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ANALYSIS OF CAPITAL STRUCTURE AND OPERATIONAL PERFORMANCE OF COOPERATIVES: THE CASE OF FIRST COMMUNITY COOPERATIVE (FICCO) IN CAGAYAN DE ORO CITY

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Abstract— **Aim: This study analyzed the capital structure and operational performance of a Cooperative in Cagayan de Oro City. Cooperatives are considered as voluntary associations where members are encouraged to make regular savings, and then obtain credit for use in their diverse activities.**
Methodology: The study used a descriptive type of research design with a quantitative data analysis and approach. The source of data was the administrative and annual report of the Cooperative from the years 2009-2017 and other audited reports of the office.
Results: Findings revealed that the number of members of the Cooperative from 2009 to 2017 had a continuous percentage increase from 2010 to 2017. The dividend rate for Cooperative members and investors from 2009 to 2017 illustrated that there were fluctuations in the yearly dividend rate but had a continuous decline from 2012 to 2016 and started to recover in 2017. The year 2014 got the highest liquidity ratio with 2.43 and the year 2010 had the lowest liquidity ratio with 2.18. In all periods, even their averages, the cooperative had a liquidity ratio of more than 2 greater than the standard showing that the cooperative can easily satisfy its current obligation with its current asset.
Conclusion: The study concluded that the Cooperative was highly liquid. The members' equity in the Cooperative decreased in 2010 and increased in 2011 then continued an increase in succeeding years until 2017 and concluded that members' equity in the Cooperative had a positive average growth rate.

Keywords— **Cooperative, Capital Structure, Operational Performance, Dividend Rate, Liquidity Ratio, Philippines**

I. INTRODUCTION

A Cooperative is an autonomous association of persons united to meet their common economic needs, cultural needs, and aspirations through a jointly owned and democratically controlled enterprise [1]. The traditional cooperatives had the primary objectives of pooling scarce resources, eliminating middlemen, and achieving a common interest. Today the co-operative movement is governed by principles of open and voluntary membership, democratic administration, members' economic participation, autonomy, and independence [2].
The cooperative movement brings together over 1 billion people around the world and is instrumental in providing livelihood to nearly 3 billion people, or half of the world's population. In the Philippines, the government is particularly

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supportive of the people's efforts toward encouraging cooperation. Article XII of the 1987 Philippine Constitution provides that "Congress shall create an agency to promote the viability and growth of cooperatives as an instrument of social justice and economic development". As of 2015, there are 24,652 cooperatives in the Philippines [3].

For a credit cooperative to sustain its operation and compete with other financial institutions, it has to consider its operational performance. There are factors to be considered that influence credit cooperatives' operational performance such as capital structure, financial performance, financial management, and the cooperation of the members. First, capital structure is one important factor because analyzing the mix of equity and debt fund determines the financial position of a credit coop. An optimal debt-equity mix gives a healthy result of financial wealth for Cooperative societies [4]. Second, the financial performance of a credit cooperative provides a measure of the liquidity, solvency, asset management efficiency, and profitability position that would provide a clear basis on how a credit co-op may maximize the share and capital of its members [5].

The study is anchored on Pecking Order Theory [6]. This theory is based on the assertion that managers have more information about their firms than investors. This is asymmetric information. Managers issue debt when they are positive about their firm's prospects and will issue equity when they are unsure. This theory assumes that no target equity capital structure should be adopted by the firms. As a result, a firm will go for the cheaper source of capital, thus embracing the equity capital which is internally generated. The firms choose a capital structure depending on the following preference order: internal finance (inclusive of share capital), borrowed or debt capital, and then equity (inclusive of retained earnings.

A cooperative society is an organization formed by a group of people who come together voluntarily to fulfill their economic and social needs through democratically controlled systems. This provides an opportunity for cooperatives to address members' well-being [7].

Improving operational performance has been among the key targets of various organizations globally including cooperatives. Among the major strategies to improve the performance of various kinds of organizations is the provision of education and training to enable the implementation of daily activities. As member-owned business enterprises, co-operatives including savings and credit co-operative societies need continuous provision of education and training to the Board, members, and management as a means to build the capacity needed to attain the desired needs and aspirations [8].

The influencing factors for the provision of education and training were found to be; the availability of funds, the number of trainers and trainees, the urgency of the training, the cost of trainers, external influence and support, location, and legal requirements. Education and training were found to contribute to improved customer care, loan collection, reduced bad debts, better accounting system, improved financial management, and time service provision [8].

Members' participation in operational performance: The core principle of democracy lies at the heart of cooperative businesses, where members actively participate in the organization's operational performance. The formation of a cooperative firm hinges on the collective interests of its members, enabling the organization to serve its needs effectively [8].

However, contemporary challenges have surfaced in maintaining member democracy, particularly in large cooperatives with diversified business activities and vast, heterogeneous memberships [9]. With far-reaching vertical integration and international operations becoming prevalent, the comprehensibility of cooperative activities diminishes further, making it difficult for members to grasp the overall picture. Large cooperatives often engage in multi-purpose activities [10].

Large cooperative firms face the risk of receiving vague, conflicting, and limited feedback from their members, leaving both the board of directors and the CEO (Chief Executive Officer) uncertain about members' desires and expectations [11]. The sheer size of memberships, often consisting of thousands of individuals, exacerbates this situation. Large cooperatives must strive to develop more effective communication channels, enhance member education and engagement, and implement measures to ensure that the diverse interests of their members are adequately represented in the decision-making processes [12].

Board of Directors in operational performance: Directors of cooperatives are faced with setting the direction for increasingly larger, more complex organizations competing in a most demanding marketplace. For many directors, their current directorship involves governing the largest organization they probably have ever served as director of Cooperative directors are typically not "professional" corporate directors, who might serve on a wide range of corporate boards across various segments of an industry.

Cooperative directors' experience may be limited to serving on boards of smaller organizations [13] within a relatively narrow segment of the industry or on local public boards. The pool of potential directors in an agricultural cooperative can be less diverse than those from other types of firms with candidates often having the same occupation, geographic proximity, gender, or race [13].

Policy Making Management and Cooperative Members. Board Operations and Process Board operations such as: receiving necessary materials before meetings, creating adequate meeting agendas, and starting and ending meetings on time received high ratings.

Directors responded positively that after a policy decision has been made, the issue is not discussed at future meetings unless there is a major change in underlying conditions. Minimizing Politics and Conflicting Interests that were harming the cooperative's performance were identified such as one district

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versus another district, one state versus another state(s), and different factions on the board. Directors strongly disagreed that there were conflicts between the board and management [14].

Leadership, fairness, and transparency are crucial elements in successful management at the local level, as highlighted by recent literature [15]. The cooperative directors, who are elected by the general membership to the administration or enforcement executive councils, play a pivotal role in ensuring the equitable distribution of power and resources.

Cooperative members are actively engaged in the process, contributing their time to tasks like resource monitoring using transect surveys and other science-based methods. During planning meetings and general assemblies, cooperative leaders and technicians present comprehensive data, including graphs and spreadsheets, to explain and justify the decisions they recommend to the voting membership. However, it is essential to recognize that despite these efforts, members may still have varying levels of understanding regarding the cooperative's activities and operations, underlining the need for continuous communication and knowledge dissemination [16]. By investing in high-quality knowledge and decision-making, the cooperatives in the Pacífico Norte demonstrate their commitment to sustainable fisheries management and the welfare of their members.

The Savings and Credit Cooperative Societies have been forced to seek alternative forms of financing to meet the increasing demands for services from members. These advancements have significantly increased the options for optimal capital structure for Savings and Credit Cooperative Societies. Capital structure refers to the mix of debt and equity of an organization. The optimal mix of debt and equity is an important consideration for managers given that it impacts the financial performance of the Savings and Credit Cooperative Societies [17].

The theory of capital structure traces back to the original works of Modigliani & Miller whose position was that capital structure is irrelevant to a firm's performance when we have perfect capital markets with no transaction cost and taxes. By their theory, leverage does not affect profitability since the use of debt or equity financing simply identifies the sources of funds available to a firm and that does not in any way influence the value of a firm. The trade-off theory sought to identify an optimal capital structure where tax shield from debt equals bankruptcy cost. Thus, the theory posits that a firm's choice of debt to equity is a trade-off between its tax shield and the costs of bankruptcy [18].

The relationship between capital structure, credit risk management, and financial performance of microfinance institutions in Uganda based on agency theory revealed that credit risk management significantly contributes to sound financial performance. Second, capital structure is not significantly related to financial performance. Therefore, credit risk appraisal, credit risk monitoring, and credit risk mitigation are essential in achieving sound financial performance of MFIs. However, the structure of debt or equity does not necessarily affect financial performance [19].

Debt financing is the acquisition of funds through borrowing. Most Sacco's results in borrowing to finance their increased customer's demands thus increasing the leverage if not controlled. This study determined the effects of debt finance on financial performance measured by ROE. This related study investigated the effect of interest rate, loan tenure, debt/equity ratio, and interest coverage ratio on the financial performance of savings and credit cooperative societies in Maara Sub-County, Tharaka. A strong positive relationship of 0.984 between debt and ROE was revealed. A negative relationship existed between interest rate, loan tenure, and ROE while a positive relationship was revealed between the debt-equity ratio and interest coverage ratio on ROE respectively. Interest rate, loan tenure, and debt-equity ratio had significant effects on ROE [19].

On the other hand, the use of debt financing gives a positive signal that management is confident of the prospects of the firm and will be able to meet debt obligations in the future [20]. However, the issues relating to the pricing of debt including the level of interest mean that firms will prefer to look internally for financing options primarily from their retained earnings, which is cheaper than the use of debt. Hence, the theory identifies a financing order, where firms will first of all resort to the use of retained earnings; however, if there is a need for external financing, debt financing will be preferred. Thus, this theory posits that there is no optimal capital structure [21]. However, it has been argued that the pecking order theory begins with equity financing and ends with the same, forwarding the argument that retained earnings are profits belonging to shareholders thus making it a form of equity financing [21].

The Objectives of the study were: to determine the effectiveness is the Pro-people characteristics from 2009-2017 in terms of the number of members, transparency, board directors policies, and dividend rate; and to analyze how FICCO managed its capital structure for the years 2009-2017 in terms of deposit liabilities to total asset ratio and member's equity to total assets.

1. What is the profile of the Cooperative in terms of:

1.1 Number of members;

1.2 Transparency of policies; and

1.3 Dividend rate?

2. How does FICCO manage its capital structure for the years 2009-2017 in terms of:

2.1 Total asset ratio; and

2.2 Members' equity to total assets?

3. Is there a significant difference in capital structure when they are grouped according to the profile?

4. Does the capital structure influence the operational performance of the Cooperative?

II. METHOD

The study used a descriptive type of research design with a quantitative data analysis research approach. The source of data will be the administrative data from FICCO from the years 2009-2017 and other audited reports of the office of FICCO. This research included the collection of secondary data that provided information on the operational performance of the First Community Cooperative (FICCO) and an analysis of the capital structure of the cooperative in Cagayan de Oro City.

III. RESULTS AND DISCUSSION

Profile of the Cooperative

Number of Members: In a cooperative, members pool their resources, skills, and efforts to achieve common goals. The more members a cooperative has, the larger the resource pool becomes. This increased pool can lead to greater financial capital, diversified skills, and a broader knowledge base, enabling the cooperative to take on more significant projects and face challenges effectively.

Table 1 shows the number of members of FICCO from 2009 to 2017.

Table 1. Number of Members of FICCO and Growth from 2009 to 2017

Year	Number of Members (Regular and Associate)	Percent Increase or Decrease (2009 as Base Year)
2009	129,493	100
2010	140,128	8.21
2011	152,599	17.84
2012	178,758	38.04
2013	192,703	48.58
2014	211,391	63.25
2015	263,814	103.72
2016	290,140	124.06
2017	314,984	143.24

Source: Audited financial reports of FICCO (2009-2017)

Using the trend analysis with 2009 as the base year, it depicted that there was a continuous percentage increase in the number of members from 2010 (8.21%) to 2017 (143.24%). The growth of FICCO is fueled by the increase in the number of members. This is an indication of the community's acceptance of the services and benefits that FICCO provided to its members. The lending and investment services positively affect the demand for credit by Members and a single unit increase in lending or investment services leads to a corresponding increase in demand for credit by members [22]. FICCO is now the biggest coop in the country in terms of capital and membership.

A cooperative with a larger membership base may have more influence in the market and the industry it operates in. This can help the cooperative negotiate better terms with suppliers, attract potential customers, and have a stronger voice in policy-making and regulatory matters. Cooperative members often share both the benefits and risks of the business. With more members, the risk can be spread across a larger group, reducing the financial burden on individual members during challenging times. A larger membership base provides more opportunities for networking and collaboration. Members can connect with each other, share knowledge, and establish partnerships that can lead to mutual growth and development.

Transparency on Policies and Guidelines: Policies and Guidelines are essential for cooperative operations. In the 2013 annual report, FICCO started to publish the honorarium received by the officers. This is to let the members as owners of FICCO know how much the honorarium of the officers received and provide checks and balances in case it drastically goes up. The nine (9) Board of Directors received a total honorarium of P343,904 in 2013. The credit committee composed of 98 officers, received a total honorarium of P1.54 million. The 88-member audit and inventory committee also received an honorarium amounting to P1.44 million. These transparencies continued up to the present administration which encouraged the members and the employees to extend loyalty and effort for FICCO's success.

On the other hand, FICCO accepted deposits from members at fixed rates, for various periods, and sought to earn above interest margins by investing these funds in highly-quality assets and loans to its members. Risk management was carried out by the FICCO's finance committee under policies approved by the BOD. The BOD provided written principles for overall risk management, as well as written policies covering specific areas.

Transparency regarding policies and guidelines is paramount for the operational performance and overall success of a cooperative. Transparent policies and guidelines instill trust among the cooperative's members. When members have access to clear and openly communicated rules, they feel more confident in the cooperative's management and decision-making processes. Transparent policies encourage active member participation. When members understand how decisions are made and how their input can influence the cooperative's direction, they are more likely to engage and contribute positively.

Transparent guidelines ensure consistency in decision-making and the application of rules. This reduces the potential for favoritism or discrimination, leading to a fair and equitable environment for all members. Transparency promotes accountability among the cooperative's leadership and management. When policies and guidelines are visible and accessible, leaders are more likely to be held responsible for their actions and decisions. The clarity in policies streamlines operations. Members can understand their roles and responsibilities, leading to more efficient processes and better collaboration.

Dividend Rate**:** The dividend rate is an essential factor that can significantly impact the operational performance of a cooperative. The dividend rate refers to the percentage of profits or surplus that the cooperative distributes to its members as dividends. The dividend rate influences the amount of funds available for reinvestment in the cooperative's operations. A higher dividend rate may result in fewer funds being reinvested, potentially limiting the cooperative's ability to expand, introduce new products/services, or improve its infrastructure.

The payment of dividends to the firm’s shareholders is at the discretion of the cooperative’s board of directors.

Table 2. Dividend Rate of FICCO from 2009 to 2017

Year	Dividend Rate (in percent)	Percent Increase or Decrease
2009	10.75	100
2010	11	2.33
2011	11	2.33
2012	9.75	(9.30)
2013	8.12	(24.46)
2014	7.71	(28.28)
2015	6.11	(43.16)
2016	7.14	(33.58)
2017	8	(25.58)

Source: Audited financial reports of FICCO (2009-2017)

Common stockholders are not promised a dividend, but they come to expect certain payments based on the historical dividend pattern of the firm. The firm’s ability to pay dividends can be affected by the restrictive debt covenants designed to ensure that the firm can repay its creditors. Ebbes [23] hypothesized that more profitable cooperatives are more likely to pay dividends to their members than financially less successful cooperatives.

Table 2 shows the dividend rate for FICCO members and investors from 2009 to 2017. Considering the trend analysis and 2009 as the base year, it illustrated that there were fluctuations in the yearly dividend rate of the cooperative. There was an increase in dividend rate in the years 2010 to 2011 but had a continuous decline in 2012 (9.75%), 2013 (8.12%), 2014 (7.71%), 2015 (6.11%), and 2016 (7.14%) however, FICCO started to recover the dividend rate in 2017 (8%). From the year 2012 to 2017, FICCO experienced a decrease in dividend rate and these operational records are alarming to FICCO management for it might discourage the members, investors, and stockholders in the long run.

The dividend rate directly affects the return on investment for cooperative members. A competitive dividend rate can attract new members to join the cooperative and encourage existing members to stay committed. It directly affects the financial rewards that cooperative members receive based on their participation and contributions. A fair and attractive dividend rate can enhance member satisfaction, encourage active engagement, and motivate members to contribute more to the cooperative's success. A competitive dividend rate can be a strong incentive for attracting new members and retaining existing ones. Individuals and businesses considering joining a cooperative may assess the potential returns on their investments, and a favorable dividend rate can make the cooperative more appealing.

A portion of the cooperative's profits is usually retained as capital for future growth and investment. The dividend rate needs to strike a balance between distributing profits to members and retaining enough capital for expansion, modernization, and improvement of the cooperative's operations. The dividend rate plays a role in determining the cooperative's financial stability. If the cooperative sets an unsustainable or overly generous dividend rate, it may jeopardize its ability to cover operational costs, make necessary investments, or maintain adequate reserves for unforeseen circumstances. In a competitive market, the dividend rate can be a point of differentiation for a cooperative. A cooperative with a strong financial position and

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a history of attractive dividends can use this as a competitive advantage to attract customers, partners, and suppliers.

Management of Capital Structure

Deposit Liabilities to Total Asset Ratio

FICCO deposit liabilities consist of savings, time deposits, and other accounts. Based on the audited annual report of FICCO, savings deposits earned interest rates ranging from 1.5% to 3% and 2% to 3% per annum in 2017 and 2016, respectively, while time and other deposits earned interest rates ranging from 2.10% to 3.0% per annum and 2.15% to 4.5% per annum in 2017 and 2016, respectively. Time deposit liabilities have maturities of 30 days while other deposit liabilities have maturities up to 10 years. Interest on deposit liabilities amounted to P122.2 million and P121.5 million in 2017 and 2016, respectively. Liquidity is a firm’s ability for its short-term obligations as they come due. It refers to the solvency of the firm’s overall financial position-the case with which it can pay its bill. A higher deposit liabilities to total assets ratio indicates a greater degree of liquidity [24].

Table 3. Deposit Liabilities, Total Assets, and Liquidity Ratio of FICCO from 2009 to 2017 in Pesos

Year	Deposit Liabilities	Total Assets	Liquidity Ratio LR = TA/DL
2009	1,606,639,507	3,679,089,198	2.29
2010	2,104,734,550	4,586,958,116	2.18
2011	2,498,545,953	5,632,826,284	2.25
2012	2,731,470,754	6,327,687,301	2.32
2013	3,191,904,958	7,311,564,164	2.29
2014	3,115,005,864	7,566,892,079	2.43
2015	3,552,746,526	8,326,008,848	2.34
2016	4,276,893,227	9,666,580,202	2.26
2017	4,946,595,180	11,241,832,024	2.27

Source: Audited financial reports of FICCO (2009-2017)

Interpretation: Table 3 shows the deposit liabilities, total assets, and liquidity ratio of FICCO from 2009 to 2017. It indicated that the liquidity ratio of the cooperative was 2.29, 2.18, 2.25, 2.32, 2.29, 2.43, 2.34, 2.26, and 2.27 in the periods of 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017 respectively. The year 2014 got the highest liquidity ratio with 2.43 and the year 2010 had the lowest liquidity ratio with 2.18. In all periods, even their averages, the cooperative has a liquidity ratio of more than 2 greater than the standard showing that the cooperative can easily satisfy its current obligation with its current asset. This indicates that the cooperative was highly liquid.

Members’ Equity to Total Assets

Equity is defined as the sum of the common stock, the additional paid-in capital, and the retained earnings (Mayo, 2015). In a cooperative, a co-op members’ equity or shareholders’ equity ratio determines how much members or shareholders would receive in the event of a company-wide liquidation. The ratio, expressed as a percentage, is calculated by dividing members’ or shareholders' equity by the total assets of the cooperative or firm, and it represents the amount of assets on which members or shareholders have a residual claim. The figures used to calculate the ratio are taken from the company or cooperative balance sheet.

$$\text{Members' Equity Ratio} = \frac{\text{Members' Equity}}{\text{Total Assets}} \times 100$$

The Equity Ratio measures the proportion of the total assets that are financed by stockholders, as opposed to creditors. A low equity ratio will produce good results for stockholders as long as the company earns a rate of return on assets that is greater than the interest rate paid to creditors. A higher equity ratio generally indicates less risk and greater financial strength than a lower ratio. If a company's equity ratio is high, it finances a greater portion of its assets with equity and a lower portion with debt.

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Table 4. Members' Equity, Total Assets, and Members' Equity Ratio of FICCO from 2009 to 2017 in Pesos

Year	Members' Equity	Total Assets	Members' Equity Ratio MER = ME/TA
2009	1,532,589,563	3,679,089,198	41.66
2010	1,892,745,037	4,586,958,116	41.26
2011	2,309,318,083	5,632,826,284	41.00
2012	2,782,818,498	6,327,687,301	43.98
2013	3,167,363,279	7,311,564,164	43.32
2014	3,731,372,611	7,566,892,079	49.31
2015	4,056,021,305	8,326,008,848	48.72
2016	3,628,141,510	9,666,580,202	37.53
2017	4,456,324,441	11,241,832,024	39.64

Source: Audited financial reports of FICCO (2009-2017)

Interpretation: Table 4 shows the members' equity, total assets, and members' equity ratio of FICCO from 2009 to 2017. The year 2014 (49.31%) had the highest members' equity ratio and the lowest was in year 2016 (37.53%). It means that in the year 2014, 49.31% of the total assets were financed by co-op stockholders which indicated a lesser risk with greater financial strength of FICCO. But in the year 2016, the co-op was facing greater risk for only 37.53% of the total assets shouldered by the stockholders and finances the remaining 67.47% with debt. Equity is safer than debt because it does not require interest payments and does not need to be repaid. If a company's equity ratio gets too low, it may be taking on too much debt, which might result in bankruptcy. Considering 2009 as the base year, there was a continuous average increase in the members' equity ratio of FICCO from 2010 to 2015 but started to decline in the years 2016 and 2017.

Trend Analysis of the Operational Performance and Asset Growth

The overall financial growth of the cooperative was illustrated by taking the figures for 2009-2017. The analysis depicts the growth trend of major balance sheet accounts.

Table 5. Trend Analysis of Selected Items in the Balance Sheet of FICCO

Base Year 2009 Year	Particulars Balance Sheet		
	Deposit Liabilities	Members' Equity	Total Assets
2009	100%	100%	100%
2010	31.41	23.49	24.68
2011	55.99	50.68	53.10
2012	70.54	81.58	71.99
2013	99.29	106.67	98.73
2014	94.49	143.47	105.67
2015	121.82.	164.65	126.31
2016	167.03	136.73	162.74
2017	208.84	190.77	205.56
Ave. Growth	105.49%	110.89%	105.42%

Source: Audited financial reports of FICCO (2009-2017)

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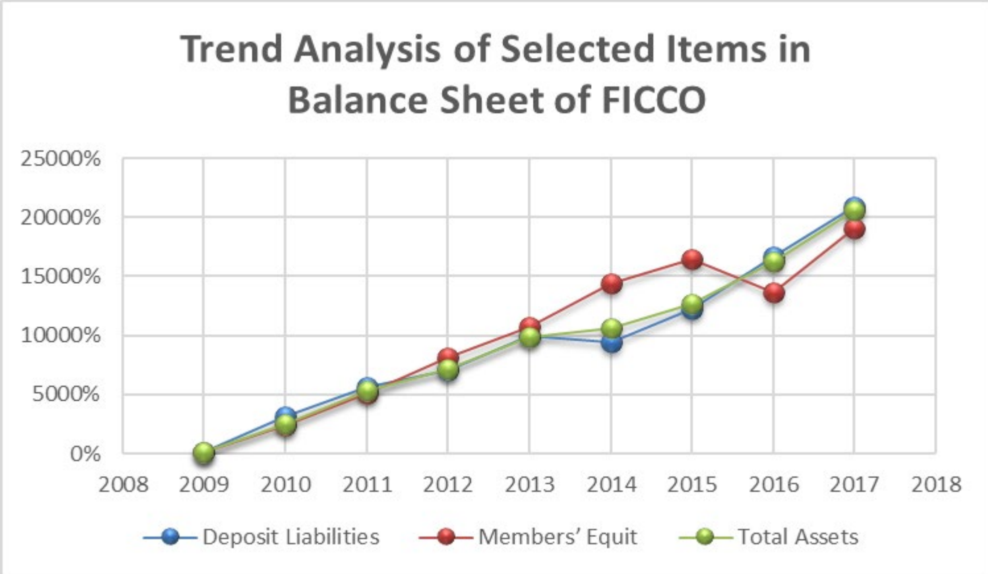

Interpretation: Table 5 illustrates the Trend Analysis of Selected Items in the Balance Sheet of FICCO. The deposit liabilities of the Cooperative decreased from 100% in 2009 to 31.41% in 2010 and increased to 55.99% in 2011, 70.54% in 2012, 99.29% in 2013, and 2014 to 2017 respectively. This points out that the deposit liabilities of the Cooperative were fluctuating throughout the study years. But the average growth trend of the Cooperative is positive which 105.49 is. The members' equity of the Cooperative decreased from 100% in 2009 to 23.49 in 2010 and increased to 50.68% in 2011 and continue to increase in succeeding years with 190.77% in 2017. It shows that the members' equity of the Cooperative was again fluctuating considering the study years. However, the average growth trend of the Cooperative is positive which is 110.89%.

On the other hand, looking closely at the total assets of the Cooperative, it showed a decrease in total assets from 100% in 2009 to 24.68% in 2010 and increased to 53.10% in 2011, 71.99% in 2012 then continued to increase in the succeeding years. Again the total assets data of the Cooperative were fluctuating throughout the study years. But the average growth trend of the Cooperative is positive which is 105.42%.

IV.CONCLUSION

The study set out to analyze the capital structure and operational-financial performance of FICCO in Cagayan de Oro City. The study found the importance of Pecking Order Theory (Pandey, 2011) in attaining cooperative performance. This theory is based on the assertion that managers have more information about their firms than investors and that managers issue debt when they are positive about their firm's prospects and will issue equity when they are unsure. The Objectives of the study were: to determine the effectiveness is the Pro-people characteristics from 2009-2017 in terms of the number of members, transparency, board directors policies, and dividend rate; and to analyze how FICCO manage its capital structure for the years 2009-2017 in terms of deposit liabilities to total asset ratio and member's equity to total assets.

The study found that the number of members of FICCO from 2009 to 2017 had a continuous percentage increase from 2010 to 2017. The dividend rate for FICCO members and investors from 2009 to 2017 experienced fluctuations in the yearly dividend rate but started to recover in 2017. The year 2014 got the highest liquidity ratio and the year 2010 had the lowest liquidity ratio. In all periods, even their averages, the cooperative had a liquidity ratio of more than 2 greater than the standard showing that the cooperative can easily satisfy its current obligation with its current asset. The study concluded that the cooperative was highly liquid. The members' equity of the Cooperative experienced a decrease in 2010 and increased in 2011 and continue to increase in succeeding years until 2017. Thus, concluded that the members' equity of the Cooperative had a positive average growth rate performance.

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