



**2021**  
ANNUAL  
REPORT

*Local People, Local Connections*



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ON BEHALF OF  
THE DIRECTORS  
AND EMPLOYEES,  
WELCOME TO UNITED  
COMMUNICATIONS' 69<sup>TH</sup>  
ANNUAL MEETING.

## *A Word From Our Leadership:*

### **PRESIDENT & GM LETTER**



*Harold Estenson*, President

**O**n behalf of the Directors and employees, welcome to United Communications' 69th Annual Meeting.

While the faces at United change from time to time as our employees retire, our commitment to serving you, our members, remains the same. We are devoted to offering our friends and neighbors the services you need to stay connected. From cutting-edge technology and innovative equipment to the best customer service, we work hard to provide you with the services you need to connect, work, and thrive in rural North Dakota.

Cooperatives are created by people who have a specific need and who are willing to work together to meet that need. Since Francis Kitsch met with President Truman in 1951 and told him of the need for good telephone service in rural areas of North Dakota, United has been striving to fill the communication void that is often felt in a rural area. Nationwide, only 43% of the United States has access to fiber internet. At United Communications, 100% of our customers have fiber to the home.

United had a solid financial year in 2021, with a net margin of \$9,256,341. Outside investments in North Dakota Telephone Company, North Dakota Long Distance, Northern Plains Utility Contracting, Red River Cellular, Dakota Carrier Network, and Dakota Video Network continue to benefit the company. In December, the Board of Directors issued a capital credit retirement of \$500,000 to the members of the cooperative. We practice sound financial management, striving to find areas we can invest for future profit, while limiting expenses as much as possible that won't affect customer experience.

Earlier this year, we increased our base speed for internet service from 25 Mbps to 100 Mbps. Internet speed refers to how much data and information can be transferred on a single connection at any given time. This is important, because your internet speed determines what type of activities you can do on the internet, as well

as how many devices you can connect at once. If your speed is too slow, you will run into trouble performing online tasks. We adapted our internet plans to fit today's lifestyles, while continuing to invest in our network to fit tomorrow's needs.

TV retransmission is an area that has skyrocketing expenses. We are actively trying to find solutions to bring our TV expenses down. Even while actively pursuing cost-saving measures, TV price increases are inevitable.

Like everyone across the country, we are continuously having to find ways to deal with the ongoing supply chain and cost inflation issues. Navigating these issues is no easy task, but we are committed to doing everything possible to minimize the impact to our subscribers.

The regulatory side of the business is ever-changing, and our management team spends a lot of time keeping abreast of the changes. In the last year, we have started performance speed testing mandated by the FCC, as well as offering the Emergency Broadband Benefit which rolled into the Affordable Connectivity Program. Next up, we are working on new Broadband Data Collection map

requirements. The number of changes and new reporting that is required of us is overwhelming, and I can't thank my team enough for the hours they put into keeping us in compliance with all the evolving regulations.

While working tirelessly at work, our employees are also active parts of the communities we serve. From volunteer fire fighters to Sunday school teachers, to coaches in all seasons of sports, we are proud to be active members of the communities we serve. I don't think there is a local event you can attend without finding our employees there with you. United Communications supports our local communities, and we appreciate your local support.

The Board of Directors, the employees, and I would like to thank the members of the cooperative for your continued support. I would like to thank the Board of Directors for their support in this year of changes, and the employees for their hard work and drive to innovate. I can't wait to see what happens in my next 20 years at United Communications.

“



THE BOARD OF DIRECTORS, THE EMPLOYEES, AND  
I WOULD LIKE TO THANK THE MEMBERS OF THE  
COOPERATIVE FOR YOUR CONTINUED SUPPORT.

- Steve Swanson, General Manager

# *Board of* **DIRECTORS**



**Harold Estenson**  
President



**Tom Eagan**  
Vice President



**Steve Swanson**  
Secretary-Treasurer



**Lorne Field**  
Director



**Kenneth Carlson**  
Director



**Ken Myhre**  
Director



**Norman Schommer**  
Director



**Steve Bjornstad**  
Director



# 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  
Jason Bott  
Tim Goff  
Tony Hanson  
Dave Hein

*Rolla*

Network Tech I  
Jade Gores

Network Tech II  
Matthew Odermann

## CUSTOMER SERVICE

*Langdon*

Customer Service Representative  
Danielle Andresen  
Tasha Christianson  
Kori Howatt  
Robyn Ramberg  
Brenda Veer

*Rolla*

Customer Service Representative  
Laurie Bercier

*Bottineau*

Customer Service Representative  
Peggy Lider  
Tory Statz

## PLANT RECORDS

*Langdon*

Plant Records  
Suzanne Bott  
Andrea Fetsch  
Caitlin Kreklau

Plant Records Specialist  
Lori Ullyott

*Rolla*

Plant Records  
Tara Trottier

## INFORMATION TECHNOLOGY

*Langdon*

Broadband Specialist  
Rebecca Feist  
Mikan Lovcik

*Rolla*

Broadband Specialist  
Cole Schroeder

## OUTSIDE PLANT

*Langdon*

Field Technician I  
Matt Lowery  
Drew McQuarie

Field Technician II  
Gerald Delvo  
Riley Kuchar

Telecom Technician  
Jason McLean  
Luke Schill

*Rolla*

Field Technician I  
Wade Belgarde  
Russ Lund  
Mitch Poitra

Maintenance  
Justin Longie

Telecom Tech  
Farrell Morin  
Tony Page

Summer Intern  
Xavier Mitchell

*Bottineau*

Field Technician I  
Lance Halvorson

Field Technician II  
Kendall Fugere

Telecom Technician  
Jon Brenden  
Brock Nesheim

Plant Engineer  
Norm Reitan

# FINANCIALS

## Consolidated Statement of Assets and Liabilities December 31, 2021

### ASSETS

#### Assets (What We Own)

##### CURRENT ASSETS

	2021	2020
Cash & Cash Equivalents	\$ 16,943,737	\$ 15,824,921
Receivables	1,676,377	1,736,803
Materials & Supplies	997,070	701,156
Income Tax Receivable	186,744	-
Equity Securities	1,309,798	676,092
Other Current Assets	1,474,421	658,555

##### TOTAL CURRENT ASSETS

**22,588,147** **19,597,527**

##### NON-CURRENT ASSETS

Investments	48,861,024	41,105,363
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##### TOTAL NON-CURRENT ASSETS

**48,861,024** **41,105,363**

##### PLANT, PROPERTY, & EQUIPMENT

Wireline Plant	100,248,804	99,275,277
Cable & Internet Plant	6,969,396	6,826,558
Non-Operating Plant	500	500
Depreciation	(60,980,331)	(58,025,607)

##### NET PLANT

**46,238,369** **48,076,728**

##### TOTAL ASSETS

**\$ 117,687,540** **\$ 108,779,618**

### LIABILITIES

#### Liabilities (What We Owe)

##### CURRENT LIABILITIES

	2021	2020
Accounts Payable	\$ 1,021,838	\$ 1,343,630
Income Taxes Payable	-	809,528
Current Maturities of Long-Term Debt	1,380,876	2,316,495
Other Current Liabilities	1,614,549	1,195,722

##### TOTAL CURRENT LIABILITIES

**4,017,263** **5,665,375**

##### LONG-TERM DEBT, NET OF CURRENT MATURITIES

**4,777,661** **4,220,915**

##### DEFERRED CREDITS

Deferred Income Tax & Other Obligations	10,784,483	9,080,185
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##### MEMBERS' EQUITY

**98,108,133** **89,813,143**

##### TOTAL LIABILITIES & EQUITY

**\$ 117,687,540** **\$ 108,779,618**



Consolidated Statement of Operations  
December 31, 2021

## REVENUE

### OPERATING REVENUES

Wireline	\$ 15,711,738	\$ 15,809,539
Internet	4,294,297	3,754,786
Television	3,315,527	3,330,661
Miscellaneous	2,305,997	2,055,227

### TOTAL OPERATING REVENUES

**25,627,559** **24,950,213**

### OPERATING EXPENSES

Plant Operation Expenses	2,851,827	3,168,932
Plant Nonspecific Operations	1,852,750	1,615,562
Depreciation & Amortization	5,364,466	5,258,479
Customer Operations	1,762,278	1,680,130
Corporate Operations	2,005,077	1,852,835
Other Operating Taxes	61,102	71,381
Non-Regulated Expenses	9,239,843	8,567,816

### TOTAL OPERATING EXPENSES

**23,137,343** **22,215,135**

### NET OPERATING MARGIN

**2,490,216** **2,735,078**

### NON-OPERATING

Interest & Dividend	3,594,955	4,165,043
AFUDC	67,624	71,640
Interest Expense	(405,810)	(533,959)
Other Non-Operating Expense	382,004	243,584
Income from Affiliates	4,792,720	4,748,113

### TOTAL NON-OPERATING

**8,431,493** **8,694,421**

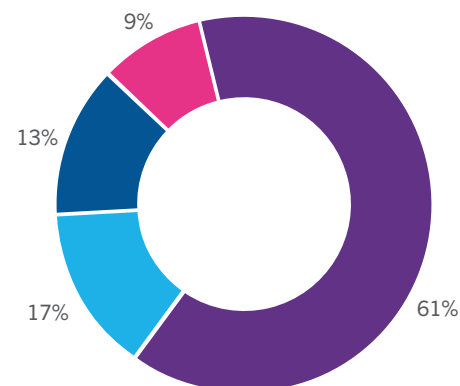
### NET MARGIN BEFORE INCOME TAXES INCOME TAX

**10,921,709** **11,429,499**  
**1,665,368** **1,608,842**

### NET MARGINS

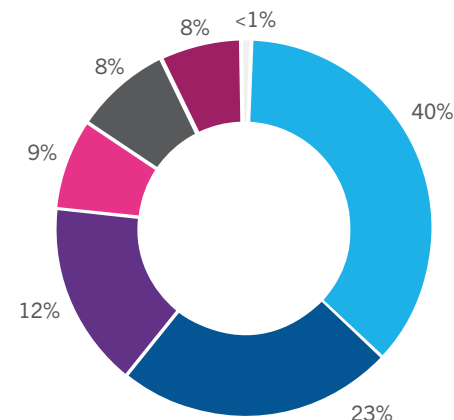
**\$ 9,256,341** **\$ 9,820,657**

### 2021 OPERATING REVENUES



Wireline Internet  
Television Miscellaneous

### 2021 OPERATING EXPENSES



Plant Operation Expenses Depreciation & Amortization  
Non-Regulated Expenses Corporate Operations  
Customer Operations Plant Nonspecific Operations  
Other Operating Taxes

*Seven decades of innovation.*

## CELEBRATING OUR 70TH ANNIVERSARY



**A** lot has changed since we opened our doors as United Telephone Mutual Aid Corporation in 1952.

Back then, we specialized in modern dial telephone service – a cutting-edge innovation of the time. Over the years, our company – now known as United and Turtle Mountain Communications – stayed at the forefront of advancements in technology to ensure rural North Dakotans had access to the internet, phone, and television services they needed to thrive.

This includes laying the groundwork for fiber-optic technology back in the 1990s when it first became available for public use. As a result of this investment, nearly all our customers today can enjoy lightning-fast, gig-capable speeds that are essential to work, play, and learn in our increasingly digital world.

Technology will continue to evolve, and United and Turtle Mountain Communications will evolve with it. However, there's one thing that will

always be the same: our dedication to keeping our communities connected.

“As we look to the future, we're excited to bring the newest products, latest systems, and best service to North Dakotans,” says Steve Swanson, General Manager of United and Turtle Mountain Communications.

To our customers and employees who made the last seven decades possible, thank you for being part of our journey. Here's to the next 70 years!



“

AS WE LOOK TO THE FUTURE,  
WE'RE EXCITED TO BRING THE  
NEWEST PRODUCTS, LATEST  
SYSTEMS, AND BEST SERVICE  
TO NORTH DAKOTANS.

- *Steve Swanson, General Manager*

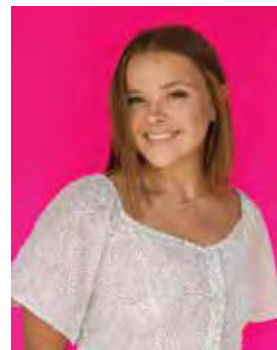
*Changing lives since 1991:*

## EDUCATIONAL FOUNDATION SCHOLARSHIP WINNERS

**E**verything we do at United and Turtle Mountain Communications is to help our communities thrive while investing in our future. This includes giving back to the regions we serve through initiatives like our Educational Foundation Scholarship Program.

Since 1991, the United Telephone Educational Foundation has proudly awarded over \$852,000 to high school seniors and other first-time college students pursuing higher education.

Our scholarship winners this year were selected from central and eastern North Dakota, and will receive a total of \$32,000 in scholarship funds to help them expand their knowledge, skills, and worldview in college or another educational institution. Because of these talented individuals, we are confident that our future is bright!



*Nicole Berg*

North Border Walhalla  
High School



*Megan Boe*

St. John High School



*Sierra Heinz*

Rolette High School



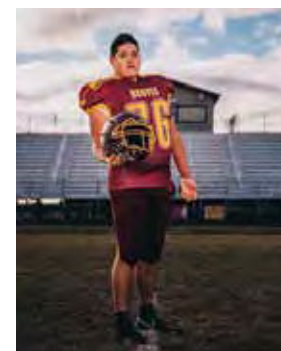
*Trista Henderson*

Mt. Pleasant High School



*Kenyon LaFountain*

Turtle Mountain Community  
High School



*David LeDoux*

Turtle Mountain Community  
High School





*Jaina Canapi*  
Mt. Pleasant High School



*Brailyn Davis*  
Dunseith High School



*Wyatt Dunlop*  
Mt. Pleasant High School



*Jodee Fritel*  
Rollette High School



*Tyreece Griffin*  
Turtle Mountain Community High School



*Claire Hiltner*  
Langdon Area High School



*Taxen Johnson*  
North Border Walhalla High School



*Rachelle Klinott*  
Langdon Area High School



*Ethan Kram*  
Langdon Area High School



*MiKayah Ladueer*  
Turtle Mountain Community High School



*Shaiah Lunday*  
Turtle Mountain Community High School



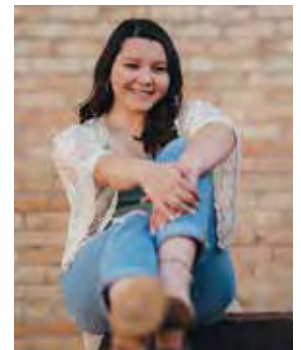
*Thea Malaterre*  
Turtle Mountain Community High School



*Beyoncé Marcellais*  
Turtle Mountain Community High School



*Amberlee Medrud*  
Turtle Mountain Community High School



*Madison Mundy*  
Turtle Mountain Community High School

*Changing lives since 1991:*

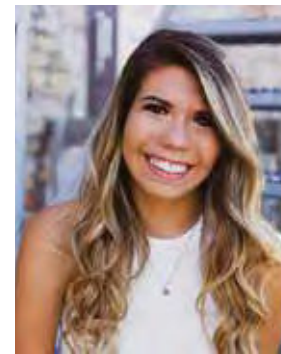
# EDUCATIONAL FOUNDATION SCHOLARSHIP WINNERS



*Landon Otto*  
St. John High School



*Whitney Dankrat*  
Munich High School



*Kylie Parisien*  
St. John High School



*Ashley Perry*  
Munich High School



*Kaylee Schell*  
Rolette High School



*Alexa Schneider*  
Langdon Area High School



*Hannah Strong*  
Rolette High School



*Annual*

# MEETING PROGRAM

*Wednesday,*  
**JULY 20, 2022**

**1 PM** Registration

**2 PM** Call to order – President

*Lunch to follow*

Welcome

Reading of Notice of Annual Meeting

Reading of Minutes of Last Meeting

Election of Directors

Financial Report

President's Comments

Adjournment



**800.844.9708 | [UTMA.COM](http://UTMA.COM)**

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