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TWENTY-FIRST ANNUAL
FINANCIAL STATEMENT

Coopérative Fédérée de Québec

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ESTABLISHED	-	-	-	-	1922
REORGANIZED	-	-	-	-	1930

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Board of Directors
Address by the President
Remarks by the General Manager
Assets and Liabilities
Operation Account
Surplus Account
Statistics
Chart of Administration



GENERAL ANNUAL MEETING OF THE SHAREHOLDERS
HELD AT THE QUEEN'S HOTEL, MONTREAL
FEBRUARY 11TH AND 12TH, 1943.

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At their meeting of February 10, 1943, the Board of Directors decided to grant to the Affiliated Cooperative Societies and Syndicates the following patronage dividends:

Butter..... 3/16c per pound

Cheese 1/8c per pound

Balanced rations..... 7c per bag

Fertilizers..... 5%

Insecticides, tile drains, metal roofing, fencing,
fruit packing materials, binder twine..... 5%

Hogs received at our
Princeville abattoir 20c per head

Board of Directors



PRESIDENT
OMER-E. MILOT
Yamachiche, St-Maurice

VICE-PRESIDENT
J.-A. PINSONNEAULT
Sherrington, Napierville

GERARD MASSUE
Varennes, Verchères

PHILIAS BUREAU
Compton (station) Compton

L.-P. RIOUX
Sayabec, Matapédia

PHILADELPHIE FERLAND
Normandin, Roberval

ADRIEN LAMARCHE
St-Esprit, Montcalm

ALBERT BELANGER
St-Volier, Bellechasse

ABBE S. PELTIER
L'Assomption, L'Assomption

W.-H. LATOUR
Notre-Dame-de-la-Salette

SAMUEL AUDETTE
Landrienne, Abitibi

ALBERT LAFRAMBOISE
Ste-Scholastique, Deux-Montagnes

THEODE FORTIER
Plessisville, Mégantic

EDMOND PROVENCHER
St-Félix-de-Kingsey, Drummond

J.-A. MARION
St-Edwidge, Compton

LEOPOLD PAQUIN
Ste-Monique, Nicolet

HONORE AUMAIS
St-Polycarpe, Soulanges

CHARLES CASTONGUAY
Causapsca, Matapédia

Secretary: HENRI-C. BOIS

Treasurer: J. T. NOEL

Executive Committee

J.-F. DESMARAIS, president

OMER-E. MILOT

J.-A. PINSONNEAULT

ABBE S. PELTIER

J.-A. MARION

HENRI-C. BOIS, secretary

Address by the President, Mr. Omer E. Milot

Gentlemen,

It is indeed a pleasure to welcome the delegates and substitute delegates of our affiliated societies.

Our organization has again registered notable progress. Forty-two cooperative societies or cooperative syndicates have joined our ranks; this makes a total of 140 affiliations for the past three years and places the total at 284 societies as at December 31, 1942. In February of last year, I stated, without any idea of prophesying, that if the farmers of this province would continue to give us their patronage, the results of the year 1941 would be surpassed. At that time, 58 cooperative societies had joined us; the business transacted amounted to \$17,746,000. In 1942, 42 cooperative organizations have affiliated and the business transacted is over \$23,400,000. This increase can be attributed in a certain measure to increased prices, but in a much larger measure to the greater volume of produce. What is most comforting is to observe that our progress is after all the result of the general popularity of the cooperative idea.

These successes must not, however, make us lose sight of the ever increasing difficulties which must be faced by agriculture. They must not lead us to a sense of false security and make us neglect to take forthwith all the precautions indicated by science and experience.

The after-war periods — ever since the Napoleonic wars, to go back to that time — have always been fatal to agriculture. It is of utmost importance to prepare ourselves now in order to pass without too great hardships the readjustments to follow after the war.

Many are placing their hope in the evolution of ideas of citizens of all countries with reference to economic and social life. Others have more faith in governmental action. Doubtless, the improvement in standards of living of farmers and laborers will depend upon the pressure exerted by public opinion and the power of understanding of public men. Without neglecting any of the means indicated and others that could be mentioned, I prefer the concerted action of powerful groups organized under the sign of Cooperation. I believe these groups should improve their status by consolidating the financial situation of their enterprises and by inviting to join them, all those whose needs and apprehensions are similar. This means, supplying the necessary capital for the functioning and the expansion of our cooperatives, pay their debts if any, and to assure themselves of the unflinching loyalty of all members through a well inspired and well-directed propaganda.

If I had to make any reproach against the cooperative societies and cooperative syndicates of the province, I would say that, in the past they have too often preferred passiveness and temporization to initiative and decision. I should like to point out also that many are the cooperators who lose sight of the ultimate goals of cooperation and, having obtained all the advantages which it could grant, are ready to abandon it for an inducement which is debatable and nearly always of a temporary nature.

Gentlemen delegates, remember that we shall have no other power than that which we will have given ourselves. If those of whom we complain, in whatever authority they may be, are powerful, let us in turn become powerful by uniting ourselves. Let us put forward whatever unites rather than that which divides. Let us spread about us the cooperative belief. Let us house-clean our societies and enliven them with generosity and Christian spirit. All that can be done if we elect to do it, and none of it may harm our legitimate interests; on the contrary, it can only help.

In a few moments, our General Manager will read to you the financial statement for the year 1942. The business transacted is your business. It was made with your money or your products, which is the same. Your Board of Directors and your Executive have always endeavoured to administer along the lines of progressive agriculture. It belongs to you to judge in what measure they have succeeded in doing so.

Before taking my seat, I must thank the cooperators who entrusted us with their confidence, also the administrators and employees of the Cooperative Federee who have contributed to these most satisfactory results.

Remarks by the General Manager, Mr. J. F. Desmarais

Mr. Chairman,

Gentlemen:

Before submitting to you the financial statement of the Cooperative Federee, as prepared by our auditors for the year ending December 31, 1942, I have the honor to bring to your attention the following decisions of your Board of Directors:

a) To pay the regular dividend to holders of preferred stock;

b) To grant to the affiliated cooperative societies and syndicates the patronage dividends indicated on page 1 of this statement;

c) To offer to the cooperative societies and syndicates who, without being affiliated, have purchased and sold through us in the course of the year 1942, half of the patronage dividends mentioned, provided these organizations will join the Cooperative Federee on or before April 30, 1943.

Your President, Mr. Milot, mentioned a few minutes ago the considerable increase in our business which is \$5,666,659.92. The gross profit amounts to \$749,082.75 and the net profit on operations is \$183,008.26. After deducting the amounts set aside for reserves of all kinds, there is a balance of \$115,293.11.

Yesterday, the General Balance Sheet, the Balance sheet of each department, the Profit and Loss Account and the Operating Account have been submitted to your Board of Directors.

During the past year, we have had to overcome all sorts of difficulties, due to the state of war. Supplies of all kinds have become scarcer, their transport more difficult and their handling costs have increased. This has finally resulted in a decreased volume of business in certain departments and by an increase in our general cost. Altogether, however, the year has been a good one.

The Cooperative Federee continues to progress. On many occasions it has protected, in a most efficient manner, the farmers' interests, either by its actions in the commercial field, or by its intervention with governments and other public bodies who are responsible for the adaptation of our economic life to the needs of our war effort.

The statement which I shall read to you is the result of the cooperation of all: that of the farmers, that of the educational institutions and professional associations who continuously work for the progress of the cooperative idea; that of the Agronomists; that also of the employees of the Cooperative Federee who, through their work and devotion, have made this result possible.

CONSOLIDATED BALANCE SHEET

Coopérative Fédérée de Québec

As at 31st December, 1942

ASSETS

CURRENT

Cash on hand and in Bank	\$ 162,711.97		
Accounts Receivable	\$1,295,872.94		
Less: Reserve for Doubtful accounts	55,628.24	1,240,244.70	
Inventory - Merchandise	874,585.87		
Operating Supplies	56,710.41	931,296.28	2,334,252.95

MORTGAGES, DEPOSITS

99,338.70

FIXED

Equipment, Machinery	489,134.68		
Less: Reserve for Depreciation	238,525.25	250,609.43	
Real Estate	772,375.07		
Less: Reserve for Depreciation	230,935.96	541,439.11	792,048.54

DEFERRED EXPENSES

for 1942

66,569.52

\$3,292,209.71

LIABILITIES

ACCOUNTS PAYABLE

\$ 479,871.69

LOANS :

Banque Canadienne Nationale	\$1,141,403.08	
Cooperative Wholesale Society Limited	486,666.67	
Sundry	138,650.00	1,766,719.75

BONDS :

Issued	350,000.00	
Less Paid at Maturity	132,000.00	
	218,000.00	
Redeemed	60,800.00	157,200.00

Accrued Interest on Bonds and Loans

9,997.26

RESERVES:

For Contingencies	37,223.76	
General	127,783.34	165,007.10

CAPITAL STOCK :

Preferred	148,680.00	
Common	90,202.50	238,882.50

SURPLUS

474,531.41

\$3,292,209.71

We have audited the books of the Cooperative Federee for the period ended December 31st, 1942, and we have obtained all the information which we have requested.

The assets and liabilities of the subsidiary companies, capital stock of which is owned in full by the Cooperative, are included in the present statement.

In our opinion the above Balance Sheet represents the financial situation of the Cooperative as at 31st December, 1942 according to the books and explanations we have obtained.

PELLETIER, GRAVEL
C.P.A.
Auditors

February 8th, 1943.

OPERATING ACCOUNT

YEAR 1942

MERCHANDISE ACCOUNT

Sales		23,413,264.48
Cost of merchandise sold:		
Inventory, 31st December 1941	\$ 1,135,437.04	
Purchases	21,622,267.84	
	22,757,704.88	
Inventory, 31st December 1942	874,585.87	21,883,119.01
		1,530,145.47

DEDUCT :

Direct charges :		
Insurance	11,063.02	
Freight, trucking and weighing	121,050.97	
Salesmen Expenses	15,036.04	
Sundries	8,106.46	
Containers	61,547.69	
Storage and Warehousing	50,233.41	
Maintenance of equipment	21,861.18	
Power	59,954.54	
Wages	421,967.72	
Rents	20,797.16	
	791,618.19	
Less: Storage and Rent revenues	10,555.47	781,062.72
Gross Profit		749,082.75

ADD :

Miscellaneous profits and losses		3,469.85
		752,552.60

DEDUCT :

Administration charges:		
General Insurances	24,421.64	
Unemployment insurance	7,866.18	
Travelling expenses	16,092.01	
Sundry Expenses	8,035.03	
Subscriptions and Donations	1,242.73	
Water, heating, lighting	10,747.15	
Maintenance of equipment	8,910.54	
Maintenance of real estate	23,285.03	
Legal charges	720.33	
Sundry rents	5,716.04	
Stationery	17,927.98	
Bad Debts	15,635.27	
Cooperative Education and advertising	51,929.66	
Salaries	251,094.61	
Taxes and licenses	31,080.39	
Telephones and telegrams	14,125.39	
Postal and excise stamps	15,437.29	
	504,267.27	
		248,285.33

Interest :

On bonds	9,404.82	
On loans	62,402.40	71,807.22
		176,478.11

Depreciation:

On equipment	36,000.00	
On real estate	25,185.00	61,185.00
		61,185.00

NET PROFIT carried to SURPLUS account . 115,293.11

Wage and salaries up to \$3,000. increased by cost of living bonus — \$63,044.87

SURPLUS ACCOUNT

Year 1942

BALANCE, 31st December 1941		\$447,169.17
Deduct:		
Dividends	\$ 9,017.40	
Patronage Dividends to affiliated societies ..	78,913.47	87,930.87
	<u> </u>	<u> </u>
		359,238.30
Add:		
Net profits on operations in 1942		115,293.11
		<u> </u>
BALANCE at 31st December 1942		474,531.41
		<u> </u>

STATISTICS

COMPARISON OF SALES

Sales	1933	\$ 4,600,000.00
"	1934	5,450,000.00
"	1935	7,300,000.00
"	1936	9,500,000.00
"	1937	11,500,000.00
"	1938	11,700,000.00
"	1939	11,925,000.00
"	1940	14,050,000.00
"	1941	17,750,000.00
"	1942	23,400,000.00

COMPARISON OF PATRONAGE DIVIDENDS PAID DURING

1937	\$26,894.15
1938	33,607.91
1939	48,009.60
1940	60,402.58
1941	78,913.47

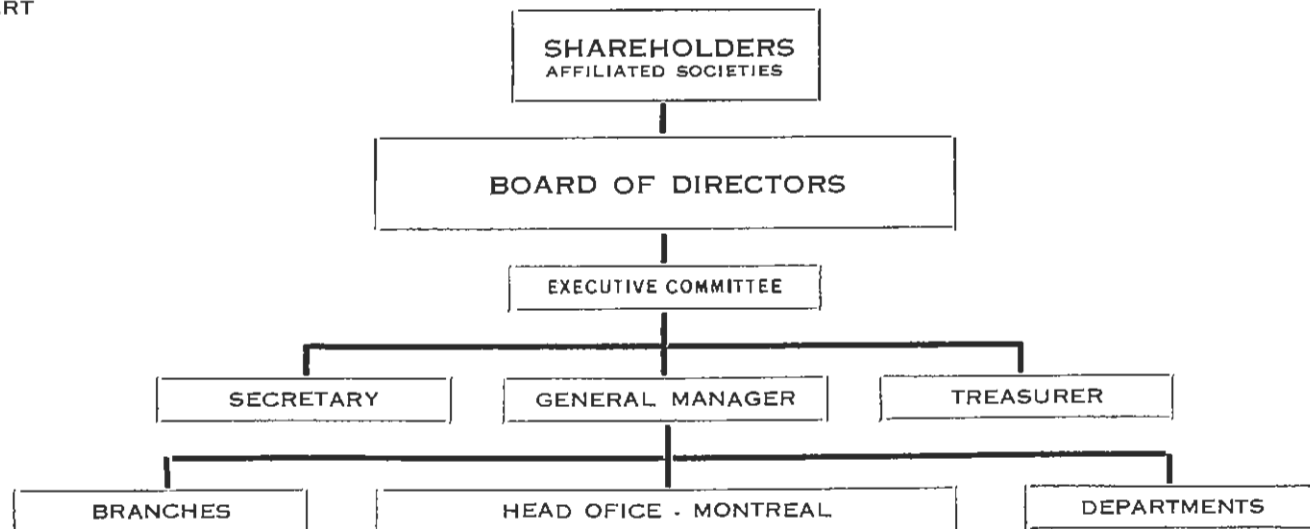
COMPARISON OF THE NUMBER OF AFFILIATED SOCIETIES

(organized under the Act of 1930, and after deducting those that have
ceased operations or cancelled their affiliation)

1931	49	1937	123
1932	57	1938	150
1933	58	1939	168
1934	74	1940	189
1935	95	1941	244
1936	106	1942	284

ADMINISTRATION
CHART

COOPERATIVE FEDEREE DE QUEBEC



MONTREAL

CANADIAN LIVESTOCK LTD.
MILK & CREAM CO-OPERATIVE
DOMINION ELEVATOR LTD.
POINT ST. CHARLES
ST. HENRI

AMOS

HENRYVILLE
LA SARRE
LENOXVILLE
LEVIS
PRINCEVILLE
QUEBEC: 30-40 MARCHÉ CHAMPLAIN
QUEBEC: 150 ST. PETER
RIMOUSKI
STE. ROSALIE
VICTORIAVILLE
WATERLOO

FINANCE

PROPAGANDA

PURCHASING
TRAFFIC

ACCOUNTING
CREDITS

REMITTANCES

AUDIT OF AFFILIATED SOCIETIES

CONTROL OF BRANCHES

HONEY AND MAPLE PRODUCTS
FRUITS AND VEGETABLES—
POTATOES, GASPL PEAS, APPLES
SEEDS
EGGS
DAIRY PRODUCTS—BUTTER,
CHEESE, MILK, CREAM, POWDERED
MILK
DRESSED MEATS—LAMB, BEEF,
PORK, VEAL, POULTRY, WOOL,
SKINS
LIVESTOCK—SHEEP, HOGS,
CALVES, CATTLE
FLAX PRODUCTS
FARM SUPPLIES—BALANCED
RATIONS, FERTILIZERS, BINDING
TWINE, INSECTICIDES, FUNGICI-
DES, PACKING MATERIALS, PEN-
CING, CORRUGATED IRON

