

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>10/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) ____ B This return/report is: ☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☒ a short plan year return/report (less than 12 months). C If the plan is a collectively-bargained plan, check here. ☐ D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II Basic Plan Information —enter all requested information		
1a Name of plan <u>RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN</u> 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>RURAL TELEPHONE SERVICE COMPANY, INC.</u> <u>145 NORTH MAIN, P.O. BOX 158</u> <u>LENORA, KS 67645</u>	1b Three-digit plan number (PN) ▶	<u>003</u>
1c Effective date of plan <u>01/01/2001</u>		
2b Employer Identification Number (EIN) <u>48-0538069</u>		
2c Plan Sponsor's telephone number <u>785-567-4281</u>		
2d Business code (see instructions) <u>517000</u>		

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	08/11/2016	CAMBER L BOLAND
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 349
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 320 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2G 2J 2K 2F 2T 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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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 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2015 This Form is Open to Public Inspection
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 10/31/2015

A Name of plan RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 RURAL TELEPHONE SERVICE COMPANY, INC.	D Employer Identification Number (EIN) 48-0538069

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
NATIONWIDE LIFE INSURANCE COMPANY

(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
31-4156830	66869	GAP-CP-FL4T	0	01/01/2015	10/31/2015

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

(a) Total amount of commissions paid 724	(b) Total amount of fees paid 181
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

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

WADDELL & REED, INC.
6300 LAMAR
P. O. BOX 29217
SHAWNEE MISSION, KS 66201-9127

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	
724	181	SERVICE FEE	3

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

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

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

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

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

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 ▶

b Balance at the end of the previous year	7b	482277
c Additions: (1) Contributions deposited during the year	7c(1)	1138
(2) Dividends and credits	7c(2)	
(3) Interest credited during the year	7c(3)	8901
(4) Transferred from separate account	7c(4)	
(5) Other (specify below)	7c(5)	
▶		
(6) Total additions	7c(6)	10039
d Total of balance and additions (add lines 7b and 7c(6))	7d	492316
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1424
(2) Administration charge made by carrier	7e(2)	233
(3) Transferred to separate account	7e(3)	18697
(4) Other (specify below)	7e(4)	471962
▶ MARKET VALUE ADJUSTMENT AND TRANSFER TO FUNDING SUCCESSOR		
(5) Total deductions	7e(5)	492316
f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	0

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

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

Specify nature of costs ▶

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 10/31/2015

A Name of plan <u>RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RURAL TELEPHONE SERVICE COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>48-0538069</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

WADDELL & REED 6300 LAMAR AVE
P.O. BOX 29217
SHAWNEE MISSION, KS 66201-9217

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

WDR INSURANCE AGENCY, INC 6300 LAMAR
P. O. BOX 29217
SHAWNEE MISSION, KS 66201-9217

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

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

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

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

NATIONWIDE

ONE NATIONWIDE PLAZA
COLUMBUS, OH 43215

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 60 49 63 59 64	NONE	55290	Yes ☒ No ☐	Yes ☒ No ☐	49327	Yes ☒ No ☐

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

DEMARS PENSION CONSULTING

8700 INDIAN CREEK PARKWAY
SUITE 185
OVERLAND PARK, KS 66210

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 15 37 65 50 99	NONE	9627	Yes ☒ No ☐	Yes ☐ No ☒	11659	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="border: 1px solid black; padding: 5px; font-size: 1.2em; font-weight: bold;">2015</div> This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>10/31/2015</u>		
A Name of plan <u>RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN</u>		B Three-digit plan number (PN) ► <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RURAL TELEPHONE SERVICE COMPANY, INC.</u>		D Employer Identification Number (EIN) <u>48-0538069</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)	0	0
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	14996	0
	(9) Value of interest in common/collective trusts.....	1c(9)		
	(10) Value of interest in pooled separate accounts.....	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	15853990	0
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	482277	0
	(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	16351263	0

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	16351263	0
---	-----------	----------	---

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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	247804	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		247804
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	349	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		349
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	105311	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		105311
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		-1084032
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-730568

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	833476	
(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)		833476
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)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	64917	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		64917
j Total expenses. Add all expense amounts in column (b) and enter total	2j		898393

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-1628961
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		14722302

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: MAPES & MILLER

(2) EIN: 48-1077109

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:

	Yes	No	N/A	Amount
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.)		X		
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.)		X		

	Yes	No	N/A	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X		
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X		
e Was this plan covered by a fidelity bond?	X			500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X		
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X		
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X			
l Has the plan failed to provide any benefit when due under the plan?		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.				
o Did the plan trust incur unrelated business taxable income?			X	
p Were in-service distributions made during the plan year?		X		

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: 0

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)
NTCA SAVINGS PLAN	52-0741336	334

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

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 10/31/2015

A Name of plan <u>RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RURAL TELEPHONE SERVICE COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>48-0538069</u>

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

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>31-1592130</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____			
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

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

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2015
v. 150123

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:		
	a The current year	14a	
	b The plan year immediately preceding the current plan year	14b	
	c The second preceding plan year	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year	15a	
	b The corresponding number for the second preceding plan year	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐		

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

18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c)
	a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
	b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
	c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

Lenora, Kansas 67645

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

As of October 31, 2015 and December 31, 2014

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

Lenora, Kansas 67645

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MAPES & MILLER LLP

CERTIFIED PUBLIC ACCOUNTANTS
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rural Telephone Service Company, Inc. 401(k) Plan
145 N. Main Street
Lenora, KS 67645

We were engaged to audit the accompanying financial statements of Rural Telephone Service Company, Inc. 401(k) Plan, which are comprised of the statement of net assets available for benefits as of October 31, 2015 and December 31, 2014, and the related statement of changes in net assets available for benefits for the ten-month period ended October 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. 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 Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note I, which was certified by Nationwide Financial Services, Inc. and Subsidiaries, the Trustee/Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the periods ended October 31, 2015 and December 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matters 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 the financial statements referred to in the first paragraph.

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

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Respectfully Submitted,

Mapes & Miller LLP

Certified Public Accountants

August 3, 2016
Phillipsburg, Kansas

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of October 31, 2015 and December 31, 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Investments (at Fair Value) (Schedule 1)	\$ -	\$ 16,326,621
Receivables		
Employer's Contributions	-	-
Participants' Contributions	-	-
Notes Receivable from Participants	-	14,996
	<u>-</u>	<u>14,996</u>
Total Receivables	-	14,996
	<u>-</u>	<u>16,341,617</u>
Total Assets	-	16,341,617
	<u>-</u>	<u>-</u>
LIABILITIES	-	-
	<u>-</u>	<u>-</u>
NET ASSETS REFLECTING INVESTMENTS AT FAIR VALUE	-	16,341,617
	<u>-</u>	<u>9,646</u>
Adjustment from fair value to contract value for fully benefit responsive insurance contracts	-	9,646
	<u>-</u>	<u>9,646</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ -</u>	<u>\$ 16,351,263</u>

The accompanying notes are an integral part of these statements.

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Ten-month Period Ended October 31, 2015

	<u>2015</u>
ADDITIONS	
Additions to Net Assets Attributed to	
Investment Income:	
Interest on Participant Loans	\$ 349
Dividends	105,311
Net Depreciation in Fair Value of Investments	<u>(1,084,032)</u>
Total Investment Income	<u>(978,372)</u>
Contributions:	
Participant	247,804
Employer	-
Rollover	<u>-</u>
Total Contributions	<u>247,804</u>
TOTAL ADDITIONS	<u>(730,568)</u>
DEDUCTIONS	
Deductions from Net Assets Attributed to:	
Benefits Paid to Participants	833,476
Administrative Fees	64,917
Transfer of Plan Assets to NTCA	<u>14,722,302</u>
TOTAL DEDUCTIONS	<u>15,620,695</u>
NET INCREASE (DECREASE)	<u>(16,351,263)</u>
NET ASSETS AVAILABLE FOR BENEFITS	

The accompanying notes are an integral part of these statements.

RURAL TELEPHONE SERVICE COMPANY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE A - DESCRIPTION OF PLAN

The following description of the Rural Telephone Service Company, Inc. 401(k) Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering employees of the Company who have six months of service and are age eighteen or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan entry date is the first day of the Plan's quarter after a participant meets the eligibility requirements.

Transfer of Assets

On January 27, 2015, the Board of Directors and Rural Telephone Service Company, Inc., approved the transfer of the plan assets to NTCA. The assets of the plan were transferred to a multi-employer plan with NTCA on October 1, 2015.

Contributions

Each year participants may contribute up to 50% of pretax annual compensation, as defined in the Plan and as allowable by the Internal Revenue Code ("IRC"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Plan also permits employees to make employee after-tax contributions. For each Plan Year the employer may contribute to the Plan an amount of contribution determined by the employer at its discretion. There was no discretionary match in 2015 or 2014. Participants direct the investment of their contributions into various investment options offered by the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings (losses), and charged with an allocation of administrative expenses paid by the plan. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. Participants are 20% vested after three years of credited service and the vesting increases 20% for each credited year of service thereafter until the participant is fully vested after seven years of credited service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest rates ranging from 4.25% to 6.25%, which are commensurate with local prevailing rates as determined by the Plan's management. Principal and interest are paid ratably through biweekly payroll deductions.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount, or in annual installments. If the vested account balance is \$5,000 or less, the Plan will distribute that portion in a lump sum. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeited Accounts

At October 31, 2015 and December 31, 2014 forfeited nonvested accounts totaled \$0 and \$329 respectively. Forfeited nonvested accounts may first be used to reduce the Plan's ordinary and necessary administrative expenses and then any remaining forfeitures will be used to offset the Plan sponsor's discretionary contributions. In 2015 and 2014, employer contributions were not reduced from forfeited nonvested accounts. Also in 2015 and 2014, fees of \$2,408 and \$1,190 were deducted from the forfeiture account.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

No subsequent events due to all assets being transferred to NTCA on October 1, 2015.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the plan administrator to make estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared using contract value for the fully benefit-responsive contract.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded at October 31, 2015 or December 31, 2014.

Investment Valuation and Income Recognition

Investments are reported at fair value. All plan assets were transferred to NTCA before the close of business on October 1, 2015. 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. The Company's management determines the Plan's valuation policies. See Note C 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.

Payment of Benefits

Benefits are recorded when paid.

Operating Expenses

Per Plan documents, certain expenses are paid directly by the Plan while others are paid by the plan sponsor. For 2015 and 2014, the plan sponsor paid administrative fees of \$18,957 and \$18,840 respectively and expenses paid directly by the plan totaled \$151,182 and \$151,253 respectively.

NOTE C – FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. This framework provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets which the Plan has ability to access.

Level 2 – Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices which are observable for the assets or liability;
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology which are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input which is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the assets measured at fair value. There have been no changes in the methodologies used at October 31, 2015 and December 31, 2014.

- Mutual funds: Quoted at the net asset values of the shares held by the Plan at year-end.
- Insurance contracts: Valued at the book value of the underlying assets. At year end, a market adjustment is calculated by the Custodian for the adjustment to fair value.

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. 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 tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of October 31, 2015 and December 31, 2014:

	Fair Value Measurements at Reporting Date Using:			
	Fair Value	Quoted Prices in Active Markets for Identical Assets		
		(Level 1)	(Level 2)	(Level 3)
October 31, 2015				
Totals	\$ -	\$ -	\$ -	\$ -
December 31, 2014				
Balanced Funds	\$ 2,070,123	\$ 2,070,123	\$ -	\$ -
Bond Funds	2,095,014	2,095,014	-	-
Contracts with Insurance Co.	472,632	-	-	472,632
International Funds	1,719,719	1,719,719	-	-
Large - Cap	4,284,241	4,284,241	-	-
Mid - Cap	1,076,128	1,076,128	-	-
Money Market	1,399	1,399	-	-
Small Cap	1,699,892	1,699,892	-	-
Specialty Funds	2,907,473	2,907,473	-	-
Totals	\$ 16,326,621	\$ 15,853,989	\$ -	\$ 472,632

The following tables reconcile the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) of the guaranteed investment contract with insurance company for the years ended October 31, 2015 and December 31, 2014:

Fair Value of Insurance Contracts at December 31, 2014	\$ 472,632
Contributions	1,138
Disbursed from Fund	(1,424)
Income Earned	8,901
Administrative Charge	(233)
Adjustment to Fair Value From Contract Value	9,645
Transfers of Assets From Other Funds	(18,697)
Transfer to Funding Successor	(452,140)
Market Value Adjustment	(19,822)
Fair value of Insurance Contracts at October 31, 2015	<u>\$ -</u>
Fair Value of Insurance Contracts at December 31, 2013	\$ 307,286
Contributions	8,573
Disbursed from Fund	(215,007)
Income Earned	12,991
Administrative Charge	(260)
Adjustment to Fair Value From Contract Value	4,497
Transfers of Assets From Other Funds	354,552
Fair value of Insurance Contracts at December 31, 2014	<u>\$ 472,632</u>

Gains and losses included in changes in net assets available for benefits for the periods ended October 31, 2015 and December 31, 2014 are reported in net appreciation (depreciation) in fair value of investments. Unrealized gains/losses from the guaranteed investment contract are not reported in the Statement of Changes in Net Assets available for benefits as the contract is recorded at contract value for presentation in the net assets available for benefits.

NOTE D – Investment contract with Insurance Company

In 2013, the plan entered into a benefit-responsive investment contract with Nationwide Financial Services, Inc. and Subsidiaries (Nationwide). Nationwide maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the plan by Nationwide. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the plan.

As described in Note B, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the plan by Nationwide, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at October 31, 2015 and December 31, 2014 was \$0 and \$482,277, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 2 percent. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the ability of the plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

The guaranteed investment contract does not have a maturity date. A contract holder can request a lump sum distribution with a market value adjustment, or an installment payout, at book value, over a period of years. The fixed contract continues in force until all assets have been distributed, or no further payments are due. Average and actual yields credited to participants during 2015 and 2014 were 2.55 percent and 2.525 percent, respectively.

NOTE E – INVESTMENTS

The following presents investments at October 31, 2015 and December 31, 2014 that represent 5% or more of the Plan's net assets at the beginning of the plan year. All investments are participant directed.

<u>MUTUAL FUNDS</u>	<u>October 31, 2015</u>	<u>December 31, 2014</u>
Wr Ivy Asst Strat Y	\$ -	\$ 1,480,973
Wr Adv Cor Invmt A	-	1,111,274
Wr Ivy Scnc Tech Y	-	1,976,464
Wr Adv Smcap A	-	1,019,716

During 2015 and 2014, the Plan's Investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<u>2015</u>	<u>2014</u>
Appreciation (Depreciation) in Fair Value of Investments as Determined by Current Value Mutual Funds and insurance contract	\$ (1,084,032)	\$ 427,417
Net Change in Fair Value	<u>\$ (1,084,032)</u>	<u>\$ 427,417</u>

NOTE F – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500:

	<u>October 31, 2015</u>	<u>December 31, 2014</u>
Net Assets Available for Benefits Per the Financial Statements	\$ -	\$ 16,351,263
Net Assets Available for Benefits Per Schedule H to the Form 5500	<u>\$ -</u>	<u>\$ 16,351,263</u>

The following is a reconciliation of benefits paid to participants per the financial statements for the periods ended October 31, 2015 and December 31, 2014 to Schedule H of Form 5500:

	<u>October 31, 2015</u>	<u>December 31, 2014</u>
Change in net assets available for Plan benefit		
Per the Financial Statements	<u>\$ (16,351,263)</u>	<u>\$ (48,369)</u>
Benefits Paid to Participants		
Per Schedule H of Form 5500	<u>\$ (16,351,263)</u>	<u>\$ (48,369)</u>

NOTE G – TAX STATUS

The Plan sponsor adopted a prototype Non-Standardized Profit Sharing Plan which received a favorable opinion letter from the Internal Revenue Service (“IRS”) on January 31, 2006, which stated the prototype plan and related trust are designed in accordance with the applicable sections of the IRC. The Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving its opinion letter. However, the Plan administrator believes the Plan is designed and is currently being operated in accordance with all applicable provisions of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position which more than likely would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded as of October 31, 2015 and December 31, 2014, that there are no uncertain position taken or expected to be taken which would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing authorities, however, there are currently no audits or examinations for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2012.

NOTE H – RISKS AND UNCERTAINTIES

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

NOTE I – UNAUDITED INFORMATION CERTIFIED BY THE CUSTODIAN

The following information was certified as complete and accurate by Nationwide Financial Services, Inc. and Subsidiaries (“Nationwide”), the custodian of the Plan, as of and for the periods ended October 31, 2015 and December 31, 2014.

	<u>2015</u>	<u>2014</u>
Investments at Fair Value		
Mutual Funds	\$ -	\$ 15,853,989
Contracts with Insurance companies	-	472,632
Participant Loans	-	14,996
Investment Income (Expense)	-	582,342

NOTE J – RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Nationwide who is the Plan's custodian and, therefore, these transactions qualify as party-in-interest transactions. Direct fees paid to Nationwide amounted to \$55,290 and \$35,140 for the periods ended October 31, 2015 and December 31, 2014, respectively. Direct fees are also paid to DeMars Pension Consulting Services, Inc. ("DeMars"), who is the Plan's third party administrator. Direct fees paid to DeMars for the periods ending October 31, 2015 and December 31, 2014 were \$9,627 and \$7,592. Nationwide, DeMars and Waddell & Reed, who is the Plan's investment advisor, received indirect fees totaling \$86,265 for the period ended October 31, 2015 and \$94,705 for the period ended December 31, 2015 which was paid for by revenue sharing arrangements.

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b) and 6058(a) of the Internal Revenue Code (the Code) Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos 1210-0110 1210-0089 2015 This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>10/31/2015</u>	
A This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____ B This return/report is: ☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☒ a short plan year return/report (less than 12 months) C If the plan is a collectively-bargained plan, check here: ☐ D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description) _____	

Part II Basic Plan Information—enter all requested information											
1a Name of plan Rural Telephone Service Company, Inc. 401(k) Plan 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P O Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) RURAL TELEPHONE SERVICE COMPANY, INC. 145 NORTH MAIN, P.O. BOX 158 LENORA KS 67645	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">1b Three-digit plan number (PN)</td> <td style="width: 50%; text-align: center;">003</td> </tr> <tr> <td colspan="2">1c Effective date of plan 01/01/2001</td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) 48-0538069</td> </tr> <tr> <td colspan="2">2c Plan Sponsor's telephone number 785-567-4281</td> </tr> <tr> <td colspan="2">2d Business code (see instructions) 517000</td> </tr> </table>	1b Three-digit plan number (PN)	003	1c Effective date of plan 01/01/2001		2b Employer Identification Number (EIN) 48-0538069		2c Plan Sponsor's telephone number 785-567-4281		2d Business code (see instructions) 517000	
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2d Business code (see instructions) 517000											

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		<u>8/14/16</u>	
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name if applicable) and address (include room or suite number)			Preparer's telephone number

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

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 349
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 320 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2G 2J 2K 2F 2T 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☒ A (Insurance Information) 1 (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (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 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 _____

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b) and 6058(a) of the Internal Revenue Code (the Code) Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos 1210-0110 1210-0089 <div style="font-size: 24pt; font-weight: bold; text-align: center;">2015</div> This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>10/31/2015</u>	
A This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____ B This return/report is: ☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☒ a short plan year return/report (less than 12 months) C If the plan is a collectively-bargained plan, check here: ☐ D Check box if filing under: ☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description) _____	

Part II Basic Plan Information—enter all requested information											
1a Name of plan Rural Telephone Service Company, Inc. 401(k) Plan 2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P O Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) RURAL TELEPHONE SERVICE COMPANY, INC. 145 NORTH MAIN, P.O. BOX 158 LENORA KS 67645	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="background-color: #f2f2f2;">1b Three-digit plan number (PN)</td> <td style="text-align: center;">003</td> </tr> <tr> <td style="background-color: #f2f2f2;">1c Effective date of plan</td> <td style="text-align: center;">01/01/2001</td> </tr> <tr> <td style="background-color: #f2f2f2;">2b Employer Identification Number (EIN)</td> <td style="text-align: center;">48-0538069</td> </tr> <tr> <td style="background-color: #f2f2f2;">2c Plan Sponsor's telephone number</td> <td style="text-align: center;">785-567-4281</td> </tr> <tr> <td style="background-color: #f2f2f2;">2d Business code (see instructions)</td> <td style="text-align: center;">517000</td> </tr> </table>	1b Three-digit plan number (PN)	003	1c Effective date of plan	01/01/2001	2b Employer Identification Number (EIN)	48-0538069	2c Plan Sponsor's telephone number	785-567-4281	2d Business code (see instructions)	517000
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Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	 Signature of plan administrator	<u>8/14/16</u> Date	CAMBER L BOLAND Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name if applicable) and address (include room or suite number)			Preparer's telephone number

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

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 320 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 4
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2G 2J 2K 2F 2T 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information - Small Plan) (3) ☒ A (Insurance Information) 1 (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (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 2015 Form M-1 annual report. If the plan was not required to file the 2015 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 _____

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

Lenora, Kansas 67645

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

As of October 31, 2015 and December 31, 2014

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

Lenora, Kansas 67645

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rural Telephone Service Company, Inc. 401(k) Plan
145 N. Main Street
Lenora, KS 67645

We were engaged to audit the accompanying financial statements of Rural Telephone Service Company, Inc. 401(k) Plan, which are comprised of the statement of net assets available for benefits as of October 31, 2015 and December 31, 2014, and the related statement of changes in net assets available for benefits for the ten-month period ended October 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. 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 Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note I, which was certified by Nationwide Financial Services, Inc. and Subsidiaries, the Trustee/Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the periods ended October 31, 2015 and December 31, 2014, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matters 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 the financial statements referred to in the first paragraph.

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

The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, has been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Respectfully Submitted,

Mapes & Miller LLP

Certified Public Accountants

August 3, 2016
Phillipsburg, Kansas

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of October 31, 2015 and December 31, 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Investments (at Fair Value) (Schedule 1)	\$ -	\$ 16,326,621
Receivables		
Employer's Contributions	-	-
Participants' Contributions	-	-
Notes Receivable from Participants	-	14,996
	<u>-</u>	<u>14,996</u>
Total Receivables	-	14,996
	<u>-</u>	<u>16,341,617</u>
Total Assets	-	16,341,617
	<u>-</u>	<u>-</u>
LIABILITIES	-	-
	<u>-</u>	<u>-</u>
NET ASSETS REFLECTING INVESTMENTS AT FAIR VALUE	-	16,341,617
	<u>-</u>	<u>9,646</u>
Adjustment from fair value to contract value for fully benefit responsive insurance contracts	-	9,646
	<u>-</u>	<u>9,646</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ -</u>	<u>\$ 16,351,263</u>

The accompanying notes are an integral part of these statements.

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Ten-month Period Ended October 31, 2015

	<u>2015</u>
ADDITIONS	
Additions to Net Assets Attributed to	
Investment Income:	
Interest on Participant Loans	\$ 349
Dividends	105,311
Net Depreciation in Fair Value of Investments	<u>(1,084,032)</u>
Total Investment Income	<u>(978,372)</u>
Contributions:	
Participant	247,804
Employer	-
Rollover	<u>-</u>
Total Contributions	<u>247,804</u>
TOTAL ADDITIONS	<u>(730,568)</u>
DEDUCTIONS	
Deductions from Net Assets Attributed to:	
Benefits Paid to Participants	833,476
Administrative Fees	64,917
Transfer of Plan Assets to NTCA	<u>14,722,302</u>
TOTAL DEDUCTIONS	<u>15,620,695</u>
NET INCREASE (DECREASE)	<u>(16,351,263)</u>
NET ASSETS AVAILABLE FOR BENEFITS	

The accompanying notes are an integral part of these statements.

RURAL TELEPHONE SERVICE COMPANY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE A - DESCRIPTION OF PLAN

The following description of the Rural Telephone Service Company, Inc. 401(k) Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering employees of the Company who have six months of service and are age eighteen or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan entry date is the first day of the Plan's quarter after a participant meets the eligibility requirements.

Transfer of Assets

On January 27, 2015, the Board of Directors and Rural Telephone Service Company, Inc., approved the transfer of the plan assets to NTCA. The assets of the plan were transferred to a multi-employer plan with NTCA on October 1, 2015.

Contributions

Each year participants may contribute up to 50% of pretax annual compensation, as defined in the Plan and as allowable by the Internal Revenue Code ("IRC"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Plan also permits employees to make employee after-tax contributions. For each Plan Year the employer may contribute to the Plan an amount of contribution determined by the employer at its discretion. There was no discretionary match in 2015 or 2014. Participants direct the investment of their contributions into various investment options offered by the Plan.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings (losses), and charged with an allocation of administrative expenses paid by the plan. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. Participants are 20% vested after three years of credited service and the vesting increases 20% for each credited year of service thereafter until the participant is fully vested after seven years of credited service.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest rates ranging from 4.25% to 6.25%, which are commensurate with local prevailing rates as determined by the Plan's management. Principal and interest are paid ratably through biweekly payroll deductions.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount, or in annual installments. If the vested account balance is \$5,000 or less, the Plan will distribute that portion in a lump sum. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeited Accounts

At October 31, 2015 and December 31, 2014 forfeited nonvested accounts totaled \$0 and \$329 respectively. Forfeited nonvested accounts may first be used to reduce the Plan's ordinary and necessary administrative expenses and then any remaining forfeitures will be used to offset the Plan sponsor's discretionary contributions. In 2015 and 2014, employer contributions were not reduced from forfeited nonvested accounts. Also in 2015 and 2014, fees of \$2,408 and \$1,190 were deducted from the forfeiture account.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

No subsequent events due to all assets being transferred to NTCA on October 1, 2015.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the plan administrator to make estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared using contract value for the fully benefit-responsive contract.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balances plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded at October 31, 2015 or December 31, 2014.

Investment Valuation and Income Recognition

Investments are reported at fair value. All plan assets were transferred to NTCA before the close of business on October 1, 2015. 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. The Company's management determines the Plan's valuation policies. See Note C 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.

Payment of Benefits

Benefits are recorded when paid.

Operating Expenses

Per Plan documents, certain expenses are paid directly by the Plan while others are paid by the plan sponsor. For 2015 and 2014, the plan sponsor paid administrative fees of \$18,957 and \$18,840 respectively and expenses paid directly by the plan totaled \$151,182 and \$151,253 respectively.

NOTE C – FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. This framework provides a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets which the Plan has ability to access.

Level 2 – Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices which are observable for the assets or liability;
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology which are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input which is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the assets measured at fair value. There have been no changes in the methodologies used at October 31, 2015 and December 31, 2014.

- Mutual funds: Quoted at the net asset values of the shares held by the Plan at year-end.
- Insurance contracts: Valued at the book value of the underlying assets. At year end, a market adjustment is calculated by the Custodian for the adjustment to fair value.

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. 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 tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of October 31, 2015 and December 31, 2014:

	Fair Value Measurements at Reporting Date Using:			
	Fair Value	Quoted Prices in Active Markets for Identical Assets		
		(Level 1)	(Level 2)	(Level 3)
October 31, 2015				
Totals	\$ -	\$ -	\$ -	\$ -
December 31, 2014				
Balanced Funds	\$ 2,070,123	\$ 2,070,123	\$ -	\$ -
Bond Funds	2,095,014	2,095,014	-	-
Contracts with Insurance Co.	472,632	-	-	472,632
International Funds	1,719,719	1,719,719	-	-
Large - Cap	4,284,241	4,284,241	-	-
Mid - Cap	1,076,128	1,076,128	-	-
Money Market	1,399	1,399	-	-
Small Cap	1,699,892	1,699,892	-	-
Specialty Funds	2,907,473	2,907,473	-	-
Totals	\$ 16,326,621	\$ 15,853,989	\$ -	\$ 472,632

The following tables reconcile the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) of the guaranteed investment contract with insurance company for the years ended October 31, 2015 and December 31, 2014:

Fair Value of Insurance Contracts at December 31, 2014	\$ 472,632
Contributions	1,138
Disbursed from Fund	(1,424)
Income Earned	8,901
Administrative Charge	(233)
Adjustment to Fair Value From Contract Value	9,645
Transfers of Assets From Other Funds	(18,697)
Transfer to Funding Successor	(452,140)
Market Value Adjustment	(19,822)
Fair value of Insurance Contracts at October 31, 2015	<u>\$ -</u>
Fair Value of Insurance Contracts at December 31, 2013	\$ 307,286
Contributions	8,573
Disbursed from Fund	(215,007)
Income Earned	12,991
Administrative Charge	(260)
Adjustment to Fair Value From Contract Value	4,497
Transfers of Assets From Other Funds	354,552
Fair value of Insurance Contracts at December 31, 2014	<u>\$ 472,632</u>

Gains and losses included in changes in net assets available for benefits for the periods ended October 31, 2015 and December 31, 2014 are reported in net appreciation (depreciation) in fair value of investments. Unrealized gains/losses from the guaranteed investment contract are not reported in the Statement of Changes in Net Assets available for benefits as the contract is recorded at contract value for presentation in the net assets available for benefits.

NOTE D – Investment contract with Insurance Company

In 2013, the plan entered into a benefit-responsive investment contract with Nationwide Financial Services, Inc. and Subsidiaries (Nationwide). Nationwide maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at contract value as reported to the plan by Nationwide. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the plan.

As described in Note B, because the guaranteed investment contract is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the plan by Nationwide, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at October 31, 2015 and December 31, 2014 was \$0 and \$482,277, respectively. The crediting interest rate is based on a formula agreed upon with the issuer, but it may not be less than 2 percent. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events limit the ability of the plan to transact at contract value with the issuer. Such events include the following: (1) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (2) changes to the plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that any events which would limit the plan's ability to transact at contract value with participants are probable of occurring.

The guaranteed investment contract does not have a maturity date. A contract holder can request a lump sum distribution with a market value adjustment, or an installment payout, at book value, over a period of years. The fixed contract continues in force until all assets have been distributed, or no further payments are due. Average and actual yields credited to participants during 2015 and 2014 were 2.55 percent and 2.525 percent, respectively.

NOTE E – INVESTMENTS

The following presents investments at October 31, 2015 and December 31, 2014 that represent 5% or more of the Plan's net assets at the beginning of the plan year. All investments are participant directed.

<u>MUTUAL FUNDS</u>	<u>October 31, 2015</u>	<u>December 31, 2014</u>
Wr Ivy Asst Strat Y	\$ -	\$ 1,480,973
Wr Adv Cor Invmt A	-	1,111,274
Wr Ivy Scnc Tech Y	-	1,976,464
Wr Adv Smcap A	-	1,019,716

During 2015 and 2014, the Plan's Investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	<u>2015</u>	<u>2014</u>
Appreciation (Depreciation) in Fair Value of Investments as Determined by Current Value Mutual Funds and insurance contract	\$ (1,084,032)	\$ 427,417
Net Change in Fair Value	<u>\$ (1,084,032)</u>	<u>\$ 427,417</u>

NOTE F – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Schedule H of Form 5500:

	<u>October 31, 2015</u>	<u>December 31, 2014</u>
Net Assets Available for Benefits Per the Financial Statements	\$ -	\$ 16,351,263
Net Assets Available for Benefits Per Schedule H to the Form 5500	<u>\$ -</u>	<u>\$ 16,351,263</u>

The following is a reconciliation of benefits paid to participants per the financial statements for the periods ended October 31, 2015 and December 31, 2014 to Schedule H of Form 5500:

	<u>October 31, 2015</u>	<u>December 31, 2014</u>
Change in net assets available for Plan benefit		
Per the Financial Statements	<u>\$ (16,351,263)</u>	<u>\$ (48,369)</u>
Benefits Paid to Participants		
Per Schedule H of Form 5500	<u>\$ (16,351,263)</u>	<u>\$ (48,369)</u>

NOTE G – TAX STATUS

The Plan sponsor adopted a prototype Non-Standardized Profit Sharing Plan which received a favorable opinion letter from the Internal Revenue Service (“IRS”) on January 31, 2006, which stated the prototype plan and related trust are designed in accordance with the applicable sections of the IRC. The Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving its opinion letter. However, the Plan administrator believes the Plan is designed and is currently being operated in accordance with all applicable provisions of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position which more than likely would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan and has concluded as of October 31, 2015 and December 31, 2014, that there are no uncertain position taken or expected to be taken which would require recognition of a liability (or asset) or disclosure in the financial statements. The plan is subject to routine audits by taxing authorities, however, there are currently no audits or examinations for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2012.

NOTE H – RISKS AND UNCERTAINTIES

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

NOTE I – UNAUDITED INFORMATION CERTIFIED BY THE CUSTODIAN

The following information was certified as complete and accurate by Nationwide Financial Services, Inc. and Subsidiaries (“Nationwide”), the custodian of the Plan, as of and for the periods ended October 31, 2015 and December 31, 2014.

	<u>2015</u>	<u>2014</u>
Investments at Fair Value		
Mutual Funds	\$ -	\$ 15,853,989
Contracts with Insurance companies	-	472,632
Participant Loans	-	14,996
Investment Income (Expense)	-	582,342

NOTE J – RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Nationwide who is the Plan's custodian and, therefore, these transactions qualify as party-in-interest transactions. Direct fees paid to Nationwide amounted to \$55,290 and \$35,140 for the periods ended October 31, 2015 and December 31, 2014, respectively. Direct fees are also paid to DeMars Pension Consulting Services, Inc. ("DeMars"), who is the Plan's third party administrator. Direct fees paid to DeMars for the periods ending October 31, 2015 and December 31, 2014 were \$9,627 and \$7,592. Nationwide, DeMars and Waddell & Reed, who is the Plan's investment advisor, received indirect fees totaling \$86,265 for the period ended October 31, 2015 and \$94,705 for the period ended December 31, 2015 which was paid for by revenue sharing arrangements.