

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan 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 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information										
1a Name of plan <u>NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>11/01/1988</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>56-0341710</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>336-886-3600</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>517000</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>11/01/1988</u>		2b Employer Identification Number (EIN) <u>56-0341710</u>		2c Sponsor's telephone number <u>336-886-3600</u>		2d Business code (see instructions) <u>517000</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>										
1c Effective date of plan <u>11/01/1988</u>											
2b Employer Identification Number (EIN) <u>56-0341710</u>											
2c Sponsor's telephone number <u>336-886-3600</u>											
2d Business code (see instructions) <u>517000</u>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u> <u>P.O. BOX 2326</u> <u>HIGH POINT, NC 27261</u>	<u>111 NORTH MAIN STREET</u> <u>HIGH POINT, NC 27261</u>										

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.

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	09/15/2014 Date	CRYSTAL TEDDER Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	471
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).			
a Active participants		6a	363
b Retired or separated participants receiving benefits		6b	6
c Other retired or separated participants entitled to future benefits.....		6c	61
d Subtotal. Add lines 6a , 6b , and 6c		6d	430
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	1
f Total. Add lines 6d and 6e		6f	431
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	386
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	9
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2J 2K 2E 2G 2F 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ 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)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS	D Employer Identification Number (EIN) 56-0341710

Part I	Service Provider Information (see instructions)
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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
BBANDT
56-1368984

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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)

STANLEY,HUNT,DUPREE AND RHINE, INC.

56-2092915

(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?
21 38 64	TRUSTEE	79213	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CAPTRUST FINANCIAL ADVISORS

4208 SIX FORKS ROAD SUITE 1700
RALEIGH, NC 27609

(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?
27	INVESTMENT ADVISOR	26931	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BAUKNIGHT PIETRAS AND STORMER, P.A.

1517 GERVAIS STREET
COLUMBIA, SC 29202

(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?
10	AUDITOR	5000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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)

(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 ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(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 ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(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 ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

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.

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

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) 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)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information 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). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN</u>		B Three-digit plan number (PN) ► <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u>		D Employer Identification Number (EIN) <u>56-0341710</u>

Part I Asset and Liability Statement			
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.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	55465	60009
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	1896	4704
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	8712240	7863868
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	30128495	33697501
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	38898096	41626082

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	38898096	41626082
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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.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	243603	
(B) Participants	2a(1)(B)	1310843	
(C) Others (including rollovers)	2a(1)(C)	29585	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1584031

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1265602	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1265602

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		-70936
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		4801878
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		7580575

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	4736074	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		4736074
f Corrective distributions (see instructions).....	2f		3245
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	113270	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		113270
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4852589

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2727986
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

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) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: BAUKNIGHT, PIETRAS, AND STORMER, PA

(2) EIN: 57-0940019

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, 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.

During the plan year:

- a** 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.).....
- 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.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c 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	
d 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	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g 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	
h 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	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j 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	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n 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?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

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.)

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

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>NORTH STATE COMMUNICATIONS EMPLOYEES' SAVINGS PLUS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u>	D Employer Identification Number (EIN) <u>56-0341710</u>

Part I	Distributions
---------------	----------------------

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): <u>56-1368984</u>	
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

Part II	Funding Information (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)
----------------	--

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.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c 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)	6c		
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

Part III	Amendments
-----------------	-------------------

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
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (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 contributed more than 5% of total contributions to the plan during the plan year (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 participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 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:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

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

a Enter the number of employers who withdrew during the preceding plan year	16a	
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	16b	

- 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) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Financial Statements
and Supplemental Schedules

North State Communications
Employees' Savings Plus Plan

*Years Ended December 31, 2013 and 2012
with Report of Independent Auditors*

North State Communications Employees' Savings Plus Plan
Financial Statements
and Supplemental Schedules
Years Ended December 31, 2013 and 2012

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Report of Independent Auditors

To the Advisory Committee
North State Communications Employees' Savings Plus Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the North State Communications Employees' Savings Plus Plan (the "Plan"), which comprise the statements of net assets available for plan benefits as of December 31, 2013 and 2012, 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.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3 and 4, which was certified by Branch Banking and Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the trustee is complete and accurate.



To the Advisory Committee of the
North State Communications Employees' Savings Plus Plan

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedules of the Plan, as listed in the table of contents, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis of Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Banknight Pictor & Stone, P.A.

July 10, 2014

North State Communications
Employees' Savings Plus Plan
Statements of Net Assets Available for Plan Benefits

	December 31,	
	2013	2012
Assets		
Investments at fair value:		
Mutual funds	\$ 33,697,501	\$ 30,128,495
Common collective trust	7,863,868	8,712,240
Total investments	<u>41,561,369</u>	<u>38,840,735</u>
Employer contributions receivable	4,704	1,896
Cash and cash equivalents	60,009	55,465
Total assets	<u>41,626,082</u>	<u>38,898,096</u>
Liabilities		
Total liabilities	<u>--</u>	<u>--</u>
Net assets available for plan benefits at fair value	41,626,082	38,898,096
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(63,062)</u>	<u>(245,712)</u>
Net assets available for plan benefits	<u><u>\$ 41,563,020</u></u>	<u><u>\$ 38,652,384</u></u>

See accompanying notes.

North State Communications
Employees' Savings Plus Plan
Statements of Changes in Net Assets Available for Plan Benefits

	Years Ended December 31,	
	2013	2012
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 4,913,592	\$ 3,435,707
Interest and dividend income	1,265,602	1,065,506
	<u>6,179,194</u>	<u>4,501,213</u>
Contributions:		
Employer	243,603	258,033
Participants, including rollovers	1,340,428	1,422,132
Total additions, net	<u>7,763,225</u>	<u>6,181,378</u>
Deductions from net assets attributed to:		
Benefits paid to participants, including rollovers	4,739,319	5,922,880
Administrative expenses	113,270	100,510
Total deductions	<u>4,852,589</u>	<u>6,023,390</u>
Net change	2,910,636	157,988
Net assets available for plan benefits, beginning	<u>38,652,384</u>	<u>38,494,396</u>
Net assets available for plan benefits, ending	<u><u>\$ 41,563,020</u></u>	<u><u>\$ 38,652,384</u></u>

See accompanying notes.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

1. Description of Plan

The following description of North State Communications Employees' Savings Plus Plan (the "Plan") provides only general information. Participants may refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering certain employees of North State Telephone Company (the "Company") who have one year of service and are 21 or older. Effective January 1, 2012, the Plan was amended to recognize prior service completed by employees that had been employed by Data Chambers, LLC, a newly acquired subsidiary of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Participants may contribute from 2% to 30% of their pretax annual compensation, as defined in the Plan. The Company makes matching contributions to each participant's account of 25% of the individual participant's contribution, up to 6% of total compensation deferred by the participant. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants direct the investments of their contributions into various investment options offered by the Plan. The Plan is subject to certain statutory provisions.

Vesting

Participants are vested immediately in their participant contributions plus any earnings and appreciation thereon. For participants whose employment is terminated prior to normal retirement age for any reason other than death or disability, vesting in all Company contributions, plus earnings and appreciation, is in accordance with the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Years of vesting service are defined as all plan years during which a participant completes 1,000 or more hours of service to the Company.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

1. Description of Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of the Company's contributions and, plan earnings (losses), and charged with an allocation of any administrative expenses paid by the Plan. Allocations are based on investment fund balances comprising each participant's account.

Payment of Benefits

On termination of service, participants with less than \$1,000 receive a lump-sum distribution. Participants with balances greater than \$1,000 may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or may choose among other options provided for in the Plan.

Forfeited Amounts

As of December 31, 2013 and 2012, forfeited non-vested amounts totaled \$16,488 and \$8,292, respectively. These funds will be used to reduce future employer contributions.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right, under the Plan, to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100% vested in their employer contributions.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

2. Basis of Presentation and Summary of Significant Accounting Policies (continued)

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values in investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits.

Investment Valuation and Income Recognition

Investments are stated 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.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for plan benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in fully benefit-responsive investment contracts through its investments in a common collective trust. The statements of net assets available for plan benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statements of changes in net assets available for plan benefits are prepared using contract value.

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

Administrative Expenses

The Plan paid \$113,270 and \$100,510 for investment and accounting services during 2013 and 2012, respectively. These transactions qualify as party-in-interest transactions.

Payment of Benefits

Benefits are recorded when paid.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

3. Fair Value Measurements

U.S. GAAP 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 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs to the valuation methodology are unobservable. 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. No Level 3 inputs were used by the Plan, and Level 2 inputs were only used when Level 1 inputs were not available. The following tables present fair value measurement information for the Plan's investments:

As of December 31, 2013			
	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Total at Fair Value
Mutual funds:			
Value funds	\$ 14,543,023	\$ --	\$ 14,543,023
Growth funds	10,547,287	--	10,547,287
Bond fund	5,925,303	--	5,925,303
Balanced funds	2,681,888	--	2,681,888
Total mutual funds	33,697,501	--	33,697,501
Common collective trust	--	7,863,868	7,863,868
Total investments	\$ 33,697,501	\$ 7,863,868	\$ 41,561,369

As of December 31, 2012			
	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Total at Fair Value
Mutual funds:			
Value funds	\$ 7,572,730	\$ --	\$ 7,572,730
Growth funds	12,327,622	--	12,327,622
Bond fund	6,607,935	--	6,607,935
Balanced funds	3,620,208	--	3,620,208
Total mutual funds	30,128,495	--	30,128,495
Common collective trust	--	8,712,240	8,712,240
Total investments	\$ 30,128,495	\$ 8,712,240	\$ 38,840,735

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

3. Fair Value Measurements (continued)

Level 1 Fair Value Measurements - The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year end.

Level 2 Fair Value Measurements - The common collective trust fund is stated at fair value as determined by the issuer of the common collective trust fund based on the fair value of the underlying investments.

The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

4. Investments

Individual investments (all of which are participant directed and which have been certified by Branch Banking and Trust Company, the Plan's trustee) that represent 5% or more of the Plan's net assets available for plan benefits are separately identified in the following table:

	December 31,	
	2013	2012
Common collective trust:		
Wells Fargo Stable Value Fund C	\$ 7,863,868	\$ 8,712,240
Mutual funds:		
Vanguard Wellington Admiral Fund	6,884,401	6,607,935
JHancock Disciplined Value Fund	6,782,186	--
JPMorgan Large Cap Growth Fund	6,122,339	--
Pimco Total Return Fund	5,925,303	7,572,730
American Funds EuroPacific Growth	3,777,022	--
American Fundamental Investors Fund	--	5,996,273
American Growth Fund of America	--	5,535,430
American Capital World Growth and Income	--	3,000,590
All others < 5%	4,206,250	1,415,537
Total investments, at fair value	<u>\$ 41,561,369</u>	<u>\$ 38,840,735</u>

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

4. Investments (continued)

During 2013 and 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value \$4,913,592 and \$3,435,707, respectively as follows:

	2013		2012
Mutual funds	\$ 4,801,878	\$	3,336,488
Common collective trust	111,714		99,219
	<u>\$ 4,913,592</u>	<u>\$</u>	<u>3,435,707</u>

5. Unallocated Assets

As of December 31, 2013 and 2012, plan assets of approximately \$65,000 and \$57,000, respectively, had not yet been allocated to participants.

6. Income Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 13, 1993, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended since receiving the determination letter, 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.

U.S. GAAP requires the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. No such liabilities were present at December 31, 2013 or 2012. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

7. Reconciliation of Financial Statements to Schedule H of Form 5500

	December 31,	
	2013	2012
Net assets available for benefits per the financial statements	\$ 41,563,020	\$ 38,652,384
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	63,062	245,712
Net assets available for benefits per Form 5500	<u>\$ 41,626,082</u>	<u>\$ 38,898,096</u>

	Years Ended December 31,	
	2013	2012
Change in net assets per the financial statements	\$ 2,910,636	\$ 157,988
Change in the adjustment from contract value to fair value for fully benefit-responsive investment contracts	182,650	(248,549)
Net change per Form 5500	<u>\$ 2,727,986</u>	<u>\$ 406,537</u>

8. Subsequent Events

Management evaluated events and transactions after December 31, 2013 through July 10, 2014, the date the financial statements were available to be issued, for subsequent events.

The Plan's adoption agreement was restated effective January 1, 2014 to include company matching contributions of 100% of the first 3% of the individual participant's contributions, plus a percentage ranging from 50% to 100% of the next 2% to 3.5% of the contributions, depending on years of service, as summarized by the following table:

	<u>Years of Service</u>
100% of the first 3% of participant contributions,	Any
Plus,	
50% of the next 2.0 %	Less than 5
75% of the next 2.0 %	≥ 5 < 10
100% of the next 2.0%	≥ 10 < 15
100% of the next 2.5%	≥ 15 < 20
100% of the next 3.0%	≥ 20 < 25
100% of the next 3.5%	≥ 25

North State Communications Employees' Savings Plus Plan
Notes to Financial Statements
December 31, 2013 and 2012

9. Subsequent Events (continued)

Also effective as part of the January 1, 2014 restatement were amendments to remove the Plan's age requirement and reduce the service requirement to one month. Participant contribution provisions were amended to allow contributions from 1% to 100% of pretax annual compensation. Further, the Plan's six year vesting schedule on company contributions was removed, with 100% vesting for all participants on both prior and future company contributions.

No other subsequent events were noted.

SUPPLEMENTAL SCHEDULES

North State Communications Employees' Savings Plus Plan
Employer ID # 56-0341710 Plan # 002
Schedule H, Line 4i - Schedule of Assets Held for Investment Purposes at End of Year
December 31, 2013

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
Cash			
* Branch Banking and Trust Company	Cash account	\$ --	\$ 60,009
Mutual funds			
Vanguard Wellington Admiral Fund	Mutual fund	\$ --	\$ 6,884,401
JHancock Disciplined Value Fund	Mutual fund	--	6,782,186
JPMorgan Large Cap Growth Fund	Mutual fund	--	6,122,339
Pimco Total Return Fund	Mutual fund	--	5,925,303
American Funds EuroPacific Growth	Mutual fund	--	3,777,022
Fidelity Spartan Intl Indx Advtg	Mutual fund	--	1,431,294
Vanguard 500 Index Signal	Mutual fund	--	708,677
Vanguard Extended Market Idx Signal	Mutual fund	--	541,916
MFS Mid Cap Value	Mutual fund	--	534,643
Prudential Jennison Mid Cap Growth Q	Mutual fund	--	375,815
Target Small Capitalization Value T	Mutual fund	--	341,792
Eagle Small Cap Growth	Mutual fund	--	272,111
		\$ --	\$ 33,697,501
Common collective trust			
Wells Fargo Stable Value Fund C	Stable value	\$ --	\$ 7,863,868

* Indicates a party-in-interest to the Plan

Note: The above information was derived from information certified by the trustee. Cost information has been omitted for participant-directed funds.

North State Communications Employees' Savings Plus Plan
Employer ID # 56-0341710 Plan # 002
Schedule H, Line 4j Schedule of Reportable Transactions
Year Ended December 31, 2013

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or Loss
American Capital World Growth and Income	SELL	\$ --	\$ 40	\$ --	\$ --	\$ 2,597,014	\$ 3,150,406	\$ 553,392
American Fundamental Investors Fund	SELL	--	46	--	--	4,398,718	6,402,919	2,004,201
American Growth Fund of America	SELL	--	39	--	--	4,089,091	6,024,354	1,935,263
American Funds EuroPacific Growth	BUY	42	--	--	--	4,054,409	4,054,409	--
JPMorgan Large Cap Growth Fund	BUY	26	--	--	--	6,028,329	6,028,329	--
JHancock Disciplined Value Fund	BUY	17	--	--	--	6,406,893	6,406,893	--

Note: The above information was derived from information certified by the trustee.

North State Communications Employees' Savings Plus Plan
Employer ID # 56-0341710 Plan # 002
Schedule H, Line 4i - Schedule of Assets Held for Investment Purposes at End of Year
December 31, 2013

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
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