

## Financial Statements and Auditors for Co-operatives

Co-operatives are businesses. Some are for-profit and some are non-profit, but the *Co-operative Associations Act* requires that they all report on their finances to the members at every Annual General Meeting (AGM). Two financial reports should be reviewed at every AGM, and must be filed annually with the Provincial government through the Co-operatives Branch. Samples are attached. Feel free to add or delete categories to suit the needs of your co-operative.

1. **A Statement of Revenue, Expenditures and Surplus (Deficit)** shows whether the co-operative made money, lost money or broke even in the past year. It shows all of the money that came into your co-operative in one fiscal year, and all the money that went out, grouped into categories. Revenue may be grouped into categories like membership fees, sales, fund raising and other. Expenditure categories may include cost of sales, administration, education and other. The difference between revenue and expenditures is the “bottom line” and shows whether your co-operative had a surplus or deficit for the year.

2. **A Balance Sheet** shows the co-operative’s assets, liabilities and equity. Assets are what the co-operative owns (money in the bank, computers, buildings, etc.). Liabilities are what it owes (mortgage, unpaid bills at year end, etc.). Equity is the difference, so that assets - liability = equity. The Balance Sheet shows your co-operative’s net worth on the last day of the fiscal year.

**An auditor** may be an accountant or other person appointed by the association. The *Co-operative Associations Act*, section 40(7) says that

None of the following persons shall be qualified for appointment as auditor of an association:

- (a) a director, officer or employee of the same association;
- (b) a person who is a partner of or in the employment of an officer or director of the association;
- (c) the immediate families of those mentioned in clauses (a) and (b).

For further details on audits and financial records see the *Co-operative Associations Act*, sections 40-42. The *Act* is available online at: <http://nslegislature.ca/legc/statutes/coopassc.htm>

\_\_\_\_\_ Limited

Fiscal year ended \_\_\_\_\_ (yyyy/mm/dd)

## Statement of Revenue, Expenditures and Surplus (Deficit)

	Budget 20__	Actual 20__	Actual 20__
<b>Revenue</b>			
Sales	_____	_____	_____
Membership fees	_____	_____	_____
Fund raising	_____	_____	_____
Other revenue	_____	_____	_____
<b>Total Revenue</b>	=====	=====	=====
<b>Expenditures</b>			
Cost of Sales	_____	_____	_____
Administration	_____	_____	_____
Education and Training	_____	_____	_____
Repairs and Maintenance	_____	_____	_____
Insurance	_____	_____	_____
Professional fees	_____	_____	_____
Salaries	_____	_____	_____
Other expenditures	_____	_____	_____
<b>Total Expenses</b>	=====	=====	=====
<b>Gross Profit/Loss</b> <i>(sales less cost of sales)</i>	_____	_____	_____
<b>Net Profit/Loss</b> <i>(total income less total expenses)</i>	_____	_____	_____
<b>Surplus (Deficit), beginning of year</b>	_____	_____	_____
<b>Surplus (Deficit), end of year</b> <i>(beginning surplus plus net profit/loss)</i>	_____	_____	_____

\_\_\_\_\_ Co-operative Limited

Fiscal year ended \_\_\_\_\_ (yyyy/mm/dd)

**Balance Sheet**

	20__	20__
<b>Assets</b>		
<b>Current Assets</b>		
Cash and deposits	_____	_____
Accounts receivable	_____	_____
Prepaid expenses	_____	_____
<b>Total Current Assets</b>	_____	_____
<b>Capital/Fixed Assets</b>		
Investments	_____	_____
Land	_____	_____
Buildings	_____	_____
Other capital/fixed Assets	_____	_____
<b>Total Capital/Fixed Assets</b>	_____	_____
<b>Total Assets</b>	_____	_____
<b>Liabilities</b>		
<b>Current liabilities</b>		
Amounts payable	_____	_____
Taxes payable	_____	_____
<b>Long Term Debt</b>		
Mortgage	_____	_____
<b>Total Liabilities</b>	_____	_____
<b>Member Equity</b>		
General Reserve	_____	_____
Membership shares/fees	_____	_____
Retained earnings/deficit	_____	_____
<b>Total Member Equity</b>	_____	_____
<b>Total Liabilities and Member Equity</b>	_____	_____
<i>(must be equal to total assets)</i>		