

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 26, 2004, 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

Roger E. Doue(Urban) Arma
 Terry Kunstel.....(Rural) Arcadia
 Charles Ales.....(Rural)Arma
 Martin Delmont(Rural) Columbus
 Bob Gladson.....(Rural)Farlington
 Steve Kuplen(Rural)Mulberry
 Jeff Leslie.....(Urban)Girard
 Larry G. Martin.....(Rural) Hiattville
 John Michael(Rural) McCune
 J. D. Odle.....(Rural)Arcadia

CRAW-KAN TELEPHONE COOPERATIVE, INC.

(Signed)Frank Dunnick

 Secretary

PRESENT DIRECTORS OF THE COOPERATIVE

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

ACTIVITIES THIS YEAR

This is the 52nd Annual Meeting of the members of Craw-Kan Telephone Cooperative, Inc.

Since our last Annual Meeting, Craw-Kan's 2004 outside plant project has been moving along quickly despite the rainy weather in early summer. The contracting crew has placed approximately 81 miles and have completed their project for this year. Craw-Kan's own construction crew has been very busy placing approximately 87 miles of reinforcement and maintenance type infrastructure.

We have put in an additional 2 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. We have completed burying cable in Columbus, Walnut and Hepler so now all our exchanges are underground in town.

Digital cable TV has now been extended to Pleasanton, Purcell, Hume and Bartlett. We are currently working in Alba and Edna. Plans are to include Amoret, Amsterdam and Asbury in the coming months.

We have completed the expansion of the parking lot at our business office providing more spaces for our employees and customers.

We are very excited about the results of our testing phase on our new wireless internet. We will be offering it soon to our rural customers who are outside the reach of our DSL.

In December 2003, Craw-Kan distributed \$3,314,496.08 in over 21,000 checks. The payments included portions of 1991, 1992 and 2002.

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 26, 2004.

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

We extend an invitation to you to attend the 52nd Annual Meeting and exercise your vote in the business affairs of the cooperative on October 26, 2004.

Very Truly Yours,

Craw-Kan Telephone Cooperative, Inc.

Roger Doue
 President

BALANCE SHEET
 December 2003

ASSETS AND OTHER DEBITS			
Telephone Plant:			
In Service	\$79,624,526.10		
Under Construction	<u>997,489.40</u>		
Total Plant		80,622,015.50	
Less Reserves for:			
Depreciation & Amortization	<u>46,624,941.40</u>		
Plant Less Reserve			\$33,997,074.10
Other Investments	<u>2,504,095.91</u>	2,504,095.91	
Cash-General Funds	342,374.33		
Temp. Cash Investments	11,880,649.52		
Due from Customers less Reserve	<u>\$475,747.89</u>	113,868.86	
Other Accounts Receivable	883,546.15		
Material	599,248.73		
Total Current Assets			13,819,687.59
Prepaid Accounts & Deferred Charges	<u>283,460.33</u>	283,460.33	
Total Assets & Other Debits			<u>\$50,604,317.93</u>
LIABILITIES & OTHER CREDITS			
Long Term Debt	<u>\$3,205,026.41</u>	\$3,205,026.41	
Accounts Payable	1,628,256.87		
Customer Deposits	176,020.00		
Advance Payments	526.16		
Accrued Taxes	386,411.53		
Other Current Liabilities	<u>216,804.82</u>		
Total Current & Accrued Liabilities			2,408,019.38
Deferred Credits	3,500.00		
Donated Capital	2,782,517.44		
Patronage Capital	37,559,483.27		
Margins	<u>4,645,771.43</u>		
Total Capital & Margins			<u>44,991,272.14</u>
Total Liabilities & Other Credits			<u>\$50,604,317.93</u>

OPERATING STATEMENT

	2003 <u>Year to date</u>	2002 <u>Year to date</u>
Local Network Service Revenue	\$ 2,525,067.22	\$ 2,269,472.38
Network Access Service Revenue	10,586,761.36	9,916,367.36
Miscellaneous Operating Revenue	934,663.99	940,733.79
Non Regulated Operating Revenue	<u>5,827,640.42</u>	<u>5,725,309.39</u>
Total Operating Revenue	\$19,874,132.99	\$18,851,882.92
Plant Specific Operations Expense	2,769,918.54	2,332,579.36
Plant Nonspecific Operations Expense	5,344,203.34	5,455,096.04
Customer Operations Expense	940,842.24	917,431.14
Corporate Operations Expense	1,474,155.31	1,343,087.30
Non Regulated Operations Expense	4,244,366.62	3,909,376.12
Operating Tax Expense	<u>899,610.03</u>	<u>754,162.13</u>
Total Operating Expense	\$15,673,096.08	\$14,711,732.09
Net Operating Revenue	4,201,036.91	4,140,150.83
Net Non Operating Income	496,951.79	989,560.20
Interest Expense	<u>(52,217.27)</u>	<u>(59,891.01)</u>
Margins	<u>\$4,645,771.43</u>	<u>\$ 5,069,820.02</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 28, 2003.

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 456 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 22, 2002 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 2002 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 \$3,314,496.08. This retirement consists of 41% of 1991, 30% of 1992 and 20% of 2002. He also noted that since 1982, \$39,668,852.23 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 26, 2003 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:

Frank Dunnick
Jay Stewart
Charles Ales
John Kovacic
Darrell Bar

The President informed the members that five 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.

Brenda Duncan	Mulberry, Ks.
Carolyn Martin	Cherokee, Ks.
Charles E. Houser	Columbus, Ks.
Herman Froelich	Columbus, Ks.
Kevin Mikrut	Girard, Ks.
Kristi Trim	Erie, Ks.
Joyce Pyle	Girard, Ks.
William Bridgewater	Arcadia, Ks.
Harold VanLeeuwen	Arma, Ks.
Sherry Payne-Sisney	Arma, 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:

Frank Dunnick	325
Jay Stewart	245
Charles Ales	167
Darrell Bar	165
John Kovacic	277

We further certify that the following persons were duly elected as directors to hold office until the Annual Meeting of members in 2006 or until their successors shall have been duly elected and qualified:

Frank Dunnick
Jay Stewart
John Kovacic

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 was adjourned.

(signed)	(signed)
_____ Frank Dunnick, Secretary	_____ Barry Bedene, President

ANNUAL MEETING

October 26, 2004

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**



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**THIS IS YOUR REGISTRATION
PLEASE DETACH AND BRING TO THE MEETING**

NOTICE OF ANNUAL MEETING
Tuesday, October 26, 2004

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