SUNSTREAM
BUSINESS SERVICES

SunStream Business Services
annual report for the year ended
December 31, 2023

Published March 13, 2024

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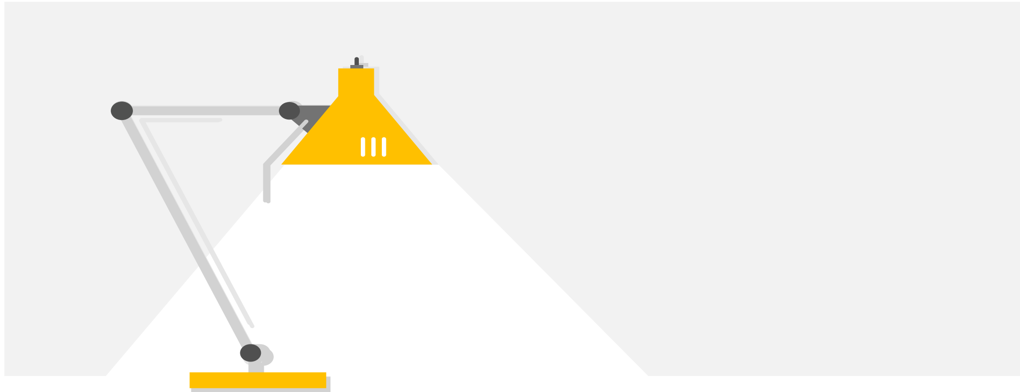

Message from our CEO

Daniel Ritch
CEO

Dear Shareholders and Valued Customers,

I am pleased to present to you an overview of SunStream Business Services' journey throughout 2023, highlighting our achievements and outlining our strategic vision for the year ahead.

Reflecting on 2023
The past year has shown our dedication to progress and innovation. We've focused on strengthening our foundation and accelerating our digital transformation to serve our customers and stakeholders better. We have also made advancements in our support model, improving our internal cadence in all departments. We appreciate the investments you have given us in both our operational functions and digital transformation projects, and we have continued to be good stewards of the dollars, returning the 2% premium provided to us as well as an additional $0.4M for a total of $1.050M in reduced billings at year-end 2023. Amidst these efforts, we've been immensely grateful for the support of our customers and the dedication of our team members.

We've made significant strides in various areas:

- **Building a Trust-Centric Culture:** Our brand ethos, encapsulated by the concept of "(in)Trust," has guided our every action. We've worked tirelessly to foster an environment of transparency, integrity, and reliability, ensuring that trust permeates every interaction with our customers and employees.
- **Advancing Strategic Initiatives:** We've achieved substantial progress in our strategic initiatives, particularly in the realms of Enterprise Performance Management (EPM) and the Loan Servicing Platform (PLANT).
    - At the end of the year, the EPM project successfully completed all of the committed objectives of the program and finalized the migration from Hyperion to OneStream. Your Data Consolidation, Finance and District Reporting, and Business Planning are now all in one place! We've built a new foundation on a modern cloud platform to enable the OneStream Product to evolve with the needs of our customers continuously. The EPM team continues to work with our customers to resolve any open issues, delivering additional functionality and data sets to our Associations and transitioning fully to the Agile methodology. We look forward to meeting with you in early April to discuss our EPM project in retrospect, as well as provide you with more opportunities to streamline your financial business processes on the OneStream platform in the future.

    - In PLANT, as promised, we turned to talking about functional features. Our customers were able to put their hands on the keyboard and test. We delivered loan origination functionality and replaced the retail product pricing tool. We've pivoted priorities based on customer feedback to work on system integrations sooner and even took on new work to replace our Payment Processing tools when the commercial solution we were going to purchase ended up not being ready for market launch. There is still quite a mountain to climb, but we are confident that we can reach our timelines given what we understand about the program scope today. We will continue to be transparent with our customer base as any adverse developments come to light.

- **Modernizing Core Platforms:** Our commitment to operational excellence has led us to bolster the reliability and security of our core platforms. Through the establishment of a dedicated DevSecOps team and the adoption of agile methodologies, we've significantly improved our environment setup times and SLA monitoring achieving 100% compliance throughout 2023, working toward a seamless experience for our customers.

- **Investing in Our Team:** At the heart of our success lies our talented team. We've prioritized the recruitment of top-tier talent and invested in their growth and development through targeted training, certifications, and mentoring programs. This investment has not only elevated employee engagement but also mitigated operational risks by ensuring a smooth transition amid workforce changes.

- **Embracing Agility and Customer-Centricity:** We've embraced agility in our project delivery processes, prioritizing customer input and flexibility to drive successful outcomes. Our focus on customer success has led to optimized engagement efforts, enhanced communication channels, and, ultimately, elevated customer satisfaction.

Looking Ahead to 2024

As we look towards the future, we remain steadfast in our commitment to excellence and innovation. In 2024, we will continue to build upon our successes, with a keen focus on:

- **Advancing Our Strategic Initiatives:** We will deepen our collaboration with customers to enhance our solutions further and drive mutual success. Our PLANT project continues as the priority, but we have added the decommissioning of our mainframe, which starts in mid-2024, as the full scope of PLANT did not include all the applications that reside on the mainframe today. This project will continue into early 2026.

- **Strengthening Technological Capabilities:** We will continue to invest in cutting-edge technologies to meet evolving customer needs and maintain our competitive edge. We will advance our support desk software to improve the way we monitor and close out customer issues.

- **Empowering Our Team:** We are committed to nurturing and empowering our team members, ensuring they have the skills and support needed to excel in their roles. Partnerships with vendor/partners will allow our core team members to learn and grow as we deploy new tech and features to our customers.

- **Deepening Customer Relationships:** We will strengthen our customer partnerships by serving as trusted advisors and delivering exceptional value at every touchpoint. We will continue to work onsite, when applicable, with our customers to ensure we have clarity on the actions required to bring success and improve the day-to-day functionality. We also plan to upgrade our annual customer survey asking for feedback on not only the products that have been delivered, but how we engage throughout the lifecycle of our projects.

- **Financial Management:** We look forward to collaborating with our CFO Advisory Council members to first provide a refresher on our current pricing methodologies, and then working towards building out new methods for our digital transformation items.

In conclusion, I extend my heartfelt gratitude to our shareholders, customers, and employees for their continued trust and support. I am also thankful for the time many of you have given me and my team as we visited your sites throughout the year. Together, we will continue to improve our operational capabilities, enabling success in our digital transformational projects and day-to-day support model, driving SunStream Business Services forward as a trusted partner and industry leader.

Thank you for your unwavering confidence in SunStream Business Services.

Respectfully,

Daniel Ritch

Board of Directors

JEFF SWANHORST

CEO of AgriBank
Board Chair

JASE WAGNER

President & CEO of
Compeer Financial
Board Vice Chair

TRAVIS JONES

President & CEO of
GreenStone Farm
Credit Services
Audit Committee Chair

DAN WAGNER

President & CEO of FC
Mid-America
Compensation
Committee Chair

JEREMY RENGER

Chief Risk &
Information Officer
AgriBank

JOHN HEMSTOCK

Chief Human
Resources Officer
Compeer Financial

JEFF HOUTS

Executive VP of
Operations
FCS Financial

CHUCK MILLHOLLAN

Chief Operating Officer
of FC Mid-America

Our Board of Directors (Board) represents each of our four ownership groups - AgriBank, Compeer Financial, Farm Credit Mid-America, and the CTC Group.

Executive Leadership

DAN RITCH
Chief Executive Officer

TOM MCHALE
Chief Financial Officer

RUTH ANDERSON
Chief Product Officer

AHTI HUJANEN
Chief Technology Officer

TINA TUOHY
Executive Assistant

SunStream Business Services

Financial Statements

For the year ended

December 31, 2023

SunStream Business Services

For the year ended December 31, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

SunStream Business Services

The following commentary reviews the financial condition and results of operations of SunStream Business Services (SunStream or the Company) and provides additional specific information. The accompanying Financial Statements and Notes to the Financial Statements also contain important information about our financial condition and results of operations.

We operate as part of the Farm Credit System (the System). The System is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations, established by Congress to meet the credit needs of rural America. This network of financial cooperatives is owned and governed by the rural customers the System serves. SunStream serves various System entities by providing a comprehensive technology platform, support and related services. The Farm Credit Administration (FCA) is authorized by Congress to regulate the System.

To request free copies of the Company's financial reports, contact us at:

SunStream Business Services
30 East 7th Street, Suite 700
St. Paul, MN 55101

www.sunstreamservices.com

Our Annual Report is available on our website no later than 75 days after the end of the calendar year and owners are provided a copy of such report no later than 90 days after the end of the calendar year.

SunStream Business Services is an Equal Opportunity Employer (M/W/D/V) dedicated to diversity in the workplace.

FORWARD-LOOKING INFORMATION

This Annual Report includes forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties, and assumptions that are difficult to predict. Words such as "anticipate", "believe", "estimate", "may", "expect", "intend", "outlook", and similar expressions are used to identify such forward-looking statements. These statements reflect our current views with respect to future events. However, actual results may differ materially from our expectations due to a number of risks and uncertainties which may be beyond our control. These risks and uncertainties include, but are not limited to:

- Cybersecurity risks, including a failure or breach of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers
- Disruptive technologies impacting the banking and financial services industries or implemented by our competitors which negatively impact our ability to compete in the marketplace
- Interest rate risk that could impact the cost of borrowed funds
- Political (including trade policies), legal, regulatory, financial markets, and economic conditions and developments in the United States (U.S.) and abroad
- Economic fluctuations in the agricultural, international, and farm-related business sectors
- Changes in U.S. government support of the agricultural industry and the System as a government-sponsored enterprise, as well as investor and rating agency reactions to events involving the U.S. government, other government-sponsored enterprises, and other financial institutions
- Actions taken by the Federal Reserve System in implementing monetary policy
- Length and severity of an epidemic or pandemic

RESULTS OF OPERATIONS

During the year ended December 31, 2023, operating income of $48.9 million was offset by expenses, including tax provision, resulting in net income of $16.0 thousand. No patronage or dividends have been distributed to shareholders since the inception of SunStream.

SunStream maintains a core set of products and services that are sold primarily to AgriBank and its District associations, with ancillary products and services sold to Farm Credit entities outside of the AgriBank District. These products and services generate stable and predictable fee revenues that are collected monthly. Additionally, variable revenue is obtained through ad hoc consulting and project work as requested by our customers, as well as from expenses (primarily mailing and postage fees, and insurance conference fees) passed through to our customers.

Operating expenses consist primarily of staff salaries and benefits, contracted services, occupancy and office expenses, equipment depreciation and maintenance, software subscription, mailing and communications costs, and audit/examination costs.

Operating Revenue

SunStream customers elect the products and services they use, and sign 3-year renewable contractual agreements. Fees are set annually and collected as standard monthly charges. Fees from consulting and project work are collected monthly in arrears as services are delivered, and revenue from pass-through expenses are collected monthly in arrears as vendor invoices are paid. Our business model is based on the cooperative principal, and the goal each year is to fully recover operating expenses.

Operating Expense

Components of Operating Expense

(dollars in thousands)

For the period ended December 31		2023		2022		2021
Salaries and employee benefits	$	**16,719**	$	16,428	$	15,029
Purchased and vendor services		**13,644**		14,262		8,604
Occupancy and equipment		**12,411**		10,114		8,689
Other		**5,303**		4,612		3,712
Total operating expense	$	**48,077**	$	45,416	$	36,034

Salaries and employee benefits are adjusted annually for merit increases, promotions, new hires, retirements and terminations, and labor credits related to capital projects.

Purchased and vendor services include business operations expenses (HR, Payroll Administration, Legal, etc.) and professional and contract services. Contract labor is expected to continue to increase due to resource needs related to our digital transformation initiatives and is partially offset by labor credits related to development work that is capitalized on our capital projects.

Occupancy and equipment includes equipment and software maintenance as well as subscription license costs. SunStream will enter into multi-year committed renewal terms to leverage lower pricing where feasible. Maintenance is generally prepaid annually and recorded as a prepaid asset and amortized as expense over the maintenance term.

Other includes mailing and communications expenses, regulatory fees, and external audit and examination charges.

Provision for Income Taxes

Provision for income taxes was related to our estimate of taxes based on taxable income. Additional discussion is included in Note 9 to the Financial Statements.

OWNERSHIP AND CAPITAL

As of December 31, 2023, SunStream had four primary owners who contributed cash or assets in exchange for equal stock investments, in aggregate totaling $22.5 million. Ownership is comprised of AgriBank, Farm Credit Mid-America, Compeer Financial, and the CentRic Technology Group (CTC). As of December 31, 2023, the CTC group is comprised of six AgriBank District associations. Refer to Note 7 to the financial statements for detailed discussion of ownership and capital.

Farm Credit MidSouth, who was part of the CTC ownership group, and Farm Credit Mid-America officially merged effective April 1, 2023. Common shares of Farm Credit MidSouth were redistributed within the CTC so that overall ownership balance is maintained as described above.

The SunStream capital plan provides for continued investment in SunStream strategic products as well as ongoing investments in operations, controls, and information security. Capital levels are adequate for continued operations and approved projects.

FUNDING AND LIQUIDITY

Our primary sources of funding are revenue from core services and consulting, and capital funding from our owners. In addition, we have the option to borrow from AgriBank in the form of a line of credit, as described in Note 6 to the financial statements. The general financial agreement executed with AgriBank specifies the note payable is guaranteed by our owners. At December 31, 2023, SunStream had $40.0 million available under our line of credit, an ending balance of $16.3 million, and an average balance of $14.0 million. Due to the scope of our loan accounting replacement project, we expect this borrowing relationship to continue into the foreseeable future.

Note Payable Information

(dollars in thousands)

For the period ended December 31		2023		2022		2021
Available balance	$	**40,000**	$	40,000	$	40,000
Ending balance		**16,323**		11,030		--
Average balance		**13,957**		3,454		--
Average interest rate		**5.50%**		3.68%		0.00%

RELATIONSHIP WITH AGRIBANK

We borrow from AgriBank to fund our operations in accordance with the Farm Credit Act. Approval from AgriBank is required for us to borrow elsewhere. A General Financing Agreement (GFA), as discussed in Note 6 to the Financial Statements, governs this lending relationship. The components of cost of funds under the GFA are a variable rate component and a spread component, which includes cost of servicing, cost of liquidity, and bank profit. Refer to Note 11 to the Financial Statements for further disclosure regarding services purchased from AgriBank.

GOVERNANCE

The CEO or CEO-designee of each owner or owner-group serves as a member of the SunStream Board. As of December 31, 2023, the Board members were:

- Jeffrey Swanhorst, CEO of AgriBank, SunStream Board Chair
- Jase Wagner, President and CEO of Compeer Financial Services, SunStream Board Vice Chair
- Dan Wagner, President and CEO of Farm Credit Mid-America, SunStream Board Compensation Committee Chair
- Travis Jones, President and CEO of GreenStone Farm Credit Services, SunStream Board Audit Committee Chair

At the January 2024 Board meeting, four members were added to the existing Board. They are:

- Jeremy Renger, Chief Risk & Information Officer, AgriBank
- John Hemstock, Chief Human Resources Officer, Compeer Financial Services
- Jeff Houts, Executive VP of Operations, FCS Financial
- Chuck Millhollan, Chief Operating Officer, Farm Credit Mid-America

SunStream's Board operates under a committee structure. The committees are:

Audit Committee

In 2024, the Audit Committee is comprised of four Board members. The Audit Committee responsibilities generally include, but are not limited to:

- oversight of the financial reporting risk and the accuracy of the annual shareholder reports,
- the oversight of the internal controls related to the preparation of annual shareholder reports,
- the review and assessment of the impact of accounting and auditing developments on the financial statements,
- the establishment and maintenance of procedures for the receipt, retention and treatment of confidential and anonymous submission of concerns regarding accounting, internal accounting controls or auditing matters, and
- the oversight of the Company's internal audit program, the independence of the outside auditors, the adequacy of the Company's system of internal controls and procedures, and the adequacy of management's action with respect to recommendations arising from those auditing activities.

Compensation Committee

In 2024, the Compensation Committee is comprised of four Board members. The Compensation Committee responsibilities generally include, but are not limited to:

- oversight of employee compensation
- the review, evaluation, and approval of the compensation policies, programs and plans for senior officers and employees, including benefits programs.

REPORT OF MANAGEMENT

We prepare the Financial Statements of SunStream Business Services (the Company) and are responsible for their integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Financial Statements, in our opinion, fairly present the financial condition of the Company for the year ended December 31, 2023. Other financial information included in the Annual Report is consistent with the Financial Statements.

To meet our responsibility for reliable financial information, we depend on accounting and internal control systems designed to provide reasonable, but not absolute assurance that assets are safeguarded and transactions are properly authorized and recorded. Costs must be reasonable in relation to the benefits derived when designing accounting and internal control systems. Financial operations audits are performed to monitor compliance. PricewaterhouseCoopers LLP, our independent auditors, audit the Financial Statements. They also consider internal controls to the extent necessary to design audit procedures that comply with auditing standards generally accepted in the United States of America. The Farm Credit Administration also performs examinations for safety and soundness as well as compliance with applicable laws and regulations.

The Board of Directors has overall responsibility for our system of internal control and financial reporting. The Board of Directors and its Audit Committee consults regularly with us and meets periodically with the independent auditors and other auditors to review the scope and results of their work. The independent auditors have direct access to the Board of Directors, which is composed solely of directors who are not officers or employees of the Company.

The undersigned certify we have reviewed the Company's Annual Report, which has been prepared in accordance with all applicable statutory or regulatory requirements. The information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Jeffrey R. Swanhorst
Board Chair
SunStream Business Services

Dan Ritch
President and Chief Executive Officer
SunStream Business Services

Thomas McHale
Chief Financial Officer & VP of Business Operations
SunStream Business Services

William S. Christianson, Controller
SunStream Business Services

March 13, 2024

REPORT OF AUDIT COMMITTEE

SUNSTREAM
BUSINESS SERVICES

The Financial Statements were prepared under the oversight of the Audit Committee. The Audit Committee oversees the scope of the Company's internal audit program, the approval, and independence of PricewaterhouseCoopers LLP (PwC) as independent auditors, the adequacy of the Company's system of internal controls and procedures, and the adequacy of management's actions with respect to recommendations arising from those auditing activities. The Audit Committee's responsibilities are described more fully in the Internal Control Policy and the Audit Committee Charter.

Management is responsible for internal controls and the preparation of the Financial Statements in accordance with accounting principles generally accepted in the United States of America. PwC is responsible for performing an independent audit of the Financial Statements in accordance with auditing standards generally accepted in the United States of America and to issue their report based on their audit. The Audit Committee's responsibilities include monitoring and overseeing these processes.

In this context, the Audit Committee reviewed and discussed the audited Financial Statements for the year ended December 31, 2023, with management. The Audit Committee also reviewed with PwC the matters required to be discussed by Statement on Auditing Standards AU-C 260, *The Auditor's Communication with Those Charged with Governance*, and both PwC and the internal auditors directly provided reports on any significant matters to the Audit Committee.

The Audit Committee had discussions with and received written disclosures from PwC confirming its independence. The Audit Committee also reviewed the non-audit services provided by PwC, if any, and concluded these services were not incompatible with maintaining PwC's independence. The Audit Committee discussed with management and PwC any other matters and received any assurances from them as the Audit Committee deemed appropriate.

Based on the foregoing review and discussions, and relying thereon, the Audit Committee recommended that the Board of Directors include the audited Financial Statements in the Annual Report for the year ended December 31, 2023.

Travis D. Jones

Travis Jones
Audit Committee Chair
SunStream Business Services

Audit Committee Members:
Jase Wagner
Chuck Millhollan
Jeremy Renger

March 13, 2024

pwc

Report of Independent Auditors

To the Board of Directors of SunStream Business Services:

Opinion

We have audited the accompanying financial statements of SunStream Business Services (the "Company"), which comprise the statements of condition as of December 31, 2023, 2022 and 2021, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PricewaterhouseCoopers LLP, 45 South Seventh Street, Suite 3400, Minneapolis, MN 55402
T: (612) 596 6000, F: (612) 373 7160, www.pwc.com

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the information included in the 2023 Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota
March 13, 2024

STATEMENTS OF CONDITION

SunStream Business Services

(in thousands)

As of December 31	2023	2022	2021
ASSETS			
Current assets:			
Cash and equivalents	$ --	$ 7,109	$ 10,133
Accounts receivable	129	260	52
Prepaid assets	3,940	3,562	4,169
Total current assets	4,069	10,931	14,354
Long-term assets:			
Fixed assets, net	1,699	2,809	2,865
Intangible assets, net	39,124	26,759	9,029
Right of use assets, net	2,196	3,004	3,798
Deferred tax assets, net	586	184	72
Other assets, long-term	676	724	394
Total long-term assets	44,281	33,480	16,158
Total assets	$ 48,350	$ 44,411	$ 30,512
LIABILITIES			
Current liabilities:			
Accrued expenses and other liabilities	$ 3,179	$ 4,471	$ 1,713
Lease liabilities, net	796	768	766
Accrued employee benefits	3,281	2,839	1,997
Total current liabilities	7,256	8,078	4,476
Long-term liabilities:			
Note payable to AgriBank, FCB	16,323	11,030	--
Accrued employee benefits, long-term	426	427	410
Lease liabilities, net	1,532	2,349	3,116
Total long-term liabilities	18,281	13,806	3,526
Total liabilities	25,537	21,884	8,002
SHAREHOLDERS' EQUITY			
Common stock	22,500	22,500	22,500
Unallocated retained earnings	311	25	7
Accumulated other comprehensive income	2	2	3
Total shareholders' equity	22,813	22,527	22,510
Total liabilities and shareholders' equity	$ 48,350	$ 44,411	$ 30,512

The accompanying notes are an integral part of these Financial Statements.

STATEMENTS OF COMPREHENSIVE INCOME

SunStream Business Services

(in thousands)

For the period ended December 31		**2023**		2022		2021
Operating revenue						
Core and consulting services	**$**	**48,874**	$	45,577	$	36,079
Total operating revenue		**48,874**		45,577		36,079
Operating expense						
Salaries and employee benefits		**16,719**		16,428		15,029
Purchased services		**13,644**		14,262		8,604
Occupancy and equipment		**12,411**		10,114		8,689
Other operating expense		**5,303**		4,612		3,712
Total operating expense		**48,077**		45,416		36,034
Other income						
Interest and patronage income		**76**		57		26
Total other income		**76**		57		26
Other expense						
Interest expense		**(768)**		(127)		--
Total other expense		**(768)**		(127)		--
Income before income taxes		**105**		**91**		**71**
Provision for income taxes		89		73		71
Net income	**$**	**16**	$	18	$	--
Other comprehensive income						
Employee benefit plan activity		**--**		(1)		--
Comprehensive income	**$**	**16**	$	17	$	--

The accompanying notes are an integral part of these Financial Statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

SunStream Business Services

(in thousands)

	Common Stock	Common Stock Receivable	Unallocated Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance at December 31, 2020	$ 22,500	$ (7,500)	$ 7	$ 3	$ 15,010
Common stock receivable	--	7,500	--	--	7,500
Balance at December 31, 2021	$ 22,500	$ --	$ 7	$ 3	$ 22,510
Net income	--	--	18	--	18
Other comprehensive income	--	--	--	(1)	(1)
Balance at December 31, 2022	$ 22,500	$ --	$ 25	$ 2	$ 22,527
Net income	--	--	16	--	16
Out of year correction(1)	--	--	270	--	270
Balance at December 31, 2023	**$ 22,500**	**$ --**	**$ 311**	**$ 2**	**$ 22,813**

The accompanying notes are an integral part of these Financial Statements.

(1) During 2023, we identified an overstatement of accrued employee benefits of $379 thousand during the period ended December 31, 2020. The overstatement of accrued employee benefits resulted in an overstatement of deferred tax assets of $109 thousand, and understatement of Unallocated retained earnings of $270 thousand, which were corrected through an out of period adjustment to the 2023 financial statements.

STATEMENTS OF CASH FLOWS

SunStream Business Services

(in thousands)

For the period ended December 31		**2023**		2022		2021
Cash flows from operating activities						
Net income	**$**	**16**	$	18	$	--
Depreciation on fixed assets		**2,698**		2,487		1,575
Amortization on intangible assets		**2,570**		1,480		965
Loss on sale of fixed assets		**--**		101		39
Depreciation on right of use assets		**807**		794		777
Changes in operating assets and liabilities:						
(Increase)/Decrease in intradistrict receivable		**131**		(208)		(38)
(Increase)/Decrease in other assets		**(840)**		165		(1,104)
Increase/(Decrease) in accrued expenses and employee benefits		**(1,261)**		2,852		512
Decrease in shareholders' equity from employee benefits		**--**		(1)		--
Net cash provided by operating activities		**4,121**		7,688		2,726
Cash flows from investing activities						
Capitalized software development costs		**(14,935)**		(19,210)		(8,215)
Purchases of fixed assets, net		**(1,588)**		(2,532)		(1,081)
Net cash used in investing activities		**(16,523)**		(21,742)		(9,296)
Cash flows from financing activities						
Common stock issued		**--**		--		7,500
Increase in note payable with AgriBank, FCB, net		**5,293**		11,030		--
Net cash provided by financing activities		**5,293**		11,030		7,500
Net change in cash		**(7,109)**		(3,024)		930
Cash and cash equivalents at beginning of period		**7,109**		10,133		9,203
Cash and cash equivalents at end of period	**$**	**--**	$	7,109	$	10,133
Supplemental non-cash operating and financing activites						
Decrease in other assets	**$**	**109**	$	--	$	--
Decrease in accrued incentive		**(379)**		--		--
Increase in Unallocated Retained Earnings		**270**		--		--
Supplemental information						
Interest paid	**$**	**643**	$	127	$	--
Taxes paid, net		**300**		137		108

The accompanying notes are an integral part of these Financial Statements.

NOTE 1: ORGANIZATION AND OPERATIONS

Farm Credit System and District

The Farm Credit System (System) is a federally chartered network of borrower-owned lending institutions comprised of cooperatives and related service organizations, established by Congress to meet the credit needs of American agriculture. The System consists of Farm Credit Banks, borrower-owned cooperative lending institutions (Associations), and various service corporations. AgriBank, FCB (AgriBank), a System Farm Credit Bank, and its District Associations are collectively referred to as the AgriBank Farm Credit District (AgriBank District or the District).

SunStream Business Services (SunStream or the Company) is engaged principally in providing information technology, financial services support, and other services to various entities within the System on a fee basis. SunStream provides services primarily to AgriBank and associations in the AgriBank District.

The Farm Credit Administration (FCA) chartered SunStream as a service corporation under Section 4.25 of the Farm Credit Act of 1971, as amended (Act). The FCA has authority under the Act to charter and regulate System banks, associations and service corporations. The activities of SunStream are examined by the FCA and certain actions by SunStream are subject to prior approval of the FCA and/or SunStream’s owners.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Financial Statements include the accounts and operations of SunStream Business Services for the year ended December 31, 2023. Prior year comparison are for the year ended December 31, 2022 and the year ended December 31, 2021.

Accounting Principles and Reporting Policies

Our accounting and reporting policies conform to generally accepted accounting principles in the United States of America (GAAP) and the prevailing practices within the technology services industry. Preparing financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Significant Accounting Policies

Accounts Receivable: Accounts receivable are stated at amounts management expects to collect on outstanding balances. SunStream evaluates the collectability of its receivables based on its prior experience and assessment of potential future losses and does so through ongoing reviews of its aging analysis. As of December 31, 2023, there was no allowance for uncollectable accounts recorded. We did not write off as bad debt any accounts receivable during the year ended December 31, 2023**.**

Fixed Assets: The carrying amount of fixed assets is at cost, less accumulated depreciation. Calculation of depreciation utilizes the straight-line method over the estimated useful lives of the assets. Gains or losses on disposition are included in “Other losses” in the Statement of Comprehensive Income. Depreciation and maintenance and repair expenses are included in “Occupancy and equipment” in the Statement of Comprehensive Income and improvements are capitalized.

Software Development Costs: SunStream develops new products, which we intend to offer as part of our core services, and we are developing significant upgrades and enhancements to its existing software-as-a-service (“SaaS”) platform. We follow the guidance of ASC 350-40, Intangibles - Goodwill and Other - Internal-Use Software, for development costs related to these new products. Costs incurred during the preliminary planning stage and post-implementation are expensed as incurred. Development costs during the application development stage are capitalized. Development costs may include software configuration, installation, coding, and testing systems. Costs incurred in the operating stage are generally expensed as incurred except for significant upgrades and enhancements. Amortization of the software asset begins when it is ready for its intended use. Software development costs are currently amortized over the software's estimated useful life, which management has determined to be five years. When PLANT assets are ready for their intended use, we expect to amortize them over ten years, which is the initial term of the SaaS contract. Capitalized software development costs are included in “Intangible assets, net” in the Statement of Condition and disclosed in more detail in Note 5 to the financial statements.

Leases: We are the lessee in operating leases. We evaluate arrangements to determine if it is a lease and follow the guidance of ASC 842, Leases, in recording the obligation as a capitalized right of use asset. Leases with an initial term of 12 months or less are not recorded on the Statement of Condition with lease expense recognized on a straight-line basis over the lease term. For operating leases with terms greater than 12 months the right-of-use (ROU) assets and lease liabilities are included in the Statement of Condition and are disclosed in more detail in Note 4 to the financial statements.

The ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. We use the implicit rate when it is readily determinable. Our lease terms may include options to extend or terminate the lease. The length of the lease term is modified to include the option when it is reasonably certain that we will exercise that option. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

Post-Employment Benefit Plans: The District has various post-employment benefit plans in which our employees participate. Prior to SunStream's formation, certain eligible employees participated in these various post-employment benefit plans as AgriBank employees. Expenses related to these plans, are included in "Salaries and employee benefits" in the Statement of Comprehensive Income.

Certain employees participate in the AgriBank District Retirement Plan. The plan is comprised of two benefit formulas. At their option, employees hired prior to October 1, 2001, are on the cash balance formula or on the final average pay formula. Benefits eligible employees hired between October 1, 2001, and December 31, 2006, are on the cash balance formula. Effective January 1, 2007, the AgriBank District Retirement Plan was closed to new employees. The AgriBank District Retirement Plan utilizes the "Projected Unit Credit" actuarial method for financial reporting and funding purposes.

We also provide certain health insurance benefits to eligible retired employees according to the terms of those benefit plans. The anticipated cost of these benefits is accrued during the employees' active service period.

The defined contribution plan allows eligible employees to save for their retirement either pre-tax, post-tax, or both, with an employer match on a percentage of the employee's contributions. We provide benefits under this plan for those employees that do not participate in the AgriBank District Retirement Plan in the form of a fixed percentage of salary contribution in addition to the employer match. Employer contributions are expensed when incurred.

Income Taxes: The Company is organized as a C corporation for federal income tax purposes. Deferred tax assets and liabilities are recognized for future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. Deferred tax assets are recorded if the deferred tax asset is more likely than not to be realized. If the realization test cannot be met, the deferred tax asset is reduced by a valuation allowance. Valuation allowances are recorded against the gross deferred tax assets that management believes, after considering all available positive and negative objective evidence, historical and prospective, with greater weight given to historical evidence, that it is more likely than not that these assets will not be realized. We had no uncertain income tax positions at December 31, 2023.

Revenue Recognition: We derive revenue from core services and consulting services from our customers, most of which are lending institutions in the Farm Credit System. Revenue is recognized when evidence of an arrangement exists, delivery has occurred, control of these services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those services. We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

Core Services
Core services revenue primarily consists of fees for financial and retail information technology, collateral, tax reporting, technology and insurance services. We recognize core services revenue on a ratable basis over the contract term beginning on the date that our service is made available to the customer. Our subscription contracts are generally 36 months in duration, are billed monthly and are cancellable with a penalty. We consider various core services in a customer contract to be a series of distinct services which comprise a single performance obligation because they are substantially the same and have the same pattern of transfer. Payments from customers are due on demand.

Consulting Services
Consulting services revenues primarily consist of fees for project-based work. We have determined that an agreement to purchase these professional services constitutes an option to purchase services in accordance with ASC 606, Revenue from Contracts with Customers, rather than an agreement that creates enforceable rights and obligations because of the customer's contractual right to cancel services that have not yet been used. In the limited case of agreements where we determined that the option provides the customer with a material right, we allocate a portion of the transaction price to the material right based upon the relative standalone selling price. Consulting service agreements that do not contain a material right are accounted for when the customer exercises its option to purchase additional services. Revenue is recognized for projects as the service is performed and payments from customers are due on demand.

Impairment of Long-lived Assets: SunStream management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Since inception on April 1, 2020 there have been no impairment losses recognized for long-lived assets.

Recently Issued or Adopted Accounting Pronouncements

We have assessed the potential impact of accounting standards that have been issued by the Financial Accounting Standards Board (FASB) and have determined there were no recently issued or pending pronouncements that would materially impact the Company. While we are a nonpublic entity, our financial results are closely related to the performance of the combined Farm Credit System. Therefore, we typically adopt accounting pronouncements in alignment with other System institutions.

NOTE 3: PREPAID AND OTHER ASSETS

Prepaid Assets

(in thousands) As of December 31	2023	2022	2021
Maintenance contracts and license fees	$ 3,721	$ 3,401	$ 4,129
Postage	219	161	40
Total prepaid assets	$ 3,940	$ 3,562	$ 4,169

NOTE 4: FIXED AND RIGHT OF USE ASSETS, NET

Fixed Assets

(in thousands) As of December 31	2023	2022	2021
Computer hardware	$ 5,536	$ 5,032	$ 3,939
Purchased software	1,563	1,563	1,007
Furniture and fixtures	194	194	194
Leasehold Improvements	33	33	33
Fixed assets, gross	7,326	6,822	5,173
Less: accumulated depreciation	5,627	4,013	2,308
Fixed assets, net	$ 1,699	$ 2,809	$ 2,865

Right of Use Assets

(in thousands) As of December 31	2023	2022	2021
Facilities and equipment	$ 5,152	$ 5,152	$ 5,152
Less: accumulated depreciation	2,956	2,148	1,354
Right of use assets, net	$ 2,196	$ 3,004	$ 3,798

The following table provides the future minimum lease payments due by year for the Company's outstanding leases as of December 31, 2023:

Future Minimum Lease Payments

(in thousands)	
2024	$ 872
2025	858
2026	728
2027	--
2028	--
Total future minimum lease payments	$ 2,458

NOTE 5: INTANGIBLE ASSETS

Intangible Assets

(in thousands) As of December 31		2023		2022		2021
Construction in Progress	$	**35,104**	$	25,668	$	7,423
Internally Developed Software		**6,590**		2,571		2,571
Less: accumulated amortization		**2,570**		1,480		965
Intangible assets, net	$	**39,124**	$	26,759	$	9,029

Intangible assets are comprised of construction in progress on capital projects, internally developed software projects, less accumulated amortization on internally developed software projects. Our Premier Loan Accounting and Next Generation technology (PLANT) project is our only material software development project and it is reported as construction in progress. Costs related to the development stage of PLANT are capitalized and will begin amortizing when they are ready for their intended use. Amortization expense associated with existing intangible assets totaled $1,090 thousand for the year ended December 31, 2023. There was $35.1 million of total software development costs capitalized at December 31, 2023, compared to $25.7 million at December 31, 2022 and $7.4 million at December 31, 2021.

Based on the current amount of intangible assets subject to amortization, including those not yet placed in service, amortization expense is expected to be as follows for the years ending December 31:

Amortization of Intangible Assets

(in thousands)		
2024	$	**1,384**
2025		**1,336**
2026		**4,260**
2027		**4,508**
2028		**3,838**
Thereafter		**23,798**
Total amortization	$	**39,124**

NOTE 6: AMOUNTS PAYABLE TO AGRIBANK

Note Payable Information

(in thousands) As of December 31		2023		2022		2021
Line of credit	$	**40,000**	$	40,000	$	40,000
Outstanding principal under the line of credit		**16,323**		11,030		--
Interest rate		**5.78%**		4.54%		--

During 2021, we entered into a line of credit with AgriBank which is scheduled to mature on June 30, 2024. We intend to renegotiate the line of credit no later than the maturity date. The general financing agreement (GFA) executed with AgriBank specifies the note payable is guaranteed by our owners. The total line of credit is $40 million and it bears interest on any outstanding balance at a variable rate comprised of the sum of AgriBank's administered variable rate plus AgriBank's spread as determined from time to time by its Board. The line of credit is off-balance sheet until a draw is made resulting in a "Note payable to AgriBank" on the Statement of Condition. As of December 31, 2023, we had an outstanding balance of $16.3 million under this line of credit, compared to $11.0 million as of December 31, 2022. There was no outstanding balance as of December 31, 2021.

The line of credit is governed by a GFA and substantially all of our assets serve as collateral. The GFA provides for limitations on our ability to borrow funds based on specified factors or formulas relating primarily to outstanding balances and financial condition. Additionally, we have requirements to maintain an effective program of internal controls over financial reporting. For the year ended December 31, 2023, we were not declared in default under any GFA covenants or provisions.

As of December 31, 2023 there were no accounts payable related to operating activities due to AgriBank, compared to $1.9 million at December 31, 2022 and no accounts payable related to operating activities due as of December 31, 2021.

NOTE 7: SHAREHOLDERS' EQUITY

The Board may increase the amount of required investment to the extent authorized in the capital bylaws. All issued common stock is included within shareholders' equity on the Statement of Condition. The following represents information regarding classes and number of shares of stock outstanding. All shares are stated at a $5.00 par value.

Shareholders' Equity

As of December 31	**2023**	2022	2021
Shares of class A common stock (at-risk)	**1,125,000**	1,125,000	1,125,000
Shares of class B common stock (at-risk)	**3,375,000**	3,375,000	3,375,000

Under our bylaws, we are authorized to issue various forms of stock, including:

- 50,000,000 shares of Class A common stock at a par value of $5 per share and has voting rights. Class A common stock may be issued only to AgriBank. At the time, the holder of Class A common stock's Services Agreement is terminated with no renewal, any of such holder's outstanding Class A common stock is converted to nonvoting Class C common stock. Class A common stock may not be sold, retired, or reallocated to any other entity without prior written approval from FCA.
- 50,000,000 shares of Class B common stock at a par value of $5 per share and has voting rights. Class B common stock may be issued only to an entity that invests in SunStream and obtains services pursuant to a Services Agreement. At the time, the holder of Class B common stock's Services Agreement is terminated with no renewal, any of such holder's outstanding Class B common stock is converted to nonvoting Class C common stock.
- 5,000,000 shares each of Class C, Class D, and Class E common stock. Each of these classes of common stock is at-risk, non-convertible and nonvoting with a $5.00 par value per share. Currently, no stock of these classes has been issued.
- 10,000,000 shares of Class F preferred stock and 5,000,000 shares of Class G preferred stock. Each of these classes of preferred stock is at-risk, non-convertible, and nonvoting with a $5.00 par value per share. Currently, no stock of this class has been issued.
- 5,000,000 shares each of Series A and Series B participation certificates. Each of these classes of participation certificates is at-risk, non-convertible and nonvoting with a $5.00 par value per share. Currently, no participation certificates of these classes has been issued.

At formation, SunStream issued 1,125,000 shares of Class A common stock and 3,375,000 shares of Class B common stock. Each owner of Class A and Class B common stock is entitled to a single vote regardless of the number of shares owned in accordance with the bylaws. No shareholder question or matter can be approved without a vote of Class A common stock cast in favor of said shareholder question or matter.

In the event of impairment, losses will be first absorbed equally by each series of participation certificates outstanding, second equally by each share of common stock outstanding, and third equally by each share of preferred stock outstanding. In the event of liquidation or dissolution of SunStream, any assets remaining after payment or retirement of all liabilities shall be distributed first to the holders of preferred stock, second to all holders of common stock and participation certificates, and third to past and present patrons on a patronage basis.

Patronage and Dividend Distributions

Dividends may be paid to any class of stock. Any dividend declared on common stock, preferred stock, or participation certificates is paid equally on a per share basis to all record holders of such stock on which a dividend is declared as of the effective date of declaration, without regard to the length of time such shares have been held by the shareholder. Patronage distributions may be declared from net earnings at the end of the fiscal year and paid to such shareholders and in such amounts as determined, at its sole discretion, by the Board from time to time. Generally, patronage distributions will be paid in cash during the first quarter after year end. The Board may authorize a distribution of earnings provided we meet all statutory and regulatory requirements. We have not accrued or paid patronage or declared dividends on common stock since inception on April 1, 2020.

NOTE 8: REVENUE RECOGNITION

The following table presents our revenues disaggregated by type of service:

Revenue by Service Type

(in thousands)

For the period ending December 31	**2023**	2022	2021
Core services	$ **45,725**	$ 41,447	$ 33,606
Consulting services	**3,149**	4,130	2,473
Total Revenue	$ **48,874**	$ 45,577	$ 36,079

For the year ended December 31, 2023, core services revenue represented 93.6% of our total revenues, compared to 90.9% for the year ended December 31, 2022, and 93.1% for the year ended December 31, 2021.

NOTE 9: INCOME TAXES

Provision for Income Taxes

Provision for Income Taxes

(dollars in thousands) For the period ending December 31		**2023**		2022		2021
Current:						
Federal	$	**437**	$	91	$	404
State		**163**		94		82
Total current	$	**600**	$	185	$	486
Deferred:						
Federal	$	**(306)**	$	(53)	$	(367)
State		**(205)**		(59)		(48)
Total deferred		**(511)**		(112)		(415)
Provision for income taxes	$	**89**	$	73	$	71
Income before income taxes	$	**105**	$	91	$	71
Effective tax rate		**85%**		80%		100%

Reconciliation of Taxes at Federal Statutory Rate to Provision for Income Taxes

(in thousands) For the period ending December 31		**2023**		2022		2021
Federal tax at statutory rates	$	**22**	$	19	$	15
State tax, net		**16**		15		13
Other		**51**		39		43
Provision for income taxes	$	**89**	$	73	$	71

Provision for income tax is higher than statutory rate due to certain nondeductible expense.

Deferred Income Taxes

Tax laws require certain items to be included in our tax returns at different times than the items are reflected on our Statement of Comprehensive Income. Some of these items are temporary differences that will reverse over time. We record the tax effect of temporary differences as deferred tax assets and liabilities netted on our Statement of Condition.

Deferred Tax Assets and Liabilities

(in thousands) As of December 31		**2023**		2022		2021
Accrued incentive	$	**1,062**	$	831	$	615
Net Operating Loss Carryforward		**--**		24		421
Postretirement benefit accrual		**130**		130		125
Other Assets		**59**		70		36
Total deferred tax asset	$	**1,251**	$	1,055	$	1,197
Depreciation	$	**(399)**	$	(612)	$	(974)
Accrued Pension Liability		**(201)**		(216)		(114)
Other Liabilities		**(65)**		(43)		(37)
Total deferred tax liability	$	**(665)**	$	(871)	$	(1,125)
Net deferred tax assets / (liabilities)	$	**586**	$	184	$	72

A valuation allowance for the deferred tax assets was not necessary at December 31, 2023. Our income tax returns are subject to review by various United States taxing authorities. We record accruals for items that we believe may be challenged by these taxing authorities. However, we had no uncertain income tax positions at December 31, 2023.

NOTE 10: EMPLOYEE BENEFIT PLANS

Pension and Post-Employment Benefit Plans

Complete financial information for the pension and post-employment benefit plans may be found in the AgriBank 2023 Annual Report.

The Farm Credit Foundations Plan Sponsor and Trust Committees provide oversight of the benefit plans. These governance committees are comprised of elected or appointed representatives (senior leadership and/or Board of Director members) from the participating organizations. The Plan Sponsor Committee is responsible for employer decisions regarding all benefit plans including retirement benefits. These decisions could include plan design changes, vendor changes, determination of employer subsidies (if any), and termination of specific benefit plans. Any action to change or terminate the retirement plan can only occur at the direction of the AgriBank District participating employers. The Trust Committee is responsible for fiduciary and plan administrative functions.

Pension Plan: Certain employees participate in the AgriBank District Retirement Plan, a District-wide multi-employer defined benefit retirement plan. The Department of Labor has determined the plan to be a governmental plan; therefore, the plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). As the plan is not subject to ERISA, the plan's benefits are not insured by the Pension Benefit Guaranty Corporation. Accordingly, the amount of accumulated benefits that participants would receive in the event of the plan's termination is contingent on the sufficiency of the plan's net assets to provide benefits at that time. This plan is noncontributory and covers certain eligible District employees. The assets, liabilities, and costs of the plan are not segregated by participating entities. As such, plan assets are available for any of the participating employers' retirees at any point in time. Additionally, if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers. Further, if we choose to stop participating in the plan, we may be required to pay an amount based on the underfunded status of the plan. Because of the nature of the plan, any individual employer is not able to unilaterally change the provisions of the plan. If an employee transfers to another employer within the same plan, the employee benefits under the plan transfer. Benefits are based on salary and years of service. There is no collective bargaining agreement in place as part of this plan.

AgriBank District Retirement Plan Information

(in thousands)

As of December 31	2023	2022	2021
Unfunded liability	$ 31,065	$ 87,688	$ 46,421
Projected benefit obligation	1,245,052	1,204,130	1,500,238
Fair value of plan assets	1,213,987	1,116,442	1,453,817
Accumulated benefit obligation	1,140,936	1,083,610	1,384,554

For the year ended December 31	2023	2022	2021
Total plan expense	$ 55,535	$ 29,266	$ 32,606
Our allocated share of plan expenses	881	919	1,011
Contributions by participating employers	45,000	90,385	90,000
Our allocated share of contributions	828	1,248	1,321

The unfunded liability reflects the net of the fair value of the plan assets and the projected benefit obligation at the date of these Financial Statements. The projected benefit obligation is the actuarial present value of all benefits attributed by the pension benefit formula to employee service rendered prior to the measurement date based on assumed future compensation levels. The accumulated benefit obligation is the actuarial present value of the benefits attributed to employee service rendered before the measurement date and based on current employee service and compensation. The funding status is subject to many variables including performance of plan assets and interest rate levels. Therefore, changes in assumptions could significantly affect these estimates.

Costs are determined for each individual employer based on costs directly related to their current employees as well as an allocation of the remaining costs based proportionately on the estimated projected liability of the employer under this plan. We recognize our proportional share of expense and contribute a proportional share of funding. Our allocated share of plan expenses is included in "Salaries and employee benefits" in the Statement of Comprehensive Income.

Benefits paid to participants in the District were $71.3 million in 2023. While the plan is a governmental plan and is not subject to minimum funding requirements, the employers contribute amounts necessary on an actuarial basis to provide the plan with sufficient assets to meet the benefits to be paid to participants. The amount of the total District employer contributions expected to be paid into the pension plan during 2024 is $40.0 million. Our allocated share of these pension contributions in 2023 is expected to be $0.8 million. The amount ultimately to be contributed and the amount ultimately recognized as expense as well as the timing of those contributions and expenses, are subject to many variables including performance of plan assets and interest rate levels. These variables could result in actual contributions and expenses being greater than or less than the amounts reflected in the District financial statements.

Retiree Medical Plans: District employers also provide certain health insurance benefits to eligible retired employees according to the terms of the benefit plans. The anticipated costs of these benefits are accrued during the period of the employee's active status. Postretirement benefit expense related to the retiree medical plans were not material for any years presented.

Defined Contribution Plans

We participate in a District-wide defined contribution plan. For employees hired in the AgriBank District before January 1, 2007, employee contributions are matched dollar for dollar up to 2.0% and 50 cents on the dollar on the next 4.0% on both pre-tax and post-tax contributions. The maximum employer match is 4.0%. For employees hired in the AgriBank District after December 31, 2006, we contribute 3.0% of the employee's compensation and will match employee contributions dollar for dollar up to a maximum of 6.0% on both pre-tax and post-tax contributions. The maximum employer contribution is 9.0%.

Employer contribution expenses for the defined contribution plan, included in "Salaries and employee benefits" in the Statement of Comprehensive Income, were $1,121.6 thousand for the year ended December 31, 2023, $963.0 thousand for the year ended December 31, 2022, and $763.0 thousand for the year ended December 31, 2021.

NOTE 11: RELATED PARTY TRANSACTIONS

SunStream is owned by AgriBank FCB, Farm Credit Mid-America, ACA, Compeer Financial, ACA and CentRic Technology Group (CTC). CTC is a collaboration of certain AgriBank District Associations. The ownership rights held by the CTC are further divided amongst the Association members of the CTC based on an agreed upon formula.

Revenue from our owners was $43.6 million or 89.2% of total revenue for the year ended December 31, 2023, $40.4 million or 88.7% of total revenue for the year ended December 31, 2022, and $33.4 million or 92.0% for the for the year ended December 31, 2021. There were no accounts receivable from our owners at December 31, 2023.

As discussed in Note 6 to the financial statements, we borrow from AgriBank, in the form of a line of credit, to fund our operations and capital expenditures. We purchase various services from AgriBank including, but not limited to: travel, audit, facilities, human resources, and legal. The total cost of services we purchased from AgriBank was $1,585.3 thousand for the year ended December 31, 2023, $1,568.6 thousand for the year ended December 31, 2022, and $1,891.6 thousand for the year ended December 31, 2021.

SunStream subleases office space from AgriBank, included in "Occupancy and equipment" on the Statement of Comprehensive Income, and tenant fees of $809.4 thousand were paid to AgriBank during the year ended December 31, 2023, $809.4 thousand were paid to AgriBank during the year ended December 31, 2022, and $794.0 thousand the year ended December 31, 2021. The sublease expires on October 31, 2026 and there is no option to extend.

We purchase human resource, benefit, payroll, and workforce management services from Farm Credit Foundations, a service entity included in the AgriBank District. The total cost of services purchased from Farm Credit Foundations was $196.6 thousand for the year ended December 31, 2023, $173.5 thousand for the year ended December 31, 2022, and $157.0 thousand from the for the year ended December 31, 2021. Our investment in Foundations was $16.0 thousand at December 31, 2023.

NOTE 12: CONTINGENCIES AND COMMITMENTS

In the normal course of business, we have various contingent liabilities and commitments outstanding, which may not be reflected in the Financial Statements. We do not anticipate any material losses because of these contingencies or commitments.

We may be named as a defendant in certain lawsuits or legal actions in the normal course of business. At the date of these Financial Statements, our management team was not aware of any material actions. However, management cannot ensure that such actions or other contingencies will not arise in the future.

NOTE 13: SUBSEQUENT EVENTS

We have evaluated subsequent events through March 13, 2024, which is the date the Financial Statements were available to be issued. There have been no material subsequent events that would require recognition in our 2023 Financial Statements or disclosure in the Notes to Financial Statements.

SUNSTREAM
BUSINESS SERVICES

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