

## **NOTICE OF ANNUAL MEETING OF MEMBERS OF WEST RIVER COOPERATIVE TELEPHONE COMPANY**

NOTICE IS HEREBY GIVEN that the Annual Meeting of the members of West River Cooperative Telephone Co. will be held at the West River Cooperative Telephone Company warehouse in Bison, Perkins County, South Dakota, on Monday, October 6, 2014, beginning at 6:00 p.m. for the following purposes:

1. Determination of Quorum
2. Reading of Notice of Meeting
3. Reading of Minutes of Last Annual Meeting
4. Election of Three (3) Directors
5. New Business
6. Presentation and Consideration of Reports of Officers, Directors and Committees
7. Unfinished Business
8. Adjournment

Dated the 12th day of September, 2014.

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/s/ Alice Holcomb  
Alice Holcomb, Secretary  
West River Cooperative Telephone Co.

## **THREE TAILGATE PARTIES LEFT!**

We still have three tailgate parties left! So get your game face on, head over to the nearest football field and grab some free food!

- **September 26 – Lemmon vs. Newell**  
Grilling starts at 6:00 p.m. at the Lemmon Football Field.  
Game starts at 7:30 p.m.
  - **October 3 – Newell vs. Faith**  
Grilling starts at 6:00 p.m. at the Newell Football Field.  
Game starts at 7:00 p.m.
  - **October 17 – Harding Co. vs. Herreid/Selby**  
Grilling starts at 6:00 p.m. at the Harding Co. Football Field.  
Game starts at 7:00 p.m.
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# Notice of Nominations

## WEST RIVER COOPERATIVE TELEPHONE COMPANY 2014 ANNUAL MEETING

NOTICE IS HEREBY given by the Nominating Committee of West River Cooperative Telephone Company of Bison, South Dakota, that the meeting of said Nominating Committee was held on August 21, 2014 and that the following persons will be nominated for directorships at the Annual Meeting of West River Cooperative Telephone Company to be held at the West River Cooperative Telephone Warehouse, Bison, South Dakota on October 6, 2014:

Three year term for Directorship now held by Don Trohkimoinen, Vale, South Dakota:  
Don Trohkimoinen, Vale, South Dakota

Three year term for Directorship now held by Judy Gano, Meadow, South Dakota:  
Judy Gano, Meadow, South Dakota

Three year term for Directorship now held by Alice Holcomb, Buffalo, South Dakota:  
Matt DeBow, Camp Crook, South Dakota  
Peggy Humbracht, Camp Crook, South Dakota

## Corporation Voting Delegates

### 2014 Voting Delegate Certificate

This is to certify that \_\_\_\_\_  
(print name of delegate)  
of \_\_\_\_\_, or \_\_\_\_\_  
(address) (print name of delegate)  
of \_\_\_\_\_, is authorized to represent  
(address)  
\_\_\_\_\_ at the Annual Meeting of  
West River Cooperative Telephone Company to be held Monday,  
October 6, 2014, in Bison, South Dakota.  
\_\_\_\_\_  
(President) or \_\_\_\_\_  
(Secretary)  
Date \_\_\_\_\_

The West River Cooperative Telephone Company (WRCTC) Annual Meeting Voting Delegate Certificate for Corporations is printed to the left. We are asking you to please fill out this Certificate at your next regular meeting and either mail it to WRCTC or present it at the registration table prior to the meeting.

These Certificates are for all corporations, churches, townships, halls and schools who are members of WRCTC and want to be represented at WRCTC's Annual Meeting in Bison on October 6, 2014.

Please have an authorized officer of the corporation or organization sign the Certificate.

# Statement of Revenue and Expense

## Where Our Revenue Comes From

|                        | 2012               | 2013               |
|------------------------|--------------------|--------------------|
| Local Revenue          | \$ 610,756         | \$ 587,395         |
| Access Service Revenue | 7,911,018          | 7,607,926          |
| Toll Revenue           | 761,769            | 913,722            |
| Other Revenue          | 514,944            | 580,053            |
| <b>Total Income</b>    | <b>\$9,798,487</b> | <b>\$9,689,096</b> |

## What it Costs to Operate Our System

|  |                    |                    |
|--|--------------------|--------------------|
| Plant Specific Expense                 | \$1,412,024        | \$1,362,929        |
| Plant Non-Specific Expense             | 746,362            | 652,587            |
| Customer Operations Expense            | 540,122            | 513,540            |
| Corporate Operations Expense           | 1,145,279          | 1,181,237          |
| Depreciation Expense                   | 3,117,219          | 3,080,749          |
| Taxes                                  | 389,393            | 397,369            |
| Interest                               | 1,253,704          | 1,162,639          |
| <b>Total Expense</b>                   | <b>\$8,604,103</b> | <b>\$8,351,050</b> |
| Operating Margin                       | \$1,194,384        | \$1,338,046        |
| Non-operating and Non-regulated Margin | 1,691,491          | 1,183,202          |
| <b>Total Margin</b>                    | <b>\$2,885,875</b> | <b>\$2,521,248</b> |

## Management Report

By General Manager, Reed Metzger & Board President, DeJon Bakken

It is my pleasure to report on the 2013 operations of West River Cooperative Telephone Company and its subsidiaries: West River Cable Television, Inc., Stateline Construction, LLC and Northern Hills Transport, LLC, owned in part by West River Cooperative Telephone Company.

We had a very strong year financially in 2013. The year ended with net margins of \$2,521,248. Of these margins, \$1,183,202 comes from non-operating and non-regulated activities. Compared to 2012, the non-operating margin was down roughly \$500,000. This decrease is contributed to the selling of wireless spectrum in 2012, which led to a one-time revenue boost. Total expenses for 2013 came in at \$8,351,050 compared to the 2012 expenses of \$8,604,103 for a decrease in expenses of \$253,053. In 2013, we

decreased our long-term debt by \$2,896,865. All things being factored in, we had a great year.

Operationally, it was a very busy year for West River Cooperative Telephone Company. Over the past eight years, we have been replacing old copper with fiber throughout our service territory. Of the 2,270 miles of total plant in service, we have 1,827 miles of fiber in place, which leaves us with about 443 miles of copper to replace. As we install new fiber, we decommission the old copper plant which reduces our total cable plant in service.

Looking back at last year's report, we talked about the Federal Communications Commission's (FCC) November 2011 order. I am pleased to report that this order has been thrown out and a new proposal should follow soon. Preliminary models show that the new

## Balance Sheet

### Assets

|   | 2012                | 2013                |
|---|---------------------|---------------------|
| Plant in Service                            | \$55,445,505        | \$55,911,617        |
| Plant under Construction                    | 29,921              | 782,800             |
| Plant Adjustment                            | 1,059,359           | 0                   |
| Total Plant Investment                      | 56,534,785          | 56,694,417          |
| Less Depreciation                           | (29,628,901)        | (31,644,522)        |
| Depreciated Value of Our System             | 26,905,884          | 25,049,895          |
| Cash and Investments for Current Operations | 5,419,979           | 6,431,736           |
| Investments in Other Organizations          | 7,418,368           | 7,684,464           |
| Current Accounts Receivable                 | 795,544             | 585,803             |
| Material and Supplies                       | 232,242             | 275,320             |
| Prepayments                                 | 15,000              | 15,227              |
| <b>Total Assets</b>                         | <b>\$40,787,017</b> | <b>\$40,042,445</b> |

### Liabilities and Members' Equity

|  |                     |                     |
|--|---------------------|---------------------|
| Balance of Loans                             | \$23,403,422        | \$20,506,557        |
| Current Accounts Payable                     | 947,530             | 703,033             |
| Accrued Taxes                                | 446,518             | 439,474             |
| Other Current Liabilities                    | 34,878              | 38,702              |
| Other Long Term Liabilities                  | 2,225,000           | 2,740,679           |
| Deferred Income Taxes                        | 0                   | 0                   |
| <b>Total Liabilities</b>                     | <b>\$27,057,348</b> | <b>\$24,428,445</b> |
| Patronage Capital                            | \$11,774,436        | \$13,296,719        |
| Other Equities                               | 1,955,233           | 2,317,281           |
| <b>Total Members' Equity</b>                 | <b>\$13,729,669</b> | <b>\$15,614,000</b> |
| <b>Total Liabilities and Members' Equity</b> | <b>\$40,787,017</b> | <b>\$40,042,445</b> |

proposed rules will still have negative effects on West River Cooperative Telephone Company; however, they seem to be better than the 2011 order. Given the nature of the FCC and their policy development, I expect the new proposal to change as we move forward. Last year, the FCC also implemented a new local service rate benchmark of \$16/month, which we will be required to charge. This new rate was scheduled to go into effect in 2013, but the FCC delayed the implantation until January 2015. We know keeping our rates low is extremely important to all of you as member-owners. As we move forward, we will explore options to help offset this increase.

On behalf of the Board of Directors, Managers and Employees, we thank you for your continued support and look forward to serving you in the future.

## Happy Retirement to Alice Holcomb!



**Thank you for your 24 years of service on the WRCTC Board of Directors. We wish you the best in your retirement.**

# Unapproved Minutes of 2013 Annual Meeting

## WEST RIVER COOPERATIVE TELEPHONE COMPANY • NOVEMBER 4, 2013

The Annual Meeting of the members of West River Cooperative Telephone Company was held at the Cooperative warehouse in Bison, Perkins County, South Dakota on Monday, November 4, 2013.

The meeting was called to order by DeJon Bakken, President. Alice Holcomb, Secretary, kept the minutes of the meeting. It was determined there was a quorum with 219 members present. President DeJon Bakken announced the meeting would be conducted according to Robert's Rules of Order.

The invocation was given by Pastor Dana Lockhart, Grand River Lutheran, Buffalo, and Prairie Fellowship Parish, Bison, South Dakota.

Manager Reisenauer introduced the Board of Directors.

A motion was duly made, seconded and carried to dispense with the reading of the Notice of the Meeting.

A motion was duly made, seconded and carried to dispense with the reading of the last Annual Meeting minutes and to approve them as presented in the "Calling On You."

Diana Landis reported for the Nominating Committee. The Nominating Committee Meeting was held on August 23, 2013, at 1:00 p.m. at the West River Cooperative Telephone Company headquarters building in Bison, South Dakota. The following members of the Nominating Committee were present: Nancy Turbiville, Buffalo; Tim Kvale, Lemmon; Gary Frisvold, Lemmon; Diana Landis, Bison; Lisa Wendt, Newell; Paul Erk, Newell; Jerry Martin, Meadow; and Orville Edwards, Vale. The Committee selected Nancy Turbiville to chair the meeting and Diana Landis to act as secretary of the meeting.

Les Wolff, Lemmon and Garrett Schweitzer, Lemmon were nominated by the Committee for the directorship now held by Les Wolff.

Greg Fried, Bison and Lorena Derflinger, Faith were nominated by the Committee for the directorship now held by Greg Fried.

Joe Burke, Newell was nominated by the Committee for the directorship now held by Joe Burke.

Attorney Miller then called for nominations from the floor for all director positions. There being no nominations from the floor, a motion was made and seconded that nominations cease and a unanimous ballot be cast for Joe Burke. The motion carried.

President Bakken introduced the candidates for directorships.

President Bakken announced the voting would be by ballot and appointed Lee Cray, Geraldine Peck and Lois Eggebo as tellers for the Director election.

Attorney Miller gave an explanation of the Bylaw Amendment which provides additional qualifications for becoming and remaining a director. The Amendment makes ineligible those individuals whom have been employed by the Cooperative during the 24 months prior to the election and those individuals whom have had a felony conviction within 24 months prior to election or at any time while serving as director.

President Bakken appointed Alberta Lewton, Connie Aaker and Linda Anders as tellers for the Bylaw election. The ballots were then cast and collected by the staff.

Drawings for door prizes were held.

A motion was duly made, seconded and carried to dispense with the reading of the annual Treasurer's Report, and to approve the Treasurer's Report as presented in the Annual Report Book.

Manager Reisenauer gave a power point presentation on the financial condition and accomplishments of the Cooperative for the past year.

Directors and employees were recognized for their years of service as follows:

|              |                  |            |
|--------------|------------------|------------|
| Directors:   | Sandi Helms      | 10 years   |
|              | John Johnson     | 25 years   |
| Employee:    | Tyrell Ellingson | 10 years   |
|              | Colle Nash       | 35 years   |
| Retirements: | Helen Aaker      | 40 years   |
|              | Jerry Reisenauer | 26.5 years |

New employees Jeannie Reiff, Sara Hauser, Janelle Goddard and Larry Hendricks were introduced.

The following were declared elected for three-year terms as directors: Les Wolff, Joe Burke and Greg Fried.

The tellers reported the results of voting on the Bylaw Amendment as passed.

The winner of the Grand Prize drawing for \$500 was not present. Five \$100 cash prizes were drawn and awarded to Lynn & Holly Waddell, Meadow; Theora Carlson, Bison; Dennis & Alberta Lewton, Bison; Roland & Karol Hoffman, Lemmon and Kindra Aaker, Bison.

There being no further business to come before the members, the meeting was adjourned upon motion duly made, seconded and carried.

APPROVED:

\_\_\_\_\_  
DeJon Bakken, President

\_\_\_\_\_  
Alice Holcomb, Secretary



West River Cooperative Telephone Co.  
PO Box 39  
Bison, SD 57620

Mark your calendars to attend your Annual Meeting, October 6, 2014!

# *West River Cooperative Telephone Company's Annual Meeting Agenda*

**October 6, 2014 • WRCTC Warehouse**

**4:30 pm - 6:00 pm**

**5:00 pm - 6:00 pm**

**6:00 pm - 7:00 pm**

**7:00 pm - 8:00 pm**

**Registration**

**FREE Pancake & Sausage Supper**

**Business Meeting**

**Entertainment - The Jerde Family, Reva, SD**

**Capital Credits to be refunded!**

*Grand Prize - Apple® iPad Air*

*Kid's Grand Prize - Apple® iPad Mini*

