

INTER PARES

FINANCIAL STATEMENTS

DECEMBER 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Inter Pares:

Opinion

We have audited the financial statements of Inter Pares ("the Entity"), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in fund balances, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OHCS LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

March 25, 2026

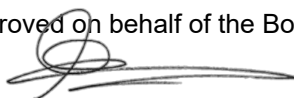
INTER PARES

3.

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 6,457,466	\$ 2,605,308
Short-term investments (note 3)	1,771,070	458,571
Accounts receivable	235,854	236,818
Program advances (note 4)	8,167,125	6,456,636
Prepaid expenses	27,237	52,577
	16,658,752	9,809,910
INVESTMENTS (note 3)	5,036,217	5,195,939
CAPITAL ASSETS (note 5)	540,144	559,857
	\$ 22,235,113	\$ 15,565,706
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 123,435	\$ 137,886
Deferred revenue (note 6)	13,597,958	8,464,163
	13,721,393	8,602,049
YEARS OF SERVICE BENEFITS PAYABLE (note 7)	218,902	182,884
	13,940,295	8,784,933
FUND BALANCES		
Unrestricted (deficit)	(794,007)	(58,954)
Invested in capital assets	540,144	559,857
Reserve Fund (note 8)	1,102,244	1,077,268
Margaret Fleming McKay Legacy Fund (note 9)	7,446,437	5,202,602
	8,294,818	6,780,773
	\$ 22,235,113	\$ 15,565,706

Approved on behalf of the Board:



Michael Manolson, Treasurer

The accompanying notes are an integral part of these financial statements



INTER PARES

4.

**STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2025**

					2025	2024
	Unrestricted Net Assets	Invested in Capital Assets	Reserve Fund	Margaret Fleming McKay Legacy Fund	Total	Total
FUND BALANCES - BEGINNING OF YEAR	\$ (58,954)	\$ 559,857	\$ 1,077,268	\$ 5,202,602	\$ 6,780,773	\$ 6,816,756
Net revenue (expense) for the year	(754,766)	-	24,976	2,243,835	1,514,045	(35,983)
Transfers to (from)	-	-	-	-	-	-
Purchase of capital assets	(3,131)	3,131	-	-	-	-
Amortization of capital assets	22,844	(22,844)	-	-	-	-
FUND BALANCES - END OF YEAR	\$ (794,007)	\$ 540,144	\$ 1,102,244	\$ 7,446,437	\$ 8,294,818	\$ 6,780,773

The accompanying notes are an integral part of these financial statements



INTER PARES

5.

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2025

				2025	2024
	General Operations	Reserve Fund	Margaret Fleming McKay Legacy Fund	Total	Total
REVENUE					
Donations	\$ 1,997,670	\$ -	\$ 2,084,001	\$ 4,081,671	\$ 1,857,129
Global Affairs Canada					
Buil-Mo	269,407	-	-	269,407	1,026,305
ACTIF	81,936	-	-	81,936	195,944
SCSM Burma	4,454,098	-	-	4,454,098	4,040,352
WLA West Africa	1,254,948	-	-	1,254,948	1,229,443
ACF-AO West Africa	3,125,331	-	-	3,125,331	2,461,258
STARS	685,816	-	-	685,816	-
Interest and other	17,521	24,976	159,834	202,331	163,964
	11,886,727	24,976	2,243,835	14,155,538	10,974,395
EXPENSE					
Program					
Projects	9,050,689	-	-	9,050,689	7,919,078
Operations	2,474,839	-	-	2,474,839	2,102,818
	11,525,528	-	-	11,525,528	10,021,896
Administration	493,432	-	-	493,432	444,898
Fundraising	622,533	-	-	622,533	543,584
	12,641,493	-	-	12,641,493	11,010,378
NET REVENUE (EXPENSE) FOR THE YEAR					
	\$ (754,766)	\$ 24,976	\$ 2,243,835	\$ 1,514,045	\$ (35,983)

The accompanying notes are an integral part of these financial statements



INTER PARES

6.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ 1,514,045	\$ (35,983)
Item not requiring cash:		
Amortization of capital assets	22,844	40,483
Change in operating components of working capital:		
Accounts receivable	964	(23,157)
Program advances	(1,710,489)	(1,943,328)
Prepaid expenses	25,340	27,348
Accounts payable and accrued liabilities	(14,451)	64,482
Deferred revenue	5,133,795	1,024,631
Years of service benefits payable	36,018	13,202
	5,008,066	(832,322)
INVESTING ACTIVITIES		
Purchase of investments	(1,152,777)	(488,907)
Purchase of capital assets	(3,131)	(87,125)
	(1,155,908)	(576,032)
CHANGE IN CASH FOR THE YEAR	3,852,158	(1,408,354)
Cash beginning of the year	2,605,308	4,013,662
CASH END OF YEAR	\$ 6,457,466	\$ 2,605,308

The accompanying notes are an integral part of these financial statements



INTER PARES

7.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025

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 is incorporated without share capital under the laws of Canada. 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 financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations 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 Global Affairs Canada 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.

(b) Financial instruments

Financial instruments are initially recognized at fair value and are subsequently measured at amortized cost or cost less appropriate allowances for impairment. Financial assets measured at amortized cost include cash, accounts receivable and investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and years of service benefits payable.

(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 and accrued liabilities and years of service benefits payable. These financial instruments expose the Organization to various risks.

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Organization by failing to discharge an obligation. The Organization's credit risk is mainly related to accounts receivable.



INTER PARES

8.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

2. FINANCIAL INSTRUMENTS (continued)

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's liquidity risk is mainly related to accounts payable and accrued liabilities and years of service benefits payable.

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest risk and other price risk. The Organization is exposed mainly to interest rate risk.

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization's interest rate risk is mainly related to its investments.

The exposure of the Organization to risks through its financial instruments has not changed from the previous year.

3. INVESTMENTS

Investments consist of bonds, mutual funds and GIC's. The GIC's are earning interest at rates between 1.45% and 4.86% per year, with varying maturities from February 2026 to December 2030. The total fair value of short-term investments and long-term investments is \$6,819,456 (2024 - \$5,621,518).

4. PROGRAM ADVANCES

Program advances can vary significantly from year to year depending on the timing of funds sent overseas and the reporting back by overseas counterparts.

The value of program advances and deferred revenue is subject to measurement uncertainty. To estimate the amount of spent program advances, management made assumptions based on counterpart program activity in previous years and information available at the year-end. The amount recorded as program advances and related deferred revenue, revenue and expense, reflects management's best estimate. Any changes in the fair value will be recognized as they become known.

5. CAPITAL ASSETS

			2025	2024
	Cost	Accumulated Amortization	Net	Net
Land	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
Building	646,317	349,954	296,363	312,715
Computer and office equipment	317,502	273,721	43,781	47,142
	\$1,163,819	\$ 623,675	\$ 540,144	\$ 559,857

During the year, amortization of capital assets amounted to \$22,844 (2024 - \$40,483).



INTER PARES

9.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

6. DEFERRED REVENUE

Deferred revenue consists mainly of funding received for activities to be completed in the next fiscal year.

	2025	2024
Balance, beginning of year	\$ 8,464,163	\$ 7,439,532
Less: amount recognized as revenue in the year	(5,301,273)	(6,946,294)
Plus: amount received related to the following year	10,435,068	7,970,925
Balance, end of year	\$ 13,597,958	\$ 8,464,163

Deferred revenue is subject to measurement uncertainty as discussed in note 4.

7. 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.

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. MARGARET FLEMING MCKAY LEGACY FUND

During 2018 the Organization combined the Bequest Fund and the Margaret McKay Fund to create a new fund called the Margaret Fleming McKay Legacy Fund. The purpose of this fund is to help Inter Pares continue long-term programs with counterparts internationally and in Canada. During the year Inter Pares transferred \$nil (2024 - \$255,004) from the Margaret Fleming McKay Legacy Fund to unrestricted net assets.

