

COOPERATIVES AND CAPITAL CREDITS

A QUICK TUTORIAL ON HOW THEY BENEFIT YOU, OUR MEMBERS

CTC is organized as a cooperative, owned by our members: the people who use our services.

As a cooperative, CTC does not earn profits; instead, any income over and above the cost of doing business during a given year is considered “margins”.

At the end of the year these margins are allocated to each member of the cooperative, based on the amount of patronage they had during that year.

Each member’s annual Capital Credit allocation is accumulated over the period of time that the member receives CTC’s services.

Capital Credits (net earnings) are one of the great advantages of belonging to a cooperative. As a patron you share in the co-op’s success by providing operating capital; ensuring that the business provides high quality products and services at the lowest possible cost to the membership. These net earnings are then returned to the cooperative patrons, when the Board of Directors deem it feasible to do so.

In simple terms, Capital Credits are a way to distribute profits back to our members.

As a member of a cooperative, you also elect the representatives that serve on CTC’s Board of Directors. Their job is to oversee the operation of the cooperative and protect your investment.

Cooperatives are truly a unique business model; everyone has a stake in its success.

When you subscribe to CTC services, not only are you becoming a customer, you are helping us meet our mission **and** investing in a company you now own!



YOU HAVE QUESTIONS? WE HAVE ANSWERS.

Why do I have to wait to receive the money?

CTC's by-laws stipulate that Capital Credits remain with the cooperative before they are returned to the members. The amount of time, before they are returned, is determined by CTC's Board of Directors.

The members have agreed - through the cooperatives' by-laws - to use the margins for operations in order to meet our mission.

Rural cooperatives, like any other business, must have some money on hand to provide current operating funds, invest in facilities, and most importantly, to continue expanding and serving the needs of additional members.

What is an "Allocation Statement"?

Every year, in September or October, anyone that did qualifying business with CTC receives an "Capital Credit Allocation Statement" with their monthly invoice.

The notice indicates how much money has been allocated, or set aside, and will be returned to you at a later date.



What does it mean to "retire" the funds?

If the Board of Directors decides to "retire" funds, this means they agree to start the process of issuing checks to the members, from the period of time they specified. Over the past several years, Capital Credit allocations have averaged about 17% of what the customer spent on CTC services.

Helpful Tip: If you move away or disconnect your CTC services, be sure to keep a current address on file with us so you can receive your Capital Credit refund!

What if I pass away before my Capital Credit refund is issued?

After you pass away, a legal representative of your estate would submit a request to the Board of Directors, asking that your Capital Credit be retired.

Helpful Tip: Next time you update your estate documents, be sure to indicate that there may be unretired Capital Credits with CTC.

Why is my refund less than my neighbors?

Capital Credit refunds are calculated based on the total amount of patronage/services each member has used. If you paid more for services than your neighbor, your refund check will be larger.

What can I do to increase my refund?

We would suggest that you take a look at the services you currently pay for. For instance, if you only subscribe to CTC's internet services, can we provide you with telephone and TV as well? It might be time to do a little research to see if CTC can provide you with additional services - whether at home or your business.

If you have questions about Capital Credits, please contact us at any time!