

# Patronage Capital

## *Allocation to Retirement*

Allocation

Revenue - Expenses at end of year are  
Margins



Margins allocated to members based  
on amount electricity purchased



*Jane Doe allocated \$23.99 in  
patronage capital for year 1991*

Working Capital

Patronage capital allocated in 1991  
combined with total patronage capital  
that has not been retired



Increases equity, which lowers interest  
rates for loans to fund capital projects



Approximately 20 years pass



*Patronage capital allocated to Jane  
Doe each year she purchases electricity*

Retirement

Board of Directors authorize retirement  
of patronage capital allocated in 1991



*Jane Doe receives check from  
Cooperative for \$23.99*