

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.2em; font-weight: bold;">2014</div><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                                                                                                 |
| For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u> |                                                                                                                                                                                                                                                                                                                                                 |
| A This return/report is for:                                                                             | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) _____ |
| B This return/report is:                                                                                 | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).                                                                                                       |
| C If the plan is a collectively-bargained plan, check here. ....                                         | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                        |
| D Check box if filing under:                                                                             | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                                                                                                                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                                  |                                                             |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                                                                                                                                                                                                         |                                                                     |                                                                  |                                                             |  |
| <b>1a</b> Name of plan<br><u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>                                                                                                                                                                                                                                                                                                                                                                              | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/><u>02/10/1944</u></td> </tr> </table>                                                                        | <b>1b</b> Three-digit plan number (PN) ▶                            | <u>001</u>                                                       | <b>1c</b> Effective date of plan<br><u>02/10/1944</u>       |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>001</u>                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |                                                                  |                                                             |  |
| <b>1c</b> Effective date of plan<br><u>02/10/1944</u>                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                                  |                                                             |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u><br><br><div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <u>P.O. BOX 2326</u><br/> <u>HIGH POINT, NC 27261</u> </div> <div style="width: 45%;"> <u>111 N. MAIN STREET</u><br/> <u>HIGH POINT, NC 27261</u> </div> </div> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td><b>2b</b> Employer Identification Number (EIN)<br/><u>56-0341710</u></td> </tr> <tr> <td><b>2c</b> Plan Sponsor's telephone number<br/><u>336-886-3600</u></td> </tr> <tr> <td><b>2d</b> Business code (see instructions)<br/><u>517000</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table> | <b>2b</b> Employer Identification Number (EIN)<br><u>56-0341710</u> | <b>2c</b> Plan Sponsor's telephone number<br><u>336-886-3600</u> | <b>2d</b> Business code (see instructions)<br><u>517000</u> |  |
| <b>2b</b> Employer Identification Number (EIN)<br><u>56-0341710</u>                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                                  |                                                             |  |
| <b>2c</b> Plan Sponsor's telephone number<br><u>336-886-3600</u>                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                        |                                                                     |                                                                  |                                                             |  |
| <b>2d</b> Business code (see instructions)<br><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.

|                                                                                                            |                                                   |            |                                                              |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature. | 10/14/2015 | CRYSTAL W. TEDDER                                            |
|                                                                                                            | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | 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)                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor<br><br>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS<br><br>P.O. BOX 2326<br>HIGH POINT, NC 27261                                                                                                                                                                                                                      | <b>3b</b> Administrator's EIN<br>56-0341710<br><br><b>3c</b> Administrator's telephone number<br>336-886-3600                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>4</b> 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:<br><br><b>a</b> Sponsor's name                                                                                                                                                                                                                 | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                               | <b>5</b> 730                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year .....                                                                                                                                                                                                                                                                                                                                               | <b>6a(1)</b> 319                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                                                                                                                                                                                                                                     | <b>6a(2)</b> 280                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                                                                                                                                                                   | <b>6b</b> 306                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                                     | <b>6c</b> 101                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> . .....                                                                                                                                                                                                                                                                                                                                                         | <b>6d</b> 687                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....                                                                                                                                                                                                                                                                                                                            | <b>6e</b> 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> . .....                                                                                                                                                                                                                                                                                                                                                                             | <b>6f</b> 711                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                                                                                                                                                                       | <b>6g</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                            | <b>6h</b> 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                                                                                                                                                                   | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 1I<br><br><b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                              | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input checked="" type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                         |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input checked="" type="checkbox"/> <u>1</u> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

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

|                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                  |                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| <div><div><b>SCHEDULE A</b></div><div><b>(Form 5500)</b></div><div>Department of the Treasury<br/>Internal Revenue Service</div><div>Department of Labor<br/>Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div> | <div><b>Insurance Information</b></div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ <b>File as an attachment to Form 5500.</b></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><b>2014</b></div> <div><b>This Form is Open to Public Inspection</b></div> |
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|                                                                                                                                 |                                         |                                                             |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|
| For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014                                      |                                         |                                                             |
| <b>A</b> Name of plan<br>NORTH STATE COMMUNICATIONS RETIREMENT PLAN                                                             | <b>B</b> Three-digit plan number (PN) ▶ | 001                                                         |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS |                                         |                                                             |
|                                                                                                                                 |                                         | <b>D</b> Employer Identification Number (EIN)<br>56-0341710 |

|               |                                                                                                                                                                                                                                                     |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information Concerning Insurance Contract Coverage, Fees, and Commissions</b> 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. |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                |
|--------------------------------|
| <b>1</b> Coverage Information: |
|--------------------------------|

|                                                                    |
|--------------------------------------------------------------------|
| <b>(a)</b> Name of insurance carrier<br>METROPOLITAN LIFE INS. CO. |
|--------------------------------------------------------------------|

| (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                                                                           | 01/01/2014              | 12/31/2014 |

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>2</b> 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. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                             |                                      |
|---------------------------------------------|--------------------------------------|
| <b>(a)</b> Total amount of commissions paid | <b>(b)</b> Total amount of fees paid |
|                                             |                                      |

|                                                                                                              |
|--------------------------------------------------------------------------------------------------------------|
| <b>3</b> Persons receiving commissions and fees. (Complete as many entries as needed to report all persons). |
| <b>(a)</b> 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 |                       |
|                                               |                                 |             |                       |

|                                                                                                         |
|---------------------------------------------------------------------------------------------------------|
| <b>(a)</b> 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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**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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

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| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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

---

| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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

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| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> Purpose |                              |
|                                                      |                                 |                    |                              |

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

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| <b>(b)</b> Amount of sales and base commissions paid | Fees and other commissions paid |                    | <b>(e)</b> Organization code |
|------------------------------------------------------|---------------------------------|--------------------|------------------------------|
|                                                      | <b>(c)</b> Amount               | <b>(d)</b> 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.

|                                                                                                       |          |          |
|-------------------------------------------------------------------------------------------------------|----------|----------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end..... | <b>4</b> |          |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....  | <b>5</b> | <b>0</b> |

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

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier.....                                                                                                                                                                         | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year.....                                                                                                                                                   | <b>6c</b> |  |
| <b>d</b> 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. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**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>b</b> Balance at the end of the previous year..... | <b>7b</b> | <b>1811100</b> |
|-------------------------------------------------------|-----------|----------------|

|                                                                      |              |              |
|----------------------------------------------------------------------|--------------|--------------|
| <b>c</b> Additions: (1) Contributions deposited during the year..... | <b>7c(1)</b> | <b>0</b>     |
| (2) Dividends and credits .....                                      | <b>7c(2)</b> | <b>0</b>     |
| (3) Interest credited during the year .....                          | <b>7c(3)</b> | <b>24804</b> |
| (4) Transferred from separate account.....                           | <b>7c(4)</b> | <b>0</b>     |
| (5) Other (specify below) .....                                      | <b>7c(5)</b> | <b>0</b>     |

|                          |              |              |
|--------------------------|--------------|--------------|
| (6) Total additions..... | <b>7c(6)</b> | <b>24804</b> |
|--------------------------|--------------|--------------|

|                                                                                       |           |                |
|---------------------------------------------------------------------------------------|-----------|----------------|
| <b>d</b> Total of balance and additions (add lines <b>7b</b> and <b>7c(6)</b> ) ..... | <b>7d</b> | <b>1835904</b> |
|---------------------------------------------------------------------------------------|-----------|----------------|

**e** Deductions:

|                                                                           |              |                |
|---------------------------------------------------------------------------|--------------|----------------|
| (1) Disbursed from fund to pay benefits or purchase annuities during year | <b>7e(1)</b> | <b>0</b>       |
| (2) Administration charge made by carrier .....                           | <b>7e(2)</b> | <b>0</b>       |
| (3) Transferred to separate account.....                                  | <b>7e(3)</b> | <b>0</b>       |
| (4) Other (specify below) .....                                           | <b>7e(4)</b> | <b>1835904</b> |

|                           |              |                |
|---------------------------|--------------|----------------|
| (5) Total deductions..... | <b>7e(5)</b> | <b>1835904</b> |
|---------------------------|--------------|----------------|

|                                                                                                         |           |          |
|---------------------------------------------------------------------------------------------------------|-----------|----------|
| <b>f</b> Balance at the end of the current year (subtract line <b>7e(5)</b> from line <b>7d</b> ) ..... | <b>7f</b> | <b>0</b> |
|---------------------------------------------------------------------------------------------------------|-----------|----------|

**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:

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

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                |            |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier .....                                                                                                                                                          | <b>10a</b> |  |
| <b>b</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..... | <b>10b</b> |  |

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. ▶

|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                 |                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <div>SCHEDULE SB<br/>(Form 5500)<br/><br/>Department of the Treasury<br/>Internal Revenue Service<br/><br/>Department of Labor<br/>Employee Benefits Security Administration<br/><br/>Pension Benefit Guaranty Corporation</div> | <div>Single-Employer Defined Benefit Plan<br/>Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div> | <div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|

|                                                                                                                                     |                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014                                          |                                                                                                                                                  |
| 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<br>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<br>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS | D Employer Identification Number (EIN)<br>56-0341710                                                                                             |
| E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B  | F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500 |

|        |                                                                                                                                                                                                  |                            |                           |                          |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| Part I | Basic Information                                                                                                                                                                                |                            |                           |                          |
| 1      | Enter the valuation date: Month 01 Day 01 Year 2014                                                                                                                                              |                            |                           |                          |
| 2      | Assets:                                                                                                                                                                                          |                            |                           |                          |
| a      | Market value                                                                                                                                                                                     | 2a                         | 99634399                  |                          |
| b      | Actuarial value                                                                                                                                                                                  | 2b                         | 96751274                  |                          |
| 3      | Funding target/participant count breakdown                                                                                                                                                       | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| a      | For retired participants and beneficiaries receiving payment                                                                                                                                     | 320                        | 79639900                  | 79639900                 |
| b      | For terminated vested participants                                                                                                                                                               | 91                         | 3020853                   | 3020853                  |
| c      | For active participants                                                                                                                                                                          | 319                        | 22259502                  | 23577156                 |
| d      | Total                                                                                                                                                                                            | 730                        | 104920255                 | 106237909                |
| 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                          | 6.41%                     |                          |
| 6      | Target normal cost                                                                                                                                                                               | 6                          | 700128                    |                          |

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                                                                  |  | 10/06/2015                             |
| Signature of actuary                                                       |  | Date                                   |
| STEVEN M. BULL, EA, MAAA, FCA, MSPA                                        |  | 14-04786                               |
| Type or print name of actuary                                              |  | Most recent enrollment number          |
| STANLEY, HUNT, DUPREE & RHINE                                              |  | 336-291-1137                           |
| Firm name                                                                  |  | Telephone number (including area code) |
| 7701 AIRPORT CENTER DRIVE<br>MAILCODE 527-99-02-20<br>GREENSBORO, NC 27409 |  |                                        |
| Address of the firm                                                        |  |                                        |

| <b>Part II Beginning of Year Carryover and Prefunding Balances</b>                                                                                                   |                       |                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
|                                                                                                                                                                      | (a) Carryover balance | (b) Prefunding balance |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                                             | 0                     | 310837                 |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                          | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                                                | 0                     | 310837                 |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>9.48</u> % .....                                                                                 | 0                     | 29467                  |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                       |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                                                      |                       | 3702697                |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.61</u> % ..... |                       | 244748                 |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                 |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                        |                       | 3947445                |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                                                      |                       | 3947445                |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                    | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                                         | 0                     | 4287749                |

| <b>Part III Funding Percentages</b>                                                                                                                                        |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 87.03 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 87.03 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 88.84 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....                                        | <b>17</b> | %       |

| <b>Part IV Contributions and Liquidity Shortfalls</b>                                    |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/14/2014                                                                               | 500000                            | 0                               |                          |                                   |                                 |
| 07/14/2014                                                                               | 500000                            | 0                               |                          |                                   |                                 |
| 10/15/2014                                                                               | 500000                            | 0                               |                          |                                   |                                 |
| 01/14/2015                                                                               | 500000                            | 0                               |                          |                                   |                                 |
| 09/14/2015                                                                               | 500000                            | 0                               |                          |                                   |                                 |
|                                                                                          |                                   |                                 | <b>Totals ►</b>          | <b>18(b)</b>                      | 2500000                         |
|                                                                                          |                                   |                                 |                          | <b>18(c)</b>                      | 0                               |

|                                                                                                                                                                                       |            |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                                  |            |         |
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                                                                                  | <b>19a</b> | 0       |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                                    | <b>19b</b> | 0       |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....                                                               | <b>19c</b> | 2369917 |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                           |            |         |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                              |            |         |
| <b>b</b> If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |            |         |
| <b>c</b> If line 20a is "Yes," see instructions and complete the following table as applicable:                                                                                       |            |         |
| Liquidity shortfall as of end of quarter of this plan year                                                                                                                            |            |         |
| (1) 1st                                                                                                                                                                               | (2) 2nd    | (3) 3rd |
| 0                                                                                                                                                                                     | 0          | 0       |
|                                                                                                                                                                                       |            | (4) 4th |
|                                                                                                                                                                                       |            | 0       |

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

|                                                                                                                                                                                              |                        |                        |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                        |                        |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.99 % | 2nd segment:<br>6.32 % | 3rd segment:<br>6.99 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....                                                                                                                                                  |                        |                        |                        | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                        |                        |                        | <b>22</b> 63                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                        |                        |                        |                                                     |

**Part VI Miscellaneous Items**

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

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

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

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

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                            | <b>31a</b>          | 700128             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                 | 13774384            | 1060568            |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           | 0                  |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 1760696            |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                   | <b>36</b>           | 1760696            |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                   | <b>37</b>           | 2369917            |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 609221             |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

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

|                                                                                                |                                                                                                                                               |   |  |
|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                                               |   |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input checked="" type="checkbox"/> 15 years                                                          |   |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input checked="" type="checkbox"/> 2010 <input checked="" type="checkbox"/> 2011 |   |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                                                     | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                                                     | 0 |  |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>► <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2014</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

|                                                                                                                                        |                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>                                                             | <b>B</b> Three-digit plan number (PN) ► <u>001</u>                 |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u> | <b>D</b> Employer Identification Number (EIN)<br><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

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

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

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

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

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

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

BLACKROCK INSTITUTIONAL TRUST CO

94-3112180

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 21                     | NONE                                                                                              | 71002                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

LOOMIS SAYLES & COMPANY

04-3200030

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 28                     | NONE                                                                                              | 67131                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

BB&T INSURANCE SERVICES D/B/A SHDR

56-1623293

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 11                     | NONE                                                                                              | 54002                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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)

CAPTRUST FINANCIAL ADVISORS

26-0058143

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 27                     | NONE                                                                                              | 39516                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

BB&T

56-1074313

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 21                     | NONE                                                                                              | 23133                                                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

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

HIGH POINT BANK AND TRUST

56-0261570

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 21                     | NONE                                                                                              | 9785                                                                   | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                       |                                                                                                                                                                                 | Yes <input type="checkbox"/> No <input type="checkbox"/>                                     |

**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)

BAUKNIGHT, PIETRAS & STORMER, PA

57-0940019

| <b>(b)</b><br>Service Code(s) | <b>(c)</b><br>Relationship to employer, employee organization, or person known to be a party-in-interest | <b>(d)</b><br>Enter direct compensation paid by the plan. If none, enter -0-. | <b>(e)</b><br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | <b>(f)</b><br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | <b>(g)</b><br>Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | <b>(h)</b><br>Did the service provider give you a formula instead of an amount or estimated amount? |
|-------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 10                            | NONE                                                                                                     | 9422                                                                          | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                         | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                              |                                                                                                                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                            |

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

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

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

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

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

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

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(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<br>(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<br>(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)

|                                                                    |                                  |
|--------------------------------------------------------------------|----------------------------------|
| <b>a</b> Name: ERIC E. MALACANE                                    | <b>b</b> EIN: 56-1623293         |
| <b>c</b> Position: ACTUARY                                         |                                  |
| <b>d</b> Address: 7701 AIRPORT CENTER DRIVE<br>GREENBORO, NC 27409 | <b>e</b> Telephone: 336-291-1143 |
|                                                                    |                                  |

Explanation: INTERNAL (WITHIN SHDR) CHANGE IN ENROLLED ACTUARY ASSIGNED TO THE PLAN.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

|                                                                                                                                                                                                               |                                                                                                                                                                                                                              |                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE D</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small> | <b>DFE/Participating Plan Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><hr/> <b>2014</b><br><br><hr/> <b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

|                                                                                                                                               |                                                                    |            |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------|
| <b>A</b> Name of plan<br><u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>                                                                    | <b>B</b> Three-digit plan number (PN) <b>►</b>                     | <u>001</u> |
|                                                                                                                                               |                                                                    |            |
| <b>C</b> Plan or DFE sponsor's name as shown on line 2a of Form 5500<br><u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u> | <b>D</b> Employer Identification Number (EIN)<br><u>56-0341710</u> |            |

|               |                                                                                                                                                                                  |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b> | <b>Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)</b><br>(Complete as many entries as needed to report all interests in DFEs) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**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

|                                       |                               |                                                                                                              |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>56-0823017-001</u> | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MONEY MARKET FUND

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

|                                       |                               |                                                                                                              |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN <u>94-6450621-001</u> | <b>d</b> Entity code <u>P</u> | <b>e</b> Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u> |
|---------------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

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

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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):

|                 |                      |                                                                                                     |
|-----------------|----------------------|-----------------------------------------------------------------------------------------------------|
| <b>c</b> EIN-PN | <b>d</b> Entity code | <b>e</b> 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)**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  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>▶ File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2014</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                                          |
| <b>A</b> Name of plan<br><u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>                                                                                                                                                                                               |                                                                                                                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <span style="float: right;">▶</span> <u>001</u>                    |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u>                                                                                                                                   |                                                                                                                                                                                                                                                                              | <b>D</b> Employer Identification Number (EIN)<br><u>56-0341710</u>                                       |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------------|-----------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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 |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>                     |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                               |                       |                 |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>                  | 4000000               | 1000000         |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>                  |                       |                 |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>                  | 0                     | 414527          |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>                  | 596829                | 7277389         |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>                  | 0                     | 4979624         |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                               |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b>               |                       |                 |
| <b>(B)</b> All other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(B)</b>               | 6603243               | 30554275        |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                               |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b>               |                       |                 |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b>               |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>                  |                       |                 |
| <b>(6)</b> Real estate (other than employer real property).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(6)</b>                  |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>                  |                       |                 |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>                  |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(9)</b>                  |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>                 | 80458006              | 0               |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>                 |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(12)</b>                 |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>                 | 0                     | 48551333        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>                 | 1811100               | 0               |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>                 | 0                     | 0               |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 6339479               | 6156773         |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 99808657              | 98933921        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 99808657 | 98933921 |
|-----------------------------------------------------------|-----------|----------|----------|

**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: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 2500000    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 2500000   |

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

|                                                                                                      |                 |         |         |
|------------------------------------------------------------------------------------------------------|-----------------|---------|---------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 29295   |         |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> | 140885  |         |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> | 1107164 |         |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |         |         |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> |         |         |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |         |         |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |         | 1277344 |

|                                                                                           |                 |         |         |
|-------------------------------------------------------------------------------------------|-----------------|---------|---------|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |         |         |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> | 511104  |         |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> | 2121117 |         |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |         | 2632221 |

|                                                                                           |                 |        |        |
|-------------------------------------------------------------------------------------------|-----------------|--------|--------|
| (3) Rents .....                                                                           | <b>2b(3)</b>    |        |        |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> | 261964 |        |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> | 0      |        |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |        | 261964 |

|                                                                                                    |                 |         |         |
|----------------------------------------------------------------------------------------------------|-----------------|---------|---------|
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                 | <b>2b(5)(A)</b> |         |         |
| <b>(B)</b> Other .....                                                                             | <b>2b(5)(B)</b> | 1318360 |         |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> ..... | <b>2b(5)(C)</b> |         | 1318360 |

|                                                                                                |        | (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) |            | -530353   |
| c Other income.....                                                                            | 2c     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 7459536   |

**Expenses**

|                                                                                     |       |         |         |
|-------------------------------------------------------------------------------------|-------|---------|---------|
| e Benefit payment and payments to provide benefits:                                 |       |         |         |
| (1) Directly to participants or beneficiaries, including direct rollovers.....      | 2e(1) | 7723751 |         |
| (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) |         | 7723751 |
| 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) | 273991  |         |
| (2) Contract administrator fees.....                                                | 2i(2) |         |         |
| (3) Investment advisory and management fees.....                                    | 2i(3) |         |         |
| (4) Other.....                                                                      | 2i(4) | 336530  |         |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |         | 610521  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |         | 8334272 |

**Net Income and Reconciliation**

|                                                         |       |  |         |
|---------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | -874736 |
| 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  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |         |
| <b>4c</b>                                                                                                                                                                                                                     |     |    |         |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |         |
| <b>4d</b>                                                                                                                                                                                                                     |     |    |         |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 1000000 |
| <b>4e</b>                                                                                                                                                                                                                     |     |    |         |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |         |
| <b>4f</b>                                                                                                                                                                                                                     |     |    |         |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    |     | X  |         |
| <b>4g</b>                                                                                                                                                                                                                     |     |    |         |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          |     | X  |         |
| <b>4h</b>                                                                                                                                                                                                                     |     |    |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |         |
| <b>4i</b>                                                                                                                                                                                                                     |     |    |         |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... | X   |    |         |
| <b>4j</b>                                                                                                                                                                                                                     |     |    |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |         |
| <b>4k</b>                                                                                                                                                                                                                     |     |    |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |         |
| <b>4l</b>                                                                                                                                                                                                                     |     |    |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     | X  |         |
| <b>4m</b>                                                                                                                                                                                                                     |     |    |         |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      |     |    |         |
| <b>4n</b>                                                                                                                                                                                                                     |     |    |         |

**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)

|                         |                       |
|-------------------------|-----------------------|
| <b>6a</b> Name of trust | <b>6b</b> Trust's EIN |
|                         |                       |

|                                                                                                                                                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------|-----|
| <div>SCHEDULE R<br/>(Form 5500)<br/><div>Department of the Treasury<br/>Internal Revenue Service</div><div>Department of Labor<br/>Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></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>2014</div> <div>This Form is Open to Public Inspection.</div> |     |
| For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014                                                                                                                                                                                                                                                                           |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |
| A Name of plan<br>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<br>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS                                                                                                                                                                                                                                             |  |                                                                                                                                                                                                                                                                                                 |  | D Employer Identification Number (EIN)<br>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):<br><br>EIN(s): 56-1368984                                                                                                                 |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |
| 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)?..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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?..... <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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..... <input type="checkbox"/> Increase <input type="checkbox"/> Decrease <input type="checkbox"/> Both <input checked="" type="checkbox"/> 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? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                            |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |
| 11 a Does the ESOP hold any preferred stock? ..... <input type="checkbox"/> Yes <input type="checkbox"/> 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.)..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                        |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |
| 12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |
| For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.                                                                                                                                                                                                                                                                      |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |
| Schedule R (Form 5500) 2014 v. 140124                                                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                                                                                                                                                                 |  |                                                                                                 |     |

**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:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

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

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

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

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

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

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

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

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

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Financial Statements  
and Supplemental Schedules

North State Telephone Company  
Retirement Plan

*Years Ended December 31, 2014 and 2013  
with Report of Independent Auditors*

North State Telephone Company Retirement Plan  
Financial Statements  
and Supplemental Schedules  
Years Ended December 31, 2014 and 2013

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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, 2014 and 2013, 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 Branch Banking and Trust, BlackRock Institutional Trust Company, N.A. and High Point Bank and Trust Company, collectively 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 each 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, 2014 and 2013, 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 Richter + Starn, P.A.*

October 9, 2015

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

|                                                                          | December 31,  |               |
|--------------------------------------------------------------------------|---------------|---------------|
|                                                                          | 2014          | 2013          |
| <b>Assets</b>                                                            |               |               |
| Investments at fair value:                                               |               |               |
| Cash and cash equivalents                                                | \$ 7,277,389  | \$ 596,829    |
| Mutual funds and exchange-traded funds                                   | 48,551,333    | 6,603,243     |
| Pooled separate account                                                  | --            | 80,458,006    |
| Investment contract with insurance company                               | --            | 1,811,100     |
| U.S. Government securities                                               | 4,979,624     | --            |
| Corporate bonds and notes                                                | 30,554,275    | --            |
| North State Telecommunications Corporation<br>common and preferred stock | 6,156,773     | 6,339,479     |
| Total investments                                                        | 97,519,394    | 95,808,657    |
| Receivables:                                                             |               |               |
| Interest and dividends                                                   | 414,527       | --            |
| Employer contributions receivable                                        | 1,000,000     | 4,000,000     |
| Total receivables                                                        | 1,414,527     | 4,000,000     |
| Total assets                                                             | 98,933,921    | 99,808,657    |
| <b>Liabilities</b>                                                       |               |               |
| Total liabilities                                                        | --            | --            |
| Net assets available for plan benefits                                   | \$ 98,933,921 | \$ 99,808,657 |

See accompanying notes.

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

|                                                   | <b>Years Ended December 31,</b> |                             |
|---------------------------------------------------|---------------------------------|-----------------------------|
|                                                   | <b>2014</b>                     | <b>2013</b>                 |
| <b>Additions to net assets attributed to:</b>     |                                 |                             |
| Investment income:                                |                                 |                             |
| Net appreciation in fair value of investments     | \$ 1,049,971                    | \$ 7,835,245                |
| Interest and dividends                            | 3,909,565                       | 685,100                     |
|                                                   | <u>4,959,536</u>                | <u>8,520,345</u>            |
| Employer contributions                            | 2,500,000                       | 6,500,000                   |
| Total additions                                   | <u>7,459,536</u>                | <u>15,020,345</u>           |
| <b>Deductions from net assets attributed to:</b>  |                                 |                             |
| Benefits paid to participants                     | 7,723,751                       | 7,493,116                   |
| Administrative expenses                           | 610,521                         | 704,378                     |
| Total deductions                                  | <u>8,334,272</u>                | <u>8,197,494</u>            |
| Net change                                        | (874,736)                       | 6,822,851                   |
| Net assets available for plan benefits, beginning | <u>99,808,657</u>               | <u>92,985,806</u>           |
| Net assets available for plan benefits, ending    | <u><u>\$ 98,933,921</u></u>     | <u><u>\$ 99,808,657</u></u> |

See accompanying notes.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

**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 2014 were satisfied with a \$2.5 million employer contribution, of which \$1 million is included in employer contributions receivable at December 31, 2014. 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.

**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.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

**1. Description of Plan**

**Pension Benefits (continued)**

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.

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.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

**1. Description of Plan (continued)**

**Plan Termination (continued)**

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.

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.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

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

**Investment Valuation and Income Recognition**

At December 31, 2013, the Plan's investments consisted of mutual funds and exchange-traded funds held by High Point Bank and Trust Company ("HPB"), 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 HPB), collectively the "2013 Contract Holders". The Plan's investment contract in the Index Track Grand Central Bond Master Fund (the "Fund") was backed by the Metropolitan Life Insurance Company and did not represent any specific holding within the Fund's general account. The North State Strategy Unitized Account held a variety of investments including common/collective (pooled) trust funds which were managed and administered by BlackRock Institutional Trust Company, N.A. ("BlackRock").

During 2014, the Company transferred its investments to Branch Banking and Trust ("BB&T"). At December 31, 2014, the Plan's investments consisted of cash and cash equivalents, mutual funds, U.S. Government securities, and corporate bonds and notes (all held by BB&T). 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.

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.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

**3. Investments**

Individual investments that represent 5% or more of the Plan's net assets available for plan benefits as of December 31, 2014 and 2013 are as follows:

|                                              | <u>2014</u>          | <u>2013</u>          |
|----------------------------------------------|----------------------|----------------------|
| * North State Strategy Unitized Account      | \$ --                | \$ 80,458,006        |
| Vanguard Instl Index Fund                    | 13,785,237           | --                   |
| * BB&T money market account                  | 7,277,389            | --                   |
| American Europacific Growth Fund             | 6,529,466            | --                   |
| Vanguard Tot Int St Index Fund               | 6,352,335            | --                   |
| * North State Telecommunications Corporation |                      |                      |
| common and preferred stock                   | 6,156,773            | 6,339,479            |
| Neuberger Berman High Income Bond Fund       | 4,970,660            | --                   |
| Other investments, less than 5%              | 52,447,535           | 9,011,172            |
|                                              | <u>\$ 97,519,394</u> | <u>\$ 95,808,657</u> |
| Total investments at fair value              |                      |                      |

\*Represents a party-in-interest

**4. Information Certified by BB&T, BlackRock, and HPB**

The following is a summary of the unaudited information included in the Plan's financial statements and supplemental schedules as of December 31, 2014 and 2013 and for the years then ended. The plan administrator has obtained certifications from BB&T, BlackRock and HPB that such information is complete and accurate.

|                                                         | <u>2014</u>  | <u>2013</u> |
|---------------------------------------------------------|--------------|-------------|
| Fair value of investments:                              |              |             |
| Cash and cash equivalents (held at BB&T at              |              |             |
| December 31, 2014 and HPB at December 31, 2013)         | \$ 7,277,389 | \$ 596,829  |
| Mutual funds and exchange-traded funds (held at BB&T at |              |             |
| December 31, 2014 and HPB at December 31, 2013)         | 48,551,333   | 6,603,243   |
| North State Strategy Unitized Account ("pooled          |              |             |
| separate account"; held at Blackrock)                   | --           | 80,458,006  |
| U.S. Government securities (held at BB&T)               | 4,979,624    | --          |
| Corporate bonds and notes (held at BB&T)                | 30,554,275   | --          |

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

**4. Information Certified by BB&T, BlackRock, and HPB (continued)**

|                                                 | Years ended December 31, |              |
|-------------------------------------------------|--------------------------|--------------|
|                                                 | 2014                     | 2013         |
| Additions to net assets during the years ended: |                          |              |
| Net appreciation in fair value of investments   | \$ 1,232,677             | \$ 8,109,919 |
| Interest and dividends                          | 3,409,075                | 209,414      |

**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.

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

| As of December 31, 2014                                                        |                                      |                                                        |                                     |                          |
|--------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------------------|-------------------------------------|--------------------------|
|                                                                                | Quoted Market<br>Prices<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) | Total - at<br>Fair Value |
| Cash and cash equivalents                                                      | \$ 7,277,389                         | \$ --                                                  | \$ --                               | \$ 7,277,389             |
| Mutual funds                                                                   | 48,551,333                           | --                                                     | --                                  | 48,551,333               |
| U.S. Government securities                                                     | 4,979,624                            | --                                                     | --                                  | 4,979,624                |
| Corporate bonds and notes                                                      | --                                   | 30,554,275                                             | --                                  | 30,554,275               |
| North State<br>Telecommunications<br>Corporation common<br>and preferred stock | --                                   | 6,156,773                                              | --                                  | 6,156,773                |
| Total investments                                                              | \$ 60,808,346                        | \$ 36,711,048                                          | \$ --                               | \$ 97,519,394            |

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

**5. Fair Value Measurements (continued)**

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

*Level 1 Fair Value Measurements-* For the year ended December 31, 2014, the fair values of mutual funds and U.S. Government securities were determined by BB&T using quoted market prices. For the year ended December 31, 2013, the fair values of mutual funds and exchange-traded funds were determined by HPB using quoted market prices. Cash and cash equivalents are valued at cost which approximates fair value.

*Level 2 Fair Value Measurements-* For the years ended December 31, 2014 and 2013, the fair value of North State Telecommunications Corporation common and preferred stock was determined using the weighted average stock prices for transactions in the last 30 days of the year. For the year ended December 31, 2014, the fair value of corporate bonds and notes was derived from quoted market prices of similar assets. For the year ended December 31, 2013, the fair value of the North State Strategy Unitized Account was derived from the quoted market prices of the marketable securities underlying the funds in which the pooled separate account invested.

*Level 3 Fair Value Measurements-* For the year ended December 31, 2013, the fair value of the investment contract approximated the book value determined by the contract issuer, Metropolitan Life Insurance Company. Book value was determined by adjusting the carrying value for 2013 deposits and withdrawals and applying a rate of return equal to the Barclay's Aggregate Bond Index (-2.03% for the year ended December 31, 2013) plus five basis points. This contract was terminated during 2014.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

**5. Fair Value Measurements (continued)**

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.

|                                                | <b>Years ended December 31,</b> |              |
|------------------------------------------------|---------------------------------|--------------|
|                                                | <b>2014</b>                     | <b>2013</b>  |
| Investment contract with insurance company     |                                 |              |
| Beginning balance                              | \$ 1,811,100                    | \$ 2,500,693 |
| Total gains/(losses) (realized and unrealized) | --                              | (52,075)     |
| Interest                                       | 24,804                          | --           |
| Deposits                                       | --                              | 7,213,002    |
| Withdrawals                                    | (1,835,904)                     | (7,850,520)  |
| Ending balance                                 | \$ --                           | \$ 1,811,100 |

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, 2014 and 2013

**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 2014 and 2013 as follows:

|                                                                          | <b>2014</b>         | <b>2013</b>         |
|--------------------------------------------------------------------------|---------------------|---------------------|
| Investments at fair value determined by quoted market price:             |                     |                     |
| Mutual funds                                                             | \$ (543,872)        | \$ (177,229)        |
| U. S. Government securities                                              | 642,516             | --                  |
|                                                                          | <u>98,644</u>       | <u>(177,229)</u>    |
| Investments at estimated fair value:                                     |                     |                     |
| Investment contract with insurance company                               | --                  | (52,075)            |
| Pooled separate account                                                  | (167,150)           | 8,287,148           |
| Corporate bonds and notes                                                | 1,301,183           | --                  |
| North State Telecommunications Corporation<br>common and preferred stock | <u>(182,706)</u>    | <u>(222,599)</u>    |
|                                                                          | <u>951,327</u>      | <u>8,012,474</u>    |
|                                                                          | <u>\$ 1,049,971</u> | <u>\$ 7,835,245</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.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
December 31, 2014 and 2013

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

The actuarial present value of accumulated plan benefits as of January 1, 2014 and 2013 (the latest valuation dates available) are summarized as follows:

|                                           | <b>2014</b>          | <b>2013</b>          |
|-------------------------------------------|----------------------|----------------------|
| Vested benefits:                          |                      |                      |
| Participants currently receiving payments | \$ 72,820,023        | \$ 68,719,245        |
| Other participants                        | 22,365,686           | 23,764,149           |
| Nonvested benefits                        | <b>1,171,098</b>     | 1,402,019            |
| Total                                     | <b>\$ 96,356,807</b> | <b>\$ 93,885,413</b> |

The changes in the actuarial present value of accumulated plan benefits as of January 1, 2014 and 2013 are attributed to the following:

|                                                      | <b>2014</b>          | <b>2013</b>          |
|------------------------------------------------------|----------------------|----------------------|
| Beginning of year balance                            | \$ 93,885,413        | \$ 92,267,460        |
| Increase (decrease) during the year attributable to: |                      |                      |
| Decrease in assumption period at 7.50%               | 6,765,494            | 6,665,707            |
| Benefits paid                                        | (7,493,116)          | (6,907,602)          |
| Assumption changes                                   | 139,615              | (358,183)            |
| Benefits accrued and experience gain                 | <b>3,059,401</b>     | 2,218,031            |
| Net increase                                         | <b>2,471,394</b>     | 1,617,953            |
| End of year balance                                  | <b>\$ 96,356,807</b> | <b>\$ 93,885,413</b> |

Significant assumptions used by the enrolled actuary in the valuations as of January 1, 2014 and 2013 in determining the foregoing information include:

|                                   | <b>2014</b>     | <b>2013</b>     |
|-----------------------------------|-----------------|-----------------|
| Discount rate                     | 7.50%           | 7.50%           |
| Expected rate of return on assets | 8.00%           | 8.00%           |
| Mortality                         | 2014 FMT        | 2013 FMT        |
| Termination                       | Graduated rates | Graduated rates |
| Retirement                        | Graduated rates | Graduated rates |

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
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**6. Actuarial Present Value of Accumulated Plan Benefits (continued)**

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 \$6,765,494 and \$6,665,707 at January 1, 2014 and 2013, 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 2014 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 2013 Funding Mortality Table ("FMT"). For the 2014 plan year, the 2013 FMT was replaced with inputs from the 2014 FMT. The change to the 2014 FMT increased the actuarial present value of accumulated benefits by \$139,615 at January 1, 2014.

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 BB&T and the 2013 Contract Holders. Ownership of North State Telecommunications Corporation stock qualifies as a party-in-interest transaction.

Fees paid to BB&T and the 2013 Contract Holders totaling approximately \$104,000 in 2014 and \$343,000 in 2013, 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 \$274,000 and \$429,000 for investment, actuarial, and accounting services during 2014 and 2013 respectively. The difference between the two years resulted from Blackrock billing a significant portion of 2012 expenses in 2013. The Plan also paid PBGC insurance premiums of approximately \$337,000 and \$275,000 for 2014 and 2013, respectively.

North State Telephone Company Retirement Plan  
Notes to Financial Statements  
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**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. No such liabilities were present at December 31, 2014 or 2013. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

**10. Subsequent Events**

Management evaluated events and transactions after December 31, 2014 through October 9, 2015, the date the financial statements were available to be issued, for subsequent events and determined that there were no subsequent 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, 2014

| (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:                                   |                                                                                                            |              |                   |
| * Branch Banking and Trust                                   | Money market                                                                                               | \$ 7,275,423 | \$ 7,275,423      |
| * High Point Bank and Trust                                  | Money market                                                                                               | 1,966        | 1,966             |
|                                                              |                                                                                                            | 7,277,389    | 7,277,389         |
| Mutual funds and exchange-traded funds:                      |                                                                                                            |              |                   |
| American Europacific Growth Fund CL R6 Fund                  | 138,659 units                                                                                              | 6,803,171    | 6,529,466         |
| Avenue Credit Strategies Fund                                | 74,330 units                                                                                               | 876,346      | 800,529           |
| Columbia Acorn Fund-Y                                        | 80,303 units                                                                                               | 2,985,472    | 2,618,669         |
| Credit Suisse Commodity Return Strategy Istl SHS FD          | 451,019 units                                                                                              | 3,422,036    | 2,710,621         |
| Driehaus Even Driven Fund                                    | 79,417 units                                                                                               | 858,290      | 795,755           |
| Eagle Small Cap Growth Fund                                  | 17,626 units                                                                                               | 1,038,082    | 973,310           |
| Goldman Sachs Strategic Mid Cap Value CL I Fund              | 64,201 units                                                                                               | 2,852,099    | 2,669,462         |
| Hatteras Hedged Strategies-1                                 | 156,033 units                                                                                              | 1,749,113    | 1,669,557         |
| Neuberger Berman High Income Bond Fund                       | 555,381 units                                                                                              | 5,255,106    | 4,970,660         |
| Target Small Cap Value PT CL T                               | 39,339 units                                                                                               | 1,035,522    | 1,006,672         |
| Vanguard Instl Index Fund 94                                 | 73,065 units                                                                                               | 12,370,795   | 13,785,237        |
| Vanguard Reit Index Fund CL ADM                              | 31,952 units                                                                                               | 3,169,485    | 3,669,060         |
| Vanguard Tot Int ST IDX-ADM                                  | 244,321 units                                                                                              | 6,803,940    | 6,352,335         |
|                                                              |                                                                                                            | 49,219,457   | 48,551,333        |
| U.S. Government securities:                                  |                                                                                                            |              |                   |
| US Treasury Bond                                             | 3.75% bond, due 11/15/2043, maturity value \$ 2,395,000                                                    | 2,448,755    | 2,879,053         |
| US Treasury Bond                                             | 4.50% bond, due 02/15/2036, maturity value \$ 900,000                                                      | 1,113,060    | 1,200,447         |
| US Treasury Bond                                             | 2.38% bond, due 08/15/2024, maturity value \$ 535,000                                                      | 527,989      | 544,908           |
| US Treasury Bond                                             | 3.63% bond, due 02/15/2044, maturity value \$ 155,000                                                      | 165,278      | 182,404           |
| US Treasury Note                                             | 2.13% note, due 06/30/2021, maturity value \$ 95,000                                                       | 95,046       | 96,151            |
| US Treasury Bond                                             | 5.38% bond, due 02/15/2031, maturity value \$ 55,000                                                       | 72,935       | 76,661            |
|                                                              |                                                                                                            | 4,423,063    | 4,979,624         |
| Corporate bonds:                                             |                                                                                                            |              |                   |
| AT&T, Inc.                                                   | 3.00% bond, due 02/13/2022, maturity value \$ 355,000                                                      | 342,880      | 348,318           |
| AT&T, Inc.                                                   | 4.35% bond, due 06/15/2045, maturity value \$ 390,000                                                      | 341,062      | 367,673           |
| Ace INA Holding, Inc                                         | 2.70% bond, due 03/13/2023, maturity value \$ 180,000                                                      | 170,818      | 174,776           |
| Agilent Tech, Inc                                            | 6.50% bond, due 11/01/2017, maturity value \$ 16,000                                                       | 18,613       | 17,760            |
| Alabama Power Co                                             | 3.85% bond, due 12/01/2042, maturity value \$ 185,000                                                      | 169,490      | 187,744           |
| Albermarle Corp                                              | 4.15% bond, due 12/01/2024, maturity value \$ 35,000                                                       | 34,880       | 35,560            |
| Alcoa, Inc                                                   | 5.87% bond, due 02/23/2022, maturity value \$ 145,000                                                      | 155,131      | 160,386           |
| Alltell Corp                                                 | 6.80% bond, due 05/01/2029, maturity value \$ 140,000                                                      | 170,566      | 175,022           |
| Ally Financial, Inc                                          | 4.75% bond, due 09/10/2018, maturity value \$ 125,000                                                      | 133,688      | 129,375           |
| Altera Corp                                                  | 2.50% bond, due 11/15/2018, maturity value \$ 135,000                                                      | 136,629      | 135,860           |
| Altria Group, Inc                                            | 4.25% bond, due 08/09/2042, maturity value \$ 195,000                                                      | 169,669      | 186,870           |
| American International Group, Inc                            | 6.25% bond, due 05/01/2036, maturity value \$ 165,000                                                      | 202,655      | 213,824           |
| Amgen, Inc                                                   | 4.95% bond, due 10/01/2041, maturity value \$ 255,000                                                      | 255,714      | 273,322           |
| Anadarko Petroleum Corp                                      | 6.20% bond, due 03/15/2040, maturity value \$ 190,000                                                      | 216,762      | 222,576           |
| Anheuser-Busch Invbev                                        | 2.15% bond, due 02/01/2019, maturity value \$ 255,000                                                      | 257,823      | 256,028           |
| Archer Daniels Midland                                       | 5.94% bond, due 10/01/2032, maturity value \$ 95,000                                                       | 110,419      | 122,059           |
| Arrow Electronics, Inc                                       | 7.50% bond, due 01/15/2027, maturity value \$ 115,000                                                      | 139,278      | 140,936           |
| Avon Products, Inc                                           | 6.95% bond, due 03/15/2043, maturity value \$ 155,000                                                      | 150,426      | 127,875           |
| Baker Hughes, Inc                                            | 5.13% bond, due 09/15/2040, maturity value \$ 155,000                                                      | 173,766      | 170,016           |
| Bank of America Corp                                         | 5.70% bond, due 01/24/2022, maturity value \$ 450,000                                                      | 516,873      | 521,298           |
| Bank of America Corp                                         | 5.88% bond, due 02/07/2042, maturity value \$ 295,000                                                      | 338,713      | 369,151           |

North State Telephone Company Retirement Plan  
Employer ID # 56-0341710 Plan # 001  
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)  
December 31, 2014

| (a) (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value | (d) Cost | (e) Current<br>value |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------|----------------------|
| Corporate bonds (continued):                                 |                                                                                                               |          |                      |
| Berkshire Hathaway Fin                                       | 4.40% bond, due 05/15/2042, maturity value \$ 180,000                                                         | 171,227  | 193,606              |
| Berkshire Hathaway, Inc                                      | 3.00% bond, due 02/11/2023, maturity value \$ 175,000                                                         | 171,423  | 176,645              |
| Burlinton North Santa Fe                                     | 6.15% bond, due 05/01/2037, maturity value \$ 140,000                                                         | 166,030  | 184,261              |
| Cigna Corp                                                   | 4.00% bond, due 02/15/2022, maturity value \$ 165,000                                                         | 170,990  | 173,864              |
| CIT Group, Inc                                               | 5.00% bond, due 08/01/2023, maturity value \$ 85,000                                                          | 89,363   | 87,338               |
| CME Group, Inc                                               | 5.30% bond, due 09/15/2043, maturity value \$ 110,000                                                         | 122,199  | 133,285              |
| CSX Corp                                                     | 6.15% bond, due 05/01/2037, maturity value \$ 140,000                                                         | 167,335  | 181,076              |
| Cameron Intl Corp Corp                                       | 5.95% bond, due 06/01/2041, maturity value \$ 135,000                                                         | 152,728  | 149,328              |
| Capital One Bank USA NA                                      | 3.38% bond, due 02/15/2023, maturity value \$ 250,000                                                         | 242,392  | 248,610              |
| Caterpillar, Inc                                             | 5.20% bond, due 05/27/2041, maturity value \$ 235,000                                                         | 256,878  | 278,748              |
| Cisco Systems, Inc                                           | 5.50% bond, due 01/15/2040, maturity value \$ 105,000                                                         | 116,860  | 127,951              |
| Citigroup, Inc                                               | 4.50% bond, due 01/14/2022, maturity value \$ 240,000                                                         | 254,805  | 262,262              |
| Citigroup, Inc                                               | 5.88% bond, due 01/30/2042, maturity value \$ 145,000                                                         | 168,103  | 182,387              |
| Citigroup, Inc                                               | 4.95% bond, due 11/07/2043, maturity value \$ 165,000                                                         | 167,257  | 183,921              |
| Cleaveland Clinic Found                                      | 4.86% bond, due 01/01/2114, maturity value \$ 80,000                                                          | 80,000   | 82,220               |
| Comcast Corp                                                 | 5.65% bond, due 06/15/2035, maturity value \$ 310,000                                                         | 348,535  | 384,155              |
| Comcast Corp                                                 | 6.45% bond, due 03/15/2037, maturity value \$ 70,000                                                          | 87,406   | 93,129               |
| Comcast Corp                                                 | 3.13% bond, due 07/15/2022, maturity value \$ 175,000                                                         | 173,378  | 177,835              |
| Conocophillips Company                                       | 1.05% bond, due 12/15/2017, maturity value \$ 345,000                                                         | 343,296  | 340,587              |
| Constellation Brands, Inc                                    | 4.25% bond, due 05/01/2023, maturity value \$ 90,000                                                          | 91,203   | 89,325               |
| Continental Resources, Inc                                   | 5.00% bond, due 09/15/2022, maturity value \$ 130,000                                                         | 136,500  | 125,775              |
| Cox Communications, Inc                                      | 6.95% bond, due 01/15/2028, maturity value \$ 115,000                                                         | 134,012  | 141,720              |
| Devon Energy Corp                                            | 7.95% bond, due 04/15/2032, maturity value \$ 120,000                                                         | 165,348  | 165,414              |
| Dignity Health                                               | 5.27% bond, due 11/01/2064, maturity value \$ 160,000                                                         | 160,000  | 173,581              |
| Directv Holdings                                             | 6.00% bond, due 08/15/2040, maturity value \$ 115,000                                                         | 117,980  | 128,890              |
| Discovery Communications                                     | 6.35% bond, due 06/01/2040, maturity value \$ 155,000                                                         | 178,039  | 184,514              |
| Dominion Resources, Inc                                      | 7.00% bond, due 06/15/2038, maturity value \$ 130,000                                                         | 166,985  | 174,567              |
| Domtar Corporation                                           | 4.40% bond, due 04/01/2022, maturity value \$ 115,000                                                         | 117,092  | 118,034              |
| Duke Energy Carolinas                                        | 4.25% bond, due 12/15/2014, maturity value \$ 175,000                                                         | 174,820  | 188,032              |
| Eastman Chemical Co                                          | 3.60% bond, due 08/15/2022, maturity value \$ 120,000                                                         | 119,532  | 121,522              |
| Eaton Corp                                                   | 4.00% bond, due 11/02/2032, maturity value \$ 70,000                                                          | 66,361   | 71,201               |
| Ebay, Inc                                                    | 4.00% bond, due 07/15/2042, maturity value \$ 135,000                                                         | 116,914  | 120,192              |
| Energy Transfer Partners                                     | 6.05% bond, due 06/01/2041, maturity value \$ 135,000                                                         | 141,950  | 147,351              |
| Enterprise Products Oper                                     | 5.95% bond, due 02/01/2041, maturity value \$ 185,000                                                         | 206,974  | 217,503              |
| Exelon Generation Co, LLC                                    | 6.25% bond, due 10/01/2039, maturity value \$ 150,000                                                         | 159,288  | 180,161              |
| Fifth Third Bancorp                                          | 2.30% bond, due 03/01/2019, maturity value \$ 170,000                                                         | 170,447  | 170,255              |
| Florida Power & Light Co                                     | 4.05% bond, due 10/01/2044, maturity value \$ 185,000                                                         | 184,390  | 194,013              |
| Ford Motor Company                                           | 4.75% bond, due 01/15/2043, maturity value \$ 275,000                                                         | 260,796  | 290,158              |
| General Elec Cap Corp                                        | 5.88% bond, due 01/14/2038, maturity value \$ 590,000                                                         | 688,562  | 746,562              |
| General Elec Cap Corp                                        | 3.10% bond, due 01/09/2023, maturity value \$ 175,000                                                         | 170,347  | 177,186              |
| General Motors Co                                            | 6.25% bond, due 10/02/2043, maturity value \$ 75,000                                                          | 85,406   | 89,595               |
| Genworth Financial, Inc                                      | 6.50% bond, due 06/15/2034, maturity value \$ 20,000                                                          | 23,248   | 16,544               |
| Georgia-Pacific LLC                                          | 8.88% bond, due 05/15/2031, maturity value \$ 80,000                                                          | 116,455  | 123,981              |
| Gilead Sciences, Inc                                         | 4.50% bond, due 02/01/2045, maturity value \$ 135,000                                                         | 134,208  | 144,288              |
| Glaxosmithkline Cap, Inc                                     | 6.38% bond, due 05/15/2038, maturity value \$ 130,000                                                         | 165,441  | 173,094              |
| Goldman Sachs Group, Inc                                     | 5.95% bond, due 01/18/2018, maturity value \$ 225,000                                                         | 257,297  | 249,968              |
| Goldman Sachs Group, Inc                                     | 6.25% bond, due 02/01/2041, maturity value \$ 290,000                                                         | 341,629  | 366,600              |
| Goldman Sachs Group, Inc                                     | 3.63% bond, due 01/22/2023, maturity value \$ 260,000                                                         | 255,459  | 263,281              |
| Google, Inc                                                  | 3.38% bond, due 02/25/2024, maturity value \$ 280,000                                                         | 279,952  | 291,427              |
| HCA, Inc                                                     | 5.88% bond, due 05/01/2023, maturity value \$ 50,000                                                          | 51,438   | 52,688               |
| Hartford Finl Svcs Group                                     | 6.63% bond, due 03/30/2040, maturity value \$ 65,000                                                          | 80,685   | 87,505               |

North State Telephone Company Retirement Plan  
Employer ID # 56-0341710 Plan # 001  
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)  
December 31, 2014

| (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 |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------|-------------------|
| Corporate bonds (continued):                                 |                                                                                                            |          |                   |
| Hasbro, Inc                                                  | 6.35% bond, due 03/15/2040, maturity value \$ 150,000                                                      | 171,743  | 183,621           |
| Health Care REIT, Inc                                        | 6.50% bond, due 03/15/2041, maturity value \$ 75,000                                                       | 92,118   | 98,556            |
| Hewlett-Packard Co                                           | 2.75% bond, due 01/14/2019, maturity value \$ 115,000                                                      | 116,853  | 115,147           |
| Home Depot, Inc                                              | 2.70% bond, due 04/01/2023, maturity value \$ 180,000                                                      | 170,242  | 178,367           |
| ING US, Inc                                                  | 5.50% bond, due 07/15/2022, maturity value \$ 105,000                                                      | 117,408  | 118,610           |
| Intel Corp                                                   | 4.80% bond, due 10/01/2041, maturity value \$ 165,000                                                      | 167,685  | 181,210           |
| Intl Paper Co                                                | 7.30% bond, due 11/15/2039, maturity value \$ 130,000                                                      | 169,959  | 172,368           |
| JPMorgan Chase & Co                                          | 3.38% bond, due 05/01/2023, maturity value \$ 180,000                                                      | 170,746  | 178,076           |
| JPMorgan Chase & Co                                          | 1.63% bond, due 05/15/2018, maturity value \$ 260,000                                                      | 257,351  | 257,140           |
| JPMorgan Chase & Co                                          | 4.85% bond, due 02/01/2044, maturity value \$ 510,000                                                      | 516,771  | 565,743           |
| Jefferies Group, LLC                                         | 6.25% bond, due 01/15/2036, maturity value \$ 190,000                                                      | 191,340  | 186,726           |
| Johnson Controls, Inc                                        | 4.95% bond, due 07/02/2064, maturity value \$ 75,000                                                       | 74,923   | 77,323            |
| KLA-Tencor Corp                                              | 5.65% bond, due 11/01/2034, maturity value \$ 45,000                                                       | 44,872   | 47,742            |
| Kinder Morgan Ener Part                                      | 6.50% bond, due 09/01/2039, maturity value \$ 150,000                                                      | 168,281  | 166,934           |
| Kraft Foods, Inc                                             | 6.50% bond, due 02/09/2040, maturity value \$ 140,000                                                      | 174,329  | 186,582           |
| Kraft Foods, Inc                                             | 6.88% bond, due 01/26/2039, maturity value \$ 135,000                                                      | 172,371  | 178,438           |
| Kroger Co                                                    | 5.40% bond, due 07/15/2040, maturity value \$ 115,000                                                      | 120,693  | 131,843           |
| L Brands, Inc                                                | 5.63% bond, due 10/15/2023, maturity value \$ 80,000                                                       | 83,300   | 86,400            |
| Lowe's Companies, Inc                                        | 4.65% bond, due 04/15/2042, maturity value \$ 85,000                                                       | 84,548   | 94,540            |
| Macy's Retail Hldgs, Inc                                     | 3.88% bond, due 01/15/2022, maturity value \$ 65,000                                                       | 67,213   | 67,559            |
| Marathon Petroleum Corp                                      | 5.00% bond, due 09/15/2054, maturity value \$ 130,000                                                      | 128,401  | 122,417           |
| Mattel, Inc                                                  | 6.20% bond, due 10/01/2040, maturity value \$ 170,000                                                      | 193,586  | 204,782           |
| Macy's Retail Hldgs, Inc                                     | 6.70% bond, due 07/15/2034, maturity value \$ 100,000                                                      | 119,742  | 127,840           |
| McKesson Corp                                                | 2.70% bond, due 12/22/2022, maturity value \$ 110,000                                                      | 103,470  | 105,244           |
| McKesson Corp                                                | 6.00% bond, due 03/01/2041, maturity value \$ 55,000                                                       | 63,511   | 68,039            |
| Medtronic, Inc                                               | 5.55% bond, due 03/15/2040, maturity value \$ 105,000                                                      | 120,430  | 123,704           |
| Merck & Co, Inc                                              | 2.80% bond, due 05/18/2023, maturity value \$ 180,000                                                      | 171,049  | 178,749           |
| Metlife, Inc                                                 | 5.70% bond, due 09/15/2037, maturity value \$ 105,000                                                      | 119,811  | 130,850           |
| Berkshire Hathawy Energy Co                                  | 6.50% bond, due 09/15/2037, maturity value \$ 140,000                                                      | 172,570  | 183,231           |
| Morgan Stanley                                               | 4.35% bond, due 09/08/2026, maturity value \$ 105,000                                                      | 104,815  | 105,628           |
| Morgan Stanley                                               | 5.50% bond, due 07/28/2021, maturity value \$ 150,000                                                      | 170,403  | 170,232           |
| Morgan Stanley                                               | 6.38% bond, due 07/24/2042, maturity value \$ 425,000                                                      | 515,491  | 564,410           |
| NYU Hospitals Center                                         | 4.79% bond, due 07/01/2044, maturity value \$ 130,000                                                      | 130,000  | 136,735           |
| Nabors Industries, Inc                                       | 5.00% bond, due 09/15/2020, maturity value \$ 160,000                                                      | 170,621  | 157,147           |
| NBCUniversal Media, LLC                                      | 4.38% bond, due 04/01/2021, maturity value \$ 90,000                                                       | 98,114   | 98,982            |
| 21st Century Fox America                                     | 6.15% bond, due 03/01/2037, maturity value \$ 150,000                                                      | 171,635  | 187,997           |
| Nisource Finance Corp                                        | 6.25% bond, due 12/15/2040, maturity value \$ 65,000                                                       | 73,061   | 83,793            |
| Noble Energy, Inc                                            | 6.00% bond, due 03/01/2041, maturity value \$ 130,000                                                      | 147,419  | 142,875           |
| Novartis Capital Corp                                        | 2.40% bond, due 09/21/2022, maturity value \$ 180,000                                                      | 169,684  | 177,190           |
| Old Republic International Corp                              | 4.88% bond, due 10/01/2024, maturity value \$ 75,000                                                       | 74,624   | 78,290            |
| Omnicom Group, Inc                                           | 3.65% bond, due 11/01/2024, maturity value \$ 40,000                                                       | 39,874   | 40,018            |
| Oncor Electric Delivery                                      | 7.00% bond, due 09/01/2022, maturity value \$ 135,000                                                      | 167,981  | 170,998           |
| Oneok Partners LP                                            | 3.38% bond, due 10/01/2022, maturity value \$ 140,000                                                      | 134,855  | 129,592           |
| Oracle Corp                                                  | 3.63% bond, due 07/15/2023, maturity value \$ 170,000                                                      | 171,498  | 178,281           |
| Pacific Gas & Electric                                       | 5.40% bond, due 01/15/2040, maturity value \$ 155,000                                                      | 169,590  | 183,216           |
| Pepsico, Inc                                                 | 4.25% bond, due 10/22/2014, maturity value \$ 45,000                                                       | 44,939   | 46,964            |
| Phillip Morris Intl, Inc                                     | 4.38% bond, due 11/15/2041, maturity value \$ 175,000                                                      | 164,941  | 180,740           |
| Phillips 66                                                  | 5.88% bond, due 05/01/2042, maturity value \$ 115,000                                                      | 134,824  | 132,434           |
| Phillips 66                                                  | 4.65% bond, due 11/15/2034, maturity value \$ 90,000                                                       | 88,870   | 92,250            |
| Pioneer Nat Res Co                                           | 7.20% bond, due 01/15/2028, maturity value \$ 95,000                                                       | 120,762  | 116,642           |
| Polyone Corp                                                 | 5.25% bond, due 03/15/2023, maturity value \$ 85,000                                                       | 85,850   | 84,943            |

North State Telephone Company Retirement Plan  
Employer ID # 56-0341710 Plan # 001  
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)  
December 31, 2014

| (a) (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value | (d) Cost   | (e) Current<br>value |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------|----------------------|
| Corporate bonds (continued):                                 |                                                                                                               |            |                      |
| Prudential Financial, Inc                                    | 6.63% bond, due 12/01/2037, maturity value \$                                                                 | 135,000    | 168,422              |
| Republic Services, Inc                                       | 5.70% bond, due 05/15/2041, maturity value \$                                                                 | 150,000    | 171,351              |
| Rock-Tenn Co                                                 | 4.90% bond, due 03/01/2022, maturity value \$                                                                 | 160,000    | 172,291              |
| San Diego Gas & Electric Company                             | 5.35% bond, due 05/15/2040, maturity value \$                                                                 | 130,000    | 149,573              |
| Southern Cal Edison                                          | 6.05% bond, due 03/15/2039, maturity value \$                                                                 | 135,000    | 167,141              |
| Southern Natural Gas                                         | 7.35% bond, due 02/15/2031, maturity value \$                                                                 | 95,000     | 118,471              |
| Sunoco Logistics Partner                                     | 5.35% bond, due 05/15/2045, maturity value \$                                                                 | 150,000    | 148,997              |
| Time Warner, Inc                                             | 6.50% bond, due 11/15/2036, maturity value \$                                                                 | 145,000    | 169,115              |
| Time Warner Cable, Inc                                       | 7.30% bond, due 07/01/2038, maturity value \$                                                                 | 40,000     | 49,970               |
| Time Warner Cable, Inc                                       | 6.75% bond, due 06/15/2039, maturity value \$                                                                 | 45,000     | 53,128               |
| Time Warner Cable, Inc                                       | 5.50% bond, due 09/01/2041, maturity value \$                                                                 | 20,000     | 20,492               |
| Tyson Foods, Inc                                             | 5.15% bond, due 08/15/2044, maturity value \$                                                                 | 50,000     | 49,803               |
| Unum Corp                                                    | 6.75% bond, due 12/15/2028, maturity value \$                                                                 | 70,000     | 82,128               |
| Union Pacific Corp                                           | 4.85% bond, due 06/15/2044, maturity value \$                                                                 | 115,000    | 119,377              |
| United Tech Corp                                             | 1.80% bond, due 06/01/2017, maturity value \$                                                                 | 335,000    | 343,010              |
| Valero Energy Corp                                           | 7.50% bond, due 04/15/2032, maturity value \$                                                                 | 90,000     | 113,780              |
| Verizon Communications                                       | 3.85% bond, due 11/01/2042, maturity value \$                                                                 | 55,000     | 46,278               |
| Verizon Communications                                       | 6.40% bond, due 09/15/2033, maturity value \$                                                                 | 250,000    | 292,408              |
| Verizon Communications                                       | 4.40% bond, due 11/01/2042, maturity value \$                                                                 | 155,000    | 153,878              |
| Viacom, Inc                                                  | 5.85% bond, due 09/01/2043, maturity value \$                                                                 | 95,000     | 102,862              |
| Wal-mart Stores, Inc                                         | 4.25% bond, due 04/15/2021, maturity value \$                                                                 | 155,000    | 170,443              |
| Wal-mart Stores, Inc                                         | 4.00% bond, due 04/11/2043, maturity value \$                                                                 | 180,000    | 167,585              |
| Wal-mart Stores, Inc                                         | 2.55% bond, due 04/11/2023, maturity value \$                                                                 | 180,000    | 169,187              |
| Wal-mart Stores, Inc                                         | 1.95% bond, due 12/15/2018, maturity value \$                                                                 | 340,000    | 344,624              |
| Walgreens Boots Alliance                                     | 4.80% bond, due 11/18/2044, maturity value \$                                                                 | 115,000    | 114,982              |
| Watson Pharmaceuticals, Inc                                  | 4.63% bond, due 10/01/2042, maturity value \$                                                                 | 35,000     | 33,098               |
| Wellpoint, Inc                                               | 4.35% bond, due 08/15/2020, maturity value \$                                                                 | 160,000    | 172,346              |
| Wellpoint, Inc                                               | 5.80% bond, due 08/15/2040, maturity value \$                                                                 | 45,000     | 49,812               |
| Wells Fargo & Co                                             | 3.50% bond, due 03/08/2022, maturity value \$                                                                 | 255,000    | 260,900              |
| Wells Fargo & Co                                             | 4.13% bond, due 08/15/2023, maturity value \$                                                                 | 255,000    | 258,899              |
| Weyerhaeuser Co                                              | 7.38% bond, due 03/15/2037, maturity value \$                                                                 | 135,000    | 175,916              |
| Worthington Industries, Inc                                  | 4.55% bond, due 04/15/2026, maturity value \$                                                                 | 35,000     | 34,926               |
| Ohio Univ Gen Recpts Athens                                  | 5.59% bond, due 12/01/2114, maturity value \$                                                                 | 170,000    | 170,000              |
| Zoetis, Inc                                                  | 4.70% bond, due 02/01/2043, maturity value \$                                                                 | 100,000    | 100,340              |
|                                                              |                                                                                                               | 25,565,518 | 26,640,971           |
| Foreign Bonds / Notes:                                       |                                                                                                               |            |                      |
| Agrium, Inc                                                  | 4.90% bond, due 06/01/2043, maturity value \$                                                                 | 120,000    | 116,759              |
| Arcelormittal                                                | 6.25% bond, due 02/25/2022, maturity value \$                                                                 | 80,000     | 87,800               |
| BNP Paribas                                                  | 3.25% bond, due 03/03/2023, maturity value \$                                                                 | 355,000    | 343,626              |
| BNP Paribas                                                  | 2.70% bond, due 08/20/2018, maturity value \$                                                                 | 115,000    | 118,002              |
| Baidu, Inc                                                   | 3.50% bond, due 11/28/2022, maturity value \$                                                                 | 200,000    | 190,610              |
| Canadian Natl Resources                                      | 6.50% bond, due 02/15/2037, maturity value \$                                                                 | 145,000    | 173,604              |
| Canadian Pacific RR Co                                       | 5.95% bond, due 05/15/2037, maturity value \$                                                                 | 60,000     | 68,257               |
| Cenovus Energy, Inc                                          | 6.75% bond, due 11/15/2039, maturity value \$                                                                 | 75,000     | 91,684               |
| Delhaize Group                                               | 5.70% bond, due 10/01/2040, maturity value \$                                                                 | 80,000     | 79,910               |
| Energy East Corporation Iberdrola Intl BV                    | 6.75% bond, due 04/15/2036, maturity value \$                                                                 | 55,000     | 64,377               |
| Fomento Economico Mexicano                                   | 2.88% bond, due 05/10/2023, maturity value \$                                                                 | 150,000    | 137,481              |
| Goldcorp, Inc                                                | 5.45% bond, due 06/09/2044, maturity value \$                                                                 | 175,000    | 174,155              |
| HSBC Holdings PLC                                            | 6.50% bond, due 09/15/2037, maturity value \$                                                                 | 285,000    | 336,881              |
| Ingersoll-Rand Luc Finan                                     | 4.65% bond, due 11/01/2044, maturity value \$                                                                 | 45,000     | 44,733               |
| LYB Intl Finance BV                                          | 5.25% bond, due 07/15/2043, maturity value \$                                                                 | 115,000    | 119,969              |

North State Telephone Company Retirement Plan  
Employer ID # 56-0341710 Plan # 001  
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)  
December 31, 2014

| (a) (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date,<br>rate of interest, collateral, par or maturity value | (d) Cost             | (e) Current<br>value |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Foreign Bonds / Notes (continued):                           |                                                                                                               |                      |                      |
| Noble Holding Intl LTD                                       | 6.20% bond, due 08/01/2040, maturity value \$ 270,000                                                         | 297,766              | 249,075              |
| Rio Tinto Fin USA LTD                                        | 5.20% bond, due 11/02/2040, maturity value \$ 125,000                                                         | 133,831              | 137,350              |
| Royal Bank of Scotland GRP PLC                               | 5.13% bond, due 05/28/2024, maturity value \$ 145,000                                                         | 143,859              | 147,493              |
| Shell International Fin                                      | 6.38% bond, due 12/15/2038, maturity value \$ 135,000                                                         | 172,139              | 181,415              |
| Statoil ASA                                                  | 5.10% bond, due 08/17/2040, maturity value \$ 140,000                                                         | 156,327              | 161,930              |
| Talisman Energy                                              | 5.50% bond, due 05/15/2042, maturity value \$ 170,000                                                         | 168,827              | 160,468              |
| Telecom Italia Capital                                       | 7.20% bond, due 07/18/2036, maturity value \$ 75,000                                                          | 77,297               | 80,625               |
| Telefonica Emisiones Sau                                     | 7.05% bond, due 06/20/2036, maturity value \$ 100,000                                                         | 117,722              | 131,548              |
| Trinity Acquisition PLC                                      | 6.13% bond, due 02/27/2043, maturity value \$ 110,000                                                         | 116,456              | 126,038              |
| Vodafone Group PLC                                           | 6.15% bond, due 02/27/2037, maturity value \$ 155,000                                                         | 174,206              | 187,027              |
| WPP Financie 2010                                            | 5.13% bond, due 09/07/2042, maturity value \$ 120,000                                                         | 117,689              | 128,316              |
|                                                              |                                                                                                               | <u>3,823,967</u>     | <u>3,913,304</u>     |
| Employer securities:                                         |                                                                                                               |                      |                      |
| * North State Telecommunications Corporation                 | 91,353 shares common stock                                                                                    | 9,604,838            | 6,148,977            |
| * North State Telecommunications Corporation                 | 162 shares preferred stock                                                                                    | 7,796                | 7,796                |
|                                                              |                                                                                                               | <u>9,612,634</u>     | <u>6,156,773</u>     |
|                                                              |                                                                                                               | <u>\$ 99,922,028</u> | <u>\$ 97,519,394</u> |

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

North State Telephone Company Retirement Plan  
Employer ID # 56-0341710 Plan # 001  
Schedule H, Line 4j- Schedule of Reportable Transactions  
Year Ended December 31, 2014

| (a) Identity of party involved          | (b) Description of asset                      | (c) Purchase<br>price | (d) Selling<br>price | (g) Cost of<br>asset | (i) Net gain<br>(loss) |
|-----------------------------------------|-----------------------------------------------|-----------------------|----------------------|----------------------|------------------------|
| * North State Strategy Unitized Account | Pooled separate account                       | \$ --                 | \$ 80,290,855        | \$ 64,147,270        | \$ 16,143,585          |
| * High Point Bank & Trust               | Goldman Sachs Prime Obligation                | 6,619,083             | --                   | 6,619,083            | --                     |
| * High Point Bank & Trust               | Goldman Sachs Prime Obligation                | --                    | 7,213,534            | 7,213,534            | --                     |
| * Branch Banking & Trust                | Vanguard Instl Index Fund 94                  | 12,893,270            | --                   | 12,893,270           | --                     |
| * Branch Banking & Trust                | American Europacific Growth Fund              | 6,690,862             | --                   | 6,690,862            | --                     |
| * Branch Banking & Trust                | Vanguard Total International Stock Index Fund | 6,690,862             | --                   | 6,690,862            | --                     |
| * Branch Banking & Trust                | Neuberger Berman High Income Bond Fund        | 5,006,449             | --                   | 5,006,449            | --                     |

\* 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.                       |       | Avg.     |       | Avg.     |        | Avg.       |       | Avg.       |       | Avg.       |       |
|           | No.                        | Comp. | No.      | Comp. | No.      | Comp.  | No.        | Comp. | No.        | Comp. | No.        | Comp. |
| 0-24      | 0                          |       | 5        |       | 0        |        | 0          |       | 0          |       | 0          |       |
| 25-29     | 0                          |       | 12       |       | 8        |        | 2          |       | 0          |       | 0          |       |
| 30-34     | 0                          |       | 5        |       | 21       | 61,138 | 3          |       | 0          |       | 0          |       |
| 35-39     | 0                          |       | 9        |       | 11       |        | 10         |       | 4          |       | 0          |       |
| 40-44     | 0                          |       | 9        |       | 11       |        | 11         |       | 10         |       | 1          |       |
| 45-49     | 0                          |       | 9        |       | 5        |        | 12         |       | 8          |       | 5          |       |
| 50-54     | 0                          |       | 8        |       | 9        |        | 15         |       | 9          |       | 3          |       |
| 55-59     | 0                          |       | 7        |       | 5        |        | 9          |       | 6          |       | 0          |       |
| 60-64     | 0                          |       | 3        |       | 2        |        | 4          |       | 5          |       | 2          |       |
| 65-69     | 0                          |       | 0        |       | 0        |        | 2          |       | 0          |       | 0          |       |
| 70+       | 0                          |       | 1        |       | 0        |        | 0          |       | 0          |       | 0          |       |
| Total     | 0                          |       | 68       |       | 72       |        | 68         |       | 42         |       | 11         |       |

| Age<br>Group | Completed Years of Service |               |             |               |             |               |             |               |  |             |               |
|--------------|----------------------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|--|-------------|---------------|
|              | 25-29 Yrs.                 |               | 30-34 Yrs.  |               | 35-39 Yrs.  |               | 40 Yrs. +   |               |  | Totals      |               |
|              | Avg.<br>No.                | Avg.<br>Comp. | Avg.<br>No. | Avg.<br>Comp. | Avg.<br>No. | Avg.<br>Comp. | Avg.<br>No. | Avg.<br>Comp. |  | Avg.<br>No. | Avg.<br>Comp. |
| 0-24         | 0                          |               | 0           |               | 0           |               | 0           |               |  |             | 5             |
| 25-29        | 0                          |               | 0           |               | 0           |               | 0           |               |  |             | 22            |
| 30-34        | 0                          |               | 0           |               | 0           |               | 0           |               |  |             | 29            |
| 35-39        | 0                          |               | 0           |               | 0           |               | 0           |               |  |             | 34            |
| 40-44        | 0                          |               | 0           |               | 0           |               | 0           |               |  |             | 42            |
| 45-49        | 5                          |               | 1           |               | 0           |               | 0           |               |  |             | 45            |
| 50-54        | 4                          |               | 5           |               | 2           |               | 0           |               |  |             | 55            |
| 55-59        | 5                          |               | 4           |               | 14          |               | 3           |               |  |             | 53            |
| 60-64        | 0                          |               | 1           |               | 4           |               | 4           |               |  |             | 25            |
| 65-69        | 3                          |               | 1           |               | 0           |               | 1           |               |  |             | 7             |
| 70+          | 0                          |               | 0           |               | 0           |               | 1           |               |  |             | 2             |
| Total        | 17                         |               | 12          |               | 20          |               | 9           |               |  |             | 319           |

## 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) 4.99%<sup>1</sup> (Prior year: 5.23%)

Second Segment Rate (5 to 20 Years) 6.32%<sup>8</sup> (Prior year: 6.51%)

Third Segment Rate (over 20 Years) 6.99%<sup>8</sup> (Prior year: 7.16%)

Effective Interest Rate: 6.41% (Prior year: 6.61%)

PBGC Variable Premium Rate (Alternative Basis) and Maximum

Deductible Contribution Limit:

First Segment Rate (for Liabilities Payable in 0 to 5 Years) 1.37% (Prior Year: 1.75%)

Second Segment Rate (for Liabilities Payable in 5 to 20 Years) 4.05% (Prior Year: 4.62%)

Third Segment Rate (for Liabilities Payable in 20 or More Years) 5.06% (Prior Year: 5.72%)

### Expected Return on Assets

Equal to 7.5% limited to the third segment rate.

### Salary Scale

The Plan is frozen as of December 31, 2013 so no assumed future salary increases.

### Prescribed Mortality

Mortality is based on the IRS 2014 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%                      |

<sup>1</sup> 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 2014 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 2014 Plan Year is \$210,000.

The IRS Maximum Compensation Limitation for the 2014 Plan Year is \$260,000.

**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 2014 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 1<sup>st</sup> and 2<sup>nd</sup> 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

None.

North State Telephone Company Retirement Plan  
Employer ID # 56-0341710 Plan # 001  
Schedule H, Line 4j- Schedule of Reportable Transactions  
Year Ended December 31, 2014

| (a) Identity of party involved          | (b) Description of asset                      | (c) Purchase<br>price | (d) Selling<br>price | (g) Cost of<br>asset | (i) Net gain<br>(loss) |
|-----------------------------------------|-----------------------------------------------|-----------------------|----------------------|----------------------|------------------------|
| * North State Strategy Unitized Account | Pooled separate account                       | \$ --                 | \$ 80,290,855        | \$ 64,147,270        | \$ 16,143,585          |
| * High Point Bank & Trust               | Goldman Sachs Prime Obligation                | 6,619,083             | --                   | 6,619,083            | --                     |
| * High Point Bank & Trust               | Goldman Sachs Prime Obligation                | --                    | 7,213,534            | 7,213,534            | --                     |
| * Branch Banking & Trust                | Vanguard Instl Index Fund 94                  | 12,893,270            | --                   | 12,893,270           | --                     |
| * Branch Banking & Trust                | American Europacific Growth Fund              | 6,690,862             | --                   | 6,690,862            | --                     |
| * Branch Banking & Trust                | Vanguard Total International Stock Index Fund | 6,690,862             | --                   | 6,690,862            | --                     |
| * Branch Banking & Trust                | Neuberger Berman High Income Bond Fund        | 5,006,449             | --                   | 5,006,449            | --                     |

\* 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.

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2014</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

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

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

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

|                                                                                                                                                                                                                 |                            |                           |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------------------------|--------------------------|
| <b>Part I Basic Information</b>                                                                                                                                                                                 |                            |                           |                          |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2014</u>                                                                                                                               |                            |                           |                          |
| <b>2</b> Assets:                                                                                                                                                                                                |                            |                           |                          |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b>                  | 99634399                  |                          |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b>                  | 96751274                  |                          |
| <b>3</b> Funding target/participant count breakdown                                                                                                                                                             | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| <b>a</b> For retired participants and beneficiaries receiving payment.....                                                                                                                                      | 320                        | 79639900                  | 79639900                 |
| <b>b</b> For terminated vested participants.....                                                                                                                                                                | 91                         | 3020853                   | 3020853                  |
| <b>c</b> For active participants.....                                                                                                                                                                           | 319                        | 22259502                  | 23577156                 |
| <b>d</b> Total.....                                                                                                                                                                                             | 730                        | 104920255                 | 106237909                |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) ..... <input type="checkbox"/>                                                                                          |                            |                           |                          |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                  |                           |                          |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                  |                           |                          |
| <b>5</b> Effective interest rate.....                                                                                                                                                                           | <b>5</b>                   | 6.41%                     |                          |
| <b>6</b> Target normal cost.....                                                                                                                                                                                | <b>6</b>                   | 700128                    |                          |

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

|                  |                                                                                                                                                                                                                                                    |                                                                                                                                                                                 |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SIGN HERE</b> | <br>Signature of actuary<br>Steven M. Bull, EA, MAAA, FCA, MSPA<br>Type or print name of actuary<br>STANLEY, HUNT, DUPREE & RHINE<br>Firm name<br>7701 Airport Center Drive<br>Mailcode 527-99-02-20<br>GREENSBORO NC 27409<br>Address of the firm | <div style="font-size: 1.5em; margin-bottom: 10px;">6 Oct 2015</div> Date<br>1404786<br>Most recent enrollment number<br>336-291-1137<br>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 ☐

**Part II Beginning of Year Carryover and Prefunding Balances**

|                                                                                                                                                                      | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                                                             | 0                     | 310837                 |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                                                          | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                                                                | 0                     | 310837                 |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>9.48</u> % .....                                                                                 | 0                     | 29467                  |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                                                       |                       |                        |
| <b>a</b> Present value of excess contributions (line 38a from prior year) .....                                                                                      |                       | 3702697                |
| <b>b(1)</b> Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.61</u> % ..... |                       | 244748                 |
| <b>b(2)</b> Interest on line 38b from prior year Schedule SB, using prior year's actual return .....                                                                 |                       | 0                      |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance .....                                                                        |                       | 3947445                |
| <b>d</b> Portion of (c) to be added to prefunding balance .....                                                                                                      |                       | 3947445                |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                                                    | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....                                                                         | 0                     | 4287749                |

**Part III Funding Percentages**

|                                                                                                                                                                            |           |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                       | <b>14</b> | 87.03 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                              | <b>15</b> | 87.03 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement ..... | <b>16</b> | 88.84 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. ....                                        | <b>17</b> | %       |

**Part IV Contributions and Liquidity Shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 04/14/2014               | 500000                            | 0                               |                          |                                   |                                 |
| 07/14/2014               | 500000                            | 0                               |                          |                                   |                                 |
| 10/15/2014               | 500000                            | 0                               |                          |                                   |                                 |
| 01/14/2015               | 500000                            | 0                               |                          |                                   |                                 |
| 09/14/2015               | 500000                            | 0                               |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
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|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals ▶</b>          | <b>18(b)</b>                      | 2500000                         | <b>18(c)</b>             |                                   | 0                               |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                         |            |         |
|-------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                    | <b>19a</b> | 0       |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                      | <b>19b</b> | 0       |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date ..... | <b>19c</b> | 2369917 |

**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**

|                                                                                                                                                                                              |                       |                       |                       |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                       |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>4.99% | 2nd segment:<br>6.32% | 3rd segment:<br>6.99% | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                       |                       |                       | <b>21b</b> 4                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                       | <b>22</b> 63                                        |
| <b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                       |                                                     |

**Part VI Miscellaneous Items**

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

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

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

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

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 700128             |               |
| <b>b</b> Excess assets, if applicable, but not greater than line 31a .....                                                                                                           | <b>31b</b>          | 0                  |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 13774384            | 1060568            |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           | 0                  |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) .....                                                         | <b>34</b>           | 1760696            |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement .....                                                                                                               | 0                   | 0                  | 0             |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 1760696            |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 2369917            |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 609221             |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years .....                                                                                                                  | <b>40</b>           | 0                  |               |

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

|                                                                                                |                                                                                                                                               |   |  |
|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---|--|
| <b>41</b> If an election was made to use PRA 2010 funding relief for this plan:                |                                                                                                                                               |   |  |
| <b>a</b> Schedule elected .....                                                                | <input type="checkbox"/> 2 plus 7 years <input checked="" type="checkbox"/> 15 years                                                          |   |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....               | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input checked="" type="checkbox"/> 2010 <input checked="" type="checkbox"/> 2011 |   |  |
| <b>42</b> Amount of acceleration adjustment .....                                              | <b>42</b>                                                                                                                                     | 0 |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years ..... | <b>43</b>                                                                                                                                     | 0 |  |

## Description of Weighted Average Retirement Age

The retirement assumption is graded by age, as follows:

| <u>Age</u> | <u>Annual Retirement</u> | Conditional<br>Expected Retirement<br><u>Age</u> | First<br>Eligible to Retire at<br><u>Age</u> | Conditional<br>Expected Retirement<br><u>Age</u> | Number<br>First<br>Eligible to Retire at<br><u>Age</u> |
|------------|--------------------------|--------------------------------------------------|----------------------------------------------|--------------------------------------------------|--------------------------------------------------------|
| Under 50   | 0%                       | 59.0                                             | Under 50                                     | 59.0                                             | 3                                                      |
| 50         | 5%                       | 59.0                                             | 50                                           | 59.0                                             | 26                                                     |
| 51         | 5%                       | 59.5                                             | 51-54                                        | 60.1                                             | 7                                                      |
| 52         | 5%                       | 59.9                                             | 55                                           | 61.1                                             | 100                                                    |
| 53         | 5%                       | 60.4                                             | 56-59                                        | 61.9                                             | 26                                                     |
| 54         | 5%                       | 60.8                                             | 60                                           | 62.9                                             | 76                                                     |
| 55         | 5%                       | 61.1                                             | 61-64                                        | 64.4                                             | 11                                                     |
| 56         | 5%                       | 61.4                                             | 65                                           | 66.2                                             | 61                                                     |
| 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                                             | 1                                                      |
| 61         | 20%                      | 63.4                                             |                                              |                                                  |                                                        |
| 62         | 25%                      | 64.0                                             | Total                                        |                                                  | 319                                                    |
| 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<br>Average<br>Retirement<br>Age:    | 63                                               |                                                        |

## Summary of Plan Provisions

### General Information

|                                  |                                   |
|----------------------------------|-----------------------------------|
| Valuation Date                   | January 1, 2014                   |
| Original Effective Date          | February 10, 1944                 |
| Effective Date of Last Amendment | December 31, 2013                 |
| 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. Effective, December 31, 2013, participation and future benefit accruals are frozen for all employees.

### 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. No further entry allowed after December 31, 2013.

### 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.

Service after December 31, 2013 shall be disregarded.

### 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:

| <b>Years of Service</b> | <b>Percent Vested</b> |
|-------------------------|-----------------------|
| 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**

Effective, December 31, 2013, benefit accrual ceased under the plan. In no event will participants normal retirement benefit be less than their frozen accrued benefit at December 31, 2013. 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 Frozen Benefit be less than his Frozen Accrued Benefit determined as of December 31, 2013, 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 December 31, 2013 to freeze plan participation and benefits. No future accrual earned after December 31, 2013.

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, 2014

| (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:                                   |                                                                                                            |              |                   |
| * Branch Banking and Trust                                   | Money market                                                                                               | \$ 7,275,423 | \$ 7,275,423      |
| * High Point Bank and Trust                                  | Money market                                                                                               | 1,966        | 1,966             |
|                                                              |                                                                                                            | 7,277,389    | 7,277,389         |
| Mutual funds and exchange-traded funds:                      |                                                                                                            |              |                   |
| American Europacific Growth Fund CL R6 Fund                  | 138,659 units                                                                                              | 6,803,171    | 6,529,466         |
| Avenue Credit Strategies Fund                                | 74,330 units                                                                                               | 876,346      | 800,529           |
| Columbia Acorn Fund-Y                                        | 80,303 units                                                                                               | 2,985,472    | 2,618,669         |
| Credit Suisse Commodity Return Strategy Istl SHS FD          | 451,019 units                                                                                              | 3,422,036    | 2,710,621         |
| Driehaus Even Driven Fund                                    | 79,417 units                                                                                               | 858,290      | 795,755           |
| Eagle Small Cap Growth Fund                                  | 17,626 units                                                                                               | 1,038,082    | 973,310           |
| Goldman Sachs Strategic Mid Cap Value CL I Fund              | 64,201 units                                                                                               | 2,852,099    | 2,669,462         |
| Hatteras Hedged Strategies-1                                 | 156,033 units                                                                                              | 1,749,113    | 1,669,557         |
| Neuberger Berman High Income Bond Fund                       | 555,381 units                                                                                              | 5,255,106    | 4,970,660         |
| Target Small Cap Value PT CL T                               | 39,339 units                                                                                               | 1,035,522    | 1,006,672         |
| Vanguard Instl Index Fund 94                                 | 73,065 units                                                                                               | 12,370,795   | 13,785,237        |
| Vanguard Reit Index Fund CL ADM                              | 31,952 units                                                                                               | 3,169,485    | 3,669,060         |
| Vanguard Tot Int ST IDX-ADM                                  | 244,321 units                                                                                              | 6,803,940    | 6,352,335         |
|                                                              |                                                                                                            | 49,219,457   | 48,551,333        |
| U.S. Government securities:                                  |                                                                                                            |              |                   |
| US Treasury Bond                                             | 3.75% bond, due 11/15/2043, maturity value \$ 2,395,000                                                    | 2,448,755    | 2,879,053         |
| US Treasury Bond                                             | 4.50% bond, due 02/15/2036, maturity value \$ 900,000                                                      | 1,113,060    | 1,200,447         |
| US Treasury Bond                                             | 2.38% bond, due 08/15/2024, maturity value \$ 535,000                                                      | 527,989      | 544,908           |
| US Treasury Bond                                             | 3.63% bond, due 02/15/2044, maturity value \$ 155,000                                                      | 165,278      | 182,404           |
| US Treasury Note                                             | 2.13% note, due 06/30/2021, maturity value \$ 95,000                                                       | 95,046       | 96,151            |
| US Treasury Bond                                             | 5.38% bond, due 02/15/2031, maturity value \$ 55,000                                                       | 72,935       | 76,661            |
|                                                              |                                                                                                            | 4,423,063    | 4,979,624         |
| Corporate bonds:                                             |                                                                                                            |              |                   |
| AT&T, Inc.                                                   | 3.00% bond, due 02/13/2022, maturity value \$ 355,000                                                      | 342,880      | 348,318           |
| AT&T, Inc.                                                   | 4.35% bond, due 06/15/2045, maturity value \$ 390,000                                                      | 341,062      | 367,673           |
| Ace INA Holding, Inc                                         | 2.70% bond, due 03/13/2023, maturity value \$ 180,000                                                      | 170,818      | 174,776           |
| Agilent Tech, Inc                                            | 6.50% bond, due 11/01/2017, maturity value \$ 16,000                                                       | 18,613       | 17,760            |
| Alabama Power Co                                             | 3.85% bond, due 12/01/2042, maturity value \$ 185,000                                                      | 169,490      | 187,744           |
| Albermarle Corp                                              | 4.15% bond, due 12/01/2024, maturity value \$ 35,000                                                       | 34,880       | 35,560            |
| Alcoa, Inc                                                   | 5.87% bond, due 02/23/2022, maturity value \$ 145,000                                                      | 155,131      | 160,386           |
| Alltell Corp                                                 | 6.80% bond, due 05/01/2029, maturity value \$ 140,000                                                      | 170,566      | 175,022           |
| Ally Financial, Inc                                          | 4.75% bond, due 09/10/2018, maturity value \$ 125,000                                                      | 133,688      | 129,375           |
| Altera Corp                                                  | 2.50% bond, due 11/15/2018, maturity value \$ 135,000                                                      | 136,629      | 135,860           |
| Altria Group, Inc                                            | 4.25% bond, due 08/09/2042, maturity value \$ 195,000                                                      | 169,669      | 186,870           |
| American International Group, Inc                            | 6.25% bond, due 05/01/2036, maturity value \$ 165,000                                                      | 202,655      | 213,824           |
| Amgen, Inc                                                   | 4.95% bond, due 10/01/2041, maturity value \$ 255,000                                                      | 255,714      | 273,322           |
| Anadarko Petroleum Corp                                      | 6.20% bond, due 03/15/2040, maturity value \$ 190,000                                                      | 216,762      | 222,576           |
| Anheuser-Busch Invbev                                        | 2.15% bond, due 02/01/2019, maturity value \$ 255,000                                                      | 257,823      | 256,028           |
| Archer Daniels Midland                                       | 5.94% bond, due 10/01/2032, maturity value \$ 95,000                                                       | 110,419      | 122,059           |
| Arrow Electronics, Inc                                       | 7.50% bond, due 01/15/2027, maturity value \$ 115,000                                                      | 139,278      | 140,936           |
| Avon Products, Inc                                           | 6.95% bond, due 03/15/2043, maturity value \$ 155,000                                                      | 150,426      | 127,875           |
| Baker Hughes, Inc                                            | 5.13% bond, due 09/15/2040, maturity value \$ 155,000                                                      | 173,766      | 170,016           |
| Bank of America Corp                                         | 5.70% bond, due 01/24/2022, maturity value \$ 450,000                                                      | 516,873      | 521,298           |
| Bank of America Corp                                         | 5.88% bond, due 02/07/2042, maturity value \$ 295,000                                                      | 338,713      | 369,151           |

North State Telephone Company Retirement Plan  
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| (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 |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------|-------------------|
| Corporate bonds (continued):                                 |                                                                                                            |          |                   |
| Berkshire Hathaway Fin                                       | 4.40% bond, due 05/15/2042, maturity value \$ 180,000                                                      | 171,227  | 193,606           |
| Berkshire Hathaway, Inc                                      | 3.00% bond, due 02/11/2023, maturity value \$ 175,000                                                      | 171,423  | 176,645           |
| Burlinton North Santa Fe                                     | 6.15% bond, due 05/01/2037, maturity value \$ 140,000                                                      | 166,030  | 184,261           |
| Cigna Corp                                                   | 4.00% bond, due 02/15/2022, maturity value \$ 165,000                                                      | 170,990  | 173,864           |
| CIT Group, Inc                                               | 5.00% bond, due 08/01/2023, maturity value \$ 85,000                                                       | 89,363   | 87,338            |
| CME Group, Inc                                               | 5.30% bond, due 09/15/2043, maturity value \$ 110,000                                                      | 122,199  | 133,285           |
| CSX Corp                                                     | 6.15% bond, due 05/01/2037, maturity value \$ 140,000                                                      | 167,335  | 181,076           |
| Cameron Intl Corp Corp                                       | 5.95% bond, due 06/01/2041, maturity value \$ 135,000                                                      | 152,728  | 149,328           |
| Capital One Bank USA NA                                      | 3.38% bond, due 02/15/2023, maturity value \$ 250,000                                                      | 242,392  | 248,610           |
| Caterpillar, Inc                                             | 5.20% bond, due 05/27/2041, maturity value \$ 235,000                                                      | 256,878  | 278,748           |
| Cisco Systems, Inc                                           | 5.50% bond, due 01/15/2040, maturity value \$ 105,000                                                      | 116,860  | 127,951           |
| Citigroup, Inc                                               | 4.50% bond, due 01/14/2022, maturity value \$ 240,000                                                      | 254,805  | 262,262           |
| Citigroup, Inc                                               | 5.88% bond, due 01/30/2042, maturity value \$ 145,000                                                      | 168,103  | 182,387           |
| Citigroup, Inc                                               | 4.95% bond, due 11/07/2043, maturity value \$ 165,000                                                      | 167,257  | 183,921           |
| Cleaveland Clinic Found                                      | 4.86% bond, due 01/01/2114, maturity value \$ 80,000                                                       | 80,000   | 82,220            |
| Comcast Corp                                                 | 5.65% bond, due 06/15/2035, maturity value \$ 310,000                                                      | 348,535  | 384,155           |
| Comcast Corp                                                 | 6.45% bond, due 03/15/2037, maturity value \$ 70,000                                                       | 87,406   | 93,129            |
| Comcast Corp                                                 | 3.13% bond, due 07/15/2022, maturity value \$ 175,000                                                      | 173,378  | 177,835           |
| Conocophillips Company                                       | 1.05% bond, due 12/15/2017, maturity value \$ 345,000                                                      | 343,296  | 340,587           |
| Constellation Brands, Inc                                    | 4.25% bond, due 05/01/2023, maturity value \$ 90,000                                                       | 91,203   | 89,325            |
| Continental Resources, Inc                                   | 5.00% bond, due 09/15/2022, maturity value \$ 130,000                                                      | 136,500  | 125,775           |
| Cox Communications, Inc                                      | 6.95% bond, due 01/15/2028, maturity value \$ 115,000                                                      | 134,012  | 141,720           |
| Devon Energy Corp                                            | 7.95% bond, due 04/15/2032, maturity value \$ 120,000                                                      | 165,348  | 165,414           |
| Dignity Health                                               | 5.27% bond, due 11/01/2064, maturity value \$ 160,000                                                      | 160,000  | 173,581           |
| Directv Holdings                                             | 6.00% bond, due 08/15/2040, maturity value \$ 115,000                                                      | 117,980  | 128,890           |
| Discovery Communications                                     | 6.35% bond, due 06/01/2040, maturity value \$ 155,000                                                      | 178,039  | 184,514           |
| Dominion Resources, Inc                                      | 7.00% bond, due 06/15/2038, maturity value \$ 130,000                                                      | 166,985  | 174,567           |
| Domtar Corporation                                           | 4.40% bond, due 04/01/2022, maturity value \$ 115,000                                                      | 117,092  | 118,034           |
| Duke Energy Carolinas                                        | 4.25% bond, due 12/15/2014, maturity value \$ 175,000                                                      | 174,820  | 188,032           |
| Eastman Chemical Co                                          | 3.60% bond, due 08/15/2022, maturity value \$ 120,000                                                      | 119,532  | 121,522           |
| Eaton Corp                                                   | 4.00% bond, due 11/02/2032, maturity value \$ 70,000                                                       | 66,361   | 71,201            |
| Ebay, Inc                                                    | 4.00% bond, due 07/15/2042, maturity value \$ 135,000                                                      | 116,914  | 120,192           |
| Energy Transfer Partners                                     | 6.05% bond, due 06/01/2041, maturity value \$ 135,000                                                      | 141,950  | 147,351           |
| Enterprise Products Oper                                     | 5.95% bond, due 02/01/2041, maturity value \$ 185,000                                                      | 206,974  | 217,503           |
| Exelon Generation Co, LLC                                    | 6.25% bond, due 10/01/2039, maturity value \$ 150,000                                                      | 159,288  | 180,161           |
| Fifth Third Bancorp                                          | 2.30% bond, due 03/01/2019, maturity value \$ 170,000                                                      | 170,447  | 170,255           |
| Florida Power & Light Co                                     | 4.05% bond, due 10/01/2044, maturity value \$ 185,000                                                      | 184,390  | 194,013           |
| Ford Motor Company                                           | 4.75% bond, due 01/15/2043, maturity value \$ 275,000                                                      | 260,796  | 290,158           |
| General Elec Cap Corp                                        | 5.88% bond, due 01/14/2038, maturity value \$ 590,000                                                      | 688,562  | 746,562           |
| General Elec Cap Corp                                        | 3.10% bond, due 01/09/2023, maturity value \$ 175,000                                                      | 170,347  | 177,186           |
| General Motors Co                                            | 6.25% bond, due 10/02/2043, maturity value \$ 75,000                                                       | 85,406   | 89,595            |
| Genworth Financial, Inc                                      | 6.50% bond, due 06/15/2034, maturity value \$ 20,000                                                       | 23,248   | 16,544            |
| Georgia-Pacific LLC                                          | 8.88% bond, due 05/15/2031, maturity value \$ 80,000                                                       | 116,455  | 123,981           |
| Gilead Sciences, Inc                                         | 4.50% bond, due 02/01/2045, maturity value \$ 135,000                                                      | 134,208  | 144,288           |
| Glaxosmithkline Cap, Inc                                     | 6.38% bond, due 05/15/2038, maturity value \$ 130,000                                                      | 165,441  | 173,094           |
| Goldman Sachs Group, Inc                                     | 5.95% bond, due 01/18/2018, maturity value \$ 225,000                                                      | 257,297  | 249,968           |
| Goldman Sachs Group, Inc                                     | 6.25% bond, due 02/01/2041, maturity value \$ 290,000                                                      | 341,629  | 366,600           |
| Goldman Sachs Group, Inc                                     | 3.63% bond, due 01/22/2023, maturity value \$ 260,000                                                      | 255,459  | 263,281           |
| Google, Inc                                                  | 3.38% bond, due 02/25/2024, maturity value \$ 280,000                                                      | 279,952  | 291,427           |
| HCA, Inc                                                     | 5.88% bond, due 05/01/2023, maturity value \$ 50,000                                                       | 51,438   | 52,688            |
| Hartford Finl Svcs Group                                     | 6.63% bond, due 03/30/2040, maturity value \$ 65,000                                                       | 80,685   | 87,505            |

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| (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 |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------|-------------------|
| Corporate bonds (continued):                                 |                                                                                                            |          |                   |
| Hasbro, Inc                                                  | 6.35% bond, due 03/15/2040, maturity value \$ 150,000                                                      | 171,743  | 183,621           |
| Health Care REIT, Inc                                        | 6.50% bond, due 03/15/2041, maturity value \$ 75,000                                                       | 92,118   | 98,556            |
| Hewlett-Packard Co                                           | 2.75% bond, due 01/14/2019, maturity value \$ 115,000                                                      | 116,853  | 115,147           |
| Home Depot, Inc                                              | 2.70% bond, due 04/01/2023, maturity value \$ 180,000                                                      | 170,242  | 178,367           |
| ING US, Inc                                                  | 5.50% bond, due 07/15/2022, maturity value \$ 105,000                                                      | 117,408  | 118,610           |
| Intel Corp                                                   | 4.80% bond, due 10/01/2041, maturity value \$ 165,000                                                      | 167,685  | 181,210           |
| Intl Paper Co                                                | 7.30% bond, due 11/15/2039, maturity value \$ 130,000                                                      | 169,959  | 172,368           |
| JPMorgan Chase & Co                                          | 3.38% bond, due 05/01/2023, maturity value \$ 180,000                                                      | 170,746  | 178,076           |
| JPMorgan Chase & Co                                          | 1.63% bond, due 05/15/2018, maturity value \$ 260,000                                                      | 257,351  | 257,140           |
| JPMorgan Chase & Co                                          | 4.85% bond, due 02/01/2044, maturity value \$ 510,000                                                      | 516,771  | 565,743           |
| Jefferies Group, LLC                                         | 6.25% bond, due 01/15/2036, maturity value \$ 190,000                                                      | 191,340  | 186,726           |
| Johnson Controls, Inc                                        | 4.95% bond, due 07/02/2064, maturity value \$ 75,000                                                       | 74,923   | 77,323            |
| KLA-Tencor Corp                                              | 5.65% bond, due 11/01/2034, maturity value \$ 45,000                                                       | 44,872   | 47,742            |
| Kinder Morgan Ener Part                                      | 6.50% bond, due 09/01/2039, maturity value \$ 150,000                                                      | 168,281  | 166,934           |
| Kraft Foods, Inc                                             | 6.50% bond, due 02/09/2040, maturity value \$ 140,000                                                      | 174,329  | 186,582           |
| Kraft Foods, Inc                                             | 6.88% bond, due 01/26/2039, maturity value \$ 135,000                                                      | 172,371  | 178,438           |
| Kroger Co                                                    | 5.40% bond, due 07/15/2040, maturity value \$ 115,000                                                      | 120,693  | 131,843           |
| L Brands, Inc                                                | 5.63% bond, due 10/15/2023, maturity value \$ 80,000                                                       | 83,300   | 86,400            |
| Lowe's Companies, Inc                                        | 4.65% bond, due 04/15/2042, maturity value \$ 85,000                                                       | 84,548   | 94,540            |
| Macy's Retail Hldgs, Inc                                     | 3.88% bond, due 01/15/2022, maturity value \$ 65,000                                                       | 67,213   | 67,559            |
| Marathon Petroleum Corp                                      | 5.00% bond, due 09/15/2054, maturity value \$ 130,000                                                      | 128,401  | 122,417           |
| Mattel, Inc                                                  | 6.20% bond, due 10/01/2040, maturity value \$ 170,000                                                      | 193,586  | 204,782           |
| Macy's Retail Hldgs, Inc                                     | 6.70% bond, due 07/15/2034, maturity value \$ 100,000                                                      | 119,742  | 127,840           |
| McKesson Corp                                                | 2.70% bond, due 12/22/2022, maturity value \$ 110,000                                                      | 103,470  | 105,244           |
| McKesson Corp                                                | 6.00% bond, due 03/01/2041, maturity value \$ 55,000                                                       | 63,511   | 68,039            |
| Medtronic, Inc                                               | 5.55% bond, due 03/15/2040, maturity value \$ 105,000                                                      | 120,430  | 123,704           |
| Merck & Co, Inc                                              | 2.80% bond, due 05/18/2023, maturity value \$ 180,000                                                      | 171,049  | 178,749           |
| Metlife, Inc                                                 | 5.70% bond, due 09/15/2037, maturity value \$ 105,000                                                      | 119,811  | 130,850           |
| Berkshire Hathawy Energy Co                                  | 6.50% bond, due 09/15/2037, maturity value \$ 140,000                                                      | 172,570  | 183,231           |
| Morgan Stanley                                               | 4.35% bond, due 09/08/2026, maturity value \$ 105,000                                                      | 104,815  | 105,628           |
| Morgan Stanley                                               | 5.50% bond, due 07/28/2021, maturity value \$ 150,000                                                      | 170,403  | 170,232           |
| Morgan Stanley                                               | 6.38% bond, due 07/24/2042, maturity value \$ 425,000                                                      | 515,491  | 564,410           |
| NYU Hospitals Center                                         | 4.79% bond, due 07/01/2044, maturity value \$ 130,000                                                      | 130,000  | 136,735           |
| Nabors Industries, Inc                                       | 5.00% bond, due 09/15/2020, maturity value \$ 160,000                                                      | 170,621  | 157,147           |
| NBCUniversal Media, LLC                                      | 4.38% bond, due 04/01/2021, maturity value \$ 90,000                                                       | 98,114   | 98,982            |
| 21st Century Fox America                                     | 6.15% bond, due 03/01/2037, maturity value \$ 150,000                                                      | 171,635  | 187,997           |
| Nisource Finance Corp                                        | 6.25% bond, due 12/15/2040, maturity value \$ 65,000                                                       | 73,061   | 83,793            |
| Noble Energy, Inc                                            | 6.00% bond, due 03/01/2041, maturity value \$ 130,000                                                      | 147,419  | 142,875           |
| Novartis Capital Corp                                        | 2.40% bond, due 09/21/2022, maturity value \$ 180,000                                                      | 169,684  | 177,190           |
| Old Republic International Corp                              | 4.88% bond, due 10/01/2024, maturity value \$ 75,000                                                       | 74,624   | 78,290            |
| Omnicom Group, Inc                                           | 3.65% bond, due 11/01/2024, maturity value \$ 40,000                                                       | 39,874   | 40,018            |
| Oncor Electric Delivery                                      | 7.00% bond, due 09/01/2022, maturity value \$ 135,000                                                      | 167,981  | 170,998           |
| Oneok Partners LP                                            | 3.38% bond, due 10/01/2022, maturity value \$ 140,000                                                      | 134,855  | 129,592           |
| Oracle Corp                                                  | 3.63% bond, due 07/15/2023, maturity value \$ 170,000                                                      | 171,498  | 178,281           |
| Pacific Gas & Electric                                       | 5.40% bond, due 01/15/2040, maturity value \$ 155,000                                                      | 169,590  | 183,216           |
| Pepsico, Inc                                                 | 4.25% bond, due 10/22/2014, maturity value \$ 45,000                                                       | 44,939   | 46,964            |
| Phillip Morris Intl, Inc                                     | 4.38% bond, due 11/15/2041, maturity value \$ 175,000                                                      | 164,941  | 180,740           |
| Phillips 66                                                  | 5.88% bond, due 05/01/2042, maturity value \$ 115,000                                                      | 134,824  | 132,434           |
| Phillips 66                                                  | 4.65% bond, due 11/15/2034, maturity value \$ 90,000                                                       | 88,870   | 92,250            |
| Pioneer Nat Res Co                                           | 7.20% bond, due 01/15/2028, maturity value \$ 95,000                                                       | 120,762  | 116,642           |
| Polyone Corp                                                 | 5.25% bond, due 03/15/2023, maturity value \$ 85,000                                                       | 85,850   | 84,943            |

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|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|------------|----------------------|
| Corporate bonds (continued):                                 |                                                                                                               |            |                      |
| Prudential Financial, Inc                                    | 6.63% bond, due 12/01/2037, maturity value \$                                                                 | 135,000    | 168,422              |
| Republic Services, Inc                                       | 5.70% bond, due 05/15/2041, maturity value \$                                                                 | 150,000    | 171,351              |
| Rock-Tenn Co                                                 | 4.90% bond, due 03/01/2022, maturity value \$                                                                 | 160,000    | 172,291              |
| San Diego Gas & Electric Company                             | 5.35% bond, due 05/15/2040, maturity value \$                                                                 | 130,000    | 149,573              |
| Southern Cal Edison                                          | 6.05% bond, due 03/15/2039, maturity value \$                                                                 | 135,000    | 167,141              |
| Southern Natural Gas                                         | 7.35% bond, due 02/15/2031, maturity value \$                                                                 | 95,000     | 118,471              |
| Sunoco Logistics Partner                                     | 5.35% bond, due 05/15/2045, maturity value \$                                                                 | 150,000    | 148,997              |
| Time Warner, Inc                                             | 6.50% bond, due 11/15/2036, maturity value \$                                                                 | 145,000    | 169,115              |
| Time Warner Cable, Inc                                       | 7.30% bond, due 07/01/2038, maturity value \$                                                                 | 40,000     | 49,970               |
| Time Warner Cable, Inc                                       | 6.75% bond, due 06/15/2039, maturity value \$                                                                 | 45,000     | 53,128               |
| Time Warner Cable, Inc                                       | 5.50% bond, due 09/01/2041, maturity value \$                                                                 | 20,000     | 20,492               |
| Tyson Foods, Inc                                             | 5.15% bond, due 08/15/2044, maturity value \$                                                                 | 50,000     | 49,803               |
| Unum Corp                                                    | 6.75% bond, due 12/15/2028, maturity value \$                                                                 | 70,000     | 82,128               |
| Union Pacific Corp                                           | 4.85% bond, due 06/15/2044, maturity value \$                                                                 | 115,000    | 119,377              |
| United Tech Corp                                             | 1.80% bond, due 06/01/2017, maturity value \$                                                                 | 335,000    | 343,010              |
| Valero Energy Corp                                           | 7.50% bond, due 04/15/2032, maturity value \$                                                                 | 90,000     | 113,780              |
| Verizon Communications                                       | 3.85% bond, due 11/01/2042, maturity value \$                                                                 | 55,000     | 46,278               |
| Verizon Communications                                       | 6.40% bond, due 09/15/2033, maturity value \$                                                                 | 250,000    | 292,408              |
| Verizon Communications                                       | 4.40% bond, due 11/01/2042, maturity value \$                                                                 | 155,000    | 153,878              |
| Viacom, Inc                                                  | 5.85% bond, due 09/01/2043, maturity value \$                                                                 | 95,000     | 102,862              |
| Wal-mart Stores, Inc                                         | 4.25% bond, due 04/15/2021, maturity value \$                                                                 | 155,000    | 170,443              |
| Wal-mart Stores, Inc                                         | 4.00% bond, due 04/11/2043, maturity value \$                                                                 | 180,000    | 167,585              |
| Wal-mart Stores, Inc                                         | 2.55% bond, due 04/11/2023, maturity value \$                                                                 | 180,000    | 169,187              |
| Wal-mart Stores, Inc                                         | 1.95% bond, due 12/15/2018, maturity value \$                                                                 | 340,000    | 344,624              |
| Walgreens Boots Alliance                                     | 4.80% bond, due 11/18/2044, maturity value \$                                                                 | 115,000    | 114,982              |
| Watson Pharmaceuticals, Inc                                  | 4.63% bond, due 10/01/2042, maturity value \$                                                                 | 35,000     | 33,098               |
| Wellpoint, Inc                                               | 4.35% bond, due 08/15/2020, maturity value \$                                                                 | 160,000    | 172,346              |
| Wellpoint, Inc                                               | 5.80% bond, due 08/15/2040, maturity value \$                                                                 | 45,000     | 49,812               |
| Wells Fargo & Co                                             | 3.50% bond, due 03/08/2022, maturity value \$                                                                 | 255,000    | 260,900              |
| Wells Fargo & Co                                             | 4.13% bond, due 08/15/2023, maturity value \$                                                                 | 255,000    | 258,899              |
| Weyerhaeuser Co                                              | 7.38% bond, due 03/15/2037, maturity value \$                                                                 | 135,000    | 175,916              |
| Worthington Industries, Inc                                  | 4.55% bond, due 04/15/2026, maturity value \$                                                                 | 35,000     | 34,926               |
| Ohio Univ Gen Recpts Athens                                  | 5.59% bond, due 12/01/2114, maturity value \$                                                                 | 170,000    | 170,000              |
| Zoetis, Inc                                                  | 4.70% bond, due 02/01/2043, maturity value \$                                                                 | 100,000    | 100,340              |
|                                                              |                                                                                                               | 25,565,518 | 26,640,971           |
| Foreign Bonds / Notes:                                       |                                                                                                               |            |                      |
| Agrium, Inc                                                  | 4.90% bond, due 06/01/2043, maturity value \$                                                                 | 120,000    | 116,759              |
| Arcelormittal                                                | 6.25% bond, due 02/25/2022, maturity value \$                                                                 | 80,000     | 87,800               |
| BNP Paribas                                                  | 3.25% bond, due 03/03/2023, maturity value \$                                                                 | 355,000    | 343,626              |
| BNP Paribas                                                  | 2.70% bond, due 08/20/2018, maturity value \$                                                                 | 115,000    | 118,002              |
| Baidu, Inc                                                   | 3.50% bond, due 11/28/2022, maturity value \$                                                                 | 200,000    | 190,610              |
| Canadian Natl Resources                                      | 6.50% bond, due 02/15/2037, maturity value \$                                                                 | 145,000    | 173,604              |
| Canadian Pacific RR Co                                       | 5.95% bond, due 05/15/2037, maturity value \$                                                                 | 60,000     | 68,257               |
| Cenovus Energy, Inc                                          | 6.75% bond, due 11/15/2039, maturity value \$                                                                 | 75,000     | 91,684               |
| Delhaize Group                                               | 5.70% bond, due 10/01/2040, maturity value \$                                                                 | 80,000     | 79,910               |
| Energy East Corporation Iberdrola Intl BV                    | 6.75% bond, due 04/15/2036, maturity value \$                                                                 | 55,000     | 64,377               |
| Fomento Economico Mexicano                                   | 2.88% bond, due 05/10/2023, maturity value \$                                                                 | 150,000    | 137,481              |
| Goldcorp, Inc                                                | 5.45% bond, due 06/09/2044, maturity value \$                                                                 | 175,000    | 174,155              |
| HSBC Holdings PLC                                            | 6.50% bond, due 09/15/2037, maturity value \$                                                                 | 285,000    | 336,881              |
| Ingersoll-Rand Luc Finan                                     | 4.65% bond, due 11/01/2044, maturity value \$                                                                 | 45,000     | 44,733               |
| LYB Intl Finance BV                                          | 5.25% bond, due 07/15/2043, maturity value \$                                                                 | 115,000    | 119,969              |

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|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Foreign Bonds / Notes (continued):                           |                                                                                                               |                      |                      |
| Noble Holding Intl LTD                                       | 6.20% bond, due 08/01/2040, maturity value \$ 270,000                                                         | 297,766              | 249,075              |
| Rio Tinto Fin USA LTD                                        | 5.20% bond, due 11/02/2040, maturity value \$ 125,000                                                         | 133,831              | 137,350              |
| Royal Bank of Scotland GRP PLC                               | 5.13% bond, due 05/28/2024, maturity value \$ 145,000                                                         | 143,859              | 147,493              |
| Shell International Fin                                      | 6.38% bond, due 12/15/2038, maturity value \$ 135,000                                                         | 172,139              | 181,415              |
| Statoil ASA                                                  | 5.10% bond, due 08/17/2040, maturity value \$ 140,000                                                         | 156,327              | 161,930              |
| Talisman Energy                                              | 5.50% bond, due 05/15/2042, maturity value \$ 170,000                                                         | 168,827              | 160,468              |
| Telecom Italia Capital                                       | 7.20% bond, due 07/18/2036, maturity value \$ 75,000                                                          | 77,297               | 80,625               |
| Telefonica Emisiones Sau                                     | 7.05% bond, due 06/20/2036, maturity value \$ 100,000                                                         | 117,722              | 131,548              |
| Trinity Acquisition PLC                                      | 6.13% bond, due 02/27/2043, maturity value \$ 110,000                                                         | 116,456              | 126,038              |
| Vodafone Group PLC                                           | 6.15% bond, due 02/27/2037, maturity value \$ 155,000                                                         | 174,206              | 187,027              |
| WPP Financie 2010                                            | 5.13% bond, due 09/07/2042, maturity value \$ 120,000                                                         | 117,689              | 128,316              |
|                                                              |                                                                                                               | <u>3,823,967</u>     | <u>3,913,304</u>     |
| Employer securities:                                         |                                                                                                               |                      |                      |
| * North State Telecommunications Corporation                 | 91,353 shares common stock                                                                                    | 9,604,838            | 6,148,977            |
| * North State Telecommunications Corporation                 | 162 shares preferred stock                                                                                    | 7,796                | 7,796                |
|                                                              |                                                                                                               | <u>9,612,634</u>     | <u>6,156,773</u>     |
|                                                              |                                                                                                               | <u>\$ 99,922,028</u> | <u>\$ 97,519,394</u> |

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

**Schedule of Amortization Bases**

| <b>Type</b>                | <b>Date<br/>Established</b> | <b>Years<br/>Remaining</b> | <b>PV of<br/>Remaining<br/>Installments</b> | <b>Amortization<br/>Installment</b> |
|----------------------------|-----------------------------|----------------------------|---------------------------------------------|-------------------------------------|
| 1. Shortfall               | 01/01/2010                  | 11                         | 7,853,571                                   | 939,795                             |
| 2. Shortfall               | 01/01/2011                  | 12                         | 9,536,416                                   | 1,075,581                           |
| 3. Shortfall               | 01/01/2012                  | 5                          | (7,197,125)                                 | (1,582,908)                         |
| 4. Shortfall               | 01/01/2013                  | 6                          | 1,308,558                                   | 247,699                             |
| 5. Shortfall               | 01/01/2014                  | 7                          | 2,272,964                                   | 380,401                             |
| <b>Total Amortizations</b> |                             |                            | <b>\$13,774,384</b>                         | <b>\$1,060,568</b>                  |