

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 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2017</div> This Form is Open to Public Inspection
---	---	--

Part I	Annual Report Identification Information
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>	
A	This return/report is for: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ a multiemployer plan </div> <div> ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) </div> </div> <div style="margin-top: 5px;"> ☒ a single-employer plan <div style="margin-left: 100px;">☐ a DFE (specify) _____</div> </div>
B	This return/report is: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☐ the first return/report ☐ an amended return/report </div> <div> ☐ the final return/report ☐ a short plan year return/report (less than 12 months) </div> </div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div> ☒ Form 5558 ☐ special extension (enter description) </div> <div> ☐ automatic extension </div> <div> ☐ the DFVC program </div> </div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan <u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>
1b	Three-digit plan number (PN) ▶ <u>001</u>
1c	Effective date of plan <u>02/10/1944</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;"> <u>P.O. BOX 2326</u> <u>HIGH POINT, NC 27261</u> </div> <div style="width: 45%;"> <u>4100 MENDENHALL OAKS PARKWAY</u> <u>SUITE 300</u> <u>HIGH POINT, NC 27265</u> </div> </div>
2b	Employer Identification Number (EIN) <u>56-0341710</u>
2c	Plan Sponsor's telephone number <u>336-886-3600</u>
2d	Business code (see instructions) <u>517000</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2018	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2017)
v. 170203

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 620
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 221 6a(2) 199 6b 324 6c 60 6d 583 6e 31 6f 614 6g 6h 0
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 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection</div>
--	---	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017	
Round off amounts to nearest dollar.	
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan NORTH STATE COMMUNICATIONS RETIREMENT PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS	D Employer Identification Number (EIN) 56-0341710
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month 01 Day 01 Year 2017
2	Assets:
a	Market value 2a 90467880
b	Actuarial value 2b 91226913
3	Funding target/participant count breakdown
a	For retired participants and beneficiaries receiving payment (1) Number of participants 343 (2) Vested Funding Target 86035222 (3) Total Funding Target 86035222
b	For terminated vested participants 56 3269037 3269037
c	For active participants 221 15202221 16005651
d	Total 620 104506480 105309910
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 5.79%
6	Target normal cost 6 487560

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	09/24/2018
ROBERT A. GRIDER, EA, MAAA	Date
Type or print name of actuary	17-07472
STANLEY, HUNT, DUPREE & RHINE	Most recent enrollment number
Firm name	336-291-1160
7701 AIRPORT CENTER DRIVE MAILCODE 527-99-02-20 GREENSBORO, NC 27409	Telephone number (including area code)
Address of the firm	

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	6424120
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	6424120
10 Interest on line 9 using prior year's actual return of <u>10.38</u> %	0	666824
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		364445
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 <u>6.00</u> %		21867
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		386312
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	111959
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	6978985

Part III Funding Percentages

14 Funding target attainment percentage	14	80.00%
15 Adjusted funding target attainment percentage	15	80.00%
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	84.29%
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
04/12/2017	504440	0			
07/14/2017	504440	0			
10/12/2017	504121	0			
01/12/2018	504440	0			
07/12/2018	969428	0			
Totals ▶			18(b)	2986869	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	2834395

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ 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	487560	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	21061982		2337519
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		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	2825079	
	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	2825079	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	2834395	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	9316	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years.....	40	0	

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2017
		This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
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	Service Provider Information (see instructions)
---------------	--

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

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

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

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

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

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

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

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

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

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	101754	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

STANLEY, HUNT, DUPREE & RHINE

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	COMMON PARENT W/TRUSTEE	46703	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

CAPTRUST FINANCIAL ADVISORS

26-0058143

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	45745	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

BB&T

56-1368984

(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	COMMON PARENT W/ ACTUARY	29859	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	9717	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.	

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:	BANKNIGHT, PIETRAS & STORMER, PA	b EIN:	57-0940019
c Position:	ACCOUNTANT		
d Address:	1517 GERVAIS STREET P.O. BOX 1330 COLUMBIA, SC 29202	e Telephone:	803-771-8943

Explanation: THE PLAN ADMINISTRATOR MADE A BUSINESS DECISION TO MOVE THE ACCOUNTING SERVICES TO A NEW FIRM. THERE WERE NO MATERIAL DISPUTES OR MATTERS OF DISAGREEMENT CONCERNING THE TERMINATION.

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2017 This Form is Open to Public Inspection
For calendar plan year 2017 or fiscal plan year beginning <u>01/01/2017</u> and ending <u>12/31/2017</u>		
A Name of plan <u>NORTH STATE COMMUNICATIONS RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NORTH STATE TELEPHONE COMPANY D/B/A NORTH STATE COMMUNICATIONS</u>	D Employer Identification Number (EIN) <u>56-0341710</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	1000000	1473868
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)	321751	649451
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3654895	6131233
	(2) U.S. Government securities.....	1c(2)	8745606	6790535
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)	22385507	26942173
	(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)	48470319	48124640
	(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) 5905848	5692608
(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 90483926	95804508
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k 0	0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l 90483926	95804508

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A) 2986869	
	(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)	2986869
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A) 22519	
	(B) U.S. Government securities	2b(1)(B) 165532	
	(C) Corporate debt instruments	2b(1)(C) 1080714	
	(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)	1268765
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B) 356602	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C) 2028125	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	2384727
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A) 13870587	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B) 13795847	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	74740
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B) 1378800	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	1378800

		(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)		6232323
c Other income	2c		345
d Total income. Add all income amounts in column (b) and enter total.....	2d		14326569

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	8408824	
(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)		8408824
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)	86344	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	147499	
(4) Other	2i(4)	363320	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		597163
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		9005987

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		5320582
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

☒ Yes ☐ No

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

(1) Name: DIXON HUGHES GOODMAN LLP

(2) EIN: 56-0747981

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

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

Part IV Compliance Questions

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

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)

	Yes	No	Amount
4a		X	
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	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			

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

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
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4070599. (See instructions.)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2017</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017		
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 2
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month Day Year If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ☐ Increase ☐ Decrease ☐ Both ☒ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2017 v. 170203		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Financial Statements and
Supplementary
Information

North State Communications
Retirement Plan

Years Ended December 31, 2017 and 2016

North State Communications Retirement Plan
Financial Statements
and Supplemental Information
Years Ended December 31, 2017 and 2016

Contents

Independent Auditors' Report.....	1-2
Financial Statements	
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits.....	4
Notes to Financial Statements	5-13
Supplementary Information	
Schedule H, Line 4i - Schedule of Assets Held at End of Year	14-19



Independent Auditors' Report

Advisory Committee of the North State Communications Retirement Plan
High Point, North Carolina

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the North State Communications Retirement Plan (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2017, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("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 Company, the custodian of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of December 31, 2017, and for the year then ended, that the information provided to the Plan administrator by the custodian is complete and accurate.

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 Matters - Supplementary Information

The supplemental schedule as of December 31, 2017 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.



Other Matters - 2016 Financial Statements

The financial statements of the Plan as of and for the year ended December 31, 2016 were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by the custodian. Their report, dated October 2, 2017, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and, accordingly, they did not express an opinion on the financial statements; and (b) the form and content of the information included in the financial statements, other than that derived from the information certified by the custodian, were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

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

The form and content of the information included in the 2017 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 of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Dixon Hughes Goodman LLP

**High Point, North Carolina
October 10, 2018**

North State Communications Retirement Plan
Statements of Net Assets Available for Benefits

	December 31,	
	2017	2016
Assets		
Investments at fair value:		
Cash and cash equivalents	\$ 6,131,233	\$ 3,654,895
Mutual funds and exchange-traded funds	48,124,640	48,470,319
U.S. Government securities	6,790,535	8,745,606
Corporate, municipal and foreign bonds and notes	26,942,173	22,385,507
North State Telecommunications Corporation common and preferred stock	5,692,608	5,905,848
Total investments	<u>93,681,189</u>	<u>89,162,175</u>
Receivables:		
Interest and dividends	649,451	321,751
Employer contributions receivable	1,473,868	1,000,000
Total receivables	<u>2,123,319</u>	<u>1,321,751</u>
Net assets available for plan benefits	<u>\$ 95,804,508</u>	<u>\$ 90,483,926</u>

See accompanying notes.

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

	Years Ended December 31,	
	2017	2016
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 7,685,863	\$ 5,936,626
Interest and dividends	<u>3,653,837</u>	<u>2,986,590</u>
	11,339,700	8,923,216
Employer contributions	<u>2,986,869</u>	<u>2,500,000</u>
Total additions, net	<u>14,326,569</u>	<u>11,423,216</u>
Deductions from net assets attributed to:		
Benefits paid to participants	8,408,824	10,466,351
Administrative expenses	<u>597,163</u>	<u>636,286</u>
Total deductions	<u>9,005,987</u>	<u>11,102,637</u>
Net change	5,320,582	320,579
Net assets available for benefits, beginning	<u>90,483,926</u>	<u>90,163,347</u>
Net assets available for benefits, ending	<u>\$ 95,804,508</u>	<u>\$ 90,483,926</u>

See accompanying notes.

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

1. Description of Plan

The following description of the North State Communications 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 Communications (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. Branch Banking and Trust Company serves as the custodian (the "Custodian" or "BB&T") of the plan. 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 2017 were satisfied with an approximate \$3.0 million employer contribution, of which an approximate \$1.5 million was included in employer contributions receivable at December 31, 2017. Contribution requirements for 2016 were satisfied with a \$2.5 million employer contribution, of which \$1 million was included in employer contributions receivable at December 31, 2016. The company's contributions for 2017 and 2016 met or exceeded the minimum funding requirement of ERISA.

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.

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

1. Description of Plan (continued)

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. 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 pre-amendment formula. In addition, the amendment excluded overtime earnings from the definition of compensation used to determine benefit payments.

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. However, individuals over the normal retirement age of 65 who continue employment with the Company continue to receive an increase in accrued benefits until they are terminated or retire. 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 deceased 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 the form of an annuity. Lump sums totaling approximately \$2.5 million were paid to participants during 2016.

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.

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

1. Description of Plan (continued)

Vesting

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

Plan Termination

Although the Company has not expressed any intent to discontinue its contributions, it is free to do so at any time. In the event of such termination of contributions, if the Plan's advisory committee deems it advisable to liquidate the funds and terminate the trust, the funds of the trust shall be allocated and applied to provide the accrued benefits under the Plan, among the participants based upon a priority allocation procedure. The amount to which each participant is entitled shall either be paid in cash, through the purchase of immediate (about retired or retriabable participants) or deferred (about 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 of America ("GAAP").

Estimates

The preparation of financial statements in conformity with 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.

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

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

Cash and Cash Equivalents

Cash equivalents consist of funds held in money market accounts.

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.

Benefit Payments

Benefit payments to participants are recorded upon distribution.

Subsequent Events

The Plan has evaluated subsequent events through October 10, 2018, the date the financial statements were available to be issued.

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.

3. Information Certified by Custodian

The following is a summary of unaudited information included in the Plan's financial statements and supplementary information as of December 31, 2017 and 2016 and for the years then ended. The plan administrator has obtained certifications from the custodian of the Plan, that such information is complete and accurate.

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

3. Information Certified by Custodian (continued)

	2017	2016
Fair value of investments:		
Cash and cash equivalents	\$ 6,131,233	\$ 3,654,895
Mutual funds and exchange-traded funds	48,124,640	48,470,319
U.S. Government securities	6,790,535	8,745,606
Corporate, municipal and foreign bonds and notes	26,942,173	22,385,507
	Years ended December 31,	
	2017	2016
Additions to net assets during the years ended:		
Net appreciation in fair value of investments	\$ 7,899,103	\$ 3,895,347
Interest and dividends	3,653,837	2,510,904

The certification mentioned above includes all investment information discussed in Note 4, except for Company stock.

4. Fair Value Measurements

Fair value, as defined under GAAP, is an exit price representing the price that would be received to sell an asset or transfer a liability in an ordinary transaction between market participants at the measurement date.

GAAP established a three-tier fair value hierarchy, which prioritized the inputs used in measuring fair value. These tiers included: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The hierarchy give the highest priority to Level 1 measurements and the lowest to Level 3 measurements.

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

4. Fair Value Measurements (continued)

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

As of December 31, 2017			
	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Total - at Fair Value
Cash and cash equivalents	\$ 6,131,233		\$ 6,131,233
Mutual funds and exchange-traded funds	48,124,640		48,124,640
U.S. Government securities	6,790,535		6,790,535
Corporate, municipal and foreign bonds and notes		26,942,173	26,942,173
North State Telecommunications Corporation common and preferred stock		5,692,608	5,692,608
Total investments	<u>\$ 61,046,408</u>	<u>\$ 32,634,781</u>	<u>\$ 93,681,189</u>

As of December 31, 2016			
	Quoted Market Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Total - at Fair Value
Cash and cash equivalents	\$ 3,654,895		\$ 3,654,895
Mutual funds and exchange-traded funds	48,470,319		48,470,319
U.S. Government securities	8,745,606		8,745,606
Corporate, municipal and foreign bonds and notes		22,385,507	22,385,507
North State Telecommunications Corporation common and preferred stock		5,905,848	5,905,848
Total investments	<u>\$ 60,870,820</u>	<u>\$ 28,291,355</u>	<u>\$ 89,162,175</u>

There have been no changes in the methodologies used at December 31, 2017 and 2016. The following is a description of the valuation methodologies used for assets measured at fair value.

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

Level 1 Fair Value Measurements- The fair values of mutual funds, exchange-traded 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.

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 Plan recognizes transfers between the levels as of the beginning of the reporting period. There were no transfers between the levels for the years ended December 31, 2017 and 2016.

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, 2017 and 2016 (the latest valuation dates available) are summarized as follows:

	2017	2016
Vested benefits:		
Participants currently receiving payments	\$ 88,527,628	\$ 86,415,781
Other participants	19,561,145	25,528,460
Non-vested benefits	737,786	738,866
Total	\$ 108,826,559	\$ 112,683,107

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

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

The changes in the actuarial present value of accumulated plan benefits as of January 1, 2017 and 2016 are attributed to the following:

	2017	2016
Beginning of year balance	\$ 112,683,107	\$ 108,305,962
Increase (decrease) during the year attributable to:		
Decrease in discount period at 6.00%	6,451,570	6,266,696
Benefits paid	(10,466,351)	(7,836,216)
Assumption changes	411,575	5,300,410
Benefits accrued and experience gain (loss)	(253,342)	646,255
Net increase (decrease)	(3,856,548)	4,377,145
End of year balance	\$ 108,826,559	\$ 112,683,107

Significant assumptions used by the enrolled actuary in the valuations as of January 1, 2017 and 2016 in determining the forgoing information include:

	2017	2016
Discount rate	6.00%	6.00%
Expected rate of return on assets	6.00%	6.00%
Mortality	2014 RP projected using 2016 MP	2014 RP projected using 2015 MP
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 \$6,451,570 and \$6,266,696 at January 1, 2017 and 2016, respectively.

The discount rate was 6% for the 2017 and 2016 plan years. The expected rate of return on plan assets was 6% for the 2017 and 2016 plan years. The interest and mortality rates assumed are consistent with the rates prescribed by the U.S. Treasury Department. A non-prescribed change affecting the 2017 plan year included updating the mortality table to reflect the 2014 Retirement Plan ("RP") table projected using the 2016 Mortality Projection ("MP") mortality improvement scale. For the 2016 plan year, the mortality table was based on the 2014 RP table with base year 20016 projected using the 2015 MP mortality improvement scale. A non-prescribed change affecting the 2016 plan year included updating the mortality table from the

North State Communications Retirement Plan
Notes to Financial Statements
December 31, 2017 and 2016

2015 FMT to the 2014 RP table projected using the 2015 MP. The total impact of the above listed changes increased the actuarial present value of accumulated benefits by \$411,575 and \$5,300,410 at January 1, 2017 and 2016, respectively.

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. The Company's common stock reported on the Statements of Net Assets Available for Benefits was \$5,684,812 and \$5,898,052 at December 31, 2017 and 2016, respectively which represented 91,353 shares. The Company's preferred stock reported on the Statements of Net Assets Available for Benefits was \$7,796 at December 31, 2017 and 2016 which represented 162 shares. Fees paid to BB&T totaled approximately \$30,000 and \$82,000 in 2017 and 2016, respectively.

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

7. Administrative Expenses

The Plan paid approximately \$234,000 and \$240,000 for investment, actuarial, and accounting services during 2017 and 2016 respectively. The Plan also paid PBGC insurance premiums of approximately 363,000 and \$396,000 for 2017 and 2016, respectively. Certain administrative functions are performed by employees of the Company. No such employee receives compensation from the Plan.

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.

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, 2017 and 2016. The Plan is subject to routine audits by tax authorities; however, there are currently no audits in progress.

SUPPLEMENTARY INFORMATION

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
Cash and cash equivalents:				
*	Branch Banking and Trust	Money market	\$ 6,130,274	\$ 6,130,274
	High Point Bank and Trust	Money market	959	959
			6,131,233	6,131,233
Mutual funds and exchange-traded funds:				
	American Europacific Growth Fund CL R6 Fund	121,656 units	5,971,327	6,829,762
	Blackstone Alt Multi-Strat-I	300,437 units	3,109,600	3,223,693
	Credit Suisse Comm Return Strategy Istl SHS FD	662,106 units	4,412,036	3,323,771
	Eagle Small Cap Growth Fund	13,766 units	755,359	872,457
	MFS Mid Cap Value Fund R6	104,759 units	2,374,745	2,494,316
	Massmutual Select Mid Cap Growth Equity II Fund	115,705 units	2,077,700	2,484,182
	Neuberger Berman High Income Bond Fund	581,180 units	5,420,699	5,050,451
	Prudential Small Cap Value CL Z	44,320 units	831,842	895,706
	Vanguard Inst Index-Inst	52,584 units	9,044,872	12,802,085
	Vanguard Reit Index Fund CL ADM	28,215 units	2,859,799	3,316,670
	Vanguard Tot Int ST IDX-ADM	223,838 units	6,147,170	6,831,547
			43,005,149	48,124,640
U.S. Government securities:				
	Tenn Valley Authority	4.25% bond, due 09/15/2065, maturity value 100,000	97,314	118,225
	US Treasury Note	0.75% note, due 08/31/2018, maturity value 165,000	164,813	163,995
	US Treasury Bond	2.75% bond, due 08/15/2047, maturity value 415,000	411,628	415,519
	US Treasury Bond	2.25% bond, due 02/15/2027, maturity value 675,000	670,834	666,144
	US Treasury Note	1.13% note, due 09/30/2021, maturity value 355,000	353,128	342,532
	US Treasury Bond	5.00% bond, due 05/15/2037, maturity value 970,000	1,292,098	1,329,996
	US Treasury Bond	1.50% bond, due 08/15/2026, maturity value 4,035,000	4,001,004	3,754,124
			6,990,819	6,790,535
Municipal bonds:				
	Ohio Univ Gen Recpts Athens Txbl	5.59% bond, due 12/01/2114, maturity value 170,000	170,000	203,361
	Univ of California CA TXBL-Gen-Ser	4.77% bond, due 05/15/2115, maturity value 95,000	95,000	103,872
			265,000	307,233
Corporate bonds:				
	Aflac, Inc	6.45% bond, due 08/15/2040, maturity value 27,000	33,483	37,002
	Aflac, Inc	4.00% bond, due 10/15/2046, maturity value 100,000	95,790	104,642
	AT&T, Inc	4.35% bond, due 06/15/2045, maturity value 70,000	61,492	64,582
	AT&T, Inc	4.75% bond, due 05/15/2046, maturity value 10,000	10,562	9,781
	AT&T, Inc	6.00% bond, due 08/15/2040, maturity value 85,000	87,118	96,194
	AT&T, Inc	5.25% bond, due 03/01/2037, maturity value 65,000	64,694	68,745
	AT&T, Inc	4.90% bond, due 08/14/2037, maturity value 135,000	134,760	136,701
	Abbot Laboratories	4.90% bond, due 11/30/2046, maturity value 165,000	163,715	189,173
	Abbvie, Inc	4.70% bond, due 05/14/2045, maturity value 10,000	10,454	11,213
	Abbvie, Inc	4.45% bond, due 05/14/2046, maturity value 165,000	163,891	179,355
	Alabama Power Co	3.85% bond, due 12/01/2042, maturity value 75,000	69,062	77,441
	Albermarle Corp	4.15% bond, due 12/01/2024, maturity value 35,000	34,880	37,086
	Allstate Corp	4.50% bond, due 06/15/2043, maturity value 100,000	104,392	113,049
	Allstate Corp	4.20% bond, due 12/15/2046, maturity value 95,000	97,192	103,653

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Altria Group, Inc	4.25% bond, due 08/09/2042, maturity value	130,000	113,833
	Amzaon.Com, Inc	4.95% bond, due 12/05/2044, maturity value	55,000	62,804
	Amerigas Part/Fin Corp	5.50% bond, due 05/20/2025, maturity value	35,000	35,350
	Anadarko Petroleum Corp	6.60% bond, due 03/15/2046, maturity value	25,000	24,981
	Anheuser-Busch Inbev	4.70% bond, due 02/01/2036, maturity value	175,000	173,541
	Anheuser-Busch Inbev	4.90% bond, due 02/01/2046, maturity value	50,000	49,883
	Apache Corp	5.10% bond, due 09/01/2040, maturity value	50,000	47,793
	Apple Inc	3.85% bond, due 05/04/2043, maturity value	330,000	308,075
	Apple Inc	3.45% bond, due 02/09/2045, maturity value	145,000	127,994
	Apple Inc	4.50% bond, due 02/23/2036, maturity value	140,000	139,342
	Apple Inc	4.65% bond, due 02/23/2046, maturity value	95,000	94,452
	Bank of America Corp	5.70% bond, due 01/24/2022, maturity value	210,000	229,288
	Bank of America Corp	5.88% bond, due 02/07/2042, maturity value	200,000	228,306
	Bank of America Corp	4.88% bond, due 04/01/2044, maturity value	90,000	98,352
	Bank of America Corp	4.44% bond, due 01/20/2048, maturity value	310,000	351,351
	Barrick NA Finance LLC	5.70% bond, due 05/30/2041, maturity value	40,000	33,244
	Barrick NA Finance LLC	5.75% bond, due 05/01/2043, maturity value	60,000	63,985
	Berkshire Hathaway Fin	4.40% bond, due 05/15/2042, maturity value	250,000	269,523
	Berkshire Hathaway Fin	4.30% bond, due 05/15/2043, maturity value	95,000	98,715
	Berkshire Hathaway, Inc	3.00% bond, due 02/11/2023, maturity value	135,000	132,619
	Burlington North Santa Fe	4.38% bond, due 09/01/2042, maturity value	175,000	182,553
	Burlington North Santa Fe	3.25% bond, due 06/15/2027, maturity value	65,000	64,836
	CVS Health Corp	5.13% bond, due 07/20/2045, maturity value	165,000	174,534
	Canadian Natl res	4.95% bond, due 06/01/2047, maturity value	55,000	54,957
	Capital One Bank USA NA	3.38% bond, due 02/15/2023, maturity value	250,000	244,975
	Caterpillar, Inc	5.20% bond, due 05/27/2041, maturity value	125,000	135,953
	Celgene Corp	4.35% bond, due 11/15/2047, maturity value	130,000	129,653
	Centerpoint Ener Houston	3.55% bond, due 08/01/2042, maturity value	70,000	66,909
	Chubb INA Holdings, Inc	2.70% bond, due 03/13/2023, maturity value	95,000	91,845
	Chubb INA Holdings, Inc	4.15% bond, due 03/13/2043, maturity value	95,000	96,334
	Chubb INA Holdings, Inc	4.35% bond, due 11/03/2045, maturity value	115,000	120,041
	Cisco Systems, Inc	5.50% bond, due 01/15/2040, maturity value	185,000	214,492
	Citigroup, Inc	4.50% bond, due 01/14/2022, maturity value	240,000	249,081
	Citigroup, Inc	5.88% bond, due 01/30/2042, maturity value	60,000	69,126
	Citigroup, Inc	4.65% bond, due 07/30/2045, maturity value	90,000	94,913
	Citigroup, Inc	4.45% bond, due 09/29/2027, maturity value	130,000	129,402
	Cleveland Clinic Foundation	4.86% bond, due 01/01/2114, maturity value	80,000	80,000
	Comcast Corp	5.65% bond, due 06/15/2035, maturity value	310,000	344,698
	Comcast Corp	3.15% bond, due 03/01/2026, maturity value	120,000	119,774
	Concho Resources, Inc	4.88% bond, due 10/01/2047, maturity value	40,000	39,900
	Conocophillips Company	5.95% bond, due 03/15/2046, maturity value	25,000	24,744
	Consolidated Edison Co of NY	4.50% bond, due 12/01/2045, maturity value	160,000	159,840
	Diamond Offshore Drill	4.88% bond, due 11/01/2043, maturity value	120,000	98,797
	Walt Disney Company	4.13% bond, due 06/01/2044, maturity value	85,000	85,729
	Dominion Resources, Inc	7.00% bond, due 06/15/2038, maturity value	75,000	94,859
	Domtar Corporation	4.40% bond, due 04/01/2022, maturity value	50,000	50,551
	Duke Energy Carolinas	4.25% bond, due 12/15/2041, maturity value	175,000	174,820
	Eaton Corp	2.75% bond, due 11/02/2022, maturity value	95,000	94,194

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Eaton Corp	4.00% bond, due 11/02/2032, maturity value	70,000	72,279
	Ebay, Inc	4.00% bond, due 07/15/2042, maturity value	190,000	175,448
	Ecolab, Inc	2.70% bond, due 11/01/2026, maturity value	85,000	81,483
	EDS Corp	7.45% bond, due 10/15/2029, maturity value	110,000	136,715
	Energy Transfer Partners	6.05% bond, due 06/01/2041, maturity value	75,000	80,359
	Enlink Midstream Partners LP	5.05% bond, due 04/01/2045, maturity value	35,000	34,570
	Enterprise Products Oper	5.95% bond, due 02/01/2041, maturity value	65,000	80,226
	Exelon Generation Co, LLC	6.25% bond, due 10/01/2039, maturity value	85,000	99,434
	Express Scripts Holding Co	4.80% bond, due 07/15/2046, maturity value	120,000	127,655
	Fedex Corp	4.55% bond, due 04/01/2046, maturity value	90,000	98,839
	Florida Power & Light Co	4.05% bond, due 10/01/2044, maturity value	185,000	202,283
	Ford Motor Company	6.63% bond, due 10/01/2028, maturity value	50,000	61,064
	Ford Motor Company	4.75% bond, due 01/15/2043, maturity value	165,000	167,331
	General Elec Cap Corp	5.88% bond, due 01/14/2038, maturity value	590,000	762,982
	General Elec Cap Corp	3.10% bond, due 01/09/2023, maturity value	175,000	177,742
	General Motors Co	6.25% bond, due 10/02/2043, maturity value	160,000	189,515
	General Motors Co	4.00% bond, due 01/15/2025, maturity value	25,000	25,687
	General Motors Co	4.30% bond, due 07/13/2025, maturity value	50,000	52,105
	Georgia-Pacific LLC	8.88% bond, due 05/15/2031, maturity value	80,000	123,919
	Gilead Sciences, Inc	4.50% bond, due 02/01/2045, maturity value	100,000	111,143
	Gilead Sciences, Inc	4.60% bond, due 09/01/2035, maturity value	50,000	56,339
	Glaxosmithkline Cap, Inc	6.38% bond, due 05/15/2038, maturity value	130,000	183,395
	Goldman Sachs Group, Inc	5.95% bond, due 01/18/2018, maturity value	135,000	135,213
	Goldman Sachs Group, Inc	6.25% bond, due 02/01/2041, maturity value	220,000	296,472
	Goldman Sachs Group, Inc	3.63% bond, due 01/22/2023, maturity value	90,000	92,973
	Goldman Sachs Group, Inc	4.75% bond, due 10/21/2045, maturity value	90,000	103,096
	Hasbro, Inc	3.50% bond, due 09/15/2027, maturity value	50,000	48,865
	Health Care REIT, Inc	6.50% bond, due 03/15/2041, maturity value	75,000	98,599
	Home Depot, Inc	2.70% bond, due 04/01/2023, maturity value	180,000	181,723
	Hyatt Hotels Corp	4.85% bond, due 03/15/2026, maturity value	75,000	81,791
	Indiana Michigan Power	4.55% bond, due 03/15/2046, maturity value	65,000	74,136
	Intel Corp	4.80% bond, due 10/01/2041, maturity value	95,000	114,165
	IBM Corp	4.00% bond, due 06/20/2042, maturity value	180,000	190,624
	JPMorgan Chase & Co	3.38% bond, due 05/01/2023, maturity value	180,000	182,963
	JPMorgan Chase & Co	1.63% bond, due 05/15/2018, maturity value	260,000	259,831
	JPMorgan Chase & Co	4.85% bond, due 02/01/2044, maturity value	510,000	602,458
	JPMorgan Chase & Co	4.25% bond, due 10/01/2027, maturity value	30,000	31,886
	Jefferies Group, LLC	6.25% bond, due 01/15/2036, maturity value	190,000	216,062
	Johnson & Johnson	3.70% bond, due 03/01/2046, maturity value	175,000	184,448
	Johnson & Johnson	2.95% bond, due 03/03/2027, maturity value	165,000	167,195
	KLA-Tencor Corp	5.65% bond, due 11/01/2034, maturity value	45,000	51,998
	Kellogg Co	4.50% bond, due 04/01/2046, maturity value	105,000	111,397
	Kentucky Utilities Co	4.38% bond, due 10/01/2045, maturity value	75,000	83,450
	Kroger Co	5.40% bond, due 07/15/2040, maturity value	55,000	60,773
	Lear Corp	3.80% bond, due 09/15/2027, maturity value	55,000	55,047
	Lennar Corp	4.13% bond, due 01/15/2022, maturity value	80,000	81,600
	Lockheed Martin Corp	3.55% bond, due 01/15/2026, maturity value	75,000	77,879
	Lockheed Martin Corp	4.50% bond, due 05/15/2036, maturity value	80,000	89,704

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Louisville Gas & Elect	4.38% bond, due 10/01/2045, maturity value	75,000	83,450
	Lowe's Companies, Inc	4.65% bond, due 04/15/2042, maturity value	85,000	97,135
	Lowe's Companies, Inc	3.70% bond, due 04/15/2046, maturity value	165,000	165,675
	MPLX LP	5.20% bond, due 03/01/2047, maturity value	25,000	27,436
	Marathon Oil Corp	5.20% bond, due 06/01/2045, maturity value	20,000	22,168
	Marsh & McLennan COS, Inc	4.35% bond, due 01/30/2047, maturity value	30,000	33,230
	Mattel, Inc	6.20% bond, due 10/01/2040, maturity value	95,000	85,381
	McDonald's Corp	4.70% bond, due 12/09/2035, maturity value	55,000	62,473
	McKesson Corp	2.70% bond, due 12/22/2022, maturity value	65,000	64,592
	McKesson Corp	6.00% bond, due 03/01/2041, maturity value	55,000	67,185
	Medtronic, Inc	5.55% bond, due 03/15/2040, maturity value	105,000	133,118
	Merck & Co, Inc	2.80% bond, due 05/18/2023, maturity value	105,000	105,875
	Metlife, Inc	5.70% bond, due 06/15/2035, maturity value	105,000	133,011
	Metlife, Inc	4.05% bond, due 03/01/2045, maturity value	290,000	304,138
	Microsoft Corp	2.70% bond, due 02/12/2025, maturity value	315,000	314,515
	Microsoft Corp	4.45% bond, due 11/03/2045, maturity value	220,000	257,862
	Molson Coors Brewing Co	4.20% bond, due 07/15/2046, maturity value	45,000	45,856
	Moody's Corporation	5.25% bond, due 07/15/2044, maturity value	45,000	54,358
	Morgan Stanley	4.35% bond, due 09/08/2026, maturity value	105,000	110,025
	Morgan Stanley	4.38% bond, due 01/22/2047, maturity value	75,000	82,214
	Morgan Stanley	4.30% bond, due 01/27/2045, maturity value	115,000	124,037
	Morgan Stanley	6.38% bond, due 07/24/2042, maturity value	70,000	97,325
	NYU Hospitals Center	4.78% bond, due 07/01/2044, maturity value	130,000	148,551
	NBCUniversal Media, LLC	4.38% bond, due 04/01/2021, maturity value	90,000	95,389
	Nisource Finance Corp	6.25% bond, due 12/15/2040, maturity value	65,000	84,119
	Noble Energy, Inc	6.00% bond, due 03/01/2041, maturity value	75,000	88,702
	Novartis Capital Corp	2.40% bond, due 09/21/2022, maturity value	110,000	109,386
	Novartis Capital Corp	4.00% bond, due 11/20/2045, maturity value	95,000	103,198
	Old Republic International Corp	4.88% bond, due 10/01/2024, maturity value	49,000	52,486
	Omnicom Group, Inc	3.65% bond, due 11/01/2024, maturity value	40,000	41,047
	Oneok Partners LP	3.38% bond, due 10/01/2022, maturity value	60,000	60,421
	Oracle Corp	3.63% bond, due 07/15/2023, maturity value	170,000	178,490
	Oracle Corp	4.30% bond, due 07/08/2034, maturity value	70,000	77,795
	Oracle Corp	4.13% bond, due 05/15/2045, maturity value	100,000	107,854
	Pacific Gas & Electric	5.40% bond, due 01/15/2040, maturity value	155,000	186,953
	Pepsico, Inc	4.25% bond, due 10/22/2044, maturity value	45,000	49,662
	Pepsico, Inc	4.45% bond, due 04/14/2046, maturity value	175,000	198,860
	Pepsico, Inc	2.38% bond, due 10/06/2026, maturity value	140,000	133,140
	Phillip Morris Intl, Inc	4.38% bond, due 11/15/2041, maturity value	110,000	118,370
	Phillip Morris Intl, Inc	2.75% bond, due 02/25/2026, maturity value	85,000	83,235
	Pres & Fellows of Harvard	3.15% bond, due 07/15/2046, maturity value	170,000	165,888
	Progressive Corp	4.13% bond, due 04/15/2047, maturity value	165,000	178,198
	Raytheon Company	2.50% bond, due 12/15/2022, maturity value	80,000	79,830
	Republic Services, Inc	5.70% bond, due 05/15/2041, maturity value	95,000	118,509
	Reynolds American, Inc	5.70% bond, due 06/12/2035, maturity value	120,000	143,039
	Rock-Tenn Co	4.90% bond, due 03/01/2022, maturity value	145,000	156,365
	San Diego Gas & Electric Company	5.35% bond, due 05/15/2040, maturity value	75,000	93,269
	Southern Cal Edison	6.05% bond, due 03/15/2039, maturity value	135,000	180,819

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Southern Company	4.40% bond, due 07/01/2046, maturity value	65,000	64,765
	Spirit Aerosystems Inc	3.85% bond, due 06/15/2026, maturity value	10,000	9,992
	Sunoco Logistics Partner	5.40% bond, due 10/01/2047, maturity value	175,000	174,661
	Tesoro Logistics LP/Corp	5.25% bond, due 01/15/2025, maturity value	35,000	35,000
	The Travelers Companies, Inc	5.35% bond, due 11/01/2040, maturity value	130,000	170,419
	21st Century Fox America	6.15% bond, due 03/01/2037, maturity value	75,000	85,036
	Tyson Foods, Inc	5.15% bond, due 08/15/2044, maturity value	50,000	49,803
	Tyson Foods, Inc	4.55% bond, due 06/02/2047, maturity value	40,000	39,766
	Union Electric Co	3.65% bond, due 04/15/2045, maturity value	80,000	79,811
	Union Pacific Corp	4.38% bond, due 11/15/2065, maturity value	80,000	76,834
	Union Pacific Corp	4.05% bond, due 03/01/2046, maturity value	90,000	88,814
	UnitedHealth Group Inc	4.75% bond, due 07/15/2045, maturity value	155,000	163,608
	UnitedHealth Group Inc	3.10% bond, due 03/15/2026, maturity value	90,000	89,929
	Valero Energy Corp	7.50% bond, due 04/15/2032, maturity value	60,000	73,999
	Valero Energy Corp	3.40% bond, due 09/15/2026, maturity value	85,000	84,707
	Verizon Communications	5.50% bond, due 03/16/2047, maturity value	135,000	134,744
	Visa Inc	4.15% bond, due 12/14/2035, maturity value	5,000	4,993
	Visa Inc	4.30% bond, due 12/14/2045, maturity value	85,000	84,858
	Wal-mart Stores, Inc	4.25% bond, due 04/15/2021, maturity value	155,000	162,970
	Wal-mart Stores, Inc	4.00% bond, due 04/11/2043, maturity value	75,000	69,827
	Wal-mart Stores, Inc	2.55% bond, due 04/11/2023, maturity value	180,000	173,010
	Wal-mart Stores, Inc	1.95% bond, due 12/15/2018, maturity value	340,000	340,996
	Waste Management	3.13% bond, due 03/01/2025, maturity value	190,000	189,191
	Wellpoint, Inc (Anthem Inc)	4.35% bond, due 08/15/2020, maturity value	60,000	62,277
	Wellpoint, Inc (Anthem Inc)	4.63% bond, due 05/15/2042, maturity value	95,000	104,152
	Wells Fargo & Co	3.00% bond, due 04/22/2026, maturity value	160,000	159,451
	Wells Fargo & Co	3.90% bond, due 05/01/2045, maturity value	825,000	822,518
	Weyerhaeuser Co	7.38% bond, due 03/15/2032, maturity value	135,000	170,981
	Whirlpool Corp	4.50% bond, due 06/01/2046, maturity value	100,000	99,201
	Foreign Bonds / Notes:			
	Agrium, Inc	4.90% bond, due 06/01/2043, maturity value	50,000	48,650
	Canadian Pacific RR Co	5.95% bond, due 05/15/2037, maturity value	60,000	67,617
	Cenovus Energy, Inc	6.75% bond, due 11/15/2039, maturity value	75,000	90,752
	Delhaize Group	5.70% bond, due 10/01/2040, maturity value	80,000	79,910
	Embraer Netherlands BV	5.05% bond, due 06/15/2025, maturity value	80,000	79,746
	Embraer Netherlands BV	5.40% bond, due 02/01/2027, maturity value	30,000	30,000
	Fomento Economico Mexicano	2.88% bond, due 05/10/2023, maturity value	150,000	141,869
	Goldcorp, Inc	5.45% bond, due 06/09/2044, maturity value	170,000	168,507
	HSBC Holding PLC	6.50% bond, due 09/15/2037, maturity value	100,000	116,971
	HSBC Holdings PLC	5.25% bond, due 03/14/2044, maturity value	200,000	216,835
	Ingersoll-Rand Luc Finan	4.65% bond, due 11/01/2044, maturity value	45,000	44,733
	Johnson Controls Intl	4.95% bond, due 07/02/2064, maturity value	75,000	74,923
	LYB Intl Finance BV	5.25% bond, due 07/15/2043, maturity value	60,000	62,498
	LYB Intl Finance BV	4.88% bond, due 03/15/2044, maturity value	80,000	82,491
	Petrobras Global Finance	5.63% bond, due 05/20/2043, maturity value	95,000	81,847
	Petrobras Global Finance	8.75% bond, due 05/23/2026, maturity value	40,000	39,350
	Royal Bank of Scotland GRP PLC	4.80% bond, due 04/05/2026, maturity value	200,000	199,638

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Foreign Bonds / Notes (continued):			
	Santander Issuances	5.18% bond, due 11/19/2025, maturity value	200,000	216,000
	Shell International Fin	6.38% bond, due 12/15/2038, maturity value	20,000	27,883
	Shell International Fin	4.38% bond, due 05/11/2045, maturity value	55,000	61,840
	Shell International Fin	3.75% bond, due 09/12/2046, maturity value	55,000	56,096
	Sumitomo Mitsui Finl Grp	3.78% bond, due 03/09/2026, maturity value	90,000	93,066
	Teva Pharmaceuticals	3.15% bond, due 10/01/2026, maturity value	35,000	28,898
	Teva Pharmaceuticals	4.10% bond, due 10/01/2046, maturity value	75,000	57,113
	WPP Finance 2010	5.13% bond, due 09/07/2042, maturity value	50,000	53,894
			25,013,561	26,634,940
	Employer securities:			
*	North State Telecommunications Corporation	91,353 shares common stock	9,604,838	5,684,812
*	North State Telecommunications Corporation	162 shares preferred stock	7,796	7,796
			9,612,634	5,692,608
			<u>\$ 91,018,397</u>	<u>\$ 93,681,190</u>

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

Schedule of Active Participant Data¹

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

Age Group	Completed Years of Service											
	25-29 Yrs.		30-34 Yrs.		35-39 Yrs.		40 Yrs. +					
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.				
0-24	0		0		0		0					
25-29	0		0		0		0					
30-34	0		0		0		0					
35-39	0		0		0		0					
40-44	0		0		0		0					
45-49	0		0		0		0					
50-54	6		3		0		0					
55-59	2		2		7		0					
60-64	0		1		6		2					
65-69	0		1		1		1					
70+	0		0		0		0					

¹ Average accrued benefits are shown instead of compensation since the plan's benefits are hard frozen and no participant is accruing additional benefits. Since this plan has less than 1,000 active participants, no average accrued benefits are required to be shown.

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) 4.16% (Prior year: 4.43%)

Second Segment Rate (5 to 20 Years) 5.72% (Prior year: 5.91%)

Third Segment Rate (over 20 Years) 6.48% (Prior year: 6.65%)

Effective Interest Rate: 5.79% (Prior year: 6.00%)

PBGC Variable Premium Rate (Alternative Basis) and Maximum

Deductible Contribution Limit:

First Segment Rate (for Liabilities Payable in 0 to 5 Years) 1.52% (Prior Year: 1.34%)

Second Segment Rate (for Liabilities Payable in 5 to 20 Years) 3.80% (Prior Year: 4.03%)

Third Segment Rate (for Liabilities Payable in 20 or More Years) 4.79% (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 2017 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%		

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 2017 Plan Year is \$215,000.

The IRS Maximum Compensation Limitation for the 2017 Plan Year is \$270,000.

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 funding stabilization rates for the 2017 minimum required contribution.

The mortality table was updated to the Static IRS 2017 Funding Mortality Table.

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) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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 <div style="border: 1px solid black; padding: 5px; display: inline-block;"> 2017 </div> This Form is Open to Public Inspection
---	--	--

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

► Round off amounts to nearest dollar.

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

A Name of plan NORTH STATE COMMUNICATIONS RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
---	---	-----

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF North State Telephone Company D/B/A North State Communications	D Employer Identification Number (EIN) 56-0341710
--	---

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500
---	---

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2017

2 Assets:		
a Market value.....	2a	90,467,880
b Actuarial value	2b	91,226,913

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	343	86,035,222	86,035,222
b For terminated vested participants	56	3,269,037	3,269,037
c For active participants	221	15,202,221	16,005,651
d Total	620	104,506,480	105,309,910

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	5.79%
6 Target normal cost	6	487,560

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	Robert A. Grider <div style="text-align: center;"> Signature of actuary Robert A. Grider, EA, MAAA Type or print name of actuary STANLEY, HUNT, DUPREE & RHINE Firm name 7701 Airport Center Drive Mailcode 527-99-02-20 GREENSBORO NC 27409 Address of the firm </div>	<div style="text-align: center;"> Date 1707472 Most recent enrollment number 336-291-1160 Telephone number (including area code) </div>
------------------	--	---

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	6,424,120
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	6,424,120
10 Interest on line 9 using prior year's actual return of <u>10.38%</u>	0	666,824
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		364,445
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 <u>6.00%</u>		21,867
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.....		386,312
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	111,959
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	6,978,985

Part III Funding Percentages

14 Funding target attainment percentage	14	80.00%
15 Adjusted funding target attainment percentage.....	15	80.00%
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	84.29%
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
04/12/2017	504,440	0			
07/14/2017	504,440	0			
10/12/2017	504,121	0			
01/12/2018	504,440	0			
07/12/2018	969,428	0			
Totals ▶			18(b)	2,986,869	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	2,834,395

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:				
a Segment rates:	1st segment: 4.16 %	2nd segment: 5.72 %	3rd segment: 6.48 %	☐ 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	487,560	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:			
a Net shortfall amortization installment.....	Outstanding Balance 21,061,982	Installment 2,337,519	
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		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	2,825,079	
	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	2,825,079	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	2,834,395	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	9,316	
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	

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)	4.16%	(Prior year: 4.43%)
Second Segment Rate (5 to 20 Years)	5.72%	(Prior year: 5.91%)
Third Segment Rate (over 20 Years)	6.48%	(Prior year: 6.65%)
Effective Interest Rate:	5.79%	(Prior year: 6.00%)

PBGC Variable Premium Rate (Alternative Basis) and Maximum

Deductible Contribution Limit:

First Segment Rate (for Liabilities Payable in 0 to 5 Years)	1.52%	(Prior Year: 1.34%)
Second Segment Rate (for Liabilities Payable in 5 to 20 Years)	3.80%	(Prior Year: 4.03%)
Third Segment Rate (for Liabilities Payable in 20 or More Years)	4.79%	(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 2017 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%		

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 2017 Plan Year is \$215,000.

The IRS Maximum Compensation Limitation for the 2017 Plan Year is \$270,000.

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 funding stabilization rates for the 2017 minimum required contribution.

The mortality table was updated to the Static IRS 2017 Funding Mortality Table.

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.

Summary of Plan Provisions

General Information

Valuation Date	January 1, 2017
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

None.

Schedule of Active Participant Data¹

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

Age Group	Completed Years of Service											
	25-29 Yrs.		30-34 Yrs.		35-39 Yrs.		40 Yrs. +					
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
0-24	0		0		0		0					
25-29	0		0		0		0					
30-34	0		0		0		0					
35-39	0		0		0		0					
40-44	0		0		0		0					
45-49	0		0		0		0					
50-54	6		3		0		0					
55-59	2		2		7		0					
60-64	0		1		6		2					
65-69	0		1		1		1					
70+	0		0		0		0					

¹ Average accrued benefits are shown instead of compensation since the plan's benefits are hard frozen and no participant is accruing additional benefits. Since this plan has less than 1,000 active participants, no average accrued benefits are required to be shown.

Schedule of Amortization Bases

Type	Date Established	Years Remaining	PV of Remaining Installments	Amortization Installment
1. Shortfall	01/01/2010	8	6,359,761	939,795
2. Shortfall	01/01/2011	9	7,967,913	1,075,581
3. Shortfall	01/01/2012	2	(3,102,597)	(1,582,908)
4. Shortfall	01/01/2013	3	713,814	247,699
5. Shortfall	01/01/2014	4	1,432,851	380,401
6. Shortfall	01/01/2015	5	(1,678,884)	(363,690)
7. Shortfall	01/01/2016	6	4,665,530	868,255
8. Shortfall	01/01/2017	7	4,703,594	772,386
Total Amortizations			\$21,061,982	\$2,337,519

Description of Weighted Average Retirement Age

The retirement assumption is graded by age, as follows:

<u>Age</u>	<u>Annual Retirement</u>	<u>Conditional Expected Retirement Age</u>	<u>First Eligible to Retire at Age</u>	<u>Conditional Expected Retirement Age</u>	<u>Number First Eligible to Retire at Age</u>
Under 50	0%	59.0	Under 50	59.0	-
50	5%	59.0	50	59.0	3
51	5%	59.5	51-54	60.1	3
52	5%	59.9	55	61.1	71
53	5%	60.4	56-59	61.9	11
54	5%	60.8	60	62.9	61
55	5%	61.1	61-64	64.4	10
56	5%	61.4	65	66.2	57
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	-
60	15%	62.9	75	75.0	-
61	20%	63.4			
62	25%	64.0	Total		221
63	30%	64.7			
64	35%	65.4			
65	40%	66.2			
66	45%	67.0			
67	50%	67.7			
68	60%	68.5			
69	80%	69.2			
70	100%	70.0			

Weighted Average Retirement Age:

63

Description of Weighted Average Retirement Age

The retirement assumption is graded by age, as follows:

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	3
51	5%	59.5	51-54	60.1	3
52	5%	59.9	55	61.1	71
53	5%	60.4	56-59	61.9	11
54	5%	60.8	60	62.9	61
55	5%	61.1	61-64	64.4	10
56	5%	61.4	65	66.2	57
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	-
60	15%	62.9	75	75.0	-
61	20%	63.4			
62	25%	64.0	Total		221
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, 2017
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

None.

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
Cash and cash equivalents:				
*	Branch Banking and Trust	Money market	\$ 6,130,274	\$ 6,130,274
	High Point Bank and Trust	Money market	959	959
			6,131,233	6,131,233
Mutual funds and exchange-traded funds:				
	American Europacific Growth Fund CL R6 Fund	121,656 units	5,971,327	6,829,762
	Blackstone Alt Multi-Strat-I	300,437 units	3,109,600	3,223,693
	Credit Suisse Comm Return Strategy Istl SHS FD	662,106 units	4,412,036	3,323,771
	Eagle Small Cap Growth Fund	13,766 units	755,359	872,457
	MFS Mid Cap Value Fund R6	104,759 units	2,374,745	2,494,316
	Massmutual Select Mid Cap Growth Equity II Fund	115,705 units	2,077,700	2,484,182
	Neuberger Berman High Income Bond Fund	581,180 units	5,420,699	5,050,451
	Prudential Small Cap Value CL Z	44,320 units	831,842	895,706
	Vanguard Inst Index-Inst	52,584 units	9,044,872	12,802,085
	Vanguard Reit Index Fund CL ADM	28,215 units	2,859,799	3,316,670
	Vanguard Tot Int ST IDX-ADM	223,838 units	6,147,170	6,831,547
			43,005,149	48,124,640
U.S. Government securities:				
	Tenn Valley Authority	4.25% bond, due 09/15/2065, maturity value 100,000	97,314	118,225
	US Treasury Note	0.75% note, due 08/31/2018, maturity value 165,000	164,813	163,995
	US Treasury Bond	2.75% bond, due 08/15/2047, maturity value 415,000	411,628	415,519
	US Treasury Bond	2.25% bond, due 02/15/2027, maturity value 675,000	670,834	666,144
	US Treasury Note	1.13% note, due 09/30/2021, maturity value 355,000	353,128	342,532
	US Treasury Bond	5.00% bond, due 05/15/2037, maturity value 970,000	1,292,098	1,329,996
	US Treasury Bond	1.50% bond, due 08/15/2026, maturity value 4,035,000	4,001,004	3,754,124
			6,990,819	6,790,535
Municipal bonds:				
	Ohio Univ Gen Recpts Athens Txbl	5.59% bond, due 12/01/2114, maturity value 170,000	170,000	203,361
	Univ of California CA TXBL-Gen-Ser	4.77% bond, due 05/15/2115, maturity value 95,000	95,000	103,872
			265,000	307,233
Corporate bonds:				
	Aflac, Inc	6.45% bond, due 08/15/2040, maturity value 27,000	33,483	37,002
	Aflac, Inc	4.00% bond, due 10/15/2046, maturity value 100,000	95,790	104,642
	AT&T, Inc	4.35% bond, due 06/15/2045, maturity value 70,000	61,492	64,582
	AT&T, Inc	4.75% bond, due 05/15/2046, maturity value 10,000	10,562	9,781
	AT&T, Inc	6.00% bond, due 08/15/2040, maturity value 85,000	87,118	96,194
	AT&T, Inc	5.25% bond, due 03/01/2037, maturity value 65,000	64,694	68,745
	AT&T, Inc	4.90% bond, due 08/14/2037, maturity value 135,000	134,760	136,701
	Abbot Laboratories	4.90% bond, due 11/30/2046, maturity value 165,000	163,715	189,173
	Abbvie, Inc	4.70% bond, due 05/14/2045, maturity value 10,000	10,454	11,213
	Abbvie, Inc	4.45% bond, due 05/14/2046, maturity value 165,000	163,891	179,355
	Alabama Power Co	3.85% bond, due 12/01/2042, maturity value 75,000	69,062	77,441
	Albermarle Corp	4.15% bond, due 12/01/2024, maturity value 35,000	34,880	37,086
	Allstate Corp	4.50% bond, due 06/15/2043, maturity value 100,000	104,392	113,049
	Allstate Corp	4.20% bond, due 12/15/2046, maturity value 95,000	97,192	103,653

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Altria Group, Inc	4.25% bond, due 08/09/2042, maturity value 130,000	113,833	136,432
	Amzaon.Com, Inc	4.95% bond, due 12/05/2044, maturity value 55,000	62,804	66,856
	Amerigas Part/Fin Corp	5.50% bond, due 05/20/2025, maturity value 35,000	35,000	35,350
	Anadarko Petroleum Corp	6.60% bond, due 03/15/2046, maturity value 25,000	24,981	32,157
	Anheuser-Busch Inbev	4.70% bond, due 02/01/2036, maturity value 175,000	173,541	195,676
	Anheuser-Busch Inbev	4.90% bond, due 02/01/2046, maturity value 50,000	49,883	57,950
	Apache Corp	5.10% bond, due 09/01/2040, maturity value 50,000	47,793	53,270
	Apple Inc	3.85% bond, due 05/04/2043, maturity value 330,000	308,075	342,857
	Apple Inc	3.45% bond, due 02/09/2045, maturity value 145,000	127,994	141,510
	Apple Inc	4.50% bond, due 02/23/2036, maturity value 140,000	139,342	160,481
	Apple Inc	4.65% bond, due 02/23/2046, maturity value 95,000	94,452	111,249
	Bank of America Corp	5.70% bond, due 01/24/2022, maturity value 210,000	229,288	234,104
	Bank of America Corp	5.88% bond, due 02/07/2042, maturity value 200,000	228,306	264,832
	Bank of America Corp	4.88% bond, due 04/01/2044, maturity value 90,000	98,352	107,748
	Bank of America Corp	4.44% bond, due 01/20/2048, maturity value 310,000	351,351	349,358
	Barrick NA Finance LLC	5.70% bond, due 05/30/2041, maturity value 40,000	33,244	49,150
	Barrick NA Finance LLC	5.75% bond, due 05/01/2043, maturity value 60,000	63,985	75,346
	Berkshire Hathaway Fin	4.40% bond, due 05/15/2042, maturity value 250,000	269,523	281,718
	Berkshire Hathaway Fin	4.30% bond, due 05/15/2043, maturity value 95,000	98,715	106,209
	Berkshire Hathaway, Inc	3.00% bond, due 02/11/2023, maturity value 135,000	132,619	137,724
	Burlington North Santa Fe	4.38% bond, due 09/01/2042, maturity value 175,000	182,553	195,466
	Burlington North Santa Fe	3.25% bond, due 06/15/2027, maturity value 65,000	64,836	66,492
	CVS Health Corp	5.13% bond, due 07/20/2045, maturity value 165,000	174,534	189,105
	Canadian Natl res	4.95% bond, due 06/01/2047, maturity value 55,000	54,957	61,553
	Capital One Bank USA NA	3.38% bond, due 02/15/2023, maturity value 250,000	244,975	252,468
	Caterpillar, Inc	5.20% bond, due 05/27/2041, maturity value 125,000	135,953	157,738
	Celgene Corp	4.35% bond, due 11/15/2047, maturity value 130,000	129,653	135,035
	Centerpoint Ener Houston	3.55% bond, due 08/01/2042, maturity value 70,000	66,909	69,796
	Chubb INA Holdings, Inc	2.70% bond, due 03/13/2023, maturity value 95,000	91,845	94,376
	Chubb INA Holdings, Inc	4.15% bond, due 03/13/2043, maturity value 95,000	96,334	103,157
	Chubb INA Holdings, Inc	4.35% bond, due 11/03/2045, maturity value 115,000	120,041	129,847
	Cisco Systems, Inc	5.50% bond, due 01/15/2040, maturity value 185,000	214,492	244,792
	Citigroup, Inc	4.50% bond, due 01/14/2022, maturity value 240,000	249,081	255,302
	Citigroup, Inc	5.88% bond, due 01/30/2042, maturity value 60,000	69,126	78,913
	Citigroup, Inc	4.65% bond, due 07/30/2045, maturity value 90,000	94,913	102,435
	Citigroup, Inc	4.45% bond, due 09/29/2027, maturity value 130,000	129,402	137,631
	Cleveland Clinic Foundation	4.86% bond, due 01/01/2114, maturity value 80,000	80,000	89,962
	Comcast Corp	5.65% bond, due 06/15/2035, maturity value 310,000	344,698	386,530
	Comcast Corp	3.15% bond, due 03/01/2026, maturity value 120,000	119,774	120,892
	Concho Resources, Inc	4.88% bond, due 10/01/2047, maturity value 40,000	39,900	43,497
	Conocophillips Company	5.95% bond, due 03/15/2046, maturity value 25,000	24,744	33,675
	Consolidated Edison Co of NY	4.50% bond, due 12/01/2045, maturity value 160,000	159,840	184,014
	Diamond Offshore Drill	4.88% bond, due 11/01/2043, maturity value 120,000	98,797	87,600
	Walt Disney Company	4.13% bond, due 06/01/2044, maturity value 85,000	85,729	91,798
	Dominion Resources, Inc	7.00% bond, due 06/15/2038, maturity value 75,000	94,859	103,580
	Domtar Corporation	4.40% bond, due 04/01/2022, maturity value 50,000	50,551	52,602
	Duke Energy Carolinas	4.25% bond, due 12/15/2041, maturity value 175,000	174,820	192,612
	Eaton Corp	2.75% bond, due 11/02/2022, maturity value 95,000	94,194	95,278

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Eaton Corp	4.00% bond, due 11/02/2032, maturity value 70,000	66,828	72,279
	Ebay, Inc	4.00% bond, due 07/15/2042, maturity value 190,000	162,364	175,448
	Ecolab, Inc	2.70% bond, due 11/01/2026, maturity value 85,000	81,562	81,483
	EDS Corp	7.45% bond, due 10/15/2029, maturity value 110,000	124,050	136,715
	Energy Transfer Partners	6.05% bond, due 06/01/2041, maturity value 75,000	78,708	80,359
	Enlink Midstream Partners LP	5.05% bond, due 04/01/2045, maturity value 35,000	33,733	34,570
	Enterprise Products Oper	5.95% bond, due 02/01/2041, maturity value 65,000	72,366	80,226
	Exelon Generation Co, LLC	6.25% bond, due 10/01/2039, maturity value 85,000	90,025	99,434
	Express Scripts Holding Co	4.80% bond, due 07/15/2046, maturity value 120,000	119,790	127,655
	Fedex Corp	4.55% bond, due 04/01/2046, maturity value 90,000	89,605	98,839
	Florida Power & Light Co	4.05% bond, due 10/01/2044, maturity value 185,000	184,390	202,283
	Ford Motor Company	6.63% bond, due 10/01/2028, maturity value 50,000	57,631	61,064
	Ford Motor Company	4.75% bond, due 01/15/2043, maturity value 165,000	157,239	167,331
	General Elec Cap Corp	5.88% bond, due 01/14/2038, maturity value 590,000	681,768	762,982
	General Elec Cap Corp	3.10% bond, due 01/09/2023, maturity value 175,000	171,692	177,742
	General Motors Co	6.25% bond, due 10/02/2043, maturity value 160,000	179,419	189,515
	General Motors Co	4.00% bond, due 01/15/2025, maturity value 25,000	23,367	25,687
	General Motors Co	4.30% bond, due 07/13/2025, maturity value 50,000	49,932	52,105
	Georgia-Pacific LLC	8.88% bond, due 05/15/2031, maturity value 80,000	111,466	123,919
	Gilead Sciences, Inc	4.50% bond, due 02/01/2045, maturity value 100,000	99,413	111,143
	Gilead Sciences, Inc	4.60% bond, due 09/01/2035, maturity value 50,000	49,833	56,339
	Glaxosmithkline Cap, Inc	6.38% bond, due 05/15/2038, maturity value 130,000	162,732	183,395
	Goldman Sachs Group, Inc	5.95% bond, due 01/18/2018, maturity value 135,000	137,618	135,213
	Goldman Sachs Group, Inc	6.25% bond, due 02/01/2041, maturity value 220,000	257,318	296,472
	Goldman Sachs Group, Inc	3.63% bond, due 01/22/2023, maturity value 90,000	88,695	92,973
	Goldman Sachs Group, Inc	4.75% bond, due 10/21/2045, maturity value 90,000	94,921	103,096
	Hasbro, Inc	3.50% bond, due 09/15/2027, maturity value 50,000	49,937	48,865
	Health Care REIT, Inc	6.50% bond, due 03/15/2041, maturity value 75,000	91,287	98,599
	Home Depot, Inc	2.70% bond, due 04/01/2023, maturity value 180,000	173,689	181,723
	Hyatt Hotels Corp	4.85% bond, due 03/15/2026, maturity value 75,000	74,940	81,791
	Indiana Michigan Power	4.55% bond, due 03/15/2046, maturity value 65,000	64,777	74,136
	Intel Corp	4.80% bond, due 10/01/2041, maturity value 95,000	96,464	114,165
	IBM Corp	4.00% bond, due 06/20/2042, maturity value 180,000	168,655	190,624
	JPMorgan Chase & Co	3.38% bond, due 05/01/2023, maturity value 180,000	173,978	182,963
	JPMorgan Chase & Co	1.63% bond, due 05/15/2018, maturity value 260,000	258,388	259,831
	JPMorgan Chase & Co	4.85% bond, due 02/01/2044, maturity value 510,000	516,509	602,458
	JPMorgan Chase & Co	4.25% bond, due 10/01/2027, maturity value 30,000	29,897	31,886
	Jefferies Group, LLC	6.25% bond, due 01/15/2036, maturity value 190,000	191,258	216,062
	Johnson & Johnson	3.70% bond, due 03/01/2046, maturity value 175,000	173,838	184,448
	Johnson & Johnson	2.95% bond, due 03/03/2027, maturity value 165,000	164,830	167,195
	KLA-Tencor Corp	5.65% bond, due 11/01/2034, maturity value 45,000	44,872	51,998
	Kellogg Co	4.50% bond, due 04/01/2046, maturity value 105,000	103,953	111,397
	Kentucky Utilities Co	4.38% bond, due 10/01/2045, maturity value 75,000	74,938	83,450
	Kroger Co	5.40% bond, due 07/15/2040, maturity value 55,000	57,589	60,773
	Lear Corp	3.80% bond, due 09/15/2027, maturity value 55,000	54,612	55,047
	Lennar Corp	4.13% bond, due 01/15/2022, maturity value 80,000	80,000	81,600
	Lockheed Martin Corp	3.55% bond, due 01/15/2026, maturity value 75,000	76,719	77,879
	Lockheed Martin Corp	4.50% bond, due 05/15/2036, maturity value 80,000	78,499	89,704

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Louisville Gas & Elect	4.38% bond, due 10/01/2045, maturity value	75,000	83,450
	Lowe's Companies, Inc	4.65% bond, due 04/15/2042, maturity value	85,000	97,135
	Lowe's Companies, Inc	3.70% bond, due 04/15/2046, maturity value	165,000	165,675
	MPLX LP	5.20% bond, due 03/01/2047, maturity value	25,000	27,436
	Marathon Oil Corp	5.20% bond, due 06/01/2045, maturity value	20,000	22,168
	Marsh & McLennan COS, Inc	4.35% bond, due 01/30/2047, maturity value	30,000	33,230
	Mattel, Inc	6.20% bond, due 10/01/2040, maturity value	95,000	85,381
	McDonald's Corp	4.70% bond, due 12/09/2035, maturity value	55,000	62,473
	McKesson Corp	2.70% bond, due 12/22/2022, maturity value	65,000	64,592
	McKesson Corp	6.00% bond, due 03/01/2041, maturity value	55,000	67,185
	Medtronic, Inc	5.55% bond, due 03/15/2040, maturity value	105,000	133,118
	Merck & Co, Inc	2.80% bond, due 05/18/2023, maturity value	105,000	105,875
	Metlife, Inc	5.70% bond, due 06/15/2035, maturity value	105,000	133,011
	Metlife, Inc	4.05% bond, due 03/01/2045, maturity value	290,000	304,138
	Microsoft Corp	2.70% bond, due 02/12/2025, maturity value	315,000	314,515
	Microsoft Corp	4.45% bond, due 11/03/2045, maturity value	220,000	257,862
	Molson Coors Brewing Co	4.20% bond, due 07/15/2046, maturity value	45,000	45,856
	Moody's Corporation	5.25% bond, due 07/15/2044, maturity value	45,000	54,358
	Morgan Stanley	4.35% bond, due 09/08/2026, maturity value	105,000	110,025
	Morgan Stanley	4.38% bond, due 01/22/2047, maturity value	75,000	82,214
	Morgan Stanley	4.30% bond, due 01/27/2045, maturity value	115,000	124,037
	Morgan Stanley	6.38% bond, due 07/24/2042, maturity value	70,000	97,325
	NYU Hospitals Center	4.78% bond, due 07/01/2044, maturity value	130,000	148,551
	NBCUniversal Media, LLC	4.38% bond, due 04/01/2021, maturity value	90,000	95,389
	Nisource Finance Corp	6.25% bond, due 12/15/2040, maturity value	65,000	84,119
	Noble Energy, Inc	6.00% bond, due 03/01/2041, maturity value	75,000	88,702
	Novartis Capital Corp	2.40% bond, due 09/21/2022, maturity value	110,000	109,386
	Novartis Capital Corp	4.00% bond, due 11/20/2045, maturity value	95,000	103,198
	Old Republic International Corp	4.88% bond, due 10/01/2024, maturity value	49,000	52,486
	Omnicom Group, Inc	3.65% bond, due 11/01/2024, maturity value	40,000	41,047
	Oneok Partners LP	3.38% bond, due 10/01/2022, maturity value	60,000	60,421
	Oracle Corp	3.63% bond, due 07/15/2023, maturity value	170,000	178,490
	Oracle Corp	4.30% bond, due 07/08/2034, maturity value	70,000	77,795
	Oracle Corp	4.13% bond, due 05/15/2045, maturity value	100,000	107,854
	Pacific Gas & Electric	5.40% bond, due 01/15/2040, maturity value	155,000	186,953
	Pepsico, Inc	4.25% bond, due 10/22/2044, maturity value	45,000	49,662
	Pepsico, Inc	4.45% bond, due 04/14/2046, maturity value	175,000	198,860
	Pepsico, Inc	2.38% bond, due 10/06/2026, maturity value	140,000	133,140
	Phillip Morris Intl, Inc	4.38% bond, due 11/15/2041, maturity value	110,000	118,370
	Phillip Morris Intl, Inc	2.75% bond, due 02/25/2026, maturity value	85,000	83,235
	Pres & Fellows of Harvard	3.15% bond, due 07/15/2046, maturity value	170,000	165,888
	Progressive Corp	4.13% bond, due 04/15/2047, maturity value	165,000	178,198
	Raytheon Company	2.50% bond, due 12/15/2022, maturity value	80,000	79,830
	Republic Services, Inc	5.70% bond, due 05/15/2041, maturity value	95,000	118,509
	Reynolds American, Inc	5.70% bond, due 06/12/2035, maturity value	120,000	143,039
	Rock-Tenn Co	4.90% bond, due 03/01/2022, maturity value	145,000	156,365
	San Diego Gas & Electric Company	5.35% bond, due 05/15/2040, maturity value	75,000	93,269
	Southern Cal Edison	6.05% bond, due 03/15/2039, maturity value	135,000	180,819

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Corporate bonds (continued):			
	Southern Company	4.40% bond, due 07/01/2046, maturity value	65,000	64,765
	Spirit Aerosystems Inc	3.85% bond, due 06/15/2026, maturity value	10,000	9,992
	Sunoco Logistics Partner	5.40% bond, due 10/01/2047, maturity value	175,000	174,661
	Tesoro Logistics LP/Corp	5.25% bond, due 01/15/2025, maturity value	35,000	35,000
	The Travelers Companies, Inc	5.35% bond, due 11/01/2040, maturity value	130,000	170,419
	21st Century Fox America	6.15% bond, due 03/01/2037, maturity value	75,000	85,036
	Tyson Foods, Inc	5.15% bond, due 08/15/2044, maturity value	50,000	49,803
	Tyson Foods, Inc	4.55% bond, due 06/02/2047, maturity value	40,000	39,766
	Union Electric Co	3.65% bond, due 04/15/2045, maturity value	80,000	79,811
	Union Pacific Corp	4.38% bond, due 11/15/2065, maturity value	80,000	76,834
	Union Pacific Corp	4.05% bond, due 03/01/2046, maturity value	90,000	88,814
	UnitedHealth Group Inc	4.75% bond, due 07/15/2045, maturity value	155,000	163,608
	UnitedHealth Group Inc	3.10% bond, due 03/15/2026, maturity value	90,000	89,929
	Valero Energy Corp	7.50% bond, due 04/15/2032, maturity value	60,000	73,999
	Valero Energy Corp	3.40% bond, due 09/15/2026, maturity value	85,000	84,707
	Verizon Communications	5.50% bond, due 03/16/2047, maturity value	135,000	134,744
	Visa Inc	4.15% bond, due 12/14/2035, maturity value	5,000	4,993
	Visa Inc	4.30% bond, due 12/14/2045, maturity value	85,000	84,858
	Wal-mart Stores, Inc	4.25% bond, due 04/15/2021, maturity value	155,000	162,970
	Wal-mart Stores, Inc	4.00% bond, due 04/11/2043, maturity value	75,000	69,827
	Wal-mart Stores, Inc	2.55% bond, due 04/11/2023, maturity value	180,000	173,010
	Wal-mart Stores, Inc	1.95% bond, due 12/15/2018, maturity value	340,000	340,996
	Waste Management	3.13% bond, due 03/01/2025, maturity value	190,000	189,191
	Wellpoint, Inc (Anthem Inc)	4.35% bond, due 08/15/2020, maturity value	60,000	62,277
	Wellpoint, Inc (Anthem Inc)	4.63% bond, due 05/15/2042, maturity value	95,000	104,152
	Wells Fargo & Co	3.00% bond, due 04/22/2026, maturity value	160,000	159,451
	Wells Fargo & Co	3.90% bond, due 05/01/2045, maturity value	825,000	822,518
	Weyerhaeuser Co	7.38% bond, due 03/15/2032, maturity value	135,000	170,981
	Whirlpool Corp	4.50% bond, due 06/01/2046, maturity value	100,000	99,201
	Foreign Bonds / Notes:			
	Agrium, Inc	4.90% bond, due 06/01/2043, maturity value	50,000	48,650
	Canadian Pacific RR Co	5.95% bond, due 05/15/2037, maturity value	60,000	67,617
	Cenovus Energy, Inc	6.75% bond, due 11/15/2039, maturity value	75,000	90,752
	Delhaize Group	5.70% bond, due 10/01/2040, maturity value	80,000	79,910
	Embraer Netherlands BV	5.05% bond, due 06/15/2025, maturity value	80,000	79,746
	Embraer Netherlands BV	5.40% bond, due 02/01/2027, maturity value	30,000	30,000
	Fomento Economico Mexicano	2.88% bond, due 05/10/2023, maturity value	150,000	141,869
	Goldcorp, Inc	5.45% bond, due 06/09/2044, maturity value	170,000	168,507
	HSBC Holding PLC	6.50% bond, due 09/15/2037, maturity value	100,000	116,971
	HSBC Holdings PLC	5.25% bond, due 03/14/2044, maturity value	200,000	216,835
	Ingersoll-Rand Luc Finan	4.65% bond, due 11/01/2044, maturity value	45,000	44,733
	Johnson Controls Intl	4.95% bond, due 07/02/2064, maturity value	75,000	74,923
	LYB Intl Finance BV	5.25% bond, due 07/15/2043, maturity value	60,000	62,498
	LYB Intl Finance BV	4.88% bond, due 03/15/2044, maturity value	80,000	82,491
	Petrobras Global Finance	5.63% bond, due 05/20/2043, maturity value	95,000	81,847
	Petrobras Global Finance	8.75% bond, due 05/23/2026, maturity value	40,000	39,350
	Royal Bank of Scotland GRP PLC	4.80% bond, due 04/05/2026, maturity value	200,000	199,638

North State Communications Retirement Plan
Employer ID # 56-0341710 Plan # 001
Schedule H, Line 4i- Schedule of Assets Held at End of Year
December 31, 2017

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	Foreign Bonds / Notes (continued):			
	Santander Issuances	5.18% bond, due 11/19/2025, maturity value	200,000	216,000
	Shell International Fin	6.38% bond, due 12/15/2038, maturity value	20,000	27,883
	Shell International Fin	4.38% bond, due 05/11/2045, maturity value	55,000	61,840
	Shell International Fin	3.75% bond, due 09/12/2046, maturity value	55,000	56,096
	Sumitomo Mitsui Finl Grp	3.78% bond, due 03/09/2026, maturity value	90,000	93,066
	Teva Pharmaceuticals	3.15% bond, due 10/01/2026, maturity value	35,000	28,898
	Teva Pharmaceuticals	4.10% bond, due 10/01/2046, maturity value	75,000	57,113
	WPP Finance 2010	5.13% bond, due 09/07/2042, maturity value	50,000	53,894
			25,013,561	26,634,940
	Employer securities:			
*	North State Telecommunications Corporation	91,353 shares common stock	9,604,838	5,684,812
*	North State Telecommunications Corporation	162 shares preferred stock	7,796	7,796
			9,612,634	5,692,608
			<u>\$ 91,018,397</u>	<u>\$ 93,681,190</u>

* 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	8	6,359,761	939,795
2. Shortfall	01/01/2011	9	7,967,913	1,075,581
3. Shortfall	01/01/2012	2	(3,102,597)	(1,582,908)
4. Shortfall	01/01/2013	3	713,814	247,699
5. Shortfall	01/01/2014	4	1,432,851	380,401
6. Shortfall	01/01/2015	5	(1,678,884)	(363,690)
7. Shortfall	01/01/2016	6	4,665,530	868,255
8. Shortfall	01/01/2017	7	4,703,594	772,386
Total Amortizations			\$21,061,982	\$2,337,519