



# ANNUAL REPORT 2019

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

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# REPORT FROM THE CHAIR OF THE BOARD OF DIRECTORS AND EXECUTIVE DIRECTOR, CEARC

The Centre of Excellence in Accounting and Reporting for Co-operatives (CEARC) is pleased to provide its annual report for the fiscal year ended March 31, 2019. The past year has been very productive for the Centre. We have successfully completed the second year of our third three-year strategic plan for 2019-2021.

During the year, CEARC associates presented papers at six academic conferences, conducted 14 technical presentations, two invited presentations, and published five papers.

Respectfully submitted,



Russ Wasson, CPA  
Chair, Board of Directors



Daphne Rixon, PhD, FCPA, FCMA  
Executive Director

**June 10, 2019**

# MANDATE AND GOALS OF CEARC

## 1

***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. More specifically, the Centre explores issues such as:***

- Accounting principles
- Application of accounting standards
- Accounting for the co-operative purpose and multiple bottom lines
- Integration of financial and non-financial reporting
- Content of annual reports
- Accounting for co-op members' funds
- Income statements for co-ops
- Balance sheet structure for co-ops
- Cash flow statements
- Items to be covered in notes
- Special issues (e.g. consolidation, mergers)

***“...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.”***

## 2

***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 and co-operative 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

***“...facilitates research in accounting and reporting for co-operatives and credit unions.”***

***Since 2011, CEARC has issued 15 research grants totaling \$116,900***

# GOVERNANCE

## Members of the Board 2018-19



Russ Wasson, Chair, National Rural Electrical Cooperative Association, US



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



Jaspreet Chahal, Partner, MNP, Canada



Dr. Ericka Costa, Professor, Trento University, Spain



Elizabeth Hicks, Associate Professor, Accounting, Mount St. Vincent University, Canada



Karen Miner, Managing Director, Co-operative Management Education, SMU



Dr. Sonja Novkovic, Professor, Economics, SMU and Academic Director, Co-operative Management Education, SMU



Dr. Marc-André Pigeon, Director, Financial Sector Policy, Credit Union Central of Canada



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



Nicola Young, Professor, Accounting, SMU

We are pleased to announce that two new board members, John Sandford and Ian Glassford, have joined the CEARC Board of Directors, effective March 2019:

#### **John Sandford, FCA**



John trained as a chartered accountant with KPMG and from 1988 to 2010 he was an Audit Partner/Director with KPMG in Manchester. One of his specialisations was Co-operatives, primarily retail Co-operatives, but he was also responsible for the Audits of other Not for Profit organisations and Charities. Between 2000 and 2010 John headed up KPMG's 'Co-operative Centre of Excellence' and acted as the technical advisor to Co-op UK's 'Co-operative Performance Committee' The Co-operative Centre of Excellence had three main purposes: to brief and train the KPMG teams working on Co-operatives in the Co-operative difference and separate legislation, to act as a first

point of call and liaison with KPMG's technical department on Co-operative accounting issues and to hold the KPMG client relationship at a movement level (as opposed to an individual Co-operative level).

Since leaving KPMG in 2010 John has been doing Non-Executive and consultancy work in the mutual sector. He currently has 3 Non-Executive roles: Johnnie Johnson Housing Association (Chair of Audit Committee); Chorley Building Society (Chair of the Board); he also Chairs the Council of the Central Finance Board of the Methodist Church and the Board of its subsidiary Epworth Investment Ltd, which are investment managers for Methodist Church money and Charity money respectively. In June 2018 he retired after 7 years as a Non-Executive Director of Stockport NHS Foundation Trust where he chaired the Audit and Risk committee.

In 2016 John was appointed the Independent Chair of Co-op UK's Co-operative performance committee, mentioned above. CPC has 3 functions, to help co-operatives understand and apply accounting standards, within which is responding to consultations etc., to identify and promulgate best practice in co-operative reporting and to act as a discussion forum for senior finance professionals within the co-operative movement.



#### **Ian Glassford, MBA, CPA, CMA**

Ian Glassford retired May 30, 2018 from his position of Chief Financial Officer of Servus Credit Union. Ian joined what was then Capital City Savings in 1993. He became a member of the Leadership team in 1997 and CFO of the newly formed Servus Credit Union in 2008. At various times he has been responsible for Marketing, Human Resources, Centralized Services, Accounting, Treasury, Financial Analysis, Wealth Management and Strategy.

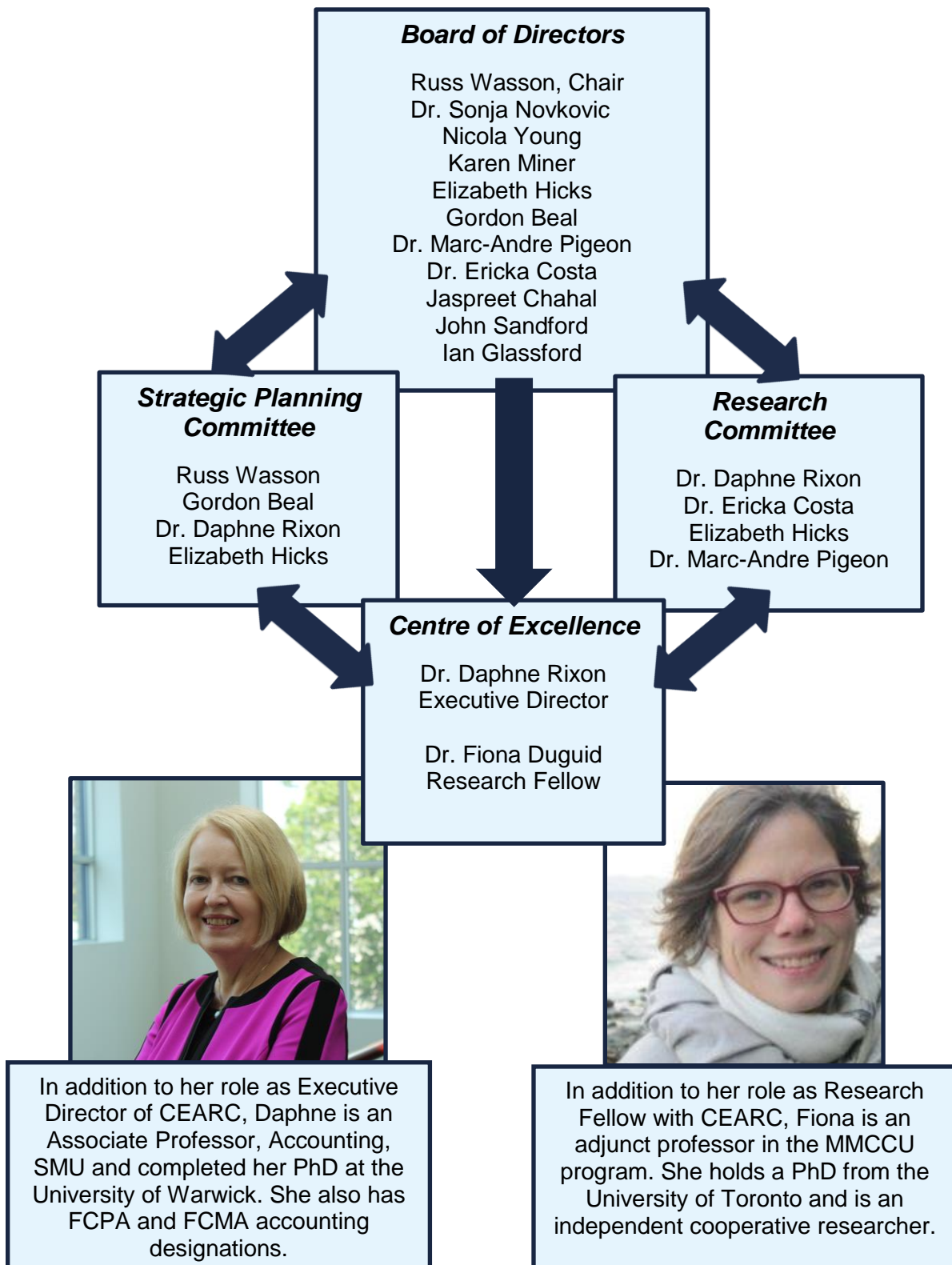
Ian's contributions to the credit union system include serving on the Board of Directors of Credential Financial and the Board of Directors of Credit Union Central of Alberta. He was on the Financial Management Curriculum Committee of the Credit Union Institute of Canada.

Prior to joining the credit union system, he worked as a Foreign Exchange and Money Market trader for Royal Trust and he previously served as a member of the board for Credential Financial Inc., a Canadian investment dealer. He holds his Master of Business Administration from the University of Western Ontario and is a Certified Management Accountant.

### **Committees of the Board 2018-19**

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

## Organizational Chart





# STRATEGIC PLAN

The following section provides an update on the key initiatives in our strategic plan for the period 2018 – 2020.

## **Key Initiative #1:** *Continue with the project to develop a Co-operative Performance Index.*

This is a large-scale research project that will take at least another two to three years to complete. It involves the knowledge of academics, the drive of leading institutions, organizations and federations, the application of co-operative practitioners, and the support of the Canadian co-operative community.

**Goals:** The overall goal of this research is to measure the performance of co-operatives in Canada relative to the seven principles of co-operatives as defined by the International Co-operative Alliance (ICA). Secondary goals include:

- 1) to identify social and environmental indicators that the Canadian co-op sector will report on for their co-operatives;
- 2) to develop an inventory of the various measurement tools used by co-operatives and credit unions; and
- 3) to put in place a sustainability plan to ensure that social and environmental impact assessment can continue beyond the life of the funding for this project.

**Status:** This project is led by Dr. Daphne Rixon and Dr. Fiona Duguid. Work began in May 2014. The first workshop was held May 2017 when the following participants selected the initial measures to reflect the seven principles of co-operatives:

- **Participants over the life of the project include:**
  - Alif Worker Co-operative
  - Arctic Co-op
  - Assiniboine Credit Union
  - Canadian Credit Union Association
  - Coop Vélo-Cité
  - CROPP Cooperative/Organic Valley
  - Federated Co-operatives Ltd
  - La Coopérative de solidarité Webtv
  - Coop de solidarité Maison de la coopération du Montréal métropolitain
  - The Co-operators
  - Healthy Minds Cooperative
  - Leading Edge Credit Union
  - SOCODEVI
  - Sustainability Solutions Group
  - Union: Sustainable Development Co-operative Inc.
  - VanCity Credit Union
  - Waterloo Cooperative Residences
  - Chile Co-operatives: Prymave: Loncomilla: Coopeuch: Sermecoop: SMART Chile; Hunab Ku or Red Genera

- **MeasureSmart:** Compilation of over 80 measurement frameworks currently used by co-operatives globally. We have also developed an interactive web-based tool, entitled “MeasureSmart” to make this information publicly available. It includes a brief description of each measurement framework, examples of types of organizations using it and a link to the respective websites for each framework. We have registered the following domains: [measuresmart.ca](http://measuresmart.ca); [measuresmart.com](http://measuresmart.com); [measuresmart.coop](http://measuresmart.coop) and [measuresmart.org](http://measuresmart.org). MeasureSmart went live in November 2019 and will be of interest to both academics and practitioners. Web link: <http://measuresmart.coop/>.
- **Additional Researchers:** We have been successful in securing two additional research associates who are willing to assist on the project on a voluntary basis:
  - **Nik Rowlston:** Hedge Fund Administrator, part-time instructor in Financial Instruments at Saint Mary’s University. Nik holds a CA accounting designation from the UK and is a graduate of the University of Nottingham. Nik is working with us on a paper comparing the performance frameworks currently used by co-operatives.
  - **Willy Robinson:** Retired CEO of iNova Credit Union, Halifax. Willy is a CPA, CMA and has completed her MBA as well as the MMCCU degrees. She is a former member of the Board of CEARC. Willy has volunteered to assist with the data validity after the participants enter their data in the system.
- **French Translation:** Provided by Josée Charbonneau, PhD candidate, University of Sherbrooke, QC.

- **2nd Workshop – May 2018**

After completion of the first year of the pilot a meeting was held with the participants in Winnipeg May 9 and 10. Arctic Co-op, one of the participants, very generously hosted the meeting. During our meetings, the participants identified modifications to the indicators.

- **Cumulative funding:** Received to date for the Co-operative Performance Index:

- National Rural Electric Cooperative Association (\$10,000): In 2018, the NRECA provided a grant to support the project.
- Saint Mary’s University - three Summer Student Employment Grants (\$22,400). Dr. Daphne Rixon received funding of \$5,600 in 2014, 2015 and 2018 respectively, which was used to employ MBA students to work on this project.
- CPA Canada (\$10,000): In 2017, CPA Canada provided an additional grant to support the project.
- Mitacs (\$7,500): In 2016 we were awarded a Mitacs grant to hire an intern from Saint Mary’s University’s Information Technology program to develop an online tool to capture data for this project and facilitate reporting for practitioners and academics. This CPI webtool went live January 2018.
- Mitacs: (\$7,500): In 2017, we were awarded another Mitacs grant to hire an intern from Saint Mary’s University to develop an interactive application for the 80 tools that were identified during the literature review. This webtool will be known as MeasureSmart.

- **Public Webinar – November 9, 2018**

A webinar entitled: “What is Your Co-operative Performance? Using Co-operative Performance Indicators” was held on November 9, 2018. It was open to anyone interested in learning more about the CPI project. A total of 22 people attended. The webinar was recorded and is available in the CPI section of our website. <https://www.smu.ca/academics/sobey/co-operative-performance-indicators.html>

### **Project Plan for 2019-20**

- In Spring 2019, update the KPIs based on feedback from the initial participants and invite up to 50 participants to participate in Phase 2 of the pilot project. In Spring 2020, open participation to all co-operatives and credit unions.

## **Key Initiative #2:**

### ***Actively publish articles in the International Journal for Co-operative Accounting and Management (IJCAM).***

**Goals:** Publish one issue annually.

**Status:** The December 2017 edition was the last edition published for the Journal of Co-operative Accounting and Reporting (JCAR). Effective January 2018 JCAR was merged with the International Journal of Co-operative Management (IJCM). Under the new structure, Dr. Daphne Rixon is the Editor-in-Chief while Peter Davis (editor of IJCM) is the Senior Associate Editor. All papers on accounting and reporting are administered by Daphne, while Peter handles papers on management topics. The first issue of IJCAM was published December 2018 and included the following papers:

- Self-serving competitive move or a mission-based strategic choice? A discourse analytical study of S Group’s nationwide price-drop campaign - Anu Puusa
- Ethical agency contracts as a basis for co-operative management and leadership - Peter Davis
- Comparative study on Gender Integration in Co-operatives: The Case of Women-Based SACCOs at the Kenya Union of Savings and Credit Co-operatives (KUSCCO) Ltd. - Esther Gicheru, Jacqueline Mtongolo
- The interrelations between member-commitment, trust, satisfaction and loyalty in a co-operative context - Anu Puusa, Pasi Tuominen, Marko Havekainen
- Book Review: “Introduction: Updating the Cuban Model” In Co-operativism and Local Development in Cuba, Eds. S. Novković & H. Veltmeyer - Peter Davis
- Book Review: Understanding the Social Enterprise, Rory Ridley-Duff & Mike Bull - Peter Davis

**Key Initiative #3:**

***In collaboration with Saint Mary's Development Officers, identify partners that would be interested in providing financial support for CEARC's research initiatives to expand research and dissemination activity. CEARC will also continue to encourage the research community to seek other sources of funding, such as SSHRC, for research into co-operative accounting and reporting.***

**Goal:** Work with the Development Officers to identify funding partners and submit at least one grant application annually to a funding organization.

**Status:** During the year, together with the Dean's office, an Impact Report was completed on the work of CEARC and our sister organization, Co-operative Management Education. This report highlights the significant accomplishments of CEARC. This document will be beneficial in improving our fundraising efforts. Link to report: <https://www.smu.ca/academics/sobey/research-cearc.html>. (refer to pages 6, 9, 10, 11, 13 and Appendix B)

In 2018 new funding of \$10,000 was received from the National Rural Electrical Association. Also, an application for funding was submitted to SSHRC – Canada's federal government academic funding organization.

**Co-operatives and Mutuals Canada (CMC):** CEARC reached an agreement with CMC to conduct two research studies in 2019.

**1) Sustainability Development Goals Project**

*Review the SDG measurement tools that currently exist and how or if co-operatives are using them. Review will entail a scan of the websites and annual reports of the top 50 co-operatives globally and the top 50 co-operatives in Canada.*

**2) Co-operative Economic Sustainability and Job Retention**

*This research project examines economic sustainability and job retention in co-operative enterprises versus traditional businesses.*

**Key Initiative #4:**

***Conduct a needs assessment survey to identify topics co-operative and credit union sectors would like to have researched.***

**Goal:** Conduct the survey by December 31, 2019.

**Status:** Work will commence on developing the survey in early 2019.

**Key Initiative #5:*****Disseminate the Centre's research through attendance at academic and practitioner conferences and publication in academic and professional/trade journals.***

**Goal:** Annual attendance at two academic and/or practitioner conferences, as well as one publication annually of research in academic and/or professional/trade journals.

**Status:** In addition to attending and representing CEARC at co-operative conferences, we are making an effort to expand our research to mainstream academic conferences. The goal is to increase awareness and attract more academics to conduct research on various aspects of co-operative accounting and reporting.

Publications

Brown, L., **Hicks, E.**, Leblanc, A., and Peterson, B., (2018). "Self-assessment and strategic planning in the retail coop food sector: using the Sustainability and Planning Scorecard Kit (SPSK) in a crisis context." *Canadian Journal of Nonprofit and Social Economy Research (ANSERJ)*, Vol. 9 No. 1.

**Costa E.**, Goulart da Silva G., (2019), Non-Profit Accountability: the viewpoint of the primary stakeholders, *Financial Accountability & Management*, 35, 37-54

**Costa E.**, Pesci C., Andreaus M., Taufer E., (2019), Empathy, closeness and distance in non-profit accountability. *Accounting, Auditing and Accountability Journal*, 32(1), 224-254.

Grandy, G. and **D. Rixon** (2018), Who Really Benefits: Neighbourhood Credit Union's Merger Decision, Teaching Case, *CASE Journal*, Vol. 14 Issue: 6, pp.736-752.

**Rixon, D. and F. Duguid** (2018), A Framework for Developing Co-operative Benchmarks, *Journal of Co-operative Studies*, Vol. 5. No. 1, 5 - 16.

Conference Presentations - Academic

**Hicks, E.**, (June 26, 2018). "Accounting and Reporting for Co-operative Principles", Presentation at the International Symposium on Accounting and Reporting: Co-operative Socio-economic Transformation", London, England.

**Rixon, D.** (2018), Developing Performance Benchmarks for the Cooperative Industrial Sector, *North American Case Research Association Conference*, Orlando, October 4 – 6.

Brown, L. and **D. Rixon** (2018), Our co-op is in crisis: Should we take time to do strategic planning?, *North American Case Research Association Conference*, Orlando, October 4 – 6.

**Duguid, F. and D. Rixon** (2018), Developing Performance Indicators with Co-operatives, *International Co-operative Alliance Research Conference*, Wageningen, The Netherlands, July 6.

**Rixon, D. and F. Duguid** (2018), Financial and Non-financial Indicators, *International Symposium on Co-operative Accounting and Reporting: Co-operative Socio-economic Transformation*, London, UK, June 25-26.

**Duguid, F. and D. Rixon** (2018), Developing Performance Indicators with Co-operatives, *Canadian Association for Studies in Co-operation*, Regina, May 31.

### Invited presentations

Rixon, D. (2019), Community Engagement and Co-operative Research, Faculty of Business Administration, Memorial University of Newfoundland, January 25, 2019.

Rixon, D. (2018), Roundtable: Co-operative and Worker-Owned Alternatives to Corporate Academic Publishing – Joint with Canadian Political Science Association and ANSER, *Canadian Association of Studies in Co-operation*, May 31.

### Presentations - Practitioners

During the year, Russ Wasson gave the following accounting and taxation presentations to co-operative accounting practitioners in the electric co-operative sector:

- Tri-State G&T Audit Committee
- Tri-State Accountants Association
- Iowa Statewide
- New England Electric Cooperative Association
- Kentucky Statewide
- G&T Accounting and Finance Association
- G&T Accounting Technical Advisory Committee
- G&T Tax Technical Advisory Committee
- G&T Finance Technical Advisory Committee
- NRECA/NSAC Annual Meeting
- G&T CFO Retreat
- Alabama Statewide
- Florida Statewide
- Alaska Power Association

*(Note: G&T – Generation and Transmission)*

**Key Initiative #6:** *Increase awareness and profile of CEARC within the co-operative sector among practitioners and researchers.*

**Goal:** Publish four CEARC newsletters annually. The **Co-operative Accounting E-News** will be sent to everyone on the CEARC and MMCCU mailing lists. The newsletters will also be sent to the Canadian Association for Studies in Co-operation (CASC) for inclusion in their newsletters.

**Status:** A Co-operative Accounting E-news was published March 2018, June 2018 and October 2018.

**Marketing and Communications Study:** CEARC contracted with SMU Entrepreneurship Centre to develop a marketing and communications strategy. The report, completed in late November, was based on primary and secondary research. Overall it was very well done. It provides several recommendations and an implementation plan. These recommendations will be incorporated into the CEARC strategic plan and addressed over the next three years.

**Key Initiative #7:** *Improve CEARC's governance structure by adding more practitioners to the Board of Directors.*

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**Goal:** Recruit one practitioner from a large non-financial co-operative to the CEARC Board of Directors. Target completion date – December 31, 2018.

**Status:** During the year, two new board members, John Sandford and Ian Glassman were added to the board. Refer to pages 6-7 for their bio's.

**Key Initiative #8:** *Determine the feasibility of conducting a research initiative regarding Cuban Co-operative Accounting as various industries transition from state-owned enterprises to a co-operative business model. In addition to the research component, we will also work with CPA Canada to explore the possibility of providing specialized training and education in co-operative accounting and reporting practices.*

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**Goals:**

(a) Identify academics and practitioners in Cuba to participate in research aimed at examining the changes in accounting practices as a result of the transition from state-owned enterprises to a co-operative business model; the research will also explore challenges encountered during the transition. Target completion date: December 31, 2018.

(b) Complete feasibility evaluation of collaboration with CPA Canada to provide training and education to co-operatives in Cuba. Target completion date: March 31, 2020.

**Status:** During July 2017, we arranged with Wendy Holm, retired professional Agrologist and MMCCU graduate, to meet with Cuban officials on behalf of CEARC to ascertain the level of interest in the project. Wendy met with the Cuban professional accounting association (ANAC) and confirmed they are interested in participating in this research initiative. In 2019 Wendy will return to Cuba and will follow-up on the feasibility of this study.

**Additional Researchers:** Should this project proceed, we have identified two academics who are interested in conducting the research:

- **Anne-Marie Ward**, PhD, FCA, University of Ulster, Belfast is professor of accounting
- **Maureen McCollough**, PhD candidate, CA, Oxford Brooks University is a lecturer in accounting and is an adjunct professor in the MMCCU program. Maureen was a participant in the 2016 Cuba study tour and has confirmed she is interested in working on this project.

## **Key Initiative #9: Organize an International Symposium on Co-operative Accounting and Reporting.**

It has been more than 10 years since our first symposium which led to the formation of CEARC. The 2018 International Symposium on Co-operative Accounting and Reporting sought to gather together international expertise firmly grounded in an understanding of co-operatives, as transformational organizations, to identify new conceptual contributions and new functional tools.

**Goals:** Specific outcomes for the symposium included:

- Attract attendance by thought leaders in co-operative accounting and reporting (practitioners and academics)
- Panels and round table discussions regarding the future of co-operative accounting
- Identification of key areas related to co-operative accounting and reporting that need to be addressed by researchers and practitioners

**Status:** CEARC, in collaboration with Co-operative Management Education (CME) held its 2<sup>nd</sup> International Symposium June 25-26, 2018 in London, UK. The objective of the symposium was to gather together international expertise firmly grounded in an understanding of co-operatives, as transformational organizations, to identify new conceptual contributions and new functional tools. The Symposium was comprised of 25 experts from 8 countries representing 19 institutions and focused on leading practices for co-operative accounting and reporting. The meeting started with a Welcome from Ed May, Chief Executive, Co-operatives UK and a call to action from Karen McCardle, CPA Canada for co-operatives to consider the UN Sustainable Development Goals when evaluating performance. Throughout the two days we heard from a wide array of co-operative experts from the United Kingdom, France, Spain, Italy, Korea, United States and Canada. The presentations are posted on the CEARC website. Two key projects resulted from this symposium:

- 1) Development of a Statement of Recommended Practice (SORP) for co-operative accounting and reporting; and,
- 2) Development of measures to reflect co-operative performance. As noted below, work has commenced on the SORP. The Measures project will start late 2019.

### SORP for Co-operative Accounting and Reporting

We have formed a Committee and a Working Group to develop a Statement of Recommended Practice (SORP) governing co-operative accounting and reporting. The Working Group is comprised of:

- Fernando Polo Garrido
- Vivian Woodell
- Maureen McCulloch
- Daphne Rixon
- John Sandford
- Russ Wasson
- Nickie Young
- Elizabeth Hicks



Working Group member, Maureen McCulloch has completed a Concept Paper (for CoopsUK) and this will form the basis of the SORP. The Concept Paper will be distributed in May-June 2019 for comments and feedback.

# Appendix 1

## TREASURER'S REPORT – March 31, 2019

### **Current Financial Performance:**

We began April 1, 2018 (the start of our current fiscal year) with a Surplus of \$67,202. During the following twelve months, revenue of \$64,700 was recognized, along with expenses of \$69,102. The result was an excess of expenses over revenues of \$4,402 for the twelve months and an ending accumulated surplus of \$62,800 -- an improvement of \$7,261 over our mid-year (September 30) position. Note that the year end *budgeted* deficiency to March 31, 2019 was \$12,440, whereas the *actual* over expenditure for the year was only \$4,402.

### **Expenses:**

The most significant expense categories for the year were the research grants for D. Rixon and F. Duguid of \$14,000, research-related expenses of \$14,600 under our new CMC grant, and last June's Symposium costs of \$12,956. Total expenses for the year are higher than budgeted primarily due to the unbudgeted costs (on both the revenue and expense sides) for the CMC grant (\$14,600) and the underspending (\$5,500) to year end on the marketing efforts that are later than expected.

### **Revenues:**

The revenue picture indicates a much better performance than last year and against the budget. An unbudgeted special grant late in the year from CMC of \$14,600 explains this. We have a contractual arrangement with CPA Canada for \$25,000 of program support per year and we need and appreciate this funding as it is the base for our operations. Two donations of US \$10,000 each resulted in Canadian revenue of CAD \$25,100 as the exchange rate worked in our favour. These significant donations were received from the National Co-operative Services Corporation and from Chair Russell Wasson's organization. Many thanks to these benefactors -- their donations are very welcome and Daphne Rixon will speak to how they are affecting our programs.

### **Change in Surplus/Fund Balance:**

With the current year's loss of \$4,402 deducted from our opening surplus of \$67,202, the March 31, 2019 surplus was reduced to \$62,800. This represents a healthy balance and is in excess of the \$50,000 minimum surplus the Board authorized in the past.

## CEARC Financial Report – Year ending March 31, 2019

	Revised Budget Year 2018-2019	Actual - Year 2018-2019	Actual - Year 2017-2018
<b>Revenue</b>			
Donations – CPA Canada	\$25,000	\$25,000	\$25,000
Other income – CFC and NRECA	20,000	20,000	1,900
CMC Research grants		14,600	
Exchange gains	5,000	5,100	
<b>Total revenue</b>	<b>51,000</b>	<b>64,700</b>	<b>26,900</b>
<b>Expenses</b>			
CEARC Research Fellow	2,000	2,000	
Administration co-ordination	2,940	1,771	812
Travel & conferences, DR – ICA & CASC	6,000	4,815	5,810
Office, printing, telephone	2,000	974	1,810
University overhead charge	2,000	2,000	4,797
Miscellaneous	500	154	719
Sponsorships	3,000	4,787	3,442
Research grants: DR & FD	15,000	14,000	16,833
Research grants (matched by Dean)	5,000	5,000	
Research grants - CMC		14,600	
Symposium	11,700	12,956	
Workshops hosted - Winnipeg	5,300	3,545	6,047
Marketing initiative – SMU BDC	8,000	2,500	
<b>Total expenses</b>	<b>63,440</b>	<b>69,102</b>	<b>40,271</b>
<b>Excess of expenses over revenue</b>	<b>(12,440)</b>	<b>(4,402)</b>	<b>(13,371)</b>
Adjustment to prior year's surplus			11,000
Beginning surplus	67,202	67,202	69,573
<b>Ending surplus</b>	<b>\$54,762</b>	<b>\$62,800</b>	<b>\$67,202</b>

## CEARC – Statement of Financial Position, March 31, 2019

<b>Assets</b>		
SMU Grant Surplus account		\$ 25,800
Accounts receivable -- CMC		14,600
CPA Canada, year ended		
- March 31, 2018	25,000	
- March 31, 2019	<u>25,000</u>	<u>50,000</u>
<b>Total assets</b>		<u>\$ 90,400</u>
<b>Liabilities</b>		
Accounts payable:		
F. Duguid – Instalments 3&4	\$ 5,000	
F. Duguid – Research fellow	1,000	
F. Duguid – CMC project	<u>13,560</u>	\$ 19,560
S. Novkovic – Research grant		5,000
M. Read – CMC project		1,040
SMU overhead charge		<u>2,000</u>
<b>Total liabilities</b>		\$ 27,600
<b>Surplus – per CEARC</b>		<u>62,800</u>
<b>Liabilities and fund balance</b>		<u>\$ 90,400</u>

Respectfully submitted,

Nickie Young, FCPA, FCA  
Treasurer, CEARC

## Appendix 2

### Additional Funding 2016 – 2019

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.

		2018-2019	2017-2018	2016-2017	3-Year
Recipient	Source	Actual	Actual	Actual	Total
D. Rixon	SMU Student Employment	\$5,500	\$5,500	-	\$11,000
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 & P. Goth	Filene Research Institute		-	19,000	19,000
D. Rixon	Accounting Education Foundation of Nova Scotia		-	2,500	2,500
	Totals	<u>\$15,500</u>	<u>\$ 16,500</u>	<u>\$ 31,500</u>	<u>\$ 63,500</u>