



2022-2023 Annual Report



**Saint Mary's
University**

Centre of Excellence in
Accounting and Reporting
for Co-operatives

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2022-2023 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, 2023. The past year has been a landmark year for the Centre as we celebrated the completion of Phase 1 of the Accounting for Co-operative Transformation (ACT) Dashboard. The Dashboard is designed to gather information regarding co-operative and sustainable performance. Another exciting highlight of the year was our study tour of Costa Rican co-operatives which was facilitated through CEARC's partnership with FUNDEPOS University in Costa Rica.

During the year, CEARC associates presented papers at **14 academic conferences**, participated in **5 invited presentations**, and published **11 papers**. We also secured funding of \$50,000 from CPA Canada to complete the next phase of ACT and \$49,880 from SSHRC to support the dissemination activities as we roll out the ACT Dashboard on a national level. In addition, research work is ongoing on three other projects: (1) case study of a co-operative's adoption of Integrated Reporting; (2) development of a statement of recommended practice (SORP) for co-operative accounting and reporting; and (3) a teaching case focused on strategic plan implementation for a co-operative association. Finally, we published one edition of the International Journal of Co-operative Accounting and Management.

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.

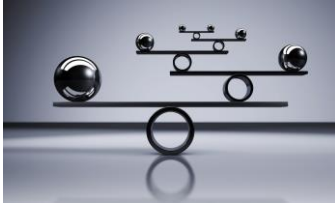


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ABOUT CEARC



*Since 2011, CEARC
has issued 23
research grants*

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 2022-23



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



Gordon Beal, former 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, 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



Charles Baxter, CPA, CA, Lecturer, Accounting Saint Mary's University



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

Committees of the Board 2022-2023

- **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

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

1. *Accounting for Co-operative Transformation (ACT)*

This project incorporates two previous projects – Co-operative Performance Indicators (CPI) and the Sustainable Development Goals (SDGs). The ACT project involves the development of a dashboard that to demonstrate how co-operatives can measure and evaluate their performance in relation to the United Nations Sustainability Development Goals (SDGs).

<https://www.smu.ca/academics/sobey/accounting-for-cooperative-transformation-act.html>

Goals:

- Provision of the ACT Dashboard where co-operatives can enter their performance information relative to the 17 SDGs with linkage to the 7 co-operative principles (where feasible)
- Enhance reporting of co-operative performance in annual reports
- Increase awareness of the intangible value generated by considering social and environmental factors in business decisions

Status:

- Weaver Digital Design & Storytelling Coop (<https://weaver.coop/>) has completed Phase 1 of the dashboard
- Testing will be completed by co-op users by Fall 2023
- The system will be available for all co-operatives in Canada by Winter 2024

2. *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.



Goals:

- Engage practitioners and academics through focus groups to develop a discussion document regarding the format for co-operative financial accounting and reporting as well as accounting standards for member capital and co-op dividends.
- With the support of the International Cooperative Alliance, 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 standards that 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.

Status:

- The UK SORP Committee conducted focus group meetings with thought leaders in the area of co-operative accounting.
- Focus group participants were provided a discussion document (see bottom of webpage): <https://www.smu.ca/academics/sobey/cearc-statement-of-recommended-practice.html>
- Based on the feedback from the focus groups, a detailed discussion paper will be prepared and circulated to cooperative accounting practitioners and academics for feedback in 2024.

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

1. *International Journal of Co-operative Accounting and Management*

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.

Goals:

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

Status:

- We are on track to have our next issue published in Fall 2023
- Issued a call for papers for a special issue focused on Costa Rican Co-operatives <https://www.smu.ca/academics/sobey/costarica/jicamspecialedition/>



2. *Collaboration with Co-operative Umbrella Organizations*

Work with the following co-operative 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; International Cooperative Alliance (ICA); Co-operatives UK; National Society for Accountants of Cooperatives (NSAC); and the co-operative centre within the University of Sherbrooke (IRECUS).

Goal:

- Increased awareness of CEARC and dissemination of CEARC research through webinars, presentations at meetings/conferences, and research collaborations.

Status:

- With funding from Global Affairs Canada and with assistance from Professor Jorge Campos, FUNDEPOS University, Daphne Rixon and Fiona Duguid (CEARC Research Fellow) visited several co-operatives in Costa Rica to learn more about how they are contributing to sustainability.
- Together with the International Centre for Co-operative Management (ICCM) we are offering a study tour to Costa Rica in February 2024. The tour is open to anyone with an interest in learning more about cooperatives.

<https://www.smu.ca/academics/sobey/costarica/studytourcostarica/>.

3. *Dissemination of CEARC research*

Goals:

- 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

Status:

Publications

Duguid, F. and D. Rixon (2023). The development of cooperative-designed indicators for the SDGs, Handbook of Research on Cooperatives and Mutuals, Edited by Matthew Elliott and Michael A. Boland, Edward Elgar Publishing, 333-354.

Rixon, D. and Duguid, F. (2022). Co-operative leaders need to lead the way on global and local SDG adoption [version 1; not peer reviewed]. Emerald Open Res 2022, 4:11 (<https://doi.org/10.35241/emeraldopenres.1114927.1>)

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Korca B., **Costa E.**, Bouten L., (2023). *A reflexive understanding of the interplay between materiality and the GRI Standards to unpack comparability*, *Disentangling the Concept of Comparability in Sustainability Reporting, Sustainability Accounting, Management and Policy Journal*, doi: 10.1108/SAMPJ-05-2022-0284

Afeltra, G., Korca B., **Costa E.**, Tettamanzi P. (2023). *The quality of voluntary and mandatory disclosure: A Systematic Literature Network Analysis*, *Accounting Forum*, [https://doi.org/10.1080/01559982](https://doi.org/10.1080/01559982.2023.2176731). 2023.2176731.

Korca B., **Costa E.** (2023, *forthcoming*), Building normativity in sustainability reporting: from national to EU - level regulations, in the *Routledge Handbook of Green Finance*, Edited by Othmar M. Lehner, Theresia Harrer, Hanna Silvola & Olaf Weber

Costa E., Michelon G. (2023, *forthcoming*). Corporate Governance and Corporate Social Responsibility, in Matthew, L.; Bianchi, L.; Ingram, C. (Eds), *Encyclopedia on Corporate Social Responsibility*, Edward Elgar Publishing

Costa E., Dossi, C. (2022). L'approccio dialogico alla Rendicontazione Integrata Cooperativa: il framework Dial-Coore, *Impresa Progetto*, 2/2022, DOI: 10.15167/1824-3576/IPEJM2022.2.1482

Costa E., Pesci, C., Andreaus, M. and Taufer, E. (2022). When a sector-specific standard for non-financial reporting is not enough: evidence from microfinance institutions in Italy, *Sustainability Accounting, Management and Policy Journal*, 13(6), 1334-1360. <https://doi.org/10.1108/SAMPJ-06-2021-0253>

Kork A.A.; Antonini A.; García-Torea N; Luque-Vílchez M.; **Costa E.**; Senn J.; Larrinaga C.; Bertorello D.; Brichetto G.; Zaratin P.; Andreaus M., (2022). Collective health research assessment: Development of a tool to measure the impact of multi-stakeholder research initiatives, *Health Research Policy and Systems*, 20(49). <https://doi.org/10.1186/s12961-022-00856-9>

Costa E.; Pesci, C. (2022). "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*, 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. (2022). Non-Financial Disclosure and Corporate Financial Performance Under Directive 2014/95/EU: Evidence from Italian Listed Companies, *Accounting in Europe*, 19(1), 78-109, <https://doi.org/10.1080/17449480.2021.1979610>

Conference Presentations

Duguid, F. Gosselin, E., Charbonneau, J. and Rixon, D. (2022). Co-operative-designed indicators for the SDGs. *Canadian Association for Studies in Co-operation*, Edmonton, May 13.

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Duguid, F., B. Long and **D. Rixon** (2022). Countryside Credit Union: Community Impact Framework for Co-operatives, *Atlantic Schools of Business*, Acadia University, Wolfville, October 1.

Weigand, H., **Rixon, D.**, Serban, D., & Hepworth, J. (2022, July). Covid 19 and Mental Health: Bridging the Gap, *Equity, Diversity and Inclusion International Conference*, Cape Town, South Africa, Virtual, July 24.

Duguid, F. and D. Rixon (2022). Co-operative-designed indicators for the SDGs, *Canadian Association for Studies in Co-operatives*, Virtual, May 13.

Invited Presentations

Rixon, D. (2023). Accounting for Co-operative Transformation, *Co-operatives and Mutuals Canada, Provincial Network Meeting*, March 10.

Duguid, F. and Rixon D. (2022). Made for co-ops, by co-ops: The development of co-operative-designed indicators for the SDGs. FUNDEPOS University. San Jose, Costa Rica. November 12.

Arjaliès, D.L., Cam, O., **Costa, E.** and He, Xinwu (2023). CSEAR Education Community of Practice "Pedagogies for SEA communities", <https://csear.co.uk/event/csear-ecop-3-pedagogies-for-sea-communities/>, April 27

Costa, E. (2023). *Multi-stakeholder social impact measurement in food cooperatives*. University of Seville – Pablo de Olavide (Spain). Lesson to the PhD Students and Faculty members, February 8.

Costa, E. (2022). *Multi-stakeholder social impact measurement in food cooperatives*. University of Burgos (Spain). Lesson to the PhD Students and Faculty members, June 27.

4. Newsletters

Goal:

- Issue online newsletter semi-annually

Status:

- Published semi-annually



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 ACT and to provide grants to support a greater level of academic research with CEARC.

Goals:

- Submission of grant applications to Canadian Academic Accounting Association and Social Sciences and Humanities Research Council (SSHRC) on an annual basis.
- Completion of a framework to generate a broad-based annual funding to support CEARC's operations.

Status:

- Formed a Fundraising Committee comprised of Dan Brunette (Co-operatives and Mutuals Canada), Karen Miner (International Centre for Co-operative Management) and Tracey Kliesch (Co-operative Management Education Co-operative).
- In March 2023, CPA Canada has provided funding of \$50,000 to cover the remaining cost to complete the ACT dashboard.
- In March 2023 Daphne Rixon was awarded a SSHRC grant of \$49,880 to support the rollout and dissemination of ACT.



TREASURER'S REPORT

For the 12 months Ending March 31, 2023

Current Financial Performance:

CEARC began April 1, 2022 with a Surplus of \$31,105 CAD. During 2022-23, previously deferred revenue of \$25,125 was recognized to fund costs related to the development of CEARC's Accounting for Co-operative Transformation (ACT) framework. With expenses totaling \$29,137 we reported an excess of expenses over revenues of \$4,012 reducing our surplus to \$27,093. CEARC's revenues were as planned and expenses resulted in performance in keeping with our budgeted loss for the year of \$9,500.

Expenses:

Total expenditures of \$29,137 represent 84% of the annual budget amount. The focus in 2022-23 was on the development of CEARC's ACT framework. The most significant budget spending variances were: no travel & conferences costs, planned at \$2,000; and a \$1,466 reduction in memberships.

Revenues:

The only revenues recognized in this fiscal year, was \$25,125 out of \$30,125 received from CPA Canada in February 2022 under the Sustainable Development Goals Project. \$5,000 was committed to the University of Sherbrooke in 2021-22 for related work carried out there, reflected in the details of the Accounts Payable balance in the Statement of Financial Position.

Change in Surplus/Fund Balance:

As indicated above, the net result reported for year was a loss of \$4,012 resulting in a decrease in our accumulated surplus, from \$31,105 to \$27,093.

Subsequent Event:

In March 2023, CPA Canada committed \$50,000 additional funding to CEARC for the Sustainable Development Goals Project for post-testing modifications to the ACT framework dashboard and the development of user reporting.

Respectfully submitted,
Charles Baxter, CPA, CA
Treasurer

[Find the Financial Report and Financial Position in Appendix 1; and Additional Funding 2021-2023 in Appendix 2]



NEWS



Join the Centre of Excellence in Accounting and Reporting for Co-operatives (CEARC) in partnership with the International Centre for Co-operative Management and Costa Rican partners Universidad Fundepos de Costa Rica for a co-operative study tour to beautiful Costa Rica February 17-26, 2024. Immerse yourself in the Costa Rican social ecology and co-operative economy. Learn from Costa Rican co-ops on the leading edge of sustainable development.

Enjoy visits to a variety of co-operatives including the possibility of co-operatives in agriculture, coffee, electricity, aeronautics, financial services (credit union), education, health and even a walk in a co-op forest. The tour begins in San Jose with an opening dinner on Saturday, February 17, and we end the tour near Manuel Antonio (on the Pacific coast of the country). After a day of rest and relaxation, there will be transportation back to San Jose on Monday, February 26.

Not to miss! Register by October 20. [Learn more.](#)



APPENDIX 1

CEARC Financial Report – Year ending March 31, 2023

CEARC Statement of Revenues and Expenses

	Budget-- Fiscal Year 2022-2023	Actual results, year ended March 31, 2023	Actual results, year ended March 31, 2022
Revenue			
Donations – CPA Canada	25,125	25,125	-
Total revenue	\$ 25,125	\$ 25,125	\$ -
Expenses			
CEARC Research Fellow	1,000	1,023	1,000
Administration co-ordination	500	475	504
Travel & conferences,	2,000	-	317
Office, printing, telephone	500	1,325	517
Research grants: ACT development	4,000	10,000	14,000
Memberships	1,500	572	1,466
ACT Web Development	25,125	15,743	-
Total expenses	34,625	29,137	17,804
Excess of revenue over expenses/(expenses over revenue)	-\$ 9,500	-\$ 4,012	-\$ 17,804
Beginning surplus	31,105	31,105	48,909
Ending surplus	\$ 21,605	\$ 27,093	\$ 31,105

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CEARC Statement of Financial Position

	March 31, 2023	March 31, 2022
Assets		
SMU Grant Surplus account	\$ 33,508	\$ 69,730
Total assets	<u>\$ 33,508</u>	<u>\$ 69,730</u>
Liabilities and Deferred Revenue		
Accounts payable:		
University of Sherbrooke	-	5,000
F. Duguid – Research grant	5,000	7,500
F. Duguid – Research fellow	1,000	1,000
Wages Payable - Research Associate	<u>415</u>	<u>-</u>
	6,415	13,500
Deferred CPA Canada Grant Revenue	<u>-</u>	<u>25,125</u>
Total Liabilities and Deferrals	6,415	38,625
CEARC Surplus/Fund Balance	<u>27,093</u>	<u>31,105</u>
Liabilities and Fund balance	<u>\$ 33,508</u>	<u>\$ 69,730</u>



APPENDIX 2

Additional Funding 2021 – 2023

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

		2022-23	2021-22	2020-2021	3-Year
Recipient	Source	Amount	Amount	Amount	Total
D. Rixon	SMU Student Employment	\$8,044		\$6,854	\$ 14,898
D. Rixon with E. Mantzari	Impact Acceleration Account – User Engagement Fund, University of Birmingham		11,320		11,320
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	6,000
D. Rixon	Canadian Academic Accounting Association			8,000	8,000
D. Rixon	Global Affairs Canada	7,000			7,000
D. Rixon	SSHRC – Connnections	49,880			49,880
D. Rixon	SSHRC – COVID-19 Project			24,960	24,960
	Totals	\$71,924	\$21,320	\$49,814	\$143,058



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www.smu.ca/academics/sobey/research-cearc