



Capital Credits...

What are they and how do they work?

Capital credits are just one of the many benefits of you Mid Century Telephone Cooperative membership, and these credits reflect each member's ownership in the Cooperative.

A cooperative does not earn profits in the sense that other business do. Any margins, or revenues remaining after all expenses have been paid, are returned to the members in proportion to their usage of the cooperative's services through capital credit allocations and retirements. Capital credits represent each member's share of the cooperative's margins.

Capital credits are allocated to each member of the cooperative annually, and the amount of credits earned are in direct proportion to each member's actual telecommunications usage (i.e. local service, long distance usage on landline telephones and calling features). The 2020 Allocation Statements will be mailed in July.

These credits are used by the cooperative as capital to provide facilities and services to our members and cannot be refunded (or retired) as distributions without Board approval. Our Board reviews the cooperative's financials throughout the year. They look at investments being made, financial strength of the Cooperative, and current debt owed for investments in the Cooperative.

How Do Capital Credits Work?

1 2 3 4 5 6



When you move into and establish telephone service in the Mid Century Telephone Cooperative service area, you become a member.



At the end of the year, the profits of Mid Century Telephone Cooperative are allocated back to you based on the percentage of services you used.



Since your portion of capital credits is based on the amount of services you use, the amount you are allocated varies from year to year.



Mid Century Telephone Cooperative carefully tracks your allocations into your capital credit account.



Each year, the Board evaluates the financial condition of the cooperative to determine if we can "retire" or distribute capital credits.



When the Board takes action to retire capital credits, anyone who was a member in the year chosen to retire will receive payment.



Capital Credits (continued from front page)

The Board of Directors may decide to retire portions of the capital credits once operating costs, reinvestments and debt levels have been met. These retired capital credits are paid back directly to members who had services during the years being retired.

While our Board and management would love to make regular capital credit distributions to members (especially in tough years such as this), it is just not fiscally feasible. Everyone has a stake in the success of our Cooperative so our Board must strive to distribute capital credits only when most appropriate to do so.

Since our financials are routinely made public in our Annual Meeting booklet, you are likely aware that it is very costly to create and maintain fiber networks and provide quality communication products at an affordable price.

Each time you utilize Mid Century Telephone Cooperative, you are making an investment in a company you and your neighbors actually own!

Thank you for being a loyal member and allowing us to serve you!

2021 Virtual Annual Meeting

Preparations continue for our first Virtual Annual Meeting of Members being held September 9, 2021 at 7pm.

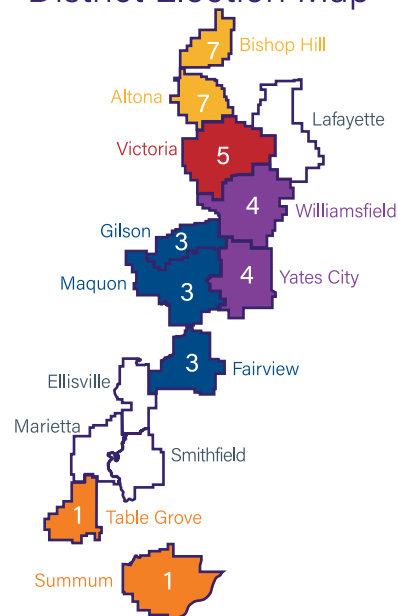
As we tread through these new waters we will keep you updated as more information becomes available. Updates will be posted on midcentury.com and the [Mid Century Communications Facebook](#) page. Emails and direct mail pieces will also be sent. The most current information will be available through our website, Facebook and emails. To avoid missing out on any updates please send your current email address to info@midcentury.com.

Notice of Nominating Committee Meeting

In preparation of the 71st Annual Meeting of Members, being held virtually on September 9, 2021, the Board of Directors selected a nominating committee for the upcoming Board elections. The Committee consists of members from each district up for election. This year is unique as the committee is having to focus on director elections for 2020 and 2021; five districts have elections this year. Meet your 2021 Nominating Committee members:

- **District 1 - Summum | Table Grove**
Jena Payne
Robert Carithers
- **District 3 - Fairview | Gilson | Maquon**
Ronna Mastin
Shari Griffith
- **District 4 - Williamsfield | Yates City**
Alice Likes
Danny E. Powell
- **District 5 - Victoria**
David Buck
Thomas Williams
- **District 7 - Altona | Bishop Hill**
Brian Nelson
Greg Peck

District Election Map



The committee will meet on Thursday, July 8, 2021 at the Mid Century Fairview location to present their nominations.