

2024 ANNUAL **REPORT**



NEXT

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NOTICE OF ANNUAL MEETING

73RD ANNUAL MEETING | THURSDAY, JUNE 12, 2025

Notice is hereby given that the 73rd Annual Meeting of the members of BEK Communications Cooperative will be held on June 12, 2025 at a new location this year – Kramer’s Blue Room, 622 Main Street, in Strasburg.

Supper will be served at 5:30 PM at Kramer’s Blue Room in Strasburg. Members will register prior to being seated for supper. The meeting will be called to order at 7:00 PM (a quorum being present).

The purpose of the meeting is to receive reports, elect directors, and review activities.

REGISTRATION & SUPPER | 5:30 P.M. - 7:00 P.M.

BEK COMMUNICATIONS COOPERATIVE ANNUAL MEETING | 7:00 P.M.

LIVE MEETING BROADCAST



If you are unable to attend but would still like to participate, please consider joining us on TV or online:

BEK EPIC IPTV

- Ch-26 West ND
- Ch-27 East ND

Midco

- Ch-609 Bismarck
- Ch-612 Minot
- Ch-605 Fargo

Direct TV

- Ch-26 West ND
- Ch-27 East ND

Dish Network

- Ch-24 West ND
- Ch-27 East ND

Over-the-Air:

- Ch-26.1 Southwest ND
- Ch-24.1 Northwest ND
- Ch 27.1 Eastern ND

Online

- Facebook
- BEK TV+ App

MEETING AGENDA

Call Meeting to Order

Invocation

National Anthem

Officer's Report

Election of Directors

Manager's Report

Questions & Answers

Other Reports

Unfinished Business

Adjourn



PRESIDENT & CEO **PERSPECTIVE**

At BEK, we are leading the future of telecommunications with our state-of-the-art fiber-optic network. As demand for high-quality video, business collaboration, Artificial Intelligence (AI), and virtual reality grows, fiber is the key to unlocking endless possibilities. BEK Fiber delivers unmatched speed, reliability, and security, ensuring that our members and communities benefit from world-class connectivity right here in North Dakota.

The Power of Fiber: Building Stronger Communities

- **Unmatched Speed & Bandwidth**
Lightning-fast downloads, seamless streaming, and high-capacity performance.
- **Reliable & Resilient**
Built to withstand interference and weather disruptions.
- **Expanding Rural Connectivity**
Committed to bridging the digital divide by bringing high-speed internet to remote areas.
- **Sustainability**
Fiber optics reduce environmental impact while maximizing efficiency.
- **Ultimate Security**
Data is transmitted securely using light signals, minimizing cyber risks.
- **Future-Proof Technology**
Designed to support growing digital needs for decades.
- **Cybersecurity Protection**
Enhanced safeguards to protect networks, devices, and data from cyber threats.



BRETT STROH

Board of Directors President



DERRICK BULAWA

CEO/General Manager

Elevating BEK's Role: More Than a Provider, A Trusted Partner

Telecommunications is evolving, and BEK is embracing this transformation with enthusiasm. Traditional models focus solely on connectivity, but BEK is expanding our role to become a technology partner, committed to enhancing the digital experience for our members.



BEK's Competitive Edge: Leading the Way in Innovation

The telecommunications landscape is more competitive than ever, with mobile networks and cloud providers expanding rapidly. BEK has the technology, customer service excellence, and infrastructure to stay ahead. Our team is dedicated to ensuring that BEK members enjoy the best services available—right here at home.

Expanding Services to Enrich Your Life

BEK is committed to providing more than just high-speed internet. We continue to expand our services to enhance homes and businesses:

- **IP Voice & IPTV**
High-quality phone and television services
- **Security & Surveillance**
Smart home and business security solutions
- **Cybersecurity Solutions**
Comprehensive digital security services to protect homes and businesses from cyber threats, hacking, and data breaches
- **Precision Agriculture**
Supporting local farmers with innovative, data-driven tools

Why This Matters to You

- **Greater Value for Members**
More services mean more benefits
- **Enhanced Customer Experience**
Making digital life easier and more enjoyable
- **Stronger, More Connected Communities**
Investing in technology supports the local economy and improves quality of life
- **Improved Digital Safety**
Proactive cybersecurity measures to help protect personal and business data



The Results:

- **Greater Member Satisfaction**
Services that meet real needs
- **Stronger Relationships**
A cooperative that listens and adapts
- **Continued Growth**
A bright future for all BEK members

Looking Ahead: A Bold Future for BEK

BEK is not just keeping up with change, we are driving it. Our investment in fiber infrastructure has built a strong foundation, and now we are embracing cloud-based solutions to expand our capabilities and enhance our services.

The Benefits for You:

- **Scalability**
Flexible solutions that grow with your needs
- **Cost Savings**
Advanced cutting-edge services without unnecessary expenses
- **Reliability**
High-performance technology for uninterrupted service
- **Future-proofing**
Staying ahead so you can too, with secure adaptable solutions designed to keep pace with evolving cybersecurity and digital advancements

As we move forward, BEK is focused on delivering next-generation services and solutions to keep our members, customers, and businesses connected, secure, and thriving. Together we are committed to driving innovation and reliability for the future.

AWARDS & HONORS

TechND

- North Dakota Technology Champion - John Nagel

NTCA 2024 Cyber Champion

- BEK Communications (Second Consecutive Year)
John Nagel, Jim McMillan, Jeremy Grossman, Tim Swartz

Bismarck Tribune's Best of the Best

- BEK TV as Best Local Television Station
(Fourth Consecutive Year)
- Lori Hinz as Best TV Personality

Eric Sevareid Awards - BEK TV

- First Place for *NCAA Basketball: Minnesota Crookston vs University of Mary* - Chris Brintle
- Award of Merit for *NAIA Basketball: Jamestown vs Valley City State* - Brett Loftis
- Award of Merit for *NCAA Baseball: Southwest Minnesota State vs Minot State* - Dan Doherty



BILL BECKER

Board of Directors
Secretary/Treasurer

KEY POINTS:

\$165,309,063

total assets

8,324

total square miles
served

11,953

network customers

7,493

total miles of fiber

SECRETARY/TREASURER FINANCIAL REPORT

In today's rapidly globalizing and technologically advancing world, telecommunications companies find themselves at the intersection of expansion and innovation. BEK Communications Cooperative stands out in this dynamic landscape, pushing the boundaries of what's possible in connectivity. By investing in state-of-the-art fiber-optic infrastructure, BEK is not just keeping pace with global trends, it's setting new standards in the industry.

As we delve deeper into BEK's strategic advancements and financial health, it becomes clear that BEK is a front-runner in ushering in the next generation of internet technology.

At the core of BEK's financial strategy is a commitment to sustainable, community-driven growth. For more than 15 years, BEK has prioritized organic expansion over reliance on grants. Now, as the state nears 100% fiber connectivity, grant opportunities are diminishing. BEK's focus on self-sustained investments has allowed it to maintain control over operations while staying true to local values. This prudent approach ensures long-term stability and resilience, even amid market fluctuations.

BEK remains dedicated to reinvesting in its network, staying ahead of industry trends, and delivering state-of-the-art solutions. By

emphasizing innovation and service, we strengthen relationships with our member-owners and customers, driving retention and brand loyalty. Our financial strategy reflects a balance of technological advancement, operational sustainability, and community investment.

Financial Overview

In 2024, BEK continued to meet all financial obligations, making regular debt payments, including \$4.5 million in principal on long-term debt. Our debt maturities range from 2028 to 2033.

Revenue Breakdown:

Federal Universal Service Funds: 31%
Broadband: 30%
Telephone: 11%
IPTV: 9%
BEK Connect: 7%
Care Solutions: 5%
BEK TV: 5%
Miscellaneous: 2%

Total patronage for members subscribed to phone and/or internet services amounted to \$9,900,000. There was no allocation in 2024 due to grant funding tax liability, with the total cooperative member capital credits at \$59,900,000.

BEK's commitment to community and technological excellence remains unwavering.

The strategic focus on sustainable growth and innovative solutions ensures that BEK not only meets the current demands but also anticipates the needs of future technologies.

With a robust financial strategy and dedication to community values, BEK is well-positioned to maintain its leadership in the telecommunications sector, providing cutting-edge services that empower local communities and foster customer loyalty. As we look to the future, BEK's trajectory is marked by continuous improvement and an enduring pledge to deliver the very best in connectivity.

CONSOLIDATED STATEMENT OF **INCOME**

OPERATING REVENUES

	2024	2023
Wireline	\$ 17,418,792	\$ 18,292,877
Internet	13,493,718	12,799,579
Television	3,788,036	3,923,050
Miscellaneous	9,700,137	8,220,031
	\$ 44,400,683	\$ 43,235,537

OPERATING EXPENSES

	2024	2023
Plant Specific Operations	\$ 6,457,610	\$ 6,063,113
Plant Non-specific Operations	521,027	523,876
Depreciation	6,323,882	7,010,109
Customer Operations	4,130,161	4,441,726
Corporation Operations	2,855,577	3,409,914
Other Taxes	34,604	37,973
Non-regulated	21,528,616	20,132,424
	41,851,477	41,619,135
Operating Margins	\$ 2,549,206	\$ 1,616,402

NON-OPERATING INCOME (EXPENSE) 2024 2023

Interest and Dividend Income	\$ 4,418,514	\$ 3,695,764
Allowance for Funds Used During Construction	17,723	48,398
Interest Expense	(1,559,334)	(1,801,154)
Gain (loss) on Sale of Assets	(7,006)	-
Amortization of Goodwill and Intangibles	(1,213,521)	(1,312,821)
Other Non-operating Income (expenses)	68,870	448,416
Income from Affiliates	634,971	661,266
	2,360,217	1,739,869
Net Margins Before Income Taxes	4,909,423	3,356,271
Income Tax Expense (benefit)	(613,776)	444,378
Net Margins from Continuing Operations	5,523,199	2,911,893
Discontinued Operations, Net of Tax	(128,407)	(159,744)
Net Margins	\$ 5,394,792	\$ 2,752,149

ASSETS

BALANCE SHEET

CURRENT ASSETS

	2024	2023
Cash and Cash Equivalents	\$ 763,808	\$ 1,131,814
Subscriber Accounts Receivable, net	603,284	827,334
Settlements & Access Accounts Receivable, net	1,106,128	1,209,774
Other Accounts Receivable	124,795	257,965
Materials and Supplies	1,841,372	3,825,195
Income Taxes Receivable	252,246	-
Other Current Assets	1,063,006	1,276,729
TOTAL CURRENT ASSETS	\$ 5,754,639	\$ 8,528,811

NON-CURRENT ASSETS

	2024	2023
Goodwill and Intangible Assets, Net	\$ 8,291,838	\$ 9,717,243
Investment in Affiliates	7,133,575	6,777,567
Investment in Non-Affiliates	6,848,186	6,804,933
Operating Lease Right-of-Use Asset	1,600,861	1,811,064
Other Non-current Assets	25,000	39,500
TOTAL NON-CURRENT ASSETS	\$ 23,899,460	\$ 25,150,307

PROPERTY, PLANT & EQUIPMENT

	2024	2023
Regulated Plant in Service	\$ 171,428,401	\$ 146,706,606
Regulated Plant Under Construction	3,945,622	6,270,810
Non-Regulated Plant in Service	90,898,713	89,318,213
Non-Regulated Plant Under Construction	165,259	69,866
	266,437,995	242,365,495
Less Accumulated Depreciation and Amortization	130,783,031	120,829,600
TOTAL PROPERTY, PLANT & EQUIPMENT	135,654,964	121,535,895
TOTAL ASSETS	\$ 165,309,063	\$ 155,215,013

LIABILITIES & MEMBER EQUITY

BALANCE SHEET

CURRENT LIABILITIES

	2024	2023
Accounts Payable, General	\$ 4,706,039	\$ 4,767,833
Current Maturities of Long-Term Debt	4,572,541	4,399,164
Unsecured Line of Credit	3,615,264	3,800,000
Accrued Income Taxes	-	27,260
Current Portion of Leases Liabilities	134,615	126,001
Other Accrued Liabilities	1,424,691	1,440,960
Other Accrued Taxes	12,627	16,004
TOTAL CURRENT LIABILITIES	14,465,777	14,577,222
LONG-TERM DEBT, Net of Current Maturities	\$ 24,139,361	\$ 28,777,359

NON-CURRENT LIABILITIES

	2024	2023
Deferred Revenue	\$ 25,392,376	\$ 14,977,506
Other Non-current Liabilities	2,178,195	2,178,195
Lease Liability	1,653,871	1,786,928
Deferred Taxes	1,728,952	2,347,428
TOTAL NON-CURRENT LIABILITIES	30,953,394	21,290,057
MEMBERS' EQUITY	95,750,531	90,570,375
TOTAL LIABILITIES & EQUITY	\$ 165,309,063	\$ 155,215,013

NOMINATING COMMITTEE REPORT

Each year, the member-owners of BEK Communications Cooperative elect directors at the cooperative's Annual Meeting in June.

The 2025 Nominating Committee of BEK Communications Cooperative met on Friday, February 28, 2025, to nominate members of the cooperative to run for the open Board of Director seats. BEK Communications Cooperative member-owners residing in Districts I, III, and IV will elect one director, each to a 3-year term.

Serving on the 2025 Nominating Committee are: Anton Braun, Burnell Paul, Helen Senger, Tom Welder, and Elaine Mittleider.

There are two ways to become nominated for Director: 1) by the Nominating Committee, or 2) by petition, as provided in the Cooperative's bylaws (Article IV, Section 4). The bylaws are printed in the BEK/West River Missouri Slope Telephone Directory and are available on the BEK Communications Cooperative website.

On June 12, 2025, members of BEK Communications Cooperative will have the opportunity to vote for these candidates for the Board of Directors.



Standing: Burnell Paul and Tom Welder
Sitting: Anton Braun, Helen Senger
Not Pictured: Elaine Mittleider

DISTRICT I

Arena, Driscoll, Menoken, McKenzie, Moffit, Regan, Sterling, Wilton, Wing

Shane Morris

DISTRICT II

Crystal Springs, Dawson, Lake Isabel, Lake Williams, Pettibone, Robinson, Steele, Tappen, Tuttle

No Election

DISTRICT III

Braddock, Hague, Hall Hazelton, Kintyre, Linton, Strasburg, Temvik, Westfield

Holly Will

DISTRICT IV

Burnstad, Lehr, Napoleon, Wishek, Zeeland

Bill Becker

DISTRICT V WEST

Apple Valley, Baldwin, Bismarck, Fort Rice, Huff, Lincoln, Mandan

No Election

DISTRICT V EAST

Absaraka, Alice, Berea, Buffalo-Wheatland, Eckelson, Embden, Dazey, Buffalo, Hannford, Hope, Karnak, Luverne, Leal, Nome-Fingal, Page, Sanborn-Rogers, Sibley, Sutton, Tower City, Valley City, Walum

No Election

BOARD OF **DIRECTORS**

DISTRICT I



SHANE MORRIS



SANFORD WILLIAMS



BRETT STROH
President



BOB SUBART



KEVIN BERNHARDT
Vice President



HOLLY WILL

DISTRICT IV



BILL BECKER
Secretary/Treasurer

DISTRICT V EAST



ED EVERSON

DISTRICT V WEST



CHARLIE DUNBAR

2024 ANNUAL MEETING MINUTES

The 72nd Annual Meeting of the Members of BEK Communications Cooperative (the “Cooperative”) was held at the Kidder County School in Steele, North Dakota, on June 13, 2024, pursuant to the Notice of Annual Meeting previously mailed to all Members. The meeting was also broadcast live on television, BEK’s homepage, and BEKTV+.

At 7:00 p.m. President Stroh introduced Pastor Jacob DeBoer, Trinity Lutheran Church, Steele and Dawson, and he gave the invocation.

The James K. McAleer Amvets Post 20 Steele presented the Colors and Stacey Svanes, Kintyre, sang the National Anthem.

President Brett Stroh called the meeting to order and announced that as of 7:00 p.m. there were 139 Members present. President Stroh announced that the Cooperative received 249 signed mail-in ballots and 51 electronic ballots. There was a quorum to proceed (439).

President Stroh announced that Notice of Annual Meeting was completed on May 10, 2024, as indicated in the Annual Report mailed to Members. There was a motion and second to dispense with reading of the Notice of Annual Meeting and the motion passed.

President Stroh announced that the Certificate of Mailing was completed on May 10, 2024. There was a motion and second to dispense with reading of the Certification of Mailing and the motion passed.

The minutes of the 2023 Annual Meeting were presented to the Members on pages 16-17 of the Annual Report. President

Stroh requested the Members to vote on the approval of the 2023 Annual Meeting minutes. President Stroh asked the Members if any Member wanted the minutes read and none did. The Members voted to approve the annual meeting minutes from 2023.

President Stroh presented his President’s Report as published on pages 3-5 of the Annual Report.

The written report of Secretary/Treasurer Bill Becker was published on pages 9-13 of the Annual Report. Secretary/Treasurer Becker relinquished his time to present his report to the Cooperative’s Auditor, Chris Skidmore of Moss Adams, to comment on the report and the financial status of the Cooperative after the elections.

President Stroh then recognized Gerald Burlack who is retiring from the Board of Directors after 12 years of diligent service. President Stroh presented Director Burlack with a clock to show gratitude for his service.

President Stroh then introduced the Board’s attorney, Monte Rogneby from the Vogel Law Firm, to present the election procedure. Mr. Rogneby then explained the election procedures for the Board of Directors including the methods by which candidates may be nominated: nominating committee and petition. Mr. Rogneby announced the report of the Committee on Nominations which met on February 28, 2024. The Cooperative did not receive any petitions for director candidates.

Mr. Rogneby explained that elections will be held in District II, District V West, and District V East for the Board of Directors. In

District II Brett Stroh, incumbent from Tappen, was the only nominated candidate. In District V West, Jim Haussler, Bismarck, and Charlie Dunbar, Baldwin, were nominated. In District V East, Ed Everson, Hannaford, was the only nominated candidate.

Mr. Rogneby invited President Stroh to address the Members and he declined. The Members from District II voted for Director for District II.

Mr. Rogneby invited Ed Everson to address the Members and he did so. The Members from District V East voted for Director for District V East.

Mr. Rogneby then noted that Charlie Dunbar could not attend the meeting due to urgent business travel and a short video message from Mr. Dunbar was played for the Members. Mr. Rogneby invited Jim Haussler to address the Members. Mr. Haussler addressed the members. The Members from District V West voted for Director for District V West.

Mr. Rogneby turned the meeting back over to President Stroh who introduced Chris Skidmore from Moss Adams. Mr. Skidmore presented the Cooperative's audit report.

President Stroh then introduced the Cooperative's CEO Derrick Bulawa. Mr. Bulawa presented to the Members a short video entitled "2023 Year in Review", highlighting the operations of the Cooperative over the previous year. Mr. Bulawa provided to the Members his CEO report. Mr. Bulawa answered questions from the Members and introduced special guests in attendance.

Mr. Bulawa turned the meeting over to Mr. Rogneby to announce the election results:

	YES	NO	SPOILED	ABSTAIN	RESULT
MINUTES FROM 2023 ANNUAL MEETING	341	2	0	27	APPROVED
DISTRICT II: Brett Stroh	79	X	0	3	BRETT STROH ELECTED
DISTRICT V West: Charlie Dunbar Jim Haussler	48 30	X	0	0	CHARLIE DUNBAR ELECTED
DISTRICT V East: Edwin Everson	81	X	0	1	EDWIN EVERSON ELECTED

Mr. Rogneby then turned the meeting over to President Stroh.

President Stroh inquired of the Members whether there was any old business and there was none.

President Stroh inquired of the Members whether there was any new business and there was none.

President Stroh thanked the Members for their participation and adjourned the business meeting at 8:10 p.m.

CEO Bulawa then conducted the door prize drawing.

Bill Becker, Secretary

APPROVED:

Brett Stroh, President

2024 WINNERS

SCHOLARSHIPS

In the last 73 years, BEK Communications Cooperative has built a strong foundation dedicated to serving our members and their families. Giving back is at the heart of what we do, which is why we proudly support the students who represent the future of our communities.

Each year, BEK awards scholarships to hardworking, college-bound students within our service area, continuing a tradition that has lasted more than 25 years. This year, we were pleased

to receive 38 applications from outstanding high school seniors in our service areas. To learn more about, or to apply for, the BEK Scholarship, visit bek.coop/academic-scholarship/.

Congratulations to the ten (10) \$500 scholarship winners! May you continue to pursue excellence and make a lasting impact on the world around you!



ALLISON BRYN
Barnes Co North High



GRACYN HOLZER
Linton High



MALACHI HUBER
Strasburg High



ABIGAIL HULM
Linton High



GRACE KEENEY
HMB High



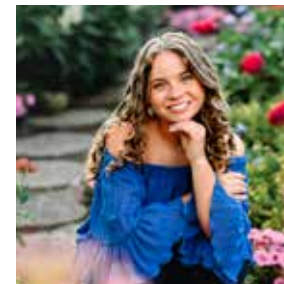
TY MEHLHOFF
Wing High



STRAN RESSLER
Mandan High



RILEY RICHTER
Linton High



ESTHER STEINKE
Hope-Page High



ALEXANDER TERNES
Legacy High

2024 GRANTS AWARDED

COMMUNITY PARTNERSHIP

BEK Communications Cooperative has always been committed to serving and strengthening the communities we call home. Supporting the groups and organizations that make our service areas thrive is a key part of our mission.

To further this commitment, the BEK Board of Directors created the Community Partnership Program, a grant initiative designed to meet both current and future community needs. Grants are awarded twice a year, in the spring and fall, providing vital support to local projects and initiatives.

Eligible applicants must be tax-exempt, nonprofit organizations or community groups within BEK's service area. If your organization could benefit from this program, we encourage you to apply! For more details, or to submit an application, visit bek.coop/coop/cpp.

Congratulations to the 2024 Community Partnership Program grant recipients!



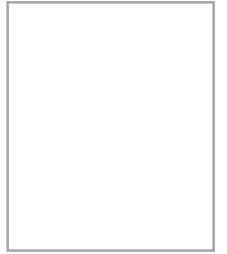
2024 Grant Recipients

- **Abused Adult Resource Center**
- **Apple Creek School**
- **Central Dakota Children's Choir**
- **City of Napoleon**
- **City of Strasburg**
- **City of Wishek**
- **Hillside Cemetery Association**
- **Kidder County Council on Aging**
- **Kidder County District Health**
- **Linton Park Board**
- **Logan Food Pantry**
- **Pettibone Fire Protection**
- **SMP-St. Raphael**
- **Steele Volunteer Fire Department**
- **Sweet Briar School**
- **Tuttle Senior Center**
- **Wilton Pioneer Activity Center**
- **Wing Booster Club**
- **Wishek Elementary School**
- **Wishek Fire Protection District**
- **Zeeland Community Center**



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