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Girard, KS 66743
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Notice of Annual Meeting
Wednesday, October 21, 2015

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OCTOBER
2015
The
Craw-Kan
Connection



Your Community Technology Partner

Craw-Kan October 2015

BALANCE SHEET
December 31, 2014

| | | |
|--|------------------------|-----------------|
| ASSET AND OTHER DEBITS | | |
| Telephone Plant | \$147,160,881.66 | \$43,242,657.33 |
| In Service | 4,772,441.16 | 1,271,749.42 |
| Under Construction | 151,933,322.82 | |
| Total Plant | <u>108,690,665.49</u> | |
| Less Reserve for Depreciation & Amortization | 1,271,749.42 | |
| Plant Less Reserve | | \$43,242,657.33 |
| Other Investments | 1,271,749.42 | 1,271,749.42 |
| Cash-General Funds | 859,145.75 | |
| Temporary Cash Investments | 20,497,527.05 | |
| Accounts Receivable | 936,266.43 | |
| Material | <u>1,267,061.05</u> | |
| Total Current Assets | | 23,560,000.28 |
| Prepaid Accounts & Deferred Charges | 297,361.86 | 297,361.86 |
| Total Assets & Other Debits | <u>\$68,371,768.89</u> | |
| LIABILITIES & OTHER CREDITS | | |
| Long Term Debt | \$5,899,385.65 | \$5,899,385.65 |
| Accounts Payable | 1,067,299.04 | |
| Customer Deposits | 113,645.00 | |
| Accrued Taxes | 244,121.53 | |
| Other Current Liabilities | <u>256,027.75</u> | |
| Total Current & Accrued Liabilities | | 1,681,093.32 |
| Deferred Credits | 3,298.94 | |
| Donated Capital | 5,896,442.01 | |
| Patronage Capital | 50,828,638.18 | |
| Margins | <u>4,062,910.79</u> | |
| Total Capital & Margins | | 60,791,289.92 |
| Total Liabilities & Other Credits | <u>\$68,371,768.89</u> | |

OPERATING STATEMENT

| | 2014 | 2013 |
|------------------------------------|-----------------------|-----------------------|
| | Year to Date | Year to Date |
| Local Network Service Revenue | \$2,971,513.76 | \$3,042,148.69 |
| Network Access Service Revenue | 15,287,717.43 | 13,184,930.17 |
| Miscellaneous Operating Revenue | 499,653.49 | 541,833.85 |
| Non Regulated Operations Revenue | <u>8,882,504.63</u> | <u>8,563,824.41</u> |
| Total Operating Revenue | 27,641,389.31 | 25,332,737.12 |
| Plant Specific Operations Expense | 4,544,586.24 | 4,187,609.08 |
| Plant Non Specific Operations Exp. | 10,004,660.01 | 8,820,083.30 |
| Customer Operations Expense | 919,115.05 | 921,754.81 |
| Corporate Operations Expense | 1,727,635.21 | 1,707,048.84 |
| Non Regulated Operations Expense | 6,582,725.71 | 5,953,557.47 |
| Operating Tax Expense | <u>670,160.51</u> | <u>744,900.66</u> |
| Total Operating Expense | 24,448,882.73 | 22,334,954.16 |
| Net Operating Revenue | 3,192,506.58 | 2,997,782.96 |
| Net Non Operating Income | 871,694.23 | 741,263.77 |
| Interest Expense | <u>1,290.02</u> | <u>1,873.85</u> |
| Margins | <u>\$4,062,910.79</u> | <u>\$3,737,172.88</u> |

OCTOBER
2015

The
Craw-Kan
Connection

The Annual Meeting Edition

this issue

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Annual Meeting!

Where:

Girard High School Cafeteria

When:

Oct. 21, 2015

Time:

7:00 PM, Registration starts

at 5:30 PM

* Refreshments and
Entertainment will be provided



Fiber to the Home Update:

There has been much interest over the past few years in what Google has done by building out an ultra-high speed broadband network in part of Kansas City. They have since expanded the project to include Austin, TX and Provo, UT and are planning additional builds for Salt Lake City, Nashville, and Atlanta. The core offering of this project is a \$70 symmetrical gigabit connection for residential customers.

It is said that imitation is the sincerest form of flattery. We have decided to take what Google has done and take it a step further by making such a network available to residents of much smaller communities. All of our customers served by fiber to the home technology now have access to that same \$70 gigabit connection!

As reported in prior years, our Coop is continuing to see declining membership as rural demographics change and people move to larger cities. This has forced us to look for new customers in order to keep our Coop strong and financially healthy so that we can continue fiber to the home builds in core member towns. During 2015, we expanded into the non-member communities of St. Paul and Mound City. Due to the success in those communities, we have committed to fiber builds in Pittsburg and Frontenac. This project will be one of the largest ever undertaken by our Coop with service beginning to select business customers by the end of this year. Phase 1 residential construction will begin this year with service start-up sometime in the spring of 2016.

None of this would be possible without the tremendous support of our members. Through the strong leadership of our Board and with the support of our fantastic staff I am confident that we are positioned for a strong future.

We hope to see you at the annual meeting.

Craig Wilbert
General Manager

Board of Directors

Mary Smith,
President

Sharon Starr,
Vice-President

Barry Bedene,
Secretary-Treasurer

Wilda Pentola,
Director

John Kovacic,
Director

Jim O'Toole,
Director

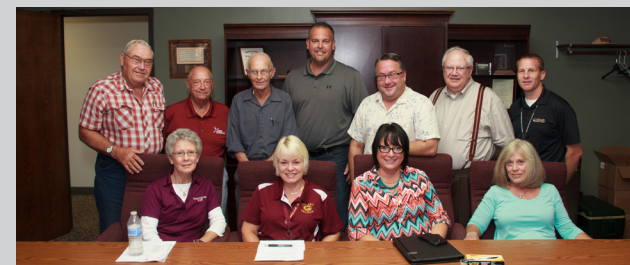
Terry Kunstel,
Director

Roger Doue,
Director

Randy Vogts,
Director

Craig Wilbert,
General Manager

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



2015 Nominating Committee

In alphabetical order pictured with General Manager, Craig Wilbert
and Attorney Timothy Fielder.

Claudia Ausemus, Marvin Boyd,
Sheldon Delange, Mary Jane Dent,
Linda Loffswold, Wallace Rons, Dan Smith,
Greg Sullivan, Christy Vulgamore

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. 21, 2015

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.



John Kovacic

John Kovacic is a resident of rural Girard. A native of Girard, he attended the Girard schools before furthering his education at Pittsburg State University. John began in the Crawford County Treasurer’s Office as an Assistant County Treasurer in 1972. He was Deputy County Treasurer for one year before being elected as Crawford County Treasurer in 1975. John retired in 2005 after serving Crawford county for 30 years. He is a member of SNPJ Lodge #255 in Arma and Sons of the American Legion in Girard. John is also a member of the National Association of County Treasurers and Finance Officers. In 1998, Mr. Kovacic became a certified finance officer through the University of Tennessee. John has served on the board since 2003.

Sharon Starr



Sharon Starr is a resident of rural Girard. Sharon was born and raised in Russell, Kansas. She attended school all 12 years and graduated from Russell High School in Russell, Kansas. Sharon has served on the Girard Chamber of Commerce, the Council of Beta Sigma Phi sorority where she held numerous offices, Zone 6 Garden Club, and the Haderlein School mentoring program for 3 years. Sharon is married to Gary Starr and together have 3 children. Sharon is retired from Walmart after 31 years as a Customer Service Manager. Her hobbies are traveling, antiquing, gardening and spending time with her family. Sharon attends the Arma Methodist Church. Sharon has served on the Craw-Kan Communications Board and has been a Director since 2006.



Randy Vogts

Randy Vogts is a native and current resident of Girard. He attended Girard Schools, graduating in 1968. Continuing his education at Kansas State University, Mr. Vogts earned a BS degree in Agricultural Economics. Randy’s professional career has been focused on the banking industry where he currently serves as the Executive Vice-President of The First National Bank of Girard. Mr. Vogts has also served on the boards of the Consolidated Rural Water District #1, Crawford County Fair, and Craw-Kan Communications Systems. Through the years, Randy has been a member and held offices in several civic and fraternal organizations. Randy has also pursued his interest in agriculture, owning and operating a small commercial cattle operation.

Steve Kosman



Steve Kosman is a rural resident of Cherokee, Kansas. Steve is married and has two children and 5 grandchildren. Steve is a native of Lincoln, Nebraska where he grew up, attended schools, and graduated from the University of Nebraska-Lincoln with a Bachelor’s degree in Electrical Engineering majoring in Electronics and Communications. During that period, his education was interrupted and he spent 3 years in the Army as a Communications Specialist working telephone systems and two of those years were in Germany. Steve has been a Kansas resident since 1978 with 12 years in Chanute working for Kustom Electronics and 25 years in rural Cherokee working for Day & Zimmermann in Parsons as Director of Engineering, Programs, and Projects producing defense products and now semi-retired. Steve has a management background in Communications, Manufacturing, Environmental, Customer Relations, and Information Technology. Steve is currently assisting SEK, Inc. as its Membership Director to regain and expand memberships to benefit the SEK region.



Larry Sisseck

Larry Sisseck is a native of Oronogo, MO and a rural resident of the Purcell, MO exchange. Mr. Sisseck graduated from Jasper High School, Jasper, MO. After graduating High School he worked in Retail Management for nine years. Larry moved back to this area and began working for Grace Energy Corporation as a manager in 1994 and accepted an Area Supervisor position in 1996 overseeing the daily operation of 11 locations. In September of 2014, Mr. Sisseck moved on from Grace Energy after 20 years. He currently works for Pete’s of Erie, Inc. as an Area Supervisor overseeing 9 locations. Larry is married to Janet and together they have 3 children including two daughters, who have graduated from Jasper High School, and a son, currently a freshman. He currently serves on Jasper R-V School Board.

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.

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 21, 2015, 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

John Kovacic.....(Rural) Girard
 Sharon Starr.....(Rural) Girard
 Randy Vogts.....(Urban) Girard
 Steve Kosman.....(Rural) Cherokee
 Larry Sisseck.....(Rural) Purcell
 Paula Severt.....(Rural) Girard

CRAW-KAN TELEPHONE COOPERATIVE, INC.

(Signed).....Barry Bedene
 Secretary

PRESENT DIRECTORS OF THE COOPERATIVE

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

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 21, 2015.

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.

Chairman stated that in accordance with the by-laws, the Board of Directors had on August 26, 2014 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:

Ed Becker
 Jim O’Toole
 Barry Bedene
 Wilida Pentola
 Steve Kosman

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.

Joseph Bournonville
 Linda DeGarmo
 Nancy C Davidson
 Regina Butler
 Linda K Manion
 Kevin Smith
 Kenneth W Kelley
 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:

Ed Becker 80
 Barry Bedene 179
 Steve Kosman 96
 Jim O’Toole 234
 Wilida Pentola 203
 Carolyn Zagonel 3 Write In

We further certify that the following persons were duly elected as directors to hold office until the Annual Meeting of members in 2016 or until their successors shall have been duly elected and qualified:

Barry Bedene
 Jim O’Toole
 Wilida Pentola

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