



Craw-Kan

Your Community Technology Partner

200 N. Ozark
Girard, KS 66743
620.724.8235
www.ckt.net

Notice of Annual Meeting
Wednesday, October 19, 2016

THIS IS YOUR REGISTRATION
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OCTOBER
2016

The Craw-Kan Connection



Your Community Technology Partner

Craw-Kan October 2016

BALANCE SHEET

December 31, 2015

ASSET AND OTHER DEBITS		
Telephone Plant	\$157,686,065.78	\$48,705,268.51
In Service	7,373,756.50	1,326,676.76
Under Construction	165,059,822.28	
Total Plant	<u>116,354,553.77</u>	<u>20,698,086.01</u>
Less Reserve for Depreciation & Amortization		
Plant Less Reserve		
Other Investments	1,326,676.76	258,452.73
Cash-General Funds	1,169,748.50	<u>\$70,988,484.01</u>
Temporary Cash Investments	15,672,816.92	\$6,175,446.86
Accounts Receivable	1,002,183.27	
Material	2,853,337.32	
Total Current Assets		
Prepaid Accounts & Deferred Charges	258,452.73	
Total Assets & Other Debits	<u>\$70,988,484.01</u>	
LIABILITIES & OTHER CREDITS		
Long Term Debt	\$6,175,446.86	
Accounts Payable	1,701,893.72	
Customer Deposits	112,735.00	
Accrued Taxes	244,217.78	
Other Current Liabilities	279,735.20	
Total Current & Accrued Liabilities		2,338,581.70
Deferred Credits	3,500.00	
Donated Capital	6,079,329.87	
Patronage Capital	52,322,408.58	
Margins	4,069,217.00	
Total Capital & Margins	<u>62,474,455.45</u>	
Total Liabilities & Other Credits	<u>\$70,988,484.01</u>	

OPERATING STATEMENT

	2015	2014
	Year to Date	Year to Date
Local Network Service Revenue	\$2,933,926.35	\$2,971,513.76
Network Access Service Revenue	16,143,816.75	15,287,717.43
Miscellaneous Operating Revenue	503,008.47	499,653.49
Non Regulated Operations Revenue	9,584,517.58	8,882,504.63
Total Operating Revenue	29,165,269.15	27,641,389.31
Plant Specific Operations Expense	4,584,482.95	4,544,586.24
Plant Non-Specific Operations Exp.	9,911,957.34	10,004,660.01
Customer Operations Expense	957,542.28	919,115.05
Corporate Operations Expense	1,891,544.48	1,727,635.21
Non Regulated Operations Expense	7,426,092.92	6,582,725.71
Operating Tax Expense	644,252.32	670,160.51
Total Operating Expense	<u>25,415,872.29</u>	<u>24,448,882.73</u>
Net Operating Revenue	3,749,396.86	3,192,506.58
Net Non Operating Income	321,096.96	871,694.23
Interest Expense	1,276.82	1,290.02
Margins	<u>\$4,069,217.00</u>	<u>\$4,062,910.79</u>

OCTOBER
2016

The Craw-Kan Connection

The Annual Meeting Edition

this issue

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Annual Meeting!

Where:

Girard High School Cafeteria

When:

Oct. 19, 2016

Time:

7:00 PM, Registration starts
at 5:30 PM

* Refreshments and
Entertainment will be provided



Fiber Focused For A Bright Future

Member driven. Technology focused. These are the goals we strive to achieve each and every day at the Cooperative. Last year I reported that we were taking on a major project by building fiber to the home (FTTH) infrastructure into the communities of Pittsburg and Frontenac. I am very happy to report this venture is succeeding as planned. Main line construction is complete throughout several areas and customers are now being connected to our network.

Competitive pressure as well as declining population have forced us to find new sources of revenue. We also see pressure at both the federal and state levels to reduce universal service funding. These combined items are the reason we are building out to new areas. Over the past year, we have added approximately 350 new non-member customers. We have also added 400 FTTH customers in our member areas of Columbus and Pleasanton this year. This is the first year in well over a decade that we have actually grown the total number of customers served. We expect an even larger increase next year. These new revenues will help offset member losses and will enable us to continue to build out FTTH to our members.

A Cooperative is a business – one that is working primarily for the benefit of its members rather than for profit alone. This balance of adding new member and non-member services will help to diversify our Cooperative and strengthen it for the future.

Our Board of Directors is very focused on getting FTTH technology to the membership as quickly as possible. They have challenged the management staff and all the employees to come up with a way to speed up FTTH deployment. Accordingly, we have designed an aggressive 5-year construction plan for our member areas. Be sure to attend the annual meeting to hear all the details!

Craig Wilbert
General Manager

Board of Directors

Sharon Starr,
President

Randy Vogts,
Vice-President

Barry Bedene,
Secretary-Treasurer

Wilda Pentola,
Director

John Kovacic,
Director

Jim O'Toole,
Director

Terry Kunstel,
Director

Roger Doue,
Director

Mary Smith,
Director

Craig Wilbert,
General Manager

"The Craw-Kan Connection"
A member newsletter published
by Craw-Kan. Edit and design by:
Zach Adams & Jerime Carpenter



2016 Nominating Committee

In alphabetical order pictured with General Manager, Craig Wilbert.

Buddy Bualle, Jenny Collins,
Sheldon Delange, Mary Jane Dent,
Linda Loffswold, Lisa Parsons, Wallace Rons

Q&A Concerning “Who Is Entitled To Vote At The Annual Meeting”

Q: May I have my child, relative or neighbor vote in my place?

No, Craw-Kan’s bylaws do not allow proxy voting.

Q: Can an administrator or a person with power of attorney vote?

Yes, providing the member has the proper credentials at the time of the Annual Meeting registration.

Q: If I own a business and have a residence, may I have two votes?

No, if you are the sole owner you are considered one member and therefore, have only one vote. However if you are in a partnership or a corporation that business will have one vote and you would have one vote.

Capital Credit Checks To Be Distributed Before Christmas!

Again this year, your President will make an announcement at the Annual Meeting concerning the amount of capital credits which will be distributed this year.

Call Before You Dig

Kansas 800-344-7233
Missouri 800-344-7483
Oklahoma 800-522-6543

Do Not Call List

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THREE DIRECTOR POSITIONS TO BE VOTED ON AT THE ANNUAL MEETING ON OCT. 19, 2016

Three directors will be elected for a term of three years each. Below is a brief description of each nominee. We would like to point out that additional nominations may be made from the floor by any member.



Roger Doue

Roger E. Doue is a resident of Arma, KS. He was born and raised at 22 Camp which is one-half mile north of where he lives today. He attended grade school and high school in Arma. Early in Roger’s career, he spent more than 14 years in the printing business; working at the Arma Record, Commercial Publishers in Parsons, and Pittcraft Printing in Pittsburg. From 1967-1971, he worked as an agent for Metropolitan Life Insurance. He then went to work in the oil business with Standard Oil of Indiana. In

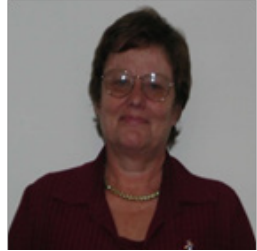
1975, he became an independent jobber starting Doue Oil Co. In 2009 he sold his business and is now retired. He served eight years on the Northeast USD 246 school board and is a member of the Arma United Methodist Church, Arma Lodge #408 A.F. & A.M., 33rd Degree Honorary Valley of Ft. Scott Scottish Rite, Mirza Shrine, Royal Order of Jesters, Fraternal Order of Eagles and Elks Lodge as well as several other fraternal and trade organizations. Roger has served on the Craw-Kan Board since July 1998.

Terry Kunstel



Terry Kunstel grew up on the family farm north of Arcadia where he continues to farm and raise cattle with his wife Cathie. Terry is a previous co-owner and operator of T and C Wildlife Hunt Club which is located near their rural Arcadia home. Kunstel graduated from P.S.U. and has served on the Arcadia City Council and the Sheffield Cemetery Board. He served for seven years on the Craw-Kan Communications Systems board, three years as president. He was a teacher at Arma USD 246 for 32 years, retiring in 2000. Terry has been on the Craw-Kan Telephone Cooperative Board of Directors since 1986.

Mary Smith



Mary Smith is a native of the area and has been a resident of Hepler, Kansas since 1976. Mary has two children and three grandchildren. She is the current Treasurer of Hepler, Kansas, a position which she has held for more than 40 years. Mary is also the Treasurer for the Rural Volunteer Fire Department and a former 4-H leader. Since 1986, Mrs. Smith has been employed by Diehl Banwart Bolton CPA Office. Mary was elected to the Craw-Kan Telephone Cooperative Board of Directors in 2007.

Paula Severt



Paula Severt currently resides in rural Girard, but originally hails from St. Paul, KS. After graduating from St. Paul High School, she went on to study at the University of Kansas, earning a Bachelor’s degree in Psychology and Sociology. Mrs. Severt worked for MAXIMUS as an Eligibility Counselor and a Quality Assurance Coordinator while living in Topeka. Upon her return to SEK, Paula was employed by Dynamic Educational Systems and held the positions of Operations Manager and Quality Assurance Manager. In these roles, she was active in policy making, training, management, and staff supervision of 5 sites covering 17 counties in SEK. Paula served as board member of the Pittsburg Adult Education Center. She and husband Ryan, and their children Morgan and Carson are active members at St. Michael’s Catholic Church where she also teaches religion. Mrs. Severt has also volunteered as a Girl Scout leader for 10 years and is a Big Sister through Big Brothers Big Sisters.

NOTICE OF ANNUAL MEETING OF MEMBERS OF CRAW-KAN TELEPHONE COOPERATIVE, INC.

The Annual Meeting of the Members of the Cooperative will be held in the cafeteria at the Girard High School, 401-415 North Summit, Girard, KS, on Wednesday, October 19, 2016, at 7:00 p.m., to take action upon the following matters.

1. Report of Officers, Directors and Committees.
2. Election of Three Directors of the Cooperative.
3. All other business which may come before the meeting or any adjournment or adjournments thereof.

In connection with the election of directors scheduled for the meeting, the following members have been nominated by the nominating committee or by petition. Three directors will be elected.

THREE YEAR TERMS-ELECT THREE

Roger Doue.....(Urban) Arma
Terry Kunstel.....(Rural) Arcadia
Mary Smith.....(Urban) Hepler
Paula Severt.....(Rural) Girard

CRAW-KAN TELEPHONE COOPERATIVE, INC.

(Signed).....Barry Bedene
Secretary

PRESENT DIRECTORS OF THE COOPERATIVE

President, Sharon Starr.....(Rural) Girard
Vice-President, Randy Vogts.....(Urban) Girard
Sec.-Treas., Barry Bedene.....(Urban) Arma
Wilda Peniola.....(Rural) Farlington
John Kovacic.....(Rural) Girard
Terry Kunstel.....(Rural) Arcadia
Jim O’Toole.....(Rural) Girard
Roger Doue.....(Urban) Arma
Mary Smith.....(Urban) Hepler

Dear Member:

Enclosed is your official notice of the Annual Meeting of the Members of the Craw-Kan Telephone Cooperative, Inc. The meeting will be held in the cafeteria in the Girard High School (north entrance), 401-405 North Summit, Girard, KS, October 19, 2016.

Registration of members will begin at 5:30 p.m. All subscribers are welcome at the annual meeting and are urged to attend. Only qualified members will be allowed to participate in the actual business session of the annual meeting.

A short but important business meeting will be the first item on the program. Reports will be made by the officers and the manager. Election of the three directors will follow this session. Following the program, a drawing, will be held for door prizes in the

amount of \$2,500.00. Only members present are eligible.

We extend an invitation to you to attend the 64th Annual Meeting and exercise your vote in the business affairs of the Cooperative on October 19, 2016.

Very Truly Yours,
Craw-Kan Telephone Cooperative, Inc.

Sharon Starr
President

ANNUAL MEETING OF THE MEMBERS OF CRAW-KAN TELEPHONE COOPERATIVE, INC.

The Annual Meeting of the members of Craw-Kan Telephone Cooperative, Inc. was held in the Cafeteria at the Girard High School, 401 – 415 North Summit, Girard, Kansas at 7:00 P.M., October 21, 2015.

The meeting was called to order by Mary Smith, President of the Cooperative, who presided and Barry Bedene, Secretary of the Cooperative, kept the minutes thereof.

The Secretary reported 294 members were present in person constituting a quorum of the Cooperative

The Secretary presented and read a copy of the notice of the meeting together with proof of due mailing thereof to all members of the Cooperative and such notice and proof were ordered to be annexed to the minutes of this meeting.

The minutes of the last Annual Meeting of the members held October 30, 2014 were presented to the members in printed form and upon motion duly made and seconded they were adopted as printed.

Craig Wilbert, General Manager, presented in printed form the Balance Sheet and Operating Statement for the year 2014 and gave explanation of various items on the reports. Upon motion duly made and seconded the reports were approved as printed.

The President of the Board next asked the members for any new business items. There was no new business.

The President then gave her report and announced that a retirement of capital credits would be made this year. A retirement of capital credits will be made in the amount of \$2,229,320.58. This retirement consists of the remainder of 1997 and 35% of 2014. She also noted that since 1982, \$73,722,658.00 in capital credits have been paid to our members.

The General Manager then presented his annual report, followed by a question and answer session.

The Chairman advised the next order of business would be voting by the members for three Directors to hold office until the next Annual Meeting of the members or until their successors shall have been elected and qualified. The Chairman stated that in accordance with the by-laws, the Board of Directors had on August 25, 2015 appointed a nominating committee. She pointed out that the

three elected will hold office for a three year term.

The President read the nominating committee’s report nominating the following members:

Steve Kosman
John Kovacic
Paula Severt
Larry Sisseck
Sharon Starr
Randy Vogts

The President then stated that according to the by-laws, nominations could be made from the floor. No nominations were made from the floor. After the required length of time, a motion was duly made and seconded that nominations be closed. The president then appointed the following inspectors of election.

Judy Lasley
Ronald Brower
Charles L Snow
Regina Butler
Steven Parsons
Gerald Butler
Diana Newman
John Sell

A vote of Directors was then had by ballot and the ballots were delivered to the Inspectors who proceeded to count the same.

The Certificate of the Inspectors of Election was then presented and read certifying that the following nominees received the number of votes opposite their names:

Steve Kosman	87
John Kovacic	186
Paula Severt	91
Larry Sisseck	33
Sharon Starr	219
Randy Vogts	201
Joan Cleland	1 write in
John Rawlings	1 write in

We further certify that the following persons were duly elected as directors to hold office until the Annual Meeting of members in 2018 or until their successors shall have been duly elected and qualified:

John Kovacic
Sharon Starr
Randy Vogts

There being no further business to come before the meeting, upon motion duly made and seconded the meeting was adjourned.

Barry W. Bedene, Secretary

Mary L. Smith, President