

ANNUAL REPORT

2022



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ANNUAL MEETING PROGRAM

Welcome

Introduction of Board Members

Speaker – *Corissa Swenson*
Executive Director of Broadband Association of North Dakota (BAND)

Report of Notice
Notice of Meeting, Presence of Quorum, and Minutes of 2022 Meeting

Election of Directors

Bylaw Revision

CEO's Report

Financial Report

Other Business

Adjournment

Prize Drawings

WEDNESDAY,
JULY 26, 2023

12 PM Registration & Lunch

1:30 PM Call to order – President

2022 ANNUAL MEETING MINUTES

UNITED TELEPHONE MUTUAL AID CORPORATION
ANNUAL MEETING OF THE STOCKHOLDERS
AT 2 PM WEDNESDAY, JULY 20, 2022

- 1 The Annual Meeting of United Telephone Mutual Aid Corporation was called to order by the President, Mr. Harold Estenson. Mr. Estenson announced there were 51 members present, so a quorum did exist.
- 2 Secretary-Treasurer Steve Swanson was called upon to read the Minutes of the previous Annual Meeting held on July 21, 2021. Mr. Estenson asked that the Minutes be approved as read. A motion was made by Mr. Tom Eagan and seconded by Ms. Anna Spivey that the Minutes be approved. Said motion voted on and passed.
- 3 Cash prize drawings were held.
- 4 Mr. Swanson introduced the Board of Directors; Steve Bjornstad, Tom Eagan, Norman Schommer, Lorne Field, Ken Myhre, Harold Estenson, and Kenneth Carlson, who was not present due to a family emergency. Mr. Swanson announced the candidates for election, who were: Three-Year Term: District #1 Langdon & Wales Exchanges, Kenneth Carlson; District #2 Walhalla & Milton Exchanges, Tom Eagan.
- 5 President Mr. Harold Estenson announced the closing of the ballot box and appointed Ms. Anna Spivey, Mr. Marcus Kitchen, and Mrs. Sally Kram as tellers to count the ballots.
- 6 President Mr. Harold Estenson called upon Tara Mikkelsen, Chief Financial Officer of United Communications, to give the Financial and Statistical Report for 2021. A motion to accept the report was made by Mr. Steve Bjornstad and seconded by Mr. Duane Otto. Said report approved as read.
- 7 Cash prize drawings were held.
- 8 General Manager/CEO Steve Swanson presented his comments to the membership.
- 9 President Mr. Harold Estenson announced the voting results, which were: Three-Year Term:
District #1, Langdon & Wales Exchanges:
Mr. Kenneth Carlson, 42 votes.

District #2, Walhalla & Milton Exchanges:
Mr. Tom Eagan, 43 votes.
- 10 Various prize drawings were held.
- 11 Having no further business to come before the Annual Meeting, President Mr. Harold Estenson asked the meeting to be adjourned. A motion to adjourn was made by Mr. Tom Eagan and seconded by Mr. Norman Schommer.

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
Taylor Reiser

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
Tasha Christianson
Kori Howatt
Robyn Ramberg

Customer Service
Specialist
Brenda Veer

Rolla
Customer Service
Representative
Laurie Bercier

Bottineau
Customer Service
Representative
Peggy Lider
Tory Statz

PLANT RECORDS

Langdon
Plant Records
Suzanne Sanders

Plant Records Specialist
Andrea Fetsch
Lori Ullyott

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
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



Good afternoon, and welcome to the 70th Annual Meeting of United Communications. It is an honor to stand before you today and address the remarkable progress we have made as a community in the rapidly changing world of rural broadband.

We are constantly reminded of the immense importance of our company's mission. United Communications has been at the forefront of providing reliable and state-of-the-art telecommunications services to our rural communities. Our commitment to innovation has led us to develop and maintain a 100% fiber optic network—a testament to our dedication to delivering high-quality, high-speed, and dependable broadband service.

However, in this ever-evolving industry, we face uncertainties, particularly concerning universal service funding. United

Communications relies on universal service support to sustain, maintain, and operate the network we have built. We must recognize the need to advocate for the continuation of this support, ensuring that our cooperative and others like us can continue to serve our communities to ensure the accessibility, affordability, and reliability of broadband services for all.



**UNITED COMMUNICATIONS HAS ALWAYS
BEEN FUTURE-FOCUSED, CONSISTENTLY
STRIVING TO IMPROVE OUR NETWORK
AND SERVICE OFFERINGS.**

We understand the growing demands placed on our infrastructure, such as precision agriculture, telehealth, distance learning, and other emerging technologies. By staying ahead of the curve and embracing these advancements, we can guarantee that our communities have access to the tools they need to thrive in the digital age.

It is also crucial to acknowledge the strength of

collaboration and partnership. Our involvement in BAND (Broadband Association of North Dakota) has played a pivotal role in making our state the leading example of broadband access nationwide. It is through our collective efforts, dedication, and shared vision that we have been able to bridge the digital divide and ensure that every resident of North Dakota has equal opportunities for education,

healthcare, commerce, and overall well-being. We are setting an example for the rest of the nation to follow.

2022 was a good year financially for United, with a net margin of \$9,316,929.



Investments in North Dakota Telephone Company, North Dakota Long Distance, North Plains Utility Contracting, Red River Cellular, North Central RSA2, and Dakota Carrier Networks have proven beneficial to the cooperative. In December, the Board of Directors approved a capital credit retirement of \$1,000,000 to the cooperative members.

None of this progress would have been possible without the unwavering support of our cooperative's members. Your commitment to United Communications and your belief in our mission have been the driving force behind our achievements. It is your patronage and trust that have enabled us to expand and improve our network, ensuring that our communities stay connected.

Lastly, I would like to express my deepest gratitude to the incredible employees of United and Turtle Mountain Communications. Your hard work, expertise, and dedication have

been instrumental in shaping our cooperative's success. Through your efforts, you have made a tangible impact on the lives of our members and communities, and for that, we are truly grateful.

As we look to the future, let us remember that our journey does not end here. United Communications remains committed to pushing the boundaries of what is possible in rural broadband. Together, we will continue to build a brighter future—one that is defined by innovation and unwavering dedication to serving our members.

Thank you, and may we embark on this next chapter with confidence, enthusiasm, and the steadfast support of our cooperative community.



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**YOUR COMMITMENT TO
UNITED COMMUNICATIONS
AND YOUR BELIEF IN OUR
MISSION HAVE BEEN THE
DRIVING FORCE BEHIND
OUR ACHIEVEMENTS.**

FINANCIALS

Consolidated Balance Sheets
December 31, 2022 and 2021

ASSETS

Assets (What We Own)

CURRENT ASSETS

Cash & Cash Equivalents	\$ 23,157,255	\$ 16,943,737
Receivables	1,736,832	1,676,377
Materials & Supplies	1,579,738	997,070
Income Tax Receivable	-	186,744
Equity Securities	4,389,762	1,309,798
Other Current Assets	1,298,454	1,474,421

TOTAL CURRENT ASSETS	32,162,041	22,588,147
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TOTAL NON-CURRENT ASSETS	48,987,556	48,861,024
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PROPERTY, PLANT, & EQUIPMENT

Wireline Plant	102,437,424	100,248,804
Cable & Internet Plant	7,025,215	6,969,396
Non-Operating Plant	500	500
Accumulated Depreciation	(66,605,140)	(60,980,331)

NET PLANT	42,857,999	46,238,369
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TOTAL ASSETS	\$ 124,007,596	\$ 117,687,540
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LIABILITIES & MEMBERS' EQUITY

Liabilities (What We Owe)

CURRENT LIABILITIES

Accounts Payable	\$ 904,100	\$ 1,021,838
Income Taxes Payable	605,252	-
Current Maturities of Long-Term Debt	2,484,064	1,380,876
Other Current Liabilities	1,573,581	1,614,549

TOTAL CURRENT LIABILITIES	5,566,997	4,017,263
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LONG-TERM DEBT, NET OF CURRENT MATURITIES

2,294,868	4,777,661
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DEFERRED CREDITS

Deferred Income Tax & Other Obligations	10,138,795	10,784,483
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MEMBERS' EQUITY	106,006,936	98,108,133
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TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 124,007,596	\$ 117,687,540
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Consolidated Statements of Income
Years Ended December 31, 2022 and 2021

REVENUE

OPERATING REVENUES

Wireline	\$ 15,474,464	\$ 15,711,738
Internet	4,671,473	4,294,297
Television	3,589,382	3,315,527
Miscellaneous	2,111,469	2,305,997

TOTAL OPERATING REVENUES

25,846,788 **25,627,559**

OPERATING EXPENSES

Plant-Specific Operations	3,091,299	2,851,827
Plant Nonspecific Operations	2,075,272	1,852,750
Depreciation	5,341,227	5,364,466
Customer Operations	1,847,935	1,762,278
Corporate Operations	2,012,058	2,005,077
Other Operating Taxes	73,062	61,102
Non-Regulated Expenses	8,409,004	9,239,843

TOTAL OPERATING EXPENSES

22,849,857 **23,137,343**

NET OPERATING INCOME

2,996,931 **2,490,216**

NON-OPERATING INCOME (EXPENSE)

Interest & Dividend	4,894,248	3,594,955
AFUDC	15,981	67,624
Interest Expense	(289,908)	(405,810)
Other Non-Operating	(621,640)	382,004
Income from Affiliates	3,702,429	4,792,720

TOTAL NON-OPERATING

7,701,110 **8,431,493**

NET MARGIN BEFORE INCOME TAXES

10,698,041 **10,921,709**

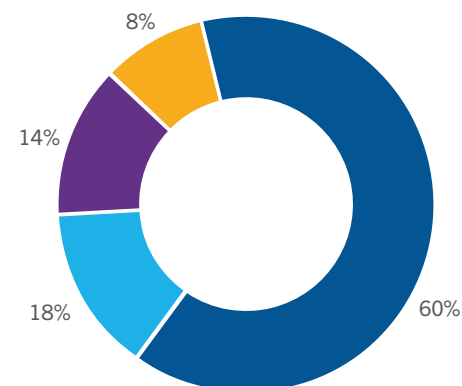
INCOME TAX EXPENSE

1,381,112 1,665,368

NET MARGINS

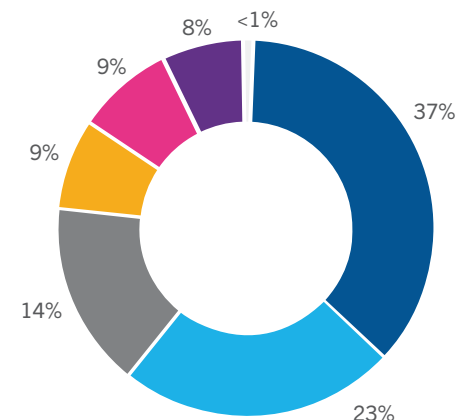
\$ 9,316,929 **\$ 9,256,341**

2022 OPERATING REVENUES



● Wireline ● Internet
● Television ● Miscellaneous

2022 OPERATING EXPENSES



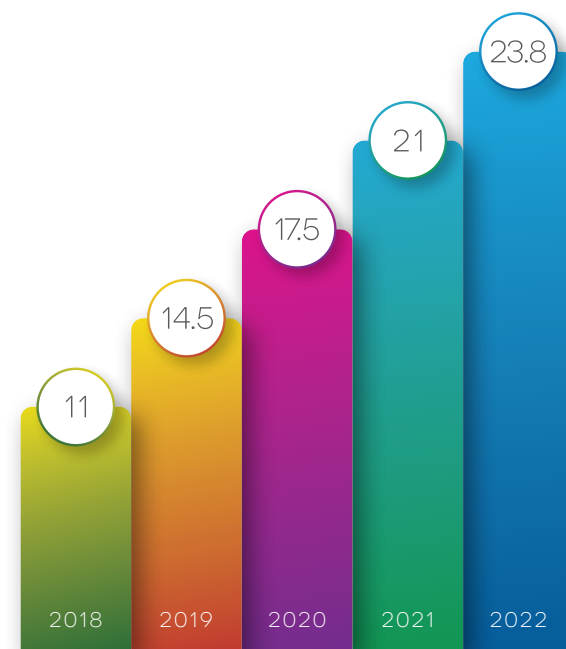
● Plant-Specific Operations ● Depreciation
● Non-Regulated Expenses ● Corporate Operations
● Customer Operations ● Plant Nonspecific Operations
● Other Operating Taxes



SERVICE AND BANDWIDTH

Many people remember when the “World Wide Web” first became available for public use back in 1989. For those of us who had the privilege of internet access in the 90s and early 2000s, it took several minutes to connect to the internet, permeating our living rooms and offices with the staticky sound of dial-up.

But now, after over 30 years of living with the internet, our world looks drastically different. Instead of waiting for our turn to connect on the family desktop computer, we can access the internet on a variety of devices, many of which can fit in our pockets.

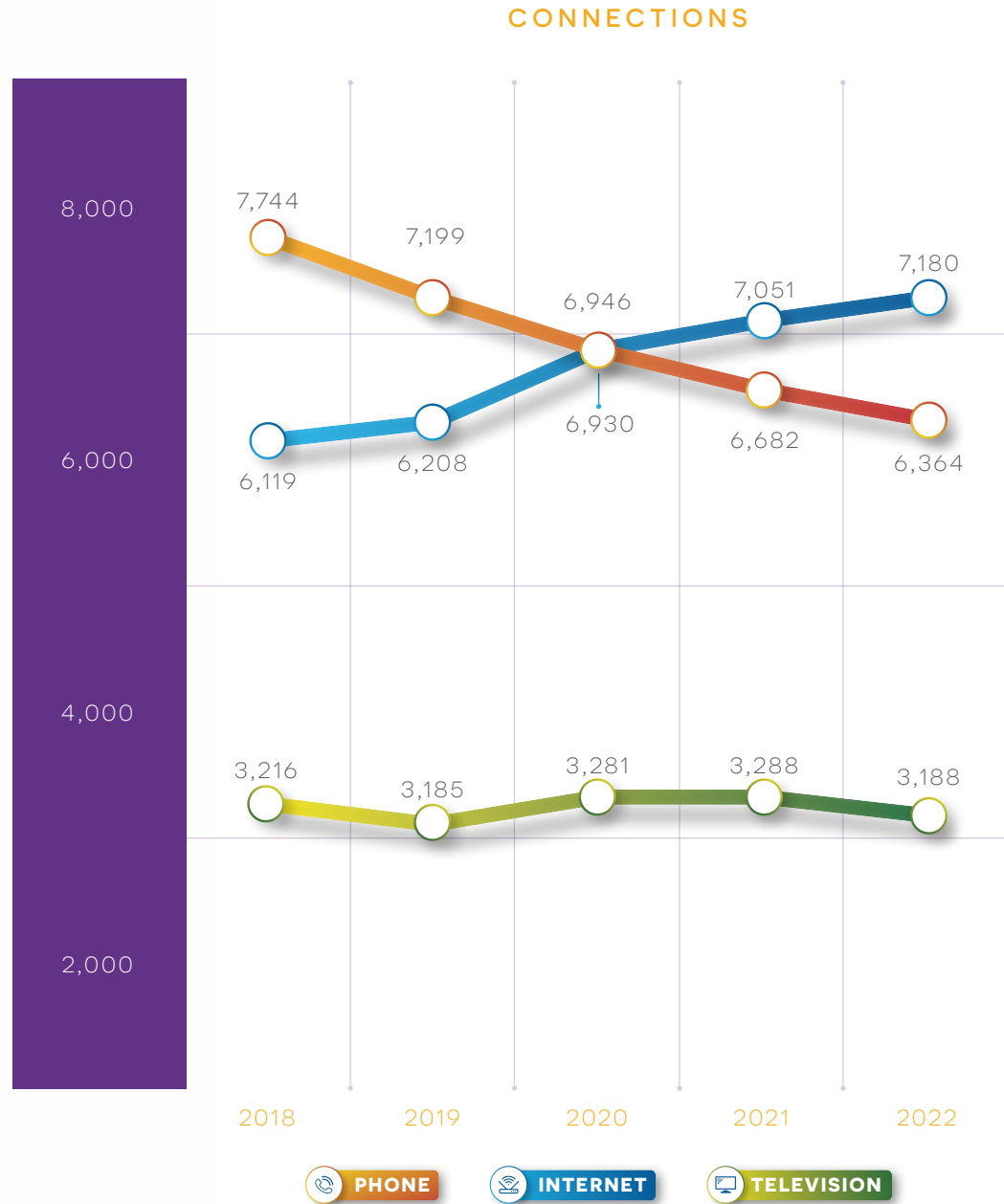


DAILY PEAK DOWNLOAD TRAFFIC
MEASURED IN GB

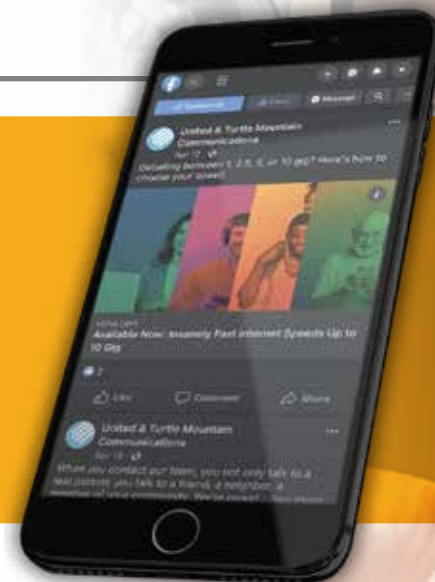
This ability to maintain multiple connections at once to stream, game, browse, and video conference without lagging issues is largely due to the development of fiber optic technology. Today, homeowners and companies can sign up for internet plans that offer up to 10 gigabits of data. To say “we’ve come a long way” feels like an understatement.

This steady expansion of gig-powered speed options has largely contributed to higher internet usage in residential and commercial sectors. But fiber optic wasn’t only created for internet; it’s also the infrastructure that provides reliable, crystal-clear connections for phone and TV services.

Fiber is revolutionizing how we stay connected in our daily lives. As this cutting-edge technology continues to evolve, we can expect even more exciting developments that will change the way we communicate with one another. United & Turtle Mountain Communications looks forward to being part of that evolution, every step of the way.



Fast, Redefined



For years, 1 gigabit was the fastest available broadband internet speed in our region. But in early 2023, that all changed with the debut of our sophisticated gig suite – an exciting slate of gig speeds that gives our customers the choice between 1, 2.5, 5, or 10 gig internet for their home or business.

Hardwired through our fiber optic network, this expanded suite offers unparalleled connections that deliver upload and download speeds up to 10 times faster than ever before. Now, that is high-speed internet!

With more gig options to choose from, customers can find a more precise internet speed that accommodates the growing number of devices that exist in the average home or business today.

In addition to the traditional devices that use Wi-Fi, like computers, tablets, cell phones, and smart TVs, we're also seeing a growing number of customers who have smart thermostats, washers and dryers, baby monitors, refrigerators, and other

high-tech appliances that all compete for bandwidth. This gig suite provides a solution for homeowners and businesses to use all of their devices at the same time, without frustrating lags or loss of connection.

All of our gig speeds are available to homeowners and businesses on our fiber network. The highest speeds – our 5 and 10 gig options – are especially great for any environment with a high number of devices that each require a strong, reliable internet connection to complete daily tasks related to their operation.

Faster gig speeds have been in the works for many years. However, thanks to our decades-long investment in our fiber to the home (FTTH) installation projects, United and Turtle Mountain Communications was able to quickly expand our network to offer these incredible speeds. We've (literally) laid the groundwork for the present and future of broadband internet, and we will continue to do so for generations to come, to ensure rural communities across northeast North Dakota stay connected to what matters most!

“
**THIS GIG SUITE OFFERS
UNPARALLELED
CONNECTIONS THAT
DELIVER SPEEDS UP TO
10 TIMES FASTER THAN
EVER BEFORE.**



“

OUR INVESTMENT INTO FIBER-OPTIC PROVIDES THE INFRASTRUCTURE TO SUPPORT GIG SPEEDS FOR DECADES TO COME.



We will always believe in the importance of investing in our future. One way we do this is through our annual scholarship program!

In 2023, the United Telephone Educational Foundation was thrilled to give \$28,000 to 28 distinguished area students who earned scholarships based on their academic achievements, extracurricular activities, and financial need.

Since the program began in 1991, the foundation has given over \$880,000 to graduating seniors and other first-term college students in our region to provide financial assistance for higher education. Congratulations to all of our 2023 scholarship recipients, and best of luck in this exciting new chapter!



Lorayah Allery

St. John High School



Brayton Baker

St. John High School



Danica Medlang

Bottineau High School



Sydnee Bruce

Turtle Mountain Community High School



Isaac Charbonneau

St. John High School



Mason Christanson

Langdon Area High School



Tru Decker

Langdon Area High School



Harleigh DeCoteau

Turtle Mountain Community High School



Gabe Glasner

Bottineau High School



Amya Gourneau

Turtle Mountain Community High School



Sarah Grant

Turtle Mountain Community High School



Madeline Guariglia

Bottineau High School



Amelia Hall

Munich High School



Rylee Hanlan

Mt. Pleasant High School



Halle Tabs

Munich High School



Emily Jackson

North Border Walhalla High School



Jaylee Jay

Turtle Mountain Community High School



Keon Laducer

Turtle Mountain Community High School



Amari LaRocque

Turtle Mountain Community High School



Morgan Leas

Mt. Pleasant High School



Kate Munro

Mt. Pleasant High School



**EDUCATIONAL
FOUNDATION**
SCHOLARSHIP
WINNERS

McKenna Samuelson

Mt. Pleasant High School



Halle Sanders

General Education
Development



Isabella Saykally

Bottineau High School



Kyle Schell

Rolette Public School



Breana Wagner

Langdon Area High School



Linus Walleffe III

Turtle Mountain Community
High School

Mitchell Wibe

Rolette Public School

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