

# ANNUAL<sup>2024</sup> REPORT

UNLEASH  
TOMORROW'S  
POTENTIAL.



# Letter from the General Manager

Welcome to Pioneer Telephone Cooperative's 71<sup>st</sup> Annual Meeting! It is an honor to serve as the General Manager of such an esteemed organization that cares deeply about our mission of enhancing the quality of life for our Members and Subscribers through continual innovation and technology.

As we reflect on the past year and set our sights on the Pioneer Broadband Revolution, I am filled with a profound sense of pride and gratitude. Pride for our remarkable endurance through extreme technological changes in our operations, and gratitude towards our cooperative Members and Employees who have embraced a future focused on fiber-optics. This approach will naturally foster technological innovation, enhancing the quality of life for all involved.

Over the past year, we have continued to push the boundaries of innovation in the field of fiber optic broadband connectivity, reaffirming our position as a leading force in the technology industry. We have expanded our fiber network that has enabled Pioneer to launch next-generation products and services like PowerOn WiFi, Business Broadband with expedited service, an extended WiFi service to buildings throughout your property to ensure you have total connectivity where it matters most. With

our focus on connecting what matters, we are evaluating the feasibility of protecting cooperative families with a reliable and affordable home camera solution that will fit into the Pioneer service suite by utilizing the existing fiber connectivity already in the home. More details about this exciting new offering will be available very soon.

We have forged strategic partnerships with other cooperatives across Oklahoma, including Cimarron Electric Cooperative, to enhance our collective impact. Embracing cooperation among cooperatives, one of the fundamental cooperative principles, enables us to serve our communities and advance

our shared goal of achieving 100% connectivity for all Oklahomans more effectively. At Pioneer, we're not just helping; we're uniting and building together, committed to our mission of bridging the digital divide in Oklahoma with optimism and collaborative spirit.

Pioneer proudly accepted the opportunity to participate in the Enhanced Alternative Connect America Cost Model (E-ACAM) program that will ensure fiber connectivity to 100% of our members within the Pioneer Telephone Cooperative footprint. Combined with this program, we also participate in additional projects such as the Pioneer Telephone Local Community Fiber Overbuild projects, Rural Utilities Services ReConnect Grant projects, and the Pioneer Broadband Services CLEC (competitive local exchange carrier) fiber overbuilds. To date, Pioneer Telephone Cooperative's overall fiber expansion efforts include more than 11,000 miles of fiber which is almost equivalent to 4 trips from the east coast of the United States to the west coast. Pioneer continues these efforts alongside a copper retirement project consisting of over 13,000 miles of copper to fiber optics. This migration to fiber will ensure our Members/Subscribers will have the most reliable broadband service as well as the potential to grow with future technology enhancements. Combined, these current Fiber To The Home (FTTH) projects will exceed \$400 million in capital investment to deliver Gig-capable FTTH broadband services and whatever comes next. This is truly a future-proof foundation, and we are proud to provide this type of solution to western Oklahoma.

As we look ahead to the Pioneer Broadband Revolution, we are filled with excitement and optimism for the possibilities that lie before us. The digital landscape is evolving at an unprecedented pace, presenting us with the new opportunities to innovate, collaborate, and drive positive change. We are committed to staying at the forefront of this transformation, leveraging emerging technologies, and harnessing the power of connectivity to create a more connected, intelligent, and sustainable world. Our mission is to Connect What Matters for Oklahomans, and we are committed to doing just that as we continue our journey with the Pioneer Broadband Revolution.

Thank you for joining us.



**MISSION  
STATEMENT**

*Pioneer will enhance the quality of life for our Members and Subscribers through continual innovation and technology.*

# Letter from the President

As we gather for our 2024 Annual Meeting, I extend a warm welcome to all our Members on behalf of the Board of Directors. Serving as your President over the past year has been a true honor.

I want to express my gratitude to our Management Team, Employees, and all Members of this Cooperative for your unwavering loyalty as we embark on our broadband journey to extend fiber connectivity to every Member.

Pioneer's journey began in 1953, 71 years ago, when dial tone services were the primary demand. Back then, Pioneer fulfilled a crucial need using technology that was in its infancy. Over the years, the landscape has evolved significantly. The copper plant technology that served us well for decades is now reaching its end of life, posing challenges as we strive to meet the evolving demands of our Members.

Throughout our history, Pioneer has witnessed remarkable changes in customer demands and technological advancements. We expanded our services to include long distance options, enhanced calling features, paging, cellular services and even multi-line home accounts, marking our entry into the competitive arena.

Regrettably, we had to discontinue cellular customer operations in 2023 due to fierce competition from larger

companies with attractive device offers and pricing plans. The transition was undoubtedly difficult for both our Employees and Customers, and I extend my sincere appreciation for your understanding and cooperation during this challenging period in our history.

Amidst this period of growth, Pioneer's leadership is committed to charting a course for the future by leveraging technological advancements and innovation. Our ongoing fiber deployments across our Cooperative footprint promise exciting new products and enhanced services for our Members as we forge new partnerships to ensure a prosperous future.

Your continued support and loyalty are the cornerstones of our success. As your Cooperative, Pioneer remains dedicated to delivering advanced technology to meet your evolving needs. Without each and every one of you, Pioneer's success would not be possible.

Warm regards.



## VISION STATEMENT

*To provide a positive and memorable customer experience*



### *Trustees by District (left to right)*

1. **Kari Cox** - District 11 Calumet, Geary, Watonga
2. **Trevor Wilczek** - Secretary/District 10 Dover, Kingfisher
3. **Mike Dobrinski** - District 1 Buffalo, Fort Supply, Freedom, Longdale, May, Mooreland, Okeene, Quinlan, Selman
4. **Vickie Klopfenstein** - Treasurer/District 9 Covington, Crescent, Douglas, Garber, Marshall, Orlando
5. **Dave Krittenbrink** - Assistant Secretary-Treasurer/  
District 6 Apache, Comanche, Hastings, Okarche, Temple
6. **David Shepard** - District 8 Aline, Carmen, Cleo Springs, Dacoma, Deer Creek, Helena, Hopeton, Hunter, Lamont, Nash, Pond Creek, Wakita, Waynoka
7. **Gail Parker** - President/District 4 Carter, Custer City, Fay, Gould, Hollis, Oakwood, Putnam, Sentinel, Thomas
8. **Gabe Green** - District 5 Blanchard, Bradley, Dibble, Loco
9. **Loyd Benson** - District 3 Chattanooga, Davidson, Frederick, Grandfield, Manitou, Tipton
10. **Stacy Cline** - District At-Large All Pioneer Exchanges
11. **Mark Fuqua** - District 2 Arnett, Canton, Chester, Fargo, Gage, Harmon, Mutual, Seiling, Sharon, Shattuck
12. **Jack H. Choate III** - Vice President/District 7 Ames, Drummond, Hennessey, Lahoma, Loyal, Meno, Ringwood
13. **Mary Petty** - District 12 Newcastle

# 2023 SCHOLARSHIPS



District 3  
**RACHEL MITCHELL**



District 4  
**ELIJAH MOTLEY**



District 5  
**KEZIAH GRANT**



District 6  
**KINLEY RENDON**



District 7  
**RHETT GLAZIER**

Pioneer and its Board of Trustees knows the value of investing in our youth. Each year, the Pioneer Scholarship Program assists up to 26 scholars who are furthering their education. Since its inception in 1991, the scholarship program has awarded **374** scholarships to college-level Juniors and Seniors and technology center attendees whose families are Members of the Cooperative. Our Pioneer Scholars are the best of the best, making the **\$1,145,927.27** investment a total we hope to increase year after year.



District 9  
**TRENT FISHER**



District 10  
**ELIZABETH PERDUE**



At-Large  
**MADISON MOELLER**



District 5 - Technology Center  
Scholarship Award  
**JENNAVIVE CORLEY**



## Connect What Matters

# COMMUNITY

### **Pioneer Telephone Cooperative: Empowering Communities Through Giving Back**

In a world marked by challenges, the Pioneer spirit of giving back is a cornerstone of Pioneer Telephone Cooperative's identity. Communities flourish when individuals and organizations unite to support one another, and Pioneer remains steadfast in our commitment to Members. We take pride in our diverse programs and donations, knowing that each act of kindness contributes to the well-being of society. With a focus on Oklahoma, including support for vital initiatives like the Oklahoma Food Bank and United Way, as well as Breast Cancer awareness, we highlight the invaluable contribution of our Employee Volunteers.

### **Sponsorships: Fostering Positive Change**

Sponsorships extend beyond mere financial aid; they represent a commitment to community growth. Pioneer sponsors events, programs, and initiatives throughout rural Oklahoma, fostering a sense of belonging and pride within our communities. By supporting local sports teams, festivals, and educational programs, we strive to create lasting positive change.

### **General Donations: Lifelines for Essential Services**

Pioneer's general donations, which constitute over 80% of all contributions, serve as lifelines for organizations such as the Oklahoma Food Bank and United Way. These donations encompass various initiatives, including yearbook ads, technology class sponsorships, and support for school and community activities. Every contribution, regardless of size, makes a difference in the lives of individuals, families, and schools, showcasing our solidarity and compassion as a Cooperative.

### **Employee Volunteers: Making an Impact Through Service**

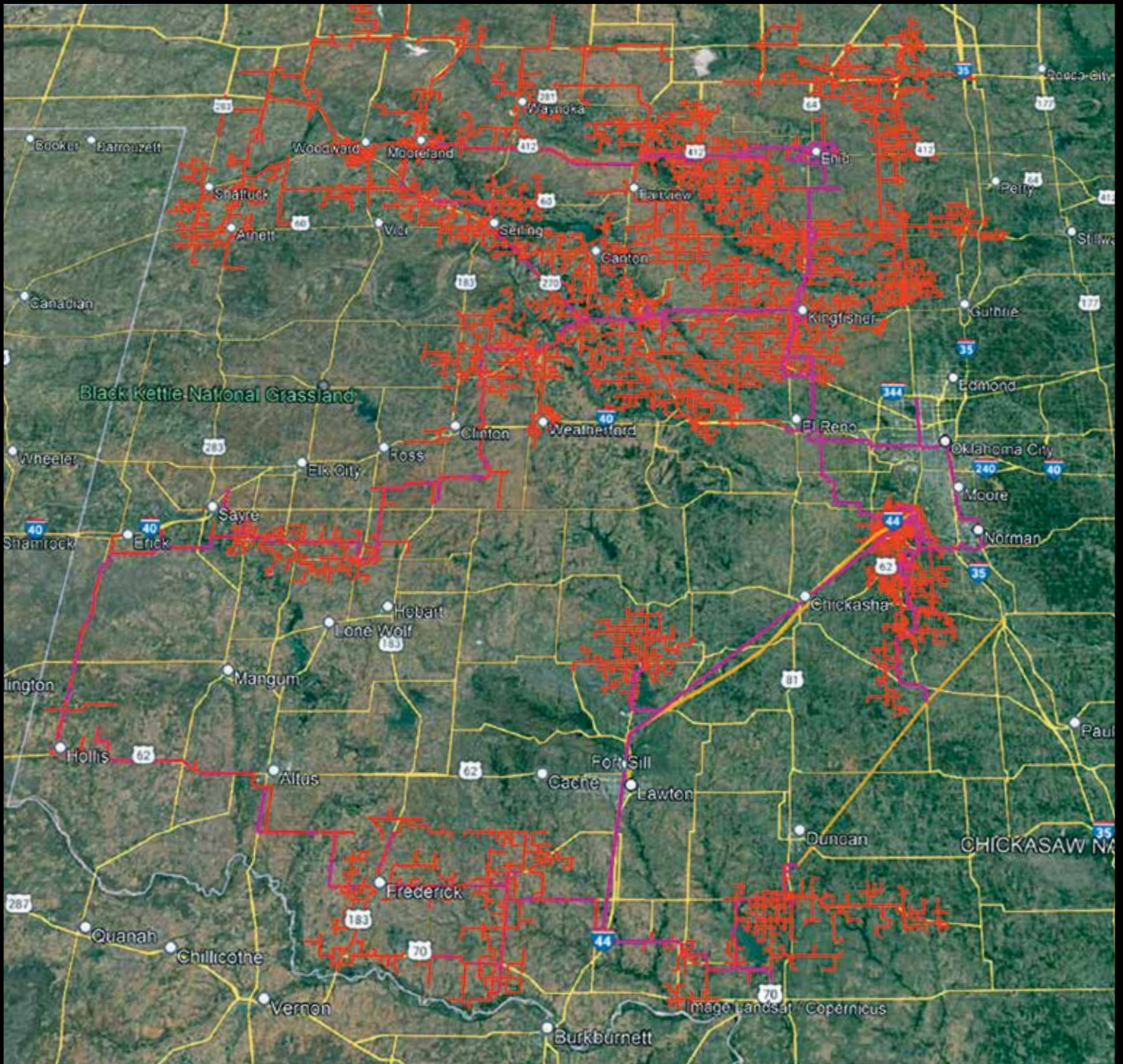
Pioneer encourages Employee Volunteerism as a powerful tool for community engagement and corporate social responsibility. Through volunteering, Employees not only make a positive impact but also foster a sense of purpose and fulfillment. Partnering with local nonprofits and organizations, our Volunteers address community needs, from food drives to mentoring youth, embodying our commitment to building a stronger, more resilient Cooperative.

### **Conclusion: Building a Brighter Future Together**

As we look towards the future, Pioneer remains dedicated to fostering stronger, more compassionate communities. Through sponsorships, Santa Call-Ins, general donations, and Employee Volunteers, we continue to make a profound difference in the lives of others. Let us nurture the spirit of generosity, knowing that together, we can create a brighter, more inclusive Oklahoma.

In the words of Roy Rogers, *"The only thing that really matters is to live, and to live happily. But to live happily, one must have sunshine, freedom, and a little flower."* Let's keep rural Oklahoma "living happily" forging connections within our communities that transcend mere donations but focus on each other. Pioneer makes the commitment to "Connect What Matters" and be there for our communities. Together we can truly change the world, one gesture at a time.

# PIONEER FIBER LINES MAP



*The Pioneer Fiber Optic network represents a remarkable feat of connectivity, spanning over 11,000 miles linking 80 exchanges and 25 retail locations. This extensive web of fiber serves Customers in every corner of western Oklahoma, extending all the way to the greater Oklahoma City metro area.*

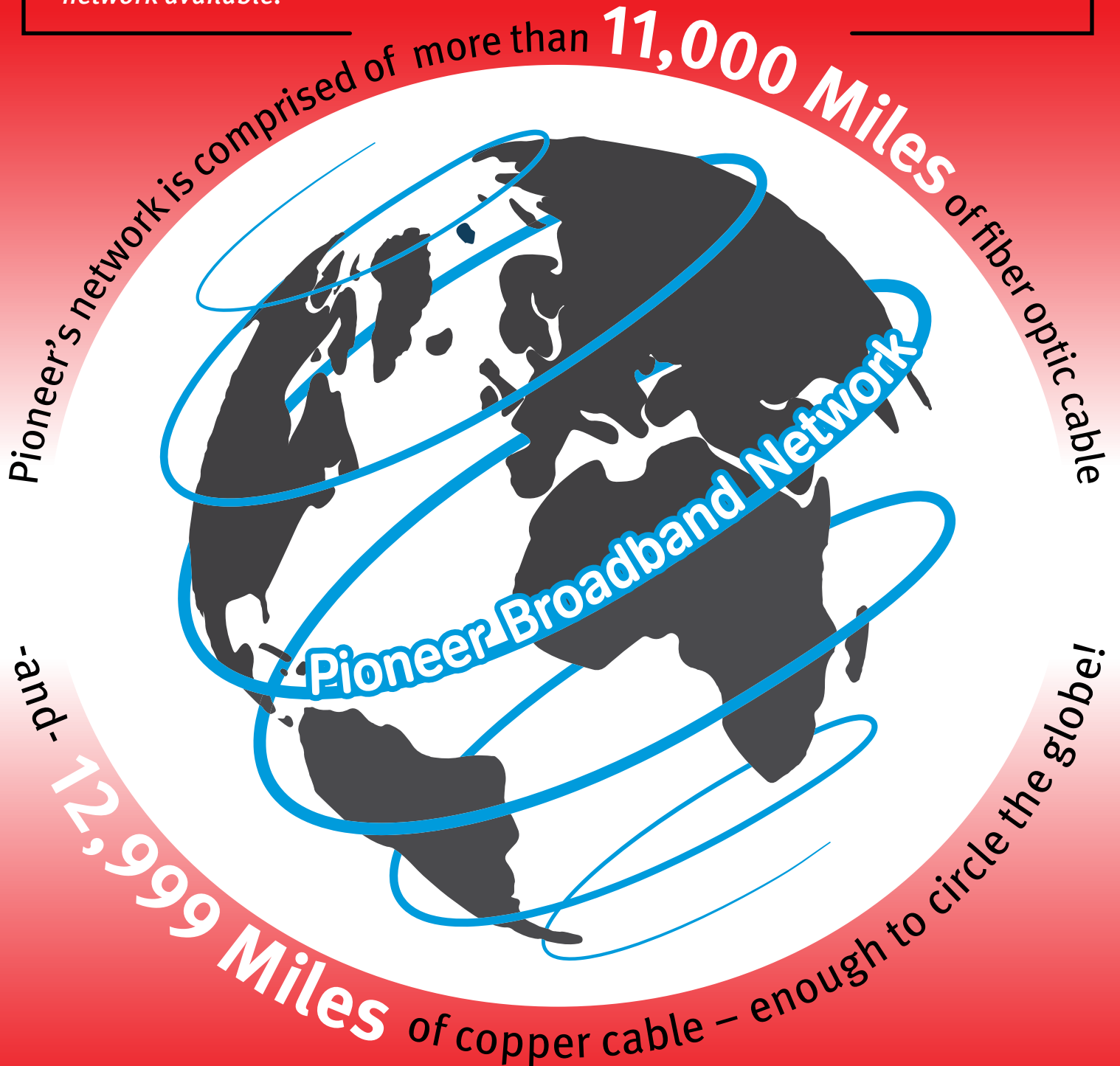
*With access to Pioneer Fiber, Members can thrive in rural Oklahoma, whether they choose to work from home, run a small business, or connect their businesses or schools to a larger network. This level*

*of connectivity enables individuals and communities to stay connected and access opportunities that were once limited by geographical constraints.*

*Pioneer's mission to "Connect What Matters" underscores the importance of reliable high-speed internet access in today's interconnected world. By bridging distances and connecting people, Pioneer Fiber Optic plays a vital role in empowering individuals and businesses to succeed in the digital age.*

# INTERNET

*Pioneer's commitment to connecting Members to who and what matters the most is proven in the lengths we'll go to provide miles of the most responsive, reliable network available.*



*Pioneer serves more than 78,663 customer locations.  
67% of Pioneer Subscribers are served by fiber optic internet.*

**PIONEER'S GOAL IS TO HAVE FIBER AT 76% OF LOCATIONS BY 2025  
AND THE ENTIRETY OF PIONEER'S COMMUNITIES BY 2027.**



 **Pioneer**  
**EXECUTIVE  
TEAM**

(left to right)

**Mike Baustert**

Vice President  
Operations & Engineering

**Brenda Walta**

Vice President  
Finance & Administration/CFO

**Blake Callaham**

General Manager

**Kim Grellner**

Vice President  
Marketing, Sales & Service



# Fiber **OVERBUILD**



Pioneer's fiber optic overbuild continues to grow and provide more rural Oklahomans with access to future-proof solutions to stay connected.

The overbuild is funded partially by the Federal Communications Commission's (FCC) Alternative Connect America Cost Model (ACAM) which began in 2017 and provided \$162 million through 2023.

Effective 2024, Pioneer opted into the FCC's Enhanced ACAM called E-ACAM which is providing additional funding of nearly \$396 million over a 15-year period. This funding not only facilitates the construction of the network, but also supports the ongoing maintenance of the E-ACAM build within Pioneer exchanges.

These builds as well as Pioneer self-funded projects of more than \$100 million will deliver fiber to tens of thousands of residents and businesses in rural Oklahoma.



# PATRONAGE

A part of Pioneer

Telephone's successful

and long-standing Mission is to

return patronage capital to our

Members. Pioneer Board of Trustees

has approved payment of 50% of

outstanding Member capital credits

through 2004, in addition to

paying a portion of your

current balance.

Earn



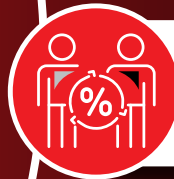
Your subscription for telephone and internet spent at your local co-op throughout the year helps you earn capital credits.

Margins



At the end of the year, your co-op completes financial matters and determines whether there are excess revenues, called margins.

Allocate



Your co-op allocates the margins to Members as capital credits based upon their monthly plan charges for telephone and internet services during the year.

Retire



When the co-op's financial condition permits, your Board of Trustees may decide to retire a portion of the capital credits.

Credit

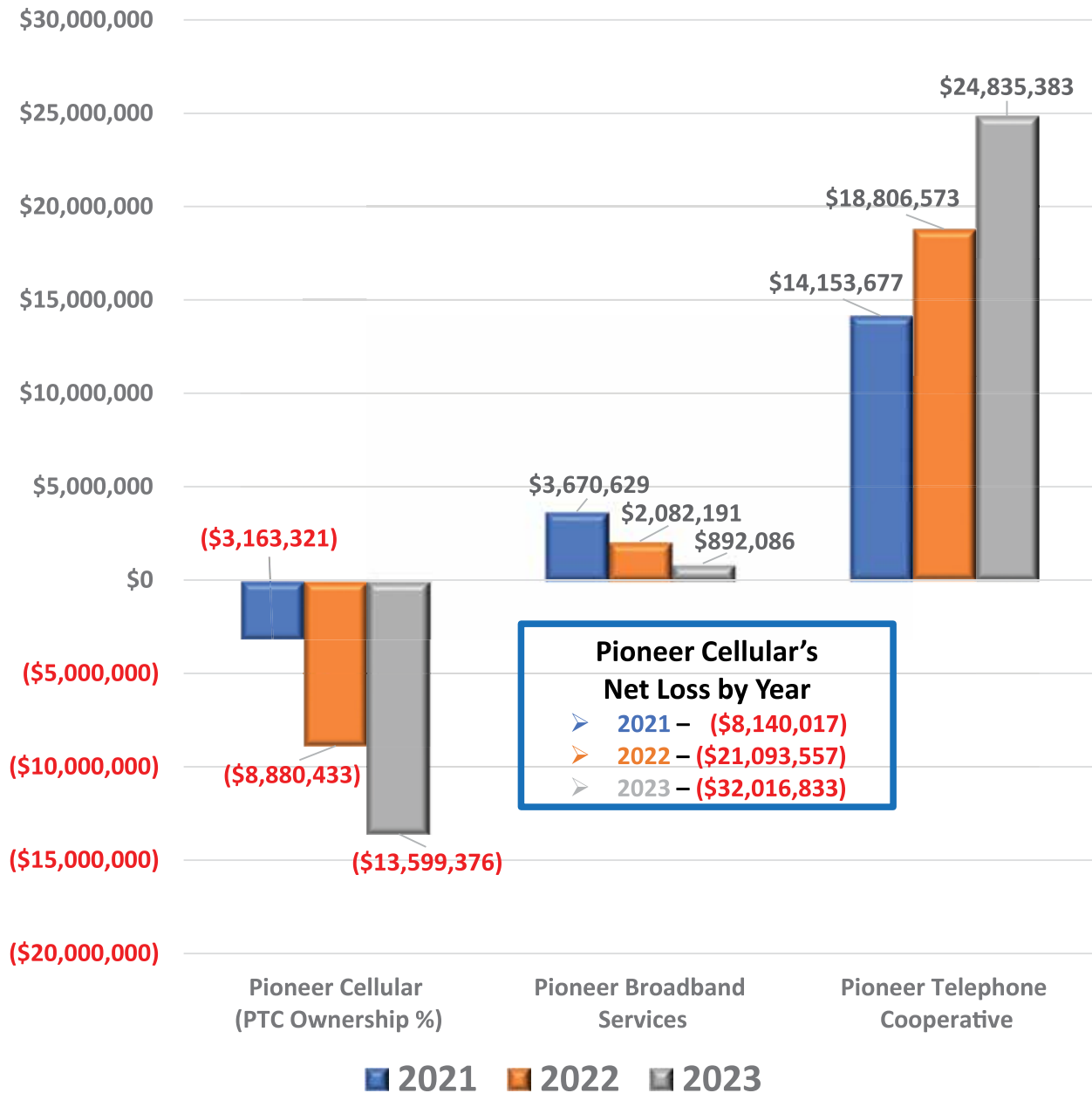


Your co-op notifies you of how and when you'll receive your capital credit retirement. This may be in the form of a bill credit or check.

Pioneer Telephone has retired over **\$153 Million** to Members since 1953

# FINANCIALS

## Net Income (Loss) by Company for 2021 through 2023



**Pioneer Cellular's Net Loss by Year**

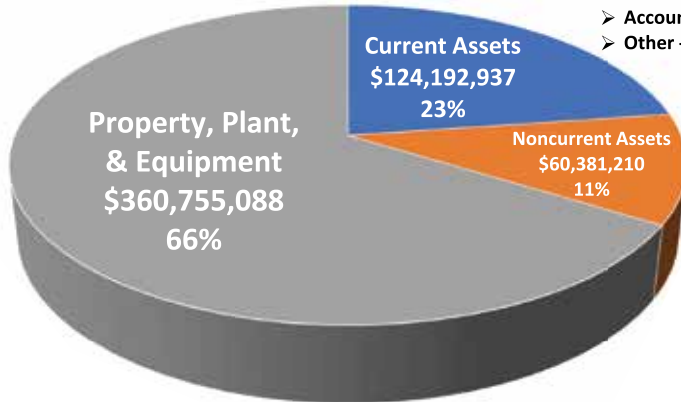
- 2021 - (\$8,140,017)
- 2022 - (\$21,093,557)
- 2023 - (\$32,016,833)

**Consolidated Net Income**

- 2021 - \$14,660,985
- 2022 - \$12,008,331
- 2023 - \$12,128,093

# FINANCIALS

## 2023 Total Assets



### Current Assets

- Cash & Investments - \$66.6M
- Inventory - \$38.1M
- Accounts Receivable - \$17.6M
- Other - \$1.9M

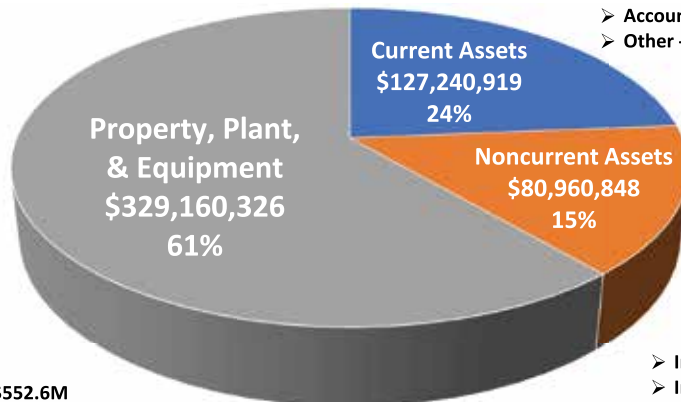
### Noncurrent Assets

- Investments - \$4.8M
- Intangibles - \$24M
- Other - \$31.6M

### Plant

- Plant in Service - \$609.6M
- Plant under Construction - \$49.8M
- Accumulated Depreciation - (\$298.6M)

## 2022 Total Assets



### Current Assets

- Cash & Investments - \$52.6M
- Inventory - \$53M
- Accounts Receivable - \$19.9M
- Other - \$1.7M

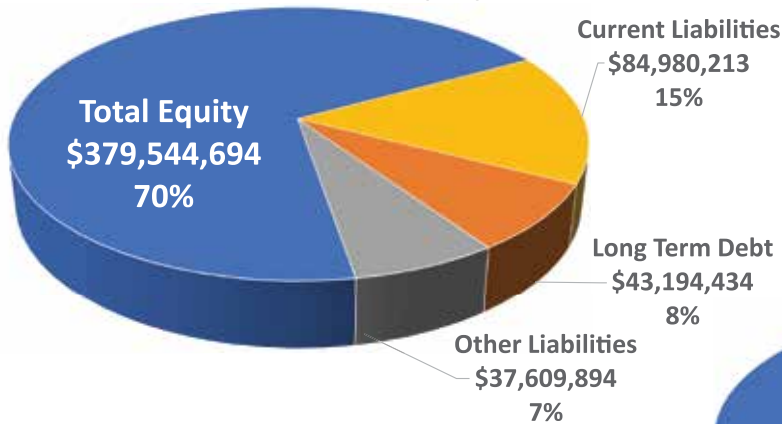
### Noncurrent Assets

- Investments - \$8.8M
- Intangibles - \$21.7M
- Other - \$50.5M

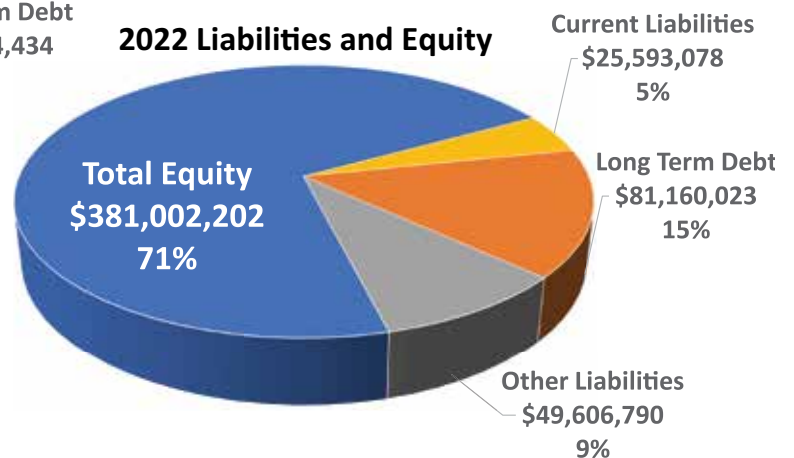
### Plant

- Plant in Service - \$552.6M
- Plant under Construction - \$65.6M
- Accumulated Depreciation - (\$289M)

## 2023 Liabilities and Equity



## 2022 Liabilities and Equity





P.O. Box 539  
Kingfisher, OK 73750

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**Pioneer**

Registration Card | Annual Report

**THIS IS YOUR OFFICIAL  
REGISTRATION CARD.**

Please bring this entire report with you  
to the Annual Meeting on May 7, 2024.

**YOU'RE  
INVITED!**

Pioneer Telephone Cooperative's  
**71<sup>st</sup> Annual Meeting**

**TUESDAY May 7, 2024**

**Exhibit Building** on the grounds of the  
**Kingfisher County Fairgrounds**

**300 S. 13<sup>th</sup> St, Kingfisher, OK**

**7:30 AM REGISTRATION**



**DRIVE-THRU REGISTER  
& RECEIVE YOUR GIFTS  
.....it's that easy!**

**8:00 AM BREAKFAST**

**8:30 AM BINGO**

**10:30 AM BUSINESS MEETING**