

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: 24pt; 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>09/01/2017</u> and ending <u>08/31/2018</u>
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan <u>CHILLICOTHE TELEPHONE COMPANY UNION EMPLOYEES' PENSION PLAN AND TRUST AGREEMENT</u>	1b Three-digit plan number (PN) ▶	<u>001</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>HORIZON TELCOM, INC.</u> <u>68 EAST MAIN STREET</u> <u>CHILLICOTHE, OH 45601-0480</u>	1c Effective date of plan <u>08/31/1959</u>	2b Employer Identification Number (EIN) <u>31-1449037</u>	2c Plan Sponsor's telephone number <u>740-772-8200</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.	06/14/2019	PETE HOLLAND
	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	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor 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	5 147
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 39
a(2) Total number of active participants at the end of the plan year	6a(2) 37
b Retired or separated participants receiving benefits	6b 62
c Other retired or separated participants entitled to future benefits	6c 38
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 137
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 5
f Total. Add lines 6d and 6e	6f 142
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	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:

1B 1I 3H

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

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

a Pension Schedules

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

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☐ **A** (Insurance Information)
- (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 09/01/2017 and ending 08/31/2018	
▶ 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 CHILLICOTHE TELEPHONE COMPANY UNION EMPLOYEES' PENSION PLAN AND TRUST AGREEMENT	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF HORIZON TELCOM, INC.	D Employer Identification Number (EIN) 31-1449037
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 09 Day 01 Year 2017			
2	Assets:			
a	Market value	2a	7154992	
b	Actuarial value	2b	6995284	
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	65	4242167	4242167
b	For terminated vested participants	43	1322464	1322464
c	For active participants	39	1917670	1917670
d	Total	147	7482301	7482301
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	5.88 %	
6	Target normal cost	6	37224	

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.

<div>SIGN HERE</div>			06/11/2019
Signature of actuary		Date	
DAN SHACHAK		17-07567	
Type or print name of actuary		Most recent enrollment number	
USI CONSULTING GROUP		212-949-1344	
Firm name		Telephone number (including area code)	
350 FIFTH AVENUE, SUITE 3700 NEW YORK, NY 10118			
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	562
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	562
10 Interest on line 9 using prior year's actual return of <u>9.88</u> %	0	56
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		4
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>6.07</u> %		0
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		4
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	618

Part III Funding Percentages

14 Funding target attainment percentage	14	93.48%
15 Adjusted funding target attainment percentage	15	93.48%
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	96.87%
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
12/14/2017	29662				
03/14/2018	30400				
06/14/2018	30400				
09/13/2018	30400				
05/13/2019	19000				
Totals ▶			18(b)	139862	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	133642

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 65
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	
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	37224	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance		Installment
a Net shortfall amortization installment.....	487635		96082
b Waiver amortization installment			
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	133306	
	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	133306	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	133642	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	336	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
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		
43 Excess installment acceleration amount to be carried over to future plan years	43		

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 **09/01/2017** and ending **08/31/2018**

A Name of plan CHILLICOTHE TELEPHONE COMPANY UNION EMPLOYEES' PENSION PLAN AND TRUST AGREEMENT	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HORIZON TELCOM, INC.	D Employer Identification Number (EIN) 31-1449037

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	
DIMENSIONAL INVESTMENT GROUP INC.	6300 BEE CAVE ROAD BUILDING ONE AUSTIN, TX 78746

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
FIDELITY INVESTMENTS	04-6569107

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
NATIXIS FUNDS	P.O. BOX 219579 KANSAS CITY, MO 64121-9579

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
HARBOR FUNDS	P.O. BOX 804660 CHICAGO, IL 60680-4108

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

WESTCHESTER CAPITAL MANAGEMENT

100 SUMMIT LAKE DRIVE
VALHALLA, NY 10595

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

OPPENHEIMER FUNDS

P.O. BOX 5270
DENVER, CO 80217-5270

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

PRUDENTIAL MUTUAL FUND SERVICES LLC

P.O. BOX 9658
PROVIDENCE, RI 02940

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

STERLING CAPITAL FUNDS

P.O. BOX 9762
PROVIDENCE, RI 02940

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

THE VANGUARD GROUP

23-1945930

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

BLACKROCK FUNDS

94-2948313

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

EATON VANCE

20-2074728

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

FEDERATED INVESTMENT MANAGEMENT

4000 ERICSSON DRIVE
WARRENDALE, PA 15086-7561

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

LOOMIS SAYLES & COMPANY, L.P.

04-3113274

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

PIMCO INVESTMENTS LLC

33-0629048

(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)

HUNTINGTON BANK

31-0966785

(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 50	NONE	29902	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <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>09/01/2017</u> and ending <u>08/31/2018</u>		
A Name of plan <u>CHILLICOTHE TELEPHONE COMPANY UNION EMPLOYEES' PENSION PLAN AND TRUST AGREEMENT</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HORIZON TELCOM, INC.</u>		D Employer Identification Number (EIN) <u>31-1449037</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	44827	49400
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	18618	20651
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		85904
(2) U.S. Government securities.....	1c(2)	5208	3925
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	1598258	1290620
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	3049065	3248984
(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)	2439800	2630513
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	7155776	7329997

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	7155776	7329997
---	-----------	---------	---------

Part II Income and Expense Statement

- 2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	139862	
(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)		139862
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	51081	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		51081
(2) Dividends: (A) Preferred stock	2b(2)(A)	187111	
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		187111
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	46492	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		46492
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	425671	
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		425671

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		-720
d Total income. Add all income amounts in column (b) and enter total.....	2d		849497

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	645374	
(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)		645374
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)	29902	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		29902
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		675276

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		174221
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: CLARK, SCHAEFER, HACKETT & CO

(2) EIN: 31-0800053

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

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

Part IV Compliance Questions

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

During the plan year:

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

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

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		5000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ 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 4130109. (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 09/01/2017 and ending 08/31/2018		
A Name of plan CHILICOTHE TELEPHONE COMPANY UNION EMPLOYEES' PENSION PLAN AND TRUST AGREEMENT		B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HORIZON TELCOM, INC.		D Employer Identification Number (EIN) 31-1449037
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): 31-6025293		
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): _____

**Chillicothe Telephone Company
Union Employees' Pension Plan
and Trust Agreement**

Financial Statements and Supplemental Schedules
August 31, 2018 and 2017
(with Independent Auditors' Report)

TABLE OF 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 the Financial Statements	5-11
Supplemental Schedules:	
Schedule of Assets (Held at End of Year)	12-13
Schedule of Reportable Transactions.....	14-15

INDEPENDENT AUDITORS' REPORT

To the Participants and Plan Administrators of
Chillicothe Telephone Company
Union Employees' Pension Plan and Trust Agreement
Chillicothe, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Chillicothe Telephone Company Union Employees' Pension Plan and Trust Agreement, which comprise the statements of net assets available for benefits as of August 31, 2018 and 2017 and the related statements of changes in net assets available for benefits for the years 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 our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Huntington Bank, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended August 31, 2018 and 2017, that the information provided to the plan administrator by the trustee 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 Matter

The supplemental schedule of assets (held at end of year) as of August 31, 2018 and the schedule of reportable transactions for the year ended August 31, 2018, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, 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 Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
June 12, 2019

Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
Statements of Net Assets Available for Benefits
August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Investments, at fair value:		
Interest-bearing cash	\$ 85,904	-
U.S. government securities	3,925	5,208
Corporate bonds	1,290,620	1,598,258
Common stocks	3,248,984	3,049,065
Mutual funds	<u>2,630,513</u>	<u>2,439,800</u>
 Total investments	 <u>7,259,946</u>	 <u>7,092,331</u>
 Receivables:		
Interest receivable	20,651	18,618
Employer contribution receivable	<u>49,400</u>	<u>44,827</u>
 Total receivables	 <u>70,051</u>	 <u>63,445</u>
 Net assets available for benefits	 \$ <u><u>7,329,997</u></u>	 <u><u>7,155,776</u></u>

See accompanying notes to the financial statements.

Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
Statements of Changes in Net Assets Available for Benefits
Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Additions:		
Investment income:		
Interest and dividends	\$ 237,472	182,905
Net appreciation in fair value of investments	<u>472,163</u>	<u>492,399</u>
	<u>709,635</u>	<u>675,304</u>
Employer contributions	<u>139,862</u>	<u>125,848</u>
Total additions	<u>849,497</u>	<u>801,152</u>
Deductions:		
Benefits paid to participants and beneficiaries	645,374	953,622
Administrative expenses	<u>29,902</u>	<u>38,255</u>
Total deductions	<u>675,276</u>	<u>991,877</u>
Net increase (decrease) in net assets available for benefits	174,221	(190,725)
Net assets available for benefits:		
Beginning of year	<u>7,155,776</u>	<u>7,346,501</u>
End of year	\$ <u><u>7,329,997</u></u>	<u><u>7,155,776</u></u>

See accompanying notes to the financial statements.

1. DESCRIPTION OF PLAN:

The following description of the Chillicothe Telephone Company Union Employees' Pension Plan and Trust Agreement (the Plan) is provided for general informational purposes only. Participants should 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 all eligible employees of the Chillicothe Telephone Company (the Company and Employer) who are covered by a collective bargaining agreement. Effective December 31, 2006, benefit accruals under the Plan were frozen and the Plan was closed to new entrants. Benefits continue to vest in accordance with the existing vesting schedule. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) as amended.

Contributions

Employer contributions are made in amounts sufficient, on an actuarial basis, to fund at a minimum, the Plan's normal cost on a current basis and to fund the actuarial liability for past service costs in accordance with Department of Treasury Regulations. The Employer's contributions to the Plan during the years ended August 31, 2018 and 2017 satisfied the minimum funding requirements established by ERISA and did not exceed the Employer's maximum allowable contributions for that Plan year.

Eligibility

The Plan covers all eligible employees, with certain exclusions per the plan document, who are covered by the terms of a collective bargaining agreement between the Company and an employee representative and were employed before September 1, 2006. Effective December 31, 2006, participation in the plan was frozen. Employees hired after September 1, 2006, are not eligible for plan benefits. Existing participant's accrued benefits will not increase after December 31, 2006.

Pension benefits

Participants are fully vested in accrued benefits after completing 5 years of service. Fully accrued benefits are provided at the normal retirement age of 65. Benefits are provided to employees electing early retirement at reduced amounts, as defined by the Plan. Employees receive their pension benefits in the form of an annuity unless another form of payment is elected. The Trustees may elect to pay in one lump-sum the actuarial equivalent of the aggregate amount of unpaid monthly benefits.

Beneficiaries of vested participants are entitled to death benefits according to the Plan provisions. Active participants who become totally disabled receive monthly disability benefits that are equal to the normal retirement benefits had the employee continued service with the Company to normal retirement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of accounting

The financial statements are prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual results could differ from those estimates.

Investment valuation and income recognition

Investments are reported 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. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by the investment advisor and trustee.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains on investments bought and sold as well as held during the year.

Payment of benefits

Benefits are recorded when paid.

Administrative expenses

The Plan's expenses are paid either by the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as administrative expenses. In addition, certain investment related expenses are included in net appreciation in fair value of investments presented in the accompanying statements of changes in net assets available for benefits.

Reclassifications

Certain amounts in the 2017 footnote disclosures have been reclassified to conform to the 2018 presentation.

Subsequent events

The Plan has evaluated subsequent through June 12, 2019, the date the financial statements were available to be issued.

3. INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE:

All financial data related to investments used in the preparation of the statements of net assets available for benefits, statements of changes in net assets available for benefits and the supplemental schedules have been certified as to the completeness and accuracy by the Plan's trustee, Huntington Bank, as of and for the years ended August 31, 2018 and 2017.

4. FAIR VALUE MEASUREMENTS:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of fair value hierarchy are described as follows:

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

Level 2: Inputs to the valuation methodology include:

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

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2018 and 2017.

Interest-bearing cash: Valued at observable market quotations for identical assets and priced on a daily basis.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
Notes to the Financial Statements
August 31, 2018 and 2017

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's fair value measurements at August 31, 2018 and 2017.

Assets at Fair Value as of August 31, 2018

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets in the fair value hierarchy:				
Interest-bearing cash	\$ 85,904	-	-	85,904
U.S. government securities	-	3,925	-	3,925
Corporate bonds	-	1,290,620	-	1,290,620
Common stocks	3,248,984	-	-	3,248,984
Mutual funds	2,630,513	-	-	2,630,513
Total assets at fair value	\$ <u>5,965,401</u>	<u>1,294,545</u>	<u>-</u>	<u>7,259,946</u>

Assets at Fair Value as of August 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets in the fair value hierarchy:				
U.S. government securities	\$ -	5,208	-	5,208
Corporate bonds	-	1,598,258	-	1,598,258
Common stocks	3,049,065	-	-	3,049,065
Mutual funds	2,439,800	-	-	2,439,800
Total assets at fair value	\$ <u>5,488,865</u>	<u>1,603,466</u>	<u>-</u>	<u>7,092,331</u>

5. ACCUMULATED PLAN BENEFITS:

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to services rendered by employees through December 31, 2006. Accumulated 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 payable under all circumstances, retirement, death, disability and termination of employment, are included, to the extent they are deemed attributable to employee service rendered through the valuation date.

Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
Notes to the Financial Statements
August 31, 2018 and 2017

The Plan's actuary estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the computations are as follows at September 1:

	<u>2017</u>	<u>2016</u>
Discount rate	6.75%	6.75%
Retirement	100% at age 65	100% at age 65
Form of benefit payment	Life annuity	Life annuity
Mortality rate tables	RP-2014 Blue Collar Generational (Scale MP-2017) - healthy and disabled	RP-2014 Blue Collar Generational (Scale MP-2015) - healthy and disabled

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of plan benefits.

The actuarial present value of accumulated plan benefits as of the beginning of each Plan year is as follows at September 1, 2017:

Actuarial present value of accumulated plan benefits:

Vested benefits:

Participants currently receiving benefits	\$ 3,978,640
Other participants	<u>2,918,531</u>

Total vested benefits	6,897,171
-----------------------	-----------

Nonvested benefits for other participants	<u>-</u>
	\$ <u><u>6,897,171</u></u>

The changes in accumulated plan benefits during the year ended September 1, 2017 are as follows:

Actuarial present value of accumulated plan benefits at beginning of year	\$ <u>7,471,660</u>
Decrease during the year attributable to:	
Benefits accumulated and actuarial gain	51,116
Interest accumulated	472,678
Assumption changes	(144,661)
Benefits paid	<u>(953,622)</u>
Total decrease	<u>(574,489)</u>
Actuarial present value of accumulated plan benefits at end of year	\$ <u><u>6,897,171</u></u>

6. INCOME TAX STATUS:

The Internal Revenue Service has determined and informed the Company by a letter dated March 18, 2014 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

7. PARTY-IN-INTEREST TRANSACTIONS:

The Plan utilizes a third-party administrator, Huntington Bank (Huntington). Huntington is a named plan trustee, and provides investment management and custodial services to the Plan. Transactions with Huntington qualify as party-in-interest transactions. Management fees of \$29,902 and \$38,255 were paid to Huntington during the years ended August 31, 2018 and 2017, respectively. In addition, as of August 31, 2018 and 2017, the Plan held \$85,904 and \$-0-, respectively, in an interest-bearing cash account managed by Huntington.

8. PLAN TERMINATION:

Effective December 31, 2006, benefit accruals under the Plan were frozen and the Plan was closed to new entrants. The Company intends to continue the Plan and the payment of contributions until the existing obligations are satisfied. However, the Company reserves the right under the Plan to terminate the Plan at any time. In the event of termination of the Plan, the net assets of the Plan shall be used for the exclusive benefits of the participants and their beneficiaries in a manner consistent with the requirements of ERISA.

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, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the plan and the amount of benefit protection is subject to certain limitations.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

9. RISKS AND UNCERTAINTIES:

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

Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
Notes to the Financial Statements
August 31, 2018 and 2017

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 would be material to the financial statements.

Chillicothe Telephone Company Union Employees' Pension Plan and Trust Agreement
Annual Review as of September 1, 2017
Schedule SB, Line 19 - Discounted Employer Contributions
EIN/PN 31-1449037 / 001

Chillicothe Telephone Company Union Employees' Pension Plan and Trust Agreement

DISCOUNTED EMPLOYER CONTRIBUTIONS

Date	Amount	Days to Discount to 9/1/2017 at 5.88%	Interest Adjusted Contribution
12/14/2017	\$29,662	104	\$29,183
3/14/2018	\$30,400	194	\$29,487
6/14/2018	\$30,400	286	\$29,069
9/13/2018	\$30,400	377	\$28,658
5/13/2019	\$19,000	619	\$17,245
Total Contribution	139,862		133,642

Chillicothe Telephone Company Union Employees' Pension Plan and Trust Agreement
Annual Review as of September 1, 2017
Schedule SB, Line 22 - Description of Weighted Average Retirement Age
EIN/PN 31-1449037 / 001

Chillicothe Telephone Company Union Employees' Pension Plan and Trust Agreement

DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

All active participants are assumed to retire at age 65.

EIN/PN 31-1449037 / 001

SCHEDULE OF ACTIVE PARTICIPANT DATA

[illegible]

Chillicothe Telephone Company Union Employees' Pension Plan and Trust Agreement

SHORTFALL AMORTIZATION BASES AND AMORTIZATION INSTALLMENTS

<u>Type of Base</u>	<u>Base Establishment Date</u>	<u>Present Value of Remaining Installment Amount</u>	<u>Remaining Installment Period</u>	<u>Amortization Installment</u>
Shortfall	9/1/2011	\$ 199,177	1	\$ 199,177
Credit	9/1/2012	\$ (509,057)	2	\$ (259,715)
Shortfall	9/1/2013	\$ 20,835	3	\$ 7,230
Shortfall	9/1/2014	\$ 81,134	4	\$ 21,540
Shortfall	9/1/2015	\$ 175,616	5	\$ 38,043
Shortfall	9/1/2016	\$ 202,311	6	\$ 37,650
Shortfall	9/1/2017	\$ 317,619	7	\$ 52,157
TOTAL		\$ 487,635		\$ 96,082

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

In accordance with the Pension Protection Act of 2006 (PPA), the annual cost is equal to the target normal cost plus the shortfall amortization charge minus any prefunding and carryover balances.

ACTUARIAL ASSUMPTIONS

Mortality (as mandated by PPA 2006)

Non-disabled – IRS 2017 Combined Static Mortality Table

Disabled – IRS 2017 Combined Static Mortality Table

Interest Rate (as mandated by PPA 2006 and modified by MAP-21, HATFA and BBA 2015)

Liabilities are valued using the 3 segment rates based on the 24-month average of the corporate bond yield curve published by the Secretary of the Treasury for the applicable month of May 2017.

1st Segment Rate	1.68%
2nd Segment Rate	3.83%
3rd Segment Rate	4.77%

Adjusted 24-month segment rates using 25-year average segment rate corridors under MAP-21, further adjusted by BBA 2015 permissible corridors (90%/110%) for the plan year beginning in 2017:

Segment 1 (0 to 5 years)	4.16%
Segment 2 (5 to 20 years)	5.72%
Segment 3 (20+ years)	6.48%

Additional Assumptions

Credit Balances – The plan does not currently have any credit balances.

The plan did not add any excess contributions to the Prefunding balance.

Salary projection – N/A

Retirement age – 65

Expense Load – “Plan-Related” expenses are assumed to be \$37,224.

Withdrawal Rates – See Table 1

Disability Rates – See Table 2

Decrement Timing – Beginning of year decrements

Surviving Spouse Benefit – It is assumed that 100% of males and 100% of females have an eligible spouse, and that males are three years older than their spouses.

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
(continued)

Table 1: Withdrawal Rates

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
18	6.5775%	33	4.6488%	48	2.3544%
19	6.5775%	34	4.5687%	49	1.9386%
20	6.5775%	35	4.4736%	50	1.5245%
21	6.2179%	36	4.3629%	51	1.1813%
22	5.9081%	37	4.2376%	52	0.9082%
23	5.6482%	38	4.1036%	53	0.6879%
24	5.4379%	39	3.9690%	54	0.4787%
25	5.2040%	40	3.8412%	55	0.3344%
26	5.1387%	41	3.7229%	56	0.2074%
27	5.0358%	42	3.6139%	57	0.1172%
28	4.9547%	43	3.5048%	58	0.0538%
29	4.8888%	44	3.3784%	59	0.0161%
30	4.8312%	45	3.2149%	60+	0.0000%
31	4.7756%	46	2.9962%		
32	4.7165%	47	2.7100%		

Table 2: Disability Rates

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
15	0.000%	32	0.230%	49	0.436%
16	0.000%	33	0.237%	50	0.465%
17	0.000%	34	0.243%	51	0.506%
18	0.215%	35	0.253%	52	0.545%
19	0.215%	36	0.263%	53	0.593%
20	0.215%	37	0.272%	54	0.648%
21	0.215%	38	0.284%	55	0.698%
22	0.215%	39	0.295%	56	0.754%
23	0.215%	40	0.307%	57	0.756%
24	0.215%	41	0.318%	58	0.756%
25	0.215%	42	0.331%	59	0.732%
26	0.215%	43	0.343%	60	0.750%
27	0.215%	44	0.354%	61	0.663%
28	0.215%	45	0.365%	62	0.557%
29	0.215%	46	0.378%	63	0.412%
30	0.215%	47	0.394%	64	0.197%
31	0.223%	48	0.413%	65	+0.000%

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
(continued)

ASSET VALUATION

The actuarial value of plan assets is developed as the 3-year average of the plan assets based on the market value of assets as of the valuation date and the “adjusted value” of market assets for each of the two immediately preceding valuation dates. The adjusted value of assets at each preceding valuation date is equal to the market value of assets on such valuation date plus the net cash flow amount (including expected earnings on investments) for each following year up to the current valuation date. In this way, one third of the investment gain or loss over the preceding twelve months is recognized in plan assets immediately, and the other two thirds is deferred. Valuation assets are further limited to a 10% corridor around market value.

SUMMARY OF PLAN PROVISIONS

General Information

Original Effective Date	August 31, 1959
Effective Date of Last Amendment	September 1, 2017
Plan Year	September 1 to August 31
Employer Fiscal Year	January 1 to December 31
Employer ID Number	31-1449037
Plan Administrator's ID Number	31-1449037
Plan Number	001
Plan Administrator	Horizon Telcom, Inc.

Eligibility Each eligible employee of the employer who is covered under the terms of a collective bargaining agreement shall participate on the September 1 that next follows his employment commencement date. The plan was closed to new entrants effective January 1, 2007.

Service Service shall equal total years of service with the employer. For periods of employment prior to August 31, 1976, Service shall be granted on days. For periods of employment from September 1, 1976 until August 31, 1995, a year of service is credited for each plan year in which an employee works 1,000 hours. On or after September 1, 1995, a year of service is credited for each plan year an employee worked 1,000 hours. A partial year of service may be granted in the year of hire or termination.

A break in service occurs at the start of any employment year in which the employee works 500 hours or less for the employer in such year. Service will not be interrupted by:

- (1) A leave of absence granted by the employer;
- (2) A period of service in the Armed Forces of the United States under which employment rights are granted;

SUMMARY OF PLAN PROVISIONS (CONTINUED)

- (3) A period of disability during which the participant is being paid directly or indirectly by the employer; or
- (4) Maternity or paternity leave.

An employee will be given credit for his pre break service if either of the following occurs:

- (1) The employee had a vested interest in his accrued benefit at the time of his break in service; or
- (2) The employee's period of absence was less than his pre break service or five years.

Normal Retirement Date

Normal retirement date is the first of the month coincident with or which immediately precedes a participant's sixty-fifth birthday.

Normal Retirement Benefit

The amount of the benefit to be paid in monthly installments for life is the greater of (1) and (2) described below.

- (1) \$35.00 times all years of service.
- (2) 1% of base compensation times years of service, not to exceed 40 years.

This benefit will be offset by any benefit payable from the Horizon Telcom and Subsidiaries Salaried Employees' Pension Plan and Trust Agreement.

Benefits were frozen effective December 31, 2006.

Delayed Retirement

A participant may continue in the employment of the employer after his normal retirement date. In such event he will receive at actual retirement the greater of (1) his accrued benefit as of his delayed retirement date based on his service at that date, or (2) the actuarial equivalent of his normal retirement benefit.

Benefits were frozen effective December 31, 2006.

SUMMARY OF PLAN PROVISIONS (CONTINUED)

Base Compensation

Base compensation is equal to the highest average for the five consecutive monthly rates of pay in effect on each July 1 during the 10 plan years up to and including the plan year in which occurs his retirement or separation from service.

Compensation after December 31, 2006 will not be considered.

Accrued Benefit

The accrued benefit at any time prior to a participant's normal retirement date shall be the benefit earned as of the accrual date. The benefit is calculated according to the formulas in the Normal Retirement Benefit section above, with the exception that formula (2) is multiplied by a fraction (not exceeding one) of the service at the accrual date over the participant's service projected to normal retirement.

Benefits were frozen effective December 31, 2006.

Early Retirement Benefit

Upon the attainment of age 60 and the completion of 10 years of vesting service or for those separating from service on or after November 16, 2003, with age and vesting service totaling at least 90, a participant may elect to retire. He may receive a monthly benefit normal retirement date based on his years of service at his early retirement date. Payments may commence prior to his normal retirement date, with the benefit calculated as of his early retirement date and being reduced by Yz of 1% for each full month by which the commencement date precedes the normal retirement date.

Benefits were frozen effective December 31, 2006.

SUMMARY OF PLAN PROVISIONS (CONTINUED)

Disability Retirement Benefit

A participant who becomes totally and permanently disabled before his normal retirement date may retire and receive a disability retirement benefit calculated in the same manner as the normal retirement benefit, but payable at the disability retirement age. Payment of this disability benefit will cease upon death, reaching normal retirement, ending disability status or a total of 180 payments whichever occurs first. A participant is eligible for his normal retirement benefit if he is still disabled at his normal retirement age.

Benefits were frozen effective December 31, 2006.

Death Benefit

In the event of a vested active participant's death, a spouse's benefit will be payable assuming the participant had terminated on the day prior to death and elected a joint and one-half contingent annuitant survivor benefit commencing at the earliest possible retirement date. Reductions may apply to this benefit. For non-qualified spouses and children under age 21, an annuity to commence the second month following death to be paid until there is no longer a surviving spouse, any child under age 21 or a total of 120 monthly payments have been made, whichever comes first.

Benefits were frozen effective December 31, 2006.

Severance Benefits

Upon the termination of employment after five or more years of service, a participant shall have a vested interest in his accrued benefit which will be payable at the normal retirement date. The percentage vested shall be:

<u>Years of Service</u>	<u>Vested Percent</u>
Fewer than 5	0%
5 or more	100%

Normal Form of Payment

The normal form of payment is an annuity paid in monthly installments for life.

SUMMARY OF PLAN PROVISIONS (CONTINUED)

Optional Methods of Settlement

All optional methods of settlement are actuarially equivalent to the normal form of annuity. If a married participant does not elect the normal form of annuity or does not elect one of the optional methods of settlement described below, then the participant's retirement benefit shall be automatically paid under option (1) below. The options are:

(1) An adjusted benefit to be paid during the participant's lifetime with one-half benefit to be continued to his spouse for her lifetime after his death.

(2) An adjusted benefit to be paid during the participant's lifetime with three-fourths benefit to be continued to his spouse for her lifetime after his death.

(3) An adjusted benefit to be paid during the participant's lifetime with the same adjusted benefit to be continued to his spouse for her lifetime after his death.

(4) An adjusted benefit to be paid for 180 months certain and thereafter for life.

(5) A lump sum benefit.

Optional forms of payment are actuarially equivalent based on the 1971 Group Annuity Mortality Table for males, with no mortality from age 59 to 64 and a 6% interest assumption. Lump sum benefits are based on the applicable mortality table and the applicable interest rates for the second month preceding the first day of the plan year.

Amendment or Termination of Plan

The employer reserves the right to amend or terminate 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.

SUMMARY OF PLAN PROVISIONS (CONTINUED)

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.

The above description is a summary only; for additional details, reference should be made to the formal plan document.

Plan Changes Since the Prior Year

The funding and plan reporting valuations do not reflect any plan changes.

SCHEDULE SB (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>	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 2017 This Form is Open to Public Inspection
For calendar plan year 2017 or fiscal plan year beginning <u>09/01/2017</u> and ending <u>08/31/2018</u>		

► **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 Chillicothe Telephone Company Union Employees' Pension Plan and Thrift Plan	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;"> B Three-digit plan number (PN) ► </td> <td style="width: 40%; text-align: center;">001</td> </tr> <tr> <td colspan="2" style="height: 20px;"> </td> </tr> <tr> <td colspan="2"> D Employer Identification Number (EIN) 31-1449037 </td> </tr> </table>	B Three-digit plan number (PN) ►	001			D Employer Identification Number (EIN) 31-1449037	
B Three-digit plan number (PN) ►	001						
D Employer Identification Number (EIN) 31-1449037							
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Horizon Telcom, Inc.							
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B							
F Prior year plan size: ☐ 100 or fewer ☒ 101-500 ☐ More than 500							

Part I Basic Information			
1	Enter the valuation date: Month <u>9</u> Day <u>1</u> Year <u>2017</u>		
2	Assets:		
	a Market value.....	2a	7,154,992
	b Actuarial value.....	2b	6,995,284
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target
	a For retired participants and beneficiaries receiving payment.....	65	4,242,167
	b For terminated vested participants.....	43	1,322,464
	c For active participants.....	39	1,917,670
	d Total.....	147	7,482,301
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	5.88 %
6	Target normal cost.....	6	37,224

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	<u>6/11/2019</u> Date
DAN SHACHAK Type or print name of actuary		17-07567 Most recent enrollment number
USI CONSULTING GROUP Firm name		(212) 949-1344 Telephone number (including area code)
350 FIFTH AVENUE, SUITE 3700 NEW YORK NY 10118 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	562
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	562
10 Interest on line 9 using prior year's actual return of <u>9.88</u> %	0	56
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		4
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>6.07</u> %		0
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.....		4
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	618

Part III Funding Percentages

14 Funding target attainment percentage	14	93.48%
15 Adjusted funding target attainment percentage.....	15	93.48%
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	96.87%
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
12/14/2017	29,662				
03/14/2018	30,400				
06/14/2018	30,400				
09/13/2018	30,400				
05/13/2019	19,000				
Totals ►			18(b)	139,862	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	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	133,642

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 65
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	
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	37,224
b Excess assets, if applicable, but not greater than line 31a		31b	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	487,635	96,082	
b Waiver amortization installment			
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	133,306	
	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	133,306	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	133,642	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	336
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	
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		
43 Excess installment acceleration amount to be carried over to future plan years	43		

Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
EIN 31-1449037 PN 001
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
August 31, 2018

(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
*	HNB Conservative Deposit	Interest bearing cash	\$ 85,904	85,904
	Government National Mortgage Association	U.S. Government bond, 4.5%, 12/20/2032	3,848	3,925
	Autozone Inc	Corporate bond, 3.7%, 4/15/2022	252,108	251,789
	Cardinal Health Inc	Corporate bond, 3.2%, 6/15/2022	299,744	296,134
	General Electric Capital Corporation	Corporate bond, 3.1%, 1/9/2023	99,509	98,729
	IBM Corp	Corporate bond, 2.875%, 11/9/2022	149,576	147,604
	JP Morgan Chase & Co	Corporate bond, 3.375%, 5/1/2023	99,731	98,242
	Norfolk Southern Corp	Corporate bond, 3.25%, 12/1/2021	254,920	249,385
	United Health Group Inc	Corporate bond, 2.875%, 12/15/2021	152,604	148,737
			1,308,192	1,290,620
	Accenture PLC	Common stock	39,161	56,808
	Alphabet Inc	Common stock	56,136	81,299
	Analog Devices Inc	Common stock	62,019	91,634
	AT & T Inc	Common stock	44,762	40,404
	Automatic Data Processing	Common stock	43,359	71,614
	Baxter International Inc	Common stock	53,717	62,471
	Berkshire Hathaway Inc	Common stock	34,347	66,373
	Blackrock, Inc	Common stock	48,812	63,715
	Capital One Financial Corp	Common stock	102,598	109,891
	Chubb Limited	Common stock	50,633	50,039
	Constellation Brands Inc	Common stock	48,960	76,826
	Costco Wholesale Corp	Common stock	77,450	106,307
	Dowdupont Inc	Common stock	48,429	66,062
	Eastman Chemical Co	Common stock	58,849	57,248
	Edwards Lifesciences Corp	Common stock	74,299	85,102
	EOG Resources Inc	Common stock	68,293	67,982
	Exxon Mobil Corp	Common stock	62,540	60,929
	Facebook Inc	Common stock	48,437	91,731
	Fiserv Inc	Common stock	55,070	81,191
	Halliburton Co	Common stock	38,616	27,524
	Home Depot Inc	Common stock	39,783	57,822
	Honeywell International Inc	Common stock	44,894	67,123
	Illinois Tool Works	Common stock	47,294	51,802
	JP Morgan Chase & Co	Common stock	54,518	104,153
	M&T Bank Corp	Common stock	56,942	63,065

Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
EIN 31-1449037 PN 001
Schedule H, Line 4i - Schedule of Assets (Held at End of Year) - Continued
August 31, 2018

(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
	Marriott International Inc	Common stock	31,354	51,094
	McCormick & Co Inc	Common stock	53,932	69,308
	Microsoft Corp	Common stock	53,001	119,182
	Nextera Energy Inc	Common stock	67,583	93,895
	Northrop Grumman Corp	Common stock	68,922	77,906
	Nucor Corp	Common stock	46,807	42,188
	O'Reilly Aotomotive Inc	Common stock	93,281	112,366
	Parker Hannifin Corp	Common stock	56,751	47,412
	Prologis Inc	Common stock	77,739	80,616
	Rockwell Automation, Inc	Common stock	47,697	60,622
	Ross Stores Inc	Common stock	68,951	77,582
	Starbucks Corp	Common stock	57,441	52,221
	Stryker Corp	Common stock	51,754	71,161
	Texas Instruments Inc	Common stock	67,815	98,575
	Thermo Fisher Scientific Inc	Common stock	60,773	88,225
	United Technologies Corp	Common stock	54,322	61,241
	Valero Energy Corp	Common stock	84,356	136,741
	Visa Inc	Common stock	102,236	149,534
			<u>2,504,633</u>	<u>3,248,984</u>
	American Funds New World Fund - R6	Mutual fund	210,146	211,028
	Artisan Intl Value Fund - Adv	Mutual fund	439,056	422,264
	Blackrock Inflation Protected Bond Portfolio I	Mutual fund	50,933	48,898
	DFA US Core Equity 1 Portfolio	Mutual fund	69,738	94,942
	Easton Vance Floating-Rate Fund I	Mutual fund	143,702	142,827
	Federated Total Return Bond Fund I	Mutual fund	718,125	703,600
	Ishares Core S&P Mid-Cap ETF	Mutual fund	315,128	323,486
	Lord Abbett Short Duration Income Fund Class I	Mutual fund	355,887	351,670
	MFS New Discovery Value Fund - R6	Mutual fund	210,957	244,958
	Vanguard Equity Income Fund Admiral	Mutual fund	68,638	86,840
			<u>2,582,310</u>	<u>2,630,513</u>
			<u>\$ 6,484,887</u>	<u>7,259,946</u>

* Indicates a party-in-interest, as defined by ERISA.

The Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
EIN 31-1449037 PN 001
Schedule H, Line 4j - Schedule of Reportable Transactions
Year Ended August 31, 2018

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Fair Value	Net Gain (Loss)
<u>Category (i) - single transaction in excess of 5%</u>						
American Funds	American Funds - New World Fund - R6 (7,163.417 shares purchased in a single transaction)	\$ 460,823	-	460,823	460,823	-
Federated	Federated Total Return Bond Fund - Institutional (38,473.139 shares purchased in a single transaction)	410,508	-	410,508	410,508	-
Harbor	Harbor International Fund (5,855.165 shares sold in a single transaction)	-	406,056	387,225	406,056	18,831
Huntington	HNB Conservative Deposit (1,412,716.91 shares purchased in a single transaction)	1,412,717	-	1,412,717	1,412,717	-
	(1,326,813.39 shares sold in a single transaction)	-	1,326,813	1,326,813	1,326,813	-
Ishares	Ishares Core S&P Mid-Cap ETF (2,493 units purchased in a single transaction)	496,282	-	496,282	496,282	-
PIMCO	PIMCO Low Duration Fund - Institutional Class (54,206.821 shares sold in a single transaction)	-	531,769	543,549	531,769	(11,780)
Prudential	Prudential Jennison Md-Cap Growth Fund Inc - Q (10,436.015 shares purchased in a single transaction)	422,659	-	422,659	422,659	-
	(10,436.015 shares sold in a single transaction)	-	423,076	422,659	423,076	417

The Chillicothe Telephone Company Union Employees'
Pension Plan and Trust Agreement
EIN 31-1449037 PN 001
Schedule H, Line 4j - Schedule of Reportable Transactions – Continued
Year Ended August 31, 2018

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Fair Value	Net Gain (Loss)
<u>Category (iii) - a series of transactions in same security in excess of 5%</u>						
American Funds	American Funds - New World Fund - R6					
	(7,163.417 shares purchased in a single transaction)	\$ 460,823	-	460,823	460,823	-
	(3,896.726 shares sold in a single transaction)	-	255,314	250,676	255,314	4,638
Artisan	Artisan Intl Value Fund - Adv					
	(11,415.613 shares purchased in a series of 4 transactions)	439,056	-	439,056	439,056	-
Federated	Federated Total Return Bond Fund - Institutional					
	(47,859.681 shares purchased in a series of 2 transactions)	512,165	-	512,165	512,165	-
Huntington	HNB Conservative Deposit					
	(1,412,716.91 shares purchased in a single transaction)	1,412,717	-	1,412,717	1,412,717	-
	(1,326,813.39 shares sold in a single transaction)	-	1,326,813	1,326,813	1,326,813	-
Ishares	Ishares Core S&P Mid-Cap ETF					
	(2,493 units purchased in a single transaction)	496,282	-	496,282	496,282	-
	(910 units sold in a single transaction)	-	164,797	181,154	164,797	(16,357)
PIMCO	PIMCO Low Duration Fund - Institutional Class					
	(18,689.531 shares purchased in a series of 2 transactions)	184,367	-	184,367	184,367	-
	(54,206.821 shares sold in a single transaction)	-	531,769	543,549	531,769	(11,780)
Prudential	Prudential Jennison Md-Cap Growth Fund Inc - Q					
	(10,436.015 shares purchased in a single transaction)	422,659	-	422,659	422,659	-
	(10,436.015 shares sold in a single transaction)	-	423,076	422,659	423,076	417

Note: "Reportable Transactions" as defined in Section 2520.103-6 of The Department of Labor Regulations.

There were no reportable category (ii) or (iv) transactions for the year ended August 31, 2018.

Columns (e) and (f) were excluded as they were not applicable.