

# Financial Analysis of the Cooperatives in the Mountain Province: A Basis for Local Government Intervention

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## ABSTRACT

This study performed a ratio analysis of the financial data of 50 selected cooperatives in the Mountain Province in the Philippines. These cooperatives were legally registered with the Department of Trade and Industry (DTI), Security and Exchange Commission (SEC), and Cooperative Development Authority (CDA) which were engaged in trade, production, financial, transportation, and communication services. Using quantitative techniques and document analysis, the profitability, liquidity and stability ratios in terms of profit margin, return on equity, current ratio, working capital to asset ratio, equity ratio and debt ratio were calculated from the cooperatives financial statements. Results revealed that less than half of the cooperatives are profitable, more than half are liquid and less than half are stable. There is a pressing concern on the financial status of these cooperatives. Because the cooperatives are not self-sufficient, as mostly operates for members' benefits, the national government support and local government interventions is very much needed to boost profits, enhance production, innovation and marketing capabilities.

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