

Financial Statements: 5 Things Every Board Member Should Know

1. How much is owed to the cooperative?

This information is also referred to as “Accounts Receivable” and represents rent that is owed by members to the co-op. You can find this on the Balance Sheet, under the Assets section.

2. How much money is in each of the cooperative’s bank accounts?

Also listed on the Balance Sheet, under the Assets section – the co-op likely has an operating account (or it may be called the checking account), a capital reserve account (savings), and a real estate tax escrow account (short term savings to pay taxes).

3. How much is being spent on capital expenses?

The capital reserve bank accounts should increase every month, as reserves are put away and saved. If the account is decreasing; ask why? Are funds being spent on approved projects?

4. Is there a deficit or a surplus this month? This year?

This can be located on the income statement (or sometimes called a profit and loss statement). At the end of a period, after all the revenue has been recorded, and all the expenses have been recorded, is there a positive surplus, or a negative deficit?

5. How much money does the cooperative owe to vendors?

This information is also referred to as “Accounts Payable” and represents money that is owed to outside vendors. You can see this on the Balance Sheet, under the liability section.