

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2011
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶ <u>003</u> 1c Effective date of plan <u>01/01/2001</u>
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan) <u>RURAL TELEPHONE SERVICE COMPANY, INC.</u> <u>145 NORTH MAIN, P.O. BOX 158</u> <u>LENORA, KS 67645</u>	2b Employer Identification Number (EIN) <u>48-0538069</u> 2c Sponsor's telephone number <u>785-567-4281</u> 2d Business code (see instructions) <u>517000</u>

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

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

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/10/2012</u>	<u>CAMBER L BOLAND</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") RURAL TELEPHONE SERVICE COMPANY, INC. 145 NORTH MAIN, P.O. BOX 158 LENORA, KS 67645		3b Administrator's EIN 48-0538069
		3c Administrator's telephone number 785-567-4281
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5	408
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	364
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	50
d Subtotal. Add lines 6a , 6b , and 6c	6d	414
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	414
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	402
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	25
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 Characteristic Codes in the instructions: 2E 2G 2J 2K 2F 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:		
9a Plan funding arrangement (check all that apply)		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	(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		b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)	
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information – Small Plan)	
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☐ A (Insurance Information)	
	(4) ☒ C (Service Provider Information)	
	(5) ☐ D (DFE/Participating Plan Information)	
	(6) ☐ G (Financial Transaction Schedules)	

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
		2011
		This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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

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

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

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

NATIONWIDE

ONE NATIONWIDE PLAZA
COLUMBUS, OH 43215

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 49 59 60 63 64	NONE	11815	Yes ☒ No ☐	Yes ☒ No ☐	46209	Yes ☒ No ☐

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

DEMARS PENSION CONSULTING

8700 INDIAN CREEK PARKWAY
SUITE 185
OVERLAND PARK, KS 66210

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 15 37 50 65 99	NONE	13630	Yes ☒ No ☐	Yes ☐ No ☒	7027	Yes ☒ No ☐

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 <div style="font-size: 1.5em; font-weight: bold;">2011</div> This Form is Open to Public Inspection
For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>		
A Name of plan <u>RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<div style="border: 1px solid black; padding: 2px; width: 50px; margin: 0 auto;">003</div>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>RURAL TELEPHONE SERVICE COMPANY, INC.</u>	D Employer Identification Number (EIN) <u>48-0538069</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	167046	176166
	(2) Participant contributions	1b(2)	25920	24524
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(2) U.S. Government securities.....	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	29776	24610
	(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)	11058525	11024674
	(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	11281267	11249974

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	11281267	11249974
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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)	176166	
(B) Participants	2a(1)(B)	889218	
(C) Others (including rollovers)	2a(1)(C)	23105	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1088489
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)	1444	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		1444
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	108407	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		108407
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(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)		-726983
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		471357

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	470356	
(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)		470356
f Corrective distributions (see instructions)	2f		4733
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	27561	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		27561
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		502650

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-31293
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: **MAPES & MILLER** (2) EIN: **48-1077109**

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

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

Part IV Compliance Questions

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

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
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		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

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

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2011 This Form is Open to Public Inspection.
---	--	--

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

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

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

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

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

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

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

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 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 items 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 items 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 items 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 items 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 items 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 item 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 items (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 item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

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

Lenora, Kansas 67645

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2011 and 2010

**MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas**

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

Lenora, Kansas 67645

CONTENTS

	<u>Page Number</u>
Independent Auditor's Report	1
Statements of Net Assets Available for Benefits	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to the Financial Statements	4-8

SUPPLEMENTAL INFORMATION

Schedule of Assets (Held at End-of-Year)	9-13
Schedule of Assets (Acquired and Disposed of Within the Plan Year)	14
Schedule of Reportable Transactions Exceeding 5% of Plan Assets	15



MAPES & MILLER LLP

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INDEPENDENT AUDITOR'S REPORT

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

We were engaged to audit the financial statements of Rural Telephone Service Company, Inc. 401(k) Plan as of December 31, 2011 and 2010, and for the years then ended and the supplemental schedules as of and for the year ended December 31, 2011 as listed in the table of contents. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note I, which was certified by The Nationwide Life Insurance Company, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. 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 December 31, 2011 and 2010, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and 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.

Respectfully Submitted,

Mapes & Miller LLP
Certified Public Accountants

, 2012
Phillipsburg, Kansas

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Investments (at Fair Value) (Schedule 1)	\$ 11,024,674	\$ 11,058,525
Receivables		
Employer's Contributions	176,167	167,046
Participants' Contributions	24,524	25,920
Notes Receivable from Participants	<u>24,610</u>	<u>29,776</u>
Total Receivables	<u>225,301</u>	<u>222,742</u>
Total Assets	<u>11,249,975</u>	<u>11,281,267</u>
LIABILITIES	-	-
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 11,249,975</u></u>	<u><u>\$ 11,281,267</u></u>

The accompanying notes are an integral part of these statements.

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years Ended December 31, 2011 and 2010

	2011	2010
ADDITIONS		
Additions to Net Assets Attributed to Investment Income:		
Interest on Participant Loans	\$ 1,444	\$ 1,533
Cash Earnings on Investments	35	63
Dividends and Capital Gains	445,978	138,911
Net Appreciation/(Depreciation) in Fair Value of Investments	(990,718)	1,381,257
Total Investment Income	(543,261)	1,521,764
Contributions:		
Participant Employee Deferrals	887,357	873,540
Participant Employee Post-tax	1,860	3,281
Employer Contributions	176,167	167,046
Rollover Contributions	23,105	40,197
Total Contributions	1,088,489	1,084,064
TOTAL ADDITIONS	545,228	2,605,828
DEDUCTIONS		
Deductions from Net Assets Attributed to:		
Distributions/Benefits Paid to Participants	475,088	246,865
Professional Fees and Investment Fees	101,432	80,800
TOTAL DEDUCTIONS	576,520	327,665
NET INCREASE	(31,292)	2,278,163
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	11,281,267	9,003,104
End of Year	<u>\$ 11,249,975</u>	<u>\$ 11,281,267</u>

The accompanying notes are an integral part of these statements.

RURAL TELEPHONE SERVICE COMPANY, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011 and 2010

NOTE A - DESCRIPTION OF PLAN

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

General

The Plan is a defined contribution plan covering employees of the Company who have six months of service and are age eighteen or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Each year participants may contribute up to a certain amount of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. The Plan also permits employees to make employee after-tax contributions. For each Plan Year the employer will contribute to the Plan an amount of contribution determined by the employer at its discretion. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds as investment options for participants.

Participant Accounts

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

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after seven years of credited service.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum of 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest rates ranging from 4% to 10%. Principal and interest is paid at a rate of 1% above the Federal Reserve Rate through monthly payroll deductions.

Payment of Benefits

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

Forfeited Accounts

At December 31, 2011 and 2010 forfeited nonvested accounts of \$306 and \$2,313 respectively, were included in the Plan. Forfeited nonvested accounts may first be used to reduce the Plan's ordinary and necessary administrative expenses and then any remaining forfeitures will be allocated in the manner described in the Plan. In 2011 and 2010, employer contributions were not reduced from forfeited nonvested accounts. Also in 2011 and 2010, fees of \$2,007 and \$1,072 were deducted from the forfeiture account.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through September 30, 2012 which is the date the financial statements were available to be issued.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Basis of Accounting

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

Notes Receivable from Participants

Loans to participants are reported at their unpaid principal balances plus any accrued but unpaid interest.

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. See Note C for discussion of fair value measurements.

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

Payment of Benefits

Benefits are recorded when paid.

Operating Expenses

Professional fees and investment fees of \$101,432 and \$80,800 for 2011 and 2010 respectively were deducted from the Rural Telephone Service Company, Inc. 401(k) Plan. In addition, Rural Telephone Service Company, Inc. paid administrative fees of \$5,925 and \$8,030 during 2011 and 2010 respectively.

NOTE C – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefit. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were available to the Plan.

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares held by the Plan at year-end. The fair values of common stocks, corporate bonds, and U.S. Government securities are based on closing price reported on the active market where the individual securities are traded.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

		Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)
	Fair Value	
<u>December 31, 2011</u>		
Mutual Funds	<u>\$ 11,024,674</u>	<u>\$ 11,024,674</u>
<u>December 31, 2010</u>		
Mutual Funds	<u>\$ 11,058,525</u>	<u>\$ 11,058,525</u>

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2011 are reported in net appreciation in fair value of investments.

NOTE D – INVESTMENTS

The following presents investments at December 31, 2011 and 2010 that represent 5% or more of the Plan's net assets at the beginning of the plan year. All investments are participant directed.

MUTUAL FUNDS	December 31,	
	2011	2010
WR ADV COR INVMT A, 109,571 and 98,435 shares, respectively	\$ 624,556	\$ 586,671
WR ADV ASST STRAT A, 85,477 and 80,705 shares, respectively	723,132	752,973
WR ADV SMALL CAP A, 51,785 and 46,026 shares, respectively	682,533	712,020
WR ADV SCNC &TECH A, 89,285 and 77,843 shares, respectively	795,526	808,791
WR ADV NEW CNCPTS FD A, 61,919 and 50,780 shares, respectively	567,799	570,260

During 2011 and 2010, the Plan's Investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

	2011	2010
Appreciation (Depreciation) in Fair Value of Investments as Determined by Current Value Mutual Funds	\$ (990,718)	\$ 1,381,257
Net Change in Fair Value	<u>\$ (990,718)</u>	<u>\$ 1,381,257</u>

NOTE E – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their employer contributions.

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

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

	December 31,	
	2011	2010
Net Assets Available for Benefits Per the Financial Statements	\$ 11,249,975	\$ 11,281,267
Net Assets Available for Benefits Per Schedule H to the Form 5500	<u>\$ 11,249,975</u>	<u>\$ 11,281,267</u>

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2011 and 2010 to Schedule H of Form 5500:

	December 31,	
	2011	2010
Benefits Paid to Participants		
Per the Financial Statements	\$ 475,088	\$ 246,865
Add: Amounts Allocated to Withdrawing Participants at December 31, 2011	-	-
Less: Amounts Allocated to Withdrawing Participants at December 31, 2010	-	-
Benefits Paid to Participants		
Per Schedule H of Form 5500	<u>\$ 475,088</u>	<u>\$ 246,865</u>

Amounts allocated to withdrawing participants are recorded on the Schedule H of Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

NOTE G – TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2008 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination 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. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

NOTE H – RISKS AND UNCERTAINTIES

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

NOTE I – INFORMATION PREPARED AND CERTIFIED BY TRUSTEE

The following information included in the accompanying financial statements and supplemental schedules was obtained from data that has been prepared and certified to as complete and accurate by the trustee.

	2011	2010
Investments at Fair Value		
Mutual Funds	\$ 11,024,674	\$ 11,058,525
Participant Loans	24,610	29,776
Investment Income (Expense)	(543,261)	1,521,764

NOTE J – RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Nationwide Financial Services, Inc. Nationwide Financial Services, Inc. is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Direct and indirect fees paid to Nationwide Financial Services, Inc. amounted to \$58,024 for the year ended December 31, 2011.

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	ABRDEN INTL EQ A	Mutual Fund	7,383 s	N/A	\$ 93,099
N/A	ALLBER HI INC A	Mutual Fund	1,559 s	N/A	13,405
N/A	ALLBER INTL VAL A	Mutual Fund	622 s	N/A	6,471
N/A	ALLNZ NFJ SMCP VAL A	Mutual Fund	1,943 s	N/A	54,055
N/A	AMCENT BAL INST	Mutual Fund	519 s	N/A	8,292
N/A	AMCENT EQ INC A	Mutual Fund	679 s	N/A	4,935
N/A	AMCENT GR A	Mutual Fund	3,768 s	N/A	91,157
N/A	AMCENT HERTG A	Mutual Fund	307 s	N/A	5,847
N/A	AMCENT INFL ADJ BD A	Mutual Fund	2,026 s	N/A	25,708
N/A	AMCENT INFL PRCT BD INST	Mutual Fund	6,091 s	N/A	63,468
N/A	AMCENT SM CO A	Mutual Fund	2,070 s	N/A	15,752
N/A	AMFDS AMCAP R5	Mutual Fund	147 s	N/A	2,783
N/A	AMFDS AM BAL R3	Mutual Fund	1,976 s	N/A	35,837
N/A	AMFDS AM HI INC TR R5	Mutual Fund	2,043 s	N/A	21,783
N/A	AMFDS AM MUT R5	Mutual Fund	1,616 s	N/A	41,784
N/A	AMFDS CAP WLD BD R3	Mutual Fund	230 s	N/A	4,701
N/A	AMFDS CAP WLD BD R6	Mutual Fund	822 s	N/A	16,818
N/A	AMFDS CAP WLD GR INC R3	Mutual Fund	1,063 s	N/A	33,955
N/A	AMFDS CAP WLD GR INC R5	Mutual Fund	124 s	N/A	3,982
N/A	AMFDS EUROPACFC GR R5	Mutual Fund	600 s	N/A	21,068
N/A	AMFDS FDMNTL INV R3	Mutual Fund	1,286 s	N/A	45,418
N/A	AMFDS FDMNTL INV R5	Mutual Fund	118 s	N/A	4,190
N/A	AMFDS GR FD AM R3	Mutual Fund	3,481 s	N/A	98,616
N/A	AMFDS INC FD AM R3	Mutual Fund	1,913 s	N/A	31,967
N/A	AMFDS INC FD AM R5	Mutual Fund	1 s	N/A	13
N/A	AMFDS NEW WLD R3	Mutual Fund	980 s	N/A	44,707
N/A	AMFDS NEW WLD R5	Mutual Fund	91 s	N/A	4,219
N/A	AMFDS SMCAP WLD R5	Mutual Fund	0 s	N/A	16
N/A	AMFDS WSHNGTN MUT INV R5	Mutual Fund	1 s	N/A	22
N/A	ASTN FRPT MDCAP N	Mutual Fund	82 s	N/A	2,417
N/A	AVEMARIA RIS DIVD	Mutual Fund	491 s	N/A	6,221
N/A	BARON SMCAP	Mutual Fund	659 s	N/A	15,116
N/A	BLKRK EQ DIVD INV A	Mutual Fund	2,520 s	N/A	45,736
N/A	CLVRT SMCAP A	Mutual Fund	213 s	N/A	3,597
N/A	COL MDCAP GR OPFR A	Mutual Fund	1,311 s	N/A	11,992

** Cost omitted for participant directed investments.

RURAL TELEPHONE SERVICE COMPANY, INC.

401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS

(Held at End-of-Year)

December 31, 2011

Schedule 1

Page 2

(PN) - 003

(EIN) - 48-0538069

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	DE EMRG MKT A	Mutual Fund	3,806 s	N/A	\$ 47,234
N/A	DE EXTND DUR BD A	Mutual Fund	2,224 s	N/A	14,432
N/A	DWS RREEF GLBLREALEST SECA	Mutual Fund	6,974 s	N/A	46,517
N/A	DAVIS NY VNTR A	Mutual Fund	1,140 s	N/A	37,066
N/A	DODGECOX STK	Mutual Fund	775 s	N/A	78,781
N/A	DREY EMRG MKT A	Mutual Fund	1,713 s	N/A	15,453
N/A	DRXNEVOL ALL CAP EQ INV	Mutual Fund	786 s	N/A	10,271
N/A	DRXNEVOL ALTRNATV INVMT INV	Mutual Fund	416 s	N/A	6,364
N/A	DRXNEVOL MGD BD INV	Mutual Fund	253 s	N/A	4,460
N/A	DRXNEVOL MKT LDRS INV	Mutual Fund	469 s	N/A	6,153
N/A	EV FLTNG RT A	Mutual Fund	2,726 s	N/A	24,803
N/A	EAGLE SERIES TR MDCAP GR A	Mutual Fund	205 s	N/A	5,835
N/A	FED INTL LDRS A	Mutual Fund	264 s	N/A	5,489
N/A	FED PRUDNT BEAR A	Mutual Fund	36,395 s	N/A	159,047
N/A	FIDADV LEVR CO STK A	Mutual Fund	727 s	N/A	22,108
N/A	FIDADV NEW INSGHTS A	Mutual Fund	2,289 s	N/A	45,131
N/A	FIDADV VAL STRAT A	Mutual Fund	421 s	N/A	9,472
N/A	FNKLN INC A	Mutual Fund	17,954 s	N/A	37,704
N/A	FNKLN US GOVT SEC A	Mutual Fund	222 s	N/A	1,540
N/A	FNKLNMSF MUT GLBL DISC A	Mutual Fund	1,515 s	N/A	41,114
N/A	FNKLNTPM DEVL MKT TR A	Mutual Fund	1,785 s	N/A	37,861
N/A	FNKLNTPM FORGN A	Mutual Fund	5,786 s	N/A	34,255
N/A	GDMNSCS MDCAP VAL A	Mutual Fund	2,570 s	N/A	85,736
N/A	GDMNSCS SHRT DUR GOVT INST	Mutual Fund	210 s	N/A	2,152
N/A	GDMNSCS SMCAP VAL A	Mutual Fund	875 s	N/A	34,025
N/A	HARBOR SMCAP GR INV	Mutual Fund	536 s	N/A	5,561
N/A	HEARTLAND VAL PLS INV	Mutual Fund	1,414 s	N/A	39,195
N/A	INVSCO GLBL COR EQ A	Mutual Fund	4,065 s	N/A	46,707
N/A	INVSCO MDCAP COR EQ A	Mutual Fund	2,144 s	N/A	45,063
N/A	INVSCO VK COMSTK A	Mutual Fund	2,800 s	N/A	42,594
N/A	INVSCO VK EQ INC A	Mutual Fund	4,758 s	N/A	39,589
N/A	INVSCO VK GR INC A	Mutual Fund	2,238 s	N/A	41,551
N/A	JPM COR BD A	Mutual Fund	1,055 s	N/A	12,499
N/A	JPM MDCAP VAL A	Mutual Fund	1,322 s	N/A	30,958
N/A	JPM SMCAP VAL A	Mutual Fund	3,019 s	N/A	52,137

** Cost omitted for participant directed investments.

RURAL TELEPHONE SERVICE COMPANY, INC.
401(k) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS
(Held at End-of-Year)
December 31, 2011

Schedule 1
Page 3
(PN) - 003
(EIN) - 48-0538069

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	JENSN PORT J	Mutual Fund	1,557 s	N/A	\$ 41,263
N/A	JNS FRTY S	Mutual Fund	63 s	N/A	1,929
N/A	LEGGM CLRBRDG AGGR GR A	Mutual Fund	0 s	N/A	6
N/A	LEGGM WSTRAS CORPLSBD INST	Mutual Fund	4,181 s	N/A	46,456
N/A	LEGGMWSTRASINFINDPLSBDINST	Mutual Fund	4,098 s	N/A	48,560
N/A	LRDABT SHRT DUR INC A	Mutual Fund	1,250 s	N/A	5,676
N/A	MFS GLBL TTL RTN A	Mutual Fund	14 s	N/A	183
N/A	MFS INTL NEW DISC A	Mutual Fund	1,780 s	N/A	34,612
N/A	MFS VAL A	Mutual Fund	5,499 s	N/A	123,070
N/A	MNSTY EPOCH GLBL EQ YLD A	Mutual Fund	2,854 s	N/A	43,350
*	NW INV DEST MOD AGGR SVC	Mutual Fund	2,966 s	N/A	25,865
*	NW INV DEST MOD SVC	Mutual Fund	13 s	N/A	118
*	NW MNY MKT INST	Mutual Fund	54,058 u	N/A	62,260
N/A	NEUBER HI INC BD INV	Mutual Fund	782 s	N/A	6,960
N/A	NEUBER REALEST TR	Mutual Fund	429 s	N/A	5,162
N/A	OKMRK GLBL II	Mutual Fund	1,220 s	N/A	23,695
N/A	OLSTN ALLCAP VAL ADV	Mutual Fund	692 s	N/A	9,393
N/A	OPP DEVL MKT A	Mutual Fund	1,526 s	N/A	44,751
N/A	OPP GOLD SPEC MNRLS A	Mutual Fund	84 s	N/A	2,926
N/A	OPP INTL BD A	Mutual Fund	4,771 s	N/A	29,631
N/A	OPP INTL GR A	Mutual Fund	3,113 u	N/A	79,984
N/A	OPP LTD TRM GOVT A	Mutual Fund	43 s	N/A	403
N/A	PIMCO COMDTYREALRTNSTRAT A	Mutual Fund	1,758 s	N/A	11,269
N/A	PIMCO REAL RTN A	Mutual Fund	425 s	N/A	5,014
N/A	PIMCO REAL RTN INST	Mutual Fund	1,989 s	N/A	23,452
N/A	PIMCO TTL RTN INST	Mutual Fund	3,976 s	N/A	43,214
N/A	PIONR EQ INC A	Mutual Fund	2,250 s	N/A	59,480
N/A	PIONR HI YLD A	Mutual Fund	5,470 s	N/A	51,743
N/A	PRUDNTL GLBL REALEST A	Mutual Fund	3 s	N/A	60
N/A	PRUDNTL JNIN 20 20 FOCs A	Mutual Fund	845 s	N/A	12,559
N/A	PRUDNTL JNIN GR A	Mutual Fund	4,522 s	N/A	81,756
N/A	PTNM EQ INC A	Mutual Fund	2,181 s	N/A	32,731
N/A	RS GLBL NATRL RSRC A	Mutual Fund	470 s	N/A	16,263
N/A	RS PTNRS A	Mutual Fund	485 s	N/A	14,208
N/A	RYDEXSGI S P 500 PURE GR H	Mutual Fund	394 s	N/A	11,986

** Cost omitted for participant directed investments.

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	RYDEXSGI S P 500 PUREVAL H	Mutual Fund	177 s	N/A	\$ 14,304
N/A	RYDEXSGIGVNLGBDL 2XSTRAADV	Mutual Fund	1 s	N/A	22
N/A	RYDEXSGISPMDCAP400PUREVALH	Mutual Fund	202 s	N/A	5,509
N/A	RYDEXSGISPMDCAP600PUREGR H	Mutual Fund	0 s	N/A	16
N/A	RYDEXSGIINVRGVNLGBDSTRATADV	Mutual Fund	2 s	N/A	21
N/A	SNTNL SM CO I	Mutual Fund	1,140 s	N/A	8,496
N/A	TROWEPR BLUE CHIP GR R	Mutual Fund	1,331 s	N/A	50,317
N/A	TROWEPR EQ INC R	Mutual Fund	1,987 s	N/A	45,662
N/A	THNRBG INTL VAL I	Mutual Fund	2,880 s	N/A	70,782
N/A	TURNER SMCAP GR INV	Mutual Fund	1,091 s	N/A	35,084
N/A	VANECK GLBL HRD ASST A	Mutual Fund	23 s	N/A	997
N/A	VANECK INTL INV GOLD A	Mutual Fund	91 s	N/A	1,728
N/A	VIC FD FOR INCA	Mutual Fund	18 s	N/A	207
N/A	VNGRD SEL VAL INV	Mutual Fund	443 s	N/A	8,229
N/A	VNGRD WLNVTN INV	Mutual Fund	0 s	N/A	3
N/A	VNGRD WLSLY INC INV	Mutual Fund	362 s	N/A	8,292
N/A	WFA EMRG MKT EQ A	Mutual Fund	2,111 s	N/A	40,651
N/A	WFA GOV SEC INV	Mutual Fund	868 s	N/A	9,768
N/A	WFA SMCAP VAL A	Mutual Fund	1,553 s	N/A	45,559
N/A	WFA TRDTNAL SMCAP GR A	Mutual Fund	0 s	N/A	3
N/A	WR ADV ACCUM A	Mutual Fund	17,995 s	N/A	132,263
N/A	WR ADV ASST STRAT A	Mutual Fund	85,477 s	N/A	723,132
N/A	WR ADV BD A	Mutual Fund	9,560 s	N/A	61,855
N/A	WR ADV CASH MGT A	Mutual Fund	295,806 u	N/A	338,227
N/A	WR ADV CNTNENTL INC A	Mutual Fund	8,832 s	N/A	72,159
N/A	WR ADV COR INVTMT A	Mutual Fund	109,571 s	N/A	624,556
N/A	WR ADV GLB BD A	Mutual Fund	20,807 s	N/A	81,146
N/A	WR ADV GOVT SEC A	Mutual Fund	29,457 s	N/A	171,732
N/A	WR ADV HI INC A	Mutual Fund	24,804 s	N/A	170,157
N/A	WR ADV INTL GR A	Mutual Fund	6,195 s	N/A	54,203
N/A	WR ADV NEW CNCP A	Mutual Fund	61,919 s	N/A	567,799
N/A	WR ADV SCNC TECH A	Mutual Fund	89,285 s	N/A	795,526
N/A	WR ADV SMCAP A	Mutual Fund	51,785 u	N/A	682,533
N/A	WR ADV VAL A	Mutual Fund	7,989 s	N/A	87,964
N/A	WR ADV VNGRD A	Mutual Fund	37,048 s	N/A	305,643

** Cost omitted for participant directed investments.

RURAL TELEPHONE SERVICE COMPANY, INC.

401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS

(Held at End-of-Year)

December 31, 2011

Schedule 1

Page 5

(PN) - 003

(EIN) - 48-0538069

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	WR IVY ASST STRAT A	Mutual Fund	24,766 s	N/A	\$ 551,300
N/A	WR IVY BD A	Mutual Fund	4,031 s	N/A	41,838
N/A	WR IVY COR EQ A	Mutual Fund	4,997 s	N/A	47,770
N/A	WR IVY CUNDILL GBL VAL A	Mutual Fund	6,635 s	N/A	73,978
N/A	WR IVY DIVD OPFR A	Mutual Fund	21,193 s	N/A	301,786
N/A	WR IVY ENRGY Y	Mutual Fund	607 s	N/A	7,391
N/A	WR IVY EURO OPFR A	Mutual Fund	4,420 s	N/A	89,584
N/A	WR IVY GBL NATRL RSRC A	Mutual Fund	29,390 s	N/A	498,456
N/A	WR IVY LGCAP GR A	Mutual Fund	8,235 s	N/A	108,945
N/A	WR IVY LTD TRM BD A	Mutual Fund	8,585 s	N/A	95,548
N/A	WR IVY MDCAP GR A	Mutual Fund	5,268 s	N/A	86,703
N/A	WR IVY MGD INTL OPFR A	Mutual Fund	10,195 s	N/A	79,626
N/A	WR IVY PACFC OPFR A	Mutual Fund	20,213 s	N/A	249,430
N/A	WR IVY REALEST SEC A	Mutual Fund	7,262 s	N/A	139,651
N/A	WR IVY SCNC TECH A	Mutual Fund	10,019 s	N/A	280,618
N/A	WR IVY SMCAP GR A	Mutual Fund	4,868 s	N/A	62,117
N/A	WR IVY SMCAP VAL A	Mutual Fund	1,161 s	N/A	15,576
N/A	INTEGRITY FUNDS WILL	Cash	5,672 s	N/A	30,745
N/A	SDB MONEY MARKET	Cash	1,071 s	N/A	1,071
	Total Investments				<u>11,024,674</u>
N/A	PARTICIPANT LOANS	Rate of Interest (4% to 10%)	-0-	N/A	24,610
	Total Investments and Participant Loans				<u>\$ 11,049,284</u>

** Cost omitted for participant directed investments.

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

Schedule 2
(PN) - 003
(EIN) - 48-0538069

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (Acquired and Disposed of Within the Plan Year)

December 31, 2011

(a) Identity of Issue, Borrower, Lessor, or Similar Party	(b) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(c) Costs of Acquisitions	(d) Proceeds of Dispositions
*Mutual Funds Participant Loans	N/A Rate of Interest (4% to 10%)	N/A \$ -0-	N/A \$ -0-

*All plan investments were held in individual retail accounts at Nationwide Trust Company, FSB as of and for the Plan Year ended December 31, 2011. These investments are not required to be reported on the SCHEDULE OF ASSETS (Acquired and Disposed of Within the Plan Year).

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

Schedule 3
(PN) - 003
(EIN) - 48-0538069

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS EXCEEDING 5% OF PLAN ASSETS

December 31, 2011

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: For the Plan Year ended December 31, 2011, no transactions are required to be reported on the SCHEDULE OF REPORTABLE TRANSACTIONS EXCEEDING 5% OF PLAN ASSETS.

RURAL TELEPHONE SERVICE COMPANY, INC.

401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS

(Held at End-of-Year)

December 31, 2011

Schedule 1

Page 1

(PN) - 003

(EIN) - 48-0538069

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	ABRDEN INTL EQ A	Mutual Fund	7,383 s	N/A	\$ 93,099
N/A	ALLBER HI INC A	Mutual Fund	1,559 s	N/A	13,405
N/A	ALLBER INTL VAL A	Mutual Fund	622 s	N/A	6,471
N/A	ALLNZ NFJ SMCP VAL A	Mutual Fund	1,943 s	N/A	54,055
N/A	AMCENT BAL INST	Mutual Fund	519 s	N/A	8,292
N/A	AMCENT EQ INC A	Mutual Fund	679 s	N/A	4,935
N/A	AMCENT GR A	Mutual Fund	3,768 s	N/A	91,157
N/A	AMCENT HERTG A	Mutual Fund	307 s	N/A	5,847
N/A	AMCENT INFL ADJ BD A	Mutual Fund	2,026 s	N/A	25,708
N/A	AMCENT INFL PRCT BD INST	Mutual Fund	6,091 s	N/A	63,468
N/A	AMCENT SM CO A	Mutual Fund	2,070 s	N/A	15,752
N/A	AMFDS AMCAP R5	Mutual Fund	147 s	N/A	2,783
N/A	AMFDS AM BAL R3	Mutual Fund	1,976 s	N/A	35,837
N/A	AMFDS AM HI INC TR R5	Mutual Fund	2,043 s	N/A	21,783
N/A	AMFDS AM MUT R5	Mutual Fund	1,616 s	N/A	41,784
N/A	AMFDS CAP WLD BD R3	Mutual Fund	230 s	N/A	4,701
N/A	AMFDS CAP WLD BD R6	Mutual Fund	822 s	N/A	16,818
N/A	AMFDS CAP WLD GR INC R3	Mutual Fund	1,063 s	N/A	33,955
N/A	AMFDS CAP WLD GR INC R5	Mutual Fund	124 s	N/A	3,982
N/A	AMFDS EUROPACFC GR R5	Mutual Fund	600 s	N/A	21,068
N/A	AMFDS FDMNTL INV R3	Mutual Fund	1,286 s	N/A	45,418
N/A	AMFDS FDMNTL INV R5	Mutual Fund	118 s	N/A	4,190
N/A	AMFDS GR FD AM R3	Mutual Fund	3,481 s	N/A	98,616
N/A	AMFDS INC FD AM R3	Mutual Fund	1,913 s	N/A	31,967
N/A	AMFDS INC FD AM R5	Mutual Fund	1 s	N/A	13
N/A	AMFDS NEW WLD R3	Mutual Fund	980 s	N/A	44,707
N/A	AMFDS NEW WLD R5	Mutual Fund	91 s	N/A	4,219
N/A	AMFDS SMCAP WLD R5	Mutual Fund	0 s	N/A	16
N/A	AMFDS WSHNGTN MUT INV R5	Mutual Fund	1 s	N/A	22
N/A	ASTN FRPT MDCAP N	Mutual Fund	82 s	N/A	2,417
N/A	AVEMARIA RIS DIVD	Mutual Fund	491 s	N/A	6,221
N/A	BARON SMCAP	Mutual Fund	659 s	N/A	15,116
N/A	BLKRK EQ DIVD INV A	Mutual Fund	2,520 s	N/A	45,736
N/A	CLVRT SMCAP A	Mutual Fund	213 s	N/A	3,597
N/A	COL MDCAP GR OPFR A	Mutual Fund	1,311 s	N/A	11,992

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RURAL TELEPHONE SERVICE COMPANY, INC.

401(k) PLAN

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Page 2
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N/A	DE EMRG MKT A	Mutual Fund	3,806 s	N/A	\$ 47,234
N/A	DE EXTND DUR BD A	Mutual Fund	2,224 s	N/A	14,432
N/A	DWS RREEF GLBLREALEST SECA	Mutual Fund	6,974 s	N/A	46,517
N/A	DAVIS NY VNTR A	Mutual Fund	1,140 s	N/A	37,066
N/A	DODGECOX STK	Mutual Fund	775 s	N/A	78,781
N/A	DREY EMRG MKT A	Mutual Fund	1,713 s	N/A	15,453
N/A	DRXNEVOL ALL CAP EQ INV	Mutual Fund	786 s	N/A	10,271
N/A	DRXNEVOL ALTRNATV INVMT INV	Mutual Fund	416 s	N/A	6,364
N/A	DRXNEVOL MGD BD INV	Mutual Fund	253 s	N/A	4,460
N/A	DRXNEVOL MKT LDRS INV	Mutual Fund	469 s	N/A	6,153
N/A	EV FLTNG RT A	Mutual Fund	2,726 s	N/A	24,803
N/A	EAGLE SERIES TR MDCAP GR A	Mutual Fund	205 s	N/A	5,835
N/A	FED INTL LDRS A	Mutual Fund	264 s	N/A	5,489
N/A	FED PRUDNT BEAR A	Mutual Fund	36,395 s	N/A	159,047
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N/A	FIDADV NEW INSIGHTS A	Mutual Fund	2,289 s	N/A	45,131
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N/A	FNKLN INC A	Mutual Fund	17,954 s	N/A	37,704
N/A	FNKLN US GOVT SEC A	Mutual Fund	222 s	N/A	1,540
N/A	FNKLNMSF MUT GLBL DISC A	Mutual Fund	1,515 s	N/A	41,114
N/A	FNKLTMP DEVL MKT TR A	Mutual Fund	1,785 s	N/A	37,861
N/A	FNKLTMP FORGN A	Mutual Fund	5,786 s	N/A	34,255
N/A	GDMNSCS MDCAP VAL A	Mutual Fund	2,570 s	N/A	85,736
N/A	GDMNSCS SHRT DUR GOVT INST	Mutual Fund	210 s	N/A	2,152
N/A	GDMNSCS SMCAP VAL A	Mutual Fund	875 s	N/A	34,025
N/A	HARBOR SMCAP GR INV	Mutual Fund	536 s	N/A	5,561
N/A	HEARTLAND VAL PLS INV	Mutual Fund	1,414 s	N/A	39,195
N/A	INVSCO GLBL COR EQ A	Mutual Fund	4,065 s	N/A	46,707
N/A	INVSCO MDCAP COR EQ A	Mutual Fund	2,144 s	N/A	45,063
N/A	INVSCO VK COMSTK A	Mutual Fund	2,800 s	N/A	42,594
N/A	INVSCO VK EQ INC A	Mutual Fund	4,758 s	N/A	39,589
N/A	INVSCO VK GR INC A	Mutual Fund	2,238 s	N/A	41,551
N/A	JPM COR BD A	Mutual Fund	1,055 s	N/A	12,499
N/A	JPM MDCAP VAL A	Mutual Fund	1,322 s	N/A	30,958
N/A	JPM SMCAP VAL A	Mutual Fund	3,019 s	N/A	52,137

** Cost omitted for participant directed investments.

RURAL TELEPHONE SERVICE COMPANY, INC.

401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS

(Held at End-of-Year)

December 31, 2011

Schedule 1
Page 3
(PN) - 003
(EIN) - 48-0538069

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N/A	JENSN PORT J	Mutual Fund	1,557 s	N/A	\$ 41,263
N/A	JNS FRTY S	Mutual Fund	63 s	N/A	1,929
N/A	LEGGM CLRBRDG AGGR GR A	Mutual Fund	0 s	N/A	6
N/A	LEGGM WSTRAS CORPLSBD INST	Mutual Fund	4,181 s	N/A	46,456
N/A	LEGGMWSTRASINFINDPLSBDINST	Mutual Fund	4,098 s	N/A	48,560
N/A	LRDABT SHRT DUR INC A	Mutual Fund	1,250 s	N/A	5,676
N/A	MFS GLBL TTL RTN A	Mutual Fund	14 s	N/A	183
N/A	MFS INTL NEW DISC A	Mutual Fund	1,780 s	N/A	34,612
N/A	MFS VAL A	Mutual Fund	5,499 s	N/A	123,070
N/A	MNSTY EPOCH GLBL EQ YLD A	Mutual Fund	2,854 s	N/A	43,350
*	NW INV DEST MOD AGGR SVC	Mutual Fund	2,966 s	N/A	25,865
*	NW INV DEST MOD SVC	Mutual Fund	13 s	N/A	118
N/A	NW MNY MKT INST	Mutual Fund	54,058 u	N/A	62,260
N/A	NEUBER HI INC BD INV	Mutual Fund	782 s	N/A	6,960
N/A	NEUBER REALEST TR	Mutual Fund	429 s	N/A	5,162
N/A	OKMRK GLBL II	Mutual Fund	1,220 s	N/A	23,695
N/A	OLSTN ALLCAP VAL ADV	Mutual Fund	692 s	N/A	9,393
N/A	OPP DEVL MKT A	Mutual Fund	1,526 s	N/A	44,751
N/A	OPP GOLD SPEC MNRLS A	Mutual Fund	84 s	N/A	2,926
N/A	OPP INTL BD A	Mutual Fund	4,771 s	N/A	29,631
N/A	OPP INTL GR A	Mutual Fund	3,113 u	N/A	79,984
N/A	OPP LTD TRM GOVT A	Mutual Fund	43 s	N/A	403
N/A	PIMCO COMDTYREALRTNSTRAT A	Mutual Fund	1,758 s	N/A	11,269
N/A	PIMCO REAL RTN A	Mutual Fund	425 s	N/A	5,014
N/A	PIMCO REAL RTN INST	Mutual Fund	1,989 s	N/A	23,452
N/A	PIMCO TTL RTN INST	Mutual Fund	3,976 s	N/A	43,214
N/A	PIONR EQ INC A	Mutual Fund	2,250 s	N/A	59,480
N/A	PIONR HI YLD A	Mutual Fund	5,470 s	N/A	51,743
N/A	PRUDNTL GLBL REALEST A	Mutual Fund	3 s	N/A	60
N/A	PRUDNTL JNIN 20 20 FOCS A	Mutual Fund	845 s	N/A	12,559
N/A	PRUDNTL JNIN GR A	Mutual Fund	4,522 s	N/A	81,756
N/A	PTNM EQ INC A	Mutual Fund	2,181 s	N/A	32,731
N/A	RS GLBL NATRL RSRC A	Mutual Fund	470 s	N/A	16,263
N/A	RS PTNRS A	Mutual Fund	485 s	N/A	14,208
N/A	RYDEXSGI S P 500 PURE GR H	Mutual Fund	394 s	N/A	11,986

** Cost omitted for participant directed investments.

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	RYDEXSGI S P 500 PUREVAL H	Mutual Fund	177 s	N/A	\$ 14,304
N/A	RYDEXSGIGVLNGBDL 2XSTRAADV	Mutual Fund	1 s	N/A	22
N/A	RYDEXSGISPMDCAP400PUREVALH	Mutual Fund	202 s	N/A	5,509
N/A	RYDEXSGISPMDCAP600PUREGR H	Mutual Fund	0 s	N/A	16
N/A	RYDEXSGIINVRGVLNGBDSTRATADV	Mutual Fund	2 s	N/A	21
N/A	RYDEXSGIINVRGVLNGBDSTRATADV	Mutual Fund	1,140 s	N/A	8,496
N/A	TROWEPR BLUE CHIP GR R	Mutual Fund	1,331 s	N/A	50,317
N/A	TROWEPR EQ INC R	Mutual Fund	1,987 s	N/A	45,662
N/A	THRNBGR INTL VAL I	Mutual Fund	2,880 s	N/A	70,782
N/A	TURNER SMCAP GR INV	Mutual Fund	1,091 s	N/A	35,084
N/A	VANECK GLBL HRD ASST A	Mutual Fund	23 s	N/A	997
N/A	VANECK INTL INV GOLD A	Mutual Fund	91 s	N/A	1,728
N/A	VIC FD FOR INC A	Mutual Fund	18 s	N/A	207
N/A	VNGRD SEL VAL INV	Mutual Fund	443 s	N/A	8,229
N/A	VNGRD WLNGTN INV	Mutual Fund	0 s	N/A	3
N/A	VNGRD WLSLY INC INV	Mutual Fund	362 s	N/A	8,292
N/A	WFA EMRG MKT EQ A	Mutual Fund	2,111 s	N/A	40,651
N/A	WFA GOV SEC INV	Mutual Fund	868 s	N/A	9,768
N/A	WFA SMCAP VAL A	Mutual Fund	1,553 s	N/A	45,559
N/A	WFA TRDTNAL SMCAP GR A	Mutual Fund	0 s	N/A	3
N/A	WR ADV ACCUM A	Mutual Fund	17,995 s	N/A	132,263
N/A	WR ADV ASST STRAT A	Mutual Fund	85,477 s	N/A	723,132
N/A	WR ADV BD A	Mutual Fund	9,560 s	N/A	61,855
N/A	WR ADV CASH MGT A	Mutual Fund	295,806 u	N/A	338,227
N/A	WR ADV CNTNENTL INC A	Mutual Fund	8,832 s	N/A	72,159
N/A	WR ADV COR INVTMT A	Mutual Fund	109,571 s	N/A	624,556
N/A	WR ADV GLB BD A	Mutual Fund	20,807 s	N/A	81,146
N/A	WR ADV GOVT SEC A	Mutual Fund	29,457 s	N/A	171,732
N/A	WR ADV HI INC A	Mutual Fund	24,804 s	N/A	170,157
N/A	WR ADV INTL GR A	Mutual Fund	6,195 s	N/A	54,203
N/A	WR ADV NEW CNCP A	Mutual Fund	61,919 s	N/A	567,799
N/A	WR ADV SCNC TECH A	Mutual Fund	89,285 s	N/A	795,526
N/A	WR ADV SMCAP A	Mutual Fund	51,785 u	N/A	682,533
N/A	WR ADV VAL A	Mutual Fund	7,989 s	N/A	87,964
N/A	WR ADV VNGRD A	Mutual Fund	37,048 s	N/A	305,643

** Cost omitted for participant directed investments.

RURAL TELEPHONE SERVICE COMPANY, INC.

401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS

(Held at End-of-Year)

December 31, 2011

Schedule 1

Page 5

(PNJ) - 003

(EIN) - 48-0538069

(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	Number of Shares/Units	(d) **Cost	(e) Current Value
N/A	W/R IVY ASST STRAT A	Mutual Fund	24,766 s	N/A	\$ 551,300
N/A	W/R IVY BD A	Mutual Fund	4,031 s	N/A	41,838
N/A	W/R IVY COR EQ A	Mutual Fund	4,997 s	N/A	47,770
N/A	W/R IVY CUNDILL GBLBL VAL A	Mutual Fund	6,635 s	N/A	73,978
N/A	W/R IVY DIVD OPFR A	Mutual Fund	21,193 s	N/A	301,786
N/A	W/R IVY ENRGY Y	Mutual Fund	607 s	N/A	7,391
N/A	W/R IVY EURO OPFR A	Mutual Fund	4,420 s	N/A	89,584
N/A	W/R IVY GBLBL NATRL RSRC A	Mutual Fund	29,390 s	N/A	498,456
N/A	W/R IVY LGCAP GR A	Mutual Fund	8,235 s	N/A	108,945
N/A	W/R IVY LTD TRM BD A	Mutual Fund	8,585 s	N/A	95,548
N/A	W/R IVY MDCAP GR A	Mutual Fund	5,268 s	N/A	86,703
N/A	W/R IVY MGD INTL OPFR A	Mutual Fund	10,195 s	N/A	79,626
N/A	W/R IVY PACFC OPFR A	Mutual Fund	20,213 s	N/A	249,430
N/A	W/R IVY REALEST SEC A	Mutual Fund	7,262 s	N/A	139,651
N/A	W/R IVY SCNC TECH A	Mutual Fund	10,019 s	N/A	280,618
N/A	W/R IVY SMCAP GR A	Mutual Fund	4,868 s	N/A	62,117
N/A	W/R IVY SMCAP VAL A	Mutual Fund	1,161 s	N/A	15,576
N/A	INTEGRITY FUNDS WILL	Cash	5,672 s	N/A	30,745
N/A	SDB MONEY MARKET	Cash	1,071 s	N/A	1,071
	Total Investments				<u>11,024,674</u>
N/A	PARTICIPANT LOANS	Rate of Interest (4% to 10%)	-0-	N/A	24,610
	Total Investments and Participant Loans				<u>\$ 11,049,284</u>

** Cost omitted for participant directed investments.

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

Schedule Z
(PN) - 003
(EIN) - 48-0538069

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (Acquired and Disposed of Within the Plan Year)

December 31, 2011

(a) Identity of Issue, Borrower, Lessor, or Similar Party	(b) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(c) Costs of		(d) Proceeds of	
		Acquisitions	Dispositions	Acquisitions	Dispositions
*Mutual Funds	N/A	N/A	N/A	N/A	N/A
Participant Loans	Rate of Interest (4% to 10%)	\$	-0-	\$	-0-

*All plan investments were held in individual retail accounts at Nationwide Trust Company, FSB as of and for the Plan Year ended December 31, 2011. These investments are not required to be reported on the SCHEDULE OF ASSETS (Acquired and Disposed of Within the Plan Year).

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

Schedule 3
(PN) - 003
(EIN) - 48-0538069

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS EXCEEDING 5% OF PLAN ASSETS

December 31, 2011

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(e) Lease Rental	(f) Expense Incurred with Transaction	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: For the Plan Year ended December 31, 2011, no transactions are required to be reported on the SCHEDULE OF REPORTABLE TRANSACTIONS EXCEEDING 5% OF PLAN ASSETS.

Form 5500Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with
the instructions to the Form 5500.**OMB Nos. 1210-0110
1210-0089**2011****This Form is Open to Public
Inspection****Part I Annual Report Identification Information**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

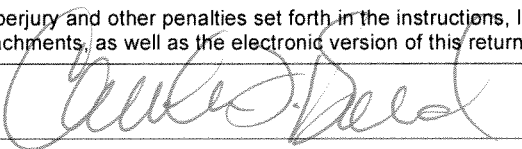
- A** This return/report is for: ☐ a multiemployer plan; ☐ a multiple-employer plan; or
☒ a single-employer plan; ☐ a DFE (specify) _____
- B** This return/report is: ☐ the first return/report; ☐ the final return/report;
☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
- C** If the plan is a collectively-bargained plan, check here. ☐
- D** Check box if filing under: ☐ Form 5558; ☐ automatic extension; ☐ the DFVC program;
☐ special extension (enter description) _____

Part II Basic Plan Information—enter all requested information

1a Name of plan	RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN	1b Three-digit plan number (PN) ▶	003
		1c Effective date of plan	01/01/2001
2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)	RURAL TELEPHONE SERVICE COMPANY, INC. 145 NORTH MAIN, P.O. BOX 158 LENORA KS 67645	2b Employer Identification Number (EIN)	48-0538069
		2c Sponsor's telephone number	(785) 567-4281
		2d Business code (see instructions)	517000

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

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

SIGN HERE		4/23/12	Camber L Boland
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2011)
v.012611

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SAME		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		4b EIN
a Sponsor's name		4c PN
5 Total number of participants at the beginning of the plan year	5	408
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d).		
a Active participants	6a	364
b Retired or separated participants receiving benefits	6b	0
c Other retired or separated participants entitled to future benefits	6c	50
d Subtotal. Add lines 6a, 6b, and 6c.	6d	414
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	0
f Total. Add lines 6d and 6e.	6f	414
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g	402
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	25
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 Characteristic Codes in the instructions: 2E 2G 2J 2K 2F 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:		

9a Plan funding arrangement (check all that apply)	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	(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	b General Schedules
(1) ☒ R (Retirement Plan Information)	(1) ☒ H (Financial Information)
(2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) ☐ I (Financial Information - Small Plan)
(3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) ☐ A (Insurance Information)
	(4) ☒ C (Service Provider Information)
	(5) ☐ D (DFE/Participating Plan Information)
	(6) ☐ G (Financial Transaction Schedules)