



2023-2024 Annual Report



**Saint Mary's
University**

Centre of Excellence in
Accounting and Reporting
for Co-operatives

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2023-2024 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, 2024. The past year has been a fruitful year for the Centre. We were pleased to offer our first-ever study tour to Costa Rica in partnership with the [International Centre for Co-operative Management](#) and the [Universidad Fundepos de Costa Rica](#). Participants experienced the Costa Rican co-operative economy and co-ops on the leading edge of sustainable development while enjoying stunning landscapes and camaraderie with other co-operative participants.

Over the past year, we tested the Accounting for Co-operative Transformation (ACT) Dashboard. The Dashboard is designed to gather information regarding co-operative and sustainable performance. We are in the process of completing updates to reflect the testing findings. In addition, research work is ongoing on the development of a Statement of Recommended Practice (SORP) and the development of teaching cases on co-operatives for use in business schools.

During the year, CEARC associates presented papers at **11 academic conferences**, participated in **2 invited presentations**, and published/had accepted **5 papers**. Finally, we published two editions of the International Journal of Co-operative Accounting and Management.

We are grateful for the work and insight of Russ Wasson, CEARC's former chair. Russ passed away in 2023 and is dearly missed.

Respectfully submitted,

Sonja Novkovic, PhD
Acting Chair

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.



TABLE OF CONTENTS

REPORT FROM THE CHAIR AND EXECUTIVE DIRECTOR.....	1
ABOUT CEARC	3
GOVERNANCE	4
TRIBUTE TO RUSS WASSON	6
PEOPLE AT THE CENTRE	7
STRATEGIC PLAN & PROGRESS	8
TREASURER'S REPORT	14
NEWS	15
APPENDIX 1: FINANCIAL REPORT & STATEMENT OF FINANCIAL POSITION	16
APPENDIX 2: ADDITIONAL FUNDING 2021-2024	18



ABOUT CEARC



Since 2011, CEARC has issued 23 research grants totaling \$166,900

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 2023-24



Russ Wasson, CPA, Past Chair
(Deceased August 2023)



Dr. Sonja Novkovic, Acting Chair
Academic Director, International Centre for Co-
operative Management, SMU, Canada



Jaspreet Chahal, Partner,
MNP, Canada



Dr. Ericka Costa, Professor,
Trento University, Italy



John Sandford, FCA

2023-2024 Annual Report



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



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

Consultant, United Kingdom



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



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



TRIBUTE TO RUSS WASSON



Russell Duane Wasson

January 28, 1952 – August 7, 2023

We are saddened to announce the passing of Russell (Russ) Wasson, who has served as the Chair of the CEARC Board of Directors from 2017 until 2023. Over his time with CEARC, Russ made many important contributions to the organization including funding and extending our reach to various US co-operative organizations. His support for CEARC will be greatly missed. Our condolences to his family, friends and co-operative colleagues.

Russell will be remembered fondly by his two daughters and wife, Diane (married 1976). He had a great love of fishing and music, two hobbies he shared with family and friends.

Russell was a successful business executive. He worked for Arthur Young and Ernst & Whinney, and later at the Cajun Electric Power Cooperative in Baton Rouge. In 2000, he started his own consultancy. In 2005, he joined the National Rural Electric Cooperative Association as Senior Director for Tax, Finance, and Accounting. Russell remained dedicated to the organization until his passing, holding the position of Senior Director of Regulatory Affairs and leaving behind a legacy of excellence. He brought his expertise to several boards over the decades.

The above was adapted from his obituary (Wasson & Wasson, 2023). To read his full obituary, [click here](#).



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)*

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 \(SDGs\)](#). More about the project can be found [here](#).

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:

- First testing has been completed and modifications are ongoing with a second round of testing scheduled to be completed by September 2024.
- The system is expected to go live in 2025.

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:

- Based on the feedback from the focus groups, a detailed discussion paper was prepared in 2024 and circulated to cooperative accounting practitioners and academics for feedback. Presentations are planned for the following:
 - UK Society for Co-operative Studies Conference 2024, Central Co-op, Lichfield, UK
 - European Accounting Association Annual Congress 2024, Bucharest, Romania
 - International Cooperative Alliance CCR Europe Research Conference, Dundee, UK
- A panel discussion will be held on the project at the Co-ops Congress in June held in Birmingham, UK: Title of the session: Co-operative financial reporting – levelling the playing field.
- Work will continue in 2024-25 to further refine the SORP and submit to the standard-setting organizations in the UK in 2025-26.

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:

2023-2024 Annual Report



- Published 2 issues – October 2023 and February 2024. The February issue was a special issue with a focus on the Co-operative Movement in Costa Rica. It featured 7 papers – 6 in Spanish and 1 in English.

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 Mutuels 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:

- Daphne Rixon and Fiona Duguid, CEARC Research Fellow, joined colleagues from the [International Centre for Co-operative Management](#) (Karen Miner and Sonja Novkovic) for a February 17-26, 2024 tour to various co-operatives and credit unions throughout Costa Rica. The organizers were joined by 20 participants from co-operatives in the United Kingdom, Mexico, Malta, United States and Canada. The focus of the trip was to learn more about how the Costa Rican co-operative sector is making positive contributions to sustainability. The tour included visits to a wide array of co-operatives ranging from aeronautical, electrical, coffee and many more.
- Another tour is being planned for February 16-24, 2025. The tour is open to anyone with an interest in learning more about co-operatives.
<https://www.smu.ca/cearc/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

Pigeon, M.A. and D. Rixon (2023), Words Matter: Measuring the Co-operative Identity Crisis, *International Journal of Business Communications*,

2023-2024 Annual Report



Pigeon, M.A. (2023), Undoing a co-operative bargain: The origins and dissolution of federal accommodation of provincial credit unions. *Canadian Public Administration*.

Pigeon, M.A. (2023), Eighty years of strategic renewal at Federated Co-operatives Limited. In J.F. Wilson, A. Webster, E. Ekberg, & S. Skurnik (Eds.) *The Consumer Co-operative Sector: International Perspectives on Strategic Renewal*. Routledge Studies in International Business and the World Economy Series: Taylor & Francis.

Accepted Publications

Pigeon, M.A. and J. Budney, "Cooperate or Control? Credit union Wealth Management in Canada" (with Martine Vezina and Jennifer Budney). Accepted Spring 2024 for *Ivey School of Business Case Repository*, a globally-recognized peer-reviewed repository of business cases.

Pigeon, M.A. and M. Boucher, "Scaling Renewable Energy Co-operatives for a Net-Zero Canada: Challenges and Opportunities for Accelerating the Energy Transition" (with Martin Boucher). Accepted Spring 2024 for publication in *Energy Research & Social Science*.

Conference Presentations

Duguid, F. (2024). Accounting for Co-operative Transformation: Measuring SDGs and Co-operative Principles. *La Chaire de coopération Desjardins - Guy Bernier*. ESG UQAM. January 25.

Duguid, F. and Rixon D. (2023). ACT now: Accounting for Co-operative Transformation. *Canadian Centre for the Study of Co-operative*, University of Saskatchewan, December 6.

Rixon, D. and Duguid, F. (2023). Accounting for Co-operative Transformation: Measuring SDGs and Co-operative Principles. *SMU Leadership Conference*. November 16.

Long, B., **D. Rixon and F. Duguid, F.** (2023), A Transformative Path for Co-operative Industry Association, *Atlantic Schools of Business*, Mount Saint Vincent University, Halifax, September 24.

Pigeon, M.A. Haute Études Commerciales (HEC) / Co-operative Innovation Summit (Montreal, September 2023: "Scaling Up Renewable Energy Co-operatives")

Invited Presentations

Rixon, D. (2024), Introduction to Co-operatives, Memorial University of Newfoundland, January 25.

Rixon, D. (2023), Introduction to Co-operatives, Memorial University of Newfoundland, October 3.

Pigeon, M.A. The Rise, and Demise, of Credit Union Cooperation: A Cautionary Tale." Indonesian Credit Union Delegation (Online: March, 2024)



Pigeon, M.A. "Retain or Not to Retain: What to Do about Director Honoraria." Saskatoon Co-operative Association (March 2024)

Pigeon, M.A. "The Health of the Co-operative System." Co-operatives and Mutuals Canada (Toronto: March, 2024)

Pigeon, M.A. "The Regulatory Mindset: A Federal Banking Policy Perspective." CUMIS Insurance Conference (Del Mar, California: February 2024)

Pigeon, M.A. "Canadian Co-operative Governance Survey: A Benchmarking Tool." Federated Co-operatives Limited meeting of retails. (Regina: November, 2023)

Pigeon, M.A. "It's Not Easy Being Green (or a Co-op)." Presentation to the Westman Communications Board of Directors (Brandon, MB: May 2023)

4. **Newsletters**

Goal:

- Issue online newsletter semi-annually.

Status:

- Published three newsletters in the 2023-24 period:
 - March 18, 2024 <https://conta.cc/3TkX9Cy>
 - October 13, 2023 <https://conta.cc/3rOlhm3>
 - July 17, 2023 <https://conta.cc/44w7e42>

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:

2023-2024 Annual Report



- 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 May 2023 Daphne Rixon was awarded a SSHRC grant of \$50,000 to support the rollout and dissemination of ACT.
- Spring/Summer 2023 Daphne Rixon was awarded a SMU Works, Graduate Student Grant - \$8,043.75. Grant used to develop 14 case studies on co-operatives visited in Costa Rica in 2022.



TREASURER'S REPORT

CEARC began 2023-24 with a \$27,093 Surplus. During the year, \$50,000 was received from CPA Canada to fund CEARC's Sustainable Development Goals project. These funds were to be used to:

- Modify CEARC's Accounting for Co-operative Transformation (ACT) dashboard once platform testing was complete;
- develop user reports and infographics; and
- to provide reporting on project outcomes.

During 2023-24 \$24,262 of CPA Canada's funding was recognized. The remaining \$25,738, representing work remaining to be completed, is presented on the Statement of Financial Position as Deferred Revenue.

CEARC reported an excess of expenses over revenues of \$2,249 reducing our surplus to \$24,844 compared to its budgeted deficit of \$1,600 and planned ending surplus of \$25,493. Revenues and expenses were both less than planned at 57% and 60% of their respective budgeted totals.

Revenues:

2023-24 revenues were \$28,262 compared \$50,000 budgeted. Eighty-five percent of CEARC's revenues were from recognition of CPA Canada funding for ACT development progress. Initial testing of the system identified issues, which are currently being addressed. The original budget contemplated expenditure of all the CPA funds in 2023-24, but the target for completing modifications is now September 2024 so the deferred revenue is expected to be recognized in the 2024-25 fiscal year.

The remaining \$4,200 of revenue represented the surplus generated by joint CEARC-ICCM study tour to Costa Rica in February 2024 resulting from a Memorandum of Agreement Signed with FUNDEPOS Alma Máter University, Costa Rica.

Expenses:

2023-24 expenses were \$30,711, \$20,889 less than to \$51,600 budgeted. The reduction in ACT development spending from budget was \$21,738, offset by spending in excess of budgeted amounts totalling \$849 across the remaining accounts.

Change in Surplus/Fund Balance:

As indicated above, the net result reported for year was an excess of expenses over revenues of \$2,249 resulting in a decrease in our accumulated surplus, to \$24,844.

Respectfully submitted,

Charles Baxter, CPA, CA
Treasurer

[Find the Financial Report and Financial Position in Appendix 1; and Additional Funding 2022-2024 in Appendix 2]



NEWS



Study tour to Costa Rica: Co-ops and Sustainability

Limited spaces for February 16-24, 2025



managementstudies.coop

The first co-op study tour to Costa Rica was so successful that we're running it again! From February 16-24, 2025, 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. This tour is made possible through partnership with the [International Centre for Co-operative Management](#) and the [Universidad Fundepos de Costa Rica](#). Not to miss! Register today! [Learn more](#).

The agenda is dynamic and engaging, including at least a dozen co-operative visits, some tourism and time on a beach. Enjoy visits to a variety of co-operatives including the possibility of co-operatives in agriculture, coffee, dairy, electricity, aeronautics, financial services (credit union), and even a salt co-operative, among others. Plus, you will build meaningful relationships and potential future collaborations with other tour participants and co-operators in Costa Rica. View the [Costa Rica Study Tour Overview and Learning Objectives](#)

[Learn more](#).



APPENDIX 1

CEARC Statement of Revenues and Expenses

	Budget-- Fiscal Year 2023-2024	Actual results, year ended March 31, 2024	Actual results, year ended March 31, 2023
Revenue			
Donations – CPA Canada	\$ 50,000	\$ 24,262	\$ 25,125
Other income – CEARC share of Costa Rica Tour Surplus	=	<u>4,200</u>	=
	=	=	=
Total revenue	\$ 50,000	\$ 28,462	\$ 25,125
Expenses			
CEARC Research Fellow	1,000	1,000	1,023
Administration co-ordination	500	351	475
Travel & conferences,	2,000	1,303	-
Office, printing, telephone	1,500	2,492	1,325
Research grants: ACT development	16,000	5,000	10,000
Memberships	600	1,303	572
ACT Web Development	<u>30,000</u>	<u>19,262</u>	<u>15,743</u>
Total expenses	51,600	30,711	29,137
Excess of revenue over expenses/ (expenses over revenue)	-\$ 1,600	-\$ 2,249	-\$ 4,012
Beginning surplus	27,093	27,093	31,105
Ending surplus	<u>\$ 25,493</u>	<u>\$ 24,844</u>	<u>\$ 27,093</u>

2023-2024 Annual Report



CEARC Statement of Financial Position

	March 31, 2024	March 31, 2023
Assets		
SMU Grant Surplus account	\$ 52,380	\$ 33,508
Prepaid Expenses	\$ 572	
Total assets	\$ 52,952	\$ 33,508
Liabilities and Deferred Revenue		
Accounts payable:		
F. Duguid – Research grant		5,000
	-	
F. Duguid – Research fellow	2,000	1,000
Crossref 2023 Membership fee	370	
Wages Payable - Research Associate	-	415
	2,370	6,415
Deferred CPA Canada Grant Revenue	<u>25,738</u>	<u>-</u>
Total Liabilities and Deferrals	28,108	6,415
CEARC Surplus/Fund Balance	<u>24,844</u>	<u>27,093</u>
	-	
Liabilities and Fund balance	<u>\$ 52,952</u>	<u>\$ 33,508</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

		2023-24	2022-23	2021-22	3-Year
Recipient	Source		Amount	Amount	Total
D. Rixon	SMU Student Employment		\$8,044		\$ 8,044
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
D. Rixon	Global Affairs Canada		7,000		7,000
D. Rixon	SSHRC – Connections		49,880		49,880
	Totals	\$7,000	\$56,880	\$21,320	\$100,244



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