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

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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
- [X] 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:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
NORTH STATE COMMUNICATIONS RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 02/10/1944

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)
NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS

P.O. BOX 2326
HIGH POINT, NC 27261

111 N. MAIN STREET
HIGH POINT, NC 27261

2b Employer Identification Number (EIN) 56-0341710

2c Plan Sponsor's telephone number 336-886-3600

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	Filed with authorized/valid electronic signature.	09/21/2016	LISA SNOWDEN
	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

NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS

P.O. BOX 2326
HIGH POINT, NC 27261

3b Administrator's EIN: 56-0341710

3c Administrator's telephone number: 336-886-3600

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	711
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	**6a(1)**	280
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	250
b	Retired or separated participants receiving benefits	**6b**	313
c	Other retired or separated participants entitled to future benefits	**6c**	114
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	677
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	25
f	Total. Add lines **6d** and **6e**.	**6f**	702
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	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:

1A 1I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** ☒ **R** (Retirement Plan Information)
- **(2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** ☒ **H** (Financial Information)
- **(2)** ☐ **I** (Financial Information – Small Plan)
- **(3)** ☐ 0 **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)

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 SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan
NORTH STATE COMMUNICATIONS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS

D Employer Identification Number (EIN)
56-0341710

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	98911496
b Actuarial value	**2b**	99278523

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	327	81122523	81122523
b For terminated vested participants	104	3457450	3457450
c For active participants	280	20883944	21712598
d Total	711	105463917	106292571

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.20%
6 Target normal cost	**6**	610521

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

09/08/2016
Date

STEVEN M. BULL, EA, MAAA, FCA, MSPA
Type or print name of actuary

14-04786
Most recent enrollment number

STANLEY, HUNT, DUPREE & RHINE
Firm name

336-291-1137
Telephone number (including area code)

7701 AIRPORT CENTER DRIVE
MAILCODE 527-99-02-20
GREENSBORO, NC 27409
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	4287749
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	4287749
10	Interest on line 9 using prior year's actual return of 5.30%	0	227251
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		609221
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.41%		39051
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		648272
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	4515000

Part III Funding Percentages

14	Funding target attainment percentage	14	89.15 %
15	Adjusted funding target attainment percentage	15	89.15 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	87.03 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2015	500000	0			
07/14/2015	500000	0			
10/14/2015	500000	0			
01/14/2016	500000	0			
08/15/2016	1500000	0			
			Totals ► 18(b)	3500000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	3283198

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

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

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	610521
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	11529048	696878
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	1307399

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	1307399
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	3283198

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	1975799
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☒ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

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

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

LOOMIS SAYLES & COMPANY

04-3200030

(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?
28	NONE	112839	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

BB&T INSURANCE SERVICES D/B/A SHDR

56-1623293

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	NONE	68815	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

CAPTRUST FINANCIAL ADVISORS

26-0058143

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	41492	Yes [ ] No [X]	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)

BB&T

56-1074313

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	NONE	36354	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

BAUKNIGHT, PIETRAS & STORMER, PA

57-0940019

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE	9733	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

(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

(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

(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

(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

(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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
NORTH STATE COMMUNICATIONS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS

D Employer Identification Number (EIN)
56-0341710

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	1000000	2000000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	414527	404015
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	7277389	4967827
(2) U.S. Government securities	1c(2)	4979624	5708150
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)	30554275	27501804
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(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)	48551333	45716982
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)	6156773	3864569
(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	98933921	90163347
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 through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	98933921	90163347

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)	3500000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		3500000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	4841	
(B) U.S. Government securities	2b(1)(B)	180315	
(C) Corporate debt instruments	2b(1)(C)	1329515	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1514671
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	475686	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2041708	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		2517394
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	661881	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-661881
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-3815267	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-3815267

		(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)		-3382317
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		-327400
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	7836216	
(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)		7836216
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)	114902	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	154331	
(4) Other	2i(4)	337725	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		606958
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		8443174
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-8770574
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

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

(1) Name: BAUKNIGHT PIETRAS & STORMER, PA **(2)** EIN: 57-0940019

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

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		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.)	4a		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.)	4b		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.)	4c		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.)	4d		X		
e Was this plan covered by a fidelity bond?	4e	X			1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		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?	4g		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?	4h		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.)	4i	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.)	4j		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?	4k		X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X		
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		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.	4n				
o Did the plan trust incur unrelated business taxable income?	4o				
p Were in-service distributions made during the plan year?	4p				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

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

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

Part V Trust Information

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.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
NORTH STATE COMMUNICATIONS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS

D Employer Identification Number (EIN)
56-0341710

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 56-1368984

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 0

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

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

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

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

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

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

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

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

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

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

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

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

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

Part VII IRS Compliance Questions

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

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Financial Statements
and Supplemental Schedule

North State Telephone Company
Retirement Plan

Years Ended December 31, 2015 and 2014
with Report of Independent Auditors

North State Telephone Company Retirement Plan
Financial Statements
and Supplemental Schedule
Years Ended December 31, 2015 and 2014

Contents

Report of Independent Auditors..... 1-2

Financial Statements

Statements of Net Assets Available for Plan Benefits.....3
Statements of Changes in Net Assets Available for Plan Benefits.....4
Notes to Financial Statements..... 5-14

Supplemental Schedule

Schedule H, Line 4i - Schedule of Assets Held at End of Year..... 15-19

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Report of Independent Auditors

Advisory Committee of the
North State Telephone Company Retirement Plan

We have audited the accompanying financial statements of the North State Telephone Company Retirement Plan (the "Plan"), which comprise the statements of net assets available for plan benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for plan benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Basis for Disclaimer of Opinion
As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Branch Banking and Trust, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and the supplemental schedule. We have been informed by the plan administrator that the custodian holds certain of the Plan's investment assets and executes certain investment transactions. The plan administrator has obtained certifications from the custodian as of and for the years ended December 31, 2015 and 2014, that the information provided to the plan administrator by the custodian is complete and accurate.

Advisory Committee of the
North State Telephone Company Retirement Plan

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

Other Matter
The supplemental schedule, as listed in the accompanying table of contents, is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

Bantwright Pietras + Storm, P.A.

September 7, 2016

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

	December 31, 2015	2014
Assets		
Investments at fair value:		
Cash and cash equivalents	**$ 4,967,827**	$ 7,277,389
Mutual funds and exchange-traded funds	**45,716,982**	48,551,333
U.S. Government securities	**5,708,150**	4,979,624
Corporate, municipal and foreign bonds and notes	**27,501,804**	30,554,275
North State Telecommunications Corporation common and preferred stock	**3,864,569**	6,156,773
Total investments	**87,759,332**	97,519,394
Receivables:		
Interest and dividends	**404,015**	414,527
Employer contributions receivable	**2,000,000**	1,000,000
Total receivables	**2,404,015**	1,414,527
Total assets	**90,163,347**	98,933,921
Liabilities		
Total liabilities	**--**	--
Net assets available for plan benefits	**$ 90,163,347**	$ 98,933,921

See accompanying notes.

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

	Years Ended December 31, 2015	2014
Additions to net assets attributed to:		
Investment income:		
Net appreciation (depreciation) in fair value of investments	**$ (7,859,465)**	$ 1,049,971
Interest and dividends	**4,032,065**	3,909,565
	(3,827,400)	4,959,536
Employer contributions	**3,500,000**	2,500,000
Total additions, net	**(327,400)**	7,459,536
Deductions from net assets attributed to:		
Benefits paid to participants	**7,836,216**	7,723,751
Administrative expenses	**606,958**	610,521
Total deductions	**8,443,174**	8,334,272
Net change	**(8,770,574)**	(874,736)
Net assets available for plan benefits, beginning	**98,933,921**	99,808,657
Net assets available for plan benefits, ending	**$ 90,163,347**	$ 98,933,921

See accompanying notes.

North State Telephone Company Retirement Plan
Notes to Financial Statements
December 31, 2015 and 2014

1. Description of Plan

The following description of the North State Telephone Company Retirement Plan (the "Plan") provides only general information. Participants may refer to the plan document for a more complete description of the Plan's provisions.

General

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

Funding

Contributions to the Plan are made by the Company in amounts sufficient to fund the Plan's current service cost on a current basis and to fund the initial past service costs over a period from 10 to 40 years. Contribution requirements for 2015 were satisfied with a $3.5 million employer contribution, of which $2 million was included in employer contributions receivable at December 31, 2015. Contribution requirements for 2014 were satisfied with a $2.5 million employer contribution, of which $1 million was included in employer contributions receivable at December 31, 2014.

Pension Benefits

Participants are generally entitled to an annual retirement benefit beginning at age 65. The annual benefit payable is equal to (a) the sum of 1.3% of the annual average earnings for the previous 60 consecutive calendar months out of the last 120 months which produce the highest average, plus (b) 0.65% of excess earnings over a specified compensation multiplied by the number of years of credited service, not to exceed 35 years. Participants who met certain age and service requirements as of January 1, 2007, became grandfathered in their pension benefits and are eligible to retire early without actuarial reduction for early commencement upon satisfaction of: (a) attainment of age 60 and 20 years of vesting service; or (b) attainment of age 55 and 25 years of vesting service; or (c) 30 years of vesting service. Non-grandfathered participants electing to retire before age 65 are subject to reduced benefits in accordance with the plan document. Benefits are payable under various annuity options specified in the Plan or by lump-sum distribution for benefits of $1,000 or less. Effective January 1, 2016, the Plan was amended to increase the lump-sum distribution threshold for benefits to $50,000 or less.

1. Description of Plan

Pension Benefits (continued)

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

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

Effective December 1, 2015, the Plan was amended to allow for a voluntary lump sum cash-out window provision to be offered between December 1, 2015 and February 29, 2016. The voluntary lump sum cash out was offered to any vested former participant (or the beneficiary of any decreased vested former participant) who terminated employment with the Company prior to October 1, 2015 and whose deferred benefit had a lump sum value, payable on April 1, 2016, of less than $85,000. The participants could elect to receive the lump sum or to take monthly payments in annuity. A lump sum of approximately $2.2 million was paid to participants as of April 1, 2016 and approximately $71,000 will be paid out as annuities.

Death and Disability Benefits

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

Vesting

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

1. Description of Plan (continued)

Plan Termination

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

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

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

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Accounting

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

Estimates

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

Cash and Cash Equivalents

Cash equivalents consist of funds held in money market accounts.

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

Investment Valuation and Income Recognition

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Risks and Uncertainties

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

Recent Accounting Pronouncement

In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2015-12 "Plan Accounting: Defined Contribution Pension Plans – Part I: Fully Benefit-Responsive Investment Contracts, Part II: Plan Investment Disclosures, and Part III: Measurement Date Practical Expedient". The main provisions include simplifying investment disclosures by eliminating the requirements to disaggregate investments by class and eliminating the requirements to disclose individual investments with a fair value in excess of 5% of net assets available for plan benefits. ASU 2015-12 is effective for periods beginning after December 15, 2015 on a retrospective basis, with early adoption allowed under certain circumstances. The Plan has elected to early adopt this standard.

3. Information Certified by BB&T

The following is a summary of unaudited information included in the Plan's financial statements and supplemental schedule as of December 31, 2015 and 2014 and for the years then ended. The plan administrator has obtained certifications from Branch Banking and Trust ("BB&T"), the custodian of the Plan, that such information is complete and accurate.

	2015	2014
Fair value of investments:		
Cash and cash equivalents	**$ 4,967,827**	$ 7,277,389
Mutual funds and exchange-traded funds	**45,716,982**	48,551,333
U.S. Government securities	**5,708,150**	4,979,624
Corporate, municipal and foreign bonds and notes	**27,501,804**	30,554,275

	Years ended December 31, 2015	2014
Additions to net assets during the years ended:		
Net appreciation in fair value of investments	**$ (5,567,258)**	$ 1,232,677
Interest and dividends	**3,556,376**	3,409,075

4. Fair Value Measurements

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

U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs to the valuation methodology are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

4. Fair Value Measurements (continued)

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

	As of December 31, 2015		
	Quoted Market Prices (Level 1)	**Significant Other Observable Inputs**	**Total - at Fair Value**
Cash and cash equivalents	$ 4,967,827	$ --	$ 4,967,827
Mutual funds	45,716,982	--	45,716,982
U.S. Government securities	5,708,150	--	5,708,150
Corporate, municipal and foreign bonds and notes	--	27,501,804	27,501,804
North State Telecommunications Corporation common and preferred stock	--	3,864,569	3,864,569
Total investments	$ 56,392,959	$ 31,366,373	$ 87,759,332

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

Level 1 Fair Value Measurements- The fair values of mutual funds and U.S. Government securities are determined by BB&T using quoted market prices. Cash and cash equivalents are valued at cost which approximates fair value.

4. Fair Value Measurements (continued)

Level 2 Fair Value Measurements- The fair value of North State Telecommunications Corporation common and preferred stock is determined using the weighted average stock prices for transactions in the last 30 days of the year. The fair value of corporate, municipal, and foreign bonds and notes is derived from quoted market prices of similar assets.

The methods used to measure fair value of the Plan's investments may produce amounts that may not be indicative of net realizable values or may not be reflective of future fair values. Furthermore, although plan management believes the valuation methods used 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.

5. Actuarial Present Value of Accumulated Plan Benefits

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

The actuarial present value of accumulated plan benefits as of January 1, 2015 and 2014 (the latest valuation dates available) are summarized as follows:

	2015	2014
Vested benefits:		
Participants currently receiving payments	**$ 81,677,123**	$ 72,820,023
Other participants	**25,844,331**	22,365,686
Nonvested benefits	**784,508**	1,171,098
Total	**$ 108,305,962**	$ 96,356,807

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

The changes in the actuarial present value of accumulated plan benefits as of January 1, 2015 and 2014 are attributed to the following:

	2015	2014
Beginning of year balance	**$ 96,356,807**	$ 93,885,413
Increase (decrease) during the year attributable to:		
Decrease in assumption period at 7.50%	**6,942,356**	6,765,494
Benefits paid	**(7,723,751)**	(7,493,116)
Assumption changes	**14,293,352**	139,615
Benefits accrued and experience gain	**(1,562,802)**	3,059,401
Net increase	**11,949,155**	2,471,394
End of year balance	**$ 108,305,962**	$ 96,356,807

Significant assumptions used by the enrolled actuary in the valuations as of January 1, 2015 and 2014 in determining the forgoing information include:

	2015	2014
Discount rate	6.00%	7.50%
Expected rate of return on assets	6.00%	8.00%
Mortality	2015 FMT	2014 FMT
Termination	Graduated rates	Graduated rates
Retirement	Graduated rates	Graduated rates

The Plan elected to amortize the 2010 shortfall amortization base over a 15-year period instead of the prior 7-year period as permitted by the Pension Relief Act of 2010. The change increased the actuarial present value of accumulated benefits by $6,942,356 and $6,765,494 at January 1, 2015 and 2014, respectively.

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

The discount rate was reduced from 7.5% for the 2014 plan year to 6% for the 2015 plan year. The expected rate of return on plan assets was reduced from 8% for the 2014 plan year to 6% for the 2015 plan year. The interest and mortality rates assumed are consistent with the rates prescribed by the U.S. Treasury Department. A non-prescribed change affecting the 2015 plan year included updating the mortality table to reflect the Internal Revenue Service ("IRS") mortality table. For the 2014 plan year, the mortality table was based on the 2014 Funding Mortality Table ("FMT"). For the 2015 plan year, the 2014 FMT was replaced with inputs from the 2015 FMT. An additional non-prescribed change affecting the 2015 year included modifying the retirement rates to end at age 65 instead of age 70 since the Plan is frozen. The total impact of the above-listed changes increased the actuarial present value of accumulated benefits by $14,293,352 at January 1, 2015.

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

6. Related Party Transactions

Plan investments include shares of North State Telecommunications Corporation common and preferred stock, as well as investments, managed by BB&T. Fees paid to BB&T totaled approximately $84,000 and $104,000 in 2015 and 2014, respectively.

Ownership of North State Telecommunications Corporation stock and fees paid to BB&T qualify as a party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA.

7. Administrative Expenses

The Plan paid approximately $269,000 and $274,000 for investment, actuarial, and accounting services during 2015 and 2014 respectively. The Plan also paid PBGC insurance premiums of approximately $338,000 and $337,000 for 2015 and 2014, respectively.

8. Income Tax Status

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

8. Income Tax Status (continued)

U.S. GAAP requires the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain positions that more likely than not would not be sustained upon examination by the IRS. No such liabilities were identified as of December 31, 2015 and 2014. The Plan is subject to routine audits by tax authorities; however, there are currently no audits in progress. The plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2012.

9. Subsequent Events

Management evaluated events and transactions after December 31, 2015 through September 7, 2016, the date the financial statements were available to be issued, for subsequent events. No subsequent events were noted, other than the plan amendment discussed in Note 1.

SUPPLEMENTAL SCHEDULE

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2015

(a)	(b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
	Cash and cash equivalents:				
*	Branch Banking and Trust	Money market		$ 4,966,172	$ 4,966,172
	High Point Bank and Trust	Money market		1,655	1,655
				4,967,827	4,967,827
	Mutual funds and exchange-traded funds:				
	American Europacific Growth Fund CL R6 Fund	143,380 units		7,018,994	6,497,974
	Blackstone Alt Multi-Strat-1	315,756 units		3,266,050	3,195,449
	Credit Suisse Commodity Return Strategy Istl SHS FD	662,106 units		4,412,036	2,986,097
	Eagle Small Cap Growth Fund	16,145 units		941,546	831,483
	Goldman Sachs Strategic Mid Cap Value CL I Fund	69,285 units		2,985,026	2,300,959
	Ivy Mid Cap Growth Fund-R6	115,528 units		2,819,714	2,351,000
	Neuberger Berman High Income Bond Fund	587,212 units		5,535,082	4,732,929
	Prudential Small Cap Value CL Z	48,827 units		1,134,993	801,747
	Vanguard Inst Index-Inst	65,704 units		11,155,371	12,261,608
	Vanguard Reit Index Fund CL ADM	29,275 units		2,919,624	3,307,532
	Vanguard Tot Int ST IDX-ADM	266,098 units		7,356,377	6,450,204
				49,544,813	45,716,982
	U.S. Government securities:				
	US Treasury Bond	2.13% bond, due 05/15/2025, maturity value	$ 3,685,000	3,618,046	3,636,911
	US Treasury Bond	4.50% bond, due 02/15/2036, maturity value	1,235,000	1,569,673	1,582,727
	US Treasury Bond	2.88% bond, due 08/15/2045, maturity value	275,000	268,813	267,083
	US Treasury Bond	2.00% bond, due 08/15/2025, maturity value	135,000	133,895	131,630
	US Treasury Note	2.25% note, due 11/15/2025, maturity value	90,000	90,056	89,799
				5,680,483	5,708,150
	Municipal bonds:				
	Ohio Univ Gen Recpts Athens Txbl	5.59% bond, due 12/01/2114, maturity value	170,000	170,000	178,534
	Univ of California CA TXBL-Gen-Ser	4.77% bond, due 05/15/2115, maturity value	95,000	95,000	90,061
				265,000	268,595
	Corporate bonds:				
	AT&T, Inc.	5.55% bond, due 08/15/2041, maturity value	10,000	10,087	10,049
	AT&T, Inc.	4.35% bond, due 06/15/2045, maturity value	70,000	61,324	59,883
	Ace INA Holding, Inc	2.70% bond, due 03/13/2023, maturity value	180,000	172,113	175,831
	Agilent Tech, Inc	6.50% bond, due 11/01/2017, maturity value	16,000	17,462	17,078
	Alabama Power Co	3.85% bond, due 12/01/2042, maturity value	185,000	169,848	169,817
	Albermarle Corp	4.15% bond, due 12/01/2024, maturity value	35,000	34,880	33,448
	Ally Financial, Inc	4.75% bond, due 09/10/2018, maturity value	125,000	130,946	127,969
	Altera Corp	2.50% bond, due 11/15/2018, maturity value	135,000	136,067	136,103
	Altria Group, Inc	4.25% bond, due 08/09/2042, maturity value	195,000	170,047	178,920
	Ameren Corporation	3.65% bond, due 02/15/2026, maturity value	50,000	49,955	49,774
	American International Group, Inc	6.25% bond, due 05/01/2036, maturity value	165,000	201,264	190,552
	Amgen, Inc	4.95% bond, due 10/01/2041, maturity value	255,000	255,700	252,634
	Analog Devices, Inc.	5.30% bond, due 12/15/2045, maturity value	85,000	84,620	87,570
	Apache Corp	5.10% bond, due 09/01/2040, maturity value	50,000	47,793	42,740
	Apple Inc	3.85% bond, due 05/04/2043, maturity value	390,000	364,088	359,311
	Arrow Electronics, Inc	7.50% bond, due 01/15/2027, maturity value	115,000	137,607	135,524
	Baker Hughes, Inc	5.13% bond, due 09/15/2040, maturity value	80,000	89,455	79,133
	Bank of America Corp	5.70% bond, due 01/24/2022, maturity value	450,000	506,638	507,460
	Bank of America Corp	5.88% bond, due 02/07/2042, maturity value	295,000	337,990	344,289

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
Corporate bonds (continued):				
Bank of America Corp	3.88% bond, due 08/01/2025, maturity value	90,000	91,620	91,362
Barrick NA Finance LLC	5.70% bond, due 05/30/2041, maturity value	40,000	33,161	26,818
Berkshire Hathaway Fin	4.40% bond, due 05/15/2042, maturity value	180,000	171,227	178,222
Berkshire Hathaway, Inc	3.00% bond, due 02/11/2023, maturity value	175,000	171,914	178,304
Burlington North Santa Fe	4.38% bond, due 09/01/2042, maturity value	175,000	182,830	165,461
CIT Group, Inc	5.00% bond, due 08/01/2023, maturity value	85,000	88,983	86,275
CVS Health Corp	5.13% bond, due 07/20/2045, maturity value	115,000	114,580	121,144
Capital One Bank USA NA	3.38% bond, due 02/15/2023, maturity value	250,000	243,401	244,645
Caterpillar, Inc	5.20% bond, due 05/27/2041, maturity value	235,000	256,340	253,725
Cisco Systems, Inc	5.50% bond, due 01/15/2040, maturity value	105,000	116,617	123,138
Citigroup, Inc	4.50% bond, due 01/14/2022, maturity value	240,000	252,656	257,057
Citigroup, Inc	5.88% bond, due 01/30/2042, maturity value	145,000	167,722	166,376
Citigroup, Inc	4.95% bond, due 11/07/2043, maturity value	92,000	93,238	96,671
Citigroup, Inc	4.45% bond, due 09/29/2027, maturity value	130,000	129,402	129,140
Cleveland Clinic Foundation	4.86% bond, due 01/01/2114, maturity value	80,000	80,000	77,573
Comcast Corp	5.65% bond, due 06/15/2035, maturity value	310,000	346,883	360,769
Comcast Corp	6.45% bond, due 03/15/2037, maturity value	70,000	86,903	87,121
Comcast Corp	3.13% bond, due 07/15/2022, maturity value	175,000	173,378	177,847
Conocophillips Company	1.05% bond, due 12/15/2017, maturity value	345,000	343,296	338,745
Consolidated Edison Co of NY	4.50% bond, due 12/01/2045, maturity value	160,000	159,840	161,965
Cox Communications, Inc	6.95% bond, due 01/15/2028, maturity value	115,000	132,844	129,761
Diamond Offshore Drill	4.88% bond, due 11/01/2043, maturity value	120,000	98,508	72,851
Dignity Health	5.27% bond, due 11/01/2064, maturity value	160,000	160,000	164,141
Directv Holdings	6.00% bond, due 08/15/2040, maturity value	115,000	117,940	117,683
Discovery Communications	6.35% bond, due 06/01/2040, maturity value	155,000	177,562	154,206
Dominion Resources, Inc	7.00% bond, due 06/15/2038, maturity value	130,000	165,933	156,287
Domtar Corporation	4.40% bond, due 04/01/2022, maturity value	115,000	116,757	116,935
Duke Energy Carolinas	4.25% bond, due 12/15/2014, maturity value	175,000	174,820	174,431
Eastman Chemical Co	3.60% bond, due 08/15/2022, maturity value	120,000	119,532	119,428
Eaton Corp	4.00% bond, due 11/02/2032, maturity value	70,000	66,559	66,714
Ebay, Inc	4.00% bond, due 07/15/2042, maturity value	135,000	117,199	106,684
Energy Transfer Partners	6.05% bond, due 06/01/2041, maturity value	75,000	78,802	58,522
Enlink Midstream Partners LP	5.05% bond, due 04/01/2045, maturity value	35,000	33,733	21,703
Enterprise Products Oper	5.95% bond, due 02/01/2041, maturity value	65,000	72,592	59,705
Exelon Generation Co, LLC	6.25% bond, due 10/01/2039, maturity value	150,000	159,131	151,738
Fifth Third Bancorp	2.30% bond, due 03/01/2019, maturity value	170,000	170,320	170,398
Florida Power & Light Co	4.05% bond, due 10/01/2044, maturity value	185,000	184,389	183,063
Ford Motor Company	6.63% bond, due 10/01/2028, maturity value	50,000	58,593	57,730
Ford Motor Company	4.75% bond, due 01/15/2043, maturity value	125,000	118,544	117,829
General Elec Cap Corp	5.88% bond, due 01/14/2038, maturity value	590,000	686,074	721,900
General Elec Cap Corp	3.10% bond, due 01/09/2023, maturity value	175,000	170,967	177,627
General Motors Co	6.25% bond, due 10/02/2043, maturity value	75,000	85,314	79,240
General Motors Co	4.30% bond, due 07/13/2025, maturity value	75,000	74,897	72,727
Georgia-Pacific LLC	8.88% bond, due 05/15/2031, maturity value	80,000	114,386	112,046
Gilead Sciences, Inc	4.50% bond, due 02/01/2045, maturity value	135,000	134,208	132,052
Gilead Sciences, Inc	4.60% bond, due 09/01/2035, maturity value	50,000	49,833	50,841
Glaxosmithkline Cap, Inc	6.38% bond, due 05/15/2038, maturity value	130,000	164,329	166,011
Goldman Sachs Group, Inc	5.95% bond, due 01/18/2018, maturity value	225,000	246,258	242,320
Goldman Sachs Group, Inc	6.25% bond, due 02/01/2041, maturity value	290,000	340,739	345,912
Goldman Sachs Group, Inc	3.63% bond, due 01/22/2023, maturity value	260,000	255,459	262,954
HCA, Inc	5.88% bond, due 05/01/2023, maturity value	50,000	51,243	51,250

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
Corporate bonds (continued):				
Hartford Finl Svcs Group	6.63% bond, due 03/30/2040, maturity value	65,000	80,347	80,332
Hasbro, Inc	6.35% bond, due 03/15/2040, maturity value	150,000	171,356	163,408
Health Care REIT, Inc	6.50% bond, due 03/15/2041, maturity value	75,000	91,810	87,536
Home Depot, Inc	2.70% bond, due 04/01/2023, maturity value	180,000	171,679	178,632
ING US, Inc	5.50% bond, due 07/15/2022, maturity value	105,000	115,744	117,494
Intel Corp	4.80% bond, due 10/01/2041, maturity value	95,000	96,514	99,036
Intl Paper Co	7.30% bond, due 11/15/2039, maturity value	130,000	169,088	148,175
JPMorgan Chase & Co	3.38% bond, due 05/01/2023, maturity value	180,000	172,110	176,908
JPMorgan Chase & Co	1.63% bond, due 05/15/2018, maturity value	260,000	258,388	258,071
JPMorgan Chase & Co	4.85% bond, due 02/01/2044, maturity value	510,000	516,675	543,752
JPMorgan Chase & Co	4.25% bond, due 10/01/2027, maturity value	130,000	129,551	129,689
Jefferies Group, LLC	6.25% bond, due 01/15/2036, maturity value	190,000	191,311	175,514
Johnson Controls, Inc	4.95% bond, due 07/02/2064, maturity value	75,000	74,923	60,919
KLA-Tencor Corp	5.65% bond, due 11/01/2034, maturity value	45,000	44,872	43,845
Kentuck Utilities Co	4.38% bond, due 10/01/2045, maturity value	75,000	74,938	77,083
Kroger Co	5.40% bond, due 07/15/2040, maturity value	115,000	120,594	121,662
Lockheed Martin Corp	4.50% bond, due 05/15/2036, maturity value	80,000	78,499	80,992
Lockheed Martin Corp	4.70% bond, due 05/15/2046, maturity value	85,000	83,741	87,071
Louisville Gas & Elect	4.38% bond, due 10/01/2045, maturity value	75,000	74,938	76,625
Lowe's Companies, Inc	4.65% bond, due 04/15/2042, maturity value	85,000	84,548	89,909
Marathon Oil Corp	5.25% bond, due 06/01/2045, maturity value	20,000	19,988	14,235
Marathon Petroleum Corp	5.00% bond, due 09/15/2054, maturity value	130,000	128,401	104,122
Mattel, Inc	6.20% bond, due 10/01/2040, maturity value	170,000	193,148	182,775
McDonald's Corp	4.70% bond, due 12/09/2035, maturity value	55,000	54,823	54,796
McDonald's Corp	4.88% bond, due 12/09/2045, maturity value	130,000	130,000	130,792
McKesson Corp	2.70% bond, due 12/22/2022, maturity value	110,000	104,605	104,732
McKesson Corp	6.00% bond, due 03/01/2041, maturity value	55,000	63,351	63,318
Medtronic, Inc	5.55% bond, due 03/15/2040, maturity value	105,000	120,067	120,932
Merck & Co, Inc	2.80% bond, due 05/18/2023, maturity value	180,000	172,451	179,109
Metlife, Inc	5.70% bond, due 09/15/2037, maturity value	105,000	119,167	121,357
Microsoft Corp	2.70% bond, due 02/12/2025, maturity value	390,000	389,185	380,519
Microsoft Corp	4.45% bond, due 02/12/2025, maturity value	130,000	129,552	134,059
Berkshire Hathawy Energy Co	6.50% bond, due 09/15/2037, maturity value	140,000	171,672	170,384
Moody's Corporation	5.25% bond, due 07/15/2044, maturity value	90,000	91,497	91,918
Morgan Stanley	4.35% bond, due 09/08/2026, maturity value	105,000	104,815	105,343
Morgan Stanley	5.50% bond, due 07/28/2021, maturity value	150,000	166,929	168,056
Morgan Stanley	4.30% bond, due 01/27/2045, maturity value	190,000	188,575	181,281
Morgan Stanley	6.38% bond, due 07/24/2042, maturity value	280,000	338,750	346,234
NYU Hospitals Center	4.79% bond, due 07/01/2044, maturity value	130,000	130,000	129,770
NBCUniversal Media, LLC	4.38% bond, due 04/01/2021, maturity value	90,000	96,480	97,761
Nisource Finance Corp	6.25% bond, due 12/15/2040, maturity value	65,000	72,907	76,931
Noble Energy, Inc	6.00% bond, due 03/01/2041, maturity value	130,000	147,107	112,083
Novartis Capital Corp	2.40% bond, due 09/21/2022, maturity value	180,000	171,302	177,217
Novartis Capital Corp	4.00% bond, due 11/20/2045, maturity value	95,000	93,128	93,050
Occidental Petroleum Corp	4.63% bond, due 06/15/2045, maturity value	55,000	54,411	53,349
Old Republic International Corp	4.88% bond, due 10/01/2024, maturity value	75,000	74,623	76,858
Omnicom Group, Inc	3.65% bond, due 11/01/2024, maturity value	40,000	39,874	39,622
Oncor Electric Delivery	7.00% bond, due 09/01/2022, maturity value	135,000	162,928	162,101
Oneok Partners LP	3.38% bond, due 10/01/2022, maturity value	100,000	96,882	81,112
Oracle Corp	3.63% bond, due 07/15/2023, maturity value	170,000	171,315	175,845
Oracle Corp	4.30% bond, due 07/08/2034, maturity value	70,000	74,773	69,637

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
Corporate bonds (continued):				
Pacific Gas & Electric	5.40% bond, due 01/15/2040, maturity value	155,000	169,297	175,097
Pepsico, Inc	4.25% bond, due 10/22/2014, maturity value	45,000	44,939	44,649
Phillip Morris Intl, Inc	4.38% bond, due 11/15/2041, maturity value	175,000	164,941	174,004
Phillips 66	5.88% bond, due 05/01/2042, maturity value	30,000	35,074	30,071
Phillips 66	4.65% bond, due 11/15/2034, maturity value	90,000	88,870	84,354
Phillips 66	3.61% bond, due 02/23/2025, maturity value	190,000	189,937	163,446
Pioneer Nat Res Co	7.20% bond, due 01/15/2028, maturity value	95,000	119,065	101,444
Pioneer Nat Res Co	4.45% bond, due 01/15/2026, maturity value	15,000	14,983	13,506
Polyone Corp	5.25% bond, due 03/15/2023, maturity value	85,000	85,740	82,875
Precision Castparts Corp	3.25% bond, due 06/15/2025, maturity value	30,000	29,939	29,804
Prudential Financial, Inc	6.63% bond, due 12/01/2037, maturity value	135,000	167,364	165,293
Republic Services, Inc	5.70% bond, due 05/15/2041, maturity value	150,000	170,886	167,786
Reynolds American, Inc	5.70% bond, due 06/12/2035, maturity value	120,000	121,611	131,498
Rock-Tenn Co	4.90% bond, due 03/01/2022, maturity value	160,000	170,321	169,694
Roper Technologies, Inc	3.85% bond, due 12/15/2025, maturity value	30,000	29,950	29,866
San Diego Gas & Electric Company	5.35% bond, due 05/15/2040, maturity value	130,000	149,037	151,901
Sempra Energy	3.75% bond, due 11/15/2015, maturity value	35,000	34,905	34,917
Southern Cal Edison	6.05% bond, due 03/15/2039, maturity value	135,000	166,287	167,231
Sunoco Logistics Partner	5.95% bond, due 12/01/2025, maturity value	60,000	59,841	57,160
Tenn Valley Authority	4.25% bond, due 09/15/2065, maturity value	100,000	97,314	97,697
Thermo Fisher Scientific	3.65% bond, due 12/15/2025, maturity value	55,000	54,922	54,690
Time Warner, Inc	6.50% bond, due 11/15/2036, maturity value	145,000	168,387	163,756
Time Warner, Inc	4.85% bond, due 07/15/2045, maturity value	35,000	34,975	33,329
Time Warner Cable, Inc	7.30% bond, due 07/01/2038, maturity value	40,000	49,970	43,366
Time Warner Cable, Inc	6.75% bond, due 06/15/2039, maturity value	45,000	52,945	45,162
Time Warner Cable, Inc	5.50% bond, due 09/01/2041, maturity value	20,000	20,485	18,073
21st Century Fox America	6.15% bond, due 03/01/2037, maturity value	150,000	171,031	167,219
Tyson Foods, Inc	5.15% bond, due 08/15/2044, maturity value	50,000	49,803	52,210
Unum Corp	6.75% bond, due 12/15/2028, maturity value	70,000	81,225	83,225
Union Electric Co	3.65% bond, due 04/15/2045, maturity value	80,000	79,811	72,128
Union Pacific Corp	4.38% bond, due 11/15/2065, maturity value	80,000	76,834	74,158
United Tech Corp	1.80% bond, due 06/01/2017, maturity value	335,000	338,725	336,893
UnitedHealth Group Inc	4.75% bond, due 07/15/2045, maturity value	145,000	144,404	152,727
Unum/Provident Corp	3.88% bond, due 11/05/2025, maturity value	75,000	74,496	73,786
Valero Energy Corp	7.50% bond, due 04/15/2032, maturity value	90,000	112,676	99,158
Verizon Communications	6.40% bond, due 09/15/2033, maturity value	250,000	307,691	284,820
Verizon Communications	4.40% bond, due 11/01/2034, maturity value	80,000	79,421	73,810
Viacom, Inc	5.85% bond, due 09/01/2043, maturity value	95,000	102,774	85,308
Visa Inc	4.15% bond, due 12/14/2045, maturity value	85,000	84,885	85,814
Visa Inc	4.30% bond, due 12/14/2045, maturity value	85,000	84,858	86,238
Wal-mart Stores, Inc	4.25% bond, due 04/15/2021, maturity value	155,000	167,196	170,652
Wal-mart Stores, Inc	4.00% bond, due 04/11/2043, maturity value	180,000	167,585	174,796
Wal-mart Stores, Inc	2.55% bond, due 04/11/2023, maturity value	180,000	170,776	177,516
Wal-mart Stores, Inc	1.95% bond, due 12/15/2018, maturity value	340,000	342,940	345,042
Walgreens Boots Alliance	4.80% bond, due 11/18/2044, maturity value	115,000	114,982	104,028
Waste Management	3.13% bond, due 03/01/2025, maturity value	190,000	189,191	184,912
Watson Pharmaceuticals, Inc	4.63% bond, due 10/01/2042, maturity value	35,000	33,098	33,272
Wellpoint, Inc (Anthem Inc)	4.35% bond, due 08/15/2020, maturity value	160,000	169,820	169,464
Wellpoint, Inc (Anthem Inc)	5.80% bond, due 08/15/2040, maturity value	45,000	49,722	50,097
Wells Fargo & Co	3.50% bond, due 03/08/2022, maturity value	255,000	259,946	262,739
Wells Fargo & Co	4.13% bond, due 08/15/2023, maturity value	255,000	258,422	264,835

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

	(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
	Corporate bonds (continued):				
	Wells Fargo & Co	3.90% bond, due 05/01/2045, maturity value	190,000	189,365	175,199
	Weyerhaeuser Co	7.38% bond, due 03/15/2032, maturity value	135,000	174,005	160,647
	Williams Partners LP	5.10% bond, due 09/15/2045, maturity value	85,000	84,594	55,939
	Worthington Industries, Inc	4.55% bond, due 04/15/2026, maturity value	35,000	34,926	34,577
				24,540,859	24,212,961
	Foreign Bonds / Notes:				
	Actavis Funding	4.75% bond, due 03/15/2045, maturity value	90,000	89,529	87,755
	Agrium, Inc	4.90% bond, due 06/01/2043, maturity value	120,000	116,759	107,348
	Arcelormittal	6.25% bond, due 02/25/2022, maturity value	80,000	86,648	64,400
	Astrazeneca PLC	4.38% bond, due 11/16/2045, maturity value	80,000	88,742	90,183
	BNP Paribas	3.25% bond, due 03/03/2023, maturity value	355,000	345,231	354,542
	BNP Paribas	2.70% bond, due 08/20/2018, maturity value	115,000	117,058	116,649
	Baidu, Inc	3.50% bond, due 11/28/2022, maturity value	200,000	192,144	196,194
	Canadian Pacific RR Co	5.95% bond, due 05/15/2037, maturity value	60,000	67,992	66,824
	Canadian Pacific RR Co	6.13% bond, due 09/15/2115, maturity value	60,000	60,000	60,778
	Cenovus Energy, Inc	6.75% bond, due 11/15/2039, maturity value	75,000	91,310	71,317
	Delhaize Group	5.70% bond, due 10/01/2040, maturity value	80,000	79,910	82,312
	Embraer Netherlands BV	5.05% bond, due 06/15/2025, maturity value	80,000	79,746	72,800
	Energy East Corporation Iberdrola Intl BV	6.75% bond, due 04/15/2036, maturity value	55,000	64,158	67,404
	Fomento Economico Mexicano	2.88% bond, due 05/10/2023, maturity value	150,000	139,338	140,033
	Goldcorp, Inc	5.45% bond, due 06/09/2044, maturity value	175,000	174,155	140,689
	HSBC Holdings PLC	6.50% bond, due 09/15/2037, maturity value	100,000	117,726	119,972
	Ingersoll-Rand Luc Finan	4.65% bond, due 11/01/2044, maturity value	45,000	44,733	43,069
	LYB Intl Finance BV	5.25% bond, due 07/15/2043, maturity value	85,000	88,626	81,608
	Noble Holding Intl LTD	6.20% bond, due 08/01/2040, maturity value	115,000	126,644	70,770
	Petrobras Global Finance	5.63% bond, due 05/20/2043, maturity value	95,000	81,718	57,712
	Rogers Communications Inc	5.00% bond, due 03/15/2044, maturity value	80,000	81,360	80,541
	Santander Issuances	5.18% bond, due 11/19/2025, maturity value	200,000	200,000	196,970
	Shell International Fin	6.38% bond, due 12/15/2038, maturity value	135,000	170,987	159,597
	Telecom Italia Capital	7.20% bond, due 07/18/2036, maturity value	75,000	77,262	75,750
	Telefonica Emisiones Sau	7.05% bond, due 06/20/2036, maturity value	100,000	117,191	120,175
	Trinity Acquisition PLC	6.13% bond, due 02/27/2043, maturity value	110,000	116,404	117,553
	Vodafone Group PLC	6.15% bond, due 02/27/2037, maturity value	65,000	72,847	64,142
	WPP Finance 2010	5.13% bond, due 09/07/2042, maturity value	120,000	117,689	113,161
				3,205,907	3,020,248
	Employer securities:				
*	North State Telecommunications Corporation	91,353 shares common stock		9,604,838	3,856,773
*	North State Telecommunications Corporation	162 shares preferred stock		7,796	7,796
				9,612,634	3,864,569
				$ 97,817,523	$ 87,759,332

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

Schedule of Active Participant Data

	Completed Years of Service											
	< 1 Yr.		1-4 Yrs.		5-9 Yrs.		10-14 Yrs.		15-19 Yrs.		20-24 Yrs.	
Age Group	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
0-24	0		2		0		0		0		0	
25-29	0		6		6		0		0		0	
30-34	0		5		17		4		0		0	
35-39	0		9		8		10		3		0	
40-44	0		8		12		7		10		1	
45-49	0		8		5		11		3		2	
50-54	0		8		4		17		12		4	
55-59	0		6		10		9		4		1	
60-64	0		2		2		5		5		2	
65-69	0		1		0		1		0		0	
70+	0		0		0		0		0		0	
Total	**0**		**55**		**64**		**64**		**37**		**10**	

	Completed Years of Service									
	25-29 Yrs.		30-34 Yrs.		35-39 Yrs.		40 Yrs. +			Totals
Age Group	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.		No.	Avg. Comp.
0-24	0		0		0		0			2	
25-29	0		0		0		0			12	
30-34	0		0		0		0			26	
35-39	0		0		0		0			30	
40-44	0		0		0		0			38	
45-49	3		0		0		0			32	
50-54	6		4		1		0			56	
55-59	5		6		11		0			52	
60-64	0		1		4		5			26	
65-69	1		1		0		1			5	
70+	0		0		0		1			1	
Total	**15**		**12**		**16**		**7**			**280**	

Statement of Actuarial Assumptions

Prescribed Interest Rates

Based on the applicable month of September.

Funding Target Interest Rates:		
First Segment Rate (0 to 5 Years)	4.72%[1]	(Prior year: 4.99%)
Second Segment Rate (5 to 20 Years)	6.11%[6]	(Prior year: 6.32%)
Third Segment Rate (over 20 Years)	6.81%[6]	(Prior year: 6.99%)
Effective Interest Rate:	6.20%	(Prior year: 6.41%)
PBGC Variable Premium Rate (Alternative Basis) and Maximum Deductible Contribution Limit:		
First Segment Rate (for Liabilities Payable in 0 to 5 Years)	1.15%	(Prior Year: 1.37%)
Second Segment Rate (for Liabilities Payable in 5 to 20 Years)	4.06%	(Prior Year: 4.05%)
Third Segment Rate (for Liabilities Payable in 20 or More Years)	5.15%	(Prior Year: 5.06%)

Expected Return on Assets

Equal to 6.0% limited to the third segment rate.

Salary Scale

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

Prescribed Mortality

Mortality is based on the Static IRS 2015 Funding Mortality Tables.

Assumed Retirement

Upon satisfaction of retirement eligibility, the following rates apply.

Age	Probability of Retirement	Age	Probability of Retirement
50-54	5%	62	25%
55	5%	63	30%
56	5%	64	35%
57	7%	65	100%
58	9%		
59	11%		
60	15%		
61	20%		
50-54	5%		

[1] HATFA-14 segment rates

Statement of Actuarial Assumptions (continued)

Termination

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

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

Disability

None assumed.

Form of Payment

55% of vested decrementing actives are assumed to elect a life annuity
40% of vested decrementing actives are assumed to elect a 15 year certain and life annuity
5% of vested decrementing actives are assumed to elect a 75% joint and survivor annuity

Marriage

Male spouses are assumed to be 4 years older than their wives.
It is assumed that 75% of male and 75% of female participants are married.

Expenses paid by Trust

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

Covered Compensation

The plan is frozen as of December 31, 2013 so no assumed future covered compensation increases.

IRS Limits

The IRS Maximum Benefit Limitation for the 2015 Plan Year is $215,000.
The IRS Maximum Compensation Limitation for the 2015 Plan Year is $265,000.

Census Data

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

Assumption Changes Since Prior Valuation

Interest rates were updated to reflect HATFA-14 funding stabilization rates for the 2015 minimum required contribution.
The mortality table was updated to the Static IRS 2015 Funding Mortality Table.
The expected return on assets was lowered to 6.0% from 7.5%.

Statement of Actuarial Funding Method

Actuarial Cost Method

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

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

Actuarial Value of Assets

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

Valuation Date

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

Changes Since the Prior Valuation

None.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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

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

A Name of plan
NORTH STATE COMMUNICATIONS RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS

D Employer Identification Number (EIN)
56-0341710

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2015

2 Assets:

a Market value	**2a**	98,911,496
b Actuarial value	**2b**	99,278,523

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	327	81,122,523	81,122,523
b For terminated vested participants	104	3,457,450	3,457,450
c For active participants	280	20,883,944	21,712,598
d Total	711	105,463,917	106,292,571

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.20%
6 Target normal cost	**6**	610,521

Statement by Enrolled Actuary

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

SIGN HERE

Signature of actuary

8 Sep 2016
Date

Steven M. Bull, EA, MAAA, FCA, MSPA
Type or print name of actuary

1404786
Most recent enrollment number

STANLEY, HUNT, DUPREE & RHINE
Firm name

336-291-1137
Telephone number (including area code)

7701 Airport Center Drive
Mailcode 527-99-02-20
GREENSBORO NC 27409
Address of the firm

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	4,287,749
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	4,287,749
10	Interest on line 9 using prior year's actual return of 5.30%	0	227,251
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		609,221
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.41%		39,051
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		648,272
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	4,515,000

Part III Funding Percentages

14	Funding target attainment percentage	14	89.15%
15	Adjusted funding target attainment percentage	15	89.15%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	87.03%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/14/2015	500,000	0			
07/14/2015	500,000	0			
10/14/2015	500,000	0			
01/14/2016	500,000	0			
08/15/2016	1,500,000	0			
			Totals ► 18(b)	3,500,000	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	3,283,198

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.72%	6.11%	6.81%	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	63

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

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

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a		610,521
b Excess assets, if applicable, but not greater than line 31a	31b		0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		11,529,048	696,878
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34		1,307,399

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	36	1,307,399
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	3,283,198
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	1,975,799
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

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

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

Description of Weighted Average Retirement Age

The retirement assumption is graded by age, as follows:

Age	Annual Retirement	Conditional Expected Retirement Age	First Eligible to Retire at Age	Conditional Expected Retirement Age	Number First Eligible to Retire at Age
Under 50	0%	59.0	Under 50	59.0	-
50	5%	59.0	50	59.0	19
51	5%	59.5	51-54	60.1	5
52	5%	59.9	55	61.1	78
53	5%	60.4	56-59	61.9	22
54	5%	60.8	60	62.9	79
55	5%	61.1	61-64	64.4	12
56	5%	61.4	65	66.2	59
57	7%	61.7	66-69	68.1	4
58	9%	62.1	70	70.0	1
59	11%	62.5	71-74	72.5	1
60	15%	62.9	75	75.0	-
61	20%	63.4			
62	25%	64.0	Total		280
63	30%	64.7			
64	35%	65.4			
65	40%	66.2			
66	45%	67.0			
67	50%	67.7			
68	60%	68.5			
69	80%	69.2			
70	100%	70.0			
			Weighted Average Retirement Age:	63	

Summary of Plan Provisions

General Information

Valuation Date	January 1, 2015
Original Effective Date	February 10, 1944
Effective Date of Last Amendment	January 1, 2016
Plan Year	January 1 to December 31
Employer Fiscal Year	January 1 to December 31
Employer ID Number	56-0341710
Plan Administrator's ID Number	56-0341710
Plan Number	001
Plan Administrator	Chairman of the Pension Committee

Eligibility Requirements

Each Employee becomes a Participant on the Plan Entry Date on or next following the attainment of age 21 years and completion of 1 Qualifying Year of Service. Effective April 4, 2012, exclude employees hired or rehired after April 4, 2012 from participation in the plan. Effective, December 31, 2013, participation and future benefit accruals are frozen for all employees.

Plan Entry Dates

An eligible Employee will participate in the Plan on the first of the month on or next following completion of the eligibility requirements. No further entry allowed after December 31, 2013.

Credited Service

Service prior to January 1, 1976: all completed years and months of continuous Service.
Service on or after January 1976: calendar years with at least 1,000 Hours of Service.
Service after December 31, 2013 shall be disregarded.

Compensation

Definition

Compensation is the total Compensation received by the Participant for the prior Plan Year including earnings deferred under qualified Employer sponsored plans. Excluded are amounts for other fringe benefits, moving expenses, automobile allowances, overtime (effective January 1, 2011), taxable values of Employer paid group term life insurance, and Christmas Annual Bonuses (effective January 1, 2014).

Averaging

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

Vesting

All Participants shall be vested according to the following schedule:

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

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

Summary of Plan Provisions (continued)

Vested Benefit

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

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

Normal Retirement

Eligibility

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

Benefit

Effective, December 31, 2013, benefit accrual ceased under the plan. In no event will participants normal retirement benefit be less than their frozen accrued benefit at December 31, 2013. The amount of Annual Retirement Benefit payable in the Normal Annuity Form is calculated in the amount equal to the sum of (1) + (2) below:

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

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

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

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

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

(2) For all Participants

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

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

Accrued Benefit

The Accrued Benefit, with respect to the formula above, as of any date, is calculated using actual Years of Benefit Service and Final Average Compensation as of the date of determination. In no event shall a Participant's Frozen Benefit be less than his Frozen Accrued Benefit determined as of December 31, 2013, based on the Plan provisions in effect on that date.

Delayed Retirement

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

Summary of Plan Provisions (continued)

Early Retirement

Eligibility

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

Benefit (Grandfathered Group)

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

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

Benefit (Non-Grandfathered Group)

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

Death Benefit

Eligibility

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

Benefit

Benefit: A benefit computed assuming the Participant had terminated on date of death and had elected a 50% J&S Option (if Participant had satisfied the requirement for Early Retirement, then the elected option would be 100% J&S).
Type of Payment: Monthly Benefit, or lump sum if the Actuarially Equivalent present value of the Survivor's Benefit is $1,000 or less.
Date of Payment: At what would have been the Participant's Earliest Retirement Age.

Post-retirement Death Benefits

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

Methods of Payments

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

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

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

Summary of Plan Provisions (continued)

Contributions

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

Amendments

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

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

Changes Since Prior Valuation

No changes.

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2015

(a)	(b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
	Cash and cash equivalents:				
*	Branch Banking and Trust	Money market		$ 4,966,172	$ 4,966,172
	High Point Bank and Trust	Money market		1,655	1,655
				4,967,827	4,967,827
	Mutual funds and exchange-traded funds:				
	American Europacific Growth Fund CL R6 Fund	143,380 units		7,018,994	6,497,974
	Blackstone Alt Multi-Strat-1	315,756 units		3,266,050	3,195,449
	Credit Suisse Commodity Return Strategy Istl SHS FD	662,106 units		4,412,036	2,986,097
	Eagle Small Cap Growth Fund	16,145 units		941,546	831,483
	Goldman Sachs Strategic Mid Cap Value CL I Fund	69,285 units		2,985,026	2,300,959
	Ivy Mid Cap Growth Fund-R6	115,528 units		2,819,714	2,351,000
	Neuberger Berman High Income Bond Fund	587,212 units		5,535,082	4,732,929
	Prudential Small Cap Value CL Z	48,827 units		1,134,993	801,747
	Vanguard Inst Index-Inst	65,704 units		11,155,371	12,261,608
	Vanguard Reit Index Fund CL ADM	29,275 units		2,919,624	3,307,532
	Vanguard Tot Int ST IDX-ADM	266,098 units		7,356,377	6,450,204
				49,544,813	45,716,982
	U.S. Government securities:				
	US Treasury Bond	2.13% bond, due 05/15/2025, maturity value	$ 3,685,000	3,618,046	3,636,911
	US Treasury Bond	4.50% bond, due 02/15/2036, maturity value	1,235,000	1,569,673	1,582,727
	US Treasury Bond	2.88% bond, due 08/15/2045, maturity value	275,000	268,813	267,083
	US Treasury Bond	2.00% bond, due 08/15/2025, maturity value	135,000	133,895	131,630
	US Treasury Note	2.25% note, due 11/15/2025, maturity value	90,000	90,056	89,799
				5,680,483	5,708,150
	Municipal bonds:				
	Ohio Univ Gen Recpts Athens Txbl	5.59% bond, due 12/01/2114, maturity value	170,000	170,000	178,534
	Univ of California CA TXBL-Gen-Ser	4.77% bond, due 05/15/2115, maturity value	95,000	95,000	90,061
				265,000	268,595
	Corporate bonds:				
	AT&T, Inc.	5.55% bond, due 08/15/2041, maturity value	10,000	10,087	10,049
	AT&T, Inc.	4.35% bond, due 06/15/2045, maturity value	70,000	61,324	59,883
	Ace INA Holding, Inc	2.70% bond, due 03/13/2023, maturity value	180,000	172,113	175,831
	Agilent Tech, Inc	6.50% bond, due 11/01/2017, maturity value	16,000	17,462	17,078
	Alabama Power Co	3.85% bond, due 12/01/2042, maturity value	185,000	169,848	169,817
	Albermarle Corp	4.15% bond, due 12/01/2024, maturity value	35,000	34,880	33,448
	Ally Financial, Inc	4.75% bond, due 09/10/2018, maturity value	125,000	130,946	127,969
	Altera Corp	2.50% bond, due 11/15/2018, maturity value	135,000	136,067	136,103
	Altria Group, Inc	4.25% bond, due 08/09/2042, maturity value	195,000	170,047	178,920
	Ameren Corporation	3.65% bond, due 02/15/2026, maturity value	50,000	49,955	49,774
	American International Group, Inc	6.25% bond, due 05/01/2036, maturity value	165,000	201,264	190,552
	Amgen, Inc	4.95% bond, due 10/01/2041, maturity value	255,000	255,700	252,634
	Analog Devices, Inc.	5.30% bond, due 12/15/2045, maturity value	85,000	84,620	87,570
	Apache Corp	5.10% bond, due 09/01/2040, maturity value	50,000	47,793	42,740
	Apple Inc	3.85% bond, due 05/04/2043, maturity value	390,000	364,088	359,311
	Arrow Electronics, Inc	7.50% bond, due 01/15/2027, maturity value	115,000	137,607	135,524
	Baker Hughes, Inc	5.13% bond, due 09/15/2040, maturity value	80,000	89,455	79,133
	Bank of America Corp	5.70% bond, due 01/24/2022, maturity value	450,000	506,638	507,460
	Bank of America Corp	5.88% bond, due 02/07/2042, maturity value	295,000	337,990	344,289

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
Corporate bonds (continued):				
Bank of America Corp	3.88% bond, due 08/01/2025, maturity value	90,000	91,620	91,362
Barrick NA Finance LLC	5.70% bond, due 05/30/2041, maturity value	40,000	33,161	26,818
Berkshire Hathaway Fin	4.40% bond, due 05/15/2042, maturity value	180,000	171,227	178,222
Berkshire Hathaway, Inc	3.00% bond, due 02/11/2023, maturity value	175,000	171,914	178,304
Burlington North Santa Fe	4.38% bond, due 09/01/2042, maturity value	175,000	182,830	165,461
CIT Group, Inc	5.00% bond, due 08/01/2023, maturity value	85,000	88,983	86,275
CVS Health Corp	5.13% bond, due 07/20/2045, maturity value	115,000	114,580	121,144
Capital One Bank USA NA	3.38% bond, due 02/15/2023, maturity value	250,000	243,401	244,645
Caterpillar, Inc	5.20% bond, due 05/27/2041, maturity value	235,000	256,340	253,725
Cisco Systems, Inc	5.50% bond, due 01/15/2040, maturity value	105,000	116,617	123,138
Citigroup, Inc	4.50% bond, due 01/14/2022, maturity value	240,000	252,656	257,057
Citigroup, Inc	5.88% bond, due 01/30/2042, maturity value	145,000	167,722	166,376
Citigroup, Inc	4.95% bond, due 11/07/2043, maturity value	92,000	93,238	96,671
Citigroup, Inc	4.45% bond, due 09/29/2027, maturity value	130,000	129,402	129,140
Cleveland Clinic Foundation	4.86% bond, due 01/01/2114, maturity value	80,000	80,000	77,573
Comcast Corp	5.65% bond, due 06/15/2035, maturity value	310,000	346,883	360,769
Comcast Corp	6.45% bond, due 03/15/2037, maturity value	70,000	86,903	87,121
Comcast Corp	3.13% bond, due 07/15/2022, maturity value	175,000	173,378	177,847
Conocophillips Company	1.05% bond, due 12/15/2017, maturity value	345,000	343,296	338,745
Consolidated Edison Co of NY	4.50% bond, due 12/01/2045, maturity value	160,000	159,840	161,965
Cox Communications, Inc	6.95% bond, due 01/15/2028, maturity value	115,000	132,844	129,761
Diamond Offshore Drill	4.88% bond, due 11/01/2043, maturity value	120,000	98,508	72,851
Dignity Health	5.27% bond, due 11/01/2064, maturity value	160,000	160,000	164,141
Directv Holdings	6.00% bond, due 08/15/2040, maturity value	115,000	117,940	117,683
Discovery Communications	6.35% bond, due 06/01/2040, maturity value	155,000	177,562	154,206
Dominion Resources, Inc	7.00% bond, due 06/15/2038, maturity value	130,000	165,933	156,287
Domtar Corporation	4.40% bond, due 04/01/2022, maturity value	115,000	116,757	116,935
Duke Energy Carolinas	4.25% bond, due 12/15/2014, maturity value	175,000	174,820	174,431
Eastman Chemical Co	3.60% bond, due 08/15/2022, maturity value	120,000	119,532	119,428
Eaton Corp	4.00% bond, due 11/02/2032, maturity value	70,000	66,559	66,714
Ebay, Inc	4.00% bond, due 07/15/2042, maturity value	135,000	117,199	106,684
Energy Transfer Partners	6.05% bond, due 06/01/2041, maturity value	75,000	78,802	58,522
Enlink Midstream Partners LP	5.05% bond, due 04/01/2045, maturity value	35,000	33,733	21,703
Enterprise Products Oper	5.95% bond, due 02/01/2041, maturity value	65,000	72,592	59,705
Exelon Generation Co, LLC	6.25% bond, due 10/01/2039, maturity value	150,000	159,131	151,738
Fifth Third Bancorp	2.30% bond, due 03/01/2019, maturity value	170,000	170,320	170,398
Florida Power & Light Co	4.05% bond, due 10/01/2044, maturity value	185,000	184,389	183,063
Ford Motor Company	6.63% bond, due 10/01/2028, maturity value	50,000	58,593	57,730
Ford Motor Company	4.75% bond, due 01/15/2043, maturity value	125,000	118,544	117,829
General Elec Cap Corp	5.88% bond, due 01/14/2038, maturity value	590,000	686,074	721,900
General Elec Cap Corp	3.10% bond, due 01/09/2023, maturity value	175,000	170,967	177,627
General Motors Co	6.25% bond, due 10/02/2043, maturity value	75,000	85,314	79,240
General Motors Co	4.30% bond, due 07/13/2025, maturity value	75,000	74,897	72,727
Georgia-Pacific LLC	8.88% bond, due 05/15/2031, maturity value	80,000	114,386	112,046
Gilead Sciences, Inc	4.50% bond, due 02/01/2045, maturity value	135,000	134,208	132,052
Gilead Sciences, Inc	4.60% bond, due 09/01/2035, maturity value	50,000	49,833	50,841
Glaxosmithkline Cap, Inc	6.38% bond, due 05/15/2038, maturity value	130,000	164,329	166,011
Goldman Sachs Group, Inc	5.95% bond, due 01/18/2018, maturity value	225,000	246,258	242,320
Goldman Sachs Group, Inc	6.25% bond, due 02/01/2041, maturity value	290,000	340,739	345,912
Goldman Sachs Group, Inc	3.63% bond, due 01/22/2023, maturity value	260,000	255,459	262,954
HCA, Inc	5.88% bond, due 05/01/2023, maturity value	50,000	51,243	51,250

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
Corporate bonds (continued):				
Hartford Finl Svcs Group	6.63% bond, due 03/30/2040, maturity value	65,000	80,347	80,332
Hasbro, Inc	6.35% bond, due 03/15/2040, maturity value	150,000	171,356	163,408
Health Care REIT, Inc	6.50% bond, due 03/15/2041, maturity value	75,000	91,810	87,536
Home Depot, Inc	2.70% bond, due 04/01/2023, maturity value	180,000	171,679	178,632
ING US, Inc	5.50% bond, due 07/15/2022, maturity value	105,000	115,744	117,494
Intel Corp	4.80% bond, due 10/01/2041, maturity value	95,000	96,514	99,036
Intl Paper Co	7.30% bond, due 11/15/2039, maturity value	130,000	169,088	148,175
JPMorgan Chase & Co	3.38% bond, due 05/01/2023, maturity value	180,000	172,110	176,908
JPMorgan Chase & Co	1.63% bond, due 05/15/2018, maturity value	260,000	258,388	258,071
JPMorgan Chase & Co	4.85% bond, due 02/01/2044, maturity value	510,000	516,675	543,752
JPMorgan Chase & Co	4.25% bond, due 10/01/2027, maturity value	130,000	129,551	129,689
Jefferies Group, LLC	6.25% bond, due 01/15/2036, maturity value	190,000	191,311	175,514
Johnson Controls, Inc	4.95% bond, due 07/02/2064, maturity value	75,000	74,923	60,919
KLA-Tencor Corp	5.65% bond, due 11/01/2034, maturity value	45,000	44,872	43,845
Kentuck Utilities Co	4.38% bond, due 10/01/2045, maturity value	75,000	74,938	77,083
Kroger Co	5.40% bond, due 07/15/2040, maturity value	115,000	120,594	121,662
Lockheed Martin Corp	4.50% bond, due 05/15/2036, maturity value	80,000	78,499	80,992
Lockheed Martin Corp	4.70% bond, due 05/15/2046, maturity value	85,000	83,741	87,071
Louisville Gas & Elect	4.38% bond, due 10/01/2045, maturity value	75,000	74,938	76,625
Lowe's Companies, Inc	4.65% bond, due 04/15/2042, maturity value	85,000	84,548	89,909
Marathon Oil Corp	5.25% bond, due 06/01/2045, maturity value	20,000	19,988	14,235
Marathon Petroleum Corp	5.00% bond, due 09/15/2054, maturity value	130,000	128,401	104,122
Mattel, Inc	6.20% bond, due 10/01/2040, maturity value	170,000	193,148	182,775
McDonald's Corp	4.70% bond, due 12/09/2035, maturity value	55,000	54,823	54,796
McDonald's Corp	4.88% bond, due 12/09/2045, maturity value	130,000	130,000	130,792
McKesson Corp	2.70% bond, due 12/22/2022, maturity value	110,000	104,605	104,732
McKesson Corp	6.00% bond, due 03/01/2041, maturity value	55,000	63,351	63,318
Medtronic, Inc	5.55% bond, due 03/15/2040, maturity value	105,000	120,067	120,932
Merck & Co, Inc	2.80% bond, due 05/18/2023, maturity value	180,000	172,451	179,109
Metlife, Inc	5.70% bond, due 09/15/2037, maturity value	105,000	119,167	121,357
Microsoft Corp	2.70% bond, due 02/12/2025, maturity value	390,000	389,185	380,519
Microsoft Corp	4.45% bond, due 02/12/2025, maturity value	130,000	129,552	134,059
Berkshire Hathawy Energy Co	6.50% bond, due 09/15/2037, maturity value	140,000	171,672	170,384
Moody's Corporation	5.25% bond, due 07/15/2044, maturity value	90,000	91,497	91,918
Morgan Stanley	4.35% bond, due 09/08/2026, maturity value	105,000	104,815	105,343
Morgan Stanley	5.50% bond, due 07/28/2021, maturity value	150,000	166,929	168,056
Morgan Stanley	4.30% bond, due 01/27/2045, maturity value	190,000	188,575	181,281
Morgan Stanley	6.38% bond, due 07/24/2042, maturity value	280,000	338,750	346,234
NYU Hospitals Center	4.79% bond, due 07/01/2044, maturity value	130,000	130,000	129,770
NBCUniversal Media, LLC	4.38% bond, due 04/01/2021, maturity value	90,000	96,480	97,761
Nisource Finance Corp	6.25% bond, due 12/15/2040, maturity value	65,000	72,907	76,931
Noble Energy, Inc	6.00% bond, due 03/01/2041, maturity value	130,000	147,107	112,083
Novartis Capital Corp	2.40% bond, due 09/21/2022, maturity value	180,000	171,302	177,217
Novartis Capital Corp	4.00% bond, due 11/20/2045, maturity value	95,000	93,128	93,050
Occidental Petroleum Corp	4.63% bond, due 06/15/2045, maturity value	55,000	54,411	53,349
Old Republic International Corp	4.88% bond, due 10/01/2024, maturity value	75,000	74,623	76,858
Omnicom Group, Inc	3.65% bond, due 11/01/2024, maturity value	40,000	39,874	39,622
Oncor Electric Delivery	7.00% bond, due 09/01/2022, maturity value	135,000	162,928	162,101
Oneok Partners LP	3.38% bond, due 10/01/2022, maturity value	100,000	96,882	81,112
Oracle Corp	3.63% bond, due 07/15/2023, maturity value	170,000	171,315	175,845
Oracle Corp	4.30% bond, due 07/08/2034, maturity value	70,000	74,773	69,637

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
Corporate bonds (continued):				
Pacific Gas & Electric	5.40% bond, due 01/15/2040, maturity value	155,000	169,297	175,097
Pepsico, Inc	4.25% bond, due 10/22/2014, maturity value	45,000	44,939	44,649
Phillip Morris Intl, Inc	4.38% bond, due 11/15/2041, maturity value	175,000	164,941	174,004
Phillips 66	5.88% bond, due 05/01/2042, maturity value	30,000	35,074	30,071
Phillips 66	4.65% bond, due 11/15/2034, maturity value	90,000	88,870	84,354
Phillips 66	3.61% bond, due 02/23/2025, maturity value	190,000	189,937	163,446
Pioneer Nat Res Co	7.20% bond, due 01/15/2028, maturity value	95,000	119,065	101,444
Pioneer Nat Res Co	4.45% bond, due 01/15/2026, maturity value	15,000	14,983	13,506
Polyone Corp	5.25% bond, due 03/15/2023, maturity value	85,000	85,740	82,875
Precision Castparts Corp	3.25% bond, due 06/15/2025, maturity value	30,000	29,939	29,804
Prudential Financial, Inc	6.63% bond, due 12/01/2037, maturity value	135,000	167,364	165,293
Republic Services, Inc	5.70% bond, due 05/15/2041, maturity value	150,000	170,886	167,786
Reynolds American, Inc	5.70% bond, due 06/12/2035, maturity value	120,000	121,611	131,498
Rock-Tenn Co	4.90% bond, due 03/01/2022, maturity value	160,000	170,321	169,694
Roper Technologies, Inc	3.85% bond, due 12/15/2025, maturity value	30,000	29,950	29,866
San Diego Gas & Electric Company	5.35% bond, due 05/15/2040, maturity value	130,000	149,037	151,901
Sempra Energy	3.75% bond, due 11/15/2015, maturity value	35,000	34,905	34,917
Southern Cal Edison	6.05% bond, due 03/15/2039, maturity value	135,000	166,287	167,231
Sunoco Logistics Partner	5.95% bond, due 12/01/2025, maturity value	60,000	59,841	57,160
Tenn Valley Authority	4.25% bond, due 09/15/2065, maturity value	100,000	97,314	97,697
Thermo Fisher Scientific	3.65% bond, due 12/15/2025, maturity value	55,000	54,922	54,690
Time Warner, Inc	6.50% bond, due 11/15/2036, maturity value	145,000	168,387	163,756
Time Warner, Inc	4.85% bond, due 07/15/2045, maturity value	35,000	34,975	33,329
Time Warner Cable, Inc	7.30% bond, due 07/01/2038, maturity value	40,000	49,970	43,366
Time Warner Cable, Inc	6.75% bond, due 06/15/2039, maturity value	45,000	52,945	45,162
Time Warner Cable, Inc	5.50% bond, due 09/01/2041, maturity value	20,000	20,485	18,073
21st Century Fox America	6.15% bond, due 03/01/2037, maturity value	150,000	171,031	167,219
Tyson Foods, Inc	5.15% bond, due 08/15/2044, maturity value	50,000	49,803	52,210
Unum Corp	6.75% bond, due 12/15/2028, maturity value	70,000	81,225	83,225
Union Electric Co	3.65% bond, due 04/15/2045, maturity value	80,000	79,811	72,128
Union Pacific Corp	4.38% bond, due 11/15/2065, maturity value	80,000	76,834	74,158
United Tech Corp	1.80% bond, due 06/01/2017, maturity value	335,000	338,725	336,893
UnitedHealth Group Inc	4.75% bond, due 07/15/2045, maturity value	145,000	144,404	152,727
Unum/Provident Corp	3.88% bond, due 11/05/2025, maturity value	75,000	74,496	73,786
Valero Energy Corp	7.50% bond, due 04/15/2032, maturity value	90,000	112,676	99,158
Verizon Communications	6.40% bond, due 09/15/2033, maturity value	250,000	307,691	284,820
Verizon Communications	4.40% bond, due 11/01/2034, maturity value	80,000	79,421	73,810
Viacom, Inc	5.85% bond, due 09/01/2043, maturity value	95,000	102,774	85,308
Visa Inc	4.15% bond, due 12/14/2045, maturity value	85,000	84,885	85,814
Visa Inc	4.30% bond, due 12/14/2045, maturity value	85,000	84,858	86,238
Wal-mart Stores, Inc	4.25% bond, due 04/15/2021, maturity value	155,000	167,196	170,652
Wal-mart Stores, Inc	4.00% bond, due 04/11/2043, maturity value	180,000	167,585	174,796
Wal-mart Stores, Inc	2.55% bond, due 04/11/2023, maturity value	180,000	170,776	177,516
Wal-mart Stores, Inc	1.95% bond, due 12/15/2018, maturity value	340,000	342,940	345,042
Walgreens Boots Alliance	4.80% bond, due 11/18/2044, maturity value	115,000	114,982	104,028
Waste Management	3.13% bond, due 03/01/2025, maturity value	190,000	189,191	184,912
Watson Pharmaceuticals, Inc	4.63% bond, due 10/01/2042, maturity value	35,000	33,098	33,272
Wellpoint, Inc (Anthem Inc)	4.35% bond, due 08/15/2020, maturity value	160,000	169,820	169,464
Wellpoint, Inc (Anthem Inc)	5.80% bond, due 08/15/2040, maturity value	45,000	49,722	50,097
Wells Fargo & Co	3.50% bond, due 03/08/2022, maturity value	255,000	259,946	262,739
Wells Fargo & Co	4.13% bond, due 08/15/2023, maturity value	255,000	258,422	264,835

North State Telephone Company Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year (continued)
December 31, 2015

	(a) (b) Indentity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value		(d) Cost	(e) Current value
	Corporate bonds (continued):				
	Wells Fargo & Co	3.90% bond, due 05/01/2045, maturity value	190,000	189,365	175,199
	Weyerhaeuser Co	7.38% bond, due 03/15/2032, maturity value	135,000	174,005	160,647
	Williams Partners LP	5.10% bond, due 09/15/2045, maturity value	85,000	84,594	55,939
	Worthington Industries, Inc	4.55% bond, due 04/15/2026, maturity value	35,000	34,926	34,577
				24,540,859	24,212,961
	Foreign Bonds / Notes:				
	Actavis Funding	4.75% bond, due 03/15/2045, maturity value	90,000	89,529	87,755
	Agrium, Inc	4.90% bond, due 06/01/2043, maturity value	120,000	116,759	107,348
	Arcelormittal	6.25% bond, due 02/25/2022, maturity value	80,000	86,648	64,400
	Astrazeneca PLC	4.38% bond, due 11/16/2045, maturity value	80,000	88,742	90,183
	BNP Paribas	3.25% bond, due 03/03/2023, maturity value	355,000	345,231	354,542
	BNP Paribas	2.70% bond, due 08/20/2018, maturity value	115,000	117,058	116,649
	Baidu, Inc	3.50% bond, due 11/28/2022, maturity value	200,000	192,144	196,194
	Canadian Pacific RR Co	5.95% bond, due 05/15/2037, maturity value	60,000	67,992	66,824
	Canadian Pacific RR Co	6.13% bond, due 09/15/2115, maturity value	60,000	60,000	60,778
	Cenovus Energy, Inc	6.75% bond, due 11/15/2039, maturity value	75,000	91,310	71,317
	Delhaize Group	5.70% bond, due 10/01/2040, maturity value	80,000	79,910	82,312
	Embraer Netherlands BV	5.05% bond, due 06/15/2025, maturity value	80,000	79,746	72,800
	Energy East Corporation Iberdrola Intl BV	6.75% bond, due 04/15/2036, maturity value	55,000	64,158	67,404
	Fomento Economico Mexicano	2.88% bond, due 05/10/2023, maturity value	150,000	139,338	140,033
	Goldcorp, Inc	5.45% bond, due 06/09/2044, maturity value	175,000	174,155	140,689
	HSBC Holdings PLC	6.50% bond, due 09/15/2037, maturity value	100,000	117,726	119,972
	Ingersoll-Rand Luc Finan	4.65% bond, due 11/01/2044, maturity value	45,000	44,733	43,069
	LYB Intl Finance BV	5.25% bond, due 07/15/2043, maturity value	85,000	88,626	81,608
	Noble Holding Intl LTD	6.20% bond, due 08/01/2040, maturity value	115,000	126,644	70,770
	Petrobras Global Finance	5.63% bond, due 05/20/2043, maturity value	95,000	81,718	57,712
	Rogers Communications Inc	5.00% bond, due 03/15/2044, maturity value	80,000	81,360	80,541
	Santander Issuances	5.18% bond, due 11/19/2025, maturity value	200,000	200,000	196,970
	Shell International Fin	6.38% bond, due 12/15/2038, maturity value	135,000	170,987	159,597
	Telecom Italia Capital	7.20% bond, due 07/18/2036, maturity value	75,000	77,262	75,750
	Telefonica Emisiones Sau	7.05% bond, due 06/20/2036, maturity value	100,000	117,191	120,175
	Trinity Acquisition PLC	6.13% bond, due 02/27/2043, maturity value	110,000	116,404	117,553
	Vodafone Group PLC	6.15% bond, due 02/27/2037, maturity value	65,000	72,847	64,142
	WPP Finance 2010	5.13% bond, due 09/07/2042, maturity value	120,000	117,689	113,161
				3,205,907	3,020,248
	Employer securities:				
*	North State Telecommunications Corporation	91,353 shares common stock		9,604,838	3,856,773
*	North State Telecommunications Corporation	162 shares preferred stock		7,796	7,796
				9,612,634	3,864,569
				$ 97,817,523	$ 87,759,332

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

Schedule of Amortization Bases

Type	Date Established	Years Remaining	PV of Remaining Installments	Amortization Installment
1. Shortfall	01/01/2010	10	7,407,454	939,795
2. Shortfall	01/01/2011	11	9,072,119	1,075,581
3. Shortfall	01/01/2012	4	(5,916,276)	(1,582,908)
4. Shortfall	01/01/2013	5	1,131,770	247,699
5. Shortfall	01/01/2014	6	2,020,891	380,401
6. Shortfall	01/01/2015	7	(2,186,910)	(363,690)
Total Amortizations			**$11,529,048**	**$696,878**

Change in Actuarial Assumptions

Non-Prescribed Assumption Changes Since Prior Valuation

The expected return on assets was lowered to 6.0% from 7.5%.

The assumed retirement rates were changed to assume 100% at age 65 instead of age 70.