

Annual Report

March 31, 2016

Centre of Excellence in Accounting and Reporting for Co-operatives

Annual Report

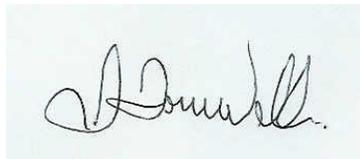
For the period April 1, 2015 to March 31, 2016

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, 2016. The past year has been very productive for the Centre. We have successfully completed the second year of our second three-year strategic plan for 2015-2017.

During the year, CEARC associates presented papers at 18 academic conferences and published eight papers/book chapters. In addition, we commenced a major five-year research project into environmental and social reporting by co-operatives and participated in a study tour to Cuba to identify research and accounting education opportunities. We are also pleased to report that CEARC has set in motion plans for a workshop on the state of the art of co-operative accounting in Cuba in November 2016 and an international conference on co-operative accounting in Halifax in the Spring of 2017.

Respectfully submitted,



Tom Webb, Chair
Board of Directors



Daphne Rixon, PhD, FCPA, FCMA
Executive Director

<http://www.coopaccounting.coop/cearc.html>

June 30, 2016

A. Mandate and goals of CEARC

- a) 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)
- b) 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.

B. Governance

2015-16 Members of the Board include:

- Tom Webb, Co-operative Management Education, Saint Mary's University (SMU) and Chair of the Board
- Karen Miner, Managing Director, Co-operative Management Education, SMU
- Dr. Larry Haiven, Professor, Dept. of Management and Academic Director, Co-operative Management Education, SMU. During 2015, Dr. Haiven completed his term on the Board and was replaced by Dr. Sonja Novkovic.

- Dr. Sonja Novkovic, Professor, Economics, SMU and Academic Director, Co-operative Management Education, SMU
- Dr. Jeffrey Power, Chair, Dept. of Accounting, SMU
- Elizabeth Hicks, Associate Professor, Accounting, Mount St. Vincent University
- Gordon Beal, Vice President, Guidance and Support, CPA Canada
- Russ Wasson, National Rural Electrical Cooperative Association
- Dr. Marc-André Pigeon, Director, Financial Sector Policy, Credit Union Central of Canada
- Dr. Aitziber Mugarra Elorriaga, University of Deusto, Spain
- Dr. Louis Beaubien, Associate Professor, Accounting, Dalhousie University
- John Maddocks, Former CEARC Executive Director and MMCCU Graduate (UK)
- Dr. Daphne Rixon, Associate Professor, Accounting, SMU, and Executive Director (ex-officio member of the Board).

During the year, Dr. Larry Haiven retired and resigned from the board. We wish to thank Larry for his many years of contributions to CEARC.

2015 -16 Committees of the Board

- Research Advisory Committee: Jeff Power (Chair), Tom Webb, Louis Beaubien, Elizabeth Hicks and Daphne Rixon
- Planning Committee: Daphne Rixon (Chair), Tom Webb, Louis Beaubien and Elizabeth Hicks

C. Strategic Plan

Strategic Plan Update

The following section is a status update on the key initiatives in our strategic plan that covers the period 2015 – 2017.

1. Monitor the research grants awarded during the period 2015 – 2017.

Goal: To ensure the research is completed in accordance with the proposals approved by the Board of Directors. The Research Advisory Committee is responsible for recommending grant recipients and ensuring recipients complete the work specified. The Research Advisory Committee will report to the board semi-annually on the status of each project.

Status: The Research Committee has followed up with the grant recipients and all projects are in progress. It is expected that the various projects will generally take up to three years to complete.

2. To encourage more researchers to conduct studies into accounting and reporting for co-operatives and credit unions.

Goal: Issue request for proposals Fall and award grants in Spring for each of the three years covered by the Strategic Plan.

Status: In our September 2015 board meeting, grants totalling \$37,500 were approved relating to the Winter 2015 call for research proposals. Upon the advice of the Research Advisory Committee, it was agreed that a RFP would not be issued for Fall 2015. Instead, CEARC approved funding for the Social and Environmental indicators project.

3. Commence an ambitious five-year project to measure the social and environmental impact of co-operatives in Canada.

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

This research project is not starting from scratch but rather building on work that has been done by the *Measuring the Co-operative Difference Research Network* (SSHRC CURA 2009-2014), the Tools Conference 2014, the various tools that have been constructed by co-operative developers, practitioners and academics, and the vast number of measurement tools and methodologies that have been developed for investor-owned businesses and non-profit organizations. Despite this foundation, standardized and universal measurement of the impact of co-operatives socially and environmentally is far from being accepted and/or implemented by the co-operative sector in Canada.

This research will mobilize the Canadian co-operative sector to not just think about their social and environmental impact in terms of anecdotes and vague results; but, to begin to ask co-operatives to report, measure and evaluate themselves not just using the economic metrics but also social and environmental indicators.

Goals: The overall goal of this research is to measure the social and environmental impact of co-operatives Canada. 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.

To succeed, this project will need funding that well exceeds the expected resources of CEARC. In order to move forward, the project will require SSHRC funding as well as sponsorships from the co-operative community. Application for funding will be submitted to Social Sciences and Humanities Research Council (SSHRC) as well as other funding agencies. The project scope and timing will depend on funding available.

Status: This project is led by Daphne Rixon and Fiona Duguid. Fiona is an adjunct professor in the MMCCU program. She holds a PhD from the University of Toronto and is an independent cooperative researcher. Work began on this project in May, 2014 and continued into the Summer of 2015 with assistance from a MBA summer student. Funding was provided by an internal Saint Mary's summer student employment program in both years. During the year, we have completed literature review of prior research on measuring the social and environmental impact

of co-operatives and we have also compiled over 80 measurement tools currently utilized by co-operatives globally.

Our intention is to start by conducting a pilot study with 10-15 co-operatives in various sectors and regions of Canada with the aim to identify 15 key performance indicators that reflect the social and environmental impact of co-operatives. An Advisory Committee has been appointed to oversee the project. The Project Advisory Committee is comprised of the following:

Daphne Rixon, Project Lead: Accounting Professor, Saint Mary's University

Fiona Duguid, Project Manager: Researcher, Chelsea, Quebec, Canada

Denyse Guy, Executive Director, Co-operatives Mutuals Canada

Yuill Herbert: Sustainability Solutions Group Workers Cooperative, Nova Scotia, Canada

Kate Martin: Policy Analyst, Canadian Credit Union Association

John Maddocks: Former CEARC Executive Director and MMCCU Graduate, United Kingdom

Sonja Novkovic: Professor, Economics, Saint Mary's University, Halifax, Nova Scotia

Coro Strandberg: President, Strandberg Consulting, Vancouver, Canada

Funding for the project has been provided by the following:

Mitacs: Daphne Rixon and Fiona Duguid were awarded a Mitacs grant to hire an intern from Saint Mary's University's Information Technology program. Mitacs is funded by the Federal and Provincial governments. They provide matching funding for information technology-related projects. This represents 50% funding with CEARC providing 50% (\$7,500). The IT intern will identify user requirements and develop an online tool to capture data for this project and facilitate reporting for practitioners and academics.

Accounting Education Foundation of Nova Scotia: Daphne Rixon has received a grant of \$2,500 to develop a teaching case based on the development of industry benchmarks for social and environmental reporting. The grant will be used to conduct in-person interviews with co-operatives in the Atlantic Provinces. This information will not only provide background material for the teaching case, but will also be used in the project to ensure we are taking the needs of small co-operatives into account.

4. Continue the development of an online resource centre for all CEARC publications and research as well as the International Statements of Recommended Practices (iSORPs) and best practices related to accounting and reporting for cooperatives.

Goal: Post publications on a timely basis as work is completed to the online resource centre.

Status: Website has been updated for recent publications. These include links to the book produced from the Tools conference that was co-sponsored by CEARC. During March/April, we developed a new page on the website to contain all information relating to the social and environmental indicators project.

5. Actively publish articles in the Journal for Co-operative Accounting and Reporting (JCAR).

Goals: (1) Publish one issue annually; and (2) in 2016 start the process to identify a publisher that would take on the publication of JCAR with the view to completion by December 31, 2017. Appointment of an external publisher will occur only if costs do not exceed the current budget. The benefit of using an external publisher is to gain broader dissemination, recognition and creditability for the journal.

Status: The 2015 edition was published in August, 2015 and the 2016 edition was published in June, 2016. The 2016 issue included a special section on social and environmental reporting by co-operatives in order to focus attention on our social and environmental reporting project.

We have developed brochures about JCAR and we continue to promote the journal and solicit submissions through our various networks and alliances. We have also modified our letters of acceptance to CEARC grant recipients to suggest (not demand) that they consider submitting their publications (made possible with the grant) to JCAR.

An analysis of the feasibility of moving JCAR to an external publisher was conducted. Based on this analysis, it was determined that JCAR should not be outsourced since it would substantially increase our costs. In addition, Ron Houlihan, SMU Librarian reviewed JCAR and indicated since it is an open access journal, it allows the general public and practitioners, as well as academics, to read it. They do not need to be affiliated with a university to access the journal. He also commented that he was impressed with the overall look and feel and professionalism of the journal.

6. 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: Build collaborative relationships to identify at least two additional funding partners with funding secured within the three-year strategic plan period.

Status: During the year, Daphne met with a Partner from a local accounting firm regarding a fundraising strategy. Based on this meeting, we will be identifying a Campaign Chair and will be contacting potential donors in the coming months.

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

Goal: Develop action plan to address the needs identified from the survey. Conduct the survey by December 31, 2016.

Status: The survey was issued to cooperative stakeholders through CME and CEARC newsletters in November, 2016 and was issued again December, 2016 and February, 2017. These newsletters were distributed electronically to over 1200 people. Only 17 respondents have completed the survey. The low response rate is disappointing and makes it difficult to draw meaningful conclusions. The survey found there is an overall lack of awareness of CEARC and JCAR with only 53 percent and 24 percent respectively. Throughout the remainder of 2016-17, we have several initiatives (Fall, 2016 workshop; 2017 Cuba Study Tour; and 2017 International Conference on Co-operative Accounting and Reporting) that should play a key role in increasing awareness of CEARC and JCAR.

8. Disseminate the Centre's research through attendance at conferences and participation in the form of member of a panel or presenting a paper.

Goal: Attendance at two conferences annually. Allocate sufficient funds for up to two CEARC associates (in addition to the Executive Director) to attend the Quebec symposium conference in October, 2016.

Status:

- Due to the high costs associated with attending the Quebec International Co-operative Symposium, it has been determined that it would be more beneficial to reallocate these funds towards the Fall Cuba Workshop.
- Daphne arranged with the Atlantic Schools of Business (ASB) Conference to introduce a Co-operative Studies track. The Co-operative Studies and Social Economy Track was offered for the 2014 and 2015 conferences. Although there was a low level of interest, she will organize the track again for the October, 2016 conference to be held at Saint Mary's University. This conference will enable students and new faculty to present their research and will also increase awareness of CEARC and JCAR.

In addition, the following presentations and publications were contributed by CEARC board members:

Conference Presentations

Novkovic, S. (2016), *Cooperativism and local development: An alternative development path for Cuba*. SSHRC Connections grant. Organizer and presenter: *Co-operatives as an agency for social transformation*, CME and IDS Workshop and Symposium, Halifax, April 28-29.

Novkovic, S. (2016), *Latin America in the post-neoliberal era: Prospects for a sustainable and equitable transition* Pula, Croatia., Joint Round-Table seminar Juraj Dobrila at Pula University & Saint Mary's University, June 16-17.

Novkovic, S. (2016), *A Dual motive behavioural theory of co-operative firms*, IAFEP conference (International Association for the Economics of Participation), Copenhagen. July 8-10

Webb, T. (2016), Accounting on Co-operation in Cuba, CME and IDS Workshop and Symposium, Halifax, April 28-29.

Rixon, D. and L. Beaubien (2016), Measuring Social and Environmental Performance: A Comparison of Financial Services Co-operatives and Investor-owned Financial Institutions, *International Academy of Business and Public Administration Disciplines Conference*, Orlando, January 2 – 5.

Rixon, D. and L. Beaubien (2015), KPI Reporting in the co-operative financial services sector, *Community Innovation and Social Enterprise Conference*, Sydney, NS, July 8 – 10.

Rixon, D. and G. Grandy (2015), Neighbourhood Credit Union: To Merge or Not to Merge, Teaching Case, *Canadian Association of Studies in Co-operation Conference*, Ottawa, June 2 – 5. **(NOTE: We received an award of \$1,600 for this case).**

Brown, L., S. Novkovic, E. Hicks, J. Gordon-Nembhard, and D. Rixon (2015), Tools to Measure Co-op Performance and Impact (Round Table Discussion), *Canadian Association of Studies in Co-operation Conference*, Ottawa, June 2 – 5.

Rixon, D. and L. Beaubien (2015), KPI Reporting in the co-operative financial services sector, *ICA Research International Conference*, Paris, May 27 – 30.

Rixon, D. and L. Beaubien (2015), Integrated Reporting for Co-operatives: A Case Study of VanCity Credit Union, *International Academy of Business and Public Administration Disciplines Conference*, Orlando, January 2 – 5.

Hicks, E., & Brown, L. (2015). “Reporting on the Relationship of Organizations with their Communities – Is there a co-operative difference in what is measured and reported from that of investor-owned corporations?”, Co-operatives – Capital Idea(s), Canadian Association for Studies in Co-operation(CASC) Conference, Ottawa, Canada. June 2.

Brown, Novkovic, NcNamara, Gordon, Nembhand, Rixon, & Hicks. (2015) “Tools to Measure Co-operative Performance and Impact Roundtable”, Joint session Association of Nonprofit and Social Economy Research (ANSER) Conference and Canadian Association for Studies in Co-operation (CASC) Conference, June 3, 2015, Ottawa, Canada.

Leclerc, A., Brown, L., & Hicks, E., (2015) “A Comparative Analysis of the Co-operative Difference Perception by the Employees of Caisses Populaires and Retail Co-ops.” Co-operatives – Capital Idea(s), Canadian Association for Studies in Co-operation (CASC) Conference, June 4, 2015, Ottawa, Canada.

Novkovic, S. (2015) *Cooperativism in Cuba*, A critical development studies seminar – IDS, SMU, September 25.

Novkovic, S. (2015), *Multistakeholder co-operatives and sustainable development*, FLACSO seminar, University of Havana, October 5.

Novkovic, S. (2015), *Worker co-operatives, socialism and solidarity*, World of Work, ILO and ICA joint conference, Antalya Turkey, November 8-10.

Novkovic, S. (2015), Launch of the white paper: *Co-operative Governance Fit to Build Resilience in the Face of Complexity*, Invited speaker at the ICA global conference. Opening panel, Nov 10-12.

Novkovic, S. (2015), Young Scholars workshop, Antalya, Organizer and presenter. November 8.

Publications

Rixon, D. and K. Lightstone (2016), “Impact of International Financial Reporting Standards on Canadian Credit Unions”, *International Journal of Business, Accounting and Finance*, Forthcoming.

Novkovic, Sonja and Tea Golja (2015), Civil society and co-operative local development in Croatia. *Journal of Economic and Organizational Diversity*. 4,1: 153-169.

Brown, L., Carini, C., Gordon Nembhard, J., Hammond Ketilson, L. **Hicks, E.**, McNamara, J., **Novkovic, S.**, **Rixon, D.**, and R. Simmons (eds) (2015), Co-operatives for sustainable communities: Tools to Measure Co-operative Impact and Performance, Centre for the Study of Co-operatives, Saskatchewan. **Note: the book was recommended by Ed Mayo, Secretary General, CoopsUK as his favourite new book! See link below:**

http://www.thenews.coop/104992/news/co-operatives/104992/?utm_campaign=coschedule&utm_source=twitter&utm_medium=coopnews&utm_content=World%20Book%20Day:%20What's%20your%20favourite%20coop%20book%3F%20%231

Novkovic, S. (2015), Introduction in *Co-operatives for Sustainable Communities: Tools to Measure Co-operative Impact and Performance*. University of Saskatchewan Press

Brown, L., **Hicks, E.**, Leclerc, A., Petersen, B., & Jackson-Wood, S. (2015). “The Sustainability and Planning Scorecard: A Tool Designed for and with Local Retail Food Co-operatives.” *Co-operatives for Sustainable Communities: Tools to Measure Co-operative Impact and Performance* chapter 6. Brown, L., Carini, C., Gordon Nembhard, J., Hammond Ketilson, L. Hicks, E, McNamara, J., Novkovic, S., Rixon, D., and R. Simmons (eds). *Co-operatives and Mutuals Canada and the Centre for the Study of Co-operatives*. Canada.

Rixon, D. and L. Beaubien (2015), “Integrated Reporting for Co-operatives: A Case Study of VanCity Credit Union”, book chapter in Co-operatives for sustainable communities: Tools to measure impact and performance of co-operatives, Brown, L., Carini, C., Gordon Nembhard, J., Hammond Ketilson, L. Hicks, E, McNamara, J., Novkovic, S., Rixon, D., and R. Simmons (eds). Centre for the Study of Co-operatives, Saskatchewan, 337—350.

Rixon, D. and L. Beaubien (2015), “Sustainability Reporting: A Case Study of The Co-operators”, book chapter in Co-operatives for sustainable communities: Tools to measure impact and performance of co-operatives, Brown, L., Carini, C., Gordon Nembhard, J., Hammond Ketilson, L. Hicks, E, McNamara, J., Novkovic, S., Rixon, D., and R. Simmons (eds). Centre for the Study of Co-operatives, Saskatchewan, 353-371.

Brown, L., Hicks, E., Leclerc, A., Petersen, B., & Jackson-Wood, S. (2015). "The Sustainability and Planning Scorecard: A Tool Designed for and with Local Retail Food Co-operatives." Co-operatives for Sustainable Communities: Tools to Measure Co-operative Impact and Performance chapter 6. Brown, L., Carini, C., Gordon Nembhard, J., Hammond Ketilson, L. Hicks, E., McNamara, J., Novkovic, S., Rixon, D., and R. Simmons (eds). Co-operatives and Mutuals Canada and the Centre for the Study of Co-operatives. Canada.

Edited journals

Novkovic, S. and M. Bateman, (2015) (eds.) *Journal of Co-operative Organization and Management*. Special issue. Volume 3, Issue 1, Pages 1-48 (June) Elsevier Science

Hajimanolis, A., Simeon K. and S. Novkovic (eds.) (2015) *ICA International Review of Co-operation 2013*

Novkovic, S. and K. Miner (2015). (eds.) *Co-operative Governance Fit to Build Resilience in the Face of Complexity*. International Co-operative Alliance White paper. Brussels

Novkovic, S. and M. Bateman (eds.) (2015). *ICA International Review of Co-operation – special issue-Young Scholars' Research*

Novkovic, S. and K. Miner (2015), Introduction in Novkovic, Sonja and Karen Miner (eds.) *Co-operative Governance Fit to Build Resilience in the Face of Complexity*. International Co-operative Alliance Think-Piece. Brussels

News article

Novkovic, S. (2015) *Agricultural co-operatives in Cuba*– ICAO International Co-operative Agricultural Organization Newsletter 13, April.

Other Presentations and knowledge mobilization events

Novkovic, S. (2015), Canadian Association for Studies in Co-operation Conference, Ottawa, (panel), June

Novkovic, S. (2015), presentation to Industry Canada on the *Co-operative Difference*, Ottawa, June.

Novkovic, S. (2015), Research presentation to the SMU Economics students' society, *Neoclassical economics and the social enterprise*, December 3

Novkovic, S. (2016), Presentation at CRISES, Montreal –Centre for Research in Social Innovation (UQAM and HEC). *Cuban socialist economic transformation: Cooperativism in the making?* March 21

Novkovic, S. (2016), Webinar for CME faculty, students and alumni (a professional development event) *Cuban co-operative transformation*, May 5.

9. Increase awareness and profile of CEARC within the co-operative sector among practitioners and researchers.

Goal: Develop a communications strategy to obtain contact information for practitioners in accounting. This will enable CEARC to keep practitioners up to date regarding our research and to solicit input regarding future research projects. Target completion date: March 31, 2015.

Status: Due to the initial lack of a response to the links generated through the CPA newsletter and CMEC newsletter, a student was hired to search the websites of the largest 100 co-operatives (taken from Statistics Canada data) to identify the Chief Financial Officer and obtain contact information. In addition, a request for cooperatives to sign up for our e-news is included in the CMEC newsletter which is sent to 1200 co-operatives.

The various CPA and CMEC newsletters have resulted in over 100 individuals signing up to the CEARC database. This was used to disseminate the December 2015 survey and to issue CEARC's first e-newsletter. This is an ongoing initiative and we will continue to take steps in increase awareness of CEARC and add more co-operative accountants to our database.

10. Improve CEARC's governance structure by adding more practitioners to the Board of Directors.

Goal: Recruit two new members who are practitioners in co-operative accounting to the CEARC Board of Directors. Target completion date – December 31, 2015.

Status: We were successful in adding two new board members: Marc-André Pigeon, Canadian Credit Union Association and Aitziber Mugarra Elorriaga, University of Deusto, Spain.

Marc-André Pigeon is Director, Financial Sector Policy, Canadian Credit Union Association. Marc-André is responsible for monitoring, researching and advocating for credit unions on a range of issues. Prior to joining CCUA, Marc-André worked as an analyst for several Parliamentary committees including the Senate Banking Committee and House of Commons Finance Committees, as a project leader at the Department Finance, as an economics researcher with the Levy Economics Institute in New York state, and as a business reporter for Bloomberg Business News in Toronto. Marc-André holds a PhD from Carleton University in Mass Communications, where he is a sessional lecturer, a Master's Degree in economics from the University of Ottawa, and a journalism degree from Carleton University.

Aitziber is the Head Researcher at the University of Deusto, Spain. Her research focuses on sustainable management models and social economy for sustainable development. She is a researcher and a practitioner: as researcher from the University with the multidisciplinary team EDISPE (Economy, Development and Social Innovation serving People) that she coordinates; and as practitioner, she has collaborations with various organizations of social economy, both Basque and Spanish and at international level, in the design of adapted social audit models. She is a member of the credit union Laboral Kutxa in the Basque Country and a member of the cooperative in ethics banking Fiare, built in the Italian Banca Popolare Etica. She is also a member of the Board of the promoter group in the Basque Country from another international cooperative in ethics banking, Oikocredit, based in the Netherlands. This cooperative, oriented to microcredit, is developing a range of instruments to measure its social and environmental impact.

As part of the net of social economy in Basque Country, they contribute to the construction of social audit at REAS-Euskadi, at local level.

Other Initiatives

1. Workshop – Fall 2016

We are planning to host a workshop November 9 and 10, 2016 to identify Cuba's existing accounting practices and standards. The two related objectives for the workshop are: To explore the accounting practices of co-operatives in Cuba and learn about the accounting curriculum taught in Cuban universities; to share with Cuban practitioners and academics the co-operative accounting perspectives and research developed by the Co-operative Management Education program and the Centre of Excellence in Accounting and Reporting for Co-operatives at Saint Mary's University. CPA Canada has agreed to provide \$10,000 one-time funding for the workshop (this is in addition to their annual funding of \$25,000).

2. Cuba Study Tour – Winter 2017

We are planning to participate in the Cuba Study Tour which is tentatively scheduled for February, 2017.

3. International Conference on Co-operative Accounting and Reporting

This conference will be held at Saint Mary's University, May 12 and 13, 2017. It has been more than 10 years since our first symposium which led to the formation of CEARC. The 2017 International Conference on Co-operative Accounting and Reporting seeks 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. Day One of the conference will be presentations based on papers accepted according to set criteria, specifically because they move forward the development of a more systematic approach to co-operative accounting. Day Two will be reserved for a set of workshops designed to map as fully as possible what a system of co-operative accounting and reporting would look like.

We are requesting proposals for presentations dealing with the following topics:

- Accounting and reporting on the efficient use of resources to meet member and community need
 - A focus on member need should account for what portion of member need the co-operative provides in its area of product or service and an assessment of the quality and cost.
 - A focus on community need should account for negative and positive social and economic impacts of the co-operative on workers, the community and the environment.
- Accounting and reporting for co-operative values and principles. How are they reflected or not in the operations of the business?
- Measuring the sources and impacts of capital. Capital restrictions; reserves; commonly owned assets; private accounts

- Measuring Financial Health. Reporting on the financial ability of the co-operative to meet its obligations, to meet member and community need at present and in the future and its ability to attract capital for future investment.
- Measuring and reporting on social and environmental performance for co-operatives

F. Financial Report

As illustrated in Appendix 1, the Centre began the year with an accumulated surplus of \$102,460. Revenues of \$39,600 less expenses of \$44,615 resulted in an excess of expenditures over revenue of \$5,015. Since we have now secured stable ongoing funding from CPA Canada, it was determined that it would be prudent to spend a portion of the accumulated surplus. Overall, we are in a sound financial position, since our fund balance exceeds that of our minimum required balance of \$50,000. During the year, we received donations totalling \$39,600, which is comprised of \$25,000 from CPA Canada, \$12,600 from the National Rural Utilities Cooperative Finance Corporation and an exchange gain of \$1,800 on a donation received last year from the National Society of Accountants for Co-operatives. We finished the year with a fund balance of \$97,115.

Executive Director expenditures of \$5,500 reflect the cost of a course release. Furthermore, during the year, the Centre awarded research grants totaling \$22,500 comprised of \$10,000 – Fiona Duguid, \$8,550 – Mitacs (CEARC co-funding) and Daphne Rixon - \$4,000.

In addition to the funding received directly by CEARC, our research associates were awarded various grants that are presented in Appendix 2 as additional funding. Total additional funding for the 2016 fiscal year was \$18,445. These funds were used to conduct research into co-operatives and credit unions.

Appendix 1

Centre of Excellence in Accounting and Reporting for Co-operatives Statement of Revenue, Expenditures and Fund Balance March 31, 2016

	2016	2015
Revenue		
Donation - CPA Canada	\$ 25,000	\$ 25,000
Donations - NRUCFC	12,800	10,000
Donations - NSAC	<u>1,800</u>	<u>7,500</u>
Total Revenue	<u>39,600</u>	<u>42,500</u>
Expenses		
Administrative Co-ord.	289	606
Executive Director	5,500	5,000
Travel & Conferences	3,782	3,456
Office, printing, copying, telephone	1,801	2,474
University overhead charge	6,868	4,067
Miscellaneous	325	840
Sponsorships	3,500	16,405
Research Grants	<u>22,550</u>	<u>37,030</u>
Total Expenses	<u>44,615</u>	<u>69,878</u>
Excess of revenue over expenses	(5,015)	(27,378)
Beginning surplus	102,130	122,914
Prior period adjustments	<u>-</u>	<u>6,594</u>
Revised beginning surplus	<u>-</u>	<u>129,508</u>
Ending surplus	<u>\$ 97,115</u>	<u>\$ 102,130</u>

Note: prior period adjustments relate to timing differences in reversal of accruals.

Appendix 2

Centre of Excellence in Accounting and Reporting for Co-operatives (CEARC)

Additional Funding

2014 – 2016

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.

<u>Recipient</u>	<u>Source</u>	2015-2016 <u>Actual</u>	2014-2015 <u>Actual</u>	2013-2014 <u>Actual</u>	3-Year <u>Total</u>
D. Rixon	SMU - Student Employment	\$ 5,600	\$ 5,600	\$ 5,600	\$ 16,800
D. Rixon	FGSR Travel Grant	1,000		1,000	2,000
JCAR	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	Filene Research Institute	-	-	2,500	2,500
E. Hicks & L. Brown	SSHRC (Measuring the Coop Difference)	-	-	15,500	15,500
E. Hicks & L. Brown	Grant for Research Assistant	-	-	3,024	3,024
E. Hicks	Mount Saint Vincent University	<u>1,845</u>	<u>-</u>	<u>2,000</u>	<u>3,845</u>
					-
	Totals	<u>\$ 18,445</u>	<u>\$ 15,600</u>	<u>\$ 36,624</u>	<u>\$ 70,669</u>