

# 2017

## ANNUAL REPORT

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Keeping You Connected



# A Note from our President and General Manager

**PRESIDENT:**

Dan Branyon

**GENERAL MANAGER:**

Randall Lis



We are happy to report that 2017 was a year of consistent results, steady progress, and an ever-growing focus on maintaining a high level of quality service. As we move forward with our modernization and technology transition, PRTC continues to produce solid financial results. Our multi-year copper to fiber optic cable replacement program is on track for completion in 2020. Our loyal customers continue to enjoy all the benefits of being part of a cooperative where we return part of our profits to them. In the last year, we were able to return nearly \$1 million in capital credit checks.

We remain steadfast in our mission to modernize our telecommunications and broadband Internet facilities. These technologies enable advanced applications such as telemedicine, long-distance learning, and work from home capabilities. PRTC's goal is to enhance the lifestyles of our rural community members, as well as to attract and retain the next generation of customers.

We are committed to continuing to provide reliable and high-quality services on our older copper facilities as we progress through the new technology transition. Our dedicated technicians and engineers are equipped with the resources needed to ensure the highest quality of service on both networks.

PRTC is proud to be a local company committed to providing services to our customers. This has, and will continue to be, our competitive advantage.

On behalf of the PRTC Board of Directors and the dedicated employees who make up the PRTC staff, thank you for allowing us to serve your communications needs.

# Financial Information

## PIEDMONT RURAL TELEPHONE COOPERATIVE AND SUBSIDIARY 2017 CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF REVENUE

### ASSETS

Current Assets	\$47,916,997
Non-Current Assets	\$20,870,726
Plant In Service	\$139,545,690
Depreciation	(\$107,646,390)
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Net Plant	\$31,899,300
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TOTAL ASSETS	\$100,687,023

### LIABILITIES & EQUITY

Current Liabilities	\$3,601,402
Long-Term Debt	\$12,044,218
Other Liabilities	\$7,884,610
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Total Liabilities	\$23,530,230
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Equity	\$77,156,793
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TOTAL LIABILITIES & EQUITY	\$100,687,023

**NOTE:** Amounts from audited reports provided by McNair, McLemore, Middlebrooks & Co, LLC

### OPERATING REVENUES

Local Network Service Revenues	\$2,885,622
Network Access Services Revenues	\$4,648,061
Miscellaneous Revenues	\$7,753,984
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Net Operating Revenues	\$15,287,667

### OPERATING EXPENSES

Operating and Maintenance Expense	\$10,494,135
Depreciation Expense	\$4,669,378
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TOTAL OPERATING EXPENSES	\$15,163,513
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Operating Income (Loss)	\$124,154

### OTHER INCOME / EXPENSES

Interest Expense	(\$689,724)
Non-Operating Income (Loss)	\$5,708,749
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TOTAL OTHER INCOME	\$5,019,025
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NET MARGINS	\$5,143,179

## Connection You Can Count On

At PRTC, we're committed to serving both our customers and our communities through innovative, reliable, and secure communication and technology solutions. We're also dedicated to providing technological investments in the community, creating new job opportunities, and giving back time and money to our members, including Capital Credit Refunds. It is this commitment to our neighbors that has led to PRTC being the strong, independent, customer-owned cooperative that our customers have come to know and trust for their communication services for 67 years.

# Board of Directors



## FRONT:

**JOYCE A. WALLACE**

Director  
Area 2 Seat 3

**JANE IVEY**

Secretary Treasurer  
Area 3 Seat 2

**DANIEL BRANYON**

President  
Area 3 Seat 3

**ROBERT BYRD**

Vice President  
Area 2 Seat 1

**JAMES H. GAMBRELL**

Director  
Area 1 Seat 1

## BACK:

**WALTER PATTERSON**

Director  
Area 1 Seat 2

**RANDALL LIS**

General Manager

**TIM MAHON**

Director  
Area 3 Seat 1

**JOHN D. MCCLINTOCK**

Director  
Area 1 Seat 3

## We Care

When PRTC was formed as the Piedmont Rural Telephone Cooperative in 1951, it had a single, unwavering mission: Provide the greatest care to our customers, our employees, and our communities. It is through this dedication to caring that PRTC is able to change, evolve, and adapt to the needs of its members, providing reliable communication and technology solutions, local customer service and support, and a more integrated and connected community.







# Empowering Small-Town Industries

Brad Burnett | Enoree, SC



In the small town of Enoree, nestled behind a grove of trees, and across a now rusty railroad trestle that crosses the Enoree River, there sits a cotton mill that has stood the test of time. It was the manager of this mill, Mr. James Chapman, who pulled the very first switch in the Enoree central office on August 17, 1953 to begin communication for the Enoree Exchange. The mayor of Enoree then made his first call out of the town to the mayor of Woodruff, ushering Enoree into a new world of communication.

Today, in an interesting turn of events, the manager of the mill, Brad Burnett, is also the mayor of Woodruff. Although the original mill shut its doors in late 2001, the Ramey and Mount Shoals plants are running strong, employing 220 employees and 44 contractors on site. When Team USA lined up in the opening ceremony of the 2016 Rio Olympics, the red, white, and blue fabric for their slacks and shorts was prepared and woven at Inman Mills. Today, the mill is working with the Massachusetts Institute of Technology to develop a fabric to be worn by the United States Military that will distinguish them as Americans in the field.

Mr. Burnett is honored to be able to provide these products for the men and women who represent our country, and PRTC is proud to support the efforts of this small-town industry by providing communications services. He says that the mill could not operate without the service that PRTC provides.





# Promoting the Development of our Youth

Omera Bagwell | Hickory Tavern, SC

When Omera Bagwell first opened the doors of Hickory Tickory Tots Learning Center & Day Care in 1993, she had a single, focused goal: Create a nurturing and caring environment in which children could learn and grow emotionally, socially, intellectually, physically, and cognitively. Today, Hickory Tickory Tots educates and cares for 105 students, and on September 2nd, they will celebrate their 25th year of serving the community.

Hickory Tickory Tots uses the Internet provided by PRTC to stream educational programs, as well as movies for entertainment. Teachers and parents also communicate through email, even sending the occasional picture of a child to the parent to let them know that they are happy and doing well.

PRTC was one of the first contacts that Omera made before opening her doors, and we have been with her every step of the way as the center grew over 25 years.

PRTC looks forward to serving our small business customers with all their communications needs into the future.







# Supporting our Community's Finest

Freddie Davenport | Laurens, SC

They say one does not become a teacher — they are born one. Mrs. Freddie Davenport of Laurens stands as a testament to that. After graduating from college, Mrs. Davenport began her teaching career right away, and for 52 years she educated and mentored a full three generations of children — with even the occasional fourth.

Now that Mrs. Davenport has retired, she plans to enjoy her well-earned time off by staying in touch with life-long friends through calls over her landline phone service and emails using PRTC Internet.

She says that she is grateful for PRTC and their employees who deliver excellent customer service, and who are always so helpful and friendly to her. To Mrs. Davenport, the members of the PRTC staff are like family.

PRTC takes great pride in providing excellent customer service to our customers.







# Embracing the Growth of Technology

Keith Martin, Kyle Thompson, and Bryce Thompson | Gray Court, SC

In Gray Court, brothers Kyle and Bryce Thompson have grown up learning the traditions and techniques of the family farm from their grandfather, Keith Martin. For his entire life, Keith has lived on the Martin Farm, managing the cattle and working the land. This hardworking nature seems to have been passed down to his grandchildren, whose favorite chores are cutting hay and working with the cows.

The Thompson brothers, like many young boys, enjoy riding four wheelers, hunting, fishing, and spending time outdoors, but they have also learned to appreciate the technology in their daily lives. The boys understand that the Internet is not only for entertainment — it is an incredible educational tool. Kyle and Bryce work hard to maintain good grades in school, and PRTC works hard to provide the Internet they use to increase their knowledge and research new and exciting topics.

The brothers' grandfather is on the technology bandwagon as well. He utilizes PRTC Internet to buy and sell equipment and hay. Mr. Martin also uses apps on his iPad to help manage his cattle. Farmers in the PRTC service area have access to the same technology that is found in larger surrounding cities.



[www.prtcnet.com](http://www.prtcnet.com)



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