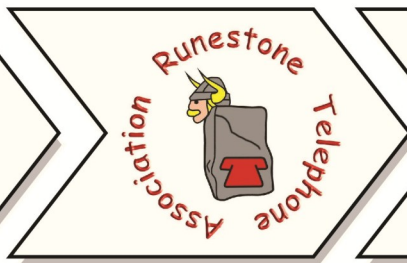




# *75 Years of Keeping You Connected*





## **75th Annual Meeting**

**Wednesday, July 16th, 2025**

**Dinner Served during Video Presentation—5:00 p.m.**

**Registration—6:30 p.m.**

**Meeting—7:00 p.m.**

**West Central Area School – Barrett, MN**

- 1) Welcome
- 2) Report on the number of members present to establish a quorum
- 3) Report of the Notice of the Meeting and Proof of Due Publication or mailing
- 4) Approval of the 2024 Annual Meeting Minutes
- 5) Election of District 3 Director to serve a 5 year term
- 6) Presentation and consideration of reports of officers and manager
- 7) Guest Speaker: Brent Christensen, President/CEO of Minnesota Telecom Alliance
- 8) Unfinished business
- 9) New business
- 10) Door Prizes, Three \$100 Cash Winners, Twins Ticket Giveaways

***Thank you for joining us to celebrate our 75 years of service to our communities!***

***Please be sure to pick up your complementary gift after the meeting.***

# Welcome from the Manager & President

Dear Runestone Telecom Cooperative Members,

We are pleased to present Runestone Telecom Association's Annual Report for the year ending 2024. We have experienced significant growth again this year as we continue to build out our Fiber Optic network to our valued members. A major milestone was reached in late 2024 as our members in the City of Hoffman were upgraded to fiber optic service, marking the completion of a journey more than 20 years in the making to bring high-speed fiber connectivity to every member of our Cooperative.

In late June 2023, Runestone Telecom was honored to receive its seventh State of Minnesota Border-to-Border Broadband Grant with the award of the Crow Lake Township project. This Low-Density Grant will fund 75% of the \$2 million project cost, enabling us to bring high-speed broadband service to the rural areas surrounding Brooten and Belgrade. This achievement reflects our ongoing commitment to expanding reliable connectivity to even the most remote parts of our service area.

2024 was also a significant year for Runestone as a Cooperative, as November marked the 75<sup>th</sup> year since our Articles of Incorporation were filed. For 75 years, our telecom cooperative has proudly served its members by delivering reliable, essential communication services that keep our communities connected. Runestone has remained committed to keeping our rural communities connected and has adapted and evolved alongside the rapidly changing world of technology. With significant changes over the past 75 years, from the early days of party lines, rotary phones, and a switchboard that required human intervention, to today's high-speed fiber internet and smart home connectivity, our mission has always been rooted in service. While the tools may have changed, our dedication to our members remains stronger than ever.

RTA originally served just the exchanges of Barrett, Hoffman, and Donnelly. In 1955, the cooperative expanded by acquiring the Kensington Exchange, followed by the additions of Norcross, Tintah, and Wendell in 1956, and the Cyrus Exchange in 1963 - marking key milestones in our growth and commitment to serving our rural communities. Made possible through the capital and trust provided by our member-owners, RTA undertook significant efforts to modernize and improve service reliability by replacing outdated overhead open wire with underground cable and introducing automatic switchboards. By the end of 1974, every Runestone member benefited from the added convenience and privacy of having a private line, an important milestone in our commitment to delivering quality, modern telecommunications. These advancements not only improved service reliability but also supported the cooperative's steady growth. With the addition of the Elbow Lake Exchange in 1985, the Cooperative's territory became contiguous for the first time in almost 30 years. The Lowry was purchased in 2010 giving the cooperative a 20% gain in our customer base and setting RTA up geographically for the expansion that would come in the years 2015–2024.

In 1989, new digital switchboards were installed and officially placed into service on February 14, 1990, marking a major technological upgrade for RTA and its members. This advancement introduced touch-tone dialing and enhanced calling features such as Call Waiting, Speed Dial, and 3-Way Calling-providing a more modern, convenient, and efficient communication experience for our customers.



Runestone expanded into the cable television business in 1993, further diversifying its services to better serve members. By the end of 1995, cable systems had been successfully built in all Runestone communities. These communities were interconnected by a fiber optic network and served by a centralized "headend" located in Barrett, which eliminated the need for individual satellite receiving stations in each town. This strategic approach streamlined operations, reduced costs, and delivered high-quality television service across the region.

Throughout the years, Runestone has embraced innovation and invested locally in the latest advancements to meet the growing needs of our members, improving technology and building a stronger, more connected community. In 1996, we expanded our service offerings by introducing dial-up Internet, marking our first step into the digital age and opening new possibilities for our members. Many Internet subscribers requested second telephone lines for this service to keep their main line open for calls. As a result, telephone lines grew substantially, peaking at almost 5,800 lines in June of 2001.

A few years later, the Digital Subscriber Line (DSL) became available in mid-2001 and Runestone was able to offer speeds of over 25 times what a 56k Dial up modem could provide. The addition of DSL allowed customers to talk on the phone and use their computer on the same line, eliminating the need for separate phone lines, and leading to the steady decline of telephone lines. As DSL technologies advanced, internet speeds grew to over 750 times faster than those of a traditional 56k modem, offering a dramatically improved online experience. Staying at the forefront of innovation, Runestone continuously adapted to meet the evolving needs of its members. With the widespread adoption of faster, more reliable broadband services, the cooperative officially discontinued its dial-up Internet offering in 2012, marking the end of an era and the beginning of a new chapter in digital connectivity.

In 2005, Runestone began to gradually deploy fiber optic cables to all homes within our service territory to improve reliability and modernize infrastructure once again. This allowed customers to receive voice, Internet and Cable Television over the same reliable medium, an option that was previously only available to those in town. Over the past 20 years Runestone has been upgrading in phases, which ensured steady progress without compromising financial stability. This thoughtful and deliberate changeover reflects our commitment to responsibly budgeting and investing the capital provided by our member-owners. This investment not only enhances service quality and protects against weather-related disruptions but also strengthens the long-term resilience of our network. Thanks to the continued support of our members, all homes and businesses now have the critical infrastructure in place to dependably serve your communication needs well into the future.

Financially, 2024 was another great year for your Cooperative, with Runestone finishing the year with Net Margins of \$5,098,110. Our financial audit was completed successfully, and the Board of Directors has approved an allocation of the 2024 margins to our members totaling \$2,918,745. Runestone's continued success reflects both the continued support of our members and the solid financial health of the Cooperative. On behalf of the Board of Directors and our Employees, we sincerely thank you for your continued patronage and support. Your loyalty and trust have been the foundation of our success. We are honored to serve you as your local cooperative and look forward to continuing to grow in the years ahead.

We hope that you can attend the 75th annual meeting for the members of Runestone Telecom Association at West Central Area Secondary School in Barrett. A meal will be served from 5:00 to 6:30 p.m. with the meeting to follow at 7:00 PM. This is a wonderful opportunity to connect with our community and to celebrate our shared history. We look forward to seeing you there and sharing this special occasion with you.

~ Kent Hedstrom, CEO/General Manager

~ Robert Leegaard, President



# Our Board of Directors



**Bob Leegaard**



**Tory Belgium**



**John Kapphahn**



**Jolene Vipond**



**Dick Staples**



**Kent Hedstrom**

**Bob Leegaard, President**  
Representing District 3  
Barrett, Cyrus, Hoffman

**Tory Belgium, Vice President**  
Representing District 5  
Belgrade, Brooten, Elrosa, Lowry,  
Glenwood, Sauk Centre, Villard

**John Kapphahn, Secretary/Treasurer**  
Representing District 2  
Elbow Lake, Wendell

**Jolene Vipond, Director**  
Representing the District 1  
Donnelly, Norcross, Tintah, Beardsley,  
Campbell, Graceville, Herman, Wheaton

**Dick Staples, Director**  
Representing District 4  
Kensington, Holmes City, Alexandria

**Kent Hedstrom**  
CEO - General Manager



# Runestone Telecom Employees



## Network Technicians

*Left to right:* Braeden Long, Shawn Engler, Christian McGaffey, Cyndi Gulbranson, Matt Lloyd, Brady Combs, Dan Perry, Brad Frank, Curt Hyatt, Ryan Schonhardt, Gary Ness, Nathan Richards, Chris Veldhouse  
*Not Pictured:* Marvin Perkins



## Network - Internet IT Technicians

*Left to right:*  
Joe Polzin,  
Russ Froemming  
James Simonson,  
Ken Elvehjem,  
Chris Schmiesing

## Customer Experience

*Left to right:*  
Dawn Bumgardner,  
Pam Randt,  
Liza Long,  
Michelle Martinson,  
Angie Huseeth



# Statement of Operations

RUNESTONE TELECOM ASSOCIATION  
STATEMENT OF OPERATIONS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023	DIFFERENCE	
<b>OPERATING REVENUES:</b>				
NETWORK ACCESS	\$6,408,591	\$6,391,938	\$16,653	0.3%
INTERNET	4,395,726	3,937,360	458,366	11.6%
LOCAL NETWORK	770,931	708,196	62,735	8.9%
CABLE TELEVISION	883,346	859,733	23,613	2.7%
LONG DISTANCE	71,911	80,541	(8,630)	-10.7%
MISCELLANEOUS	190,503	153,859	36,644	23.8%
DIRECTORY	29,316	32,142	(2,826)	-8.8%
UNCOLLECTIBLES	4,874	13,569	(8,695)	-64.1%
<b>TOTAL OPERATING REVENUES</b>	<b>\$12,755,198</b>	<b>\$12,177,338</b>	<b>\$577,860</b>	<b>4.7%</b>
<b>OPERATING EXPENSES:</b>				
DEPRECIATION	\$2,753,454	\$2,457,533	\$295,921	12.0%
CORPORATE	984,478	953,919	30,559	3.2%
PLANT SPECIFIC	1,317,638	1,154,059	163,579	14.2%
CABLE TELEVISION	789,819	795,707	(5,888)	-0.7%
CUSTOMER	747,492	767,760	(20,268)	-2.6%
INTERNET	721,306	791,325	(70,019)	-8.8%
PLANT SUPPORT	297,482	358,249	(60,767)	-17.0%
MISCELLANEOUS	153,393	118,934	34,459	29.0%
LONG DISTANCE	67,825	87,124	(19,299)	-22.2%
OTHER TAXES	55,459	60,829	(5,370)	-8.8%
<b>TOTAL OPERATING EXPENSES</b>	<b>\$7,888,346</b>	<b>\$7,545,439</b>	<b>\$342,907</b>	<b>4.5%</b>
<b>OPERATING MARGINS</b>	<b>\$4,866,852</b>	<b>\$4,631,899</b>	<b>\$234,953</b>	<b>5.1%</b>
<b>OTHER INCOME AND EXPENSES:</b>				
INVESTMENT INCOME	155,484	122,202	33,282	27.2%
EQUITY IN INCOME OF LLCs	84,055	90,492	(6,437)	-7.1%
INCOME TAXES	(8,281)	(7,996)	(285)	3.6%
<b>TOTAL OTHER INCOME AND EXPENSES</b>	<b>\$231,258</b>	<b>\$204,698</b>	<b>\$26,560</b>	<b>13.0%</b>
<b>NET MARGINS</b>	<b>\$5,098,110</b>	<b>\$4,836,597</b>	<b>\$261,513</b>	<b>5.4%</b>
<b>TELEPHONE LINES LINES END OF YEAR</b>	<b>3667</b>	<b>3835</b>	<b>-168</b>	<b>-4.4%</b>
<b>CATV SUBSCRIBERS END OF YEAR</b>	<b>867</b>	<b>916</b>	<b>-49</b>	<b>-5.3%</b>
<b>INTERNET SUBSCRIBERS END OF YEAR</b>	<b>5454</b>	<b>5171</b>	<b>283</b>	<b>5.5%</b>

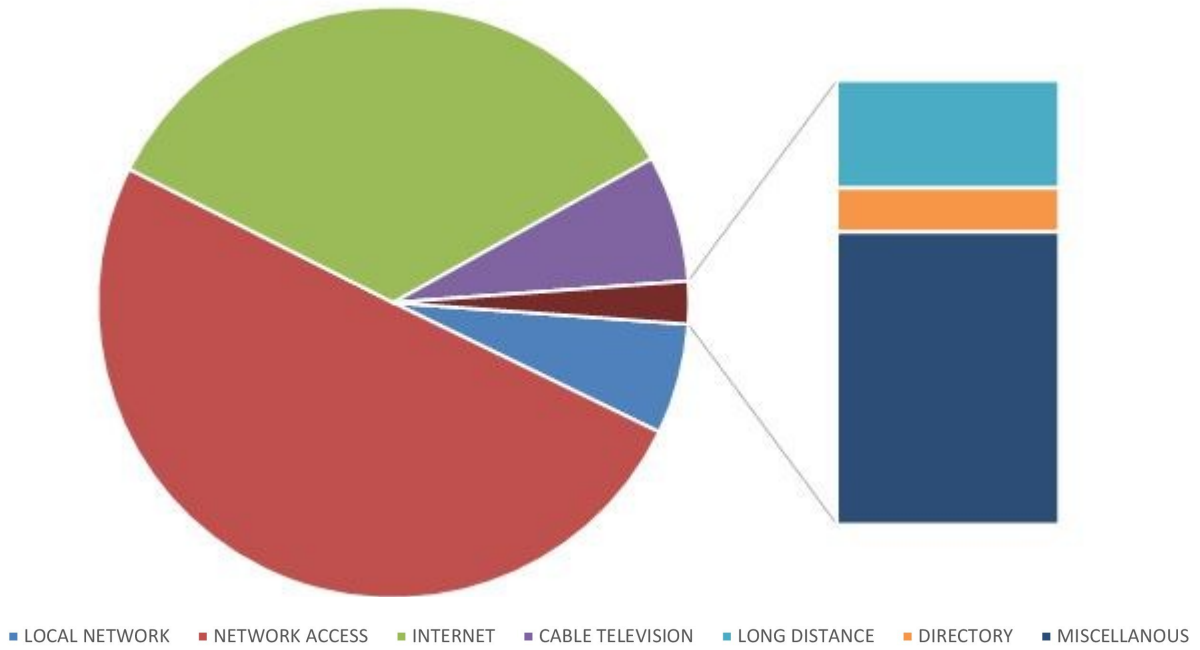


# Balance Sheet

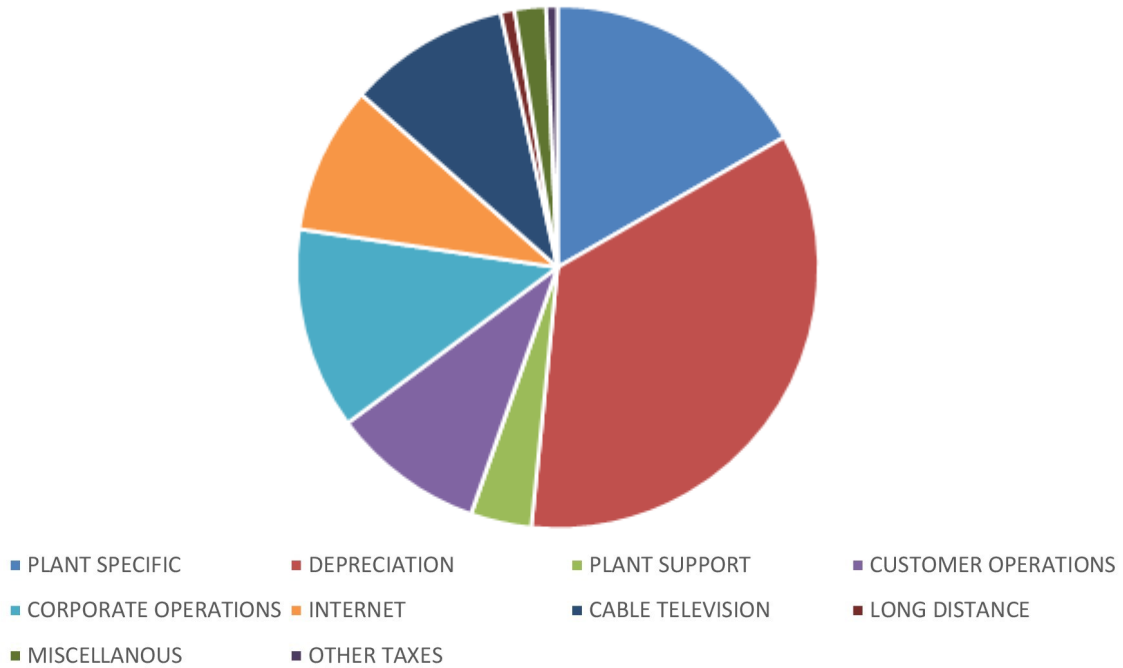
RUNEST ONE TELECOM ASSOCIATION  
BALANCE SHEET  
DECEMBER 31, 2024 AND 2023

	2024	2023
<b>CURRENT ASSETS:</b>		
CASH AND TEMPORARY CASH INVESTMENTS	5,459,560	\$4,528,671
CURRENT PORTION OF NOTES RECEIVABLE	55,010	59,054
OTHER ACCOUNTS RECEIVABLE	1,352,722	2,152,385
MATERIALS AND SUPPLIES	2,856,132	3,093,511
PREPAID EXPENSE	122,350	126,032
<b>TOTAL CURRENT ASSETS</b>	<b>\$9,845,774</b>	<b>\$9,959,653</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>		
NOTES RECEIVABLE	132,940	139,537
GOODWILL & INTANGIBLES	0	49,538
TEMPORARY CASH INVESTMENTS	213,364	229,517
INVESTMENTS IN PARTNERSHIPS & LLCs	994,990	996,511
PREPAID EXPENSE	49,026	67,542
<b>TOTAL INVESTMENTS AND OTHER ASSETS</b>	<b>\$1,390,320</b>	<b>\$1,482,645</b>
<b>TELECOMMUNICATIONS PLANT:</b>		
IN SERVICE	\$51,054,863	\$46,922,641
UNDER CONSTRUCTION	7,439,712	6,277,850
ACCUMULATED DEPRECIATION	(29,500,094)	(27,614,518)
<b>NET TELECOMMUNICATIONS PLANT</b>	<b>\$28,994,481</b>	<b>\$25,585,973</b>
<b>TOTAL ASSETS</b>	<b>\$40,230,575</b>	<b>\$37,028,271</b>
<b>CURRENT LIABILITIES:</b>		
ACCOUNTS PAYABLE	484,849	513,105
OTHER ACCRUED LIABILITIES	480,340	449,274
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$965,189</b>	<b>\$962,379</b>
<b>DEFERRED LIABILITIES</b>	<b>\$807,473</b>	<b>\$779,452</b>
<b>MEMBERS EQUITY:</b>		
PATRONAGE CAPITAL	\$16,401,901	\$15,287,022
OTHER EQUITIES	22,056,012	19,999,418
<b>TOTAL MEMBERS EQUITY</b>	<b>\$38,457,913</b>	<b>\$35,286,440</b>
<b>TOTAL LIABILITIES &amp; MEMBERS EQUITY</b>	<b>\$40,230,575</b>	<b>\$37,028,271</b>

### 2024 Revenues



### 2024 Expenses



# **ANNUAL MEETING OF THE MEMBERS OF RUNESTONE TELECOM ASSOCIATION**

## **July 17, 2024**

The members of Runestone Telecom Association held their 74<sup>th</sup> Annual Meeting on July 17, 2024, at 7:00 p.m. at the West Central School Auditorium in Barrett, MN, with President, Robert Leegaard and Secretary/Treasurer, John Kapphahn being present. Other directors in attendance were Tory Belgium, Richard Staples and Jolene Vipond.

President, Robert Leegaard, welcomed everyone to the 73<sup>d</sup> Annual Meeting and thanked Ken Elvehjem for providing entertainment prior to the meeting.

A register signed by the members established the attendance of a sufficient number of members to constitute a quorum. The Secretary was directed to file the registration for the establishment of a quorum and make the same a part of the minutes of this meeting.

Secretary/Treasurer, John Kapphahn, read the Affidavit of Publication of Notice of Annual Meeting. President Leegaard then asked for a motion to approve the Affidavit and the 2023 Annual Meeting Minutes as presented in the 2023 Annual Report. A motion was made by John Dosdall, seconded by Rod Melin and carried to approve the Affidavit and Minutes and make the same a part of the minutes of the meeting.

General Manager Kent Hedstrom explained the 2024 uncontested nomination and election of Richard Staples as a Director of District. A motion was made by Dave Hedner, seconded by Rod Melin, and carried to elect Richard Staples by a voice vote to a 5-year term starting July 17, 2024, as the Director of District 4.

General Manager/CEO, Kent Hedstrom, presented the 2023 financial statement along with updates on fiber to the home projects and Border-to-Border grants, membership growth, and the potential impacts of Artificial Intelligence. A motion was made by Les Alvstad, seconded by Richard Torgusen, and carried to accept the financial statements as presented.

There was no old or new business to come before the meeting.

The Runestone directors and employees were introduced, and door prizes were given out.

The members were then invited to stay for brownies, treats, and ice cream served by some of the West Central Area Trap Shooting students.

A motion was made by Eileen Olson, seconded and carried to adjourn the meeting at 8:04 p.m.

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Secretary

Approved: