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MAY 24 2010

Return of Private Foundation
POSTMARK DATE
 Section 4947(a)(1) Nonexempt Charitable Trust
 Treated as a Private Foundation

OMB No 1545-0052

2009

Department of the Treasury
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2009, or tax year beginning

, and ending

 G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation	A Employer identification number		
	VALLEY TELEPHONE COOPERATIVE FOUNDATION	74-2613547		
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number	
	752 E. MALEY		(520) 384-2231	
	City or town, state, and ZIP code		C If exemption application is pending, check here ► <input type="checkbox"/>	
	WILLCOX, AZ 85644		D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>	
H Check type of organization:	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16)	J Accounting method:	<input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		
► \$ 1,324,763.	(Part I, column (d) must be on cash basis.)			
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)				
Revenue	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
	1 Contributions, gifts, grants, etc., received	239,602.	N/A	
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B			
	3 Interest on savings and temporary cash investments	4,034.	4,034.	STATEMENT 1
	4 Dividends and interest from securities			
	5a Gross rents			
	b Net rental income or (loss)			
	6a Net gain or (loss) from sale of assets not on line 10			
	b Gross sales price for all assets on line 6a			
	7 Capital gain net income (from Part IV, line 2)		0.	
	8 Net short-term capital gain			
	9 Income modifications			
Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total. Add lines 1 through 11	243,636.	4,034.		
13 Compensation of officers, directors, trustees, etc	0.	0.	0.	
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	STMT 2	4,941.	1,977.	2,964.
c Other professional fees				
17 Interest				
18 Taxes				
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses	STMT 3	10.	0.	10.
24 Total operating and administrative expenses. Add lines 13 through 23		4,951.	1,977.	2,974.
25 Contributions, gifts, grants paid		46,250.		42,500.
26 Total expenses and disbursements. Add lines 24 and 25		51,201.	1,977.	45,474.
27 Subtract line 26 from line 12: <i>RECEIVED</i>		192,435.		
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		2,057.		
c Adjusted net income (if negative, enter -0-)			N/A	

Assets	Part II Balance Sheets	Beginning of year			End of year		
		(a) Book Value		(b) Book Value		(c) Fair Market Value	
1	Cash - non-interest-bearing		430,619.		624,055.		624,055.
2	Savings and temporary cash investments		696,202.		700,023.		700,023.
3	Accounts receivable ►						
	Less: allowance for doubtful accounts ►						
4	Pledges receivable ►						
	Less: allowance for doubtful accounts ►						
5	Grants receivable						
6	Receivables due from officers, directors, trustees, and other disqualified persons						
7	Other notes and loans receivable ►						
	Less: allowance for doubtful accounts ►						
8	Inventories for sale or use						
9	Prepaid expenses and deferred charges						
10a	Investments - U.S. and state government obligations						
b	Investments - corporate stock						
c	Investments - corporate bonds						
11	Investments - land, buildings, and equipment basis ►						
	Less accumulated depreciation ►						
12	Investments - mortgage loans						
13	Investments - other						
14	Land, buildings, and equipment basis ►						
	Less accumulated depreciation ►						
15	Other assets (describe ►) STATEMENT 4		1,757.		685.		685.
16	Total assets (to be completed by all filers)		1,128,578.		1,324,763.		1,324,763.
17	Accounts payable and accrued expenses		4,000.		4,000.		
18	Grants payable		20,000.		23,750.		
19	Deferred revenue						
20	Loans from officers, directors, trustees, and other disqualified persons						
21	Mortgages and other notes payable						
22	Other liabilities (describe ►) STATEMENT 4						
23	Total liabilities (add lines 17 through 22)		24,000.		27,750.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.						
	24	Unrestricted	1,104,578.		1,297,013.		
	25	Temporarily restricted					
	26	Permanently restricted					
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.						
	27	Capital stock, trust principal, or current funds					
	28	Paid-in or capital surplus, or land, bldg., and equipment fund					
	29	Retained earnings, accumulated income, endowment, or other funds					
	30	Total net assets or fund balances	1,104,578.		1,297,013.		
	31	Total liabilities and net assets/fund balances	1,128,578.		1,324,763.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,104,578.
2	Enter amount from Part I, line 27a	2	192,435.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	1,297,013.
5	Decreases not included in line 2 (itemize) ►	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,297,013.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	NONE			
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	49,767.	1,034,407.	.048112
2007	39,815.	937,168.	.042484
2006	30,544.	847,191.	.036053
2005	32,250.	778,150.	.041444
2004	33,800.	721,622.	.046839

2 Total of line 1, column (d)

2 .214932

3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years

3 .042986

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4 1,095,974.

5 Multiply line 4 by line 3

5 47,112.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 21.

7 Add lines 5 and 6

7 47,133.

8 Enter qualifying distributions from Part XII, line 4

8 45,474.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.	1 2 3 4 5	41. 0. 41. 0. 41.
Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1%		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
3	Add lines 1 and 2		
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a 6b 6c 6d	30.
b	Exempt foreign organizations - tax withheld at source		
c	Tax paid with application for extension of time to file (Form 8868)		
d	Backup withholding erroneously withheld		
7	Total credits and payments. Add lines 6a through 6d	7	30.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	11.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax ►	Refunded 11	

Part VII-A Statements Regarding Activities

1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	Yes 1a 1b 1c	No X X X
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		
c	Did the foundation file Form 1120-POL for this year?		
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ _____ 0. (2) On foundation managers. ► \$ _____ 0.		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ _____ 0.		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2	X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3	X
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5	X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	N/A 6	X
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	X
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
AZ			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	8b	X
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	X
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	10	X

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11 **X**

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12 **X**

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? 13 **X**

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Located at ► **752 E. MALEY, WILLCOX, AZ** ZIP+4 ► **85644**15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► **15** ► **N/A****Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? ► N/A	N/A	
Organizations relying on a current notice regarding disaster assistance check here		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? ► 1c <input type="checkbox"/> X		
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)): <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years ► _____, _____, _____, _____, _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) ► N/A <input type="checkbox"/> 2b		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. N/A		
► _____, _____, _____, _____, _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.) ► N/A <input type="checkbox"/> 3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? ► 4a <input type="checkbox"/> X		
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009? ► 4b <input type="checkbox"/> X		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

 Yes No Yes No Yes No Yes No Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

Organizations relying on a current notice regarding disaster assistance check here ► 5b

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870.

 Yes No

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

 Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A

6b 7b **Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 5		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

► 0

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Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**
3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ►

0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1 EXPENSES RELATE TO THE AWARDING OF EDUCATIONAL SCHOLARSHIPS TO MEMBER-PATRONS OF VALLEY TELEPHONE COOPERATIVE OR FAMILY MEMBERS OF PATRONS.

45,474.

2

3

4

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1 NONE

0.

2

All other program-related investments. See instructions.

3

Total. Add lines 1 through 3 ►

0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	283,247.
b	Average of monthly cash balances	1b	829,417.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	1,112,664.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,112,664.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	16,690.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,095,974.
6	Minimum investment return. Enter 5% of line 5	6	54,799.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	54,799.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	41.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	41.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	54,758.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	54,758.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	54,758.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	1a	45,474.
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1b	0.
b	Program-related investments - total from Part IX-B	2	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	
3	Amounts set aside for specific charitable projects that satisfy the:	3b	
a	Suitability test (prior IRS approval required)	4	45,474.
b	Cash distribution test (attach the required schedule)	5	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	6	45,474.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b		
6	Adjusted qualifying distributions. Subtract line 5 from line 4		

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				54,758.
2 Undistributed income, if any, as of the end of 2008			44,669.	
a Enter amount for 2008 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 45,474.			44,669.	
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				805.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.				0.
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				53,953.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i>				
SEE STATEMENT 6				
Total			► 3a	42,500.
<i>b Approved for future payment</i>				
Total SEE STATEMENT 7			► 3b	23,750.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income
		(a) Business code	(b) Amount	(c) Exclu- sion code	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments				14	4,034.
4 Dividends and interest from securities					
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)			0.	4,034.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	4,034.

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

VALLEY TELEPHONE COOPERATIVE FOUNDATION

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)RM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
BASE BANK SAVINGS ACCOUNT	1,552.
MERRILL LYNCH	1,469.
WESTERN BANK	1,013.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	4,034.

)RM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EDIT AND RETURN PREPARATION FEE	4,941.	1,977.		2,964.
FORM 990-PF, PG 1, LN 16B	4,941.	1,977.		2,964.

)RM 990-PF OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
GENERAL ADMINISTRATIVE EXPENSES	10.	0.		10.
FORM 990-PF, PG 1, LN 23	10.	0.		10.

)RM 990-PF OTHER ASSETS STATEMENT 4

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INTEREST RECEIVABLE ON INVESTMENTS	1,757.	685.	685.
FORM 990-PF, PART II, LINE 15	1,757.	685.	685.

990-PF PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS STATEMENT 5

ME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
VID THOMPSON 2 E. MALEY LLCOX, AZ 85644	PRESIDENT 1.00	0.	0.
OMAS KUYKENDALL 2 E. MALEY LLCOX, AZ 85644	VICE PRESIDENT 1.00	0.	0.
RROL MILLER 2 E. MALEY LLCOX, AZ 85644	SECRETARY/TREASURER 1.00	0.	0.
ORGE MAY 2 E. MALEY LLCOX, AZ 85644	DIRECTOR 1.00	0.	0.
BY SIPES 2 E. MALEY LLCOX, AZ 85644	DIRECTOR 1.00	0.	0.
NDACE ROLL 2 E. MALEY LLCOX, AZ 85644	DIRECTOR 1.00	0.	0.
LLIAM SWIFT 2 E. MALEY LLCOX, AZ 85644	DIRECTOR 1.00	0.	0.
ME STONER 2 E. MALEY LLCOX, AZ 85644	DIRECTOR 1.00	0.	0.
SEPH CHAPIN 2 E. MALEY LLCOX, AZ 85644	DIRECTOR 1.00	0.	0.
TALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.

DRM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 6

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
INTY COX L BAR ROAD ANIMAS, NM 88020	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	2,500.
BER MORIN BOX 155 SAN SIMON, AZ 85632	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	2,500.
IA REYES BOX 58 LORDSBURG, NM 88045	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	2,500.
YNEE WARD O. BOX 1 ANIMAS, NM 88020	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	2,500.
BIN SUPRENANT 3 E GERONIMO WAY COCHISE, AZ 606	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	2,500.
SELL WALTER MESA VISTA RD ANIMAS, NM 020	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	2,500.
SSICA JOHNSON O. BOX 294 COLUMBUS, NM 88029	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	2,500.
WNA WALTER IMAS SCHOOLS-P.O. BOX 85 IMAS, NM 88020	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.

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RYNN SIPES-DUNN 586 W. HOLLOWAY ROAD SAN SIMON, AZ 85632	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
ABRIEL MARTINEZ 51 W. HADLEY AVENUE APT. 205 LAS CRUCES, NM 88005	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
ELDA RIOS BOX 3202 LAS CRUCES, NM 88005	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
ORDAN LANDWERLEN O. BOX 313 PEARCE, AZ 85625	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
JUL SANCHEZ O. BOX 223 SAN SIMON, AZ 85632	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
DEA MOORE O. BOX 43 ANIMAS, NM 88020	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
TY HURT O. BOX 84 HACHITA, NM 88040	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
SELL JOHNSON O. BOX 294 COLUMBUS, NM 88029	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	2,500.
SE ADAME O. BOX 221 SAN SIMON, AZ 85632	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
MCDONALD 501 W. ASH CREEK ROAD WILCOX, 85643	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.

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SHLEY WATTS SEE PART XV, LINE 2(D) N/A
85 EAST HIGHWAY 80 PORTAL, AZ SCHOLARSHIP
632

1,250.

TAL TO FORM 990-PF, PART XV, LINE 3A

42,500.

ORM 990-PF

GRANTS AND CONTRIBUTIONS
APPROVED FOR FUTURE PAYMENT

STATEMENT 7

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
SHLEY WATTS 185 EAST HIGHWAY 80 PORTAL, AZ 85620	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.
DEA MOORE O. BOX 43 ANIMAS, NM 88020	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.
WNA WALTER MESA VISTA RD ANIMAS, NM 88020	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.
BER MORIN BOX 155 SAN SIMON, AZ 85632	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.
IA REYES BOX 58 LORDSBURG, NM 88045	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.
MCDONALD 501 W. ASH CREEK ROAD WILCOX, 85643	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.
SE ADAME O. BOX 221 SAN SIMON, AZ 643	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.
YNN SIPES-DUNN 86 W. HOLLOWAY ROAD SAN MON, AZ 85632	SEE PART XV, LINE 2(D) SCHOLARSHIP	N/A	1,250.

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ABRIEL MARTINEZ 151 W. HADLEY AVENUE APT. 205 LAS CRUCES, NM 88005	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
ELDA RIOS BOX 3202 LAS CRUCES, NM 1005	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
ESSICA JOHNSON BOX 294 COLUMBUS, NM 88029	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
ORDAN LANDWERLEN BOX 313 PEARCE, AZ 85625	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
ISSELL JOHNSON O. BOX 294 COLUMBUS, NM 88029	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
INTY COX L BAR ROAD ANIMAS, NM 88020	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
YNEE WARD BOX 1 ANIMAS, NM 88020	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
OBIN SUPRENANT 3 E GERONIMO WAY COCHISE, AZ 606	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
ISSELL WALTER MESA VISTA RD ANIMAS, NM 020	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.
UL SANCHEZ BOX 223 SAN SIMON, AZ 85632	SEE PART XV, LINE 2(D) N/A SCHOLARSHIP	1,250.

VALLEY TELEPHONE COOPERATIVE FOUNDATION

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Y HURT
O. BOX 84 HACHITA, NM 88040

SEE PART XV, LINE 2(D) N/A
SCHOLARSHIP

1,250.

OTAL TO FORM 990-PF, PART XV, LINE 3B

23,750.

10-PF INVOLVEMENT WITH NONCHARITABLE ORGANIZATIONS STATEMENT 8
 PART XVII, LINE 1, COLUMN (D)

NAME OF NONCHARITABLE EXEMPT ORGANIZATION

VALLEY TELEPHONE COOPERATIVE, INC.

DESCRIPTION OF TRANSFERS, TRANSACTIONS, AND SHARING ARRANGEMENTS

COOPERATIVE MAINTAINS THE RECORDS OF THE FOUNDATION AT NO COST
TO THE FOUNDATION.

0-PF AFFILIATION WITH TAX-EXEMPT ORGANIZATIONS STATEMENT 9
 PART XVII, LINE 2, COLUMN (C)

ME OF AFFILIATED OR RELATED ORGANIZATION

VALLEY TELEPHONE COOPERATIVE, INC.

SCRIPTION OF RELATIONSHIP WITH AFFILIATED OR RELATED ORGANIZATION

THE BOARD OF THE COOPERATIVE IS ALSO THE BOARD FOR THE FOUNDATION.

CLAIMED CAPITAL CREDITS OF THE COOPERATIVE ARE USED TO FUND THE

FOUNDATION.



**VALLEY TELEPHONE COOPERATIVE FOUNDATION
2010 ~ 2011
SCHOLARSHIP APPLICATION**

Instructions: Print in black ink or type; include all attachments; return with all attachments by Friday, March 12, 2009.

Name _____		
(Last)	(First)	(Middle)
Address _____		
(Street or P O Box)		
(City)	(State)	(Zip)
Tel. No. _____ Social Security # _____		
VTC Member Parent's Name and Address (name/address/phone number on your VTC account) _____ _____		
Your relationship to VTC member named above _____		
High School _____ Year of Graduation _____		
College where enrolled _____ (College, university, trade or business school you are attending or plan to attend taking 12 credit hours or more.)		
College address _____ (Street or P.O. Box)		Tel. No. _____
(City)	(State)	(Zip)

ACADEMIC ACHIEVEMENT:		
Cumulative Grade Point Average	High School _____	College _____
Class Rank	High School _____	of how many _____
National Test Score	High School _____	College _____
(MUST supply a transcript and/or counselor certification to include national test scores, grade point average and class standing)		

EXTRA-CURRICULAR ACTIVITIES:

List your school activities, honors and awards including year of participation or year award given (use separate sheet if necessary)

School-Related:

Year:

Non-School-Related (including work experience):

Year:

Have you applied for this scholarship in the past? _____ If yes, when? _____

Have you been a recipient of this scholarship in the past? _____ If yes, when? _____

ESSAY: On a separate sheet please write an essay of 300 words or less describing why this scholarship is important to you, why you need the scholarship, your goals and what you would like to be doing in ten (10) years.

Applicant Signature _____ Date _____

VTC Member (parent, guardian) Signature _____

Incomplete applications will not be considered so please be sure you have enclosed the following with your completed Application (Recommendations must be recent):

ATTACHMENTS:

- Most recent transcript
- One (1) Educator's Recommendation by a principal, teacher, or counselor (unless educator sends this directly to Scholarship Committee)
- Two (2) letters of recommendation from local community leaders other than educators (business representatives, elected officials, service organizations, religious leaders, etc.) who are not related to you
- Essay (300 words or less)

Applications must be received in Willcox by Friday, March 12, 2010. Mail or bring completed application and attachments to:

Renae Kersey, Executive Assistant / Scholarship Administrator
Valley TeleCom Group
P. O. Box 970, 752 E. Maley Street
Willcox, Arizona 85644-0970



Valley Telephone Cooperative Foundation Scholarship

EDUCATOR'S RECOMMENDATION FORM

(This may be written on a separate sheet. Please answer all questions, sign & date form.)

Name of Applicant _____

School _____

Address _____ Telephone _____

How long and in what capacity have you known the applicant? _____

Please state why you feel this applicant is qualified and has a need to receive this scholarship

Printed Name of Person Completing Form _____ Title _____

Signature _____ Date _____

Please return form to applicant for inclusion in application package or send directly to
Renae Kersey, Scholarship Administrator, Valley TeleCom Group; P.O. Box 970, Willcox,
Arizona 85644. **MUST BE RECEIVED BY MARCH 12, 2010.**

Any Educator's Recommendations received after March 12, 2010, will not be considered and will give the applicant a point disadvantage.