

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 <div style="text-align: center; font-size: 1.2em; font-weight: bold;">2013</div> <div style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</div>
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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 RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ▶	<div style="border: 1px solid black; padding: 2px; display: inline-block;">001</div>	
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>	1c Effective date of plan <u>02/10/1944</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>	

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.	10/06/2014	CRYSTAL W. TEDDER
	Signature of plan administrator	Date	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 NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS P.O. BOX 2326 HIGH POINT, NC 27261		3b Administrator's EIN 56-0341710
		3c Administrator's telephone number 336-886-3600
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		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	740
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	319
b Retired or separated participants receiving benefits	6b	301
c Other retired or separated participants entitled to future benefits.....	6c	88
d Subtotal. Add lines 6a , 6b , and 6c	6d	708
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	22
f Total. Add lines 6d and 6e	6f	730
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	
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: 1A 1I		
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) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

<div><div>SCHEDULE A</div><div>(Form 5500)</div><div>Department of the Treasury Internal Revenue Service</div><div>Department of Labor Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div>	<div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div>	<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection</div>
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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 RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
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	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier METROPOLITAN LIFE INS. CO.
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(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
13-5581829	65978	GAC 20566I	0	01/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

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	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	0
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:**a** State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**

a Type of contract: (1) ☒ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ INDEX TRACK BOND MASTER FUND

b Balance at the end of the previous year	7b	2500693
c Additions: (1) Contributions deposited during the year	7c(1)	7213002
(2) Dividends and credits	7c(2)	0
(3) Interest credited during the year	7c(3)	-52074
(4) Transferred from separate account	7c(4)	0
(5) Other (specify below)	7c(5)	0
▶ INTEREST ADJUSTMENT		
(6) Total additions	7c(6)	7160928
d Total of balance and additions (add lines 7b and 7c(6))	7d	9661621
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	0
(2) Administration charge made by carrier	7e(2)	0
(3) Transferred to separate account	7e(3)	0
(4) Other (specify below)	7e(4)	7850521
▶ WITHDRAWALS		
(5) Total deductions	7e(5)	7850521
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	1811100

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	
Specify nature of costs ▶		

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

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

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

A Name of plan <u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u>	D Employer Identification Number (EIN) <u>56-0341710</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2013</u>	
2 Assets:	
a Market value	2a <u>92985806</u>
b Actuarial value	2b <u>90794565</u>
3 Funding target/participant count breakdown:	
a For retired participants and beneficiaries receiving payment.....	3a <u>307</u> (1) Number of participants <u>74090469</u> (2) Funding Target
b For terminated vested participants.....	3b <u>86</u> <u>3126712</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>1550373</u>
(2) Vested benefits	3c(2) <u>23081324</u>
(3) Total active.....	3c(3) <u>347</u> <u>24631697</u>
d Total.....	3d <u>740</u> <u>101848878</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate	5 <u>6.61</u> %
6 Target normal cost	6 <u>1605003</u>

Statement by Enrolled Actuary

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

SIGN HERE		<u>10/01/2014</u>
Signature of actuary		Date
<u>ERIC E. MALACANE, EA, ASA, MAAA</u>		<u>14-07105</u>
Type or print name of actuary		Most recent enrollment number
<u>STANLEY, HUNT, DUPREE & RHINE</u>		<u>336-291-1143</u>
Firm name		Telephone number (including area code)
<u>7701 AIRPORT CENTER DRIVE</u> <u>MAILCODE 527-99-02-20</u> <u>GREENSBORO, NC 27409</u>		
Address of the firm		

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013
v. 130118

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	1029385
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	1029385
10 Interest on line 9 using prior year's actual return of <u>12.77</u> %	0	131452
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		107993
b Interest on (a) using prior year's effective interest rate of <u>6.95</u> % except as otherwise provided (see instructions)		7506
c Total available at beginning of current plan year to add to prefunding balance		115499
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections		850000
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	310837

Part III Funding Percentages		
14 Funding target attainment percentage	14	88.84 %
15 Adjusted funding target attainment percentage	15	88.84 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	90.17 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/11/2013	500000	0			
07/12/2013	1000000	0			
12/13/2013	1000000	0			
09/12/2014	4000000	0			
			Totals ►	18(b)	6500000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	5987867
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:				
a Segment rates:	1st segment: 5.23%	2nd segment: 6.51%	3rd segment: 7.16%	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	1605003	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	11365150	680167	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	2285170	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	2285170	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	5987867	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	3702697	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☒ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

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 <u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</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 Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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)

BLACKROCK INSTITUTIONAL TRUST CO

94-3112180

(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	NONE	334049	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BB&T INSURANCE SERVICES D/B/A SHDR

56-1623293

(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?
11	NONE	41044	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CAPTRUST FINANCIAL ADVISORS

26-0058143

(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	NONE	36060	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)

HIGH POINT BANK AND TRUST

56-0261570

(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	NONE	8674	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BAUKNIGHT, PIETRAS & STORMER, PA

57-0940019

(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	NONE	5000	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:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan 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 <div style="border: 1px solid black; text-align: center; padding: 5px; font-weight: bold; font-size: 1.2em;">2013</div> This Form is Open to Public Inspection.
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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 RETIREMENT PLAN	B Three-digit plan number (PN) ►	001

C Plan or DFE 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
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Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: NORTH STATE STRATEGY U/A

b Name of sponsor of entity listed in (a): BLACKROCK

c EIN-PN 56-0823017-001	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 80458004
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a Name of MTIA, CCT, PSA, or 103-12 IE: MONEY MARKET FUND

b Name of sponsor of entity listed in (a): BLACKROCK

c EIN-PN 94-6450621-001	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2
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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)
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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)
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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)
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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)
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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)
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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
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
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
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
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
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
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
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
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
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
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
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
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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 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 RETIREMENT PLAN</u>		B Three-digit plan number (PN) ► <u>001</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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	4000000
(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)	269561	596829
(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)	0	6603243
(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)		
(10) Value of interest in pooled separate accounts	1c(10)	76509156	80458006
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2500693	1811100
(15) Other.....	1c(15)	7144318	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	6562078	6339479
(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	92985806	99808657

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	92985806	99808657
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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)	6500000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6500000

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3	
(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)		3

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	685097	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		685097

(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)		

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	7835245	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		7835245

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		15020345

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7493116	
(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)		7493116
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	424827	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	4250	
(4) Other	2i(4)	275301	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		704378
j Total expenses. Add all expense amounts in column (b) and enter total	2j		8197494

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		6822851
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 & 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

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>		<div>Retirement Plan Information</div> <div>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).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2013</div> <div>This Form is Open to Public Inspection.</div>	
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 RETIREMENT PLAN				B Three-digit plan number (PN) ▶	001
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 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	0
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): 56-1823017					
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	0
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					
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.				Schedule R (Form 5500) 2013 v. 130118	

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 Telephone Company
Retirement Plan

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

North State Telephone Company Retirement 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 of the
North State Telephone Company Retirement Plan

We were engaged to audit the accompanying financial statements of the North State Telephone Company Retirement 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 Note 4, which was certified by BlackRock Institutional Trust Company, N.A. and High Point Bank and Trust Company, the custodians of certain assets of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedules. We have been informed by the plan administrator that the custodians hold certain of the Plan's investment assets and execute certain investment transactions. The plan administrator has obtained certifications from the custodians as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the custodians is complete and accurate.



To the Advisory Committee of the
North State Telephone Company Retirement 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, as listed in the table of contents, which are the responsibility of plan management, are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA 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 for 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 custodians, 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 Pictus + Stern, P.A.

August 27, 2014

North State Telephone Company Retirement Plan
Statements of Net Assets Available for Plan Benefits

	December 31,	
	2013	2012
Assets		
Investments at fair value:		
Cash and cash equivalents	\$ 596,829	\$ 269,561
Exchange-traded funds	6,603,243	7,144,318
Pooled separate account	80,458,006	76,509,156
Investment contract with insurance company	1,811,100	2,500,693
North State Telecommunications Corporation common and preferred stock	6,339,479	6,562,078
Total investments	95,808,657	92,985,806
 Employer contributions receivable	 4,000,000	 --
 Total assets	 99,808,657	 92,985,806
 Liabilities		
Total liabilities	--	--
 Net assets available for plan benefits	 \$ 99,808,657	 \$ 92,985,806

See accompanying notes.

North State Telephone Company Retirement 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	\$ 7,835,245	\$ 9,922,378
Interest and dividends	685,100	997,494
	<u>8,520,345</u>	<u>10,919,872</u>
Employer contributions	6,500,000	2,000,000
Total additions	<u>15,020,345</u>	<u>12,919,872</u>
Deductions from net assets attributed to:		
Benefits paid to participants	7,493,116	6,907,602
Administrative expenses	704,378	408,638
Total deductions	<u>8,197,494</u>	<u>7,316,240</u>
Net change	6,822,851	5,603,632
Net assets available for plan benefits, beginning	<u>92,985,806</u>	<u>87,382,174</u>
Net assets available for plan benefits, ending	<u><u>\$ 99,808,657</u></u>	<u><u>\$ 92,985,806</u></u>

See accompanying notes.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

1. Description of Plan

The following description of the North State Telephone Company Retirement 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 noncontributory, defined benefit plan covering employees of North State Telephone Company (the "Company") who meet certain eligibility requirements, utilizing the frozen initial liability method for valuations of pension benefits. Through April 4, 2012, employees became eligible to become participants following the later of the completion of a qualified year of service or the attainment of age twenty-one. In April 2012, the Company's Board of Directors voted to discontinue the Plan for employees hired or rehired after April 4, 2012. The Company serves as plan administrator. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Funding

Contributions to the Plan are made by the Company in amounts sufficient to fund the Plan's current service cost on a current basis and to fund the initial past service costs over a period from 10 to 40 years. Contribution requirements for 2013 were satisfied with a \$6.5 million employer contribution, of which \$4.0 million is included in employer contributions receivable at December 31, 2013. Contribution requirements for 2012 were satisfied with a \$2 million employer contribution.

Pension Benefits

Participants are generally entitled to an annual retirement benefit beginning at age 65. The annual benefit payable is equal to (a) the sum of 1.3% of the annual average earnings for the previous 60 consecutive calendar months out of the last 120 months which produce the highest average, plus (b) 0.65% of excess earnings over a specified compensation multiplied by the number of years of credited service, not to exceed 35 years. Participants who met certain age and service requirements as of January 1, 2007, became grandfathered in their pension benefits and are eligible to retire early without actuarial reduction for early commencement upon satisfaction of: (a) attainment of age 60 and 20 years of vesting service; or (b) attainment of age 55 and 25 years of vesting service; or (c) 30 years of vesting service. Non-grandfathered participants electing to retire before age 65 are subject to reduced benefits in accordance with the plan document. Benefits are payable under various annuity options specified in the Plan or by lump-sum distribution for benefits of \$1,000 or less.

Effective January 1, 2011, the Plan was amended to reduce future annual pension benefits from 1.3% to 1.0% of the annual average earnings used to calculate the benefit payable. In addition, overtime earnings were excluded from the definition of compensation used to determine benefit payments. Participants who, as of January 1, 2011, had (a) achieved at least 20 years of service or (b) the sum of their exact age and years of service equals or exceeds 65 were grandfathered into the existing formula and were not affected by the amendment.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

1. Description of Plan (continued)

Pension Benefits (continued)

Effective December 31, 2013, the Plan was amended to freeze the Plan's benefit accruals. As a result, a participant's individual retirement benefit may not exceed the participant's frozen accrued benefit as of December 31, 2013. Credited service earned by an employee after this date is disregarded, and in no event may a participant's credited service exceed the participant's cumulative credited service as of this date. Employees not already participating as of December 31, 2013 became formally excluded from future participation in the Plan.

Death and Disability Benefits

If a participant dies after being married for at least one year and after satisfying the vesting requirements, the surviving spouse will receive a survivor benefit. If the participant dies after satisfying the requirements for early retirement, the survivor benefit, commencing immediately, is equal to that which would have been paid had the employee retired on the first day of the month in which death occurred and had elected a joint and 100% survivor annuity option. If the participant dies prior to satisfying the requirements for early retirement, the survivor benefit, beginning when the participant would have reached earliest retirement age, is equal to that which would have been paid if the participant had terminated at the date of death, lived to the earliest retirement age, and then retired with a 50% joint and survivor benefit in effect. No disability benefits are payable under the Plan.

Vesting

Participants with less than five years of service have no vesting in their accrued benefits. Participants with five or more years of service are fully vested in their accrued benefits.

Plan Termination

Although the Company has not expressed any intent to discontinue its contributions, it is free to do so at any time. In the event of such termination of contributions, if the Plan's advisory committee deems it advisable to liquidate the funds and terminate the trust, the funds of the trust shall be allocated and applied to provide the accrued benefits under the Plan, among the participants based upon a priority allocation procedure. The amount to which each participant is entitled shall either be paid in cash, through the purchase of immediate (as regards retired or retirable participants) or deferred (as regards participants who are not then eligible for retirement) life annuities, or by periodic payments.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested, normal-age retirement benefits, and certain disability, and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a ceiling on the amount of an individual's monthly benefit.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

1. Description of Plan (continued)

Plan Termination (continued)

Whether all participants receive the benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide these benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents consist of funds held in money market accounts.

Investment Valuation and Income Recognition

During 2013 and 2012, the Plan's investments consisted of exchange-traded funds (held by High Point Bank and Trust Company, a custodian), a pooled separate account (North State Strategy Unitized Account), an investment contract with an insurance company (Metropolitan Life Insurance Company) and cash and cash equivalents (Goldman Sachs and High Point Bank and Trust), collectively "the Contract Holders." The Plan's investments also include North State Telecommunications Corporation common and preferred stock.

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 5 for discussion of fair value measurements.

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.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

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

Investment Valuation and Income Recognition (continued)

Investment securities, in general, are exposed to various risks, including interest rate, market, and credit risk. 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 the amounts reported in the statements of net assets available for plan benefits.

The Plan's investment contract in the Index Track Grand Central Bond Master Fund (the "Fund") is backed by the Metropolitan Life Insurance Company and does not represent any specific holding within the Fund's general account.

The North State Strategy Unitized Account holds a variety of investments including common/collective (pooled) trust funds which are managed and administered by BlackRock Institutional Trust Company, N.A. ("BlackRock"). Under certain circumstances, BlackRock may, in its sole discretion, choose temporarily not to allow or to limit the purchase or redemption of units of certain common/collective trust funds.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

3. Investments

Individual investments that represent 5% or more of the Plan's net assets available for plan benefits as of December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
* North State Strategy Unitized Account	\$ 80,458,006	\$ 76,509,156
* North State Telecommunications Corporation		
common and preferred stock	6,339,479	6,562,078
Other investments, less than 5%	<u>9,011,172</u>	<u>9,914,572</u>
Total investments at fair value	<u>\$ 95,808,657</u>	<u>\$ 92,985,806</u>

*Represents a party-in-interest

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

4. Information Certified by BlackRock and High Point Bank and Trust Company

The following is a summary of the unaudited information included in the Plan's financial statements and supplemental schedules as of December 31, 2013 and 2012 and for the years then ended. The plan administrator has obtained certifications from BlackRock and High Point Bank and Trust Company ("HPB") that such information is complete and accurate.

	2013	2012
Fair value of investments:		
Cash and cash equivalents (held at HPB)	\$ 596,829	\$ 269,561
Exchange-traded funds (held at HPB)	6,603,243	7,144,318
North State Strategy Unitized Account ("pooled separate account"; held at Blackrock)	80,458,006	76,509,156
	Years ended December 31,	
	2013	2012
Additions to net assets during the years ended:		
Net appreciation in fair value of investments	\$ 8,109,919	\$ 10,583,963
Interest and dividends	209,414	284,294

5. Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statements of net assets available for plan benefits.

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 and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

5. Fair Value Measurements (continued)

The following tables present fair value measurement information for the Plan's investments:

As of December 31, 2013				
	Quoted Market	Significant Other	Unobservable	Total - at
	Prices	Observable	Inputs	Fair Value
	(Level 1)	Inputs	(Level 3)	
		(Level 2)		
Cash and cash equivalents	\$ 596,829	\$ --	\$ --	\$ 596,829
Exchange-traded funds	6,603,243	--	--	6,603,243
Pooled separate account	--	80,458,006	--	80,458,006
Investment contract with insurance company	--	--	1,811,100	1,811,100
North State Telecommunications Corporation common and preferred stock	--	6,339,479	--	6,339,479
Total investments	\$ 7,200,072	\$ 86,797,485	\$ 1,811,100	\$ 95,808,657

As of December 31, 2012				
	Quoted Market	Significant Other	Unobservable	Total - at
	Prices	Observable	Inputs	Fair Value
	(Level 1)	Inputs	(Level 3)	
		(Level 2)		
Cash and cash equivalents	\$ 269,561	\$ --	\$ --	\$ 269,561
Exchange-traded funds	7,144,318	--	--	7,144,318
Pooled separate account	--	76,509,156	--	76,509,156
Investment contract with insurance company	--	--	2,500,693	2,500,693
North State Telecommunications Corporation common and preferred stock	--	6,562,078	--	6,562,078
Total investments	\$ 7,413,879	\$ 83,071,234	\$ 2,500,693	\$ 92,985,806

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

5. Fair Value Measurements (continued)

Level 1 Fair Value Measurements- The fair values of exchange-traded funds and corporate bonds and notes are determined by the Contract Holders using quoted market prices. Cash and cash equivalents are valued at cost which approximates fair value.

Level 2 Fair Value Measurements- The fair value of North State Telecommunications Corporation common and preferred stock is determined using the weighted average stock prices for transactions in the last 30 days of the year. The fair value of the North State Strategy Unitized Account is derived from the quoted market prices of the marketable securities underlying the funds in which the pooled separate account invests.

Level 3 Fair Value Measurements- The fair value of the investment contract approximates the book value determined by the contract issuer, Metropolitan Life Insurance Company. Book value is determined by adjusting the carrying value for current year deposits and withdrawals and then applying a rate of return equal to the Barclay's Aggregate Bond Index (-2.03% and 6.00% for the years ended December 31, 2013 and 2012, respectively) plus five basis points.

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.

The following table provides further details of the Level 3 fair value measurements.

	Years ended December 31,	
	2013	2012
Investment contract with insurance company		
Beginning balance	\$ 2,500,693	\$ 2,629,051
Total gains/(losses) (realized and unrealized)	(52,075)	92,373
Deposits	7,213,002	6,975,000
Withdrawals	(7,850,520)	(7,195,731)
Ending balance	<u>\$ 1,811,100</u>	<u>\$ 2,500,693</u>

Gains and losses (realized and unrealized) included in changes in net assets available for plan benefits are reported in net appreciation in fair value of investments.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

5. Fair Value Measurements (continued)

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) during 2013 and 2012 as follows:

	2013	2012
Investments at fair value determined by quoted market price:		
Corporate bonds and notes	\$ (177,229)	\$ 122,479
	<u>(177,229)</u>	<u>122,479</u>
Investments at estimated fair value:		
Investment contract with insurance company	(52,075)	92,373
Pooled separate account	8,287,148	10,461,484
North State Telecommunications Corporation common and preferred stock	(222,599)	(753,958)
	<u>8,012,474</u>	<u>9,799,899</u>
	<u>\$ 7,835,245</u>	<u>\$ 9,922,378</u>

6. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable to the Plan. Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on the actuarial equivalent of the balance of the participant's account as of the end of the month before the participant's termination of service. Benefits payable under all circumstances (retirement, death, and termination of employment) are included in accumulated benefits, to the extent they are deemed attributable to employee service rendered to the valuation date. The actuarial value of accumulated plan benefits is determined by the Plan's actuary.

The actuarial present value of accumulated plan benefits as of January 1, 2013 and 2012 (the latest valuation dates available) are summarized as follows:

	2013	2012
Vested benefits:		
Participants currently receiving payments	\$ 68,719,245	\$ 63,792,372
Other participants	23,764,149	27,048,581
Nonvested benefits	<u>1,402,019</u>	<u>1,426,507</u>
Total	<u>\$ 93,885,413</u>	<u>\$ 92,267,460</u>

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

6. Actuarial Present Value of Accumulated Plan Benefits (continued)

The changes in the actuarial present value of accumulated plan benefits as of January 1, 2013 and 2012 are attributed to the following:

	2013	2012
Beginning of year balance	\$ 92,267,460	\$ 90,730,930
Increase (decrease) during the year attributable to:		
Decrease in assumption period at 7.50%	6,665,707	6,562,990
Benefits paid	(6,907,602)	(6,567,520)
Assumption changes	(358,183)	(200,809)
Benefits accrued and experience gain	2,218,031	1,741,869
Net increase	1,617,953	1,536,530
End of year balance	\$ 93,885,413	\$ 92,267,460

Significant assumptions used by the enrolled actuary in the valuations as of January 1, 2013 and 2012 in determining the forgoing information include:

	2013	2012
Discount rate	7.50%	7.50%
Expected rate of return on assets	8.00%	8.00%
Mortality	2013 FMT	1994 UPM
Termination	Graduated rates	Graduated rates
Retirement	Graduated rates	Graduated rates

The Plan elected to amortize the 2010 shortfall amortization base over a 15-year period instead of the prior 7-year period as permitted by the Pension Relief Act of 2010. The change increased the actuarial present value of accumulated benefits by \$6,665,707 and \$6,562,990 at January 1, 2013 and 2012, respectively.

The interest and mortality rates assumed are consistent with the rates prescribed by the U.S. Treasury Department. A non-prescribed change affecting the 2013 plan year included updating the mortality table to reflect the Internal Revenue Service ("IRS") mortality table. Prior to 2013, the mortality table was based on the 1994 Uninsured Pension Mortality Table Projected to 2014 for Males and Females ("UPM"). For the 2013 plan year, the UPM was replaced with inputs from the 2013 Funding Mortality Table ("FMT"). The change to FMT decreased the actuarial present value of accumulated benefits by (\$358,183) at January 1, 2013. A non-prescribed change affecting the 2012 plan year included updating forms of payment to include optional forms of payment for joint and survivor and certain life annuities.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

6. Actuarial Present Value of Accumulated Plan Benefits (continued)

Previously it was assumed that all vested participants would elect to receive their benefits as a life annuity. These assumptions decreased the actuarial present value of accumulated benefits by (\$200,809) at January 1, 2012.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

7. Related Party Transactions

Plan investments include shares of North State Telecommunications Corporation common and preferred stock, as well as other investments managed by the Contract Holders. Ownership of North State Telecommunications Corporation stock qualifies as a party-in-interest transaction.

Fees paid to the Contract Holders totaling approximately \$343,000 and \$57,000 in 2013 and 2012, respectively, also qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA.

8. Administrative Expenses

The Plan paid approximately \$429,000 and \$159,000 for investment, actuarial, and accounting services during 2013 and 2012 respectively. The difference between the two years resulted from Blackrock billing a significant portion of the 2012 expenses in 2013. The Plan also paid PBGC insurance premiums of approximately \$275,000 and \$237,000 for 2013 and 2012, respectively.

9. Income Tax Status

The Plan obtained its latest determination letter on June 4, 2013, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States require 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. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. As such, no liabilities are recorded at December 31, 2012 and December 31, 2011, respectively. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2013 and 2012

10. Subsequent Events

Management evaluated events and transactions after December 31, 2013 through August 27, 2014, the date the financial statements were available to be issued, for subsequent events and determined that there were no events to report during that period.

SUPPLEMENTAL SCHEDULES

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held 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 and cash equivalents:			
*	High Point Bank and Trust	Money market	\$ 2,279	\$ 2,279
	Goldman Sachs Financial Square Prime Obligation	Money market	594,550	594,550
			596,829	596,829
	Exchange-traded funds:			
	PIMCO 0-5 Year High Yield Corp Bond ETF	9,092 units	942,742	967,025
	Powershares Senior Loan ETF	38,752 units	958,569	964,150
	Vanguard Short Term Corp ETF	16,710 units	1,345,484	1,333,124
	Goldman Sachs Strategic Income Fund	313,222 units	3,299,750	3,338,944
			6,546,545	6,603,243
	Pooled separate account (held by BlackRock):			
*	North State Strategy Unitized Asset Account	6,414,757 units	64,147,272	80,458,006
	Investment contract with insurance company:			
*	Metropolitan Life Insurance Company	Index Track Grand Central Bond Master Fund;		
	Contract #205661	1,811,100 units of participation	**	1,811,100
	Employer securities:			
*	North State Telecommunications Corporation	91,353 shares common stock	9,604,838	6,331,683
*	North State Telecommunications Corporation	162 shares preferred stock	7,796	7,796
			9,612,634	6,339,479
			**	\$ 95,808,657

* Indicates a party-in-interest to the Plan.

** Certain cost information not readily available.

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
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	(g) Cost of asset	(i) Net gain (loss)
* High Point Bank & Trust	Exchange - traded funds	\$ 7,873,028	\$ --	\$ 7,873,028	\$ --
* High Point Bank & Trust	Exchange - traded funds	--	8,193,350	8,193,350	--

* Indicates a party-in-interest to the Plan.

The transactions set forth herein are those involving securities of the same issue that, within the plan year, include series of transactions with respect to such securities that amount in the aggregate to more than 5% of the current value of plan assets.

Schedule of Active Participant Data

Age Group	Completed Years of Service											
	< 1 Yr.		1-4 Yrs.		5-9 Yrs.		10-14 Yrs.		15-19 Yrs.		20-24 Yrs.	
	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.
0-24	0		9		1		0		0		0	
25-29	0		13		11		1		0		0	
30-34	0		10		17		4		0		0	
35-39	0		8		14		15		3		0	
40-44	0		10		10		12		6		1	
45-49	0		10		8		18		7		5	
50-54	0		12		7		15		5		5	
55-59	0		9		4		9		6		2	
60-64	0		3		1		4		4		1	
65-69	0		0		1		1		1		0	
70+	0		0		0		0		0		0	
Total	0		84		74		79		32		14	

Age Group	Completed Years of Service											
	25-29 Yrs.		30-34 Yrs.		35-39 Yrs.		40 Yrs. +				Totals	
	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.	Avg. No.	Avg. Comp.			Avg. No.	Avg. Comp.
0-24	0		0		0		0				10	
25-29	0		0		0		0				25	
30-34	0		0		0		0				31	
35-39	0		0		0		0				40	
40-44	0		0		0		0				39	
45-49	4		0		0		0				52	
50-54	5		8		4		0				61	
55-59	1		9		17		0				57	
60-64	2		1		5		3				24	
65-69	2		0		0		2				7	
70+	0		0		0		1				1	
Total	14		18		26		6				347	

Statement of Actuarial Assumptions

Prescribed Interest Rates

Based on the applicable month of September.

Funding Target Interest Rates:

First Segment Rate (0 to 5 Years) 5.23%¹ (Prior year: 5.54%)

Second Segment Rate (5 to 20 Years) 6.51%⁶ (Prior year: 6.85%)

Third Segment Rate (over 20 Years) 7.16%⁶ (Prior year: 7.52%)

Effective Interest Rate: 6.61% (Prior year: 6.95%)

PBGC Variable Premium Rate (Alternative Basis) and Maximum

Deductible Contribution Limit:

First Segment Rate (for Liabilities Payable in 0 to 5 Years) 1.75% (Prior Year: 2.06%)

Second Segment Rate (for Liabilities Payable in 5 to 20 Years) 4.62% (Prior Year: 5.25%)

Third Segment Rate (for Liabilities Payable in 20 or More Years) 5.72% (Prior Year: 6.32%)

Salary Scale

Assumed future salary increases are based on age as follows:

Age	Percent
<25	4.00%
25-29	3.75%
30-34	3.50%
35-39	3.25%
40-44	3.00%
45-49	2.75%
50-54	2.50%
>=55	2.00%

Prescribed Mortality

Mortality is based on the IRS 2013 Funding Mortality Tables.

Assumed Retirement

Upon satisfaction of retirement eligibility, the following rates apply.

Age	Probability of Retirement	Age	Probability of Retirement
50-54	5%	62	25%
55	5%	63	30%
56	5%	64	35%
57	7%	65	40%
58	9%	66	45%
59	11%	67	50%
60	15%	68	60%
61	20%	69	80%
		70	100%

¹ HaTFA-14 segment rates

Statement of Actuarial Assumptions (continued)**Termination**

T-1 Graduated Rates (see table below for sample rates).

Age	Probability of Termination
25	4.89%
40	1.13%
55	0.00%

Disability

None assumed.

Form of Payment

55% of vested decrementing actives are assumed to elect a life annuity

40% of vested decrementing actives are assumed to elect a 15 year certain and life annuity

5% of vested decrementing actives are assumed to elect a 75% joint and survivor annuity

Marriage

Male spouses are assumed to be 4 years older than their wives.

It is assumed that 75% of male and 75% of female participants are married.

Expenses paid by Trust

Assumed based on administrative expenses paid from the trust in the prior year.

Covered Compensation

Covered Compensation is based on the 2013 Year Covered Compensation Table (\$12 rounding).

The Social Security Taxable Wage Base is assumed to increase at 2.50% per year.

IRS Limits

The IRS Maximum Benefit Limitation for the 2013 Plan Year is \$205,000.

The IRS Maximum Compensation Limitation for the 2013 Plan Year is \$255,000.

Census Data

- No future new entrants.
- No rehire of former employees.
- No liability is held for non-vested former employees even if a break-in-service has not occurred as of the valuation date.
- All Participants are assumed to work the same number of hours in future years as reported for the year preceding the valuation date.

Assumption Changes Since Prior Valuation

Interest rates were updated to reflect HaTFA-14 funding stabilization rates for the 2013 Minimum Required Contribution.

Statement of Actuarial Funding Method

Actuarial Cost Method

The minimum funding requirements of the Pension Protection Act of 2006 became effective on January 1, 2008. As a result, the Unit Credit cost method is now required to be used to determine the Funding Target and the Target Normal Cost. Under this cost method, a Funding Target (an actuarial liability) is calculated for each participant as of the valuation date equal to the present value of the accrued benefit (accrued benefits are assumed to be payable at decrement dates based on the Plan Provisions, using actual salary history and benefit accrual service as of the valuation date). The present value of the projected Funding Target, based on the expected accrued benefits as of the next valuation date, is also calculated. The individual participant's Target Normal Cost is equal to the excess, if any, of this amount over the Funding Target as of the current valuation date. Under this method, inactive participants have no Target Normal Cost, and their Funding Target is the present value of the plan benefits to which they and their beneficiaries are entitled. The Plan's total annual Target Normal Cost and Funding Target are the sum of the individual participant amounts. An estimate of plan expenses in the upcoming year is included in the Target Normal Cost.

In the first year in which the Adjusted Plan Assets (Actuarial Value of Assets, reduced by any retained credit balances), is less than the Funding Target, then a Shortfall Amortization Base must be established. This base is amortized over a 7-year period using the 1st and 2nd funding segment rates of the prescribed corporate bond yield curve. New Shortfall Amortization Bases are established each year based on the plan's funded status each year, and all bases are maintained until either fully amortized or until the Adjusted Plan Assets exceed the Funding Target. The plan sponsor elected funding relief which resulted in a 15-year amortization for the 2010 and 2011 years.

Actuarial Value of Assets

The Actuarial Value of Assets is determined using a three (3) year smoothing method. The Actuarial Value of Assets is equal to the average of the Market Values as of the current and previous two years' valuation dates, adjusted for intervening cash flows (including employer contributions, benefit payments, and administrative expenses). The Actuarial Value of Assets is limited to an amount that does not differ from the Market Value of Assets as of the Valuation Date by more than 10%.

Valuation Date

The Plan's valuation date is the first day of the Plan Year.

Changes Since the Prior Valuation

Interest rates were updated to reflect HaTFA-14 funding stabilization rates for the 2013 Minimum Required Contribution and Adjusted Funding Target Attainment Percentage.

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
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	(g) Cost of asset	(i) Net gain (loss)
* High Point Bank & Trust	Exchange - traded funds	\$ 7,873,028	\$ --	\$ 7,873,028	\$ --
* High Point Bank & Trust	Exchange - traded funds	--	8,193,350	8,193,350	--

* Indicates a party-in-interest to the Plan.

The transactions set forth herein are those involving securities of the same issue that, within the plan year, include series of transactions with respect to such securities that amount in the aggregate to more than 5% of the current value of plan assets.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

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

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

OMB No. 1210-0110

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

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

A Name of plan NORTH STATE COMMUNICATIONS RETIREMENT PLAN		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS		D Employer Identification Number (EIN) 56-0341710
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2013	
2 Assets:	
a Market value	2a 92985806
b Actuarial value	2b 90794565
3 Funding target/participant count breakdown:	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 307 74090469
b For terminated vested participants	3b 86 3126712
c For active participants:	
(1) Non-vested benefits	3c(1) 1550373
(2) Vested benefits	3c(2) 23081324
(3) Total active	3c(3) 347 24631697
d Total	3d 740 101848878
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐	
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 6.61%
6 Target normal cost	6 1605003

Statement by Enrolled Actuary

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

**SIGN
HERE**

Signature of actuary

ERIC E. MALACANE, EA, ASA, MAAA

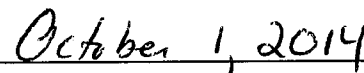
Type or print name of actuary

STANLEY, HUNT, DUPREE & RHINE

Firm name

7701 Airport Center Drive
Mailcode 527-99-02-20
GREENSBORO NC 27409

Address of the firm



Date

1407105

Most recent enrollment number

336-291-1143

Telephone number (including area code)

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

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013

Part II		Beginning of Year Carryover Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	1029385
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	1029385
10	Interest on line 9 using prior year's actual return of <u>12.77%</u>	0	131452
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		107993
b	Interest on (a) using prior year's effective interest rate of <u>6.95%</u> except as otherwise provided (see instructions).....		7506
c	Total available at beginning of current plan year to add to prefunding balance		115499
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections		850000
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	310837

Part III		Funding Percentages	
14	Funding target attainment percentage.....	14	88.84 %
15	Adjusted funding target attainment percentage	15	88.84 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	90.17 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/11/2013	500000	0			
07/12/2013	1000000	0			
12/13/2013	1000000	0			
09/12/2014	4000000	0			
			Totals ▶	18(b)	6500000 18(c) 0

a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	5987867

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If 20a is "Yes," see instructions and complete the following table as applicable:

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 5.23%	2nd segment: 6.51%	3rd segment: 7.16%
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....		27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	1605003
b Excess assets, if applicable, but not greater than line 31a		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		11365150	680167
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...		34	2285170
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....		36	2285170
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	5987867
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	3702697
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☒ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011	
42 Amount of acceleration adjustment		42 0	
43 Excess installment acceleration amount to be carried over to future plan years		43 0	

Schedule of Active Participant Data

Age Group	Completed Years of Service											
	< 1 Yr.		1-4 Yrs.		5-9 Yrs.		10-14 Yrs.		15-19 Yrs.		20-24 Yrs.	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
0-24	0		9		1		0		0		0	
25-29	0		13		11		1		0		0	
30-34	0		10		17		4		0		0	
35-39	0		8		14		15		3		0	
40-44	0		10		10		12		6		1	
45-49	0		10		8		18		7		5	
50-54	0		12		7		15		5		5	
55-59	0		9		4		9		6		2	
60-64	0		3		1		4		4		1	
65-69	0		0		1		1		1		0	
70+	0		0		0		0		0		0	
Total	0		84		74		79		32		14	

Age Group	Completed Years of Service											
	25-29 Yrs.		30-34 Yrs.		35-39 Yrs.		40 Yrs. +				Totals	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.			No.	Avg. Comp.
0-24	0		0		0		0				10	
25-29	0		0		0		0				25	
30-34	0		0		0		0				31	
35-39	0		0		0		0				40	
40-44	0		0		0		0				39	
45-49	4		0		0		0				52	
50-54	5		8		4		0				61	
55-59	1		9		17		0				57	
60-64	2		1		5		3				24	
65-69	2		0		0		2				7	
70+	0		0		0		1				1	
Total	14		18		26		6				347	

Statement of Actuarial Assumptions

Prescribed Interest Rates

Based on the applicable month of September.

Funding Target Interest Rates:

First Segment Rate (0 to 5 Years)	5.23% ¹	(Prior year: 5.54%)
Second Segment Rate (5 to 20 Years)	6.51% ⁶	(Prior year: 6.85%)
Third Segment Rate (over 20 Years)	7.16% ⁶	(Prior year: 7.52%)

Effective Interest Rate:

6.61% (Prior year: 6.95%)

PBGC Variable Premium Rate (Alternative Basis) and Maximum

Deductible Contribution Limit:

First Segment Rate (for Liabilities Payable in 0 to 5 Years)	1.75%	(Prior Year: 2.06%)
Second Segment Rate (for Liabilities Payable in 5 to 20 Years)	4.62%	(Prior Year: 5.25%)
Third Segment Rate (for Liabilities Payable in 20 or More Years)	5.72%	(Prior Year: 6.32%)

Salary Scale

Assumed future salary increases are based on age as follows:

Age	Percent
<25	4.00%
25-29	3.75%
30-34	3.50%
35-39	3.25%
40-44	3.00%
45-49	2.75%
50-54	2.50%
>=55	2.00%

Prescribed Mortality

Mortality is based on the IRS 2013 Funding Mortality Tables.

Assumed Retirement

Upon satisfaction of retirement eligibility, the following rates apply.

Age	Probability of Retirement	Age	Probability of Retirement
50-54	5%	62	25%
55	5%	63	30%
56	5%	64	35%
57	7%	65	40%
58	9%	66	45%
59	11%	67	50%
60	15%	68	60%
61	20%	69	80%
		70	100%

¹ HaTFA-14 segment rates

Statement of Actuarial Assumptions (continued)**Termination**

T-1 Graduated Rates (see table below for sample rates).

Age	Probability of Termination
25	4.89%
40	1.13%
55	0.00%

Disability

None assumed.

Form of Payment

55% of vested decrementing actives are assumed to elect a life annuity

40% of vested decrementing actives are assumed to elect a 15 year certain and life annuity

5% of vested decrementing actives are assumed to elect a 75% joint and survivor annuity

Marriage

Male spouses are assumed to be 4 years older than their wives.

It is assumed that 75% of male and 75% of female participants are married.

Expenses paid by Trust

Assumed based on administrative expenses paid from the trust in the prior year.

Covered Compensation

Covered Compensation is based on the 2013 Year Covered Compensation Table (\$12 rounding).

The Social Security Taxable Wage Base is assumed to increase at 2.50% per year.

IRS Limits

The IRS Maximum Benefit Limitation for the 2013 Plan Year is \$205,000.

The IRS Maximum Compensation Limitation for the 2013 Plan Year is \$255,000.

Census Data

- No future new entrants.
- No rehire of former employees.
- No liability is held for non-vested former employees even if a break-in-service has not occurred as of the valuation date.
- All Participants are assumed to work the same number of hours in future years as reported for the year preceding the valuation date.

Assumption Changes Since Prior Valuation

Interest rates were updated to reflect HaTFA-14 funding stabilization rates for the 2013 Minimum Required Contribution.

Statement of Actuarial Funding Method

Actuarial Cost Method

The minimum funding requirements of the Pension Protection Act of 2006 became effective on January 1, 2008. As a result, the Unit Credit cost method is now required to be used to determine the Funding Target and the Target Normal Cost. Under this cost method, a Funding Target (an actuarial liability) is calculated for each participant as of the valuation date equal to the present value of the accrued benefit (accrued benefits are assumed to be payable at decrement dates based on the Plan Provisions, using actual salary history and benefit accrual service as of the valuation date). The present value of the projected Funding Target, based on the expected accrued benefits as of the next valuation date, is also calculated. The individual participant's Target Normal Cost is equal to the excess, if any, of this amount over the Funding Target as of the current valuation date. Under this method, inactive participants have no Target Normal Cost, and their Funding Target is the present value of the plan benefits to which they and their beneficiaries are entitled. The Plan's total annual Target Normal Cost and Funding Target are the sum of the individual participant amounts. An estimate of plan expenses in the upcoming year is included in the Target Normal Cost.

In the first year in which the Adjusted Plan Assets (Actuarial Value of Assets, reduced by any retained credit balances), is less than the Funding Target, then a Shortfall Amortization Base must be established. This base is amortized over a 7-year period using the 1st and 2nd funding segment rates of the prescribed corporate bond yield curve. New Shortfall Amortization Bases are established each year based on the plan's funded status each year, and all bases are maintained until either fully amortized or until the Adjusted Plan Assets exceed the Funding Target. The plan sponsor elected funding relief which resulted in a 15-year amortization for the 2010 and 2011 years.

Actuarial Value of Assets

The Actuarial Value of Assets is determined using a three (3) year smoothing method. The Actuarial Value of Assets is equal to the average of the Market Values as of the current and previous two years' valuation dates, adjusted for intervening cash flows (including employer contributions, benefit payments, and administrative expenses). The Actuarial Value of Assets is limited to an amount that does not differ from the Market Value of Assets as of the Valuation Date by more than 10%.

Valuation Date

The Plan's valuation date is the first day of the Plan Year.

Changes Since the Prior Valuation

Interest rates were updated to reflect HaTFA-14 funding stabilization rates for the 2013 Minimum Required Contribution and Adjusted Funding Target Attainment Percentage.

North State Communications Retirement Plan
EIN/PN: 56-0341710/001

Actuarial Valuation as of January 1, 2013
Schedule SB, line 25 – Change in Method

Change in Method

Interest rates were updated to reflect HaTFA-14 funding stabilization rates for the 2013 Minimum Required Contribution and Adjusted Funding Target Attainment Percentage.

Schedule of Amortization Bases

Type	Date Established	Years Remaining	PV of Remaining Installments	Amortization Installment
1. Shortfall	01/01/2010	12	8,258,195	939,795
2. Shortfall	01/01/2011	13	9,955,991	1,075,581
3. Shortfall	01/01/2012	6	(8,320,755)	(1,582,908)
4. Shortfall	01/01/2013	7	1,471,719	247,699
Total Amortizations			\$11,365,150	\$680,167

Summary of Plan Provisions

General Information

Valuation Date	January 1, 2013
Original Effective Date	February 10, 1944
Effective Date of Last Amendment	April 4, 2012
Plan Year	January 1 to December 31
Employer Fiscal Year	January 1 to December 31
Employer ID Number	56-0341710
Plan Administrator's ID Number	56-0341710
Plan Number	001
Plan Administrator	Chairman of the Pension Committee

Eligibility Requirements

Each Employee becomes a Participant on the Plan Entry Date on or next following the attainment of age 21 years and completion of 1 Qualifying Year of Service.

Effective April 4, 2012, exclude employees hired or rehired after April 4, 2012 from participation in the plan.

Plan Entry Dates

An eligible Employee will participate in the Plan on the first of the month on or next following completion of the eligibility requirements.

Credited Service

Service prior to January 1, 1976: all completed years and months of continuous Service.
Service on or after January 1976: calendar years with at least 1,000 Hours of Service.

Compensation

Definition

Compensation is the total Compensation received by the Participant for the prior Plan Year including earnings deferred under qualified Employer sponsored plans. Excluded are amounts for other fringe benefits, moving expenses, automobile allowances, overtime (effective January 1, 2011), and taxable values of Employer paid group term life insurance.

Averaging

Highest average using 60 full consecutive calendar months within the last 120 months.

Vesting

All Participants shall be vested according to the following schedule:

Years of Service	Percent Vested
0	0
1	0
2	0
3	0
4	0
5	100

All Participants shall be 100% vested upon attainment of their Normal Retirement Age.

Summary of Plan Provisions (continued)

Vested Benefit

The Vested Benefit payable at Normal Retirement Date shall be the vested portion of the Accrued Benefit as of the date of determination.

If the Participant had met the service requirements for Early Retirement, but not the age requirement, at the election of the Participant, a reduced benefit would be payable at the Early Retirement Age.

Normal Retirement

Eligibility

The Normal Retirement Date for each Participant is the first of the month next following the later of the attainment of age 65, or the 5-year anniversary of Plan Participation.

Benefit

The amount of Annual Retirement Benefit payable in the Normal Annuity Form is calculated in the amount equal to the sum of (1) + (2) below:

(1) Grandfathered Group: (a) Participants who have completed at least 20 Years of Vesting Service or the sum of the Participant's exact age and completed Years of Vesting Service shall equal at least 65, as of January 1, 2011:

- 1.3% of Final Average Compensation (FAC), multiplied by the number of Years of Benefit Service,

Non-Grandfathered Group: (b) Participants who have not completed 20 Years of Vesting Service or the sum of the Participant's exact age and completed Years of Vesting Service is less than 65, as of January 1, 2011:

- 1.3% of Final Average Compensation (FAC), multiplied by the number of Years of Benefit Service earned as of January 1, 2011, plus
- 1.0% of Final Average Compensation (FAC), multiplied by the number of Years of Benefit Service earned after January 1, 2011,

(2) For all Participants

- 0.65% of Final Average Compensation (FAC) in excess of the applicable Covered Compensation, multiplied by the number of Years of Benefit Service, subject to a maximum of 35 years.

Covered Compensation is the average of Social Security Taxable Wage Base for the 35-year period ending at the Participant's Social Security Retirement Age.

Accrued Benefit

The Accrued Benefit, with respect to the formula above, as of any date, is calculated using actual Years of Benefit Service and Final Average Compensation as of the date of determination. In no event shall a Participant's Accrued Benefit be less than his Accrued Benefit determined as of May 6, 2011, based on the Plan provisions in effect on that date.

Delayed Retirement

Eligibility is the first of the month next following the actual date the Participant terminates employment after Normal Retirement Date. The benefit is based on Years of Benefit Service and Final Average Compensation as of the actual retirement date or the Actuarial Equivalent of the Normal Retirement Benefit, if greater.

Summary of Plan Provisions (continued)

Early Retirement

Eligibility

Eligibility is the earlier of (a) attainment of age 60 and the completion of 20 Years of Vesting Service, or (b) attainment of age 55 and the completion of 25 Years of Vesting Service, or (c) completion of 30 Years of Vesting Service.

Benefit (Grandfathered Group)

The Early Retirement Benefit is the Accrued Benefit, unreduced for early commencement. The integrated portion of Accrued Benefit is reduced to comply with permitted disparity rules. (This applies to all early retirement calculations including those without early reductions).

The Grandfathered Group is defined as Participants who, as of January 1, 2007, had either 20 Years of Vesting Service or whose age plus Years of Vesting Service was at least 65.

Benefit (Non-Grandfathered Group)

The Early Retirement Benefit is the greater of the Participant's Accrued Benefit as of January 1, 2007 or the Accrued Benefit actuarially reduced. The reduction is 1/180 for each of the first 60 months and 1/360 for each of the next 60 months by which the benefit commences prior to Normal Retirement Date.

Death Benefit

Eligibility

Eligibility is contingent upon the vesting date being reached and a minimum of 1 year of marriage.

Benefit

Benefit: A benefit computed assuming the Participant had terminated on date of death and had elected a 50% J&S Option (if Participant had satisfied the requirement for Early Retirement, then the elected option would be 100% J&S).

Type of Payment: Monthly Benefit, or lump sum if the Actuarially Equivalent present value of the Survivor's Benefit is \$1,000 or less.

Date of Payment: At what would have been the Participant's Earliest Retirement Age.

Post-retirement Death Benefits

Post-retirement Death Benefits are dependent upon the form of payment selected.

Methods of Payments

Under the Normal Form of payment, a Participant's retirement benefit is payable as a monthly annuity for life, without further payments after death. A Participant may elect to receive the benefit under one of the following Actuarially Equivalent optional modes:

- A reduced benefit is paid to the Participant for life, with 100%, 75% or 50% of such benefit continued after death for the subsequent lifetime of the designated contingent annuitant.
- A reduced benefit is paid to the Participant for life, with 240, 180, 120 or 60 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a Beneficiary until 240, 180, 120 or 60 have been paid.
- A lump sum payment of the Actuarial Equivalence of the Participant's retirement benefit, provided the amount does not exceed \$1,000.00.

Unless the Participant has elected an option above, it is automatically assumed that a married Participant has elected a Joint and Survivor option with one-half of the initial amount continued to the surviving Eligible Spouse as contingent annuitant.

Summary of Plan Provisions (continued)

Contributions

The entire cost of the Plan is borne by the Employer.

Amendments

The Employer reserves the right to amend the Plan at any time.

Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due. If the Plan is terminated, the Plan assets will be distributed among the Plan Participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

Changes Since Prior Valuation

The plan was amended effective April 4, 2012 to exclude employees hired or rehired after April 4, 2012 from participation in the plan.

Description of Weighted Average Retirement Age

The retirement assumption is graded by age, as follows:

		Conditional		First	Conditional	Number First
		Expected		Eligible to	Expected	Eligible to
	Annual	Retirement		Retire at	Retirement	Retire at
Age	Retirement	Age		Age	Age	Age
Under 50	0%	59.0		Under 50	59.0	2
50	5%	59.0		50	59.0	32
51	5%	59.5		51-54	60.1	12
52	5%	59.9		55	61.1	109
53	5%	60.4		56-59	61.9	27
54	5%	60.8		60	62.9	82
55	5%	61.1		61-64	64.4	12
56	5%	61.4		65	66.2	63
57	7%	61.7		66-69	68.1	7
58	9%	62.1		70	70.0	-
59	11%	62.5		71-74	72.5	1
60	15%	62.9		75	75.0	-
61	20%	63.4				
62	25%	64.0		Total		347
63	30%	64.7				
64	35%	65.4				
65	40%	66.2				
66	45%	67.0				
67	50%	67.7				
68	60%	68.5				
69	80%	69.2				
70	100%	70.0				
Weighted Average Retirement Age:					63	

Description of Weighted Average Retirement Age

The retirement assumption is graded by age, as follows:

		Conditional		First	Conditional	Number First
		Expected		Eligible to	Expected	Eligible to
	Annual	Retirement		Retire at	Retirement	Retire at
<u>Age</u>	<u>Retirement</u>	<u>Age</u>		<u>Age</u>	<u>Age</u>	<u>Age</u>
Under 50	0%	59.0		Under 50	59.0	2
50	5%	59.0		50	59.0	32
51	5%	59.5		51-54	60.1	12
52	5%	59.9		55	61.1	109
53	5%	60.4		56-59	61.9	27
54	5%	60.8		60	62.9	82
55	5%	61.1		61-64	64.4	12
56	5%	61.4		65	66.2	63
57	7%	61.7		66-69	68.1	7
58	9%	62.1		70	70.0	-
59	11%	62.5		71-74	72.5	1
60	15%	62.9		75	75.0	-
61	20%	63.4				
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64	35%	65.4				
65	40%	66.2				
66	45%	67.0				
67	50%	67.7				
68	60%	68.5				
69	80%	69.2				
70	100%	70.0				
	Weighted Average Retirement Age:				63	

Summary of Plan Provisions

General Information

Valuation Date	January 1, 2013
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Plan Number	001
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Eligibility Requirements

Each Employee becomes a Participant on the Plan Entry Date on or next following the attainment of age 21 years and completion of 1 Qualifying Year of Service.

Effective April 4, 2012, exclude employees hired or rehired after April 4, 2012 from participation in the plan.

Plan Entry Dates

An eligible Employee will participate in the Plan on the first of the month on or next following completion of the eligibility requirements.

Credited Service

Service prior to January 1, 1976: all completed years and months of continuous Service.

Service on or after January 1976: calendar years with at least 1,000 Hours of Service.

Compensation

Definition

Compensation is the total Compensation received by the Participant for the prior Plan Year including earnings deferred under qualified Employer sponsored plans. Excluded are amounts for other fringe benefits, moving expenses, automobile allowances, overtime (effective January 1, 2011), and taxable values of Employer paid group term life insurance.

Averaging

Highest average using 60 full consecutive calendar months within the last 120 months.

Vesting

All Participants shall be vested according to the following schedule:

Years of Service	Percent Vested
0	0
1	0
2	0
3	0
4	0
5	100

All Participants shall be 100% vested upon attainment of their Normal Retirement Age.

Summary of Plan Provisions (continued)

Vested Benefit

The Vested Benefit payable at Normal Retirement Date shall be the vested portion of the Accrued Benefit as of the date of determination.

If the Participant had met the service requirements for Early Retirement, but not the age requirement, at the election of the Participant, a reduced benefit would be payable at the Early Retirement Age.

Normal Retirement

Eligibility

The Normal Retirement Date for each Participant is the first of the month next following the later of the attainment of age 65, or the 5-year anniversary of Plan Participation.

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- 1.3% of Final Average Compensation (FAC), multiplied by the number of Years of Benefit Service,

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(2) For all Participants

- 0.65% of Final Average Compensation(FAC) in excess of the applicable Covered Compensation, multiplied by the number of Years of Benefit Service, subject to a maximum of 35 years.

Covered Compensation is the average of Social Security Taxable Wage Base for the 35-year period ending at the Participant's Social Security Retirement Age.

Accrued Benefit

The Accrued Benefit, with respect to the formula above, as of any date, is calculated using actual Years of Benefit Service and Final Average Compensation as of the date of determination. In no event shall a Participant's Accrued Benefit be less than his Accrued Benefit determined as of May 6, 2011, based on the Plan provisions in effect on that date.

Delayed Retirement

Eligibility is the first of the month next following the actual date the Participant terminates employment after Normal Retirement Date. The benefit is based on Years of Benefit Service and Final Average Compensation as of the actual retirement date or the Actuarial Equivalent of the Normal Retirement Benefit, if greater.

Summary of Plan Provisions (continued)

Early Retirement

Eligibility

Eligibility is the earlier of (a) attainment of age 60 and the completion of 20 Years of Vesting Service, or (b) attainment of age 55 and the completion of 25 Years of Vesting Service, or (c) completion of 30 Years of Vesting Service.

Benefit (Grandfathered Group)

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The Grandfathered Group is defined as Participants who, as of January 1, 2007, had either 20 Years of Vesting Service or whose age plus Years of Vesting Service was at least 65.

Benefit (Non-Grandfathered Group)

The Early Retirement Benefit is the greater of the Participant's Accrued Benefit as of January 1, 2007 or the Accrued Benefit actuarially reduced. The reduction is 1/180 for each of the first 60 months and 1/360 for each of the next 60 months by which the benefit commences prior to Normal Retirement Date.

Death Benefit

Eligibility

Eligibility is contingent upon the vesting date being reached and a minimum of 1 year of marriage.

Benefit

Benefit: A benefit computed assuming the Participant had terminated on date of death and had elected a 50% J&S Option (if Participant had satisfied the requirement for Early Retirement, then the elected option would be 100% J&S).

Type of Payment: Monthly Benefit, or lump sum if the Actuarially Equivalent present value of the Survivor's Benefit is \$1,000 or less.

Date of Payment: At what would have been the Participant's Earliest Retirement Age.

Post-retirement Death Benefits

Post-retirement Death Benefits are dependent upon the form of payment selected.

Methods of Payments

Under the Normal Form of payment, a Participant's retirement benefit is payable as a monthly annuity for life, without further payments after death. A Participant may elect to receive the benefit under one of the following Actuarially Equivalent optional modes:

- A reduced benefit is paid to the Participant for life, with 100%, 75% or 50% of such benefit continued after death for the subsequent lifetime of the designated contingent annuitant.
- A reduced benefit is paid to the Participant for life, with 240, 180, 120 or 60 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a Beneficiary until 240, 180, 120 or 60 have been paid.
- A lump sum payment of the Actuarial Equivalence of the Participant's retirement benefit, provided the amount does not exceed \$1,000.00.

Unless the Participant has elected an option above, it is automatically assumed that a married Participant has elected a Joint and Survivor option with one-half of the initial amount continued to the surviving Eligible Spouse as contingent annuitant.

Summary of Plan Provisions (continued)

Contributions

The entire cost of the Plan is borne by the Employer.

Amendments

The Employer reserves the right to amend the Plan at any time.

Generally, the Pension Benefit Guaranty Corporation reserves the right to terminate the Plan if the Employer fails to meet the minimum funding standards, or is unable to pay benefits when due. If the Plan is terminated, the Plan assets will be distributed among the Plan Participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law.

Changes Since Prior Valuation

The plan was amended effective April 4, 2012 to exclude employees hired or rehired after April 4, 2012 from participation in the plan.

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held 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 and cash equivalents:			
*	High Point Bank and Trust	Money market	\$ 2,279	\$ 2,279
	Goldman Sachs Financial Square Prime Obligation	Money market	594,550	594,550
			596,829	596,829
	Exchange-traded funds:			
	PIMCO 0-5 Year High Yield Corp Bond ETF	9,092 units	942,742	967,025
	Powershares Senior Loan ETF	38,752 units	958,569	964,150
	Vanguard Short Term Corp ETF	16,710 units	1,345,484	1,333,124
	Goldman Sachs Strategic Income Fund	313,222 units	3,299,750	3,338,944
			6,546,545	6,603,243
	Pooled separate account (held by BlackRock):			
*	North State Strategy Unitized Asset Account	6,414,757 units	64,147,272	80,458,006
	Investment contract with insurance company:			
*	Metropolitan Life Insurance Company Contract #205661	Index Track Grand Central Bond Master Fund; 1,811,100 units of participation	**	1,811,100
	Employer securities:			
*	North State Telecommunications Corporation	91,353 shares common stock	9,604,838	6,331,683
*	North State Telecommunications Corporation	162 shares preferred stock	7,796	7,796
			9,612,634	6,339,479
			**	\$ 95,808,657

* Indicates a party-in-interest to the Plan.

** Certain cost information not readily available.

Schedule of Amortization Bases

Type	Date Established	Years Remaining	PV of Remaining Installments	Amortization Installment
1. Shortfall	01/01/2010	12	8,258,195	939,795
2. Shortfall	01/01/2011	13	9,955,991	1,075,581
3. Shortfall	01/01/2012	6	(8,320,755)	(1,582,908)
4. Shortfall	01/01/2013	7	1,471,719	247,699
Total Amortizations			\$11,365,150	\$680,167

Change in Method

Interest rates were updated to reflect HaTFA-14 funding stabilization rates for the 2013 Minimum Required Contribution and Adjusted Funding Target Attainment Percentage.