



Craw-Kan

Your Community Technology Partner

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

Notice of Annual Meeting
Tuesday, October 24, 2017

THIS IS YOUR REGISTRATION
PLEASE DETACH AND BRING

OCTOBER
2017

The Craw-Kan Connection



Your Community Technology Partner

Craw-Kan October 2017

BALANCE SHEET

December 31, 2016

ASSET AND OTHER DEBITS		
Telephone Plant	\$165,596,053.86	\$53,095,632.95
In Service	5,188,332.04	1,347,277.58
Under Construction	170,784,385.90	
Total Plant	<u>117,688,752.95</u>	<u>16,588,347.71</u>
Less Reserve for		
Depreciation &		
Amortization		
Plant Less Reserve		
Other Investments	1,347,277.58	260,709.30
Cash-General Funds	1,470,382.24	
Temporary Cash Investments	11,125,607.96	
Accounts Receivable	1,231,137.49	
Material	<u>2,761,220.02</u>	<u>\$71,291,967.54</u>
Total Current Assets		<u>16,588,347.71</u>
Prepaid Accounts &		
Deferred Charges	260,709.30	260,709.30
Total Assets &		
Other Debits		
LIABILITIES & OTHER CREDITS		
Long Term Debt	\$6,075,829.21	\$6,075,829.21
Accounts Payable	1,176,968.22	
Accrued Taxes	257,183.78	
Other Current Liabilities	<u>303,610.46</u>	
Total Current &		
Accrued Liabilities		
Deferred Credits	3,483.77	1,737,762.46
Donated Capital	6,349,049.05	
Patronage Capital	53,953,435.16	
Margins	<u>3,172,407.89</u>	
Total Capital &		
Margins		<u>63,478,375.87</u>
Total Liabilities &		
Other Credits		<u>\$71,291,967.54</u>

OPERATING STATEMENT

	2016	2015
	Year to Date	Year to Date
Local Network Service Revenue	\$2,934,209.03	\$2,933,926.35
Network Access Service Revenue	16,381,058.42	16,143,816.75
Miscellaneous Operating Revenue	487,085.06	503,008.47
Non Regulated Operations Revenue	<u>10,184,258.78</u>	<u>9,584,517.58</u>
Total Operating Revenue	29,986,611.29	29,165,269.15
Plant Specific Operations Expense	5,042,486.78	4,584,482.95
Plant Non Specific Operations Exp.	10,557,348.12	9,911,957.34
Customer Operations Expense	1,097,497.64	957,542.28
Corporate Operations Expense	1,882,141.04	1,891,544.48
Non Regulated Operations Expense	8,069,408.73	7,426,092.92
Operating Tax Expense	<u>730,857.79</u>	<u>644,252.32</u>
Total Operating Expense	27,379,740.10	25,415,872.29
Net Operating Revenue	2,606,871.19	3,749,396.86
Net Non-Operating Income	<u>565,536.70</u>	<u>319,820.14</u>
Margins	<u>\$3,172,407.89</u>	<u>\$4,069,217.00</u>

OCTOBER
2017

The Craw-Kan Connection

The Annual Meeting Edition

this issue

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Annual Meeting!

Where:

Girard High School Cafeteria

When:

Oct. 24, 2017

Time:

7:00 PM, Registration starts

at 5:30 PM

* Refreshments and
Entertainment will be provided



Rural Broadband – Economic Development and Job Creation

Small telcos like Craw-Kan serve less than 5% of the nation's population, but cover approximately 37% of its landmass. These companies operate in rural areas left behind by other service providers because the markets were too sparsely populated, too high cost, or just too difficult in terms of terrain to serve.

Rural broadband providers have long been frontrunners in deploying state of the art communications services to their customers. These services connect rural areas to urban America and the world. Their impacts are felt in all sectors of our economy. To not have access to high-speed internet should be unimaginable, yet millions of rural Americans have limited or even no access to ultra-fast broadband. A recent report released by the Hudson Institute found that rural broadband providers contribute \$24.1 billion annually to the nation's economy and support more than \$100 billion in e-commerce.

Rural providers rely not only on the support of their customers but also on funding from federal and state universal service funds (USF). These programs help ensure services and rates are reasonably comparable to those in urban areas. Our current 5-year project to bring gigabit speed connectivity via fiber to the home to 75% of our Cooperative is made possible through USF support. Unfortunately, despite all this progress, the viability and effectiveness of the USF is now in serious peril. The Kansas USF program is capped and the federal program has been frozen at the 2011 budget level. In addition, the Federal Communications Commission has implemented a strict budget control mechanism that will mean further significant cuts to all current recipients including Craw-Kan. On top of wreaking havoc on our financial performance, these cuts will also have the effect of reducing investment in broadband in rural America. The decline in 2016 margins is entirely due to these cuts. Unfortunately, the cuts will be even larger for 2017 and beyond.

Trust that your Cooperative is working to educate our elected officials that USF budget shortfalls will undermine infrastructure investment and consumer rates. If rural broadband is really a priority, good public policy would indicate we should be building upon what has worked to promote it, rather than neglecting it.

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



2017 Nominating Committee

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

Marvin Bualle, Tosha Carson,
Sheldon Delange, Mary Jane Dent,
Linda Loffswold, Lisa Parsons, Wallace Rons,
Dan Smith, 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

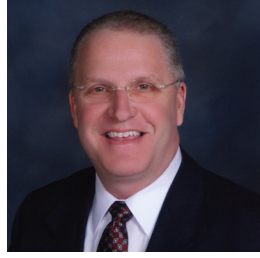
Kansas 800-344-7233
Missouri 800-344-7483
Oklahoma 800-522-6543

Do Not Call List

To block unwanted telemarketing calls add your phone number to the National Do Not Call Registry at www.donotcall.gov.

THREE DIRECTOR POSITIONS TO BE VOTED ON AT THE ANNUAL MEETING ON OCT. 24, 2017

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.



Barry Bedene

Barry Bedene is a resident of the Arma, Kansas exchange. Barry has owned and operated Bedene Funeral Home in Arma since 1974. He has been the past president of the Rural Fire District #2. He served on the board of directors of the First State Bank in Arma and is currently on the board of directors of the Exchange State Bank in Girard. Barry is also a former member of the Arma City

Council. He was appointed to the Kansas State Board of Mortuary Arts by Gov. Finney and reappointed by Gov. Graves, Gov. Sebelius, Gov. Parkinson, and most recently by Gov. Brownback. He serves on the Board of Trustees on the Pittsburg State University Foundation, is a member of the Scottish Rite in Ft. Scott, the Masonic Lodge in Arma, and the Mirza Shrine. He has been on the Craw-Kan Board of Directors since 1984.

James O’Toole

Jim O’Toole is a resident of the Girard, Kansas exchange, living at Greenbush. Jim is a senior partner of O’Toole Construction Inc., which has been in business for over 40 years. He also farms and has a cattle operation. He has served on the RCD Board, church council, water board, and has held various offices in the Brazilton Ruritan Club. Jim has been a past president and a member of the Kansas Land Improvement Contractors of America. He is a former member on the board at Westridge in Girard. Jim has been on the Craw-Kan Board since 1987 and has served as its president.



Wilda Pentola

Wilda Pentola is a rural resident of the Farlington, Kansas exchange. Wilda is a Girard native where she completed grade school and high school. She attended Pittsburg State University receiving her B.S. in 1966. After receiving her Master’s degree she then completed her Educational Specialist degree in 1988. She

taught school in Carl Junction, Girard, and Erie later working as the Technology Director at the Southeast Kansas Education Service Center(Greenbush). Wilda accepted a position as Regional Account Manager with Apple Computer Inc. in Kansas City in 1990. She retired from Apple in July 2002. Wilda currently serves on the board of WestRidge, an assisted living community and on the boards of the Community Foundation of SEK and the Girard Area Community Foundation. She was elected director on the Craw-Kan board in 2002.

Craw-Kan is an equal opportunity provider and employer.

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 Tuesday, October 24, 2017, 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

Barry Bedene.....(Urban) Arma
Jim O’Toole.....(Rural) Girard
Wilda Pentola.....(Rural) Farlington

CRAW-KAN TELEPHONE COOPERATIVE, INC.

(Signed).....Barry Bedene
Secretary

PRESENT DIRECTORS OF THE COOPERATIVE

President, Sharon Starr.....(Rural) Girard
Vice-President, Randy Vogls.....(Urban) Girard
Sec.-Treas., Barry Bedene.....(Urban) Arma
Wilda Pentola.....(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 24, 2017.

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.

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

Roger Doue
Terry Kunstel
Paula Sevalt
Mary Smith

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.

Peggy Hall
Ronald Brower
Alden Allen
Regina Butler
Gena Allen
Gerald Butler
John Parson
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:

Roger Doue 179
Terry Kunstel 171
Paula Sevalt 120
Mary Smith 174
Ron Brown 1 write in
Darrel Westhoff 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:

Roger Doue
Terry Kunstel
Mary Smith

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

Barry W. Bedene, Secretary

Sharon Starr, President

We extend an invitation to you to attend the 65th Annual Meeting and exercise your vote in the business affairs of the Cooperative on October 24, 2017.

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 19, 2016.

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

The Secretary reported 225 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 21, 2015 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 2015 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 \$2,245,212.20. This retirement consists of 20% of 1998 and 31% of 2015. She also noted that since 1982, \$75,967,870.00 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 23, 2016 appointed a nominating committee. She pointed out that the three elected will hold office for a three year term.