally. In 2009, African Union nations adopted the *African Mining Vision* (AMV), laying out how African countries can use mining to support authentic national and continental development. When the African Union put together an international team of experts to plan the AMV's implementation, they turned to Dr. Yao Graham of TWN-Africa and Professor Bonnie Campbell of GRAMA to join the team.

But TWN-Africa and GRAMA knew that for the mining reform agenda to really benefit communities affected by mining, communities themselves must have input into the reform process. TWN-Africa worked with AIMES, the pan-African organization of mining-affected communities, to organize a four-day seminar to help community members understand the AMV's provisions, as well as the challenges they and their governments would face in the reform process. They invited GRAMA's Gabriel Goyette to present his research on the role of corporate social responsibility in the mining industry, and on lessons from the experiences of mining here in Canada.

Participants asked about the Canadian government's new policy linking international development aid directly to Canadian mining companies, and about Canada's longer history of using aid to reform mining codes in favour of foreign investment. They also discussed the challenges and opportunities under the AMV of how to manage and protect community livelihoods, and ensure the protection of human rights and the environment, decent work and equitable incomes in the mining industry. At the end of the seminar, community members were able to provide concrete input to the Business Plan for the African Minerals Development Centre – a watershed in African civil society engagement with the AMV.



Healthcare

The universality and affordability of quality healthcare are essential components to a caring and compassionate society. In 2012, Inter Pares continued to support the implementation of this vision in Canada and in the South.

For close to twenty years, Inter Pares has supported Likhaan, a women's health organization based in the Philippines. In 2012, after a decade of work, they won a major victory in the struggle for women's rights with the passage into law of the "reproductive health bill" (RH Bill). The RH Bill sets out enforceable national standards, including funding for reproductive health services such as pre- and post-natal care, emergency obstetric care, and contraception. Likhaan has been central in organizing popular support for the bill, conducting needed research, and testifying before governmental committees. In a country where eleven women die each day through childbirth and pregnancy-related issues, proponents are ecstatic about this success.

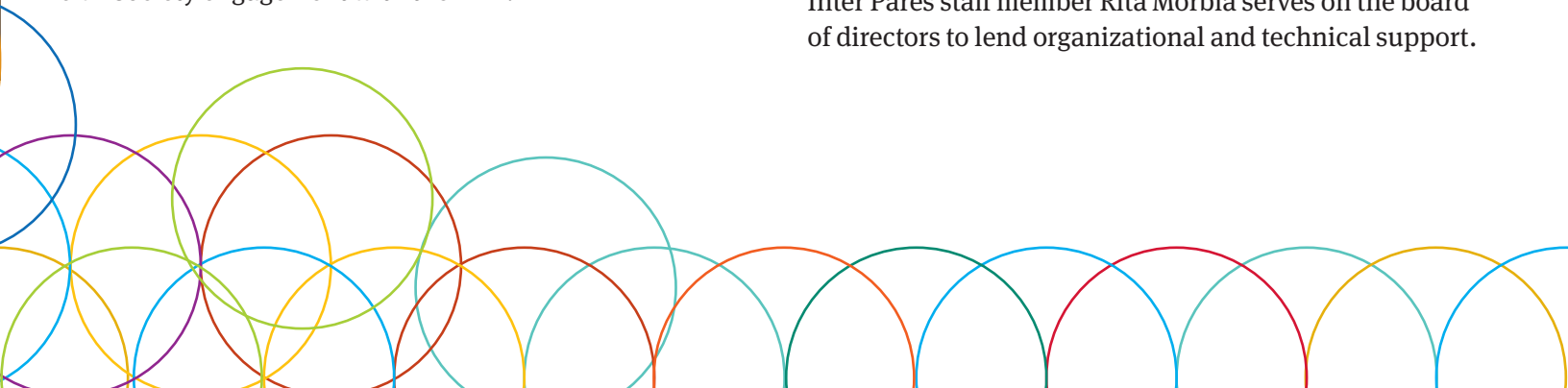
Both inside and along the borders of Burma, Inter Pares supports a number of organizations that deliver health care to some of the region's most vulnerable people. Our Burma program supports fifteen local health initiatives that serve displaced communities, providing essential preventative and acute care to half a million people who

have no other access to health care. As Burma undergoes significant political shifts, these health organizations are also beginning to cautiously connect with official Burmese state and national government bodies, working towards a vision of integrated, democratic, and patient-centred healthcare for all.



In Canada, Inter Pares works with the Canadian Health Coalition (CHC), which advocates for the five pillars of the *Canadian Health Act* – comprehensiveness, portability, accessibility, public administration, and universality. Their research and analysis demonstrate that Medicare in Canada is affordable and that initiatives like a national Pharmacare strategy would actually save money. CHC argues that what has put publicly funded healthcare in peril has been shrinking government revenues due to ill-considered tax cuts and corporate tax avoidance.

CHC has an annual, non-partisan "lobby day" to educate all Members of Parliament, and this year's theme was the importance of federal leadership. In 2012, Inter Pares contributed a special grant to CHC so that it could expand their campaigns and reinforce institutional sustainability. Inter Pares staff member Rita Morbia serves on the board of directors to lend organizational and technical support.



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.

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 2012

- Sarah Blumel • David Bruer • Guillaume Charbonneau
- Karen Cocq • Eric Chaurette • Kathryn Dingle • Elaine Edwards
- Bill Fairbairn • Nadia Faucher • Sandra Le Courtois
- Kevin Malseed • Samantha McGavin • Rita Morbia
- Marie José Morrissette • Laura O’Neill • Jean Symes
- Sheila Whyte • Rebecca Wolsak • Anne-Marie Zilliacus

BOARD IN 2012

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

IN MEMORY OF ROXANA NG



Inter Pares was deeply saddened by the death of long-time Board of Directors member, Roxana Ng, in early 2013 after a courageous fight with cancer. Roxana was a vibrant, dynamic, and caring Board member serving for nearly 14 years. Inter Pares appreciated Roxana’s deep dedication to the fundamental notion of international solidarity between the North and the global South as well as her commitment to the idea of equality on many different levels and in so many facets of her life – as an activist, academic and feminist. We are grateful to have counted Roxana among us, and will miss her.

We are thankful to the many friends, family and colleagues, particularly from the Ontario Institute for Studies in Education, who made donations to Inter Pares in Roxana’s memory to commemorate her legacy of social justice activism and defence of women’s rights.

MR. MONACO’S LEGACY



Inter Pares would again like to pay special tribute to Mr. Eustachio Monaco, of Hamilton, Ontario, who left us a significant bequest upon his passing in 2011. He made this gift in honour of his beloved wife, Carolina Monaco, and son Rino Monaco. In 2012, Inter Pares received another generous gift from his estate. At Inter Pares, we are both inspired and humbled by his gift.

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-seven 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 Jean Lennon
Estate of Helen May Flegel	Estate of Doug MacAulay
Estate of Mary Gibbon	Estate of Eustachio Monaco
Estate of Dorothy Hart	Estate of Patricia D. Skelton
Estate of Dorothy Jones	Estate of Dorothy Zarski

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

Wolfgang Bitterlich	Doris Kaplan
Marion H. Burch	Tilt Kodar
Georgia Economides	Joseph R. Radford
Mary Frazer	Carolynn Lee Schwartz
Doris Gottheil	Rachelle Sender
Paul Gousy-Caouette	William I. Stoddard
Barbara Jean Green	Teresa Webb
Dorothy M. Hart	June White
Carroll Holland	Charles R. Wicke
Jean Johns	George Zimmerman

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.

Aboriginal Law Group
Canadian International Development Agency (CIDA)
Canadian Auto Workers Social Justice Fund
Canadian Staff Union Ontario Solidarity Fund
CSN/Fonds Alliance Syndicats Tiers-Monde
Cenovus Employee Foundation
Daly Foundation
Donner Canadian Foundation
DRM Foundation
Elisabeth Fulda Orsten Family Fund
EnCana Cares Foundation Matching Gift Program
Filles de la Providence
Fleming Foundation
Foster Fund at the Community Foundation of Ottawa
Denise & Robert Gibleau Foundation
Howard C. Green Memorial Fund at the Vancouver Foundation
The Reesa Greenberg Foundation
B & B Hamilton Fund at the Toronto Community Foundation
International Development Research Centre (IDRC)
Just Aid Foundation
Lannie Lewis Keller, Seed Fund of the Greater Saint Louis Community Foundation
McLean Smits Family Foundation
The George Cedric Metcalf Charitable Foundation
Nancy’s Very Own Foundation
Orcutt Family Fund at the Vancouver Foundation
Peterborough K.M. Hunter Charitable Foundation
Riviere Charitable Foundation
Saint Helen’s Anglican Church Women
School Sisters of Notre Dame
Scott Island 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
Steelworkers Humanity Fund
TELUS Community Engagement
The Laura L. Tiberti Charitable Foundation
Tikvah Grassroots Empowerment Fund of Tides Canada Foundation
UFCW Canada
Ursuline Religious of the Diocese of London
Women’s Inter-Church Council of Canada
World Education Services 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 2012, Inter Pares’ ratio was 12.4%. This falls well below CRA guidelines, which require that fundraising expenses do not exceed 35% of fundraised revenue excluding government sources.

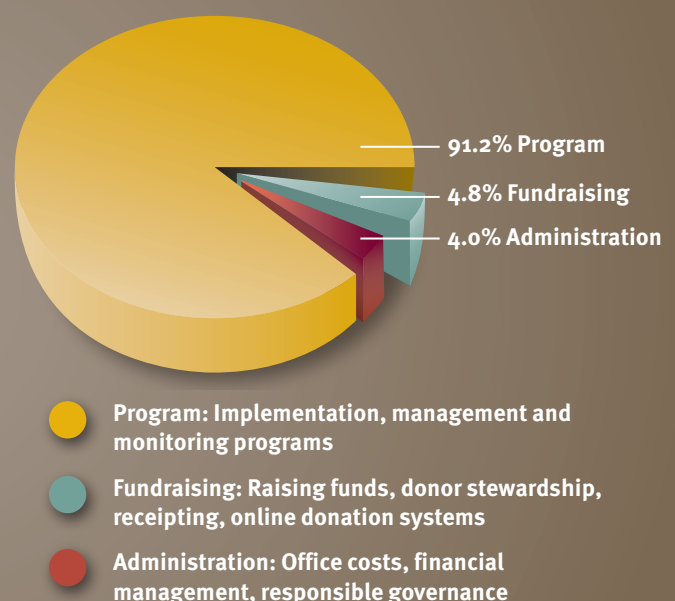
The second way calculates fundraising expenses as a percentage of all expenditures. In 2012, Inter Pares fundraising costs represented 4.8% of all our expenditures. This means that for every dollar spent, 4.8 cents was spent on fundraising, including expenses such as fundraisers’ salaries, donor stewardship, and online gift processing.

With administration costs at 4.0% of overall expenses in 2012, fully 91.2% of our total expenditures were on our programs supporting social change in Asia, Africa, Latin America and Canada.

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

2012 EXPENSES

Here’s how your donations work at Inter Pares:



Report of the Independent Auditor on the Summary Financial Statements to the Board of Directors, Inter Pares

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2012, the summary statements of changes in fund balances and revenue and expense for the year then ended, and related notes, are derived from the audited financial statements of Inter Pares for the year ended December 31, 2012. We expressed an unmodified audit opinion on those financial statements in our report dated March 12, 2013.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Inter Pares.

Management's responsibility for the financial statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis as described in note 1.

Auditors' responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of Inter Pares for the year ended December 31, 2012 are a fair summary of those financial statements on the basis described in note 1.

Ottawa, Ontario
March 12, 2013

Ouseley Hanvey Clipsham Deep LLP
Licensed Public Accountants

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012

	2012	2011
ASSETS		
CURRENT		
Cash	\$ 856,643	\$ 699,637
Accounts receivable	66,218	83,458
Program advances (note 5)	1,247,835	1,347,318
Prepaid expenses	14,744	30,428
Short-term investments (note 4)	458,130	377,668
	2,643,570	2,538,509
INVESTMENTS (note 4)	3,354,725	2,742,556
CAPITAL ASSETS (note 3)	639,968	656,806
	\$ 6,638,263	\$ 5,937,871
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 35,925	\$ 41,510
Deferred revenue (note 5)	1,106,166	1,319,796
	1,142,091	1,361,306
YEARS OF SERVICE BENEFITS PAYABLE (note 6)	106,346	100,414
	1,248,437	1,461,720
FUND BALANCES		
Unrestricted	194,286	182,718
Invested in capital assets	639,968	656,806
Bequest Fund (note 7)	3,422,309	2,551,556
Reserve Fund (note 8)	831,936	805,108
Endowment Fund (note 9)	301,327	279,963
	5,389,826	4,476,151
	\$ 6,638,263	\$ 5,937,871

SUMMARY STATEMENT OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2012

						2012	2011
	Unrestricted Net Assets	Invested in Capital Assets	Bequest Fund	Reserve Fund	Endowment Fund	Total	Total
FUND BALANCES – BEGINNING OF YEAR	\$ 182,718	\$ 656,806	\$ 2,551,556	\$ 805,108	\$ 279,963	\$ 4,476,151	\$ 2,752,396
Net revenue for the year	(5,270)	—	870,753	26,828	21,364	913,675	1,723,755
Purchase of capital assets	(13,512)	13,512	—	—	—	—	—
Amortization of capital assets	30,350	(30,350)	—	—	—	—	—
FUND BALANCES – END OF YEAR	\$ 194,286	\$ 639,968	\$ 3,422,309	\$ 831,936	\$ 301,327	\$ 5,389,826	\$ 4,476,151

SUMMARY STATEMENT OF REVENUE AND EXPENSE FOR THE YEAR ENDED DECEMBER 31, 2012

						2012	2011
	General Operations	Bequest Fund	Reserve Fund	Endowment Fund	Total	Total	
REVENUE							
Donations	\$ 1,440,515	\$ 994,175	\$ —	\$ 7,046	\$ 2,441,736	\$ 2,936,321	
CIDA – PCB	1,472,697	—	—	—	1,472,697	1,257,730	
CIDA – other projects	2,923,164	—	—	—	2,923,164	2,829,545	
Project generated grants	132,300	—	—	—	132,300	49,546	
Interest and other	108,816	61,681	26,828	14,318	211,643	147,312	
	6,077,492	1,055,856	26,828	21,364	7,181,540	7,220,454	
EXPENSE							
Program							
Projects	4,536,938	185,103	—	—	4,722,041	4,035,128	
Operations	993,692	—	—	—	993,692	842,597	
	5,530,630	185,103	—	—	5,715,733	4,877,725	
Administration	249,674	—	—	—	249,674	269,853	
Fundraising	302,458	—	—	—	302,458	349,121	
	6,082,762	185,103	—	—	6,267,865	5,496,699	
NET REVENUE FOR THE YEAR	\$ (5,270)	\$ 870,753	\$ 26,828	\$ 21,364	\$ 913,675	\$ 1,723,755	

NOTES TO SUMMARY FINANCIAL STATEMENTS DECEMBER 31, 2012

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.

1. SIGNIFICANT ACCOUNTING POLICIES

These summary financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (see note 10) with the exception that the statement of cash flows is not included. The complete set of financial statements with audit report dated March 12, 2013 can be obtained from the Directors of Inter Pares and include the following significant accounting policies:

- a) 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.
- b) Financial instruments:** Financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.
- c) 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.
- d) Use of estimates:** the preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

2. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, investments, accounts payable, accrued liabilities and years of service benefits payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2012 Net	2011 Net
Land	\$ 200,000	\$ —	\$ 200,000	\$ 200,000
Building	582,230	155,000	427,230	441,980
Computer and office equipment	132,285	119,547	12,738	14,826
	\$ 914,515	\$ 274,547	\$ 639,968	\$ 656,806

During the year, amortization of capital assets amounted to \$30,350 (2011 - \$30,286).

4. INVESTMENTS

Investments consist primarily of bonds earning interest at rates between 1.5% and 5.7% per year, with varying maturities from March 2013 to May 2018. The fair value of investments is \$3,847,553 (2011 - \$3,153,737).

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 \$89,946 (2011 - \$82,900) in externally restricted gifts.

10. ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective January 1, 2012 the Organization adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations (ASNFPPO). These are the Organization's first financial statements prepared in accordance with ASNFPPO which has been applied retrospectively. The significant accounting policies in note 1 have been applied in preparing these financial statements for the year ended December 31, 2012 and in the preparation of the opening statement of financial position as at January 1, 2011 (the Organization's date of transition).

The Organization issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by CICA Handbook – Accounting V. The adoption of ASNFPPO had no impact on the previously reported assets, liabilities and net assets of the Organization, and accordingly, no adjustments have been recorded in the comparative statements of financial position, changes in fund balances, revenue and expense and cash flows; and the opening statement of financial position has not been presented.