



2024 Capital Credits Distribution

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Policy

3.7. General Capital Credits Retirements

3.7.1. In general, Allocated Capital Credits are retired based upon the Retirement Schedule as permitted by the financial health of the Cooperative and in accordance with Cooperative policies, but other time frames may be appropriate as determined by the Board. Unless otherwise directed by the Board, Capital Credits are generally retired as follows:

- 3.7.1.1. **A portion of the General Capital Credit Retirements will be from the oldest outstanding year(s) for which allocations have been made that have not yet been retired.** To the extent the oldest outstanding year(s) being retired have been retained less than the Retirement Schedule, the amounts being retired will be made after application of the Discount Factor.
- 3.7.1.2. **A portion of the General Capital Credit Retirements will be made from the most recent year(s) for which allocations have been made that have not yet been retired.** To the extent the most recent year(s) being retired have been retained less than the Retirement Schedule, the amounts being retired will be made after application of the Discount Factor.

Prior Distributions

CC Dist Year	BOD Approved Dist	CC Years Retired	Allocation Bal	Total Retired	Cash Payout \$	Retired to Perm Equity	Balance
2020	6,100,000	1993	272,287	272,287	214,481	57,807	-
		2019	58,694,957	58,694,957	5,846,018	52,848,939	-
		2020 Dist Total	58,967,244	58,967,244	6,060,498	52,906,745	-
2021	5,300,000	1994	524,289	524,289	424,150	100,139	-
		2020	37,178,603	37,178,603	4,792,322	32,386,281	-
		2021 Dist Total	37,702,892	37,702,892	5,216,472	32,486,420	-
2022	6,000,000	1995	7,582,947	1,341,685	1,094,547	247,138	6,241,262
		2021	35,077,786	35,068,553	4,902,584	30,165,969	9,233
		2022 Dist Total	42,660,733	36,410,238	5,997,130	30,413,108	6,250,495

Recommended Distribution

2023 Distribution Proposal - Full Oldest and Newest (\$12M) - RECOMMENDED							
CC_Year	Beg. Balance	Retire %	Retire	Discount Rate	Payout \$	Perm Equity	Balance
1995	6,781,959	100.0%	6,781,959	11.85%	5,978,297	803,662	-
2022	38,149,162	100.0%	38,149,162	83.94%	6,126,755	32,022,407	-
	<u>44,931,121</u>		<u>44,931,121</u>		<u>12,105,053</u>	<u>32,826,069</u>	-
				BOD Proposed Amount	12,300,000		
				Estates	194,947		

- Recommend fully retiring newest (2022) and oldest (1995) years on record with discounting per the Capital Credits Policy
- If financial conditions allow, will recommend an additional special retirement for inactive accounts in early 2024 per the 2024 budget



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