

# JOINT VENTURE AGREEMENT

## FINANCIAL REPORTING AND ACCOUNTING ADDENDUM

This Financial Reporting and Accounting Agreement (the "Agreement") is entered into as of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date"), by and between the following parties:

**Party A:** \_\_\_\_\_, a corporation organized under the laws of \_\_\_\_\_, with its principal place of business at \_\_\_\_\_.

**Party B:** \_\_\_\_\_, a corporation organized under the laws of \_\_\_\_\_, with its principal place of business at \_\_\_\_\_.

WHEREAS, the parties have entered into a Joint Venture Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the "Main Agreement") to establish the joint venture entity known as \_\_\_\_\_ (the "Joint Venture"); and

WHEREAS, the parties desire to establish comprehensive guidelines, standards, and schedules governing the accounting, auditing, bookkeeping, financial reporting, and tax compliance affairs of the Joint Venture.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

### SECTION 1: ACCOUNTING PRINCIPLES AND STANDARDS

- Accounting Standards:** The books, records, and accounts of the Joint Venture shall be maintained, and the financial statements prepared, in accordance with \_\_\_\_\_ consistently applied throughout the relevant periods.
- Basis of Accounting:** All accounting transactions shall be recorded on the accrual basis of accounting, recognizing revenues when earned and expenses when incurred.
- Functional Currency:** The functional and reporting currency of the Joint Venture shall be \_\_\_\_\_.

### SECTION 2: FISCAL YEAR AND REPORTING PERIODS

- Fiscal Year:** The fiscal year of the Joint Venture shall end on \_\_\_\_\_ of each calendar year.
- Reporting Period:** Financial reporting shall be conducted on a \_\_\_\_\_ basis (e.g., monthly, quarterly).

### SECTION 3: FINANCIAL STATEMENTS AND REPORTING SCHEDULE

The Managing Venturer or designated accounting administrator shall prepare and distribute to each Party the following financial statements and reports within the specified timeframes:

- Monthly Reports:** Unaudited balance sheet, income statement, and statement of cash flows within \_\_\_\_\_ days after the end of each calendar month.
- Quarterly Reports:** Unaudited quarterly financial statements, budget-to-actual variance analysis, and operational reports within \_\_\_\_\_ days after the end of each fiscal quarter.
- Annual Reports:** Draft annual financial statements within \_\_\_\_\_ days after the end of each fiscal year.

### SECTION 4: MAINTENANCE OF BOOKS AND RECORDS

- Location:** The books of account and other financial records of the Joint Venture shall be kept at the principal place of business of the Joint Venture located at \_\_\_\_\_.
- Inspection Rights:** Each Party, or its authorized representatives, shall have the right to inspect, review, and copy any financial books, accounts, and records of the Joint Venture during normal business hours upon giving \_\_\_\_\_ business days' written notice.

### SECTION 5: BANK ACCOUNTS AND CASH MANAGEMENT

1. **Designated Bank:** All funds of the Joint Venture shall be deposited in a designated account or accounts opened in the name of the Joint Venture at \_\_\_\_\_.
2. **Authorized Signatories:** Any disbursement, withdrawal, or transfer of funds exceeding \_\_\_\_\_ shall require the joint signatures of authorized representatives from both Party A and Party B.

**SECTION 6: AUDITS**

1. **Annual Audit:** The annual financial statements of the Joint Venture shall be audited by an independent certified public accounting firm appointed annually by the parties. The appointed firm for the initial fiscal year is \_\_\_\_\_.
2. **Audit Deadline:** The audited financial statements and auditor's report shall be delivered to both parties within \_\_\_\_\_ days following the end of each fiscal year.

**SECTION 7: TAX REPORTING AND CAPITAL ACCOUNTS**

1. **Tax Classification:** The Joint Venture shall be treated as a \_\_\_\_\_ for tax purposes.
2. **Tax Returns:** The Joint Venture's tax returns shall be prepared by a qualified tax advisor and draft tax returns shall be provided to both parties for review at least \_\_\_\_\_ days prior to the filing deadline.
3. **Capital Accounts:** Individual capital accounts shall be maintained for each Party in accordance with applicable tax regulations and the terms of the Main Agreement.

**SECTION 8: MISCELLANEOUS PROVISIONS**

1. **Governing Law:** This Agreement shall be governed by, and construed in accordance with, the laws of \_\_\_\_\_.
2. **Amendments:** This Agreement may be modified or amended only by a written instrument executed by authorized representatives of both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Financial Reporting and Accounting Agreement as of the date first written above.

**PARTY A:**

**PARTY B:**

\_\_\_\_\_  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

\_\_\_\_\_  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_