

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, Kansas, on Tuesday, October 22, 2002, at 7:30 pm, 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. Three directors will be elected.

THREE YEAR TERMS - ELECT THREE

Barry Bedene(Urban) Arma
 Sheldon DeLange(Rural) Girard
 James O'Toole(Rural) Girard
 Gerald Duncan(Rural) Girard
 Patrick Gooch(Urban) Purcell
 John R. Kovacic(Rural) Girard
 Wilda Pentola(Rural) Farlington
 Margie Per(Rural) Asbury

CRAW-KAN TELEPHONE COOPERATIVE, INC.

(Signed)Frank Dunnick
 Secretary

PRESENT DIRECTORS OF THE COOPERATIVE

PRESIDENT, Barry Bedene (Urban) Arma
 VICE-PRESIDENT, Sheldon DeLange. . . (Rural) Girard
 SEC.-TREAS., Frank Dunnick(Urban) Girard
 Roger Doue(Urban) Arma
 Ray Hale(Rural) Columbus
 Terry Kunstel(Rural) Arcadia
 Glen Mathis(Rural) Girard
 Jim O'Toole(Rural) Girard
 Jay Stewart(Urban) McCune

ACTIVITIES THIS YEAR

This is the 50th Annual Meeting of the members of Craw-Kan Telephone Cooperative, Inc. We encourage you to attend the Annual Meeting to participate in the affairs of the Cooperative.

Since our last Annual Meeting, Craw-Kan has had a lot of construction in progress throughout the service area. Your Cooperative is in the midst of another large outside plant project. This current construction project covers 149 miles of fiber and copper in the Craw-Kan area. We are upgrading fiber rings, inter-exchange cable and in-town improvements.

In May, we switched to a new billing system. The new billing system was needed for the diversity of different plans and services offered by Craw-Kan.

We currently offer Craw-Kan Digital Cable TV and DSL high speed internet in certain areas and are now moving forward in deployment in other areas.

Craw-Kan Long Distance continues to be the long distance carrier of choice for a large majority of Craw-Kan customers. Numerous customers have subscribed to the flat rate plans, which offer simplicity and value for all their long distance needs.

Craw-Kan Internet dial-up and DSL continues to be a growing service that customers like. There are currently 5,040 members subscribing to Craw-Kan Internet which is an increase of 556 from this time last year.

Craw-Kan celebrated 50 years of service on August 16, 2002 with an open house. We gave away many prizes and gifts to those who attended. Approximately 500 people attended the celebration consuming over 850 hot dogs.

Craw-Kan distributed \$3,239,269.64 in capital credit checks in December 2001. The payments included portions of 1990, 1991 and 2000.

We extend an invitation to you to attend the 50th Annual Meeting and become familiar with the other business affairs of the Cooperative.

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), 401-415 North Summit, Girard, Kansas, October 22, 2002.

Registration of members will begin at 7:00 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 made for approximately \$2,000 of door prizes. Only members present will be eligible.

As a member you are urged to attend this annual meeting to exercise your vote in the affairs of the Craw-Kan Telephone Cooperative, Inc. Be sure to attend the Annual Meeting, Tuesday, October 22, 2002.

Very Truly Yours,

Craw-Kan Telephone Cooperative, Inc.

Barry Bedene
 President

BALANCE SHEET
 December 2001

ASSETS AND OTHER DEBITS

Telephone Plant:		
In Service	\$65,798,061.01	
Under Construction	<u>1,713,941.70</u>	
Total Plant	\$67,512,002.71	
Less Reserves for:		
Depreciation & Amortization	<u>39,118,256.18</u>	
Plant Less Reserve		\$28,393,746.53
Other Investments	<u>\$ 1,809,326.54</u>	1,809,326.54
Cash-General Funds	208,667.02	
Temp. Cash Investments	14,159,121.44	
Due from Customers less Reserve	<u>\$440,866.37</u>	269,624.22
Other Accounts Receivable	1,131,059.31	
Material	602,404.23	
Total Current Assets		16,370,876.22
Prepaid Accounts & Deferred Charges	<u>604,028.89</u>	604,028.89
Total Assets & Other Debits		<u>\$47,177,978.18</u>

LIABILITIES & OTHER CREDITS

Long Term Debt	<u>\$ 3,087,242.28</u>	\$3,087,242.28
Accounts Payable	1,276,649.12	
Customer Deposits	179,676.00	
Advance Payments	1,583.95	
Accrued Taxes	426,178.76	
Other Current Liabilities	<u>159,301.25</u>	
Total Current & Accrued Liabilities		2,043,389.08
Deferred Credits	270,145.26	
Donated Capital	2,519,124.13	
Patronage Capital	33,228,784.72	
Margins	<u>6,029,292.71</u>	
Total Capital & Margins		<u>42,047,346.82</u>
Total Liabilities & Other Credits		<u>\$47,177,978.18</u>

OPERATING STATEMENT

	2001 <u>Year to date</u>	2000 <u>Year to date</u>
Local Network Service Revenue	\$ 2,230,677.31	\$ 2,159,416.08
Network Access Service Revenue	9,710,631.38	9,663,609.20
Miscellaneous Operating Revenue	975,409.81	1,082,835.74
Non Regulated Operating Revenue	<u>5,658,018.42</u>	<u>4,240,308.97</u>
Total Operating Revenue	\$18,574,736.92	\$17,146,169.99
Plant Specific Operations Expense	2,037,383.57	\$ 1,812,007.01
Plant Nonspecific Operations Expense	4,884,069.33	4,945,950.93
Customer Operations Expense	900,717.75	837,530.44
Corporate Operations Expense	1,324,506.59	1,455,525.08
Non Regulated Operations Expense	3,690,752.01	2,935,536.62
Operating Tax Expense	<u>781,897.43</u>	<u>781,232.27</u>
Total Operating Expense	\$13,619,326.68	\$12,767,782.35
Net Operating Revenue	\$ 4,955,410.24	\$ 4,378,387.64
Net Non Operating Income	\$ 1,144,581.60	\$ 1,267,027.96
Interest Expense	<u>(70,699.13)</u>	<u>(75,518.77)</u>
Margins	\$ 6,029,292.71	\$ 5,569,896.83

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 7:30 P.M., October 23, 2001.

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

The Secretary reported 328 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 24, 2000 were presented to the members in printed form and upon motion duly made and seconded they were adopted as printed.

Jerry James, General Manager, presented in printed form the Balance Sheet and Operating Statement for the Cooperative and Craw-Kan Communication Systems, Inc. for the year 2000 and gave explanation of various items on the reports. Upon motion duly made and seconded the reports were approved as printed.

The President then gave his 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 \$3,239,269.64. This retirement consists of the remaining balance of 1990, 14% of 1991 and 10% of 2000. He also noted that since 1982, \$33,175,932.90 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 29, 2001 appointed a nominating committee. He 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:

Roger Doue	Ray Hale
Terry Kunstel	George Meyer
Karen Moll	Jack Payne

The President informed the members that six nominees had been nominated. 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.

Kathy Coonrod	McCune, Ks.
Harold VanLeeuwen	Arma, Ks.
Loretta J. Bailey	Girard, Ks.
Joan Boore	Girard, Ks.
Kenneth VanCleave	Galesburg, Ks.
Charles E. Houser	Columbus, Ks.
Jack Stringfellow	Mulberry, Ks.
Phyllis Dixon	E. Mulberry, Ks.

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	202
Ray Hale	189
Terry Kunstel	208
George Meyer	100
Karen Moll	78
Jack Payne	132

We further certify that the following persons were duly elected as directors to hold office until the Annual Meeting of members in 2004 or until their successors shall have been duly elected and qualified:

Roger Doue
Ray Hale
Terry Kunstel

The President of the Board next asked the members for any new business items. The members brought up no new business.

During the counting of the ballots, the Holiday Band provided entertainment. Refreshments were served and door prizes were awarded.

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

(Signed)	(Signed)
Frank Dunnick, Secretary	Barry Bedene, President

ANNUAL MEETING

October 22, 2002

Girard High School
Cafeteria



CRAW-KAN TELEPHONE COOPERATIVE, INC.

200 N. Ozark • P.O. Box 100

Girard, KS. 66743-0100

620-724-8235 • Fax 316-724-4099



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200 N. Ozark • P.O. Box 100 • Girard, KS. 66743-0100
620-724-8235 • Fax 620-724-4099
THIS IS YOUR REGISTRATION Please detach and bring to the meeting

NOTICE OF ANNUAL MEETING
 Tuesday, October 22, 2002

Bulk Rate
 U.S. Postage
 Paid
 Girard, KS 66743
 Permit No. 72
 Third Class Mail