

CURRENT NEWS



What's Happening

Join us for our Annual Meeting on June 9 in Napoleon!



June 9

Join us at our Annual Meeting in Napoleon



JUNE 12

Emmons County Ag Day in Linton



JUNE 30

Operation Round Up application deadline

Cooperative happenings

Join us at your Annual Meeting

We look forward to seeing you at your Annual Meeting on June 9 in Napoleon at the Barry-Hoof American Legion. Registration for the meeting will be from 4-4:45 p.m., with the business meeting starting promptly at 5 p.m. A meal will be served upon adjournment of the business meeting.

Luck-of-the-Draw Scholarships available

Eight \$500 Luck-of-the-Draw Scholarships will be awarded to graduating high school seniors at our Annual Meeting on June 9. Students who were not awarded a cooperative scholarship and are dependents of members are eligible. Visit www.kemelectric.com for details.

RDFC grant funds available

The Rural Development Finance Corporation (RDFC) announced it has approved a 2026 grant allotment of \$2,000 to KEM Electric to be used to support community-owned entities, nonprofits and community-based projects. Read more at www.kemelectric.com on our RDFC webpage.

Read this month's issue of North Dakota Living and more by scanning the QR code or visiting our website.



CAPITAL CREDIT ALLOCATIONS

Capital credits represent a member's share of the cooperative's earnings, or "margins," which are allocated to members based on their usage of the cooperative's services. Essentially, when a cooperative has money left over after paying its expenses, those leftover funds, or margins, are allocated back to the members as capital credits.



Co-op Earns a Margin (Profit)

At the end of a fiscal year, the co-op calculates its revenues minus expenses. If there's a surplus, it's not called a "profit" but a margin.



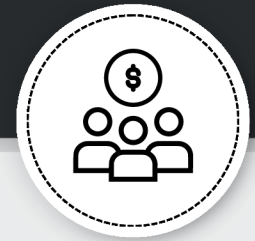
Board Approves Allocation

The Board of Directors decides how much of the margin to allocate back to members as capital credits and how much to retain for operating reserves.



Credits Are Allocated

Allocated capital credits are recorded in the member's account but not immediately paid out. Typically this occurs annually, mid-year.



Credits Are Retired Over Time

Over time (usually a 20 + year cycle), the co-op retires (pays out) these credits to members, typically delivered by check.

ALLOCATIONS ARE:



Recorded in your account, but not paid out.



Happens on an annual basis, once the financials are closed.



Based on the amount you paid for services over the year.



Think of this as the co-op's way of keeping track of your share.

RETIREMENTS ARE:



Approved payout of past allocations by board of directors.



Dependent on the cooperative's financial health.



Typically delivered by check



Think of it like a refund check from the cooperative.