

ANNUAL REPORT

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CONNECTING OUR COMMUNITIES

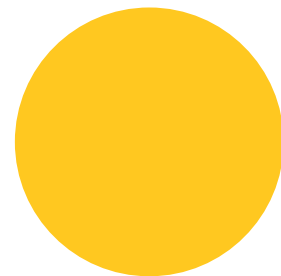


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LETTER FROM THE PRESIDENT & GM

ON BEHALF OF THE DIRECTORS AND EMPLOYEES, WELCOME TO UNITED COMMUNICATIONS' 68TH ANNUAL MEETING.

A lot has happened since we last met. Words we knew but never thought would be in our daily conversations – like pandemic, quarantine, infection rate, vaccines – all became normal parts of our vocabulary. In a time of strange circumstances, United Communications and our staff rose to the challenges. Thanks to decades of foresight, we were able to meet the crisis head on. When schools in our service territories began online schooling in the spring of 2020, we installed internet service to over 170 households that did not currently have access to broadband. We increased all internet subscribers' speeds to the next speed tier to ensure you had the connectivity needed as more and more of our daily lives shifted online. Our network saw increased traffic unlike what we had seen before. COVID-19 changed the way we work, learn, and live – but it didn't change our #1 priority: serving our customers.

During the pandemic, United & Turtle Mountain Communications signed the FCC Commissioner's Pledge to Keep Americans Connected. By signing this pledge, we committed to not terminate service to any customer unable to pay their bills and waive late fees caused by the coronavirus pandemic. We also installed eight Wi-Fi hot spots around our service area to provide free internet access to those who did not have connectivity otherwise.

2020 was also a time to celebrate. After many years of construction, we have completed our fiber-to-the-home construction projects. In the last several years, we have laid over 3,700 miles of fiber. That is enough fiber to go from here to Dublin, Ireland. By taking a slow and steady



Lorne Field
President



Perry Oster
Secretary-Treasurer

approach to fiber-to-the-home, we were able to complete all projects without taking out any loans.

As always, the regulatory side of our business is ever-changing. From 911 and location accuracy, to robocall mitigation plans and cyber security, every day is an adventure and opportunity to better ourselves and the services we offer to you.

We appreciate your patronage and look forward to working for you in the years to come. United had solid financial years in 2019 and 2020, with margins of \$9,299,465 and \$9,820,657. Contributing to our margins were our investments in North Dakota Telephone Company, North Dakota Long Distance, Northern Plains Utility Contracting, Red River Cellular, Dakota Carrier Network, and Dakota Video Network. At our last Annual Meeting in 2019, we informed you about the FCC's Universal Service Reform Order, which focused on additional offers for the Alternative Connect America Model (ACAM) Carriers and new model offers for existing legacy carriers. After much deliberation, United made the decision to take the ACAM Model 11 offer, which is 10 years of guaranteed support. We are looking ahead at solutions for when this model ends.

We would like to extend our condolences to the friends and families of Eugene Norheim, a longtime Director of this Cooperative. Eugene passed away on September 2, 2020. His years of leadership and no-nonsense attitude helped shape the company into what it is today. Eugene's steadfast presence is deeply missed. Those who had the opportunity to know Gene are forever blessed.

The Board of Directors and employees would like to thank the members of this cooperative for your loyalty and for allowing us to do what we love. I would like to thank the Board of Directors for their support, and our employees for their hard work and dedication. It has been an amazing ride, and I am privileged to have worked at this Cooperative. After 37 years, I plan to retire in September of 2021. Thank you for the opportunity to serve you; it has been my greatest pleasure.



**THE BOARD OF DIRECTORS
AND EMPLOYEES WOULD LIKE
TO THANK THE MEMBERS OF
THIS COOPERATIVE FOR YOUR
LOYALTY AND FOR ALLOWING
US TO DO WHAT WE LOVE.**

BOARD OF DIRECTORS & EMPLOYEES



Lorne Field
President



Harold Estenson
Vice President



Perry Oster
Secretary-Treasurer



Ken Myhre
Director



Steve Bjornstad
Director



Norman Schommer
Director



Tom Eagan
Director



Kenneth Carlson
Director

MANAGEMENT

Perry Oster, General Manager/CEO

Ross Feil, Facilities Manager

Kirsten Gendron, Customer Service Manager

Tara Mikkelsen, Chief Financial Officer

Dennis Plummer, Network Manager

Steve Swanson, Chief Operating Officer

NETWORK

Jason Bott, Network Tech I

Dave Hein, Network Tech I

Dave Bakke, Network Tech I

Tim Goff, Network Tech I

Jade Gores, Network Tech I

Matthew Odermann, Network Tech I

AJ Hensel, Network Supervisor

ACCOUNTING

Jayna Hoffarth, Cashier/Bookkeeper

Denise Otto, Accountant

Taylor Reiser, Accountant

EMPLOYEES

CUSTOMER SERVICE/PLANT RECORDS – LANGDON

Danielle Andresen, Customer Service Representative
Tasha Christianson, Customer Service Representative
Robyn Ramberg, Customer Service Representative
Brenda Veer, Customer Service Representative
Kori Howatt, Customer Service Representative
Andrea Fetsch, Plant Records
Caitlin Kreklau, Plant Records
Suzanne Bott, Plant Records
Lori Ullyott, Plant Records

INFORMATION TECHNOLOGY – LANGDON

Matt Geddes, IT Supervisor
Mikan Lovcik, Broadband Specialist
Rebecca Feist, Broadband Specialist

OUTSIDE PLANT – LANGDON

Gerald Delvo, Field Tech II
Tony Hanson, Field Tech I
Riley Kuchar, Field Tech II
Matt Lowery, Telecom Tech
Jason McLean, Telecom Tech
Drew McQuarie, Telecom Tech

CUSTOMER SERVICE/PLANT RECORDS – ROLLA

Laurie Bercier, Customer Service Representative
Tara Trottier, Plant Records

OUTSIDE PLANT – ROLLA

Wade Belgarde, Field Tech I
Mitch Poitra, Field Tech I
Russ Lund, Field Tech I
Sam Booth, Field Tech II
Justin Longie, Maintenance
Farrell Morin, Telecom Tech
Tony Page, Telecom Tech

INFORMATION TECHNOLOGY – ROLLA

Cole Schroeder, Broadband Specialist

CUSTOMER SERVICE – BOTTINEAU

Peggy Lider, Customer Service Representative
Tory Statz, Customer Service Representative

OUTSIDE PLANT – BOTTINEAU

Kurt Carpenter, Field Tech II
Kendall Fugere, Field Tech I
Lance Halvorson, Telecom Tech
Norm Reitan, Plant Engineer

FINANCIALS

Condensed Consolidated Balance Sheet
December 31, 2020

ASSETS

Assets (What We Own)

CURRENT ASSETS

Cash & Cash Equivalents	\$ 15,824,921	\$ 11,671,432
Receivables	1,736,803	1,860,021
Materials & Supplies	701,156	710,775
Income Tax Receivable	-	358,547
Equity Securities	676,092	446,972
Other Current Assets	658,555	613,198

TOTAL CURRENT ASSETS

19,597,527 **15,660,945**

NON-CURRENT ASSETS

Investments	41,105,363	36,083,583
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TOTAL NON-CURRENT ASSETS

41,105,363 **36,083,583**

PLANT, PROPERTY, & EQUIPMENT

Wireline Plant	99,275,277	97,580,831
Cable & Internet Plant	6,826,558	6,432,859
Non-Operating Plant	500	500
Depreciation	(58,025,607)	(55,138,893)

NET PLANT

48,076,728 **48,875,297**

TOTAL ASSETS

\$ 108,779,618 **\$ 100,619,825**

LIABILITIES

Liabilities (What We Owe)

CURRENT LIABILITIES

Accounts Payable	\$ 1,343,630	\$ 955,357
Income Taxes Payable	809,528	-
Current Maturities of Long-Term Debt	2,316,495	2,314,786
Other Current Liabilities	1,195,722	1,152,797

TOTAL CURRENT LIABILITIES

5,665,375 **4,422,940**

LONG-TERM DEBT, NET OF CURRENT MATURITIES

4,220,915 **6,679,519**

DEFERRED CREDITS

Deferred Income Tax & Other Obligations	9,080,185	8,698,094
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MEMBERS' EQUITY

89,813,143 **80,819,272**

TOTAL LIABILITIES & EQUITY

\$ 108,779,618 **\$ 100,619,825**

FINANCIALS

Condensed Consolidated Statement of Operations
December 31, 2020

REVENUE

OPERATING REVENUES

	2020	2019
Wireline	\$ 15,809,539	\$ 16,571,332
Internet	3,754,786	3,342,137
Television	3,330,661	3,255,470
Miscellaneous	2,055,227	2,101,082

TOTAL OPERATING REVENUES

24,950,213 **25,270,021**

OPERATING EXPENSES

Plant Operation Expenses	3,168,932	3,144,796
Plant Nonspecific Operations	1,615,562	1,644,140
Depreciation & Amortization	5,258,479	4,910,504
Customer Operations	1,680,130	1,760,298
Corporate Operations	1,852,835	1,830,855
Other Operating Taxes	71,381	22,730
Non-Regulated Expenses	8,567,816	7,917,179

TOTAL OPERATING EXPENSES

22,215,135 **21,230,502**

NET OPERATING MARGIN

2,735,078 **4,039,519**

NON-OPERATING

Interest & Dividend	4,165,043	3,593,031
AFUDC	71,640	122,278
Interest Expense	(533,959)	(651,456)
Impairment of Investment	-	(547,307)
Other Non-Operating Expense	243,584	262,872
Income from Affiliates	4,748,113	4,377,109

TOTAL NON-OPERATING

8,694,421 **7,156,527**

NET MARGIN BEFORE INCOME TAXES

11,429,499 **11,196,046**

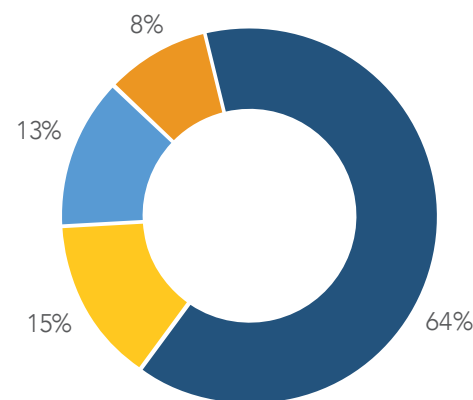
INCOME TAX

1,608,842 1,896,581

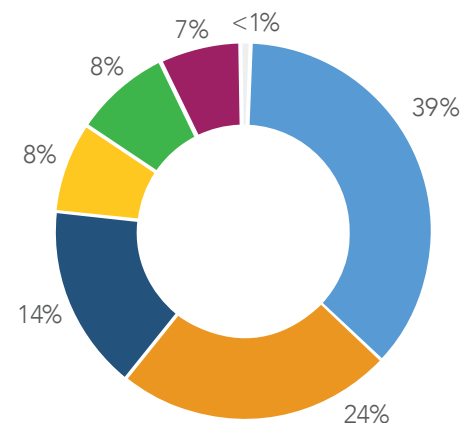
NET MARGINS

\$ 9,820,657 **\$ 9,299,465**

2020 OPERATING REVENUES



2020 OPERATING EXPENSES



STRONG CONNECTIONS, STRONGER COMMUNITIES

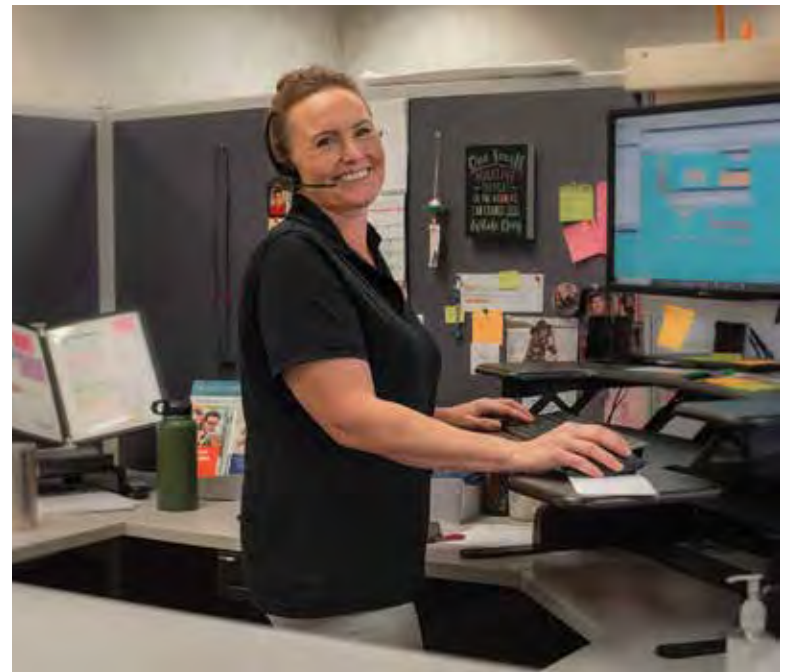


As a telecommunications company, keeping communities connected has been the core of what we do since we opened our doors in 1952. Whether it's through quality TV, phone, or internet services, we are committed to ensuring our fellow North Dakotans have access to everything they need to communicate with their world.

Our role became even more essential in 2020 as our customers relied on strong phone and internet connections to work, learn, seek entertainment, and stay in touch with loved ones during the height of the pandemic.

Amidst the chaos and uncertainty of the year, our hard-working team remained a steadfast source of support for their friends and neighbors by providing the best possible customer service when they needed it most. We are grateful to our staff for their dedication, tenacity, and strength.

No matter what comes our way, United Communications will be here to keep our communities strong and connected to who and what they love for generations to come.





EDUCATIONAL FOUNDATION SCHOLARSHIP WINNERS



HELPING OUR COMMUNITY
MEMBERS GROW AND THRIVE IS
AT THE HEART OF OUR MISSION.

Since its establishment in 1991, the United Telephone Educational Foundation has proudly given over \$820,000 to graduating seniors and other first-term college students looking to pursue higher education.

This year's 27 scholarship winners have been selected from central and eastern North Dakota, and will receive a total of \$30,000 in scholarship funds to help them in their pursuit of building a brighter future for themselves and their communities.



Keagen Allard
Bottineau High School



Marchetta Bercier
Turtle Mountain Community
High School



Tanielle Berg
Mount Pleasant High School



Liberty Cleveland
Langdon Area High School



Emily Counts
Dunseith High School



Larin Crissler
Turtle Mountain Community
High School



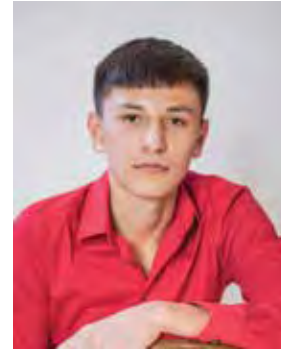
Gerald Hawk
Turtle Mountain Community High School



George Henry
Bottineau High School



Caleb Hetler
Langdon Area High School



James Keplin
Turtle Mountain Community High School



Kaitlynn Klebe
TGU Towner High School



Raelyn Klindt
Langdon Area High School



Josiah Marcellais
Turtle Mountain Community High School



Avah Marion
Turtle Mountain Community High School



Drew McArthur
Munich High School



Bradley Medlang
Bottineau High School



Grace Neamy
Rolla High School



Joslyn Nordmark
Mount Pleasant High School



Lexis Olson
Langdon Area High School



Sunni Parisien
Turtle Mountain Community High School



Tucker Regner
Langdon Area High School

EDUCATIONAL FOUNDATION SCHOLARSHIP WINNERS



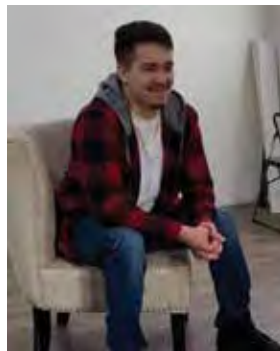
Grant Romfo
Langdon Area High School



Taylen Strand
Bottineau High School



Hope Thorlakson
Langdon Area High School



Brandon Roussin
Turtle Mountain Community
High School



Hannah Thorlakson
Langdon Area High School



Halle Williams
Dunseith High School

REMEMBERING EUGENE NORHEIM



OVER 30 YEARS OF
DEDICATED SERVICE
ON THE UNITED
COMMUNICATIONS
BOARD OF DIRECTORS.

Eugene grew up in Rock Lake, ND, where he graduated high school and went on to attend North Dakota State University before enlisting in the United States Marine Corps, where he proudly served his country. When he was honorably discharged in 1954 as Lance Corporal, Eugene returned home to join his father on the family farm, and shortly after, married his beloved wife, Beth.

An integral part of his community, Eugene was an extremely active member of many local and regional organizations, including over three decades served on the United Communications Board of Directors. He greatly enjoyed the great outdoors while hunting, fishing, and skiing, as well as traveling alongside his wife around the country and beyond.

His contribution to community will be greatly missed by all who had the honor of knowing him. In remembrance of his service, we would like to dedicate this Annual Meeting in his memory.

JULY 21
2021

ANNUAL MEETING PROGRAM

Registration 1:00 pm

Call to Order *(President)* 2:00 pm

Lunch to Follow

Welcome
Reading of Notice of Annual Meeting
Reading of Minutes of Last Meeting
Bylaw Amendments
Election of Directors
Financial Report
President's Comments
Adjournment



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LANGDON OFFICE

411 7th Ave
P.O. Box 729
Langdon, ND 58249
701.256.5156

ROLLA OFFICE

617 Main Ave West
P.O. Box 238
Rolla, ND 58367
701.477.1101

BOTTINEAU OFFICE

538 11th St West, Suite 2
(Located in the North Central Electric building)
Bottineau, ND 58318
701.228.1101