



CENTRE OF EXCELLENCE *in*
ACCOUNTING AND REPORTING
for CO-OPERATIVES

Annual Report

2020-2021

Daphne.Rixon@smu.ca
902-496-8212
www.smu.ca/academics/sobey/research-cearc.html

Saint Mary's University (SMU)
Halifax, Nova Scotia
Canada B3H 3C3





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, 2021. The past year has been very productive for the Centre. We have successfully completed the first year of our three-year strategic plan.

During the year, CEARC associates presented papers at fourteen academic conferences and published eight papers. Utilizing a grant from Social Sciences and Humanities Research Council (SSHRC), we started a new project with Healthy Minds Co-operative, entitled “Mental Health and Covid-19: Bridging the Gap”. In addition, with a grant from the Canadian Academic Accounting Association, we commenced a case study of a co-operative’s adoption of Integrated Reporting. During the year, we started a new study to examine credit union responses to Covid-19 in comparison the banks. Finally, we continued work on our SDG project as well as the initiative to develop a Statement of Recommended Practice for co-operative accounting and reporting. During the year, we received grants totally \$49,814 to support CEARC projects, while CEARC associates received \$289,500 for other co-operative research initiatives. We also published two editions of the International Journal of Co-operative Accounting and Management.

Respectfully submitted,

**Russ Wasson, CPA
FCMA
Chair, Board of Directors**

**Daphne Rixon, PhD, FCPA,
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 21 research grants totaling \$176, 700

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 2020-21



Russ Wasson, 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



Elizabeth Hicks, Associate Professor, Accounting, Mount St. Vincent University, Canada (retired end of fiscal year, 2021)



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 Young, Professor Emeritus, Accounting, SMU, Canada



Ian Glassford, MBA, CPA, CMA
Retired CFO, Servius Credit Union, Canada

Committees of the Board 2020-21

- **Research Advisory Committee:** Dr. Ericka Costa, Dr. Marc-André Pigeon, Elizabeth Hicks and Dr. Daphne Rixon (Chair)
- **Strategic Planning Committee:** Russ Wasson, Gordon Beal and Elizabeth Hicks 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.

Key Initiative 1: Create tools and resources that support the co-operative sector's reporting, accounting and measurement of co-operative performance

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 7 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
- Increase accountants' awareness of measuring value beyond the financial statements to include social and environmental factors

Timeline:

- Finalization of CPIs by March 31, 2022
- Completion of updated online webtool by March 31, 2023



2. Sustainable Development Goals (SDGs)

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.



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Outputs:

- Identification of 1 – 2 measures related to each of the 17 United Nations Sustainable Development Goals
- Integration into Co-operative Performance Indicators (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
- Increase accountants' awareness 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:

- Identification of measures related to each of the 17 SDGs by December 31, 2020
- Gather and input data into the beta webtool by December 31, 2021
- Completion of the joint CPI-SDG webtool by March 31, 2023

Status:

- We generated over 400 SDG metrics from a wide array of sources, including Sonja Novkovic's paper entitled *Sustainability indicators from the cooperative perspective* (pp. 30-34), CEO Water Mandate, CDP Global, GRI, UNCTAD, ISO 14031, and an MMCCU capstone paper on Housing co-ops and SDGs. Also, we added some metrics from the CPI tool.
- We used four criteria to identify the "best" metrics: (1) Important for stakeholders; (2) Feasibility; (3) Relativity; and (4) Sector specific; and thereby reduced the number of metrics to 50.
- A survey was completed by the 16 project participants who selected 25 metrics from the 50.
- A new survey of the 25 metrics was issued by Co-operatives and Mutuels Canada in an effort to solicit input from the wider co-operative community.



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3. Statement of Recommended Practice (SORP) for Co-operative Accounting and Reporting

This project involves working with Co-operatives UK (the national apex body for co-ops across the UK) and an international committee of co-operative accounting practitioners and academics to develop a co-operative accounting statement of recommended practice. 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.



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 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 of social and environmental issues.

Timeline:

- Discussion documents issued: December 31, 2021
- Feedback from practitioners: June 30, 2022
- Submission to UK and/or international standard setters: December 31, 2023

Status:

- One of the objectives of the SORP project was to identify, on a global basis, which countries have separate accounting standards for co-operatives. We prepared a survey that was issued by the ICA to its members. The survey has been completed by 118 respondents from ICA members around the world!
- We have obtained a summer employment grant to hire a Saint Mary's MBA student to assist with identifying the key standards and guidelines for those countries that have co-operative specific accounting and reporting standards.
- Added two new members to the SORP Committee – Ian Adderley, Technical Specialist (Mutuals), Financial Conduct Authority, UK and Elisavet Mantzari, who is a Lecturer in Accounting at the Birmingham Business School, UK.



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

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

This initiative involves developing 1-2 hour webinars and online professional development 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:

- Development of one PD 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)



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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 hits on 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 completing the recorded webinar would be able to count this as hours for professional development.
- 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 complimentary webinars. The first webinar Accounting for Co-operative purposes: Reclaiming the Conversation was presented by Maureen McCulloch and Daphne Rixon, March 24, 2021. The remaining two webinars were presented in April and May.



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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) 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:

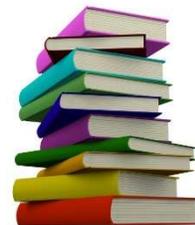
- Increased awareness among co-operatives of the research conducted by CEARC as well as awareness of the resource materials available through CEARC. This will be measured by attendance at webinar and seminars as well as hits on the CEARC website.

Timeline:

- Develop framework with ICCM for Executive Education seminar: June 30, 2021
- Deliver Executive Education seminar: June 30, 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 relevance to co-operatives and credit unions.



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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 hits to IJCAM and CEARC websites.

Timeline:

- Issue at least one volume annually by November 30



Status:

- Two volumes were published during the year as described below.
- In October, we published our SDG Issue with seven very interesting papers. Please have a look: <https://www.smu.ca/academics/sobey/ijcam.html>
 - Nik Rawlston and Fiona Duguid (Saint Mary's) – causes of shortcomings in current SDG reporting practices
 - Claude-André Guillotte and Josée Charbonneau (Université de Sherbrooke) - examine the existing links between the practices of forestry co-operatives in Quebec and Honduras regarding SDG's
 - Chiara Carini and Ilana Gotz (European Research Institute on Cooperative and Social Enterprises (EURICSE)), analyzes the practices implemented by the co-operatives in the 2018 World Cooperative Monitor Top 300 Cooperatives in order to contribute to the discussion on how large cooperatives can participate in the achievement of SDG 8.
 - Fiona Duguid examines the current state of SDG and sustainability reporting: “Are Co-operatives Embracing the SDGs and Sustainability?: A Content Analysis of Annual Reports, Reports, and Websites.”
 - Simren Singh, Devika Singh, Mohit Dave and Balasubramanian Iyer (International Cooperative Alliance – Europe) examine the engagement of co-operatives and their representative organisations in the voluntary national review consultative process, contributions of co-operatives to specific sustainable development goals, and alignment with national development strategies.
 - Krishnachetty Ravichandran analyzes the role of Primary Agricultural Cooperative Credit Societies in the achievement of SDGs in Tamil Nadu.
 - The final paper is the capstone paper from Saint Mary's University Master of Management, Co-operatives and Credit Unions (MMCCU). The paper was written by Nicolas Bickford and examines whether environmental sustainability is sufficiently highlighted within the co-operative movement's Statement on Co-operative Identity.
- In December 2020 we published an issue that included five papers and a book review on a wide array of management topics. Reflecting the global mandate of IJCAM, this issue's authors included those from Canada, Nigeria, New Zealand, England and Germany.
 - Esther Awotwe, Simon Berge (both of the University of Winnipeg) and Peter Davis (University of Leicester School of Business) explore stakeholder management in a multi-stakeholder co-operative firm and focus on the role of the democratic member control principle and operational interactions in finding common ground among stakeholders.
 - Caroline Shenaz Hossein (York University) examines the contributions of the African Diaspora in the Canadian co-operative sector.
 - The third paper is an Analysis of Entrepreneurial Performance of Multi-purpose Co-operative Societies in Abi Local Government Area of Cross River State, Nigeria by





- Egor Hikorofem Ise (Federal Co-operative College), Chilokwu Okechukwu (Nnamdi Azikiwe University), and Owan Obodagu Tonica (Federal Co-operative College).
- Meka Dhananjay Apparao, Nicola Mary Shadbolt, and Elena Garnevska who are all from School of Agriculture and Environment, Massey University, New Zealand focused their paper on heterogeneity and commitment to collective action based on an empirical study of a New Zealand dairy co-operative.
 - Linda Bitsch and Jon H. Hanf, Hochschule Geisenheim University, explored how differential member demands may lead to tensions within a co-operative.
 - Peter Davis reviewed a book published by Jim Jones, *Hasten Slowly, And You Will Soon Arrive. The mysterious presence of group equity housing co-operatives.*
- During 2020-21 we received our highest number of submissions. This indicates the journal is becoming more well know among academics.

4. Collaboration with Co-operative Umbrella Organizations

We worked with the following co-operative umbrella organizations to expand the reach of CEARC in terms of academic and practitioner research projects: Co-operatives and Mutuals Canada (CMC), United Kingdom Society for Co-operative Studies (UKSCS); 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 Co-operative Centre, 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 Máter University in Costa Rica to work on the following:



- 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-operatives 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

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 of research in academic and/or professional/trade journals

Outcome:

- Increased awareness of CEARC and the research projects undertaken

Timeline:

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



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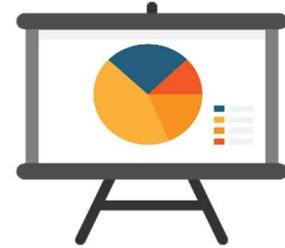
Status:

Presentations by Executive Director and CEARC Associates (in chronological order)

- Novkovic, S. & Guillotte-C-A. (2020, April 9). Principle 3 and Indivisible Reserves [Webinar]. Co-operatives and Mutuals Canada, virtual.
- Novkovic, S. (2020, June 29). Humanism, Participation and Co-operative governance, UK Society for Co-operative Studies, virtual.
- Rixon, D. & McCulloch. M. (2020, October 1). International co-operative alliance survey on co-operative reporting standards [Virtual conference presentation]. UK Society for Co-operative Studies Conference, virtual.
- Rixon, D. (2020, October 3). Co-operative performance indicators and the UN Sustainable Development Goals [Conference presentation]. UK Society for Co-operative Studies Conference. virtual.
- Novkovic, S. (2020, October 8). Research, Technology and Digital Solutions [Conference Panel]. NCBA CLUSA, IMPACT Conference, virtual.
- Novkovic, S. (2020, October 15). The cooperative model and the new economic paradigms [Webinar]. International Centre for Co-operative Management, Webinar series, virtual.



- Novkovic, S. (2020, October 19-23). Great Challenges, Greater Solidarity: Power of Community and SSE as a Path for Transformation [Conference presentation]. United Nations Research Institute for Social Development, Global Social Economy Forum Global Virtual Forum, virtual.
- Rixon, D. & Weigand, H. (2020, October 20). Healthy Minds Co-operative [Conference presentation]. North America Case Research Association Conference, virtual.
- Novkovic, S. (2020, October 28). The cooperative model: Its contribution to the SDGs and the new economic paradigms [Webinar]. International Co-operative Alliance – Coop Academy, virtual.
- Novkovic, S. (2020, November). Understanding the Power-Building, Social, Economic and Equity Impacts of Cooperatives: A conversation with the National Cooperative Business Association [Learning event]. NCBA CLUSA and the Robert Wood Johnson Foundation, virtual.
- Rixon, D. & Duguid, F. (2020, November 26). SDG Measurement and Benchmarking [Conference presentation]. 5th Qualitative Accounting Research Symposium, University of Guelph, virtual.
- Novkovic, S. & Miner, K. (January 26, 2021). Webinar Presentation, Member centricity and joint ownership in cooperatives. Finland HLJ-Academy, Coop Center Pellervo, virtual.
- Novkovic, S. (2021, February 28). The Social and Solidarity Economy (SSE) and Worker Co-ops [Webinar]. Canadian Worker Co-op Federation webinar series, virtual.
- Rixon, D. (2021, March 5). Measuring SDG Performance in Co-operatives & Credit Unions [Conference presentation]. Saint Mary's University Research Symposium, virtual.



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Publications by CEARC Associates

- McMahan, C. and S. Novkovic (2021). Case study: Suma worker cooperative. ICCM WP 2021-01.
- McMahan, C., K. Miner and S. Novkovic (2020). Case Study: Organization of American States Staff Federal Credit Union, ICCM WP 2020-03, <https://www.smu.ca/academics/sobey/cme-working-paper-series.html>
- Novkovic, S. (2020). Sustainability indicators from the cooperative perspective. United Nations Research Institute for Social Development (UNRISD). Working paper.
- Novkovic, S. and K. Miner (2020). Diversity in governance : A cooperative model for deeper, more meaningful impact. Cooperative Business Journal Fall, NCBA: 4-15.
- Pigeon, M. (2020). "Credit Union Ethics," Encyclopedia of Business Ethics.
- Pigeon, M. *Efficiency and Autonomy? Recasting the Credit Union Merger Debate*. [Research report]. Canadian Centre for the Study of Co-operatives.
- Pigeon, M. (2021). "Responsive Regulation or Regulatory Capture? The Case of Banking in Canada," Forthcoming Lorimer book on regulatory capture, editor, Bruce Campbell, York University.
- Vieta, M. and F. Duguid. (2020). Canada's co-operatives: Helping communities during and after the coronavirus, <https://theconversation.com/canadas-co-operatives-helping-communities-during-and-after-the-coronavirus-135477>, (April 19).



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. Approximately 160 people open each newsletter, and our total list is approaching 600 recipients. The open rate is above the industry average for a digital newsletter.



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 based on his capstone research in the Master of Management, Co-operatives and Credit Unions program (VP, The Co-operators) in IJCAM.
- Our second blog is 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”.



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

While CEARC has accomplished a significant amount of research through its current funding from Chartered Professional Accountants of Canada (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. 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 SDG 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. 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 to support CEARC's operations

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

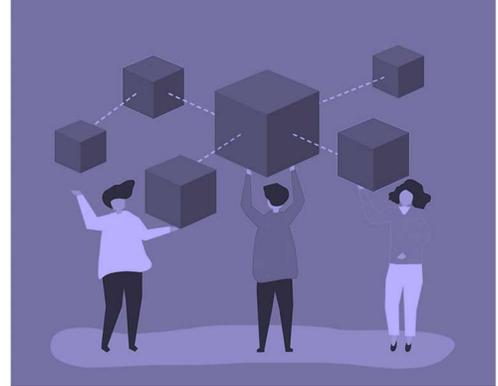
Status:

- Daphne Rixon was awarded a grant of \$8,000 from the CPA-Canadian Academic Accounting Association to support a research project on Integrated Reporting, Organizational Change and Management Accounting, with Daniela Senkl, University of Guelph.

Annual Report



- Daphne Rixon was awarded grant of \$2,340 from Saint Mary's University to hire a graduate student for the winter semester to work with her and Marc-Andre Pigeon on a new project regarding credit union responses to Covid-19 in comparison to banks.
- Daphne Rixon (together with Heidi Weigand, Dalhousie University) was awarded grant of \$24,960 from Social Sciences and Humanities Research Council to work with our community partner, Healthy Minds Co-operative, on a project entitled "Mental Health and Covid-19: Bridging the Gap".
- Daphne Rixon was awarded a Graduate Student Grant of \$6,854, Saint Mary's University. This grant will be used to support research on the SORP project.
- CEARC received \$7,500 from CPA Canada to support our ongoing SDG project.





TREASURER'S REPORT

For the 12 months ending March 31, 2021

Current Financial Performance:

We began April 1, 2020 (the start of our current fiscal year) with a Surplus of \$68,661. During the current fiscal year, revenue of only \$7,500 from CPA Canada was recognized, consistent with our budget for the year and a generous one-time donation of \$7,500 from CPA Canada. Primarily due to Covid-19, CEARC activity has continued at the budgeted pace with \$17,252 of expenses incurred. This resulted in an excess of expenses over revenues of \$19,752 for the twelve months.



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Expenses:

As indicated above, CEARC's spending for the year has been close to budget, made up primarily of the research funds for Daphne Rixon and Fiona Duguid. Until new and alternative funding sources are found, activity will remain close to budget.

*Note re 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 current year.

Revenues:

As indicated earlier, we thank CPA Canada for fulfilling the terms of its \$25,000 per year contract with us to the end of our 2019/20 year end. As reported above, we were very fortunate to receive a one-time donation of \$7,500 in the current year to help with continuing expenditures. We hope that when the effects of the coronavirus subside, we can open up future discussions with CPA Canada and others for continuing funding.

*Note re CFC donation income: Consistent with previous years, CEARC accrued a receivable of \$10,000 at the end of the previous year from the CFC organization. This amount was recognized in last year's (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 have been reversed, resulting in a negative revenue in the current year.

Change in Surplus/Fund Balance:

The net result reported for the year was a loss of \$19,752 with an identical reduction in our accumulated surplus, bringing it to \$48,909. It should be noted that without the two adjustments made and explained in the Notes above, the loss would have amounted only to \$11,752 (revenue of \$7,500 and expenses of \$19,252), significantly less than the loss forecast for the year.

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

[Find the Financial Report and Financial Position in [Appendix 1](#); and Additional Funding 2019-2021 in [Appendix 2](#)]

NEWS

Connecting with the Co-operative Community

Healthy Minds Co-operative, Dartmouth, Nova Scotia

Daphne Rixon (together with Dr. Heidi Weigand, Dalhousie University) received a SSHRC - Covid 19 Partnership Engagement Grant in the amount of \$24,960. The partner is Healthy Minds Co-operative in Dartmouth, Nova Scotia and the topic is: **Mental Health and Covid-19: Bridging the Gap**. This project will focus on developing an effective bridging framework to reduce the wait time between initial calls and planned clinical support.

Credit Unions' Response to Covid-19

This is a new research project undertaken by Dr. Marc-Andre Pigeon, University of Saskatchewan and Dr. Daphne Rixon, Saint Mary's University. As financial co-operatives, credit unions have a reputation of putting their members and communities ahead of short-term profit considerations. They routinely emerge, for example, at the top of national surveys of retail and small business banking customers/members. In their research, Pigeon and Rixon ask whether we can observe evidence of this responsiveness by looking at how a sample of the country's largest credit unions communicated to their members in the midst of the COVID-19 crisis compared with their big bank competitors? To answer this question, they look at a combination of annual reports and samples drawn from credit union and bank websites at key moments in the pandemic using scraping algorithms developed by the Canadian Hub for Applied Social Research (CHASR) at the University of Saskatchewan.



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Integrated reporting, organizational change and management accounting

Dr. Daphne Rixon and Dr. Daniela Senkl (University of Guelph) received a CPA Canada funded grant of \$8,000 from the Canadian Academic Accounting Association to examine the “How does integrated reporting transform organizational decision-making?” The project will be based on a case study of a Canadian co-operative that has adopted International Integrated Reporting.



People in the News

Tribute to Professor Elizabeth Hicks – Retired from CEARC Board After 14 Years

Elizabeth Hicks, one of the founding board members of CEARC has retired from academia and from the CEARC Board.

Elizabeth Hicks was a tenured associate professor in the Department of Business and Tourism, at Mount Saint Vincent University in Halifax (Canada), where she specializes in accounting and taxation.

Elizabeth has worked as a professional accountant for many years. She is a Chartered Professional Accountant and a Trust and Estate Practitioner holding a BBA from the University of New Brunswick and MBA from Saint Mary's University.



Some highlights of her career:

- International project “Distinguishing liability from equity in co-operative entities” (2007-08 funded by IAAER and KPMG)
- Contribution to a publication focused on co-operative responses to International Accounting Standards - The Hidden Alternative (2013. Maddocks, J. E. Hicks, A. J. Robb, and T. Webb)
- Co-applicant on SSHRC partnered grants on the social economy, and on measuring the co-operative difference in order to develop co-operative-specific performance measurement tools
- Her work has appeared in a range of journals including the Canadian Journal of Nonprofit and Social Economy Research, the Journal of Co-operative Studies, and the Co-operative Accountant.
- She contributed book chapters to edited books, including *Co-operatives for sustainable communities: tools to measure co-operative impact and performance* (2015. Brown, L., L., C. Carini, J.G. Nembhard, L.H. Ketilson, E. Hicks, J. McNamara, S. Novkovic, D. Rixon, R. Simmons (eds.)), *2012 Social Economy: Communities, Economies and Solidarity in Atlantic Canada* (2012. Novkovic, S. and L. Brown (eds.)), and *Accounting for Social Value* (2013. Mook, L. (ed.)).
- Treasurer and Board member of The Association of Non-profit and Social Economy Research (ANSER) since its inception in 2009.
- Past member of the Management Board for the Centre for Women in Business and chaired the Management Board from 2004 to 2007.

We extend our thanks to Elizabeth for her work on the CEARC board for the past 14 years and wish her all the best in her retirement!



Appointments to the SORP Committee

The Centre continues to take leadership in establishing a framework for business (finance and accounting) that better suits the unique co-operative business model. Read more about the SORP project above in this report or the brief in a past newsletter [here](#).

Welcome to new partners from the UK who have joined the Committee!

Ian Adderley is the Technical Specialist (Mutuals) at the Financial Conduct Authority. Ian graduated from the University of Hull with an LLB. Since studying law and being called to the Bar, Ian has worked for two regional infrastructure bodies supporting social enterprise and co-operative enterprise, as well as, for the largest trade union in the UK, UNISON. Currently Ian works for the public sector body, the Financial Conduct Authority, in their capacity as the registering authority for mutual societies - including co-operatives, community benefit societies, credit unions and building societies, and friendly societies (i.e. mutual insurers).



Elisavet Mantzari is a Lecturer in Accounting at the Birmingham Business School. She graduated from the University of Portsmouth with a PhD in accounting. Her research interests cover a range of areas including international financial reporting standard-setting and practice, and sustainability accounting in the context of for-profit organisations and co-operatives. She has organised workshops, presented and published book chapters and academic papers on related topics. Elisavet has professional experience in business accounting and assurance. She is also a trustee of the UK Society of Co-operative Studies, committee member of the British Accounting and Finance Association's (BAFA) Interdisciplinary Perspectives Special Interest Group, and member of the European Accounting Association's (EAA) Virtual Activities Committee.





APPENDIX 1

CEARC Financial Report – Year ending March 31, 2021

	Budget Year 2020-21	Actual results, 12 months to March 31, 2021	Actual - Year 2019-2020
Revenue			
Donations – CPA Canada	0	7,500	\$25,000
Other income – CFC (see Report)	0	(10,000)	10,000
Exchange gains	0	0	-800
Total revenue	0	(2,500)	34,200
Expenses			
CEARC Research Fellow	2,000	2,000	2,000
Administration co-ordination	1,000	1,713	380
Travel & conferences, DR – ICA & CASC	3,000		10,290
Office, printing, telephone	1,200	967	1,118
Miscellaneous	500		451
Sponsorships			100
Research grants: DR & FD	14,000	14,000	14,000
Memberships- CMC		572	
SMU overhead expenses (see Report)		(2,000)	
Total expenses	21,700	17,252	28,339
Excess of revenue over expenses (expenses over revenue)	(21,700)	(19,752)	5,861
Beginning surplus	68,661	68,661	62,800
Ending surplus	\$46,961	\$48,909	\$68,661



CEARC – Statement of Financial Position, March 31, 2021

		Notes
Assets		
SMU Grant Surplus account	\$ 49,712	Received April, 2021
Account receivable – CPA	7,500	
Canada	697	
Prepaid membership fees		
Total assets	<u>\$ 57,909</u>	
Liabilities		
Accrued accounts payable:		
F. Duguid – Research grant	5,000	3 rd and 4 th quarters, 20/21 year
F. Duguid – Research fellow	4,000	19/20 and 20/21 years
Total liabilities	\$ 9,000	
CEARC Surplus/Fund Balance	<u>48,909</u>	
Liabilities and fund balance	<u>\$ 57,909</u>	



APPENDIX 2

Additional Funding 2019 – 2021

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

		2020-2021	2019-2020	2018-2019	3-Year
Recipient	Source	Amount	Amount	Amount	Total
D. Rixon	SMU Student Employment	\$6,854	\$5,500	\$5,500	\$17,854
D. Rixon	FGSR Travel Grant		1,000		1,000
JCAR/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	\$49,814	\$41,400	\$15,500	\$106,714

Table 2: Grants Awarded to CEARC Associates and Used to Support Co-operative Research

Recipient	Source and Description	Amount
Marc-Andre Pigeon CEARC Board Member	SSHRC Knowledge Synthesis To study the possibility of agricultural data co-operatives	\$30,000
Marc-Andre Pigeon	Co-operator's Renewable Energy Co-operatives To conduct a "census" of renewable energy co-operatives.	\$30,000
Marc-Andre Pigeon	C.D. Howe Institute, To write a report about credit union governance practices	\$1,500
Marc-Andre Pigeon	Saskatoon Community Clinic, – To study impact of co-operative health care model on patient outcomes.	\$105,000
Sonja Novkovic, CEARC Board Member	Erasmus faculty exchange grant, University of Pula, Croatia (travel postponed due to Covid 19)	\$3,000
Sonja Novkovic	ACOA-APRI grant 2020-2022 – towards the International Symposium on cooperative Governance	\$45,000
Sonja Novkovic	CMC grant 2020-2022 (collaboration with IRECUS and CBU) – Cooperatives and Covid 19	\$75,000
	Total	\$289,500