

## C-M-L TELEPHONE COOPERATIVE

### Basic Information

**What are Capital Credits and where do they come from?** When your cooperative develops a budget each year, we plan to bring in slightly more revenue than we spend to be fiscally responsible. These margins are then returned to members as capital credits. That means you, not a group of private investors, benefit from any margins produced by the Cooperative.

Each month, your bill covers the cost of your services and the day to day operating costs and margins associated with those services.

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#### How are they allocated and retired?

Operating margins left over at the end of the year are allocated, or assigned, to a capital credit account in your name based on the amount of services you purchased (patronage).

Your capital credit account, similar to a savings account, is the accumulation of margins which have been allocated to you each year based on your patronage.

Each year, the Board of Directors determines if capital credits will be retired. Retirements of these capital credits will be issued in the form of a check, whether you are an active member or a former member. Refer to the "What you should do..." section for information on what happens when you are no longer a member of the Cooperative.



C-M-L Telephone Cooperative is a not-for-profit, member-owned business.

*Abiding by one of the Cooperative's Principles: The Board of Directors determines the retirement of capital credits to its members, based on the Cooperative's financial stability.*

*Capital Credits are just one of many differences that set cooperatives apart from other business models*

#### C-M-L Telephone Board of Directors:

##### Meriden

Roger Smith (President), Neil Cedar

##### Cleghorn

Kyle Prunty, Mike Doeden

##### Larrabee

Rick Westphal (Secretary/Treasurer),

Jeff Ducommun

##### Archer

Craig Akeson (Vice-President),

David Morley

##### At Large Position

Jeff Lundquist

#### C-M-L Telephone Employees

Bruce Johnson - G. Manager/CEO

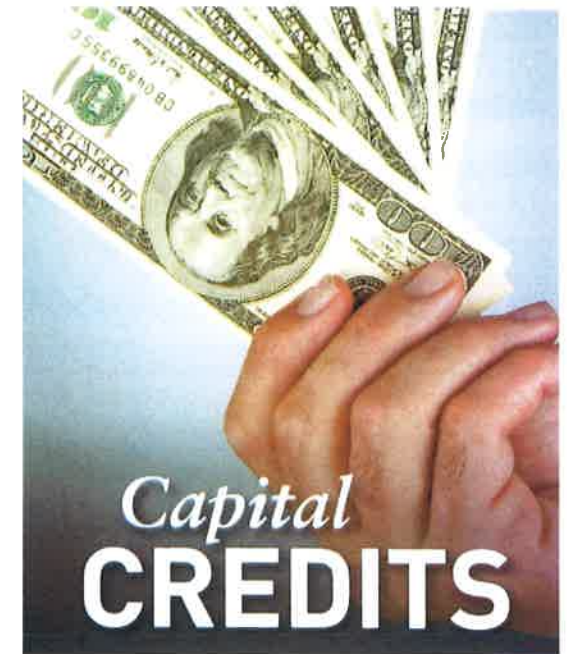
Dan Baker - Lead Technician

Caleb Ney - Technician

Karen Ferris - Part-time Technician

Tina Gordon - Customer Service

Tammy Roethler - Admin Assistant



TELEPHONE COOPERATIVE ASSOCIATION

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Website: [www.cmltelephone.com](http://www.cmltelephone.com)

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**INCLUDES:** basic information, helpful definitions, and what to do if your account status changes.

## CAPITAL CREDITS INFORMATION

### Helpful Definitions

**MEMBER:** *As a recipient of telephone services and reside in the communities of Archer, Cleg-horn, Larrabee or Meriden, you are more than a customer, you are a member-owner.*

**OPERATING COSTS:** *The cost to build, maintain & repair equipment needed to provide the services offered.*

**MARGINS:** *At the end of the year, CML subtracts operating expenses from the operating revenue collected and the balance is called operating margins.*

**ALLOCATION:** *When margins are assigned to an individual's capital credit account.*

**PATRONAGE:** *At CML, your annual patronage is based on the amount of business with the cooperative (including outgoing and incoming long distance calls).*

**RETIREMENT:** *A pay out from your capital credit account.*



### What you should do...

#### ...if you move.

Inform the Cooperative of forwarding address so future checks can be mailed.

#### ...when someone dies.

- **For inactive accounts**, you must provide a copy of the death certificate along with either legal documentation from the estate .
- **For active accounts**, the account must first be closed and paid in full. Contact the Cooperative for further details.
- Upon request, capital credits may be paid to the estate based on present value.

## C-M-L TELEPHONE COOPERATIVE

### Questions & Answers

**How Often are Capital Credits paid out?** The Board of Directors authorizes a general retirement of Capital Credits each November. In case of death, they will be paid out for the present value.

#### What sort of schedule dictates the payout of these credits?

Currently, we are on a 13-year pay schedule.

#### Are capital credits taxable?

Capital Credits are taxable, the Cooperative will issue 1099 forms each January.

#### When & Where can I vote for the board of directors?

An annual meeting is held each March, directors hold a 3 year term, once the term is completed you would then vote at the annual meeting for those whose terms have been fulfilled.

