BEK COMMUNICATIONS COOPERATIVE

Annual Report 2025

Value Beyond Connections

June 11, 2026
Steele Veterans Club

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Notice of Annual Meeting

74th Annual Meeting

Thursday, June 11, 2026

Notice is hereby given that the 74th Annual Meeting of the members of BEK Communications Cooperative will be held on June 11, 2026 at the S**teele Veterans Club,** located at 114 1st St. NW in Steele, ND.

Please note a schedule change for this year's Annual Meeting. The meeting will begin at 6:00 PM, followed by supper at the conclusion of the meeting.

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

Meeting Starts at 6:00 PM CT
Supper Following Meeting

Live Broadcast

BEK EPIC IPTV Channels

Ch. 26 in the West
Ch. 27 in the East

BEK TV Over the Air

Bis/Man: KNDB 26.1
Fargo: KNGF – Ch. 27.1
Minot: KNDM – Ch. 24.1
Dish East: Ch. 27
Dish West: Ch. 26
DirecTV East: Ch. 27
DirecTV West: Ch. 26
Midco: Bismarck – Ch. 609
Midco: Fargo – Ch. 605
Midco: Minot – Ch. 612

Online

BEK TV+
Facebook

Meeting Agenda

Election

- Call Meeting to Order
- Invocation
- Pledge of Allegiance
- Officer's Report
- Election of Directors
- Manager's Report
  Questions and Answers
- Other Reports
- Unfinished Business
- Adjourn

2026 Candidates

District I

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

Sanford Williams, Wing (Incumbent)

District II

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

Bob Subart, Robinson (Incumbent)

Chase Dewitz, Steele

District III

*Braddock, Hague, Hull, Hazelton, Kintyre, Linton, Strasburg, Temvik, Westfield**

Kevin Bernhardt, Linton (Incumbent)

District IV

*Burnstad, Lehr, Napoleon, Wishek, Zeeland**

No Election

District V East

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

Ed Everson, Hannaford (Incumbent)

District V West

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

No Election

* For the complete cooperative service area by district, see page 20

Meet the Candidates

Sanford Williams

Wing (Incumbent) - District I

Sanford Williams has served on the BEK Board of Directors for nearly 42 years and says what keeps the role exciting is that there is always something changing. He says he takes pride in helping guide BEK through those changes.

Over the years, Sanford says he's watched the cooperative grow from the days of basic telephone service to television, high-speed internet, and now cybersecurity and AI. He believes in keeping up with new technology so BEK may continue to move forward and serve its members well.

Sanford has spent nearly his entire life in Wing. He grew up on his family's farm there, first purchased by his grandfather, worked by his father, and now proudly operated by his son. Aside from four years serving in the U.S. Navy, he's always called Wing his home.

Sanford and his wife Kim share a blended family of eight children.

Bob Subart

Robinson (Incumbent) - District II

Bob Subart has served on the BEK Board of Directors since 2019. He says he's always had a strong interest in business, how it works, how it grows, and how today's decisions shape tomorrow. He sees BEK as a large and dynamic organization for the region and wants to help guide it through the wave of new, cutting-edge technology.

Bob says serving on the Board has opened his eyes to how complex and forward-looking a modern cooperative must be. He believes BEK is a strong and thriving cooperative and is proud to be part of the team helping keep it that way.

Bob grew up in Robinson, where he still lives and works on the same family farm his grandparents homesteaded. He is now the third generation to work that land.

Bob and his wife, Margaret, have been married for 34 years. Together, they have three sons and six grandchildren.

Chase Dewitz

Steele - District II

Chase Dewitz is a lifelong member of the Steele area farming community, a fourth-generation farmer, and a new candidate for BEK's Board of Directors.

If elected to BEK's Board, Chase wants to focus on smart growth, managing energy costs, and better use of the cooperative's fiber network to drive economic development in rural areas. He believes BEK can create new opportunities beyond agriculture while keeping service affordable, reliable, and transparent for members.

Chase grew up five miles east of Steele on his family's farm, first homesteaded in 1916, and still operates it today. After graduating from Steele High School in 2002, Chase studied farm management at Bismarck State College and went on to build a feedlot with help from NRCS through an EQUIP grant. He began custom feeding cattle and expanded that into a larger cattle and grain operation, which he now runs with his wife Erin, additional team members and his father Rob, who checks in on daily activities.

Chase and Erin, a nurse practitioner in Steele, are raising three children: 8-year-old twin boys, and a 5-year-old daughter.

Kevin Bernhardt

Linton (Incumbent) - District III

Kevin Bernhardt has served on the BEK Board of Directors for 15 years and currently holds the role of Vice President. During his time on the Board, he says he's enjoyed watching BEK grow, innovate, and bring essential services to rural homes, farms, and Main Street businesses across North Dakota.

Kevin says he serves because he wants to help keep the cooperative strong and make sure rural members stay connected, competitive, and cared for. He believes a cooperative isn't about chasing top dollar, rather it's about the people. It's that principle he attributes to keeping him grounded.

Kevin grew up in Linton on the same land where he lives today, where his grandfather homesteaded after immigrating to the United States. Today, Kevin's two sons farm alongside him and are preparing to become the fourth generation to carry on the family's farming tradition.

Kevin and his wife, Ann, have been married for 37 years. Together, they raised three sons and a daughter and are proud grandparents to nine grandchildren.

Ed Everson

Hannaford (Incumbent) - District V East

Ed Everson is the first director to represent the new District V East and has served on the BEK Board of Directors for two years. He says he has a long-time interest in technology and how it continues to evolve.

Ed is particularly fascinated with fiber internet and says he's proud that BEK offers the best internet available through its fiber network. When the opportunity came to serve on BEK's Nominating Committee, Ed says he decided to get involved because he believes in the future of the cooperative.

Born and raised six miles outside of Hannaford, Ed grew up working on his grandparents' farms, where he learned the value of hard work at a young age. As a newly married young man, he moved to different parts of the country and worked a variety of jobs, calling himself a "jack of all trades." Eventually, he and his wife, Cindy, moved back to North Dakota for good. Ed spent 45 years working at the grain elevator in Hannaford.

Ed and Cindy have five children and 11 grandchildren.

PRESIDENT & CEO PERSPECTIVE

BRETT STROH
Board of Directors President

DERRICK BULAWA
CEO/General Manager

Beyond Connections. Building the Future Together.

At BEK Communications Cooperative, connection has always been our foundation, but it has never been our finish line.

As a cooperative, our purpose goes beyond delivering services. We exist to improve lives, strengthen communities, and ensure rural North Dakota has access to the same world-class technology and opportunities found anywhere in the country.

In 2025, that mission continued to guide every investment, service expansion, and community partnership. The result is a cooperative that is not only keeping pace with change but helping shape what comes next for our members.

A Network Built for Opportunity

Our fiber-optic network remains one of the most important investments in North Dakota's future. It supports education, healthcare, agriculture, small businesses, public safety, and everyday family life.

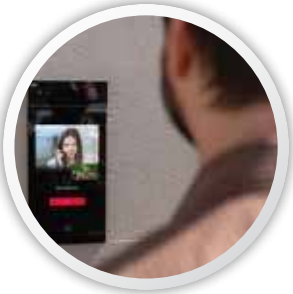
With BEK Fiber, members benefit from:

- **Gigabit-level performance** that supports modern digital demands
- **Reliable infrastructure** designed for North Dakota conditions
- **Secure connectivity** with built-in cybersecurity protections
- **Future-ready capacity** for emerging technologies like AI, telehealth, and cloud services
- **Expanded rural access** that helps close the digital divide

BEK Fiber is not just about speed, it is about ensuring our communities remain competitive, connected, and prepared for the future.

Expanding Our Role as a Technology Partner

Telecommunications today is about more than internet service. Members rely on BEK for solutions that support how they live and work. That's why we continue to grow our service offerings, which initially began with voice services, but have expanded to internet, IPTV, managed routers, camera surveillance, cybersecurity, hospital solutions, door access control, school PA & clock systems, and dedicated fiber connections for cell towers. Our goal is simple: make technology work for our members in practical, meaningful ways.



A Cooperative Invested in Community

BEK's strength comes from the communities we serve. Community support is central to our identity.

Scholarships: Each year, BEK helps local students pursue higher education through cooperative scholarships and Foundation for Rural Service partnerships. These programs invest in the next generation of rural leaders.

Community Grants: Through our Community Partnership Program, FRS, and RDFC grants, we support projects that enhance quality of life, strengthen local organizations, and encourage economic development in the communities we serve.

Local Engagement: From sponsorships and events to local programming and storytelling, BEK remains deeply involved in the communities our members call home.

When communities thrive, the cooperative thrives.

Looking Ahead

The future of telecommunications will move quickly, and BEK is prepared.

We will continue to invest in fiber expansion, security, and next-generation services. We will continue to listen to our members. And we will continue to support the communities that make this cooperative strong.

Because BEK is about more than technology.

It is about neighbors serving neighbors. It is about opportunity close to home. It is about building a future we can all share.

That is what it means to go **Beyond Connections.**

FINANCIAL REPORT

BILL BECKER
Secretary/Treasurer

BOBBI SILBERNAGEL
Finance Manager

BEK Communications Cooperative continues to thrive, providing a strong foundation for innovation and growth. These resources do more than support operations – they power broadband services, technology upgrades, and opportunities that turn connections into real impact.

This year, we focused on strategic investments in broadband infrastructure and internet technology to expand access, improve service, and enhance digital tools for member-owners and customers. Every investment is guided by the principle that the true value extends beyond transactions, delivering benefits that grow with every connection.

Innovation lies at the heart of our mission. Through broadband enhancements and cutting-edge technology, we transform connections into tangible outcomes, progress, and shared success. The cooperative demonstrates that its greatest value is not simply the network we provide, but the meaningful achievements and opportunities that flow from it.

Financial Overview

In 2025, BEK continued to meet all financial obligations, making regular debt payments, including $4.6 million in principal on long-term debt. Our debt maturities range from 2028-2033.

Revenue Breakdown

32%
Federal Universal Service Funds

Federal Universal Service Funds provide national support that helps BEK deliver reliable, affordable service in rural areas.

52%
Fiber Services

31% Broadband
7% Telephone
9% IPTV
5% Miscellaneous

12%
Enterprise Services

7% BEK Connect
5% BEK Care Solutions

4%
BEK TV

BEK TV revenue represents the portion of income generated through our television broadcasting and streaming services.

Total patronage for members subscribed to phone and/or internet services amounted to $11.2 million. BEK allocated $8.2 million to cooperative members, which brings BEK's total capital credits held to a total of $67 million.

ASSETS
BALANCE SHEET

Current Assets	2025	2024
Cash and cash equivalents	$1,633,502	$763,808
Subscriber accounts receivable, net	384,028	603,284
Settlements and access accounts receivable, net	1,098,215	1,106,128
Other accounts receivable	131,973	124,795
Material and supplies	1,509,945	1,841,372
Income taxes receivable	85,380	252,246
Other current assets	1,477,947	1,063,006
Total current assets	**6,320,990**	**5,754,639**

Non-Current Assets	2025	2024
Goodwill and intangible assets, net	7,313,375	8,291,838
Investment in affiliates	7,496,575	7,133,575
Investment in nonaffiliates	6,842,646	6,848,186
Operating lease right-of-use asset	1,413,250	1,600,861
Other noncurrent assets	25,000	25,000
Total noncurrent assets	**23,090,846**	**23,899,460**

Property, Plant, & Equipment	2025	2024
Regulated plant in service	172,473,857	171,428,401
Regulated plant under construction	1,202,104	3,945,622
Nonregulated plant in service	93,848,240	90,898,713
Nonregulated plant under construction	196,725	165,259
	267,720,926	266,437,995
Less accumulated depreciation & amortization	**134,797,183**	**130,783,031**
	132,923,743	**135,654,964**
	$162,335,579	**$165,309,063**

LIABILITIES & MEMBER EQUITY
BALANCE SHEET

Current Liabilities	2025	2024
Accounts payable, general	$1,571,339	$4,706,039
Current maturities of long-term debt	4,812,574	4,572,541
Unsecured line of credit	-	3,615,264
Current portion of lease liabilities	155,830	134,615
Current portion of deferred revenue	1,092,375	460,443
Other accrued liabilities	944,740	964,248
Other accrued taxes	48,288	12,627
Total current liabilities	**8,625,146**	**14,465,777**
LONG-TERM DEBT, net of current maturities	**19,250,462**	**24,139,361**

Noncurrent Liabilities	2025	2024
Deferred revenue	25,170,974	25,392,376
Other noncurrent liabilities	2,191,419	2,178,195
Lease liability	1,510,069	1,653,871
Deferred taxes	2,968,741	1,728,952
Total noncurrent liabilities	31,841,203	**30,953,394**
MEMBERS' EQUITY	**102,618,768**	**95,750,531**
	$162,335,579	**$165,309,063**

CONSOLIDATED STATEMENT OF INCOME

Operating Revenues	2025	2024
Wireline	$17,014,318	$17,418,792
Internet	13,609,417	13,493,718
Television	3,731,055	3,788,036
Miscellaneous	9,073,569	9,700,137
	43,428,359	**44,400,683**

Operating Expenses	2025	2024
Plant-specific operations	6,689,353	6,457,610
Plant-nonspecific operations	570,140	521,027
Depreciation	6,760,076	6,323,882
Customer operations	3,839,363	4,130,161
Corporate operations	2,637,415	2,855,577
Other taxes	32,274	34,604
Nonregulated	19,827,811	21,528,616
	40,356,432	41,851,477
Operating margins	3,071,927	2,549,206

Nonoperating Income (Expense)	2025	2024
Interest and dividend income	6,096,884	4,418,514
Allowance for funds used during construction	19,463	17,723
Interest expense	(1,216,359)	(1,559,334)
Loss on sale of assets	-	(7,006)
Amortization of goodwill and intangibles	(828,463)	(1,213,521)
Other nonoperating income	882,162	68,870
Income from affiliates	728,614	634,971
	5,682,301	2,360,217
Margins from continuing operations before income taxes	8,754,228	4,909,423
INCOME TAX EXPENSE (BENEFIT)	1,465,764	(613,776)
Net margins from continuing operations	7,288,464	5,523,199
Discontinued operations, net of tax	(189,676)	(128,407)
NET MARGINS	$7,098,788	$5,394,792

2025 ANNUAL MEETING **MINUTES**

The 73rd Annual Meeting of the Members of BEK Communications Cooperative (the "Cooperative") was held at Kramer's Blue Room, 622 Main Street, Strasburg, North Dakota, on June 12, 2025, pursuant to the Notice of Annual Meeting previously mailed to all Members. The meeting was also broadcast live on television, BEK's homepage, and BEK TV+.

At 7:00 p.m., President Stroh welcomed those present and gave the invocation.

Derry and Jerome Pool sang the National Anthem.

President Brett Stroh called the meeting to order and announced that as of 7:00 p.m., there were 114 Members present. President Stroh announced that the Cooperative received 667 signed mail-in ballots and 125 electronic ballots. There was a quorum to proceed (906).

President Stroh announced that the Notice of Annual Meeting was completed on May 2, 2025, 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 2, 2025. There was a motion and second to dispense with reading of the Certification of Mailing, and the motion passed.

The minutes of the 2024 Annual Meeting were presented to the Members on pages 12-13 of the Annual Report. President Stroh asked the Members if any Member wanted the minutes read, and none did. President Stroh announced that the Cooperative had received 731 early voting ballots, approving the 2024 Annual Meeting minutes. There was a motion and second to approve the minutes by a unanimous voice vote, and the Members approved the minutes from the 2024 Annual Meeting.

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 6-9 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 introduced the Cooperative's attorney, Monte Rogneby, of the Vogel Law Firm, to present 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, 2025. The Cooperative did not receive any petitions for Director candidates.

Mr. Rogneby explained that elections will be held in District I, District III, and District IV.

In District I, Shane Morris, incumbent from Regan, was the only nominated candidate. In District III, Holly Will, incumbent from Hazelton, was the only nominated candidate. In District IV, Bill Becker, incumbent from Wishek, was the only nominated candidate.

Mr. Rogneby invited Director Morris to address the Members and he declined. Mr. Rogneby reported that Director Morris received 116 early voting ballots in favor of his election. There was a motion and second to dispense with the election by secret ballot and elect Shane Morris by unanimous ballot. Director Morris was elected.

Mr. Rogneby invited Director Will to address the Members and she addressed the Members. Director Will received 162 early voting ballots in favor of her election. There was a motion and second to dispense with the election by secret ballot and elect Holly Will by unanimous ballot. Director Will was elected.

Mr. Rogneby invited Director Becker to address the Members, and he declined. Director Becker received 135 early voting ballots in favor of his election. There was a motion and second to dispense with the election by secret ballot and elect Bill Becker by unanimous ballot.

Director Becker was elected. Mr. Rogneby turned the meeting back to President Stroh.

President Stroh explained that Chris Skidmore, from Moss Adams, was not able to attend in person but recorded a video which was played for the Members.

President Stroh then introduced the Cooperative's CEO, Derrick Bulawa, and Mr. Bulawa provided his comments to the Members. Mr. Bulawa answered questions from the Members and introduced guests in attendance.

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 7:24 p.m.

Bill Becker, Secretary

APPROVED:
Brett Stroh, President

BOARD OF DIRECTORS

Shane Morris
District I

Sanford Williams
District I

Brett Stroh
District II
President

Bob Subart
District II

Kevin Bernhardt
District III
Vice President

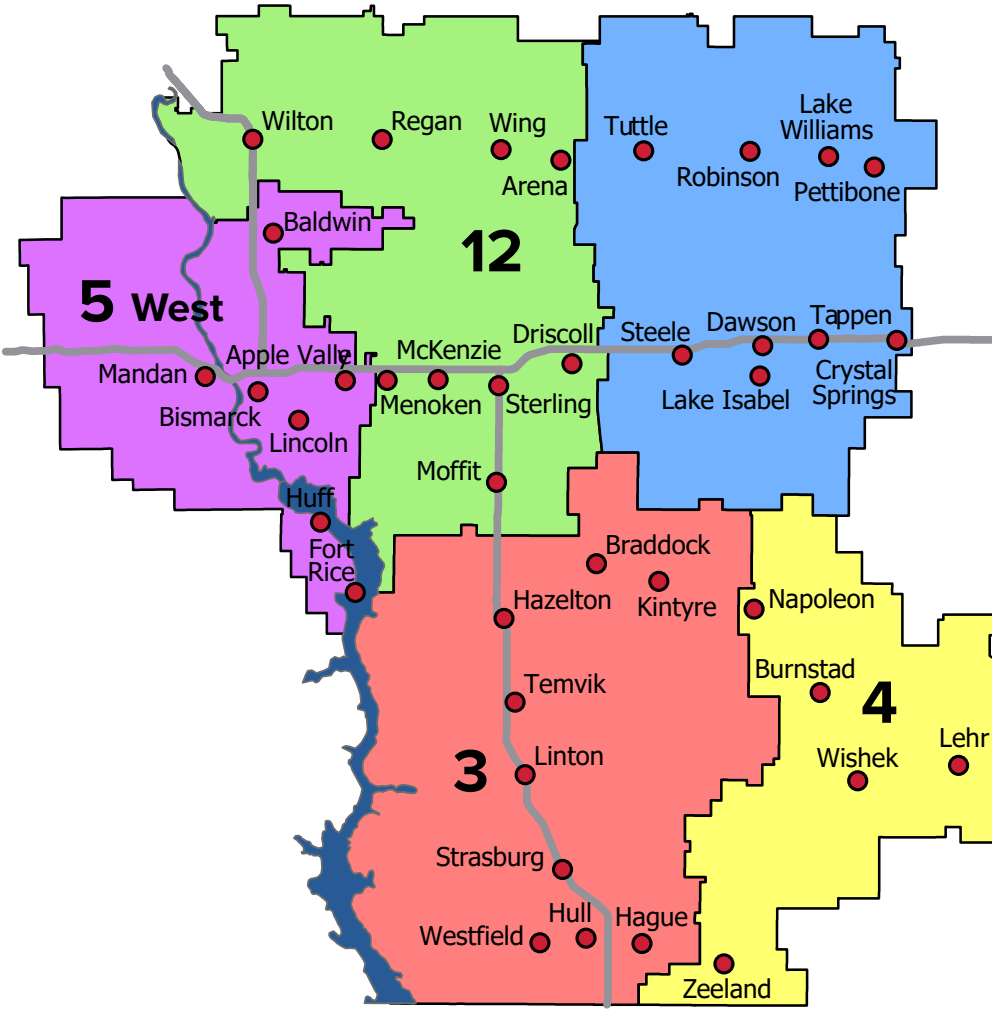
Holly Will
District III

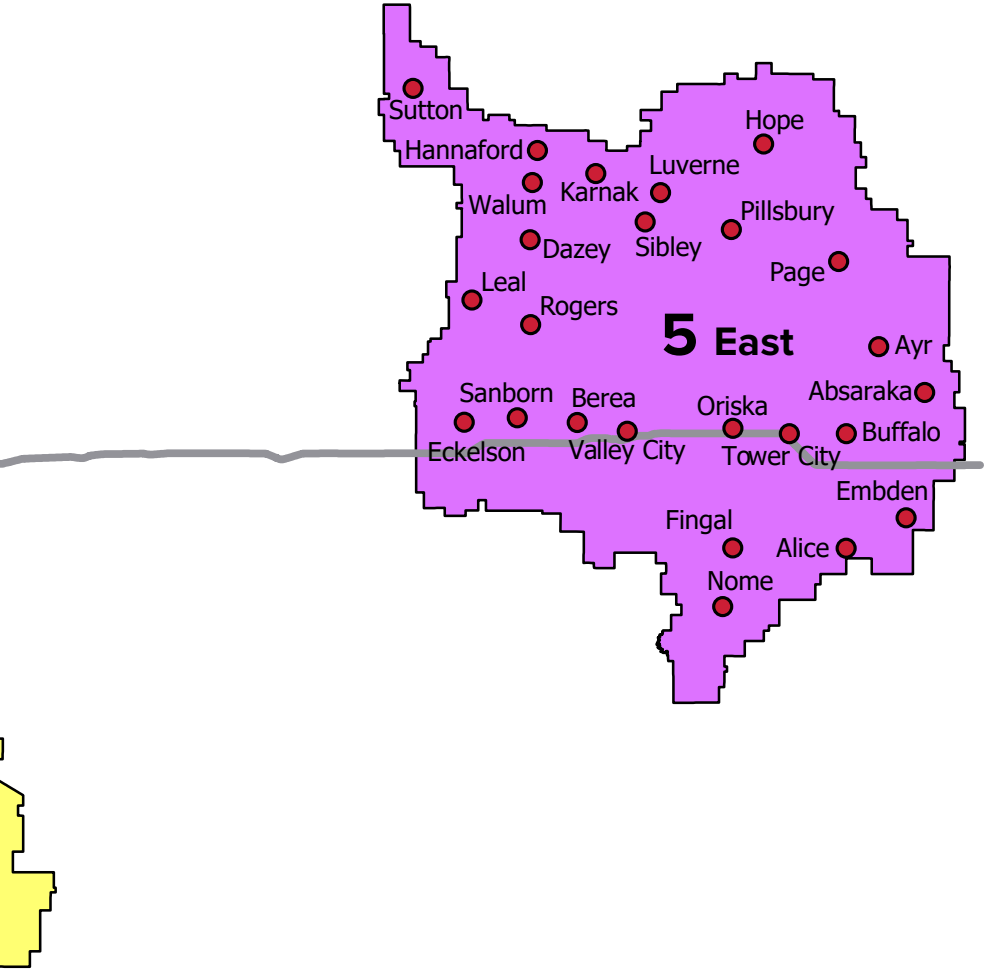
Bill Becker
District IV
Secretary/Treasurer

Ed Everson
District V East

Charlie Dunbar
District V West

COOPERATIVE SERVICE AREA

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Rogers
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Ayr
Sanborn
Berea
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Absaraka
Buffalo
Eckelson
Valley City
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