

Centre of Excellence in Accounting and Reporting for Co-operatives

Annual Report

For the period April 1, 2016 to March 31, 2017

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

During the year, CEARC associates presented papers at five academic conferences, conducted 13 technical presentations, participated in five invited presentations (four national and one international) and published two papers. 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 an International Symposium on Co-operative Accounting and Reporting in Oxford, UK in the Spring of 2018.

Respectfully submitted,



Russ Wasson, CPA
Chair, Board of Directors



Daphne Rixon, PhD, FCPA, FCMA
Executive Director

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

August 23, 2017



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

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March 31, 2017

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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

2016-17 Members of the Board include:

- Tom Webb, Co-operative Management Education, Saint Mary's University (SMU) and Chair of the Board; resigned March 31, 2017 and was replaced by Russ Wasson as Chair.
- Karen Miner, Managing Director, Co-operative Management Education, SMU
- Dr. Sonja Novkovic, Professor, Economics, SMU and Academic Director, Co-operative Management Education, SMU
- Dr. Jeffrey Power, Chair, Dept. of Accounting, SMU; resigned March 31, 2017 and was replaced by Professor Nicola Young, 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; completed term March 31, 2017
- 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).

At the end of the year, Tom Webb resigned from the board. Tom was instrumental in starting CEARC and played a vital role in its development. We wish to thank Tom for his many years of contributions to CEARC. Board member, Russ Wasson has taken on the role of Chair of the Board.

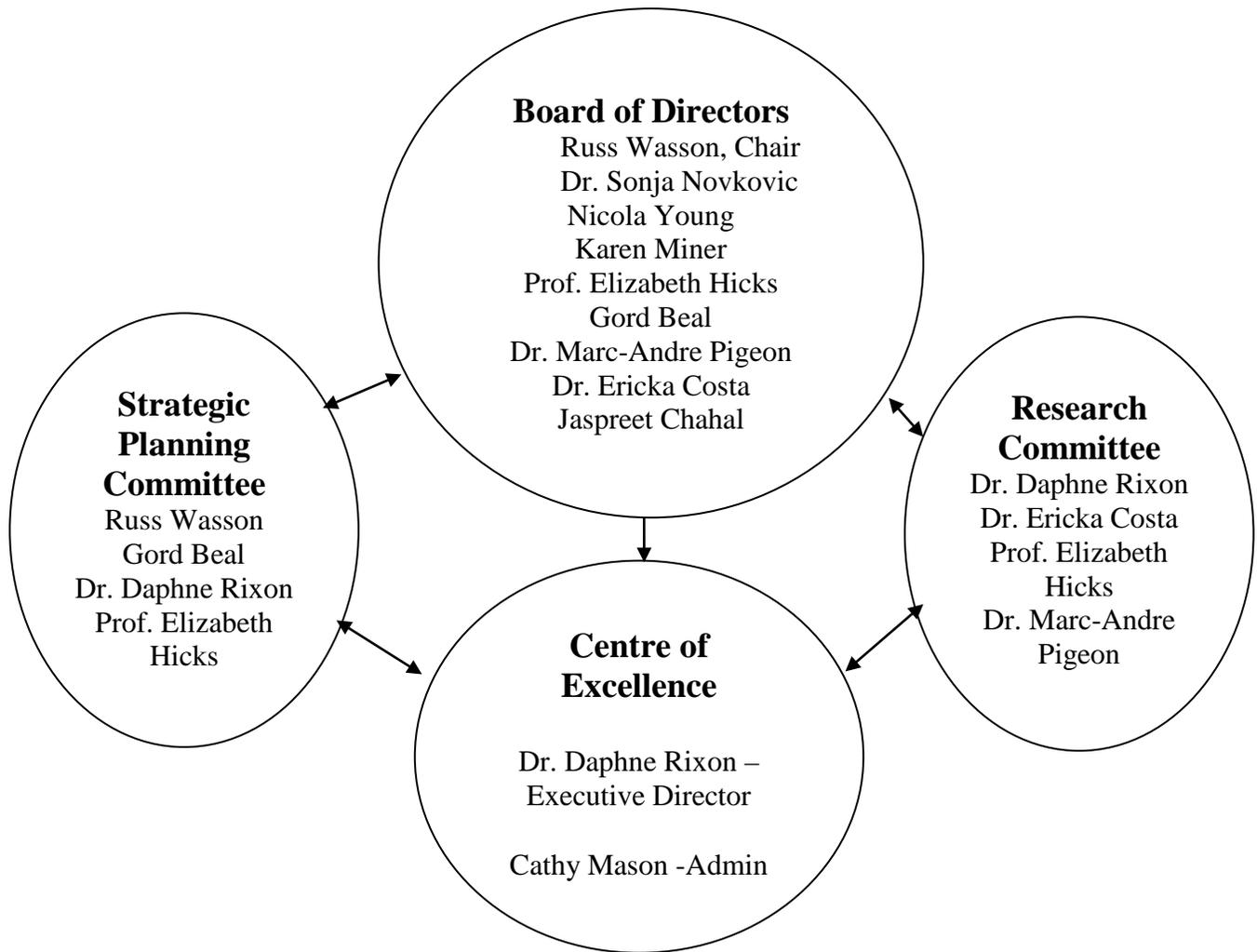
In addition, Dr. Jeff Power, Treasurer, resigned at the end of the year. Jeff has served on the board for five years and is commencing his sabbatical leave. We extend our appreciation to Jeff for his work as Treasurer and as a Chair of the Research Advisory Committee.

Three new board members (Professor Nicola Young, Dr. Ericka Costa and Jaspreet Chahal) have joined the Board, effective April 1, 2017 and they are described in detail in Section 10.

2016 -17 Committees of the Board

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

C. Organizational Chart



D. Strategic Plan

The following section provides an 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 in the Fall and award grants in the 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 2015-16 or 2016-17. Instead, CEARC approved funding for the Co-operative Performance Index project (described in more detail in the next section). Dr. Fiona Duguid, co-lead on the project has received funding of \$20,000 -- \$10,000 in 2015-16 and in 2016-17 respectively.

3. Commence an ambitious five-year project to develop a Co-operative Performance Index.

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 initiative was previously known as the social and environmental project, but has been recently re-named to 'Co-operative Performance Index' (CPI) in order to accommodate additional indicators on other aspects of co-operative performance.

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 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 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 on broader non-financial indicators.

Goals: The overall goal of this research is to measure the impact of co-operatives by developing multi-sectoral benchmarks comprised of 12 – 15 key performance indicators. Secondary goals include: 1) to develop an inventory of the various measurement tools used by co-operatives and credit unions; and 2) to put in place a sustainability plan to ensure that the co-operative impact benchmarks can continue beyond the life of the funding. Initially, the CPI project includes only Canadian co-operatives and credit unions. However, as the project matures, it will be expanded internationally.

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 an MBA summer student. Funding was provided by an internal Saint Mary's summer student employment program in both years. 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
- Barbara Turley-McIntyre, Sustainability and Citizenship, The Co-operators Group, Guelph, ON (joined April, 2017)

Recent Advisory Committee Changes

During 2017, John Maddocks stepped down from the Advisory Committee as he has enrolled in a full-time PhD program. We extend our thanks to John for his advice on the project.

We are pleased to announce that Barbara Turley-McIntyre, CIP, MEB, Vice President, Sustainability and Citizenship, The Co-operators Group, Guelph, Ontario, has joined our Advisory Committee. Barbara started her business career as an independent insurance broker in Montreal and in 1997 joined The Co-operators Group Limited, a \$43 billion Canadian-owned, multi-product insurance and financial services company. Barbara has managed underwriting teams in property and casualty and held responsibility for community and shareholder relations. Presently, Barbara leads the enterprise-wide integration of the Sustainability Vision, Policy and Strategy with responsibility for producing the annual Integrated Report and carbon management programs. She is a member of The Co-operators Impact Investing Committee and has responsibility for The Co-operators community programs, including The Co-operators Foundation.

Work completed to date:

- Literature review of prior research on measuring the social and environmental impact of cooperatives
- Compilation of over 80 measurement tools currently utilized by co-operatives globally
- Developed a section on the CEARC website devoted exclusively to this project
- Changed methodology from survey and large focus groups to individual interviews and small focus groups. We found it was challenging to arrange to meet with several co-operatives at the same time.
- During the Summer and Fall of 2016, interviews were held with coops and credit unions in Newfoundland, Prince Edward Island, New Brunswick, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia. To date 15 interviews have been conducted. Five of the interviews we conducted in Quebec in French through a researcher (Josée Charbonneau).

Funding for the project has been provided by the following:

In addition to the funding of \$20,000 provided by CEARC to Dr. Fiona Duguid, we have also been successful in obtaining the following grants:

Saint Mary's University Summer Student Employment Grants (\$11,200). Daphne Rixon received funding of \$5,600 in 2014 and 2015 respectively and these funds were used to employ an MBA student to work on this project.

CPA – Canada (\$10,000): Provided additional support for this project in 2017.

Mitacs (\$7,500): In 2016 we were awarded a Mitacs grant to hire an intern from Saint Mary's University's Information Technology program. This represents 50% funding with CEARC providing 50% (\$7,500). The IT intern worked with Daphne and Fiona to identify user

requirements and develop an online tool to capture data for this project and facilitate reporting for practitioners and academics. A beta version of the web application has been completed.

Accounting Education Foundation of Nova Scotia (AEFNS) (\$2,500): In 2016, Daphne Rixon received a grant of \$2,500 to develop a teaching case based on the development of industry benchmarks for social and environmental reporting.

We will continue to seek additional sources of funding, particularly through SSHRC. We have submitted two applications to SSHRC, but were unsuccessful. This is likely due to the very low acceptance rate along with the lack of understanding of co-operative enterprises.

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 and CME (Co-operative Management Education). A new section has been created 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. The 2017 issue will be published by December 2017. The publication of 2017 edition was delayed due to the rescheduling of the Symposium. We had anticipated there would be several papers from the Symposium submitted to the journal.

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.

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: CEARC (along with other research centres) is no longer authorized by the university to independently pursue funding partners. The university has implemented a new policy requiring all fundraising efforts to be co-ordinated through the Development Office. Departments and Research Centres may submit fundraising proposals for approval. A fundraising proposal has been submitted to the Development Office. In addition, we are working on an initiative with the Dean to conduct an impact study which is intended to help the Co-operative Management Education (CME) program and CEARC be better understood and to convey their impact on the cooperative sector and all of its stakeholders including academic disciplines concerned with the co-operative movement.

This impact study will provide the foundation for a comprehensive communications strategy with a particular focus on building new and strengthening existing industry partnerships. To complement the quantified impact of the various activities and programming of CME, the communications phase will require the development of stories and testimonials arising from the impact assessment. Outputs of the communications strategy will include various communications materials and a strategy for disseminating the CME and CEARC impact story. The impact study will be beneficial in increasing awareness of CEARC and will be used in our fundraising efforts.

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. We have organized several initiatives (Fall 2017 Cuba Workshop and the 2018 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 was determined that it would be more beneficial to reallocate these funds towards the Fall Cuba Workshop.

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

Conference Presentations

Rixon, D. and L. Corrigan (2017), Measuring Performance of America's Rural Electrical Co-operatives, *International Academy of Business and Public Administration Disciplines Conference*, Orlando, January 2 – 5.

Rixon, D. and L. Corrigan (2016), America's Rural Electrical Co-operatives: Reporting to Reflect the Seven Principles of Cooperatives, *Financial Reporting and Business Communications Conference*, Bristol, June 30 – July 1.

Rixon, D. and L. Corrigan (2016), Measuring Performance of America's Rural Electric Utilities: Are they Demonstrating the Cooperative Difference?, *International Cooperative Alliance Research Conference*, Almeria, Spain, May 24 – 17.

Rixon, D. and L. Corrigan (2016), Electrical Co-operatives: Generating Interest in the Co-operative Difference, *Canadian Association for Studies in Co-operation*, Calgary, June 1 – 3.

Corrigan, Lawrence T., and Rixon, D. (2016). A theatrical analysis of the presentation of key performance indicators in rural electric cooperatives. *EGOS Colloquium: Cooperatives as a fortress of participation*, Naples, Italy, July.

The following technical presentations were given by Russ Wasson to various groups and organizations throughout United States:

April 12, 2016 - Tri-State Accountants – GAAP and Regulatory Update

April 14, 2016 – NRECA and CFC New CFO Orientation – Tax, Finance and Accounting Update

April 21, 2016 - Minnesota and Wisconsin Statewide - Tax, Finance and Accounting Update

May 12, 2016 – Iowa Statewide - GAAP and Regulatory Update

May 17, 2016 – Pacific Northwest Chapter NSAC - GAAP Update

June 21, 2016 – G&T Accounting and Finance Association – Rural Utilities Service Panel Discussion

August 1-2, 2016 – NSCA/NRECA Annual Tax, Accounting and Finance Conference – Electric Cooperative Tax Update and Private Company Council Update

September 9, 2016 – Missouri Statewide – GAAP Update

September 15, 2016 – Florida Statewide – GAAP and Regulatory Update

September 28, 2016 – VA-DE-MD Statewide – GAAP Update

November 3, 2016 – G&T Legal Seminar – G&T Finance Panel

February 1-2, 2017 – G&T CFO Retreat at NRECA – Regulatory Update

March 28, 2017 – G&T Accounting Subcommittee meeting – GAAP Update

Invited presentations

Rixon, D. and T. Webb (2017), Overview of CEARC – History and Current Research Projects, Coop Zone Webinar, February 22.

Rixon, D. and F. Duguid (2017), Social and Environmental Reporting for Canadian Co-operatives, Co-operative Management Education, Webinar, January 18.

Rixon, D. (2016), Measuring Social and Environmental Performance of Co-operatives, National Board Meeting and Delegates Meeting, Co-operatives and Mutuals Canada, Ottawa, December 1.

Rixon, D. (2016), Commercial Lending by Canada's Credit Unions, National Lenders' Group Annual Conference, Ottawa, October 4.

Rixon, D. and K. Lightstone (2016), "Impact of International Financial Reporting Standards on Canadian Credit Unions", Brazilian Accounting Congress, Sao Paulo, June 6.

Publications

Corrigan, L. and D. Rixon (2017), A dramaturgical accounting of cooperative performance indicators, *Qualitative Research in Accounting and Management*, Vol. 14 No. 1, 60-80

Rixon, D. and K. Lightstone (2016), "Impact of International Financial Reporting Standards on Canadian Credit Unions", *International Journal of Business, Accounting and Finance*, 10 (1).

In addition, Russ Wasson completed the following technical publications:

March 21, 2016 – NRECA Regulatory Bulletin - NRECA and APPA (NFP Electric Associations) filed comments regarding swap data elements with the Commodity Futures Trading Commission

June 13, 2016 – NRECA Regulatory Bulletin – CFTC Issues Final Trade Options Rule

June 27, 2016 – NRECA Regulatory Bulletin –NRECA/ APPA File Comment Letter with CFTC on the RTO/ISO Proposed Order

October 18, 2016 – NRECA Regulatory Bulletin – Rural Utilities Service Limited English Proficiency

December 5, 2016 -- NRECA Regulatory Bulletin – Impending Margin for Uncleared Swaps Rule and the Impending Deadline for the ISDA Documentation Request.

March 21, 2017 – NRECA Regulatory Bulletin – NRECA and EEI File a Comment Letter with the Federal Reserve regarding their Notice of Proposed Rulemaking on Risk-based Capital and Other Regulatory Requirements for Activities of Financial Holding Companies Related to Physical Commodities and Risk-based Capital Requirements for Merchant Banking Investments.

April 3, 2017 – NRECA Regulatory Bulletin - NRECA and EEI File a Comment letter on the Commodity Futures Trading Commission’s Proposed Rule on Recordkeeping.

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 Co-operatives and Mutuals Canada (CMC), 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 247 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 to increase awareness of CEARC and add more co-operative accountants to our database. At this point, we are primarily relying on the Co-operative Performance Index project to promote CEARC. In December, Daphne gave a presentation to the Co-operatives and Mutuals Canada National Delegates meeting in Ottawa. The purpose of the presentation was to promote the project and invite participation in the pilot project. In October 2016, Daphne gave a presentation to the national lenders group of the Canadian Credit Union Association. While the purpose of the presentation was to give an update on a research project regarding commercial lending, Daphne took the opportunity to promote CEARC and the MMCCU program. Finally, the Cuba initiative will also be used to further promote CEARC and enhance awareness of the Centre.

During the year, CEARC appointed Dr. Fiona Duguid as its first Research Fellow. The Research Fellow’s main responsibilities include:

- Contributing to the research program of the Centre

- Attending CEARC conferences
- Helping to identify qualified researchers for specific topic areas
- Advising on research design
- Helping to develop new research projects and identify emerging topics

This is a two-year appointment and with Dr. Duguid's significant research experience and work with co-operatives, this will enhance the Centre's profile in both the practitioner and academic communities.

Dr. Fiona Duguid – Profile

Fiona Duguid has a PhD from the University of Toronto in Adult Education and Community Development. She previously worked for Co-operatives Secretariat for the Government of Canada as a Senior Policy and Research Analyst and as a Research Officer for the Canadian Co-operative Association. She now conducts research focussing on co-operatives, social economy, sustainability and community economic development and teaches in these areas as well.

In her work as the Research Fellow for CEARC, she co-leads the Co-operative Performance Index project, which is a participatory action research project to advance social, environmental and co-op impact assessment. Other research projects she has worked on include: the National Study on the Impact of Co-operatives (Canada), New Co-operative Development in Canada, International Co-operative Alliance Co-operative Sustainability Study, Sustainability Reporting Guidebook, Women's Co-operatives in Turkey, and Gender Equality and Women's Empowerment Literature Review, as well as studies on Higher Education and Co-operatives and Social-Economic Demographics of Housing Co-operatives' Members.

She is President of the Canadian Association for the Study of Co-operation (CASC), and has sat on the management committee of the Canadian Co-operative Research Network and the Measuring the Co-operative Difference Network. She is an instructor with the Saint Mary's University Co-operative Management Education (CME) program, as well as the CED, MBA at Cape Breton University. She is a member of many co-operatives and sits on a number of committees.

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 is Director, Financial Sector Policy, Credit Union Central of Canada and Aitziber Mugarra Elorriaga, Head Researcher at the University of Deusto, Spain. Unfortunately, it was subsequently determined that due to her other time commitments, Aitziber was unable to continue on the board.

Effective for the 2017 fiscal year, the following three new board members: Dr. Ericka Costa who will replace Aitziber, Professor Nicola Young who will replaced Jeff Power and Jaspreet Chahal, CPA, CA, Partner, MNP.

Ericka Costa, PhD, Senior Lecturer, Accounting, University of Trento

Ericka Costa (PhD in Business Economics, University of Udine, Italy) is Senior Lecturer of Accounting, University of Trento. She also spent several visiting periods in other Universities: in 2011 in the Centre for Social and Environmental Accounting Research at the University of St. Andrews (Scotland); in 2011 and 2013 at the University of Burgos (Spain) and in 2012 she was at the CEARC - Centre of Excellence in Accounting & Reporting for Co-operatives, St. Mary University, Sobey Business School (Halifax, Canada). She is International Associate for Italy in the Centre for Social and Environmental Accounting Research (CSEAR) networks and Director of the CSEAR Italy. She also participated in several researches project on accounting and social accounting for non-profit organizations at large and she has attended national and international conferences to present papers on the results of these research projects. Recently she is involved with the OECD and the European Commission in delivering a 'policy brief' on social impact measurement on social enterprises.

Her research interests are aimed at investigating Sustainability Accounting and Corporate Social Responsibility both for profit and non-profit organisations. She has written a number of chapters in books and articles and papers that have been accepted for national and international journals and conferences. Her research has appeared in international publications, including: *Accounting and Business Research*, *Social and Environmental Accountability Journal*, *Journal of Business Ethics*, *Voluntas* and *Service Business*. Together with these research interests, she has matured her professional experience as a consultant and executive educator on accounting and performance measurement both for profit and non-profit organisations.

Professor Nicola Young, Saint Mary's University

Nicola (Nickie) M. Young, MBA, FCPA, FCA, is a Professor of Accounting in the Sobey School of Business at Saint Mary's University, currently teaching intermediate and advanced financial accounting. Nickie completed her B. Com and MBA at Dalhousie University and subsequently attained her CA designation (now CPA). She has received teaching awards, and has contributed to the life of the university through membership on the Board of Governors, and the Pension and other committees. Nickie was associated with the Atlantic School of Chartered Accountancy for over twenty-five years in roles varying from teaching to program development and reform.

She has been active in the provincial and national accounting profession, including having served on boards of the CICA (now CPA Canada) dealing with licensure, education and governance; and has been associated with the Canadian Public Sector Accounting Board and many of its related task forces for almost 25 years including the following:

- Member, PSAB Task Forces: Conceptual Framework; Financial Instruments; Accounting Guideline PSG-5, Reporting Model for Senior Governments (Chair)
- Member, Public Sector Accounting Board (Vice-Chair, Chair)
- Member, Academic Advisory Council, CICA Accounting Standards Board
- Member, Independent Advisory Committees, Auditor General of Canada, Auditor General of Nova Scotia

She co-authored five editions of Wiley's Canadian Intermediate Accounting texts, and the IFRS Primer: International GAAP Basics (Canadian and U.S. editions).

Jaspreet Chahal, CPA, CA, Partner, MNP

Jaspreet Chahal, CPA, CA, is a Partner in MNP's south-western Ontario Assurance and Advisory practice, working out of the Waterloo and Burlington offices. In addition to providing a full suite of assurance services, Jaspreet provides technical accounting and transaction advisory services to clients across all industries but with a specialized focus on financial services.

With more than 15 years of professional experience in Canada, the U.S. and the United Kingdom, Jaspreet takes a customized approach to helping clients achieve their goals. His clients and team turn to him for a wealth of knowledge in technical matters such as hedge accounting, securitization structures, off balance sheet financing, syndicated lending, business combinations, revenue recognition and IFRS.

Jaspreet began his career with a Big Four firm in the U.K., where he was an audit manager in the banking and capital markets group. There, he led audit engagements on some of the largest global banking clients in the world.

Jaspreet has a Master of Science degree in financial and industrial economics from Royal Holloway, University of London. He is a Chartered Professional Accountant (CPA) and Chartered Accountant (CA).

E. Other Initiatives

1. Research Proposal – Filene re Credit Risk of Commercial Loan

Along with Daphne's co-researcher, Dr. Peter Goth, we were successful in obtaining a grant of \$19,000 from the Canadian Credit Union Association (CCUA) and the Filene Research Institute. This funding was used to conduct a research project on the credit risk of commercial loans issued by credit unions. The report was published by Filene in July, 2017.

2. Cuba Workshop – Fall 2016

A workshop was held November 9 and 10, 2016 in Havana with their professional accounting association, accounting academics and accountants providing services to co-operatives to identify Cuba's existing accounting practices and standards. The two related objectives for the workshop were:

- 1) To explore the accounting practices of co-operatives in Cuba and learn about the accounting curriculum taught in Cuban universities; and
- 2) 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 provided \$10,000 one-time funding for the workshop (this is in addition to their annual funding of \$25,000). The meetings were chaired by Tom Webb. Other attendees included Daphne Rixon, Sonja Novkovic, Maureen McCulloch (Instructor, MMCCU) and Nancy Foran (VP International - CPA Canada). The workshop was very helpful in extending our understanding of the status of co-operatives in Cuba and the various challenges encountered in their accounting practices. As Cuba transitions its economy, it is increasingly moving towards a co-operative model. As a result of this workshop, we have established many connections that will be invaluable in facilitating future research and professional development opportunities.

3. International Symposium on Co-operative Accounting and Reporting

This conference was originally scheduled May 12 and 13, 2017. However, we found that a number of key participants had scheduling conflicts. Consequently, the Symposium has been rescheduled for June 24 – 26, 2018 in Oxford, UK. By relocating to the UK, we will attract more European participants and will benefit from their significant level of research and expertise regarding accounting and reporting for co-operatives.

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 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

We are in the process of finalizing arrangements and will work to confirm keynote speakers and presentations.

F. Financial Report

As illustrated in Appendix 1, the Centre began the year with a fund balance of \$97,115. Revenues of \$45,000 less expenses of \$72,542 resulted in an excess of expenditures over revenue of \$17,542. 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.

Revenue

During the year, we received donations totalling \$45,000 which is comprised of \$25,000 from CPA Canada (in accordance with our three-year funding agreement) as well as an additional contributions from CPA Canada to provide \$10,000 for the Co-operative Performance Index (CPI) Project and \$10,000 for the Cuba Workshop. We finished the year with a fund balance of \$69,573.

Expenditures

Expenditures included \$5,500 for a course release for the Executive Director; travel of \$22,947 relates to \$16,000 for the Cuba Workshop, attendance at the Canadian Association of Studies (CASC) conference and the International Co-operative Alliance (ICA) Conference and research grants totalling \$32,914 included \$7,500 approved in a prior year for Simon Berge but not issued until 2017, \$4,000 – Daphne Rixon, with the remainder relating to the CPI project.

In addition to the funding received directly by CEARC, our research associates were awarded various grants that are presented in Appendix 2 as additional in-kind funding. Total additional funding for the 2017 fiscal year was \$31,500. These funds were used to conduct research into co-operatives and credit unions and the Dean's contribution to cover the cost of the Journal of Co-operative Accounting and Reporting (JCAR).

Overall, we are in a sound financial position, since our fund balance exceeds that of our minimum required balance of \$50,000.

Appendix 1

Centre of Excellence in Accounting and Reporting for Co-operatives Statement of Revenue, Expenditures and Fund Balance March 31, 2017

	2017	2016
Revenue		
Donation -CPA Canada	\$ 45,000	\$ 25,000
Donations - NRUCFC	-	12,800
Donations - NSAC	-	1,800
	<u> </u>	<u> </u>
Total Revenue	45,000	39,600
Expenses		
Administrative Co-ord.	1,280	289
Executive Director	5,500	5,500
Travel & Conferences	22,947	3,782
Office, printing, copying, telephone	1,793	1,801
University overhead charge	7,784	6,868
Miscellaneous	323	325
Sponsorships	-	3,500
Research Grants	32,914	22,550
	<u> </u>	<u> </u>
Total Expenses	72,542	44,615
Excess of expenses over revenue	(27,542)	(5,015)
Beginning fund balance	97,115	102,130
	<u> </u>	<u> </u>
Ending fund balance	\$ 69,573	\$ 97,115

Appendix 2

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

Additional Funding

2015 – 2017

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>	2016-2017 <u>Actual</u>	2015-2016 <u>Actual</u>	2014-2015 <u>Actual</u>	3-Year <u>Total</u>
D. Rixon	SMU - Student Employment	-	\$ 5,600	\$ 5,600	\$ 11,200
D. Rixon	FGSR Travel Grant	-	1,000		1,000
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	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
E. Hicks	Mount Saint Vincent University	-	1,845	-	1,845
					-
	Totals	<u>\$ 31,500</u>	<u>\$ 18,445</u>	<u>\$ 15,600</u>	<u>\$ 65,545</u>