

**ANNUAL**

**2023**

**REPORT**







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# Annual Meeting Program

**WEDNESDAY,  
July 31, 2024**

**12 PM**

**REGISTRATION & LUNCH**

**1:30 PM**

**MEETING**

Call to order – President

Welcome

Introduction of Board Members

Report of Notice  
*Notice of Meeting, Presence of Quorum, and  
Minutes of 2023 Meeting*

Election of Directors

CEO's Report

Financial Report

Other Business

Adjournment

Prize Drawings

# Annual Meeting Minutes

United Telephone Mutual Aid Corporation Annual Meeting of the stockholders at 1:30 PM Wednesday, July 26, 2023.

- 1** The 70th Annual Meeting of United Telephone Mutual Aid Corporation was called to order by the President, Harold Estenson. Mr. Estenson welcomed everyone and handed off the meeting to Steve Swanson, General Manager / CEO. Steve Swanson introduced special guests, former employees, and the Board of Directors. Steve Swanson welcomed Carissa Swenson, Executive Director of BAND, to the podium.
- 2** Steve Swanson announced there were seventy members present, so a quorum did exist.
- 3** Steve Swanson reported the official notice for the annual meeting was mailed to all members on July 7th, 2023. The minutes of the previous meeting were published in the annual meeting booklet. There was a request for a motion to dispense with the reading of last year's minutes and approve them as written. Motion was made by Tom Eagan and seconded by Ken Myhre. Motion voted on and passed.
- 4** Steve Swanson introduced the candidates up for re-election for a three-year term. District 1, Langdon and Wales Exchanges: Lorne Field. District 2, Walhalla and Milton Exchanges: Steve Bjornstad. District 3, Rock Lake, Sarles, and Egeland Exchanges: Harold Estenson.
- 5** Steve Swanson announced the closing of the ballot box and appointed Anna Spivey, Jess Balsdon, and Janelle Borho as tellers to count the ballots.
- 6** Scott Stewart, Cooperative Attorney, reported to the membership on by-law changes.
- 7** Steve Swanson, General Manager / CEO, presented his comments to the membership.
- 8** Steve Swanson called upon Tara Mikkelsen, Chief Financial Officer, to present the Financial and Statistical Report for 2022. A motion was made by Anna Spivey to approve the financial report as presented and seconded by Norm Schommer. Motion voted on and passed.
- 9** Steve Swanson announced the voting results. For Three-Year Term:
  - a. District 1, Langdon and Wales Exchanges: Lorne Field, 49 votes.
  - b. District 2, Walhalla and Milton Exchanges: Steve Bjornstad, 47 votes.
  - c. District 3, Rock Lake, Sarles, and Egeland Exchanges: Harold Estenson, 44 votes.
- 10** A joint "Year in Review" presentation was made by Tara Mikkelsen, Chief Financial Officer, and Kirsten Gendron, Customer Service Manager.
- 11** Having no further business to come before the Annual Meeting, a motion was made by Norm Schommer and seconded by Gloria Covert to adjourn the meeting.



# Board of Directors

**Tom Eagan**  
President

**Ken Myhre**  
Vice President



**Steve Bjornstad**  
Director



**Ken Carlson**  
Director



**Harold Estenson**  
Director



**Lorne Field**  
Director



**Michele Schommer**  
Director



# Our Employees

## Management

### General Manager/CEO

Steve Swanson

### Facilities Manager

Ross Feil

### Customer Service Manager

Kirsten Gendron

### Chief Financial Officer

Tara Mikkelsen

### Network Manager

AJ Hensel

## Supervisors

### Turtle Mountain Area Supervisor

Kurt Carpenter

### IT Supervisor

Matt Geddes

## Accounting

### Cashier/Bookkeeper

Jayna Hoffarth

### Accountant

Denise Otto

## Network

### LANGDON

#### Network Tech I

Dave Bakke

Tim Goff

Tony Hanson

Dave Hein

### ROLLA

#### Network Tech I

Jade Gores

Cole Schroeder

## Customer Service

### LANGDON

#### Customer Service Representative

Danielle Andresen

Carla Howatt

Kori Howatt

Robyn Ramberg

#### Customer Service Specialist

Brenda Veer

### ROLLA

#### Customer Service Representative

Laurie Bercier

### BOTTINEAU

#### Customer Service Representative

Tiffany Genre

#### Customer Service Specialist

Tory Statz

## Plant Records

### LANGDON

#### Plant Records

Tasha Christianson

Suzanne Sanders

#### Plant Records Specialist

Andrea Fetsch

Lori Ulyyott

### ROLLA

#### Plant Records Specialist

Tara Trottier

## Information Technology

### LANGDON

#### Broadband Specialist

Rebecca Feist

Mikan Lovcik

### ROLLA

#### Broadband Specialist

Eric Lagasse

## Outside Plant

### LANGDON

#### Field Technician I

Doug Lill

Matt Lowery

Drew McQuarie

#### Field Technician II

Gerald Delvo

Riley Kuchar

#### Telecom Technician

Jason McLean

### ROLLA

#### Field Technician I

Wade Belgarde

Russ Lund

Tony Page

Mitch Poitra

#### Maintenance

Justin Longie

#### Telecom Technician

Farrell Morin

### BOTTINEAU

#### Field Technician I

Lance Halvorson

#### Field Technician II

Kendall Fugere

#### Telecom Technician

Jon Brenden

Brock Nesheim

#### Plant Engineer

Norm Reitan

A Word From Our Leadership

# President & GM Letter

**Steve Swanson**  
GM/CEO

**Tom Eagan**  
President



**W**elcome to the 71st annual meeting of **United Communications**. I am honored to discuss the current state of our cooperative and the crucial role we play in connecting our communities. The past year has been a mix of triumphs and challenges, but our commitment to providing affordable, dependable, and innovative communication services has remained steadfast. Broadband, or high-speed internet, has become an essential part of daily life, powering everything from precision agriculture, which enables farmers to increase efficiency and yield, to telehealth services, offering life-saving medical consultations that wouldn't have been possible before. Broadband also supports remote work and learning, ensuring that members in our communities can pursue their careers and education, regardless of where they live. As a fitting example, this past year two of our employees used remote learning. One earned a law degree, and the other an MBA, while still working full-time. Our fiber optic network is the backbone of these critical broadband applications, ensuring end-to-end connectivity across our service territory and beyond. Schools, higher education institutions, hospitals, businesses, government agencies, cellular towers, and residential homes all depend on our fiber optic infrastructure. North Dakota has recently seen a surge in data center activity, particularly for artificial intelligence (AI). Even with the increased demands from these AI data centers, our fiber optic network stands ready to tackle any high-capacity needs if these data centers emerge in our area.

When we discuss challenges, Universal Service Funding (USF) is a significant factor. USF plays a vital role in ensuring that all Americans have access to essential telecommunication services, especially in rural, high-cost areas like ours. Due to regulatory changes and shifts in policy priorities, the future of USF is unknown. This uncertainty impacts long-term planning and investment in infrastructure. The past year has also presented a significant increase in regulatory rules and compliance requirements, putting additional stress and financial strain on our company to ensure compliance.

Now to review our progress. In 2023, we expanded our fiber network to include over 100 new households, businesses, and structures. We have also added over 200 new internet



accounts. Our managed wireless customers have seen changes, as we upgraded over 1,000 customers to new hardware to provide faster, more dependable, and more secure broadband services. We plan to continue this upgrade for the remainder of our managed wireless customers in 2024. We continue to invest in cybersecurity endeavors to ensure our network and employees are prepared for any threats that may arise. Our infrastructure has seen significant upgrades, resulting in increased internet speeds and improved reliability for all users. In August of 2023, we added our first multi-gig internet customer! We have also implemented new customer service initiatives to ensure quicker and more efficient support. One of these initiatives was the addition of live chat to our website, allowing customers to send instant messages to our representatives for quick resolution of questions. We remain committed to enhancing our network and exploring new services to better serve our customers.

**As we move into 2024, we are working on a new streaming TV product, called SmartTV.** This streaming service will replicate our existing TV offerings, but with the added convenience of being accessible via a smart device, eliminating the need for a set-top-box (STB). This innovative streaming service will expand viewing options for our customers, and will streamline installation processes, reducing costs for the cooperative. We will begin testing this service with our employees later this summer.

United continues to focus on community involvement. This past year, we partnered with St. John, Dunseith, and Belcourt Schools, by making donations in support of their eSports and drone racing programs. eSports is not just about playing games; it's an avenue to help students develop vital skills, including critical thinking, problem-solving, teamwork, communication, leadership, digital literacy, and engagement. This past February, Dunseith School became an eSports State Champion! We also partnered with multiple county public health organizations to provide free technical training to area community members. In terms of economic development, United Communications applied for and secured a loan through USDA Rural Economic Development. This loan is a pass-through loan, benefiting Langdon Locker's facility expansion.

Financially, 2023 was another good year, with a net margin of \$9,573,085. Our investments have yielded positive results for

the cooperative. Acknowledging this success, the board of directors approved a capital credit retirement of \$5,000,000 in December of 2023, which was paid to the cooperative's members.

I want to take a moment to honor two remarkable individuals who have been an integral part of United's journey. In January, after 45 years of dedicated service, Norman Schommer retired from the board. Norm's unwavering commitment and leadership have been instrumental in shaping our cooperative into what it is today. He navigated us through numerous challenges, always keeping the needs of our communities at the forefront. As we bid farewell to Norm, we extend our heartfelt thanks for his invaluable contributions.

I also want to honor and remember Perry Oster, a cherished member of our family who was a long-time employee of 37 years, and former CEO of United Communications. Perry's passing has left an incredible void in our organization. Perry's leadership, steadfast commitment, and tireless drive for excellence played a pivotal role in molding our organization and the employees' drive for success. Perry was more than a colleague; he was a mentor, a sounding board, and a friend to us all. In commemorating Perry's life and contributions, we honor his enduring legacy, which continues to inspire us. Perry's spirit will forever be a part of our organization, guiding us as we continue to serve our communities. We extend our deepest condolences to Perry's family and loved ones.

**As we reflect on the past year, we would like to express our deepest gratitude to each one of our valued members. Thank you for your unwavering support and trust in United Communications.** Your involvement is the driving force behind our success. To our devoted employees, your hard work and commitment have been instrumental in our achievements. I appreciate your tireless efforts to serve our communities. To our directors, thank you for your visionary leadership and strategic guidance. We are excited about the future and confident that, together, we will continue to bring high-quality communication services to all corners of our rural service areas. Thank you all once again for your dedication and commitment to United Communications.

# Financials

Consolidated Balance Sheets  
December 31, 2023 and 2022

## Assets

	2023	2022
<b>Current Assets</b>		
Cash & Cash Equivalents	\$ 20,621,043	\$ 23,157,255
Investments in Certificates of Deposit	4,500,000	-
Receivables	1,584,541	1,736,832
Materials & Supplies	1,214,065	1,579,738
Income Tax Receivable	605,787	-
Equity Securities	5,132,699	4,389,762
Debt Securities Available for Sale	104,642	-
Other Current Assets	627,699	1,298,454
<b>Total Current Assets</b>	<b>34,390,476</b>	<b>32,162,041</b>
<b>Noncurrent Assets</b>		
Investments in Affiliates	42,118,241	39,423,523
Investments in Nonaffiliates	2,331,176	2,291,113
Debt Securities Available for Sale	5,100,673	4,969,862
Note Receivable, Net	1,145,316	1,201,782
Other Noncurrent Assets	929,694	1,101,276
<b>Total Noncurrent Assets</b>	<b>51,625,100</b>	<b>48,987,556</b>
<b>Property, Plant, &amp; Equipment</b>		
Wireline Plant in Service	100,580,401	102,181,673
Wireline Plant Under Construction	596,765	255,751
Cable & Internet Plant	7,246,033	7,025,215
Nonoperating Plant	500	500
	108,423,699	109,463,139
Less Accumulated Depreciation	68,624,982	66,605,141
<b>Net Property, Plant, &amp; Equipment</b>	<b>39,798,717</b>	<b>42,857,998</b>
<b>Total Assets</b>	<b>\$ 125,814,293</b>	<b>\$ 124,007,595</b>

## Liabilities & Members' Equity

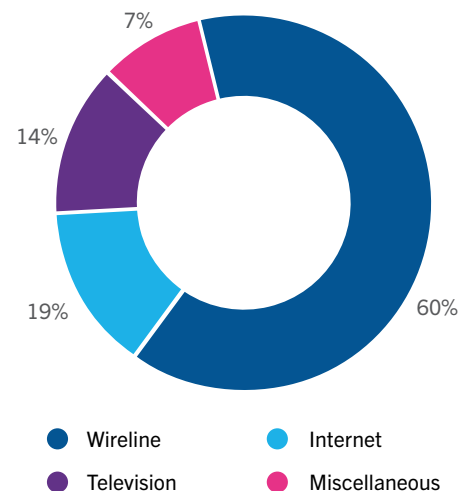
	2023	2022
<b>Current Liabilities</b>		
Accounts Payable	\$ 681,783	\$ 904,100
Income Taxes Payable	-	605,252
Current Maturities of Long-Term Debt	2,244,879	2,484,064
Other Accrued Liabilities	1,771,972	1,573,581
<b>Total Current Liabilities</b>	<b>4,698,634</b>	<b>5,566,997</b>
<b>Long-Term Debt, Net of Current Maturities</b>	<b>46,973</b>	<b>2,294,868</b>
<b>Noncurrent Liabilities</b>		
Deferred Income Taxes	7,678,361	7,053,719
Postretirement Health Care Plan Liability	540,231	2,613,738
Other Noncurrent Liabilities	-	471,337
<b>Total Noncurrent Liabilities</b>	<b>8,218,592</b>	<b>10,138,794</b>
<b>Members' Equity</b>	<b>112,850,094</b>	<b>106,006,936</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$ 125,814,293</b>	<b>\$ 124,007,595</b>

# Financials

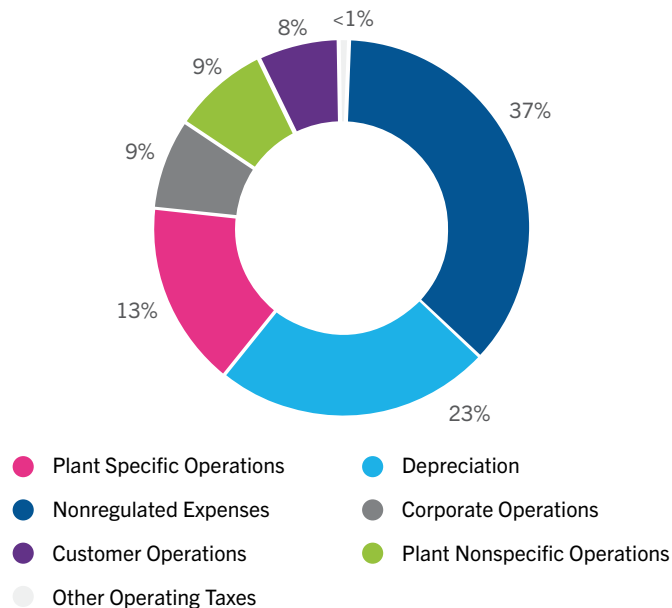
Consolidated Statements of Income  
Years Ended December 31, 2023 and 2022

	2023	2022
<b>Operating Revenues</b>		
Wireline	\$ 15,624,412	\$ 15,474,464
Internet	4,882,386	4,671,473
Television	3,705,314	3,589,382
Miscellaneous	1,870,347	2,111,469
<b>Net Operating Revenues</b>	<b>26,082,459</b>	<b>25,846,788</b>
<b>Operating Expenses</b>		
Plant Specific Operations	2,971,991	3,091,299
Plant Nonspecific Operations	2,187,007	2,075,272
Depreciation & Amortization	5,405,877	5,341,227
Customer Operations	1,887,020	1,847,935
Corporate Operations	2,155,373	2,012,058
Other Operating Taxes	70,896	73,062
Nonregulated Expenses	8,692,834	8,409,004
<b>Total Operating Expenses</b>	<b>23,370,998</b>	<b>22,849,857</b>
<b>Net Operating Income</b>	<b>2,711,461</b>	<b>2,996,931</b>
<b>Nonoperating Income (Expense)</b>		
Interest & Dividend	3,433,791	4,894,248
AFUDC	2,457	15,981
Interest Expense	(174,454)	(289,908)
Other Nonoperating Income	\$613,531	(621,640)
Income from Affiliates	3,787,182	3,702,429
<b>Total Nonoperating Income</b>	<b>7,662,507</b>	<b>7,701,110</b>
<b>Net Margin Before Income Taxes</b>	<b>10,373,968</b>	<b>10,698,041</b>
<b>Income Tax Expense</b>	<b>800,883</b>	<b>1,381,112</b>
<b>Net Margins</b>	<b>\$ 9,573,085</b>	<b>\$ 9,316,929</b>

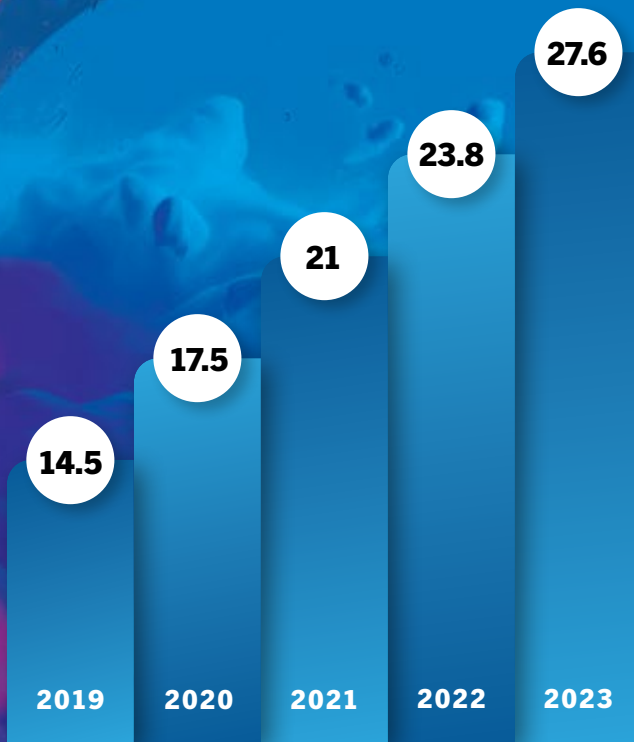
2023 Operating Revenues



2023 Operating Expenses



# Connected Across the Spectrum



**Daily Peak Download Traffic**  
MEASURED IN GB

## A Year of Community and Connection

In a year marked by rapid advancements and a dynamic landscape, we have remained steadfast in our commitment to innovation and excellence. Our mission is simple, yet profound—to help our communities thrive and keep our customers connected to what matters most.

### Driving Innovation

At the heart of our achievements this year is our gig-powered internet, offering speeds of up to 10 Gig for both home and business users. But this isn't just about speed; it's about ensuring that our customers experience seamless, reliable connectivity that supports every aspect of their lives.

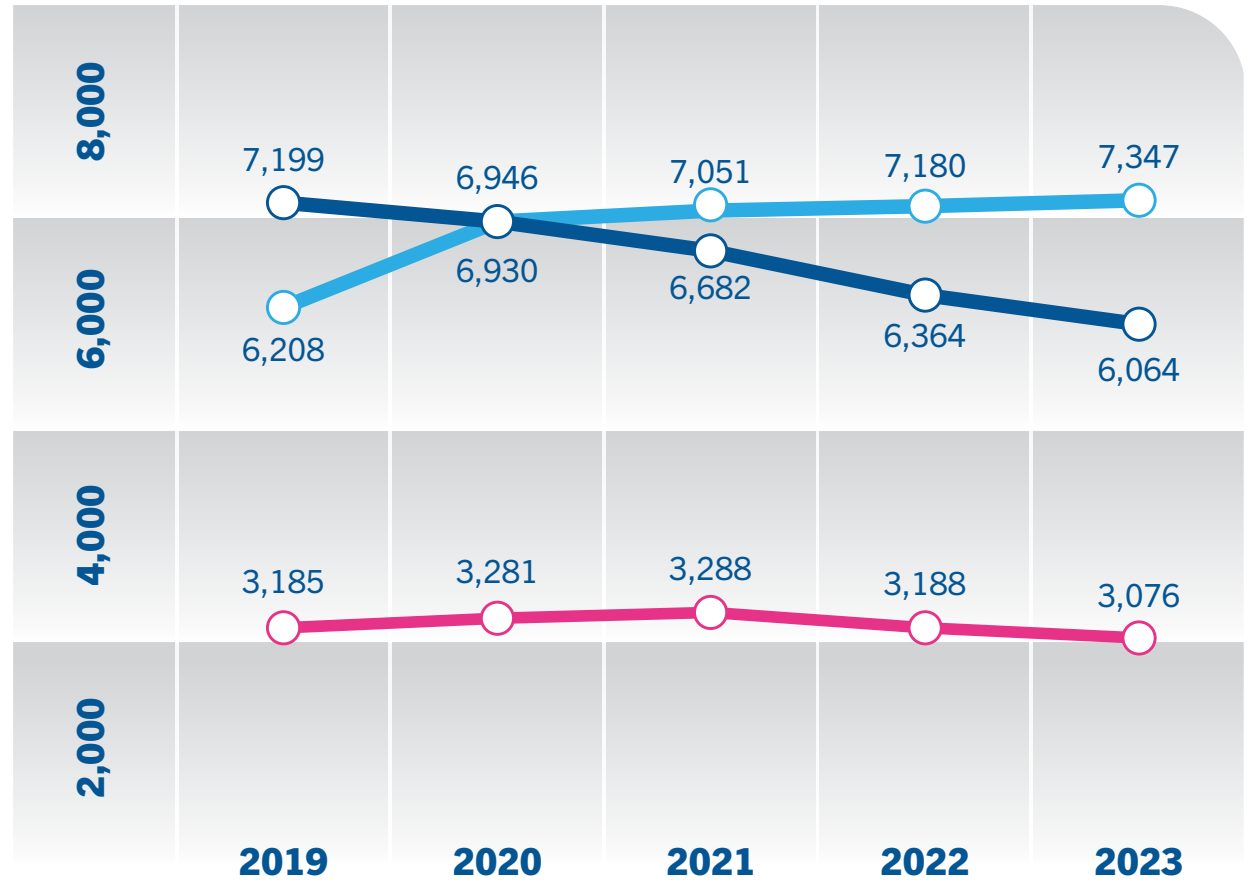
Whether that's connecting with loved ones across the globe, running a business to support their family, or enjoying some well-deserved downtime through gaming or streaming, our internet services are designed to meet and exceed expectations.



# Services

A snapshot in time of the connections we've delivered across the years to the friends and neighbors in our communities.

- INTERNET
- PHONE
- TELEVISION



## Community and Customer Focus

We believe that our success is deeply intertwined with the well-being of the communities we serve. That's why giving back is a cornerstone of our corporate philosophy. Through various initiatives, we aim to support local economies, educational programs, and social causes that truly make a difference.

From sponsoring local events and providing scholarships to partnering with nonprofits and volunteering, our commitment to community welfare is unwavering. By investing in these areas, we help to build stronger, more resilient communities where everyone

has the opportunity to thrive. Together, we can create a better future, one connection at a time.

## Our Vision

Looking ahead, our vision is to continue pioneering in the realm of connectivity. Our future goals are focused on expanding the capabilities of our network, ensuring even more households and businesses can benefit from our services. We are committed to ongoing innovation, exploring new ways to enhance our service offerings and deliver even greater value to our customers.

# REFLECTING ON

# 45 Years OF SERVICE

## IN TELECOMMUNICATIONS

by Norman Schommer



**L**ooking back on my 45 years serving on the United Communications Board of Directors, I'm filled with immense gratitude and pride. It has been an incredible journey, one that spans the transformation of the telecommunications industry from simple phone lines to advanced fiber optics. My time on the board was more than just a role—it was a passion that brought me immense joy and satisfaction.

## From Humble Beginnings to Technological Advancement

When I first started, the landscape was vastly different. We didn't have much to work with—no money, just phone lines. Despite these challenges, my commitment never wavered. I witnessed firsthand the transition from copper dial tones to the advanced fiber optics we rely on today. One of the key milestones I had the privilege to be part of was the purchase of US West territories, now known as Turtle Mountain Communications, and the gradual implementation of fiber optics without incurring loans.



## A Pillar in Telecom and Beyond

My influence extended beyond United Communications. I served as an alternate on the North Dakota Association of Telephone Cooperatives (NDATC), now known as the Broadband Association of North Dakota (BAND) board. I also held a position with the Northern Plains Utility Cooperative (NPUC), a construction company owned by United, North Dakota Telephone Company, Dakota Central, and Polar.

One notable contribution was my involvement in the purchase of IdeaOne, a telecom company in Fargo, which was later sold. I also played a significant role in the development of Dakota Carrier Network (DCN), a trusted leader in North Dakota's telecommunications landscape. Further, I was instrumental in the collaborative purchase of North Dakota Telephone Co. alongside Polar and Dakota Central.

## The Heart of My Service

While my professional achievements are numerous, it's the personal connections that stand out most to me. I cherished the Board meetings, valuing the camaraderie and friendships I built over the years. It was a good role to have—a fun side gig for a farmer like me. These connections made all the hard work worthwhile and enriched my life in ways I couldn't have imagined.

## A Legacy of Dedication

My 45-year tenure is a testament to dedication, innovation, and community spirit. I hope that my contributions have not only shaped United Communications but also left an indelible mark on the broader telecommunications industry in North Dakota. As I retire, I am reminded of the profound impact one individual can have on an entire industry.

Thank you to everyone who supported me along the way. I will carry with me countless memories and the satisfaction of knowing I made a difference.



Educational Foundation

# Scholarship Winners

We are delighted to report the successful culmination of our 2024 annual scholarship program, a testament to our ongoing commitment to fostering educational opportunities within our community.

This year, we awarded a total of \$28,000 to 28 deserving students, who were selected based on their exemplary achievements and financial needs. Since the inception of our scholarship program in 1991, we have disbursed over \$908,000, significantly impacting countless young lives and empowering the next generation of leaders.

Our 2024 recipients have displayed remarkable potential, and we are confident that with our support, they will continue to excel in their future educational endeavors.



**Cora Badding**  
Langdon Area High School



**Quiana Belgarde**  
Dunseith Public School



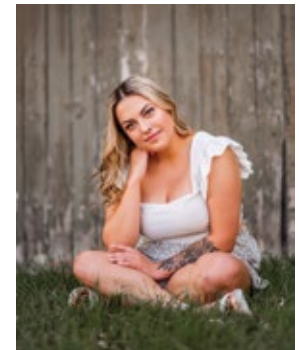
**Wyatt Berg**  
Rolla High School



**Addysen Blue**  
St. John High School



**Jayden DeCoteau**  
Turtle Mountain  
Community High School

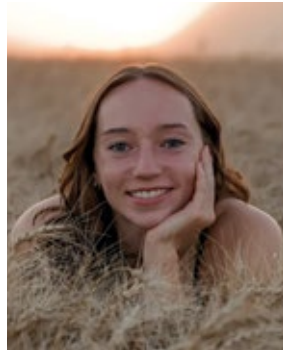


**Larissa Delorme**  
Dunseith Public School





**Kaycee Desjarlais**  
St. John High School



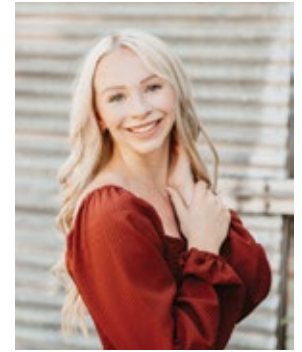
**Morgen Disrud**  
St. John High School



**Taelyn Dunnigan**  
North Border School  
District – Walhalla



**Kasin Falcon**  
Turtle Mountain  
Community High School



**Jenna Fraser**  
North Border School  
District – Walhalla



**Karsse Heinz**  
Rolette Public School



**Jaya Henderson**  
Langdon Area High School



**Alexis Hendrix**  
Bottineau High School



**Ella Keith**  
Bottineau High School



**Nickolas Kingzett**  
Munich High School



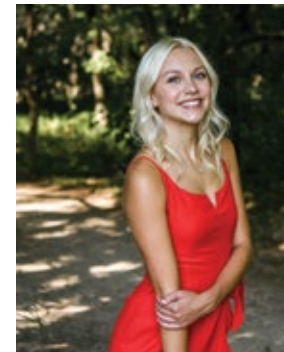
**Tyler Kram**  
Langdon Area High School



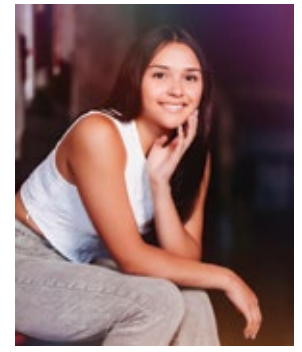
**Elahn Marcellais**  
Turtle Mountain  
Community High School



**Isabelle Olson**  
Langdon Area High School



**Emmy Pankratz**  
Munich High School



**Hailey Peltier**  
Rolette Public School

Continued

# Scholarship Winners



**Taryn Romfo**  
Langdon Area High School



**McKenna Schneider**  
Langdon Area High School



**Jane Sillers**  
Langdon Area High School



**Eliza Slater**  
St. John High School



**Jalynn Swanson**  
Langdon Area High School



**Giselle Vandal**  
Turtle Mountain  
Community High School



**Levi Woodrow**  
Munich High School



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