

## Sample independent auditor's report on the financial statements of a cooperative (other than a housing cooperative subject to SHQ or SCHL requirements)

Circumstances include the following:

- the financial statements are prepared for a general purpose by management of the cooperative in accordance with the accounting requirements prescribed by section 131 of the *Cooperatives Act of Quebec* (i.e., a financial reporting framework, encompassing law or regulation, designed to meet the common financial information needs of a wide range of users.);
- section 131 of the *Cooperatives Act of Quebec* refers to its implementing regulation, which sets out the form and substance of the financial statements;
- the laws and regulations that constitute the financial reporting framework are set by a regulatory body with a sufficient and recognized level of authority;
- the auditor has concluded that the financial reporting framework is acceptable;
- the audit was conducted in accordance with Canadian Auditing Standards;
- the terms of the audit engagement reflect the description of management's responsibility for the financial statements in CAS 210.

### INDEPENDENT AUDITOR'S REPORT

To the members of  
**MODEL COOPERATIVE:**

We have audited the accompanying financial statements of **MODEL COOPERATIVE**, which comprise the balance sheet as at December 31, **20XX**, and the statement of earnings, the statement of comprehensive earnings, the statement of the reserve, the statement of the enhancement reserve, and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of section 131 of the *Cooperatives Act of Quebec*, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the cooperative's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the cooperative's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **MODEL COOPERATIVE** as at December 31, **20XX**, and the results of its operations and its cash flows for the year then ended in accordance with section 131 of the *Cooperatives Act of Quebec*.

Official signature to use\*

[Date of the auditor's report]

[Auditor's address]

\* <http://cpaquebec.ca/en/the-profession-and-the-order/cpa-requirements/public-accountancy/model-signatures/>