

<YOUR NAME>
<YOUR ADDRESS 1>

September 15, 2021

Dear <NAME>,

Thank you for being a member-owner at YFC and helping make 2020 a busy and productive year! Here's your first YFC Patronage Rebate!

Good news! With your support, the co-op had a 30-percent increase in sales during 2020. We have started the renovations and expansion we've been planning for years, with the help of the retained earnings through our *member-owner patronage dividend program*.

What is a member-owner patronage dividend?

A co-op can share earnings with its member-owners by providing *patronage dividends*. Each member-owner's allocated dividend is based on the amount they spent during the year and the co-op's profit on those purchases.

- The **total allocated patronage dividend** (for all member-owners) comes from the profit on all eligible purchases/sales, which for 2020 was \$968,371.07, and the co-op's net income was \$43,950, both derived from only member-owner purchases. This net income is being allocated to the member-owners as a patronage dividend.
- The co-op **retains 80 percent of the total patronage dividend for reinvestment into the co-op**, assigning it to each member-owner's capital account. For 2020, the amount re-invested in the co-op for all member-owners is \$35,160.
- The co-op provides a **patronage dividend rebate by paying 20 percent of the total allocated patronage dividend** to the member-owners. For 2020, the amount paid to all active members is \$8,790.

***** Your numbers will be merged into your personalized patronage letter.

Why does the co-op return profits to its members?

Along with your member fairshare investments, your investments are vital to the co-op's future – providing a patronage dividend helps keep YFC strong and healthy in several ways.

- **Sharing is important:** As a co-operative business, we are not owned by one individual, but by **many** – you and 1,068 of your friends. When profits and financial health allow, you are entitled to a percentage of the return on your investment.
- **Together we can build capital:** By allocating patronage dividends, and retaining a portion for reinvestment in the co-op, both the co-op and individual members build capital. Allocating patronage dividends gives the co-op a tax advantage, because the retained portion of the dividend

Your 2020 total
allocated portion
of patronage
dividend =
\$*****

Your 2020
retained portion
of patronage
dividend =
\$*****

Your 2020
patronage
dividend rebate
paid to you now =
\$*****

Other 2020 info

- Total amount returned to member-owners: **\$8,790.00**
- Number of member-owners receiving a rebate: **971**
- **The dividends range between 9 cents and \$645.00.**
- Total amount of discounts provided to member-owners in 2020 was: **\$19,508.16**

You're the heart of our Co-op!

is not taxed at the corporate rate. By law, at least 20% of the allocated dividends must be paid out to members.

- Patronage rebates are something successful co-ops do. Member Financial Participation is one of the cooperative principles and that includes your ownership cost, owner investments for growth and projects, and also patronage rebates.

For more info you can read the YFC by-laws at <https://www.ypsifoodcoop.org/content/bylaws>.



Why isn't there a patronage rebate every year?

If the co-op experiences operating losses, member-owners are not personally liable for those losses: however, there will *not* be a patronage dividend that year.

How can I use my patronage rebate?

You can just come to the co-op and shop, your patronage dividend is already available at the checkout at the co-op. Your dividend is available for use **beginning now** and **until December 31, 2021**. If you would prefer to receive your patronage dividend by check or donate it to YFC, please return the voucher to a cashier or contact our office. *The deadline to request a check or make a donation referral is December 15th, 2021.*

Patronage Dividend Rebate

Request for check payment or Donation to the Ypsi Food Co-op

Name _____

Phone _____

Refund my Patronage Dividend to me as a check. Please make this request by December 15, 2021

Donate my Patronage Dividend back to the Co-op

My CurrentAddress: _____

Signature: _____ Date: _____

It is best for the Co-op fiscally, if you use your dividend now!

You're the heart of our Co-op!