



2021-2022 Annual Report

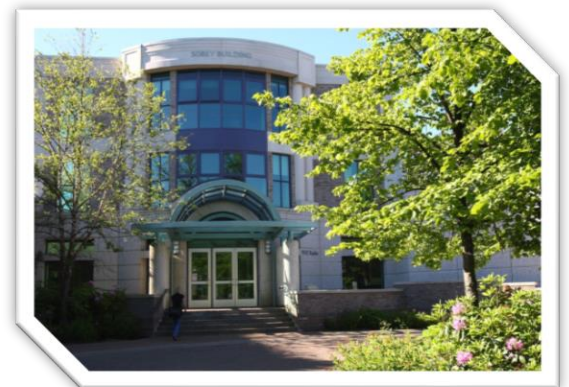


**Saint Mary's
University**

Centre of Excellence in
Accounting and Reporting
for Co-operatives

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2021-2022 Annual Report from the Chair and Executive Director

The Centre of Excellence in Accounting and Reporting for Co-operatives (CEARC) is pleased to provide its annual report for the fiscal year ending March 31, 2022. The past year has been very productive for the Centre. We have successfully completed the third year of our three-year strategic plan.

During the year, CEARC associates presented papers at **14 academic conferences**, participated in **three invited presentations**, and published **12 papers**. In addition, we finalized indicators for the Sustainable Development Goals (SDG) project and completed our work on Mental Health and COVID-19: Bridging the Gap. We are also pleased to report that CPA Canada provided funding of \$30,000 to support the SDG project. During the year, **work continued on three projects** commenced in 2021: (1) case study of a co-operative's adoption of Integrated Reporting; (2) credit union responses to COVID-19 in comparison with the banks, and (3) developing a statement of recommended practice (SORP) for co-operative accounting and reporting. Finally, we published one edition of the International Journal of Co-operative Accounting and Management.

CEARC Treasurer, Nickie Young, FCPA, FCA retired from the board. We thank Nickie for her years of service. We are pleased to welcome two new board members, Dan Burnette (2021) and Charles Baxter (2022).

Respectfully submitted,

Russ Wasson, CPA
Chair, Board of Directors

Daphne Rixon, PhD, FCPA, FCMA
Executive Director

Goals of CEARC



The purpose of the Centre of Excellence is to provide a focal point for research into issues about how accounting and reporting systems may best be designed to fit the unique nature of co-operative businesses around the world.



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ABOUT CEARC



Since 2011, CEARC has issued 16 research grants totaling \$157,900

The Centre of Excellence facilitates research in accounting and reporting for co-operatives and credit unions. It disseminates its research widely in draft (i.e., consultative) form to professional accounting bodies and co-operative managers around the world. It uses feedback as an input to the research in the preparation of final reports, which are published at academic, and practitioner conferences, in journals, and/or in the form of working and discussion papers. More specifically, the Centre does this by:

- ❖ Identifying research needs
- ❖ Developing accounting tools for co-operatives
- ❖ Disseminating research and knowledge to not-for-profit & co-op business managers as well as the academic and accounting practitioner communities
- ❖ Developing papers and curriculum materials
- ❖ Building on existing networks linking academics, professional associations, standards bodies, and co-operative businesses

CEARC facilitates research in accounting and reporting for co-operatives and credit unions.





GOVERNANCE

Members of the Board 2021-22



Russ Wasson, CPA, Chair, National Rural Electrical Cooperative Association, USA



Gordon Beal, Vice President, Guidance and Support, CPA Canada



Jaspreet Chahal, Partner, MNP, Canada



Dr. Ericka Costa, Professor, Trento University, Italy



Dan Brunette, Director, Strategic Alliances and Initiatives, Co-operatives and Mutuels Canada, Canada



John Sandford, FCA Consultant, United Kingdom



Dr. Sonja Novkovic, Professor, Economics, and Academic Director, International Centre for Co-operative Management, SMU, Canada



Dr. Marc-André Pigeon, Assistant Professor, Johnson Shoyama Graduate School of Public Policy, University of Saskatchewan, Canada



Dr. Daphne Rixon, Associate Professor, Accounting, SMU, and Executive Director (ex-officio member of the Board), Canada



Nicola (Nickie) Young, Professor Emeritus, Accounting, SMU, Canada



Ian Glassford, MBA, CPA, CMA
Retired CFO, Servus Credit Union, Canada
PEOPLE AT THE CENTRE

Committees of the Board 2021-2022

- **Fundraising Committee:** Karen Miner, Tracey Kliesch, Daphne Rixon, and Dan Brunette (Chair)
- **Research Advisory Committee:** Dr. Ericka Costa, Dr. Marc-Andre Pigeon, and Dr. Daphne Rixon (Chair)
- **Strategic Planning Committee:** Russ Wasson, Gordon Beal, and Dr. Daphne Rixon (Chair)



PEOPLE AT THE CENTRE



Dr. Daphne Rixon

Executive Director, CEARC

In addition to her role as Executive Director of CEARC, Daphne is an Associate Professor, Accounting, SMU. She completed her PhD at the University of Warwick and also has FCPA and FCMA accounting designations.



Dr. Fiona Duguid

Research Fellow, CEARC

In addition to her role as Research Fellow with CEARC, Fiona is an adjunct professor in the Master of Management, Co-operatives and Credit Unions (MMCCU) program at Saint Mary's University (managementstudies.coop). She holds a PhD from the University of Toronto and is an independent co-operative researcher.



STRATEGIC PLAN & PROGRESS

The following section provides an update on the key initiatives in our 3-year strategic plan, ending in 2022.

KEY INITIATIVE 1: CREATE TOOLS AND RESOURCES THAT SUPPORT THE CO-OPERATIVE SECTOR'S REPORTING, ACCOUNTING, AND MEASUREMENT OF CO-OPERATIVE PERFORMANCE

Initiatives to Meet Key Initiative #1

1. Co-operative Performance Indicators (CPI)

Using a participatory action research approach, this project entails working with a pilot group within the co-operative sector to develop non-financial indicators to measure performance in relation to the seven Co-operative Principles as defined by the International Co-operative Alliance (ICA).

Outputs:

- Identification of 2 – 4 indicators that measure performance relative to the seven Co-operative Principles
- Re-development of existing beta online webtool to maintain data entered by co-operatives
- Expansion of the number of co-operatives participating in the project to 500

Outcomes:

- Provision of benchmark data for co-operatives relative to the seven Co-operative Principles
- Analysis of large volumes of data to identify relevant and valid data to support decision making
- Enhanced reporting on co-operative performance in annual reports
- Increased awareness among accountants of measuring value beyond the financial statements to include social and environmental factors



Status:

- This project has been completed and has been incorporated with the SDG project under a new title: Accounting for Co-operative Transformation (ACT).

2. Sustainable Development Goals (SDGs) (now Accounting for Co-operative Transformation – ACT)

This project involves working with Co-operatives and Mutuels Canada and 16 co-operatives to determine how co-operatives can measure and evaluate their performance in relation to the United Nations Sustainable Development Goals (SDGs).

The SDG project has been expanded to incorporate the Co-operative Performance Indicators (CPI) project under a new name – Accounting for Co-operative Transformation (ACT). The ACT project links (where applicable) the SDGs to the seven Co-operative Principles.

Outputs:

- Identification of 1 – 2 measures related to each of the 17 United Nations Sustainable Development Goals
- Integration into CPI online webtool to maintain data entered by co-operatives

Outcomes:

- Provision of benchmark data for co-operatives' performance relative to the 17 SDGs
- Enhanced reporting of co-operative SDG performance in annual reports
- Increased awareness among accountants of the intangible value generated by considering social and environmental factors in business decisions
- Provision of a platform (webtool) that is globally available to all co-operatives

Timeline:

- Completion of the test version of the ACT Dashboard by December 31, 2022.

Status:

- Started the project with over 400 metrics, which were reduced to 50 using the following criteria in order to identify the "best" metrics: (1) Importance for stakeholders; (2) Feasibility; (3) Relativity; and (4) Sector specific.
- Issued survey of 50 metrics to the 16 co-operative participants. In response, they identified 25 metrics.
- Subsequently created a new survey using the 25 metrics. This survey was issued by Co-operatives and Mutuels Canada in an effort to solicit input from the wider co-operative community regarding the suitability of the 25 metrics.
- Based on the wider co-operative community feedback on the 25 SDG metrics, the final list was reduced to 20.



- Selected Weaver Design & Storytelling Co-operative to develop a dashboard that enables co-operatives to enter their SDG data. The dashboard is expected to be completed by December 31, 2022.
- CPA Canada has provided funding of \$30,000 to support this project.

3. SORP for Co-operative Accounting and Reporting

This project involves working with Co-operatives UK and an international committee of co-operative accounting practitioners and academics to develop a co-operative accounting statement of recommended practice (SORP). The aim of the project is to gain the support of the standard setters in the UK first before initiating discussions with standard-setters in other jurisdictions.

UK SORP Sub-committee members:

- Co-operatives UK
- Daphne Rixon, CEARC, Canada
- Elisavet Mantzari, University of Birmingham, UK
- John Sandford, Independent Chair of Co-operative UK's Co-operative Performance Committee, UK
- Vivian Woodell, UK
- Maureen McCulloch, Oxford Brookes University, UK
- Ian Adderley, Financial Conduct Authority, UK
- Patrick Morrello, Third Sector Accountancy, UK

Outputs:

- Hold focus group meetings with practitioners working in co-operatives in the United Kingdom. The purpose of the focus groups is to identify the accounting and reporting issues of concern as well as potential changes to standards and reporting frameworks.
- Issue a discussion document regarding the development of a co-operative oriented format for financial accounting and reporting which would enable co-operatives to differentiate themselves from investor-owned businesses and not for profit organizations.
- Issue a discussion document regarding accounting standards for member capital and co-op dividends.

Outcomes:

- Engagement of practitioners and academics with the draft discussion documents regarding the format for co-operative financial accounting and reporting as well as accounting standards for member capital and co-op dividends. Engagement is expected to take the form of focus groups as well as written comments on the discussion documents.
- With the support of the ICA, in collaboration with Co-operatives UK, develop a working relationship with UK and international standard-setters to adopt a co-operative format for financial accounting and reporting and to develop standards that accurately reflect the substance of transactions related to member capital and co-operative dividends.



- Ensure the SORP also addresses non-financial performance with respect to social and environmental issues.

Timeline:

- Discussion documents issued: December 31, 2021
- Feedback from practitioners: December 31, 2022
- Submission to UK and/or international standard setters: December 31, 2023

Status:

- The UK SORP Committee is currently conducting focus group meetings with thought leaders in the area of co-operative accounting. We held 2 meetings in January and 2 in February to solicit input on what co-operative accounting practitioners view as challenges in reporting on co-operative financial performance.
- Based on the feedback received from the focus groups, we will draft a Co-operative Financial Reporting SORP and will disseminate it for feedback from the wider community including co-operative industry associations, auditors, and academics.
- The final step in this process is to work with the UK standard-setters to adopt the Co-operative Accounting SORP.
- The UK SORP Committee has drafted a discussion document which was provided to the focus group participants in advance of the meetings. All meetings are conducted via Zoom. Link to the discussion document (see bottom of webpage):
<https://www.smu.ca/academics/sobey/cearc-statement-of-recommended-practice.html>
<https://www.smu.ca/academics/sobey/cearc-statement-of-recommended-practice.html>

Key Initiative 2: Increase Awareness and Profile of CEARC as the Go-To Hub for Co-operative Accounting and Reporting Expertise

Initiatives to meet Goal #2:

1. Professional Development Education for Accountants Working in Co-operatives

This initiative involves developing one to two-hour webinars and online professional development (PD) materials that will be targeted towards accountants. It will be based on prior and current CEARC research initiatives such as the existing six iSORPs and the current CPI and SDG projects.

Output:

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- Development of one professional development webinar for accountants working in co-operatives. The webinars may include, but not be limited to the following topics:
 - Measuring beyond the financial results to consider social and environmental performance
 - Measuring co-operatives' performance relative to the 7 Co-operative Principles
 - Developing a co-operative statement of recommended practice (SORP)

Outcomes:

- Increased awareness among co-operative accountants of the research conducted by CEARC as well as awareness of the resource materials available through CEARC. This will be measured by attendance at webinars and seminars as well as visits to the CEARC website.
- Enhance accountants' ability to transition from purely financial reporting to encompassing a broader view of performance in non-financial terms (such as social and environmental performance).
- Webinars delivered in a manner to meet accountants' needs. This includes working with CPA Canada to deliver live webinars as well as recorded webinars on demand. Accountants attending the live webinar or viewing the recorded webinar would be able to count this as professional development hours.
- Recorded webinars could be made available to the International Co-operative Alliance to place on their website (with the CEARC logo).

Timeline:

- Develop and deliver first PD webinar: December 31, 2020
- Develop and deliver one PD webinar in each year of the 3-year plan

Status:

- Through a collaboration with the Canadian Credit Union Association (CCUA) we agreed to offer three complementary webinars:
 - Accounting for co-operative purposes: Reclaiming the conversation, presented by Maureen McCulloch and Daphne Rixon, March 24, 2021.
 - Are co-operatives embracing the SDGs and sustainability? A content analysis of annual reports, reports, and websites, presented by Fiona Duguid, April 14, 2021.
 - Why should credit unions and co-operatives report on the seven principles? Presented by Daphne Rixon and Fiona Duguid, May 10, 2021.

2. Professional Development Education for Other Co-operators Interested in Expanded Reporting and Measurement

In addition to the PD sessions, discussions will be held with the International Centre for Co-operative Management (ICCM, managementstudies.coop) regarding the possibility of developing an Executive Education seminar related to benchmarking and reporting on co-operative performance.



Output:

- Development of an Executive Education seminar to be conducted through ICCM

Outcome:

- Increased awareness among co-operatives of the research conducted by CEARC as well as awareness of the resource materials available through CEARC. This will be measured by attendance at webinar and seminars as well as visits to the CEARC website.

Timeline:

- Develop framework with ICCM for Executive Education seminar: June 30, 2023
- Deliver Executive Education seminar: December 31, 2023

Status:

- This initiative has been deferred to 2023 since the ICCM schedule has reached capacity for 2022.

3. *International Journal of Co-operative Accounting and Management (IJCAM)*

IJCAM is focused on generating and disseminating research papers that are of interest to both academics and practitioners. With the 2019 merger with the International Journal of Co-operative Management, the scope of topics extends beyond accounting and reporting to include topics related to management issues of interest to co-operatives and credit unions as well.

Outputs:

- Issue one volume annually comprised of 5 papers
- Include papers from both academics and practitioners

Outcomes:

- Increase awareness of IJCAM and CEARC. This will be measured by number of visits to the IJCAM page and the CEARC website more broadly.

Timeline:

- Issue at least one volume annually by November 30

Status:

- The most recent issue was published December 2021 and included 5 papers:

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- Social impact measurement and reporting for Irish credit unions – Olive McCarthy, University College Cork, Ireland.
- Recovering the Original Co-operative Purpose. Co-operative and Trade Union Organisational Development for Social and Economic Transformation – Peter Davis, University of Leicester School of Business, UK.
- Environmental Sustainability Implementation at Vancouver City Savings Credit Union, Jennifer Tan, Vancity ([MMCCU](#) capstone paper), Canada.
- Growing British Columbia's Co-operative Economy: Lessons from the San Francisco Bay Area and Finland – Ashley Grewal, Vancity (MMCCU capstone paper), Canada
- Movement Building and Cooperation to Transform the Construction Industry - Andrew Gansenberg, New Frameworks Co-op (MMCCU graduate), USA

4. Collaboration with Co-operative Umbrella Organizations

The Centre worked with the following co-operative centres and umbrella organizations to expand the reach of CEARC in terms of academic and practitioner research projects: Co-operatives Mutuals Canada (CMC), United Kingdom Society for Co-operative Studies (UKSCS); Canadian Centre for the Study of Co-operatives, University of Saskatchewan; World Council of Credit Unions (WOCCU); International Co-operative Alliance (ICA); Cooperatives UK; National Society for Accountants of Cooperatives (NSAC); and the Research and Education Institute for Cooperatives, University of Sherbrooke.

Outputs:

- Reciprocal cross-web and cross-newsletter postings to promote key events and initiatives. This will be measured by completing at least one cross-web or cross-newsletter posting per year.
- Research collaboration and delivery of professional development opportunities.

Outcomes:

- Increased awareness of CEARC and dissemination of CEARC research through webinars, presentations at meetings/conferences, and research collaborations. Measured through number of reciprocal postings promoting research and education as well as webinars, presentations, and identification of research collaboration opportunities.

Timeline:

- Minimum of one collaboration initiative (cross-web and/or cross-newsletter posting) per year in each of the 3 years covered by the strategic plan.

Status:

- Signed a Memorandum of Agreement with FUNDEPOS Alma Mater University, Costa Rica to work on the following:

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- Collaboration on a multi-year project on adoption by co-operatives of the UN Sustainable Development Goals through CEARC
- Exchange of academic and administrative staff
- Collaboration on co-operative research, training, teaching, and publications
- Co-organization of research symposia in Canada and Costa Rica
- Joint application for funding and scholarships
- Collaboration on externally funded technical assistance projects
- Promotion of other co-operation as mutually agreed
- Daphne Rixon was awarded a grant of \$7,000 from the Global Affairs Canada, Faculty Mobility for Partnership Building Program. This grant covers travel and accommodations for Dr. Rixon to visit Fundepos University in Costa Rica to collaborate with Professor Campos on research and teaching activities as well as explore how both institutions can build on this partnership.

5. Dissemination of CEARC Research

Outputs:

- Annual attendance by Executive Director and/or CEARC associate at two academic and/or practitioner conferences
- Two publications by Executive Director and/or CEARC associate annually, publishing research in academic and/or professional/trade journals

Outcome:

- Increased awareness of CEARC and the research projects undertaken

Timeline:

- Annual attendance at 2 conferences
- Annual publication of 2 research papers

Status:

Presentations by Executive Director and CEARC Associates

Novkovic, Sonja, Symposium on Co-operative Governance, June 17, 2021. Opening keynote and panel discussion.

Novkovic, Sonja, CA CCR research conference, Seoul, Korea December 2021.

Duguid, F. and D. Rixon (2021), Made for co-ops, by co-ops: The development of co-operative-designed indicators for the SDGs, *International Co-operative Alliance Research Conference*, Seoul, South Korea, Virtual, November 29.

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Mantzari, E., M. McCulloch, D. Rixon, C. Piñeiro, C. Koo and F. Polo-Garrido (2021), Accounting for purpose: aligning the economic and social-environmental goals of co-operatives, *International Co-operative Alliance Research Conference*, Seoul, South Korea, Virtual, November 28, 2021.

Mantzari, E., M. McCulloch, and D. Rixon (2021), Developing a statement of recommended practice (SORP) in accounting and reporting for co-operatives, *UK Society for Co-operative Studies Conference*, Virtual, September 9.

Pigeon, M.A. May 10, 2022. "Changing the Rules of the Game: Strategic Implications of the Federal Credit Union Option," Canadian Credit Union Association ReConnect Conference, Niagara Falls, Ontario.

Pigeon, M.A. February 25, 2022. "A \$350 Million Question: Who Owns Saskatchewan's Credit Union Deposit Insurer," Johnson Shoyama Graduate School of Public Policy Brown Bag Talks.

Pigeon, M.A. (with Bill Oemichen). October 20, 2022. "Big Data in Agriculture," British Columbia Co-operative Association (BCCA) webinar.

Pigeon, M.A. September 16, 2022. "Transitioning." Coast Capital Credit Union presentation to the Board of Directors.

Rixon, D. and Marc-Andre Pigeon (2021), Credit Unions' Response to COVID-19, *UK Society for Co-operative Studies Conference*, Virtual, September 9.

Rixon, D., F. Duguid, E. Gosselin and J. Charbonneau (2021), Measuring the SDGs feels out of your co-operative's reach? Not Anymore!, *Association of Cooperative Educators Institute*, virtual, June 23.

Rixon, D. and F. Duguid (2021), Stakeholder Engagement and Co-operative Performance, *International Co-operative Governance Symposium*, Saint Mary's University, Virtual, June 19.

Rixon, D., F. Duguid, E. Gosselin and J. Charbonneau (2021), Made for co-ops, by co-ops: The development of co-operative-designed indicators for the SDGs, *Canadian Association for Studies in Co-operatives*, virtual, June 4.

Rixon, D. and M. Pigeon (2021), Talking Like a Co-operative, *Canadian Association for Studies in Co-operatives*, virtual, June 3.

Publications by CEARC Associates

Costa, E.; Pesci, C., "Putting stakeholders at the centre: multi-stakeholder approaches to social impact measurement" in Hazenberg, R. and Paterson-young, C. (a cura di), *Social Impact Measurement for a Sustainable Future: The Power of Aesthetics and Practical Implications*,

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Switzerland (Cham): Palgrave Mc-Millan, 2022, p. 129-144. - ISBN: 978-3-030-83151-6. - DOI: 10.1007/978-3-030-83152-3

Agostini, **Costa E.**, Korca, B. (2021), Non-Financial Disclosure and Corporate Financial Performance Under Directive 2014/95/EU: Evidence from Italian Listed Companies, Accounting in Europe., <https://doi.org/10.1080/17449480.2021.1979610>

Costa E., Pesci C., (2021), Putting stakeholders at the centre: multi-stakeholder approaches to social impact measurement, in Hazenberg, R. and Paterson-Young, C. (Eds.), Social Impact Measurement for a Sustainable Future: The Power of Aesthetics and Practical Implications, Palgrave-McMillan, ISBN 978-3-030-83151-6, doi: 10.1007/978-3-030-83152-3

Korca, B., **Costa, E.**, Farneti F. (2021), From voluntary to mandatory non-financial disclosure following Directive 2014/95/EU: an Italian case study, Accounting in Europe, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1080/17449480.2021.1933113>

Costa, E. (2021), Challenges for social impact measurement in the non-profit sector, in Lehner O.M (ed.) A Research Agenda for Social Finance, Edward Elgar Publishing, UK, <http://dx.doi.org/10.4337/9781789907964>, ISBN 978 1 78990 795 7 (cased), pp. 119-145.

Korca, B., **Costa, E.** (2021), Directive 2014/95/EU: building a research agenda, Journal of Applied Accounting Research, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/JAAR-05-2020-0085>

Mantzari, E., M. McCulloch, D. Rixon and I. Adderley (2021), Accounting and reporting for co-operatives: a UK perspective, *Journal of Co-operative Studies*, forthcoming (accepted May 20, 2021).

Novkovic, Sonja, Anu Puusa and Karen Miner 2022. Co-operative identity and the dual nature: from paradox to complementarities. *Journal of Cooperative Organization and Management* 10.1 <https://doi.org/10.1016/j.jcom.2021.100162>

Novkovic, Sonja 2021. Cooperative identity as a yardstick for transformative change. *Annals of Public and Cooperative Economics*: 1-24. <https://doi.org/10.1111/apce.12362>

Rixon, D. and F. Duguid (2022), Co-operative Leaders Need to Lead the Way on Global and Local SDG Adoption, *Policy Brief*, Emerald Open Res 2022, **4:11** (doi: [10.35241/emeraldopenres.1114927.1](https://doi.org/10.35241/emeraldopenres.1114927.1))

Rixon, D., L. Brown and H. Weigand (2021), Mental Health Co-operative, Nonprofit Book Series, Sagamore Venture Publications. <https://js.sagamorepub.com/npbs> (accepted October 11, 2021).

Rixon, D. and L. Brown (2021), Island Co-op Grocery transitions to a franchise operation: Salvation or Downfall? *SAGE Business Cases*, forthcoming (accepted September 8, 2021).

Editing

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Novkovic, S., C. McMahon and K. Miner (eds) *Humanistic governance of democratic organizations: The cooperative difference*. Palgrave MacMillan, forthcoming

Novkovic, S. and K. Miner (guest eds.) 2022. *Special issue of the Journal of Cooperative Organization and Management on the Cooperative Identity* (Elsevier)

Invited Presentations

Novkovic, Sonja, FabCities Summit-Montreal, August 9-14, 2021. Panel presenter.

Rixon, D. (2021), Measuring SDG performance in co-operatives and credit unions, *Engaging Ideas: Exploring Co-operatives*, Memorial University of Newfoundland, November 23.

Rixon, D. and F. Duguid (2021), Measuring SDG Performance in Co-operatives and Credit Unions, Edward Elgar Handbook on Co-operative Research, Chapter Author Presentation, October 26.

Rixon, D. (2021), Financial Wealth versus Co-operative Health, *New Co-operativism- a seminar series | UK Society for Co-operative Studies*, October 11.

6. Newsletters

Outputs:

- Issue online newsletter quarterly

Outcomes:

- Increased awareness of CEARC's research as measured by number of newsletters opened

Timeline:

- Quarterly throughout the period 2020 – 2023.

Status:

- Four newsletters were issued over the year (2021-22).

7. Social Media

Outputs:

- Issue 2 blogs annually on current CEARC research projects
- Issue tweets through SMU communications regarding the blogs

Outcomes:



- Increased engagement regarding CEARC research and current topics of interest to co-operative accountants as measured by number of retweets and feedback on blogs.

Timeline:

- Issue 2 blogs by December 31 in each of the 3 years covered by the plan

Status:

- Our inaugural blog, "Five Things Every Co-op Leader Should Know" was published on the CEARC website. It was authored by Eric Gosselin and was based on a paper published by Wayne Schatz (while he was a senior leader with The Co-operators) in IJCAM.
- Our second blog focused on the need for a SORP and is based on Maureen McCulloch's paper, "Accounting for co-operative purposes: Reclaiming the conversation. Concept paper on a SORP for co-operatives".

Key Initiative 3: Develop a plan to ensure the financial sustainability of CEARC

While CEARC has accomplished a significant amount of research through its current funding from CPA Canada, it is recognized that increased funding is needed to operationalize the current Co-operative Performance Indicators (CPI) and Sustainable Development Goals (SDG) projects (now referred to as ACT - Accounting for Co-operative Transformation). Funding is needed to re-develop the beta webtool into a robust tool that could be used by the co-operative sector. In addition, funding is needed to provide grants to support a greater level of academic research with CEARC.

Outputs:

- Develop a plan to work with the co-operative community to obtain in-kind IT assistance and/or funding to re-develop the beta webtool for the CPI and ACT projects
- Apply for Canadian Academic Accounting Association (CAAA) and Social Sciences and Humanities Research Council (SSHRC) grants to support CEARC's co-operative research
- Develop a plan to identify a funding model that would generate a steady stream of annual funding to support ongoing CEARC operations
- Identify funding needed for projects over the next three years

Outcomes:

- Identification of specific co-operatives that are willing to provide IT assistance in re-developing the webtool for the CPI and SDG projects (ACT). This will be measured by confirmation of one or more co-operatives willing to provide IT assistance.
- Submission of grant applications to CAAA and SSHRC on an annual basis.
- Completion of a framework to generate a broad-based annual funding structure to support CEARC's operations.

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Timeline:

- Identification of co-operatives willing to provide IT assistance (in-kind or funding): March 31, 2021
- CAAA and SSHRC grant submissions: Annually
- Funding model framework: December 31, 2022

Status:

- We have formed a Fundraising Committee comprised of Dan Brunette, Karen Miner, and Tracey Kliesch. Dan has taken the lead in working with Saint Mary's University's fundraisers (development department) to co-ordinate our efforts.
- In addition, as outlined in the financial report, we have received several grants to support our various research projects.



TREASURER'S REPORT

For the 12 months Ending March 31, 2022

Current Financial Performance:

We began April 1, 2021 (the start of the fiscal year) with a surplus of \$48,909. During the fiscal year, with no revenue reported and expenses incurred of \$17,804, our surplus was also reduced by \$17,804 to \$31,105. Again, primarily due to COVID-19, CEARC activity continued at the budgeted pace and in line with our budgeted loss for the year of \$22,950.



Expenses:

As indicated above, CEARC's spending of \$17,804 was close to budget, made up primarily of the research funds for Daphne Rixon and Fiona Duguid. The most significant difference from budget was the savings below the conferences budget amount of \$6,000, with only \$317 being spent on travel.

Revenues:

While no revenues have been recognized for this fiscal year, a \$30,125 funding grant was received in February from CPA Canada for the Sustainable Development Goals Project. Of this, \$5,000 will be transferred to the University of Sherbrooke.

Change in Surplus/Fund Balance:

As indicated above, the net result reported for year was a loss of \$17,804 with an identical reduction in our accumulated surplus, bringing it to \$31,105.

*Notes re 2020-2021 Actual Results:

SMU Overhead expenses. \$2,000 of estimated overhead expenses were accrued in a prior year at which time CEARC recognized an expense of \$2,000. The university has not charged us any such costs for the past few years, so this payable and expense have now been reversed, resulting in a negative expense in the 2020-2021 year.

CFC donation income: Consistent with previous years, CEARC accrued a receivable of \$10,000 at the end of a previous year from the CFC organization. This amount was recognized in 2019/20 revenue. Due to fiscal restraints in general, this donation was not able to be made. Therefore, the receivable and revenue of \$10,000 previously recognized were reversed, resulting in a negative revenue in the 2020-2021 year.

Respectfully submitted,
Nicola M. Young, FCPA, FCA, MBA
Treasurer

[Find the Financial Report and Financial Position in Appendix 1; and Additional Funding 2020-2022 in Appendix 2]



NEWS

Thanks to Nickie Young

Nicola (Nickie) Young, MBA, FCPA, FCA, joined the CEARC Board of Directors in 2017 and has served as Treasurer since that time. We very much appreciated Nickie's contribution to the board and especially her insight with respect to accounting standards. Read her full bio [here](#).



New Board Members

CEARC welcomes Daniel Brunette to the board in 2021, a representative from the co-operative sector. Daniel joined Co-operatives and Mutuals Canada as Director, Advocacy and Partnerships in February of 2019 and now serves as Director, Strategic Alliances and Initiatives. In his role, he engages with various federal government stakeholders to advance the co-operative economy and works with a broad spectrum of organizations to raise awareness, remove obstacles, and leverage opportunities. Daniel has more than 20 years of philanthropic management and stakeholder relations experience with non-profit organizations. Daniel was awarded the United Way Ottawa Community Builder Award in 2015. He is a proud husband and father of two.



Read Dan's full bio [here](#).

Charles (Charley) Baxter, CPA, CA will also be serving on the board as Treasurer starting in 2022. Charley is a Lecturer in Saint Mary's University's Accounting Department, where he has taught both undergraduate and graduate courses for over 30 years. Since 2020, he has provided management and financial advisory services as Principal at Quantum Meruit Consulting Inc.



From 1995 until retiring in 2018, Charley held leadership roles at Innovacorp. As VP Investment from 2012 – 2018, he led a team of 7 professionals managing Innovacorp's venture capital fund. During that time \$30 million was invested in 37 start-ups. So far, these investments have generated over \$100 million in exit returns for Innovacorp. Charley was Innovacorp's senior financial officer from 1995 - 2012. He has extensive governance experience. Charley served as Innovacorp's corporate secretary from 1998 – 2011, also sitting on many of its affiliate boards. From 2001-2008, he was an independent director at Innovative Properties Inc., a TSX Venture Exchange real estate development company.

Charley and his wife, Nancy Mansfield, live in Dartmouth, Nova Scotia. They are supporters of organizations promoting animal welfare, especially Bide Awhile Animal Shelter, and the arts. Charley currently volunteers as Treasurer for Mocean Dance.



APPENDIX 1

CEARC Financial Report – Year ending March 31, 2022

	Budget-- Year 2021-2022	Actual results, year ended March 31, 2022	Actual— Year 2020-2021
Revenue			
Donations – CPA Canada	0	0	\$7,500
Other income – CFC (see Report Notes)	0	0	(10,000)
Exchange gains	0	0	0
Total revenue	0	0	(2,500)
Expenses			
CEARC Research Fellow	1,000	1,000	2,000
Administration co-ordination	700	504	1,713
Travel & conferences, DR – ICA & CASC	6,000	317	
Office, printing, telephone	1,000	517	
Miscellaneous	250		
Sponsorships			
Research grants: DR & FD	14,000	14,000	14,000
Memberships		1,466	572
SMU overhead (see Report Notes)			(2,000)
Total expenses	22,950	17,804	17,252
Excess of revenue over expenses (expenses over revenue)	(22,950)	(17,804)	(19,752)
Beginning surplus	46,961	48,909	68,661
Ending surplus	\$24,011	\$31,105	\$48,909

2021-2022 Annual Report



CEARC – Statement of Financial Position, March 31, 2022

		Notes
Assets		
SMU Grant Surplus account	\$ 69,730	
Total assets	<u>\$ 69,730</u>	
Liabilities and Deferred Revenue		
Accounts payable:		
University of Sherbrooke	\$ 5,000	
F. Duguid – Research grant	7,500	Q 2, 3 & 4 of 2021-2022
F. Duguid – Research fellow	<u>1,000</u>	Year 2021-2022
	13,500	
Deferred CPA Canada Grant Revenue	<u>25,125</u>	
Total Liabilities and Deferrals	\$ 38,625	
CEARC Surplus/Fund Balance	<u>31,105</u>	
Liabilities and Fund balance	<u>\$ 69,730</u>	



APPENDIX 2

Additional Funding 2020 – 2022

CEARC associates are encouraged to seek additional sources of funding to support further research into co-operatives and credit unions. Although these funds were not paid directly to CEARC, indirectly they support the Centre's research.

Table 1: Grants Awarded to Daphne Rixon and Used to Support CEARC Research Projects

		2021-22	2020-2021	2019-2020	3-Year
Recipient	Source	Amount	Amount	Amount	Total
D. Rixon	SMU Student Employment		\$6,854	\$5,500	\$17,854
D. Rixon with E. Mantzari	Impact Acceleration Account – User Engagement Fund, University of Birmingham	11,320			11,320
D. Rixon	FGSR Travel Grant			1,000	1,000
IJCAM	Dean, Sobey School Business	7,000	7,000	7,000	21,000
D. Rixon	Faculty of Graduate Studies and Research	3,000	3,000	3,000	9,000
D. Rixon	Canadian Academic Accounting Association		8,000		8,000
D. Rixon	SSHRC – SDG Project			24,900	24,900
D. Rixon	SSHRC – COVID-19 Project		24,960		24,960
	Totals	<u>21,320</u>	<u>\$49,814</u>	<u>\$41,400</u>	<u>\$118,034</u>



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