

2020 A CLEAR VISION

ANNUAL MEMBER REPORT



Blackfoot
Connect to more.



Left to right. Butch Friede, Stuart Morton, Cindy Lewis, Tom Eggenesperger, Geoffrey Wilson, Jim Newberg, Les Iverson, John Teague, Jim Blush.

Your Board of
Trustees 2020

A Shared Vision

A Message from Tom Eggensperger, Board President

Greetings!

For Blackfoot, 2019 was another strong year. Our network upgrades remained on track and we continued to focus on delivering exceptional customer experiences.

Today, I think that for most of us, many of our routine activities now involve being connected to the internet. Indeed, broadband infrastructure and related products and services have become just as necessary to our daily lives as water and power. Accordingly, it's critical for our cooperative to stay up-to-date to meet the expanding needs of our member-owners.

It gives me great pleasure to report that thanks to a talented leadership team under CEO, Jason Williams, we are truly ahead of the curve. We are already seeing positive results from our fiber investments and I have the utmost confidence in our ability to execute our long-term strategy.

Your cooperative also continues to be a great resource for all of our service areas. We support local events, respond to special needs and provide help to schools and libraries. Giving back to community is deeply embedded in our corporate culture and remains a top priority.

Speaking for your Board of Trustees, I want to thank you for your continued support of the cooperative as a member-owner. Blackfoot continues to be one of the strongest and best run cooperatives in the nation and it couldn't be done without your support and loyalty. We strive to earn and keep your trust in everything we do.

Sincerely,



Tom Eggensperger
President

District 8: Noxon,
Heron, Thompson Falls,
Trout Creek

Geoffrey Wilson
Vice President

District 9: Haugan,
De Borgia, Saltese,
St. Regis, Superior

Cindy Lewis
Secretary/Treasurer

District 1: Condon,
Seeley Lake

Jim Blush

District 7: Charlo, Moiese,
Plains, Paradise

Ross 'Butch' Friede

District 2: Drummond, Gold
Creek, Hall, Philipsburg

Les Iverson

District 3: Avon, Elliston,
Potomac, Greenough,
Ovando

Stuart Morton

District 5: St. Ignatius,
Ravalli

Jim Newberg

District 4: Arlee, Dixon

John Teague

District 6: Alberton,
Alberton South, Alta,
Clinton, Powell (ID)



Jason Williams,
CEO

Focused on the Future

A Message from Jason Williams, Chief Executive Officer

Thanks to the hard work and dedication of our more than 180 employees, Blackfoot had another successful year in 2019. Beyond striving to provide all our cooperative members with exceptional customer experiences, many of our employees joined you in celebrating at community fairs, parades, rodeos and festivals. We are proud to be an essential part of your hometowns.

Blackfoot remains focused on taking the necessary steps to ensure that our members continue to have affordable and reliable high-speed internet, voice and other advanced services. Part of our focus in 2019 was to continue to upgrade our aging copper infrastructure, a project that we have been working on for several years. Heading into 2020, I am thrilled to say we are expanding the scope of that project to include more fiber-based services directly to homes and businesses.

Our vision for the future is to connect every cooperative home and business to fiber-based services. Fiber-based broadband services are the most reliable and provide the fastest connection. It will take more than 15 years and \$200 million to achieve this across our cooperative service territory that is 5,000+ square miles. However, doing so will ensure the long-term viability of your cooperative.

I am excited about what lies ahead for Blackfoot. Thanks to each and every one of you for your continued support. Because of you, we have a clear vision for our future.

Sincerely,



\$9.7M

capital investments



533

construction projects
completed



118

miles of fiber installed



Stacey Mueller,
CFO

Financial Performance

Summary of Financial Results

Blackfoot Telephone Cooperative, Inc. produced solid financial results in 2019. The Cooperative assets grew to \$145M, liabilities grew to \$52.4M and member equity grew to \$92.5M. The cooperative produced \$12.6M in net income, invested \$15.4M in plant assets, paid \$1.8M in capital credit distributions, \$2.9M in debt payments and increased member equity by \$10.6M.

Letter from the Auditor

We are pleased to inform the members of Blackfoot Telephone Cooperative, Inc. that we have completed the 2019 audit of the cooperative and its subsidiaries. We have issued an unmodified opinion dated February 26, 2020, that states that the audited consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of income, comprehensive income, members' equity and cash flows for the years then ended, present fairly, in all material respects, the consolidated financial position of the cooperative in conformity with accounting principles generally accepted in the United States of America. The audited financial statements are available at the cooperative office in Missoula for inspection by members of the cooperative.

We also have the responsibility to report on various matters to the Board of Trustees that include any discovery of material errors, irregularities or possible illegal acts. We did not have any such findings in the course of our 2019 audit.

Olsen Thielen & Co., Ltd | Roseville, Minnesota



\$145M

in Blackfoot assets



\$92.5M

increase in
member equity



\$1.8M

back to our members
via our Capital Credit
distribution



Blackfoot with
Montana High
Tech Alliance

Making a Difference

Community Support. In 2019, Blackfoot contributed more than \$450,000 to support programs, projects and events that create lasting impacts in our service areas. As a business leader, we are also members of local chambers, economic partnerships and high tech organizations. We are proud to connect with our communities and help make a difference. Here are a few highlights from our community platform last year.

- Blackfoot hosted the Montana High Tech Business Alliance at the Missoula College. It was a great opportunity to share our robust security practices with local business leaders.
- The Plains City Pool received a donation from Blackfoot to help restore their popular recreation spot. Thanks to their local committee for all the hard work.
- Blackfoot was proud to partner with the Montana Natural History Center and help provide free access to naturalist labs at the center and online for rural schools.

Connect with us on Facebook to stay up on Blackfoot happenings:

[Facebook.com/GoBlackfoot](https://www.facebook.com/GoBlackfoot)

EEE Program. In 2019, we celebrated 30 years for the EEE program, a partnership between Blackfoot, Energy Partners and Missoula Electric Cooperative to help bring current technology to rural classrooms. At our special 2019 luncheon, Chase Reynolds, former Griz great and NFL player from Drummond, served as emcee and autographed footballs for students. To date, the program has provided more than \$525,000 of funding towards classroom technology needs!

Blackfoot in
Education 

August Institute: Blackfoot is the premiere sponsor of this teacher accredited conference, held at the University of Montana every August. In addition, we provide scholarships to send local teachers to the conference to explore innovative ways to teach with technology.

Learn more about EEE and other education programs at:

[GoBlackfoot.com/Education](https://www.GoBlackfoot.com/Education)



\$9,450

library grants



120

teacher and student
scholarships



23

free computer and
streaming classes



Kris Sweeney,
Your Business
Account Executive

Your Trusted Advisor

Blackfoot is your local provider and we are committed to connecting your homes and businesses to more. We provide reliable internet and phone services, partnered with 24/7 local support, as well as managed solutions for businesses. Tap into our expertise to help you succeed.

Here are a few relevant services. Contact us to get connected!

Residential Services - Learn more at GoBlackfoot.com/Residential

- **Robocall Blocker:** A free home service that blocks annoying calls which originate from computerized auto-dialers or spammers, fraud calls and telemarketers.
- **Tech Home:** Keep all of your home devices secure! Benefit from online file backup, firewall protection, password management, parental tools, anti-virus software and 24/7 premium support.

Business Services - Learn more at GoBlackfoot.com/Business

- **Hosted VoIP Phone:** Upgrade to a modern phone system with no upfront cost. Stay current with the latest technology and let us handle the equipment, upgrades and maintenance.
- **Business Ethernet:** We can custom-engineer a solution to meet your unique business needs. Blackfoot offers dedicated bandwidth and always-on availability.

Connect with us!



Sign up to receive regular news from Blackfoot at: GoBlackfoot.com/OptIn

MISSION



We connect people, businesses and communities.

CORE VALUES



- We are trustworthy and act with integrity, transparency and personal accountability
- We are fiscally responsible
- We are committed to the success of our customers, owners, employees, and the communities we serve
- We are creative, adaptive and collaborative

94%

of customers rated us highly trustworthy in our 2019 satisfaction survey

View this report online at
GoBlackfoot.com/AnnualMeeting

