

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 28, 2003, 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

Frank Dunnick(Urban) Girard
 Jay Stewart(Urban) McCune
 Charles Ales(Rural) Arma
 Darrell Barr(Rural) McCune
 John R. Kovacic(Rural) Girard

CRAW-KAN TELEPHONE COOPERATIVE, INC.

(Signed)Frank Dunnick
 Secretary

PRESENT DIRECTORS OF THE COOPERATIVE

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

ACTIVITIES THIS YEAR

This is the 51st Annual Meeting of the members of Craw-Kan Telephone Cooperative, Inc

Since our last Annual Meeting, Craw-Kan's 2003 outside plant project has been moving along quickly with the very good weather we have had this year. The contracting crew has placed approximately 118 miles. Craw-Kan's own construction crew has been very busy placing approximately 80 miles of reinforcement and maintenance type infrastructure. We have put in an additional six AFC huts in service this year. These huts help relieve cable facilities from the central office and allows Craw-Kan to add new subscribers in the growing areas. With the good weather, we were able to add 14 additional blocks of in-town cable and 18 miles of interexchange cable. This will allow us to provide services to affected communities six months earlier than originally planned.

Digital cable TV has now been extended to Weir, Cherokee, Uniontown and Bronson. Plans are to include Pleasanton, Purcell and Alba in the coming months.

Another big change was in the business office in Girard. Remodeling has nearly been completed throughout the building. All new carpet, tile and furniture has been installed including a Craw-Kan logo embedded in the lobby tile. Walls have been painted to match the carpet and tiles. New automatic doors were added to the front entrance for handicap access. We invite you to come and look at the newly remodeled office on your next trip in.

In December 2002, Craw-Kan distributed \$3,178,423.25 in approximately 20,000 checks. The payments included portions of 1991 and 2001.

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 28, 2003.

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 \$2,500 of door prizes. Only members present will be eligible.

We extend an invitation to you to attend the 51st Annual Meeting and exercise your vote in the business affairs of the cooperative on October 28, 2003.

Very Truly Yours,

Craw-Kan Telephone Cooperative, Inc.

Barry Bedene
 President

**BALANCE SHEET
 December 2002**

ASSETS AND OTHER DEBITS			
Telephone Plant:			
In Service	\$73,806,269.23		
Under Construction	<u>1,026,422.08</u>		
Total Plant		74,832,691.31	
Less Reserves for:			
Depreciation & Amortization	<u>43,674,590.05</u>		
Plant Less Reserve			\$31,158,101.26
Other Investments	<u>1,982,256.43</u>		1,982,256.43
Cash-General Funds	166,232.54		
Temp. Cash Investments	12,707,522.64		
Due from Customers less Reserve	<u>484,616.16</u>	148,370.90	
Other Accounts Receivable	1,300,894.96		
Material	821,521.03		
Total Current Assets			15,144,542.07
Prepaid Accounts & Deferred Charges	<u>632,129.23</u>		632,129.23
Total Assets & Other Debits			<u>\$48,917,028.99</u>
LIABILITIES & OTHER CREDITS			
Long Term Debt	<u>\$ 2,797,379.45</u>		\$2,797,379.45
Accounts Payable	1,541,684.86		
Customer Deposits	178,040.00		
Advance Payments	830.55		
Accrued Taxes	374,414.46		
Other Current Liabilities	<u>168,165.78</u>		
Total Current & Accrued Liabilities			2,263,135.65
Deferred Credits	3,500.00		
Donated Capital	2,786,140.20		
Patronage Capital	35,997,053.67		
Margins	<u>5,069,820.02</u>		
Total Capital & Margins			<u>43,856,513.89</u>
Total Liabilities & Other Credits			<u>\$48,917,028.99</u>

OPERATING STATEMENT

	2002 <u>Year to date</u>	2001 <u>Year to date</u>
Local Network Service Revenue	\$ 2,269,472.38	\$ 2,230,677.31
Network Access Service Revenue	9,916,367.36	9,710,631.38
Miscellaneous Operating Revenue	940,733.79	975,409.81
Non Regulated Operating Revenue	<u>5,725,309.39</u>	<u>5,658,018.42</u>
Total Operating Revenue	18,851,882.92	18,574,736.92
Plant Specific Operations Expense	2,332,579.36	2,037,383.57
Plant Nonspecific Operations Expense	5,455,096.04	4,884,069.33
Customer Operations Expense	917,431.14	900,717.75
Corporate Operations Expense	1,343,087.30	1,324,506.59
Non Regulated Operations Expense	3,909,376.12	3,690,752.01
Operating Tax Expense	<u>754,162.13</u>	<u>781,897.43</u>
Total Operating Expense	<u>14,711,732.09</u>	<u>13,619,326.68</u>
Net Operating Revenue	4,140,150.83	4,955,410.24
Net Non Operating Income	989,560.20	1,144,581.60
Interest Expense	<u>(59,891.01)</u>	<u>(70,699.13)</u>
Margins	<u>\$ 5,069,820.02</u>	<u>\$ 6,029,292.71</u>

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 22, 2002.

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 582 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 23, 2001 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 2001 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 \$3,178,423.25. This retirement consists of 45% of 1991 and 28% of 2001. He also noted that since 1982, \$36,354,356.15 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 27, 2002 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:

Barry Bedene	Sheldon DeLange
James O'Toole	Gerald Duncan
Patrick Gooch	John Kovacic
Wilda Pentola	Margie Per

The President informed the members that eight 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.

Dennis Nehls	Girard, Ks.
Ernest Clevenger	Galesburg, Ks.
Kenneth R Beckwith	Galesburg, Ks.
Becky S Kuhel	Arma, Ks.
Judy L Stansbury	Arcadia, Ks.
Sue Hansen	Mulberry, Ks.
Carolyn McKee	Columbus, Ks.
Charles E Houser	Columbus, Ks.
Timothy L Coyan	Uniontown, Ks.
Earl Carlson	Elsmore, 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:

Barry Bedene	365
Sheldon DeLange	222
James O'Toole	251
Gerald Duncan	94
Patrick Gooch	34
John Kovacic	247
Wilda Pentola	289
Margie Per	60

We further certify that the following persons were duly elected as directors to hold office until the Annual Meeting of members in 2005 or until their successors shall have been duly elected and qualified:

Barry Bedene
Wilda Pentola
James O'Toole

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)

Frank Dunnick, Secretary

(Signed)

Barry Bedene, President

ANNUAL MEETING

October 28, 2003

Girard High School
Cafeteria



CRAW-KAN TELEPHONE COOPERATIVE, INC.

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

CRAW-KAN TELEPHONE COOPERATIVE, INC.
200 N. Ozark • P.O. Box 100 • Girard, KS. 66743-0100
620-724-8235 • Fax 620-724-4099

NOTICE OF ANNUAL MEETING
Tuesday, October 28, 2003

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

Third Class Mail