



# 2023

*Annual Meeting*

*Annual Meeting*

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**CALL TO ORDER**  
PRESIDENT

**INVOCATION**  
PASTOR KATIE RODE,  
IMMANUEL LUTHERAN  
CHURCH

**PLEDGE OF  
ALLEGIANCE**  
PRESENTED BY  
SSG (RET) SHILO HARRIS

**NATIONAL  
ANTHEM**  
LAURA WIMBERLY  
AMERICAN SIGN LANGUAGE  
EMMA FAYE RUDKIN

**INTRODUCTION**  
PRESIDENT

**REPORT ON  
QUORUM**  
CEO

**NOTICE OF  
MEETING &  
PROOF OF  
MAILING**  
CEO

**MINUTES**  
PRESIDENT

**SECRETARY'S REPORT**  
SECRETARY/TREASURER

**CERTIFICATION OF  
CONSENT ELECTION**  
SECRETARY/TREASURER

**ELECTION REPORT**  
LEGAL COUNSEL & PARLIAMENTARIAN

**UNFINISHED BUSINESS**  
PRESIDENT

**NEW BUSINESS**  
PRESIDENT

**CEO REPORT**  
CEO

**PRESENTATION OF AWARDS**

**PRIZE GIVEAWAY**

**MEETING ADJOURNS**

# IN 1951 FIVE FOWARD-THINKERS IN THE TEXAS HILL COUNTRY CAME TOGETHER BECAUSE THEY WANTED A BETTER WAY TO CONNECT

On February 13, 1951 Eugene Lindig, Herman Eckhardt, Roy Jacoby, Walter Schlaudt, and Otto Schumann met and formed Hill Country Telephone Cooperative, Inc. (HCTC) for the purpose of furnishing area-wide telephone service in rural areas to the widest practical number of users. Today HCTC provides telecommunication services in 15 exchanges located in 14 counties spread across nearly 3,000 square miles in rugged Hill Country terrain.

The Cooperative's mission is to be the premier provider of modern telecommunications and broadband services throughout our region. Our objective is to fulfill this mission by continually enhancing our services and customer experience all at a fair and reasonable price. As the Texas Hill Country continues to grow and the needs and demographics of its subscriber base evolve, HCTC, realizing the importance of broadband availability for rural economic development, has embarked on a vision to further expand our fiber broadband network to the furthest reaches of our territory.

**As the future of telecommunications is unfolding and broadband has become a necessity, HCTC is strategically positioning itself to meet the ever changing needs of its members, today and into the future.**

The Cooperative is governed by a Board of Directors, with the 11 members representing nine districts.

## MISSION THE WHAT

To be the premier provider of modern telecommunications and broadband services throughout our region.

## VISION THE WHY

To further expand our fiber broadband network to the furthest extent of our current service areas and territories. To provide safe, fast and reliable internet to our neighbors and communities in which we serve and reside.

## STRATEGY THE HOW

To fulfill HCTC's mission by continually enhancing our services and executing the highest level of customer service to our members all at a reasonable and fair price.





A message from the



R. Craig Cook  
CEO

**HCTC Family,**

I value this opportunity every year to report to you, our members, on the health of our Cooperative and share with you the progress we've made over the course of the past year to improve the quality and reach of our services. Before I dive into this year's report, I want to take a moment to share, on behalf of the entire HCTC team and our Board of Directors, a hearty "thank you" for your support and loyalty to HCTC in 2023! As we look back on the past year, we are reminded of numerous challenges and successes as we strive every day to achieve our mission: **"To be the premier provider of modern telecommunications and broadband services throughout our region."**

To achieve this mission, HCTC has been working hard behind the scenes to ensure that everything we do is in the best interest of our customers. We have adopted a mantra to treat every customer as part of the "HCTC Family." And to be a part of the HCTC family means talking to a person - not a recording - when you call us; and when you interact with any of our employees - at your home, in the community, or in one of our offices - you're working with local people who are genuinely concerned about taking care of you like a member of their own family. Like family, HCTC understands that the unique challenges continuing to face our communities - from the economy and inflation to border security and supply chain issues. As a business, we too continue to tackle many of these same issues.

To safeguard our business from these ongoing challenges while continuing to provide you with unparalleled service, we have renewed our efforts to refine our processes and operate more efficiently to improve the customer experience. An improved customer experience goes beyond your personal interaction with our employees and extends to our provision of the most robust broadband services available. To achieve this goal, your Cooperative set aggressive construction targets in 2023

to provide improved broadband services throughout our territory. By the close of 2023, we anticipate our capital investment to reach \$13 million toward improving our network and expanding our fiber optic footprint - bringing improved broadband services to 1,000 members. This sizable investment in our network will also result in the deployment of approximately 100 miles of fiber across our territory. HCTC is also leveraging fixed wireless technologies to reach our most remote areas - providing improved broadband service to over 400 customers in 2023. We view this investment in our network as key to the future success of our Cooperative and necessary to enable our customers to continue to enjoy all the benefits of high-speed broadband - from simple online research and social media posts, to streaming entertainment and conducting business globally. In conjunction with our aggressive construction, we hold firm to our fiduciary responsibility and take a strategic approach to our capital spending to provide a solid return on our investments and reduce costs where possible. We have been laser-focused on our financial health and are forecasting to meet and in many cases exceed our key budget objectives by the end of 2023.

As we look ahead to the future, HCTC will evaluate the potential opportunities associated with the vast influx of federal funding that will be made available through various State and Federal broadband grant and loan programs. By this time, you have undoubtedly heard of the billions of dollars that have now been earmarked through various federal programs for the deployment of broadband to unserved and under served locations across our country. Chiefly among these programs is the Broadband Equity Access Deployment (BEAD) program that was part of the Infrastructure Investment and Jobs Act (IIJA) which will allocate \$42.5 billion dollars to the States to deploy reliable broadband to those locations lacking high-speed internet. To facilitate

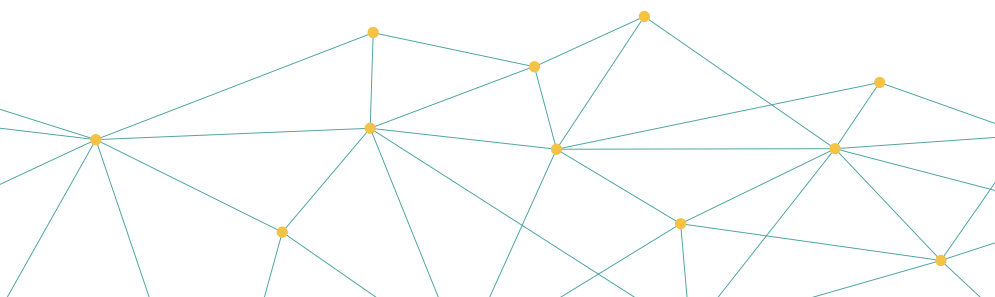
# FAST FORWARD

this effort, the State of Texas through the Comptroller's office has created the Broadband Development Office (BDO) which has been charged with developing the State's broadband plan as well as determining where federal funding should be directed to bridge the digital divide and which providers will receive funding to deploy broadband in these areas. In June, the White House and the National Telecommunications and Information Administration (NTIA) announced the long-awaited state funding allocations for the BEAD program. As anticipated, Texas' allocation of BEAD funding is far greater than any other state - totaling over \$3.3 billion. The Texas BDO is coordinating with the federal government on the receipt of this funding and will be submitting a Five-Year Action Plan and Texas Digital Opportunity Plan to NTIA to access funds.

The large allocation of broadband funding to Texas is promising and HCTC will stay engaged with its state and federal partners to fully evaluate potential opportunities to apply for BEAD funding. We are still early in this process and industry consensus is that funding will not be available until early 2025.

In the meantime, and with the ever-increasing demand for reliable broadband across our region, state, nation and globally, HCTC appreciates its unique position at this historic moment in time. We believe that it is not only our mission, but our responsibility to be the premier provider of these essential services across our region. As your Cooperative provider of broadband, we understand that delivering service goes far beyond building a network, which is why we are committed to building relationships with our members and communities. This is why we continue to invest in the people of our community through donations to local charitable organizations, our schools, libraries and first responders. This is what it means to be a part of the "HCTC Family."

**Thank you again for your membership and support of your Cooperative - HCTC!**



John Ivy, HCTC Project Manager, oversees the fiber optic construction in a newly built Hill Country custom neighborhood.

Construction crews field test both old and new fiber products to determine the most cost effective method to bring service to our members.



HCTC Construction and Engineering teams learn about the Corning FlexNAP preconnectorized fiber cable product designed to be installed faster and at a lower cost.



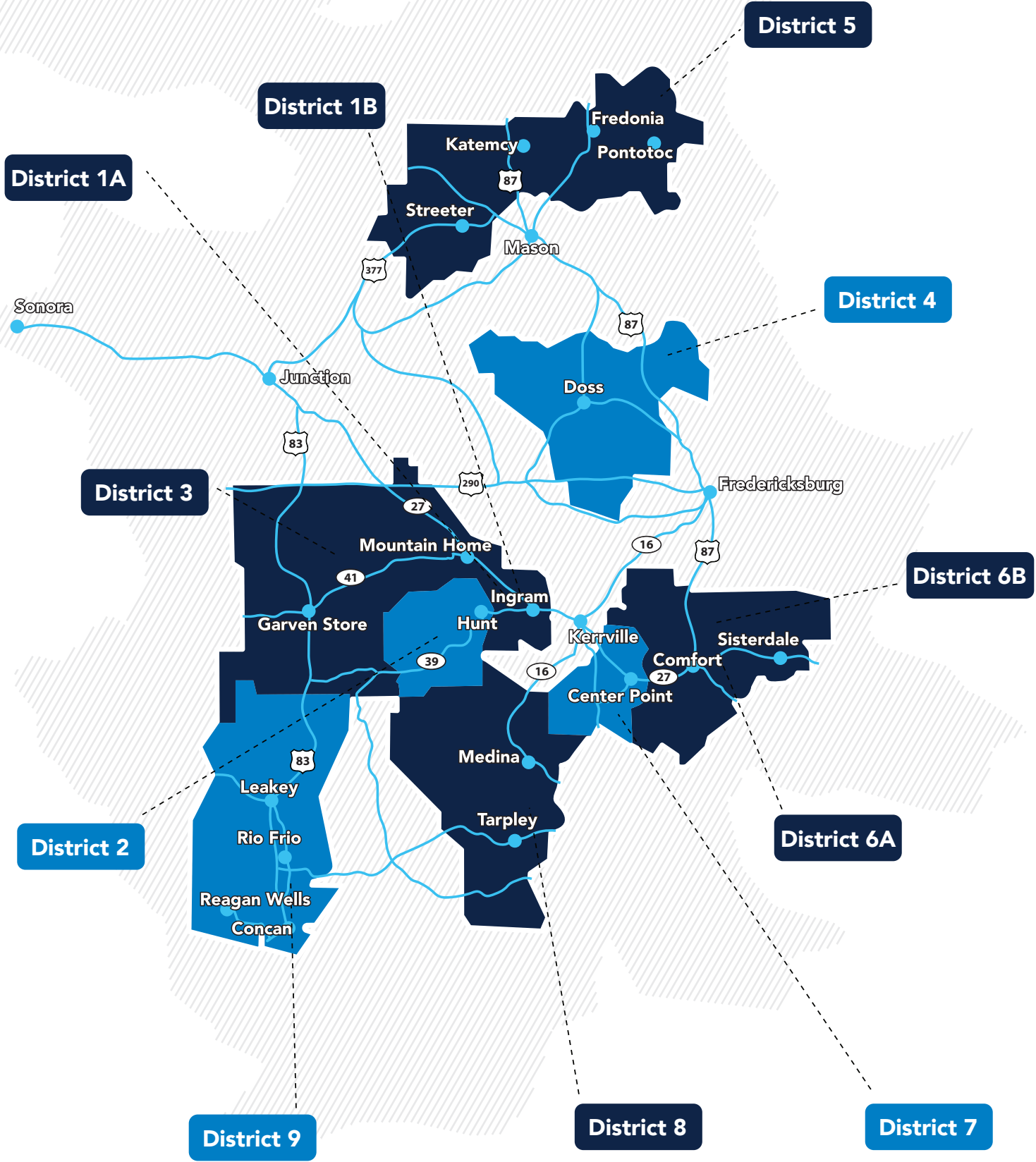
Construction crews unload a pallet of much needed rock anchors for the next fiber project on their list.

# DIRECTORS

*Board of*



# 2023 DISTRICT MAP



**DISTRICT #1A**  
INGRAM

*Robert*  
TREES

**DISTRICT #1B**  
INGRAM

*Kari*  
SHORT

**DISTRICT 2**  
HUNT

*Randy*  
BASS

**DISTRICT 3**  
MOUNTAIN HOME/  
GARVEN STORE

*Jim*  
HAYNIE

**DISTRICT 4**  
DOSS

*Steve*  
STENDEL

**DISTRICT 5**  
FREDONIA,  
KATEMCI,  
PONTOTOC  
& STREETER

*Dorrie*  
COOPER

**DISTRICT 6A**  
COMFORT/  
SISTERDALE

*Kathy*  
BOHN

**DISTRICT 6B**  
COMFORT/  
SISTERDALE

*Anthony*  
BOHNERT

**DISTRICT 7**  
CENTER POINT

*Kari*  
POTTER

**DISTRICT 8**  
MEDINA/  
TARPLEY

*Tracy*  
CASTILLO

**DISTRICT 9**  
FRIO CANYON  
(Includes Concan,  
Leakey, Reagan Wells  
and Rio Frio)

*Linda*  
REAGOR



*A message from the*

Kari Potter

*Good Evening,*

**It is my privilege to welcome you to the 2023 HCTC Annual Meeting, a time to reflect on our efforts of connecting communities, offering exceptional customer experiences, and treating each one of you like family.**

At HCTC, we hold a deep-seated belief that when we serve you, we are serving our own family. Our employees, the lifeblood of our organization, carry this belief in their hearts every day. They are the friendly voices on the other end of the line, the problem solvers, and the guardians of your connection. They understand the importance of the service we provide and the role it plays in your daily lives.

But we're not just here to talk about our commitment; we're here to show it. One of the ways we've been doing this is through our Customer Appreciation Luncheons, a tradition we began not long ago. These luncheons bring the warmth and camaraderie of our cooperative right to your doorstep. It's an opportunity for us to say thank you in person, to share stories, and to listen to your needs.

In these small towns we serve, we see more than just telephone poles and wires; we see thriving communities with rich histories. That's why we've made it a priority to support and uplift these communities continually. Whether it's through sponsorship of local events, educational initiatives, or investing in infrastructure, we are here to ensure your towns remain vibrant and connected.

Our commitment to offering the best customer experience isn't just about words; it's about actions. We are here to answer your questions, find solutions to your challenges, and ensure your connection to the world is seamless and reliable.

And when we talk about commitment, it extends to every corner of our cooperative. Our Board of Directors, a dedicated group of individuals, is wholeheartedly committed to the initiatives that drive our cooperative forward. They provide guidance, make tough decisions, and ensure that we stay true to our mission of serving you, our members.

In conclusion, HCTC is not just a service provider; we are your neighbors, your friends, and your family. We are deeply committed to your well-being, to the growth of our communities, and to the quality of your experiences with us. Together, we are strengthening the bonds that make HCTC more than just a utility provider—it's a lifeline connecting us all.

Thank you for being a part of our cooperative family, and I look forward to another year of growth, connection, and shared success.

Thank you.



# '23 Financials consolidated results

## BALANCE SHEET

Current Assets	22,756,826
Non-Current Assets	85,597,045
<b>Total Assets</b>	<b>108,353,871</b>
Current Liabilities	6,377,363
Long-Term Debt, Less Current Maturities	2,055,613
Other Liabilities & Deferred Credits	15,903,162
Members' Equity	84,017,733
<b>Total Liabilities &amp; Members' Equity</b>	<b>108,353,871</b>

## STATEMENT OF OPERATIONS

Operating Revenues	43,291,702
Operating Expenses	(33,264,647)
Net Operating Income	10,027,055
Non-Operating Expense, Net	(1,581,421)
Net Margin Before Taxes	8,445,634
Income Tax Expense	(1,762,615)
<b>Net Margin</b>	<b>6,683,019</b>

\*Through December 31, 2022.

The above consolidated balance sheet and statement of operations were prepared from the audited financial statements of Hill Country Telephone Cooperative, Inc. for distribution to its members. The above statements do not include all disclosures that might be required for fair presentation in conformity with accounting principles generally accepted in the United States of America. Complete financial statements with the unqualified report of Independent Certified Public Accountants are on file at the Cooperative's office in Ingram, Texas.

The Connection magazine takes a dive into the communities we serve featuring artists, destination spots, restaurants, small and local businesses, and more.

**How do you get a copy?**

The magazine is mailed out to our members bi-monthly. Keep an eye out for our next issue in November.



*Employee*  
**[SERVICE]**  
*Awards*  
 Thank you for your years of dedication and hard work.



ASIA COCKRUM *5 Yrs*



SONIA CONSTANTE *5 Yrs*



ABRIANA ISLAS *5 Yrs*



GEORGE MOORE *5 Yrs*



DALTON SPARKS *5 Yrs*



JOSH STACEY *5 Yrs*



KELLY TOLER *5 Yrs*



DARON USENER *5 Yrs*



RYAN FELPS *10 Yrs*



CRYSTAL LOMAS *10 Yrs*



CLAY BENTON *10 Yrs*



SHANITA ARMSTRONG *15 Yrs*



JAMES BORJES *15 Yrs*



RANDY FARRELL *15 Yrs*



MARIA TISDALE *15 Yrs*



BART TUCKER *15 Yrs*



ROSE ADAMI *30 Yrs*

