

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500.

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: a multiemployer plan, a multiple-employer plan, a single-employer plan, a DFE, etc.
B This return/report is: the first return/report, the final return/report, an amended return/report, a short plan year return/report, etc.
C If the plan is a collectively-bargained plan, check here.
D Check box if filing under: Form 5558, automatic extension, special extension, the DFVC program, etc.
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.

Part II Basic Plan Information—enter all requested information

1a Name of plan: VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/2016
2a Plan sponsor's name, mailing address, city or town, state or province, country, and ZIP or foreign postal code.
2b Employer Identification Number (EIN): 74-1207591
2c Plan Sponsor's telephone number: 956-642-1238
2d Business code (see instructions): 517000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include plan administrator, employer/plan sponsor, and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2024) v. 240311

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN	
	<b>3c</b> Administrator's telephone number	
<b>4</b> If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN	
	<b>4d</b> PN	
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	160
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> ..... <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) ..... <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b>	130
	<b>6a(2)</b>	119
	<b>6b</b>	15
	<b>6c</b>	16
	<b>6d</b>	150
	<b>6e</b>	1
	<b>6f</b>	151
	<b>6g(1)</b>	
<b>6g(2)</b>		
<b>6h</b>		0
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>	

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
1A 1E 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

<b>9a</b> Plan funding arrangement (check all that apply)	<b>9b</b> Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<b>a Pension Schedules</b>	<b>b General Schedules</b>
(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)
(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)
(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> <b>A</b> (Insurance Information) – Number Attached _____
(4) <input type="checkbox"/> <b>DCG</b> (Individual Plan Information) – Number Attached _____	(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)
(5) <input type="checkbox"/> <b>MEP</b> (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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**Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)**

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**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

If "Yes" is checked, complete lines 11b and 11c.

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**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) .....  Yes  No

**11c** Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code \_\_\_\_\_

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<b>SCHEDULE SB</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).  <b>▶ File as an attachment to Form 5500 or 5500-SF.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**  
 ▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<b>A</b> Name of plan <u>VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>VALLEY TELEPHONE COOPERATIVE, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>74-1207591</u>	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500	

**Part I Basic Information**

<b>1</b> Enter the valuation date:	Month <u>01</u> Day <u>01</u> Year <u>2024</u>		
<b>2</b> Assets:			
<b>a</b> Market value .....	<b>2a</b>	<u>18020013</u>	
<b>b</b> Actuarial value .....	<b>2b</b>	<u>18020013</u>	
<b>3</b> Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
<b>a</b> For retired participants and beneficiaries receiving payment .....	<u>15</u>	<u>3111091</u>	<u>3111091</u>
<b>b</b> For terminated vested participants .....	<u>15</u>	<u>530982</u>	<u>530982</u>
<b>c</b> For active participants .....	<u>130</u>	<u>13195972</u>	<u>13195972</u>
<b>d</b> Total .....	<u>160</u>	<u>16838045</u>	<u>16838045</u>
<b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>			
<b>a</b> Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>		
<b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor .....	<b>4b</b>		
<b>5</b> Effective interest rate .....	<b>5</b>	<u>5.32 %</u>	
<b>6</b> Target normal cost			
<b>a</b> Present value of current plan year accruals .....	<b>6a</b>	<u>993728</u>	
<b>b</b> Expected plan-related expenses .....	<b>6b</b>	<u>0</u>	
<b>c</b> Target normal cost .....	<b>6c</b>	<u>993728</u>	

**Statement by Enrolled Actuary**  
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<b>SIGN HERE</b>		<u>07/16/2025</u>	
	Signature of actuary	Date	
	<u>DAVID M REVTAI</u>	<u>23-09106</u>	
	Type or print name of actuary	Most recent enrollment number	
	<u>PRM CONSULTING GROUP</u>	<u>301-951-5106</u>	
	Firm name	Telephone number (including area code)	
	<u>3206 TOWER OAKS BLVD SUITE 400 ROCKVILLE, MD 20852</u>		
	Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

<b>Part II Beginning of Year Carryover and Prefunding Balances</b>		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	0
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	0
<b>10</b>	Interest on line 9 using prior year's actual return of <u>6.58</u> % .....	0	0
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
<b>a</b>	Present value of excess contributions (line 38a from prior year) .....		784221
<b>b(1)</b>	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.45</u> % .....		42740
<b>b(2)</b>	Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		0
<b>c</b>	Total available at beginning of current plan year to add to prefunding balance .....		826961
<b>d</b>	Portion of (c) to be added to prefunding balance .....		0
<b>12</b>	Other reductions in balances due to elections or deemed elections .....	0	0
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....	0	0

<b>Part III Funding Percentages</b>			
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	107.01 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	107.01 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	111.51 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

<b>Part IV Contributions and Liquidity Shortfalls</b>					
<b>18</b> Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			<b>Totals ▶</b>	<b>18(b)</b>	<b>18(c)</b>
				0	0

<b>19</b>	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
<b>a</b>	Contributions allocated toward unpaid minimum required contributions from prior years .....	<b>19a</b> 0
<b>b</b>	Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b> 0
<b>c</b>	Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b> 0
<b>20</b>	Quarterly contributions and liquidity shortfalls:	
<b>a</b>	Did the plan have a "funding shortfall" for the prior year? .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>b</b>	If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>c</b>	If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

<b>21</b> Discount rate:				
<b>a</b> Segment rates:	1st segment: 4.75 %	2nd segment: 4.87 %	3rd segment: 5.59 %	<input type="checkbox"/> N/A, full yield curve used
<b>b</b> Applicable month (enter code) .....				<b>21b</b> 0
<b>22</b> Weighted average retirement age .....				<b>22</b> 61
<b>23</b> Mortality table(s) (see instructions)	<input type="checkbox"/> Prescribed - combined	<input checked="" type="checkbox"/> Prescribed - separate	<input type="checkbox"/> Substitute	

**Part VI Miscellaneous Items**

<b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>26</b> Demographic and benefit information		
<b>a</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	<b>27</b>	

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

<b>28</b> Unpaid minimum required contributions for all prior years .....	<b>28</b>	0
<b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	<b>29</b>	0
<b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	<b>30</b>	0

**Part VIII Minimum Required Contribution For Current Year**

<b>31</b> Target normal cost and excess assets (see instructions):			
<b>a</b> Target normal cost (line 6c) .....	<b>31a</b>	993728	
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	993728	
<b>32</b> Amortization installments:	Outstanding Balance	Installment	
<b>a</b> Net shortfall amortization installment .....			
<b>b</b> Waiver amortization installment.....			
<b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount .....	<b>33</b>		
<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	<b>34</b>	0	
	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement .....			0
<b>36</b> Additional cash requirement (line 34 minus line 35) .....	<b>36</b>	0	
<b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....	<b>37</b>	0	
<b>38</b> Present value of excess contributions for current year (see instructions)			
<b>a</b> Total (excess, if any, of line 37 over line 36)	<b>38a</b>	0	
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances.....	<b>38b</b>		
<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....	<b>39</b>	0	
<b>40</b> Unpaid minimum required contributions for all years .....	<b>40</b>	0	

**Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)**

<b>41</b> If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021
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<b>SCHEDULE C</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

<b>A</b> Name of plan <b>VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN</b>	<b>B</b> Three-digit plan number (PN) ▶	<b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>VALLEY TELEPHONE COOPERATIVE, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>74-1207591</b>	

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....  Yes  No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

HARTFORD LIFE & ACCIDENT

INSURANCE CO.  
1 HARTFORD PLAZA  
HARTFORD, CT 06155

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
23	NONE	135106	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning <b>01/01/2024</b> and ending <b>12/31/2024</b>	
<b>A</b> Name of plan <b>VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN</b>	<b>B</b> Three-digit plan number (PN) ▶ <b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>VALLEY TELEPHONE COOPERATIVE, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>74-1207591</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
---------------	--------------------------------------

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	22662	23478
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	850000	
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other .....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	134502	0
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>	17170390	17851107
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other.....	<b>1c(15)</b>		

<b>1d</b> Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	<b>1d(1)</b>		
(2) Employer real property.....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation.....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e).....	<b>1f</b>	18177554	17874585
<b>Liabilities</b>			
<b>g</b> Benefit claims payable.....	<b>1g</b>		
<b>h</b> Operating payables.....	<b>1h</b>		
<b>i</b> Acquisition indebtedness.....	<b>1i</b>		
<b>j</b> Other liabilities.....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j).....	<b>1k</b>	0	0
<b>Net Assets</b>			
<b>l</b> Net assets (subtract line 1k from line 1f).....	<b>1l</b>	18177554	17874585

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers.....	<b>2a(1)(A)</b>	0	
<b>(B)</b> Participants.....	<b>2a(1)(B)</b>		
<b>(C)</b> Others (including rollovers).....	<b>2a(1)(C)</b>		
(2) Noncash contributions.....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		0
<b>b Earnings on investments:</b>			
<b>(1) Interest:</b>			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit).....	<b>2b(1)(A)</b>	604	
<b>(B)</b> U.S. Government securities.....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments.....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants).....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans.....	<b>2b(1)(E)</b>		
<b>(F)</b> Other.....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		604
<b>(2) Dividends:</b>			
<b>(A)</b> Preferred stock.....	<b>2b(2)(A)</b>		
<b>(B)</b> Common stock.....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds).....	<b>2b(2)(C)</b>		
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		0
(3) Rents.....	<b>2b(3)</b>		
<b>(4) Net gain (loss) on sale of assets:</b>			
<b>(A)</b> Aggregate proceeds.....	<b>2b(4)(A)</b>		
<b>(B)</b> Aggregate carrying amount (see instructions).....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result.....	<b>2b(4)(C)</b>		
<b>(5) Unrealized appreciation (depreciation) of assets:</b>			
<b>(A)</b> Real estate.....	<b>2b(5)(A)</b>		
<b>(B)</b> Other.....	<b>2b(5)(B)</b>	915665	
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities .....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		
<b>c</b> Other income .....	<b>2c</b>		817
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....	<b>2d</b>		917086

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	1084161	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>		
(3) Other .....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		1084161
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	<b>2g</b>		
<b>h</b> Interest expense .....	<b>2h</b>		
<b>i</b> Administrative expenses:			
(1) Salaries and allowances .....	<b>2i(1)</b>		
(2) Contract administrator fees .....	<b>2i(2)</b>		
(3) Recordkeeping fees .....	<b>2i(3)</b>		
(4) IQPA audit fees .....	<b>2i(4)</b>		
(5) Investment advisory and investment management fees .....	<b>2i(5)</b>		
(6) Bank or trust company trustee/custodial fees .....	<b>2i(6)</b>	788	
(7) Actuarial fees .....	<b>2i(7)</b>		
(8) Legal fees .....	<b>2i(8)</b>		
(9) Valuation/appraisal fees .....	<b>2i(9)</b>		
(10) Other trustee fees and expenses .....	<b>2i(10)</b>		
(11) Other expenses .....	<b>2i(11)</b>	135106	
(12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....	<b>2i(12)</b>		135894
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	<b>2j</b>		1220055

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		-302969
<b>l</b> Transfers of assets:			
(1) To this plan .....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1)  Unmodified (2)  Qualified (3)  Disclaimer (4)  Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1)  DOL Regulation 2520.103-8 (2)  DOL Regulation 2520.103-12(d) (3)  neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **HEARD, MCELROY, & VESTAL, LLP**

(2) EIN: **72-0398470**

**d** The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1)  This form is filed for a CCT, PSA, DCG or MTIA. (2)  It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
<b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
<b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
<b>e</b> Was this plan covered by a fidelity bond?	X		2000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan?		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  Yes  No  
If "Yes," enter the amount of any plan assets that reverted to the employer this year \_\_\_\_\_.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> PN(s)

**5c** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) .....  Yes    No    Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 543309.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

<b>A</b> Name of plan <u>VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>VALLEY TELEPHONE COOPERATIVE, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>74-1207591</u>	

<b>Part I</b>	<b>Distributions</b>
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**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions..... 

1	
---	--

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  
EIN(s): 71-0294708

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year..... 

3	12
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<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....  Yes  No  N/A  
**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_  
**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>	
<b>6 b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>	
<b>6 c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<b>6c</b>	

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline?.....  Yes  No  N/A

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? .....  Yes  No  N/A

<b>Part III</b>	<b>Amendments</b>
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**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....  Increase  Decrease  Both  No

<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  Yes  No

**11 a** Does the ESOP hold any preferred stock? .....  Yes  No

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....  Yes  No

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? .....  Yes  No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**a** Name of contributing employer \_\_\_\_\_

**b** EIN \_\_\_\_\_ **c** Dollar amount contributed by employer \_\_\_\_\_

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box  and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box  and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure:  Hourly  Weekly  Unit of production  Other (specify): \_\_\_\_\_

**14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	<b>16b</b>	

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment .....

**19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

**a** Enter the percentage of plan assets held as:  
 Public Equity: \_\_\_\_\_% Private Equity: \_\_\_\_\_% Investment-Grade Debt and Interest Rate Hedging Assets: \_\_\_\_\_%  
 High-Yield Debt: \_\_\_\_\_% Real Assets: \_\_\_\_\_% Cash or Cash Equivalents: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:  
 0-5 years  5-10 years  10-15 years  15 years or more

**20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero?  Yes  No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:  
 Yes.  
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.  
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.  
 No. Other. Provide explanation: \_\_\_\_\_

**Part VII IRS Compliance Questions**

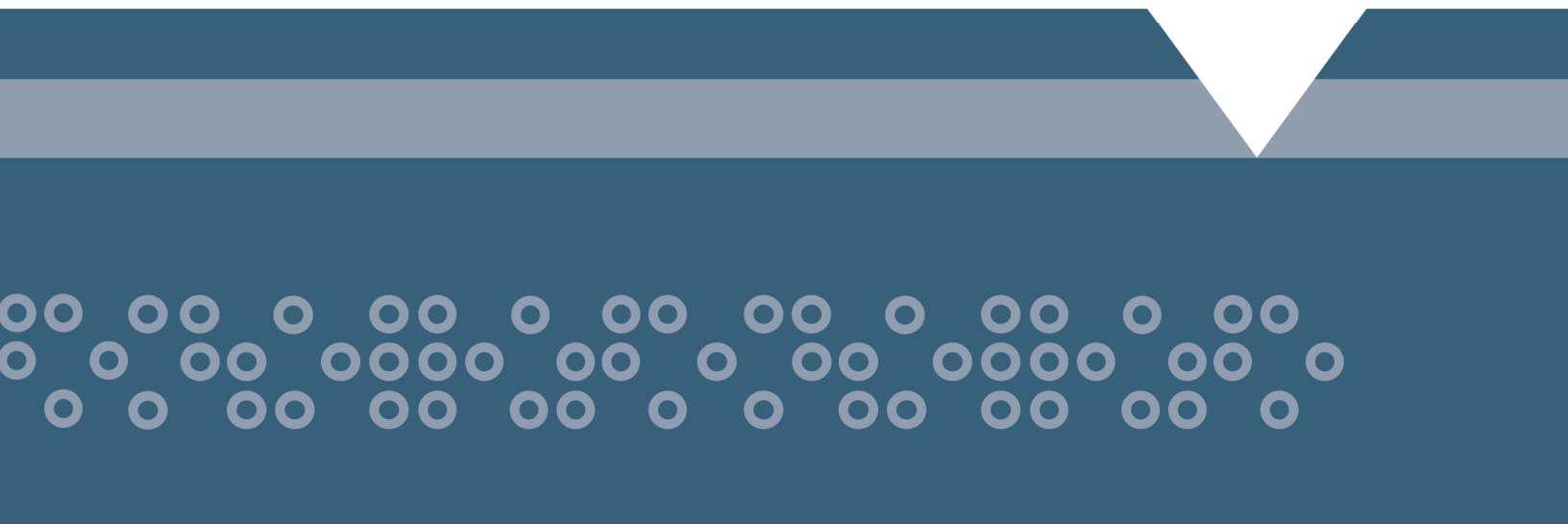
**21a** Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?  Yes  No

**21b** If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).  
 Design-based safe harbor method  
 "Prior year" ADP test  
 "Current year" ADP test  
 N/A

**22** If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter \_\_\_/\_\_\_/\_\_\_\_ (MM/DD/YYYY) and the Opinion Letter serial number \_\_\_\_\_.

**Valley Telephone Cooperative, Inc. Defined Benefit Plan**  
Raymondville, Texas

**December 31, 2024 and 2023**



**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**

**RAYMONDVILLE, TEXAS**

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All other schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, are omitted as they are not applicable or the required information is shown in the financial statements or notes thereto.

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**AUDITED FINANCIAL STATEMENTS**



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2403 JUDSON ROAD | LONGVIEW, TEXAS 75605  
903.758.0734 (P) | 903.758.0756 (F)

The Plan Committee  
Valley Telephone Cooperative, Inc. Defined Benefit Plan  
Raymondville, TX

### **Independent Auditor's Report**

#### ***Opinion***

We have audited the financial statements of Valley Telephone Cooperative, Inc. Defined Benefit Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for plan benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Valley Telephone Cooperative, Inc. Defined Benefit Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Valley Telephone Cooperative, Inc. Defined Benefit Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Valley Telephone Cooperative, Inc. Defined Benefit Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the plan; and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Valley Telephone Cooperative, Inc. Defined Benefit Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Valley Telephone Cooperative, Inc. Defined Benefit Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

### ***Other Matter—Supplemental Schedule Required by ERISA***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information,

including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA.

*Heard, McElroy & Vestal, LLC*

Longview, Texas  
July 29, 2025

VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2024 AND 2023

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	<u>2024</u>	<u>2023</u>
Assets:		
Cash and Cash Equivalents:		
Noninterest-bearing cash and cash equivalents	\$ 23,478	\$ 22,662
Investments:		
Investments, at fair value	17,851,107	17,170,390
Assets held in 401(h) account, at fair value	-	134,502
Total Investments	<u>17,851,107</u>	<u>17,304,892</u>
Total Assets	<u>17,874,585</u>	<u>17,327,554</u>
Liabilities:		
Amounts related to obligations of 401(h) account	-	134,502
Net Assets Available for Pension Benefits	<u>\$ 17,874,585</u>	<u>\$ 17,193,052</u>

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The accompanying notes are an integral part of these financial statements.

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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	<u>2024</u>	<u>2023</u>
Additions to Net Assets:		
Net appreciation in fair value of investments	\$ 916,482	\$ 1,449,372
Employer contributions	<u>850,000</u>	<u>2,000,000</u>
Total Additions	<u>1,766,482</u>	<u>3,449,372</u>
Deductions from Net Assets:		
Payments to plan participants	1,084,161	5,039,455
Administrative fees	<u>788</u>	<u>700</u>
Total Deductions	<u>1,084,949</u>	<u>5,040,155</u>
Increase (Decrease) in Net Assets	681,533	(1,590,783)
Net Assets Available for Benefits, Beginning of Year	<u>17,193,052</u>	<u>18,783,835</u>
Net Assets Available for Benefits, End of Year	<u>\$ 17,874,585</u>	<u>\$ 17,193,052</u>

---

The accompanying notes are an integral part of these financial statements.

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

---

**Note 1 – Description of Plan:**

The following brief description of the Valley Telephone Cooperative, Inc. Defined Benefit Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

General

The Plan is a defined benefit pension plan that was established effective January 1, 2016, for the purpose of providing retirement benefits for employees of Valley Telephone Cooperative, Inc. (VTCI) and its wholly-owned subsidiaries, VTX Communications, LLC (VTXC), and VTX Investments, LLC (VTXI), collectively referred to as the “Cooperative” or “we”. The Plan is administered by the Trustees of the Plan who are appointed by the VTCI board of directors. Voya Financial serves as Plan asset custodian and investment advisor.

The Plan also includes a medical-benefit component, in addition to the normal retirement benefits, to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code (IRC). A separate account has been established and maintained in the Plan for the net assets related to the medical-benefit component (401(h) account). In accordance with IRC Section 401(h), the Plan’s investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the Plan year must be transferred out of the account to the pension plan. The related obligations for health benefits are not included in the Plan’s obligations in the accumulated plan benefits but are reflected as obligations in the financial statements of the health and welfare benefit plan.

Eligibility

Participation in the Plan is limited to employees of the Cooperative who have satisfactorily met one of the following requirements:

- 1) Participation in NTCA Defined Benefit Plan prior to October 31, 2015, or
- 2) Following the reaching of age 21 and the completion of six months of service, as defined, on the entry dates of the first date of each quarter of the Plan year.

Effective January 1, 2019, newly hired employees will not be eligible to participate in the Plan.

Funding

The Plan, as amended, is entirely funded by contributions from the Cooperative. Annual contributions by the Cooperative are based on actuarial computations of funding requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA). No minimum funding was required in 2024 or 2023; however, the Cooperative elected to contribute \$850,000 and \$2,000,000 in 2024 and 2023, respectively.

Vesting Provision

Plan participants are immediately vested in their benefits.

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

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Priorities Upon Termination of the Plan

Though the Cooperative has expressed no intent to do so, the Cooperative reserves the right to change or terminate the Plan at any time subject to the provisions set forth in ERISA. In the event of Plan termination, all participants would fully vest in their accrued benefits. Assets of the Plan will be allocated to the participants after all expenses of the Plan have first been paid, in accordance with the order or priorities set forth by the Plan's provisions.

In the event of the termination or partial termination, the accrued benefit of each affected participant shall become fully vested and nonforfeitable as of the date of such event. Distributions due to termination of the Plan will be made in accordance with the normal modes of distributions provided for in the Plan document. Distributions due to plan termination must still meet the requirements of IRC 401(a)(11), 411(d)(6), and 417.

Certain benefits are guaranteed by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Without assets sufficient to provide for all benefits accrued under the Plan, the sponsor qualifies for a distress or involuntary termination. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain survivor's pensions. However, the PBGC does not guarantee all types of benefits, and the amount of benefit protection is subject to certain limitations. Vested benefits are guaranteed at the level in effect on the date of the Plan's termination within certain restrictions. The amount of a participant's monthly benefit guaranteed by the PBGC is also subject to a statutory limitation.

When a plan that PBGC insures terminates without enough assets to pay all of the pension benefits promised by the plan, PBGC becomes trustee of the plan and calculates the amount of participants' benefits that PBGC can pay according to the Employee Retirement Income Security Act (ERISA).

ERISA requires that, when PBGC takes over a plan, PBGC calculates each participant's benefit in two ways: First, PBGC calculates the guaranteed benefits for each participant based on the plan's terms and ERISA. This is the minimum amount that PBGC will pay. Second, PBGC calculates the benefits that can be paid using the assets available in the plan when it terminated. The benefits that PBGC can pay from plan assets are calculated according to the terms of the plan and the "priority categories" process required by ERISA.

PBGC determines which of the priority categories each plan participant's benefits fall into. Next, PBGC adds up the values of the benefits for all the participants in each priority category. PBGC then looks at the plan's assets to see how much of the benefits the assets can pay in each of the priority categories. Benefits are paid in order of priority category until the plan assets are fully utilized. PBGC determines how much of a participant's plan benefit can be paid from the plan's assets. PBGC then compares that amount to the amount of the participant's guaranteed benefit and pays the guaranteed benefit plus any additional amount funded by the plan assets.

The priority categories that apply to our Plan are as follows:

- Benefits for participants who retired, or could have retired, 3 years or more before Plan termination.
- All other guaranteed benefits.
- All other nonguaranteed benefits.

## VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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#### Pension Benefits

The Plan provides for various retirement benefits based on compensation, as defined, and years of benefit service. Benefits are provided to participants who have fulfilled any one of the following requirements:

- 1) Normal Retirement Date - Retirement on the first day of the month following the participant's 65<sup>th</sup> birthday.
- 2) Early Retirement - Retirement of a participant who is at least 55 years or more of age, but who has not attained the Normal Retirement Date. The benefit is equal to the accrued benefit based on the normal retirement benefit formula, reduced by the early retirement deduction factor. The early retirement deduction factor does not apply if the sum of the retired participant's age and years of service equals or exceeds 85.
- 3) Delayed Retirement - Retirement subsequent to reaching the participant's normal retirement date. Participant may elect to postpone receiving benefits or commence benefit payments as though an actual retirement had occurred, while still remaining employed by the Plan sponsor.

#### Expenses of the Plan

Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Investment related expenses are included in net appreciation/depreciation in fair value of investments.

#### Basis of Accounting

The accompanying financial statements were prepared on the accrual basis of accounting.

#### **Note 2 – Summary of Significant Accounting Policies:**

##### Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

These investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the market value of these investments may occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for plan benefits.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on an ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

##### Payment of Benefits

Benefit payments to participants are recorded upon distribution.

##### Estimates in the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the

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**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

---

reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Plan Asset Investment Policy

Target allocations are modified and approved by the Plan Committee. The Plan Committee strategy was adopted to help minimize significant changes in the actuarial present value of Plan liabilities in combination with mitigating large swings in asset values driven primarily by equity securities. The target allocation for year end 2024 and 2023 was 50 percent equities and 50 percent fixed income, respectively.

**Note 3 – Fair Value Measurements:**

The Plan's investments are reported at fair value in the accompanying statements of fiduciary net position. Following is a description of the valuation methodologies used for investments measured at fair value.

Interest-bearing cash: Valued at cost, which approximates fair value.

Pooled Separate Accounts (With Underlying Mutual Fund Investments): Valued based on the observable net asset value (NAV) of the underlying investments. NAV, as provided by the trustee, is used as the readily determinable fair value. The pooled separate account is maintained in the general account of Voya Financial and is credited with earnings of the underlying assets, participant withdrawals, and administrative expense.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 – inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 – observable inputs, such as, quoted market prices of similar assets or liabilities in active markets or for identical assets or liabilities in markets that are not active; and Level 3 – inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

The following are the Plan's investments measured at fair value on a recurring basis during the year ended December 31, 2024.

2024	Total at December 31	Level 1: Quoted Prices In Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs
Pooled Separate Accounts	<u>\$ 17,851,107</u>	<u>\$ 17,851,107</u>	<u>\$ -</u>	<u>\$ -</u>
Total Investments at Fair Value	<u>\$ 17,851,107</u>	<u>\$ 17,851,107</u>	<u>\$ -</u>	<u>\$ -</u>

The following are the Plan's investments measured at fair value on a recurring basis during the year ended December 31, 2023.

2023	Total at December 31	Level 1: Quoted Prices In Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs
Pooled Separate Accounts	\$ 17,170,390	\$ 17,170,390	\$ -	\$ -
Interest-Bearing Cash and Cash Equivalents	<u>134,502</u>	<u>134,502</u>	<u>-</u>	<u>-</u>
Total Investments at Fair Value	<u>\$ 17,304,892</u>	<u>\$ 17,304,892</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 4 – Actuarial Information:**

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable, under the Plan's provisions, to the service employees have rendered to the date of actuarial valuation. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Effective January 1, 2025, the Plan was amended to freeze all benefit accruals. Participants will no longer earn additional benefits for services performed after this date. All benefits earned by participants prior to the freeze date remain fully vested and will be paid in accordance with the terms of the Plan.

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

The actuarial present value of accumulated plan benefits, changes in the actuarial present value of accumulated plan benefits, and the minimum annual contribution requirements were made by the Plan's independent enrolled actuary. The actuarial present value of accumulated plan benefits was calculated as of December 31, 2024. The actuarial present value of accumulated plan benefits as of December 31, 2024 and 2023 is presented as follows:

	<u>2024</u>	<u>2023</u>
Vested Benefits of Participants and		
Beneficiaries Current Receiving Benefits	\$ 3,594,674	\$ 2,924,312
Actives with Vested Benefits	<u>13,232,593</u>	<u>14,158,654</u>
	16,827,267	17,082,966
Nonvested Benefits	<u>-</u>	<u>-</u>
Total Actuarial Present Value of		
Accumulated Plan Benefits	<u>\$ 16,827,267</u>	<u>\$ 17,082,966</u>

The following presents the changes in the actuarial present value of accumulated plan benefits for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Actuarial Present Value of Accumulated		
Plan Benefits as of January 1	<u>\$ 17,082,966</u>	<u>\$ 19,080,697</u>
Increase (Decrease) During Year Due to Change		
Actuarial Assumptions	-	-
Benefits paid	(1,084,161)	(5,039,455)
Benefits accumulated	1,020,504	2,190,955
Passage of time	<u>(192,042)</u>	<u>850,769</u>
Net (Decrease) Increase	<u>(255,699)</u>	<u>(1,997,731)</u>
Actuarial Present Value of Accumulated		
Plan Benefits as of December 31	<u>\$ 16,827,267</u>	<u>\$ 17,082,966</u>

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2024 AND 2023**

A summary of the more significant assumptions underlying the actuarial computations is as follows:

	<u>2024</u>	<u>2023</u>
	SOA RP-2014 With Mortality Improvements Scale MP-2021	SOA RP-2014 With Mortality Improvements Scale MP-2020
1) Mortality		
2) Normal Retirement Age	65	65
3) Discount Rate	5.47%	6%
4) Rate of Compensation Increase	N/A	4%

As determined under Internal Revenue Service (IRS) regulations, the minimum annual contribution required for the Plan years ended December 31, 2024 and 2023 was zero. Employer contributions were \$850,000 and \$2,000,000 for the Plan years ended December 31, 2024 and 2023, respectively, as reflected in the accompanying statements of changes in net assets available for benefits.

**Note 5 – Federal Income Taxes:**

The Plan received a favorable IRC determination letter dated June 16, 2017. The Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax-exempt. Therefore, no provision for income taxes has been included in the Plan’s financial statements.

**Note 6 – Party-In-Interest Transactions:**

Certain Plan investments are shares/units of securities managed by the Plan’s asset custodians. The Plan’s asset custodians also receive compensation for investment management services. Transactions in these securities and compensation arrangements qualify as party-in-interest transactions. These transactions are covered by an exemption from the “prohibited transaction” provisions of ERISA and the IRC.

**Note 7 – Reconciliation of Financial Statements to Schedule H of Form 5500:**

The following is a reconciliation of net assets available for benefit per the financial statements to the Schedule H of Form 5500 at December 31:

	<u>2024</u>	<u>2023</u>
Net Assets Available for Benefit per the Financial Statements	\$ 17,874,585	\$ 17,193,052
Assets in 401h account for postretirement health benefits	-	134,502
Employer contributions recorded for regulatory purposes	-	850,000
	<u>\$ 17,874,585</u>	<u>\$ 18,177,554</u>
Net Assets Available for Benefit per Schedule H to the Form 5500	<u>\$ 17,874,585</u>	<u>\$ 18,177,554</u>

VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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The following is a reconciliation of changes in net assets available for benefit per the financial statements to the Schedule H of Form 5500:

	<u>2024</u>	<u>2023</u>
Change in Net Assets Available for Benefit per Financial Statements	\$ 681,533	\$ (1,590,783)
Contributions receivable (regulatory purposes) current period	-	850,000
Contributions receivable (regulatory purposes) prior period	(850,000)	(2,000,000)
Net 401h activity	<u>(134,502)</u>	<u>(386,918)</u>
Change in Net Assets Available for Benefit per the Form 5500	<u>\$ (302,969)</u>	<u>\$ (3,127,701)</u>

**Note 8 – Risks and Uncertainties:**

The Plan provides for investment in various investment securities including mutual funds and cash equivalents. Investment securities, in general, all investments are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Market volatility can be impacted by both domestic and global economic conditions. Due to the level of risk associated with certain investment options, it is reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect investments' account balances and the amounts reported on the financial statements. Due to the nature of domestic and global economic conditions, it is difficult to forecast these conditions future impact on the Plans operations and assets with any certainty.

**Note 9 – Concentration of Credit Risk:**

The Plan contains certain investment options, whose balances represent a significant concentration of Plan investments. For the year ended December 31, 2024, Vanguard Total Bond Market Index Fund and Voya Intermediate Bond Fund represented 28 percent of total investments, each representing in excess of 10 percent of total investments. For the year ended December 31, 2023, Vanguard Total Bond Market Index Fund, DFA Inflation Protection Securities Fund, and Voya Intermediate Bond Fund represented 53 percent of total investments, each representing in excess of 10 percent of total investments.

**Note 10 – Subsequent Events:**

We have evaluated subsequent events through July 29, 2025, the date which the financial statements were available to be issued.

**SUPPLEMENTAL SCHEDULE**

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**  
**SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2024**

Plan Sponsor: Valley Telephone Cooperative, Inc.  
Employer Identification Number: 74-1207591  
Plan Number: 002

(a)	(b)/(c)	Face Amount or Number of Shares	(d) Cost	(e) Current Value
Identity of Issue / Description of Investments				
<i>Non-Interest Bearing Cash</i>		23,478	\$ 23,478	\$ 23,478
<i>Pooled Separate Accounts</i>				
	AB Global Bond Fund Z	55,902	714,526	717,563
	Amer Fnds Wash Mutual Inv R6	26,773	1,084,800	1,243,437
	ClrBrg SmCp Grw Fd IS	14,396	563,559	529,491
	DFA Emerging Markets Pt Ins	58,196	861,073	882,285
	DFA Infl-Prot Sec Port Ins	57,802	720,482	717,959
	DFA Intl Small Comp Port Ins	15,628	350,428	359,089
	DFA S-Tm Extend Quality Pt Ins	129,787	1,517,951	1,612,456
	DFA US Targeted VI Port Ins	17,303	616,747	717,627
	JPMorgan Equity Income Fund R6	39,827	1,386,876	1,604,048
	MFS Growth Fund R6	13,790	741,249	874,203
	PIMCO CmdtyRIRtn Strat Fnd Ins	41,952	360,687	364,074
	PIMCO Income Fund Ins	46,194	827,939	897,149
	Vangrd Tot Bd Mkt Ind Fd Adm	198,992	2,359,985	2,331,264
	Vangrd Tot Int Stk In F Adm	94,406	1,410,478	1,426,064
	Vict Pionr FG R6	12,156	911,256	880,361
*	Voya Intermediate Bond Fund R6	206,256	2,691,137	2,694,037
<i>Total Pooled Separate Accounts</i>			<u>17,119,173</u>	<u>17,851,107</u>
<i>TOTAL ASSETS (held at end of year)</i>			<u>\$ 17,142,651</u>	<u>\$ 17,874,585</u>

\* Identified party-in-interest to the Plan.

See accompanying independent auditor's report.

**SCHEDULE SB  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2024**

**This Form is Open to Public  
Inspection**

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<b>A</b> Name of plan Valley Telephone Cooperative, Inc. Defined Benefit Plan	<b>B</b> Three-digit plan number (PN) ▶	002
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Valley Telephone Cooperative, Inc.	<b>D</b> Employer Identification Number (EIN) 74-1207591	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		
<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500		

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2024</u>		
2	Assets:		
	<b>a</b> Market value .....	<b>2a</b>	18,020,013
	<b>b</b> Actuarial value .....	<b>2b</b>	18,020,013
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	<b>a</b> For retired participants and beneficiaries receiving payment.....	15	3,111,091
	<b>b</b> For terminated vested participants.....	15	530,982
	<b>c</b> For active participants .....	130	13,195,972
	<b>d</b> Total.....	160	16,838,045
4	If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>		
	<b>a</b> Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>	
	<b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	<b>4b</b>	
5	Effective interest rate .....	<b>5</b>	5.32 %
6	Target normal cost.....		
	<b>a</b> Present value of current plan year accruals .....	<b>6a</b>	993,728
	<b>b</b> Expected plan-related expenses .....	<b>6b</b>	0
	<b>c</b> Target normal cost .....	<b>6c</b>	993,728

**Statement by Enrolled Actuary**  
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<b>SIGN HERE</b>	<u>DAVID M REVTAI DMR</u> Signature of actuary	<u>07/16/2025</u> Date
	David M Revtai Type or print name of actuary	<u>23-09106</u> Most recent enrollment number
	PRM Consulting Group Firm name	<u>(301) 951-5106</u> Telephone number (including area code)
	3206 Tower Oaks Blvd Suite 400 Rockville MD 20852 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

<b>Part II Beginning of Year Carryover and Prefunding Balances</b>		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	0
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	0
<b>10</b>	Interest on line 9 using prior year's actual return of <u>6.58%</u> .....	0	0
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year) .....		784,221
	<b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.45%</u> .....		42,740
	<b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....		0
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		826,961
	<b>d</b> Portion of (c) to be added to prefunding balance .....		0
<b>12</b>	Other reductions in balances due to elections or deemed elections .....	0	0
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12) .....	0	0

<b>Part III Funding Percentages</b>			
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	107.01%
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	107.01%
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	111.51%
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

<b>Part IV Contributions and Liquidity Shortfalls</b>							
<b>18</b> Contributions made to the plan for the plan year by employer(s) and employees:							
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees		
<b>Totals ▶</b>				<b>18(b)</b>	0	<b>18(c)</b>	0

<b>19</b>	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	<b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....	<b>19a</b>	0
	<b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>	0
	<b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b>	0
<b>20</b>	Quarterly contributions and liquidity shortfalls:		
	<b>a</b> Did the plan have a "funding shortfall" for the prior year? .....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	<b>b</b> If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	<b>c</b> If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

**21** Discount rate:

<b>a</b> Segment rates:	1st segment: 4.75 %	2nd segment: 4.87 %	3rd segment: 5.59 %	<input type="checkbox"/> N/A, full yield curve used
<b>b</b> Applicable month (enter code) .....				<b>21b</b> 0

**22** Weighted average retirement age ..... **22** 61

**23** Mortality table(s) (see instructions)  Prescribed - combined  Prescribed - separate  Substitute

**Part VI Miscellaneous Items**

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment .....  Yes  No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment .....  Yes  No

**26** Demographic and benefit information

**a** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment .....  Yes  No

**b** Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...  Yes  No

**27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment ..... **27**

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

<b>28</b> Unpaid minimum required contributions for all prior years .....	<b>28</b>	0
<b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	<b>29</b>	0
<b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....	<b>30</b>	0

**Part VIII Minimum Required Contribution For Current Year**

**31** Target normal cost and excess assets (see instructions):

<b>a</b> Target normal cost (line 6c) .....	<b>31a</b>	993,728
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	993,728

**32** Amortization installments:

	Outstanding Balance	Installment
<b>a</b> Net shortfall amortization installment .....		
<b>b</b> Waiver amortization installment .....		

**33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_) and the waived amount ..... **33**

<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	<b>34</b>	0
---	-----------	---

	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement .....			0

**36** Additional cash requirement (line 34 minus line 35) ..... **36** 0

**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) ..... **37** 0

**38** Present value of excess contributions for current year (see instructions)

<b>a</b> Total (excess, if any, of line 37 over line 36)	<b>38a</b>	0
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....	<b>38b</b>	

**39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) ..... **39** 0

**40** Unpaid minimum required contributions for all years ..... **40** 0

**Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)**

**41** If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies.  2019  2020  2021

**Schedule SB, line 22 - Description of Weighted Average Retirement Age**

Plan Name: Valley Telephone Cooperative, Inc. Defined Benefit Plan

Plan Sponsor: Valley Telephone Cooperative, Inc.

EIN: 74-1207591

Plan No: 002

Age	Probability of Retirement	Number Active	New Retirees
		100,000	
55	6.0%	94,000	6,000
56	6.0%	88,360	5,640
57	6.0%	83,058	5,302
58	6.5%	77,660	5,399
59	7.0%	72,223	5,436
60	13.0%	62,834	9,389
61	15.0%	53,409	9,425
62	25.0%	40,057	13,352
63	15.0%	34,048	6,009
64	40.0%	20,429	13,619
65	100.0%	-	20,429
<b>Weighted Average Retirement Age:</b>			<b>61.26</b>
(rounded to nearest integer for item 22 of Schedule SB)			

PLAN: Valley Telephone Cooperative, Inc. Defined Benefit Plan

PLAN SPONSOR: Valley Telephone Cooperative, Inc.

EMPLOYER IDENTIFICATION NUMBER: 74-1207591 PLAN NUMBER: 002

### ***Schedule SB, Part V – Statement of Plan Provisions***

The Valley Telephone Cooperative Inc. Defined Benefit Plan (“Plan” or “VTX1 Plan”) was established effective January 1, 2016 as a successor plan to the Retirement & Security Program for members of the National Telephone Cooperative Association. Valley Telephone Cooperative Inc., ceased accruals in the NTCA plan effective October 31, 2015.

The VTX1 Plan was amended to conform with the provisions of the Pension Protection Act, HEART Act, WRERA and other law changes (“PPA Amendment”) effective February 23, 2016.

The VTX1 Plan was amended to retroactively unfreeze the plan as of November 1, 2015 and allow participants to accrue additional benefit service through December 31, 2017 including changes to the high-5 compensation through December 31, 2017 (“Unfreeze and refreeze end of 2017”). This amendment was adopted on April 23, 2016 effective January 1, 2016.

The VTX1 Plan was further amended to allow in-service distributions of employee contributions effective February 28, 2017 (“in-service distributions”).

The VTX1 Plan was further amended to extend benefit accruals from January 1, 2018 through December 31, 2020 (“Unfreeze and refreeze end of 2020”).

In 2018, the VTX1 plan was further amended to extend benefit accruals indefinitely and close the plan to new hires commencing 1/1/2019 or later. The accrual rate or multiplier was also changed from 1.667% to 1.25% for FY 2019 and later.

At the end of 2024, an amendment was executed to freeze all future salary increases and future benefit service accruals.

#### **HIGH-5 COMPENSATION**

Means the average annual Compensation of the Participant under the following rules:

- a) If the Participant has worked for 5 or more full calendar years, the average of the five full calendar years within the last 10 full calendar years in which the annual Compensation is the highest.
- b) If the Participant has worked for fewer than 5 full calendar years, the average annual Compensation is averaged during all full calendar months.

PLAN: Valley Telephone Cooperative, Inc. Defined Benefit Plan

PLAN SPONSOR: Valley Telephone Cooperative, Inc.

EMPLOYER IDENTIFICATION NUMBER: 74-1207591 PLAN NUMBER: 002

## **RETIREMENT SERVICE**

Retirement Service is measured in years and will be credited by one-twelfth for any calendar month in which the Eligible Employee was credited with an Hour of Service after October 31, 2015. Service earned under the NTCA Plan prior to November 1, 2015 will also be credited for use in rule-of-85 early retirement definition.

## **NORMAL RETIREMENT AGE**

Means the Participant's 65th birthday. A Participant shall become fully Vested in the Participant's Normal Retirement Benefit upon attaining Normal Retirement Age.

## **NORMAL RETIREMENT BENEFIT**

The amount of the retirement benefit payable to each participant on the Normal Retirement Date is the Accrued Benefit. The Normal Retirement benefit is the sum of:

1. For service between 1/1/2019-12/31/2024, 1.25% times the participant's **High-5 Compensation** multiplied by **Retirement Service** at the **Normal Retirement Date** or earlier termination of employment, plus
2. For service earned between 11/1/2015 through 12/31/2018, 1.667% times the Participant's **High-5 Compensation** multiplied by **Retirement Service** at the **Normal Retirement Date** or earlier termination of employment, plus
3. For employees with accrued benefits under the NTCA Program, the 10/31/2015 Annual Accrued Benefit multiplied by the ratio (not less than 1.0) of the High-5 Compensation at retirement or earlier termination to the participant's 10/31/2015 High-5 Compensation.

## **EARLY RETIREMENT DATE**

Means the first day of any month during the 10-year period immediately preceding a Participant's Normal Retirement Date, upon which retirement is elected.

## **EARLY RETIREMENT BENEFIT**

The Early Retirement Benefit is equal to the Accrued Normal Retirement Benefit, reduced by  $\frac{1}{4}$  of 1% for each month up to 60 and by  $\frac{1}{2}$  of 1% for each month between 60 and 120 by which retirement benefit commencement precedes Normal Retirement Date. However, no reduction shall apply if the sum of the Participant's age and total years of service is at least 85 (Rule-of-85)

PLAN: Valley Telephone Cooperative, Inc. Defined Benefit Plan

PLAN SPONSOR: Valley Telephone Cooperative, Inc.

EMPLOYER IDENTIFICATION NUMBER: 74-1207591 PLAN NUMBER: 002

### **DEATH BENEFITS – PRIOR TO RETIREMENT BENEFITS BEGINNING**

If a Participant dies prior to the Participant's Retirement Date, such Participant's Beneficiary shall receive a death benefit equal to the Actuarial Equivalent of the Accrued Benefit.

### **DEATH BENEFITS - AFTER RETIREMENT BENEFITS BEGIN**

Upon the death of a Participant after the Annuity Starting Date, the Participant's Beneficiary shall be entitled to whatever death benefit may be available under the settlement arrangements pursuant to which the Participant's benefit is made payable.

In the event of a Terminated Participant's death after termination of employment, the Participant's Beneficiary shall receive the Actuarial Equivalent of such Participant's Vested Accrued Benefit.

### **NORMAL FORM OF DISTRIBUTION**

The Normal Retirement Benefit payable to a Participant shall be a monthly pension commencing on the Participant's Retirement Date and continuing for life. If a Retired Participant dies prior to the completion of 120 monthly payments, such monthly payments shall be continued to the Retired Participant's Beneficiary until the monthly payments made to the Retired Participant and to the Beneficiary shall total 120.

**Schedule SB, line 26 - Schedule of Active Participant Data (1/1/2024)**

Plan Name: Valley Telephone Cooperative, Inc. Defined Benefit Plan  
 Plan Sponsor: Valley Telephone Cooperative, Inc.  
 EIN: 74-1207591  
 Plan No: 002

Attained Age	Years of Credited Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up	
Under 25	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	4	0	0	0	0	0	0	0	4
30 to 34	0	1	10	3	0	0	0	0	0	0	14
35 to 39	0	0	7	3	2	0	0	0	0	0	12
40 to 44	0	0	13	6	11	1	0	0	0	0	31
45 to 49	0	0	4	9	7	5	1	0	0	0	26
50 to 54	0	0	1	5	6	2	1	1	0	0	16
55 to 59	0	0	3	1	3	7	2	1	0	0	17
60 to 64	0	0	0	1	3	1	0	0	0	0	5
65 to 69	0	0	2	2	0	0	1	0	0	0	5
70 & up	0	0	0	0	0	0	0	0	0	0	0
Total	0	1	44	30	32	16	5	2	0	0	130

PLAN: Valley Telephone Cooperative, Inc. Defined Benefit Plan

PLAN SPONSOR: Valley Telephone Cooperative, Inc.

EMPLOYER IDENTIFICATION NUMBER: 74-1207591 PLAN NUMBER: 002

### *Schedule SB, Part V – Statement of Actuarial Assumptions/Methods*

**ASSET VALUATION METHOD**: Plan assets are valued at Market Value.

<b>Actuarial Assumptions</b>																					
<b>Segment Interest Rates, as modified by ARPA limits, for January 2024:</b>																					
<b>a. First Segment:</b>	4.75%																				
<b>b. Second Segment:</b>	4.87%																				
<b>c. Third Segment:</b>	5.59%																				
<b>Salary Increases:</b>	4.00%																				
<b>Pre-Retirement Mortality:</b>	Male/Female 2024 Non-Annuitant Tables as per Internal Revenue Code §430																				
<b>Post-Retirement Mortality:</b>	Male/Female 2024 Annuitant Tables as per Internal Revenue Code §430 regulations																				
<b>Termination before Early or Normal Retirement Probability:</b>	Society Of Actuaries 2003 Small (1,000 lives or less) Plan Age Turnover Table																				
<b>Retirement Probabilities:</b>	<table border="1"><thead><tr><th>Age</th><th>Retirement Probability</th></tr></thead><tbody><tr><td>55-57</td><td>6.0%</td></tr><tr><td>58</td><td>6.5%</td></tr><tr><td>59</td><td>7.0%</td></tr><tr><td>60</td><td>13.0%</td></tr><tr><td>61</td><td>15.0%</td></tr><tr><td>62</td><td>25.0%</td></tr><tr><td>63</td><td>15.0%</td></tr><tr><td>64</td><td>40.0%</td></tr><tr><td>65+</td><td>100.0%</td></tr></tbody></table>	Age	Retirement Probability	55-57	6.0%	58	6.5%	59	7.0%	60	13.0%	61	15.0%	62	25.0%	63	15.0%	64	40.0%	65+	100.0%
Age	Retirement Probability																				
55-57	6.0%																				
58	6.5%																				
59	7.0%																				
60	13.0%																				
61	15.0%																				
62	25.0%																				
63	15.0%																				
64	40.0%																				
65+	100.0%																				
<b>Probability of Lump Sum Payout:</b>	75%																				
<b>Expenses:</b>	None paid from plan trust																				

**VALLEY TELEPHONE COOPERATIVE, INC. DEFINED BENEFIT PLAN**  
**SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**AS OF DECEMBER 31, 2024**

Plan Sponsor: Valley Telephone Cooperative, Inc.  
Employer Identification Number: 74-1207591  
Plan Number: 002

(a)	(b)/(c)	Face Amount or Number of Shares	(d) Cost	(e) Current Value
Identity of Issue / Description of Investments				
<i>Non-Interest Bearing Cash</i>		23,478	\$ 23,478	\$ 23,478
<i>Pooled Separate Accounts</i>				
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	Amer Fnds Wash Mutual Inv R6	26,773	1,084,800	1,243,437
	ClrBrg SmCp Grw Fd IS	14,396	563,559	529,491
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	MFS Growth Fund R6	13,790	741,249	874,203
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	Vangrd Tot Bd Mkt Ind Fd Adm	198,992	2,359,985	2,331,264
	Vangrd Tot Int Stk In F Adm	94,406	1,410,478	1,426,064
	Vict Pionr FG R6	12,156	911,256	880,361
*	Voya Intermediate Bond Fund R6	206,256	2,691,137	2,694,037
<i>Total Pooled Separate Accounts</i>			<u>17,119,173</u>	<u>17,851,107</u>
<i>TOTAL ASSETS (held at end of year)</i>			<u>\$ 17,142,651</u>	<u>\$ 17,874,585</u>

\* Identified party-in-interest to the Plan.

See accompanying independent auditor's report.