Forvis Mazars Report to the Board of Directors

Nelson Ball Telephone Company, Inc.

Results of the 2024 Financial Statement Audit, Including Required Communications

December 31, 2024

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements: • As of and for the year ended December 31, 2024. • Conducted in accordance with our contract dated October 8, 2024.
Our Responsibilities	Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to *Reasonable Assurance*	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.

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Matter	Discussion
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • Board of Directors • Federal Communications Commission • Universal Service Administrative Company • State regulatory authority

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Allowance for doubtful accounts
- Employee benefits
- Depreciation rates
- Goods and services received but not billed

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Regulatory matters
- Income taxes

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- Reclassification of inter-company regulated and non-regulated charges/expenses

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are [listed below OR included as an attachment to this communication].

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current-Period Uncorrected Misstatements

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole.

Prior-Period Uncorrected Misstatements

- See attached for summary of uncorrected misstatements

Other Required Communications

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

We orally communicated to management other deficiencies in internal control identified during our audit that are not considered material weaknesses or significant deficiencies.

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Schedule of Uncorrected Misstatements (Attachment B)

The detail of uncorrected misstatements identified as a result of our engagement are included herein.

Attachment A

Management Represention Letter

Attachment B

Schedule of Uncorrected Misstatements

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Representation of:
TDS Telecom
525 Junction Road
Madison, Wisconsin 53562-0988

Provided to:
Forvis Mazars, LLP
Certified Public Accountants
8517 Excelsior Drive, Suite 301
Madison, WI 53717

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audits of our financial statements of Blue Ridge Telephone Company, Camden Telephone and Telegraph Company, Nelson-Ball Ground Telephone Company, Somerset Telephone Company and West Penobscot Telephone & Telegraph Company, which are wholly-owned subsidiaries of TDS Telecommunications LLC, for the years ended December 31, 2024 and 2023.

Our representations are current and effective as of the date of Forvis Mazars' report: April 25, 2025.

Our engagement with Forvis Mazars is based on our contract for services dated: October 8, 2024.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation, and maintenance of:

    a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

    b. Internal control to prevent and detect fraud.

3. We have provided you with:

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a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.

b. Additional information that you have requested from us for the purpose of the audit.

c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

d. All minutes of directors' and committee of directors meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.

e. All significant contracts.

4. We acknowledge the entity meets the definition of a “public business entity” under generally accepted accounting principles.

5. We have responded fully and truthfully to all your inquiries.

Misappropriation, Misstatements, & Fraud

6. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:

   a. Misappropriation of assets.

   b. Misrepresented or misstated assets, liabilities, revenues, expenses and equity.

7. We have no knowledge of fraud or suspected fraud affecting the entity involving:

   a. Management or employees who have significant roles in internal control over financial reporting, or

   b. Others when the fraud could have a material effect on the financial statements.

8. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.

9. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, customers, analysts, SEC or other regulators, short-sellers, suppliers, or others.

10. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

11. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management’s plans not yet fully implemented and concluded substantial doubt does not exist.

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12. We acknowledge the current economic volatility presents difficult circumstances and challenges for our industry. Entities are potentially facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity, difficulty obtaining financing or bonding, significant credit quality problems, including significant volatility in the values of real estate and other collateral supporting loans, etc. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts and notes receivable, capital, net realizable value of inventory, etc., that could negatively impact the entity's ability to meet regulatory requirements or maintain sufficient liquidity.

    We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the entity, including questioning the quality and valuation of investments, inventory, and other assets; evaluating assumptions regarding defined benefit pension plan obligations, reviewing allowances for uncollectible amounts; evaluating capital needs and liquidity plans; etc.

Related Parties

13. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

    In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

    Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

14. We understand that the term related party refers to:

    - Affiliates
    - Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
    - Principal owners and members of their immediate families
    - Management and members of their immediate families
    - Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

    Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

    The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

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Litigation, Laws, Rulings & Regulations

15. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

16. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.

17. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.

18. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

19. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations:

Nonattest Services

20. You have provided nonattest services, including the following, during the period of this engagement:

    - Preparing a draft of the financial statements and related notes

21. With respect to these services:

    a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.

    c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    d. We have evaluated the adequacy of the services performed and any findings that resulted.

    e. We have established and maintained internal controls, including monitoring ongoing activities.

    f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

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Financial Statements & Reports

22. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

23. The entity has revised the 2023 financial statements to conform with accounting principles generally accepted in the United States of America. Management has provided you with all relevant information regarding the revision. We are not aware of any other known matters that required correction in the financial statements.

24. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

Transactions, Records, & Adjustments

25. All transactions have been recorded in the accounting records and are reflected in the financial statements.

26. We have everything we need to keep our books and records.

27. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.

28. We believe the effects of the uncorrected financial statement misstatement(s) and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Accounting & Disclosure

29. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.

30. Except as reflected in the financial statements, there are no:

    a. Plans or intentions that may materially affect carrying values or classifications of assets, liabilities, revenues, expenses and equity.

    b. Material transactions omitted or improperly recorded in the financial records.

    c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure in accordance with Accounting Standards Codification (ASC) Topic 450*, Contingencies*, including those arising from environmental remediation obligations.

    d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.

    e. Agreements to purchase assets previously sold.

    f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.

    g. Guarantees, whether written or oral, under which the entity is contingently liable.

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h. Known or anticipated asset retirement obligations.

31. Except as disclosed in the financial statements, the entity has:

    a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.

    b. Complied with all aspects of contractual agreements, for which noncompliance would materially affect the financial statements.

32. We agree with the findings of specialists in evaluating the post retirement liabilities and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue, Accounts Receivable, & Inventory

33. We have informed you of the existence of any of the following unusual transactions:

    a. Large sales with unusual payment terms, *e.g.*, material receivables from customers that are subject to out-of-the-ordinary discounts or extended due dates.

    b. Sales with rights of return or price adjustments and all warranty provisions.

    c. Any “bill and hold” sales, *i.e.*, sales that have been invoiced and recorded as revenue but the property was held by us as of the date of our financial statements.

    d. Oral modifications to written sales contracts.

34. Adequate provisions and allowances have been accrued for any material losses from:

    a. Uncollectible receivables.

    b. Excess or obsolete inventories.

    c. Sales commitments, including those unable to be fulfilled.

    d. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

35. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.

36. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, available sources of supply, or markets, loans, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

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37. We have completed an analysis of the eligible locations to meet the buildout requirements covered by the E-ACAM order. We have recorded a liability for a possible short fall of locations based on the probabilities as we have estimated them.

Fair Value

38. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:

    a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.

    b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.

    c. The significant assumptions appropriately reflect market participant assumptions.

    d. The disclosures related to fair values are complete, adequate, and in conformity with accounting principles generally accepted in the United States of America.

    e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax Matters

39. We believe the estimates and assumptions used to identify, recognize, and measure tax positions of the entity, reporting unit, etc. are reasonable and appropriate for purposes of determining uncertain tax positions and the related liability for unrecognized tax benefits.

40. The calculations of current and deferred tax expense (benefit) and related current and deferred tax assets and liabilities have been determined based on appropriate provisions of applicable enacted tax laws and regulations.

41. The entity recognizes tax benefits only to the extent that the entity believes it is more likely than not (*i.e.* greater than 50 percent) that its tax positions will be sustained upon examination. We have evaluated the entity's tax positions and have determined that the entity does not have any material uncertain tax positions.

Shareholder Matters

42. Except as disclosed in the financial statements, there are no equity repurchase options or agreements, or equity reserved for options, warrants, conversions, or other requirements.

Pension & Postretirement Benefits

43. We believe the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

44. We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.

45. We do not intend to compensate for the elimination of postretirement benefit by granting an increase in pension benefits.

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Signed by:
Heather Jeschke
D665AD30908C4C3...

Heather Jeschke, Director of Accounting Operations & Secretary Treasurer

Heather.Jeschke@tdsinc.com

Signed by:
Thomas Bader
C1D7A683BC00435...

Thomas Bader, Assistant Treasurer

Thomas.Bader@tdsinc.com

Attachment:
Schedule of Uncorrected Misstatements and Omitted Disclosures

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Appendix B
Nelson Ball Telephone Company
Summary of Uncorrected Misstatements and Omitted Disclosures, as applicable
As of and for the Year Ended December 31, 2024

Summary of Misstatements in the Financial Statements

	Debit (Credit) Required to Correct the Financial Statements					
Description	**Assets**	**Liabilities**	**Equity**	**Revenue**	**Expenses**	**Net Income**
Unrecorded misstatements - factual	15,675	(17,608)	-	-	1,933	1,933
Unrecorded misstatements - projected	(5,229)	-	-	-	5,229	5,229
Unrecorded misstatements - judgmental	20,521	-	-	-	20,521	20,521
Total uncorrected misstatements (Iron Curtain)	30,967	(17,608)	-	-	27,683	27,683
Impact of correcting prior period misstatements in prior periods (From Prior Period Table Below)				-	-	-
Total uncorrected misstatements, assuming prior year misstatements were corrected in prior periods (Rollover)				-	27,683	27,683
Misstatements net of tax impact - (Rollover)	30,	(10,410)	20,485	-	20,485	20,485

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Financial Statement Impact

	Debit (Credit)			
	As Reported	Misstatements	Subsequent to Misstatements	% Change
Current Assets	$ 2,226,680	$ 20,521	$ 2,247,201	0.92 %
Non-Current Assets	9,095,186	10,446	9,105,632	0.11 %
Current Liabilities	(1,719,137)	-	(1,719,137)	- %
Non-Current Liabilities	(1,770,224)	(10,410)	(1,780,634)	0.59 %
Current Ratio	(1.30)		(1.31)	0.77 %
Total Assets	11,321,866	30,967	11,352,833	0.27 %
Total Liabilities	(3,489,361)	(10,410)	(3,499,771)	0.30 %
Retained Earnings	(3,507,795)	20,485	(3,487,310)	(0.58)%
Capital and Other Equity	(4,324,709)	-	(4,324,709)	- %
Total Equity	(7,832,504)	20,485	(7,812,019)	(0.26)%
Revenues	(6,954,202)	-	(6,954,202)	- %
Expenses	6,370,611	20,485	6,391,096	0.32 %
Net (Income) Loss	(583,591)	20,485	(563,106)	(3.51)%

Summary of Omitted Disclosures

Description of Omission or Other Misstatement	Relevant Financial Statement Line Item(s) or Area(s)	$ Amount if Applicable
Certain informational disclosures related to FAS106 regarding plan assets, the accumulated benefit obligation, components of comprehensive income, significant assumptions and estimates, prospective information, and the location of certain costs/expenses in the face financial statements.	Other nonoperating income contains costs related to the plan, otherwise, no line items are impacted.	-
In the prior year - Classification of certain items in the property, plant, and equipment disclosure related to a passed adjustment on a work order closing between central office transmission and outside plant	Plant footnote disclosure	63,386
Passed adjustments were noted for open wok orders that should be closed at 12/31/2024. These delayed closings impacted certain amounts on the face financial statements and in the plant footnote disclosure. $59,194 factual, 43,350 projected.	Communications plant in service, Plant under construction, disclosure	102,544
In 2023, customer accounts receivable contains amounts from related parties	Accounts receivable - Due from customers, Due from affiliates	8,953

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS