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 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] 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. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
MADISON RIVER COMMUNICATIONS CORP EMPLOYEES RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 08/15/1960

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

MADISON RIVER COMMUNICATIONS CORP

805 BROADWAY STREET, 8TH FLOOR
VANCOUVER, WA 98660

2b Employer Identification Number (EIN)
20-5689137

2c Sponsor's telephone number
360-905-6960

2d Business code (see instructions)
517000

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	04/08/2013	MARINA PEARSON
	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

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
MADISON RIVER COMMUNICATIONS CORP

805 BROADWAY STREET, 8TH FLOOR
VANCOUVER, WA 98660

3b Administrator's EIN
20-5689137

3c Administrator's telephone number
360-905-6960

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
MADISON RIVER COMMUNICATIONS CORP

4b EIN
20-5689137

4c PN
003

5	Total number of participants at the beginning of the plan year	**5**	476
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**	147
b	Retired or separated participants receiving benefits	**6b**	121
c	Other retired or separated participants entitled to future benefits	**6c**	199
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	467
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	5
f	Total. Add lines **6d** and **6e**	**6f**	472
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	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 Characteristic Codes in the instructions:
1A 1B 1G 3H

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)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	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)	X	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)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	X	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X		**H** (Financial Information)
(2)			**I** (Financial Information – Small Plan)
(3)		0	**A** (Insurance Information)
(4)	X		**C** (Service Provider Information)
(5)	X		**D** (DFE/Participating Plan Information)
(6)			**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

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

▶ **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
MADISON RIVER COMMUNICATIONS CORP EMPLOYEES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MADISON RIVER COMMUNICATIONS CORP

D Employer Identification Number (EIN)
20-5689137

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

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

Part I Basic Information

1	Enter the valuation date: Month 01 Day 01 Year 2011			
2	Assets:			
a	Market value	**2a**		15498994
b	Actuarial value	**2b**		14435649
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	111	3157539
b	For terminated vested participants	**3b**	180	5153728
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		34157
	(2) Vested benefits	**3c(2)**		6231896
	(3) Total active	**3c(3)**	185	6266053
d	Total	**3d**	476	14577320
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions	**4a**		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**		
5	Effective interest rate	**5**		6.34 %
6	Target normal cost	**6**		130000

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

03/26/2013
Date

DENISE PATTERSON
Type or print name of actuary

11-04167
Most recent enrollment number

TOWERS WATSON DELAWARE INC.
Firm name

312-525-2500
Telephone number (including area code)

191 NORTH WACKER DRIVE
CHICAGO, IL 60606
Address of the firm

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

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	2100829
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	415613
9	Amount remaining (line 7 minus line 8)	0	1685216
10	Interest on line 9 using prior year's actual return of 13.78%		232223
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		2504950
b	Interest on (a) using prior year's effective rate of 6.64 % except as otherwise provided (see instructions)		196003
c	Total available at beginning of current plan year to add to prefunding balance		2700953
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	1917439

Part III Funding percentages

14	Funding target attainment percentage	14	85.87 %
15	Adjusted funding target attainment percentage	15	85.87 %
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	80.00 %
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
			Totals ► 18(b)	0	18(c) 0

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
3.78%	6.31%	6.57 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

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 eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

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

a Target normal cost (line 6)	**31a**	130000
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	2059110	524306
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	654306

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	654306	654306

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	0

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

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

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**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
MADISON RIVER COMMUNICATIONS CORP EMPLOYEES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
MADISON RIVER COMMUNICATIONS CORP

D Employer Identification Number (EIN)
20-5689137

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).. . . . . [X] 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

PRUDENTIAL RETIREMENT INSURANCE

06-1050034

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWERS WATSON DELAWARE INC

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	116952	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

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

PRUDENTIAL RETIREMENT INSURANCE

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	8925	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(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

(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: DELOITTE & TOUCHE LLP	**b** EIN:	13-3891517
c	Position: ACCOUNTANT		
d	Address: 3900 U.S.BANCORP TOWER 111 S.W. FIFTH AVE PORTLAND, OR 97204	**e** Telephone:	503-222-1341

Explanation: CONSOLIDATION OF AUDITORS FOR PLANS OF VARIOUS RELATED ENTITIES TO GAIN AUDIT EFFICIENCIES

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 D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan 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
MADISON RIVER COMMUNICATIONS CORP EMPLOYEES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
MADISON RIVER COMMUNICATIONS CORP

D Employer Identification Number (EIN)
20-5689137

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: CENTURYTEL, INC DEFINED BENEFIT MRT

b Name of sponsor of entity listed in (a): CENTURYLINK, INC.

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
72-0651161-012	M	14953732

a Name of MTIA, CCT, PSA, or 103-12 IE: COLLECTIVE SHORT TERM INVEST FD

b Name of sponsor of entity listed in (a): NORTHERN TRUST INVESTMENTS NA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
45-6138589-084	C	3123

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

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
MADISON RIVER COMMUNICATIONS CORP EMPLOYEES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
MADISON RIVER COMMUNICATIONS CORP

D Employer Identification Number (EIN)
20-5689137

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	3000000	0
(2) Participant contributions	1b(2)		
(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)		
(9) Value of interest in common/collective trusts	1c(9)	25204	3123
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	12538378	14953732
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		28872

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	15563582	14985727
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	15563582	14985727

Part II Income and Expense Statement

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

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(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)		0
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)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(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)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(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)		3
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-103084
(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		25
d Total income. Add all **income** amounts in column (b) and enter total	2d		-103056
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	334214	
(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)		334214
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)	116952	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	12501	
(4) Other	2i(4)	11132	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		140585
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		474799
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-577855
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: MAYER HOFFMAN MCCANN P.C. **(2)** EIN: 43-1947695

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.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		50000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? 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
MADISON RIVER COMMUNICATIONS CORP EMPLOYEES RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
MADISON RIVER COMMUNICATIONS CORP

D Employer Identification Number (EIN)
20-5689137

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): 22-1211670 36-3046063

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

MADISON RIVER COMMUNICATION CORP.
EMPLOYEES' RETIREMENT PLAN

FINANCIAL STATEMENTS

Years Ended December 31, 2011 and 2010

MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits as of December 31, 2011 and 2010	2
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2011 and 2010	3
Notes to Financial Statements	4–12
SUPPLEMENTAL SCHEDULE AS OF DECEMBER 31, 2011	
Form 5500, Schedule H, Part IV, Line 4i — Schedule of Assets (Held at End of Year)	13

Mayer Hoffman McCann P.C.
An Independent CPA Firm

11440 Tomahawk Creek Parkway
Leawood, Kansas 66211
913-234-1900 ph
913-234-1100 fx
www.mhm-pc.com

INDEPENDENT AUDITORS' REPORT

The Retirement Committee and participants of
Madison River Communications Corp. Employees' Retirement Plan:

We were engaged to audit the accompanying statement of net assets available for benefits of the Madison River Communications Corp. Employees' Retirement Plan (the "Plan") as of December 31, 2011, and the related statement of changes in net assets available for benefits for the year then ended, and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management. The financial statements of the Plan as of and for the year ended December 31, 2010, were audited by other auditors. 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 ("ERISA"), the plan administrator instructed the other auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the custodians. Their report, dated October 12, 2011, indicated that (a) because of the significance of the information that they did not audit, they were unable to, and did not, express an opinion on the financial statements taken as a whole and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the custodians, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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 4, which was certified by Prudential Retirement Insurance and Annuity Company and The Northern Trust Company, the custodians of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. 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 certifications from the custodians as of December 31, 2011 and 2010 and for the years then ended, that the information provided to the plan administrator by the custodians 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 schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodians, have been audited by us in accordance with U.S. generally accepted auditing standards 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.

Mayer Hoffman McCann P.C.

Leawood, Kansas
October 15, 2012

Member of Kreston International - a global network of independent accounting firms

MADISON RIVER COMMUNCIATIONS CORP.
EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2011	**2010**
ASSETS:		
Investments — at fair value (Notes 3 and 4):		
Investment CenturyTel, Inc. Defined Benefit Plans		
Master Trust	$ 14,953,732	$ 12,538,378
Common and commingled trust funds	3,123	25,204
Total Investments	14,956,855	12,563,582
Other asset	28,872	-
Contribution receivable	-	3,000,000
NET ASSETS AVAILABLE FOR BENEFITS	$ 14,985,727	$ 15,563,582

The accompanying notes are an integral part of these financial statements.

MADISON RIVER COMMUNCIATIONS CORP.
EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years Ended December 31, 2011 and 2010

	2011	2010
ADDITIONS:		
Net investment income (Note 4):		
Net investment income from CenturyTel, Inc. Defined Benefit Plans Master Trust	$ -	$ 1,529,152
Interest income	3	7
Net investment income	3	1,529,159
Employer contributions	-	3,000,000
Other additions	25	92,644
Total additions	28	4,621,803
DEDUCTIONS:		
Net investment loss (Note 4):		
Net investment loss from CenturyTel, Inc. Defined Benefit Plans Master Trust	(103,084)	-
Benefits paid	(334,214)	(1,517,783)
Administrative expenses	(140,585)	(132,143)
Total deductions	(577,883)	(1,649,926)
NET (DECREASE) INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(577,855)	2,971,877
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	15,563,582	12,591,705
NET ASSETS AVAILABLE FOR BENEFITS — End of year	$ 14,985,727	$ 15,563,582

The accompanying notes are an integral part of these financial statements.

1. DESCRIPTION OF THE PLAN

The following description of the Madison River Communications Corp. Employees' Retirement Plan (formerly the Madison River Telephone Company, LLC Employees' Retirement Plan) (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General — The Plan is a noncontributory, defined-benefit pension plan covering all eligible employees of the Madison River Telephone Company, LLC ("Madison"), a wholly owned subsidiary of CenturyLink, Inc. (formerly CenturyTel, Inc.) (the "Company"). On January 31, 2006, Madison froze the eligibility and participation of the Plan, to the extent not previously frozen. As such, the Plan will not accept any new participants, nor will current participants accrue any additional benefits. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits — The Plan provides for normal retirement upon reaching age 65 and early retirement at age 55 with a minimum of ten years of service. Benefits are fully vested upon the earlier of five years of continuous service, the participants' attainment of normal retirement date, or upon the participant becoming totally and permanently disabled as defined by the Plan. The basic calculation of the retirement benefit depends on when an employee became vested and under which defined benefit agreement the participant first vested. Benefits are payable in the form of a straight-life annuity or alternate benefits selected by the participant which are actuarially equivalent to a straight-life annuity, including a lump sum. The Plan also has provisions for disability benefits and death benefits.

Death and Disability Benefits — A benefit shall be payable to a surviving spouse or other designated beneficiary upon the death of a participant based on provisions contained in the Plan document. The disability benefit is the accrued benefit as of the earlier of the date of disability or the date benefit accruals were frozen.

Funding Policy — Contributions to provide benefits under the Plan are made solely by the Company. The funding policy defines the employer contribution to be the minimum contributions required by ERISA, including the provisions of the Internal Revenue Code and the Pension Protection Act of 2006, as amended (the "PPA"). The Plan's actuary using the Unit Credit Cost Method computes annual contributions. Under this cost method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. Contributions are paid to the custodians in cash, within 265 days following the close of the Company's fiscal year. Contributions will not exceed the maximum amount deductible for tax purpose. The Plan has met the minimum funding requirements of ERISA for the years ended December 31, 2011 and 2010.

Administration and Plan Expenses
Effective November 15, 2011, the Board of Directors established the CenturyLink Employee Benefits Committee as the Plan Administrator and CenturyLink Investment Management Company as the Investment Fiduciary. The responsibilities for corporate functions such as plan amendment and termination were delegated to the CenturyLink Plan Design Committee. Previously, the CenturyLink Retirement Committee was the named fiduciary of the Plan and the CenturyLink Pension Benefit Administrative Committee had governance and administrative responsibilities.

Federal Income Tax Status — On February 2, 2009 (original application) and September 28, 2009 (revised application), the Plan applied for a compliance letter from the Internal Revenue Service ("IRS") under the Employee Plans Compliance Resolution Systems Voluntary Compliance Program ("VCP"), regarding certain operational errors: the ownership of certain life insurance contracts used to fund certain Plan benefits; selected benefits being paid in the year prior to the year provided under the Plan's terms; certain distributions made without appropriate completed documentation in support of the type of distribution made; and Plan amendment to reduce the mandatory cashout distribution threshold from $5,000 to $1,000. The Plan received a favorable compliance statement dated February 8, 2010, in which the IRS addressed each of the operational errors, and determined that methods of correction proposed by the Plan were appropriate for the failures identified. Furthermore the letter detailed that the IRS would not pursue the sanction of Plan disqualification. The Plan was subsequently amended to correct the issues outlined in the compliance statement. The Plan received a favorable tax determination letter dated May 19, 2011, from the IRS. Furthermore, the Plan's management believes that the Plan continues to be designed and operated in compliance with the applicable requirements of the Internal Revenue Code; therefore, it believes that the Plan was qualified and the related trust was tax-exempt as of the financial statement date. Accordingly, no provision for income taxes has been provided for in the Plan's financial statements.

Accounting principles generally accepted in the United States of America ("GAAP") requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Plan Termination — Although it has not expressed any intention 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. However, the Company is required to comply with all relevant provisions of the applicable labor agreements.

In the event of the Plan's termination, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations as defined in the Plan document. All benefits for each group shall be paid or provided for before any benefits are paid for any members of the group having the next lower priority. If the funds are insufficient to pay all of the benefits for any group, the amount available shall be allocated among the members of the group in proportion to their interests.

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 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. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of the individual's monthly benefit.

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

2. SUMMARY OF ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Plan:

Basis of Accounting — The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with GAAP.

For the year ended December 31, 2011, subsequent events were evaluated through October 15, 2012, the date the financial statements were available to be issued. Other than that disclosed herein, there were no additional subsequent events which would require adjustment or disclosure to financial statements

Valuation of Investments — 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. Refer to Note 3 for a discussion of fair value measurements.

Income Recognition — Investment transactions are accounted for on the date the investments are purchased or sold ("trade date"). Interest income is recognized on an accrual basis. Dividend income is recorded on the ex-dividend date. Realized and unrealized gains or losses on investments are based upon the average adjusted basis.

Administrative Expenses — Plan expenses are paid by either the Plan or the Company as provided in the Plan document.

Payment of Benefits — Benefit payments to participants are recorded upon distribution to the participants.

Use of Estimates — The preparation of the Plan's financial statements in conformity with GAAP requires the Plan's management to make certain estimates and assumptions that affect 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. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements — In January 2010, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2010-06, "Improving Disclosures about Fair Value Measurements." The ASU amended Accounting Standards Codification ("ASC") 820 to add new requirements for disclosures about significant transfers into and out of Levels 1 and 2 of the fair value hierarchy and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. See Note 4 - Fair Value of Financial Instruments for more information on the three levels of the fair value hierarchy. This ASU also clarifies existing fair value disclosures about the level of disaggregation and requires disclosures about inputs and valuation techniques used to measure fair value. The guidance in the ASU is effective for the Plan beginning on January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which will be effective for the Plan beginning on January 1, 2011. The effect of the adoption of the ASU had no impact on the accompanying statements of net assets available for benefits or the statements of changes in net assets available for benefits.

Recently Issued Accounting Pronouncements — In May 2011, the FASB issued ASU 2011-04, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs, (ASU 2011-04). ASU 2011-04 amended ASC 820, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plans' financial statements.

3. FAIR VALUE MEASUREMENTS

The Plan has various financial instruments that are measured at fair value in the Statements of Net Assets Available for Benefits. The Plan's financial assets are measured using inputs from the three levels of the fair value hierarchy. A financial asset's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Plan Administrator has the ability to access at the measurement date.

Level 2 — Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

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

The Plan's policy is to recognize significant transfers between levels at the actual date of the event or change. During 2011, there were no transfers between levels.

The following tables present the Plan's investments recognized in the Statements of Net Assets Available for Benefits and measured at fair value on a recurring basis as of December 31, 2011 and 2010. The investment categories, nature and risk descriptions, and fair value amounts were derived from the information certified by the Plan custodians in Note 4:

	2011			
	Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Master Trust assets —				
Pooled and separate funds:				
Domestic equities	$ -	$ 6,955,991	$ -	$ 6,955,991
Investment grade bonds	-	7,889,385	-	7,889,385
Cash equivalents and short-term investments	-	108,356	-	108,356
Assets held outside the Master Trusts —				
Common and commingled trust funds	-	3,123	-	3,123
Total	$ -	$14,956,855	$ -	$14,956,855

	2010 Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Master Trust assets —				
Pooled and separate funds:				
Domestic equities	$ -	$ 6,859,110	$ -	$ 6,859,110
Investment grade bonds	-	5,034,976	-	5,034,976
International equities	-	644,292	-	644,292
Assets held outside the Master Trusts —				
Common and commingled trust funds	-	25,204	-	25,204
Total	$ -	$12,563,582	$ -	$12,563,582

When available, the quoted market price or net asset value of an identical security in the principal market is used to record the fair value. In the absence of a quoted market price in a readily observable market, the fair value of Level 2 securities are determined using pricing models based on observable market inputs and quoted market prices of securities with similar characteristics.

All investments (except as noted in the above tables) are held in the CenturyTel, Inc. Defined Benefit Plans Master Trust (the "Master Trust") with a Plan custodian, Prudential Retirement Insurance and Annuity Company ("Prudential Financial"). The Plan's pooled and separate funds are reported at fair value based on the net asset unit prices quoted by the fund, representing the fair value of the underlying investments. The net asset unit value of each fund is determined at the close of each day in which Prudential Financial and the related exchanges the investments trade on are open for business. The various pooled and separate funds have no redemption restrictions.

The Plan's common and commingled trust funds are held with a Plan custodian, The Northern Trust Company ("Northern Trust") and are reported at fair value based on the value of the underlying investments. The underlying investments are valued at amortized cost, which Northern Trust has determined approximates fair value. Repurchase agreements are valued at cost, which approximates fair value.

4. INFORMATION CERTIFIED BY CUSTODIANS

The following, as well as the information in Note 5 and the supplemental schedule, is a summary of the unaudited information regarding the Plan as of and for the years ended December 31, 2011 and 2010, included in the Plan's financial statements. This information was prepared by Prudential Financial and Northern Trust, the custodians of the plan, for the years ended December 31, 2011and 2010, and furnished to the Plan administrator. Additionally, the investment categories, sub categories, and fair value amounts in Note 3 were derived from information certified by the Plan custodians. The Plan administrator has obtained certifications from the custodians that such information is complete and accurate:

	2011	2010
Prudential Financial:		
Investment in CenturyTel, Inc. Defined Benefit Plans Master Trust	$ 14,953,732	$ 12,538,738
Net investment (loss) income from CenturyTel, Inc Defined Benefit Plans Master Trust	(103,084)	1,529,152
Northern Trust:		
Common and commingled trust funds	3,123	25,204
Common and commingled trust funds interest income	3	7

On July 1, 2003, the Company created the Master Trust to hold the assets of the defined benefit plans sponsored by the Company and the assets of the 401(h) component of a health and welfare plan sponsored by the Company. On December 20, 2007, the Plan was added to the Master Trust. The net income from assets in the Master Trust is allocated to the plans based on each plan's share of such net assets in the Master Trust. At December 31, 2011 and 2010, the Plan's interest in the net assets of the Master Trust was approximately 4% and 3%, respectively.

The net assets of the Master Trust at December 31, 2011 and 2010 are summarized as follows:

	2011	2010
Investment in pooled and separate funds	$ 412,948,080	$ 427,792,450

The components of the Master Trust's total investment (loss) income for the years ended December 31, 2011 and 2010 are as follows:

	2011	2010
Investment (loss) income in pooled and separate funds	$ (48,851)	$ 51,028,848

5. INVESTMENTS GREATER THAN 5% OF NET ASSETS

The Plan's investments at December 31, 2011 and 2010 consisted of its investment in the Master Trust and the common and commingled trust funds, the common and commingled trust funds investment was not greater than 5% of net assets.

6. ACTUARUAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. 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. The accumulated plan benefits for active employees are based on benefit calculations using credited service, average qualifying salary, and average qualifying employment on the date as of which the benefit information is presented (the "valuation date"). Benefits payable under all circumstances (retirement, death, and termination of employment) are included, to the extent they are deemed attributable, to employee service rendered to the valuation date.

The actuarial present values of accumulated plan benefits were determined by the Plan's actuary and are the amounts that result from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation dates and the expected dates of payment. The accumulated plan benefits are based on census data and Plan provisions in effect as of January 1, 2011 and 2010. These calculations have been used to disclose accumulated plan benefits as of December 31, 2010 and 2009. The actuarial valuation as of January 1, 2011 and 2010 is not materially different than the valuation would be as of December 31, 2010 and 2009.

Plan costs developed by the actuary are estimates of the amounts necessary to provide benefits to the Plan's participants, assuming continued funding of the Plan in a systematic manner. These estimates are based on the actuarial methods selected to allocate the total cost of the Plan to various years and on actuarial assumptions regarding the return on investments, salary rates, withdrawal rates, mortality rates, and other factors.

The December 31, 2010 significant assumptions used to calculate the actuarial present value of accumulated plan benefits include:

- Discount rate 7.5%
- Lump sum payment interest rate 6.0%
- Mortality *

* Prescribed mortality assumption under IRC 430(h)(3)(a) using static tables with separate mortality rates for annuitants and non-annuitants

Additional assumptions used were (a) rates of retirement age by age group, (b) percentage of participants electing lump sums upon retirement and (c) 80% of participants are presumed married and (d) withdrawal rate assumptions by age group.

The foregoing actuarial assumptions were 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 accumulated plan benefits.

The following table presents the components of the Plan's benefit obligations as of December 31, 2010 and 2009:

	2010	2009
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	$ 2,832,174	$ 2,357,124
Other participants	10,029,965	9,018,658
Nonvested benefits	35,480	1,548
Total actuarial present value of accumulated plan benefits	$ 12,897,619	$ 11,377,330

The following table presents the changes in accumulated plan benefit obligations for the year ended December 31, 2010:

Actuarial present value of accumulated plan benefits as of December 31, 2009	$ 11,377,330
Increase (decrease) during the year due to:	
Decrease in discount period	843,245
Benefits paid	(1,673,533)
Actuarial loss and other	1,777,988
Change in actuarial assumptions	572,589
Actuarial present value of accumulated plan benefits as of December 31, 2010	$ 12,897,619

7. EXEMPT PARTY-IN-INTEREST TRANSACTIONS

The Plan's investments are managed by the custodians of the Plan. The Company pays for Plan expenses, as provided in the Plan document to the extent not paid by the Plan.

8. CONCENTRATION OF RISK

The assets in which the Plan and Master Trust invest consist primarily of financial instruments, including pooled and separate funds which are made up of various types of investments such as government securities, corporate bonds and notes, and common stock. The Plan also invests in common and commingled trust funds that are held outside the Master Trust. These financial instruments may subject the Plan and Master Trust to concentrations of risk as, from time to time, cash balances exceed amounts insured by the Federal Deposit Insurance Corporation, market value of securities are dependent on the ability of the issuer to honor its contractual commitments, and the various investments are subject to changes in market values.

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

9. SUBSEQUENT EVENTS

In 2012, the Plan custodian, Prudential Retirement Insurance and Annuity Company, was changed to Northern Trust Company. All the Master Trust plan investments were transferred on January 1, 2012. Effective January 1, 2013, the Plan is to be merged into the Embarq Retirement Pension Plan.

SUPPLEMENTAL SCHEDULE

MADISON RIVER COMMUNICATIONS CORP.
EMPLOYEES' RETIREMENT PLAN
Employer ID No: 20-5689137
Plan No: 001

FORM 5500, SCHEDULE H, PART IV, LINE 4i - SCHEDULE OF ASSETS
(HELD AT END OF YEAR)
AS OF DECEMBER 31, 2011

(a)	(b) Identity of Issue/ (c) Description of Investment	(d) Cost	(e) Current Value
*	Common and commingled trust funds		
	Northern Trust Company:		
	Coltv short term invt fd	$ 3,123	$ 3,123
	TOTAL	$ 3,123	$ 3,123

* Represents a party-in-interest transaction.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26 – Schedule of Active Participant Data

Number distributed by attained age and attained years of credited service[1]

Attained Age	Attained Years of Credited Service and Number[1]													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	1	0	0	0	0	0	0	0	1
30-34	0	0	0	0	0	0	3	0	0	0	0	0	0	3
35-39	0	0	0	0	0	1	11	2	0	0	0	0	0	14
40-44	0	0	0	0	0	1	10	4	4	1	0	0	0	20
45-49	0	0	0	0	0	2	7	2	5	6	3	0	0	25
50-54	0	0	0	0	0	1	4	4	5	3	17	3	0	37
55-59	0	0	0	0	0	0	5	0	5	0	8	17	3	38
60-64	0	0	0	0	0	1	5	0	2	2	6	21	7	44
65-69	0	0	0	0	0	0	0	0	0	0	2	0	1	3
70 & over	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	7	45	12	21	12	36	41	11	185

Average:	Age	53	Number of Participants:	Fully vested	185	Males	121
	Service	26		Partially vested	0	Females	64

Census data as of January 1, 2011

[1] Ages and service totals for purposes of determining category are based on exact (not rounded) values.

Appendix A

Statement of Actuarial Assumptions / Methods

Interest rate basis:

➢ Applicable month	September
➢ Yield curve basis	3-Segment Rates

Interest rates:

➢ First segment rate	3.78%
➢ Second segment rate	6.31%
➢ Third segment rate	6.57%
➢ Effective interest rate	6.34%

Lump Sum Conversation Rate

For funding purposes, the same 3 segment rates as defined above. For ASC 960 purposes, 6.0% was used.

Plan Sponsor

Madison River Communication Corp.

EIN/PN

20-5689137 / 003

Assumed Cost of Living Adjustments

None.

Inclusion Date

The valuation date coincident with or next following the date on which the employee becomes a participant.

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions / Methods

Plan-related Expenses

Plan-related expenses are estimated to be $130,000. No investment related expenses are included in this estimate.

Mortality

For all participants: The prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

Disabled Mortality

Same as for healthy participants.

Retirement Rates

For purposes of determining the Funding Target, the rates at which participants retire by age and gender are shown below:

Annual Rate of Early Retirement		
Age Group	**Males**	**Females**
55	1.00%	1.50%
56	1.00%	1.50%
57	1.00%	1.50%
58	2.00%	1.50%
59	2.00%	2.50%
60	3.00%	3.50%
61	5.00%	5.00%
62	10.00%	10.00%
63	10.00%	10.00%
64	15.00%	15.00%
65	30.00%	30.00%
66	100.00%	100.00%

Disability Rates

None.

Compensation Increases

Not applicable.

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions / Methods

Future Increases in Social Security

Not applicable.

Future Increases in Maximum Benefits and Plan Compensation Limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

Representative Termination Rates not Due to Disability, Retirement or Mortality

Percentage leaving during the year		
Age Group	**Males**	**Females**
25	5.27%	5.27%
40	3.84	3.84
55	3.34	3.34
65	0.00	0.00

Form of Payment

Single participants are assumed to elect a single life annuity. Married participants are assumed to elect the 50% joint and survivor form. Former employees of Coastal Utilities, Inc. are assumed to elect a portion of their benefit as a lump sum.

Marriage

For purposes of valuing the pre-retirement surviving spouse's benefit, 80% of eligible participants are assumed to be married and male spouses are assumed to be 3 years older than female spouses.

Employees

It was assumed there will be no new or rehired employees.

Plan Compensation

Not applicable.

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions / Methods

Benefit Commencement Date

Preretirement death benefit: The later of the death of the active participant or the date the participant would have attained age 55.

Deferred vested benefit: Age 65.

Disability benefit: Upon disablement.

Retirement benefit: Upon retirement.

Timing of Benefit Payments

Annuity payments are payable monthly at the beginning of the month and lump sum payments are payable on date of decrement.

Asset Method

Average of fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefit payments, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted receivable contributions (discounted using the effective interest rate for the 2010 plan year).

Participant Data

Employee data was supplied by CenturyLink as of the valuation date. Data on persons receiving benefits was supplied by CenturyLink. Data on other participants was supplied by CenturyLink. A cleanup of the data occurred as the data was transferred between plan administrators from Prudential to Towers Watson.

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2011 is used to determine the maximum deductible contribution for the tax year ending December 31, 2011.

Benefits not Included in Valuation

All benefits described in the Plan Provisions section of this report were valued based on discussions with CenturyLink regarding the likelihood that these benefits will be paid. Towers Watson has reviewed the plan provisions with CenturyLink and, based on that review, is not aware of any significant benefits required to be valued that were not included.

SCHEDULE SB ATTACHMENTS, Part V – Statement of Actuarial Assumptions / Methods

PBGC Premium Funding Target

The Alternative Premium Funding Target, elected in 2009, was determined using the assumptions described above.

Valuation Date

First day of the plan year.

Changes in Assumptions and Methods Since Last Actuarial Valuation

Other than the prescribed change in mortality, the following changes in assumptions were made as part of this valuation:

- The interest rate used to determine the Funding Target was changed from the segment rates based on bond yields during the month of the valuation (January) to the segment rates based on bond yields for the fourth month preceding the valuation date (September).
- The retirement rates have been updated to reflect the possibility of participants electing to commence benefits at their Early Retirement Date.
- The discount rate used for ASC 960 plan accounting has been lowered from 8.00% to 7.50% to reflect the decrease in CenturyLink's long-term expectation of return on plan assets.

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 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] 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. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
Madison River Communications Corp Employees Retirement Plan

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 08/15/1960

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

MADISON RIVER COMMUNICATIONS CORP

805 BROADWAY STREET, 8TH FLOOR

VANCOUVER WA 98660

2b Employer Identification Number (EIN) 20-5689137

2c Sponsor's telephone number 360-905-6960

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	**Signature of plan administrator**	Date 4/8/13	MARINA PEARSON Enter name of individual signing as plan administrator
SIGN HERE	**Signature of employer/plan sponsor**	Date 4/8/13	MARINA PEARSON Enter name of individual signing as employer or plan sponsor
SIGN HERE	**Signature of DFE**	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
MADISON RIVER COMMUNICATIONS CORP

805 BROADWAY STREET, 8TH FLOOR

VANCOUVER WA 98660

3b Administrator's EIN
20-5689137

3c Administrator's telephone number
360-905-6960

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 MADISON RIVER COMMUNICATIONS CORP

4b EIN
20-5689137

4c PN
003

5	Total number of participants at the beginning of the plan year	**5**	476
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**	147
b	Retired or separated participants receiving benefits	**6b**	121
c	Other retired or separated participants entitled to future benefits	**6c**	199
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	467
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	5
f	Total. Add lines **6d** and **6e**	**6f**	472
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	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 Characteristic Codes in the instructions:
1A 1B 1G 3H

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)

(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)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

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

▶ **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
Madison River Communications Corp Employees Retirement Plan

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MADISON RIVER COMMUNICATIONS CORP

D Employer Identification Number (EIN)
20-5689137

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2011

2 Assets:

a	Market value	2a	15498994
b	Actuarial value	2b	14435649

3 Funding target/participant count breakdown:

			(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	111	3157539
b	For terminated vested participants	3b	180	5153728
c	For active participants:			
	(1) Non-vested benefits	3c(1)		34157
	(2) Vested benefits	3c(2)		6231896
	(3) Total active	3c(3)	185	6266053
d	Total	3d	476	14577320

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

a	Funding target disregarding prescribed at-risk assumptions	4a	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	

5	Effective interest rate	5	6.34%
6	Target normal cost	6	130000

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 Denise Patterson

Signature of actuary

03/26/2013
Date

Denise Patterson
Type or print name of actuary

1104167
Most recent enrollment number

Towers Watson Delaware Inc.
Firm name

312-525-2500
Telephone number (including area code)

191 North Wacker Drive
Chicago IL 60606
Address of the firm

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

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	2100829
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	415613
9	Amount remaining (line 7 minus line 8)	0	1685216
10	Interest on line 9 using prior year's actual return of 13.78%		232223
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38 from prior year)		2504950
b	Interest on (a) using prior year's effective rate of 6.64% except as otherwise provided (see instructions)		196003
c	Total available at beginning of current plan year to add to prefunding balance		2700953
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	1917439

Part III Funding percentages

14	Funding target attainment percentage	14	85.87%
15	Adjusted funding target attainment percentage	15	85.87%
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	80.00%
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
			Totals ► 18(b)	0	18(c) 0

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
3.78%	6.31%	6.57%	

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

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 eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of unpaid minimum required contributions for prior years

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

Part VIII Minimum required contribution for current year

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

a Target normal cost (line 6)	**31a**	130000
b Excess assets, if applicable, but not greater than 31a	**31b**	0

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	2059110	524306
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	654306

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	654306	654306

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

Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)

41 If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule:

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 SB ATTACHMENTS

Statement by Enrolled Actuary

Plan Sponsor	Madison River Communications Corp.
EIN/PN	20-5689137 / 003
Plan Name	Madison River Communications Corp. Employees' Retirement Plan
Valuation Date	January 1, 2011
Enrolled Actuary	Denise Patterson
Enrollment Number	11-04167

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2011

See Appendix A for retirement rates. The average retirement age for Line 22 was calculated by determining the average age at retirement for those current active participants expected to reach retirement, based on all current decrements assumed.

Weighted Average Retirement Age: 64

Appendix B

Summary of principal plan provisions

Plan Sponsor

Madison River Communications Corp.

Plan

Madison River Communications Corp. Employees' Retirement Plan

Effective Date and Most Recent Amendment

The plan was originally effective August 15, 1960. The provisions reflected herein are based on the January 1, 2009 restatement.

Plan Year

The twelve-month period ending December 31, 2011.

Coverage and Participation

Each Employee becomes a Participant on the Plan Entry Date on or next following the later of attainment of age 21 years and completion of a Qualifying Year of Service. On or after the Benefit Accrual Freeze date only those employees covered under a collective bargaining agreement may meet the eligibility requirements for participants. Participation in the plan is frozen as of February 28, 2003.

Benefit Accrual Freeze

Benefit accruals were frozen effective February 28, 2003 for all participants except those covered by a Collective Bargaining agreement. Benefit accruals for the participants covered by Collective Bargaining agreements were frozen December 31, 2005 for the Pekin and Galesburg locations and January 31, 2006 for the Dixon location. No service or compensation after the freeze date is included in the calculation of a participant's benefit.

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Benefit Service

Madison River Communications Corp.

Prior to January 1, 1976, benefit service includes all of an Employee's full calendar years of continuous employment on January 1, 1976. On and after January 1, 1976, one Year of Benefit Service is earned upon the completion of one thousand (1,000) or more Hours of Service. For those Employees of the Gallatin River division, Service for both the Collective Bargaining and Non-Bargaining units prior of November 1, 1998 will not be included for benefit accrual purposes, but will be included for eligibility and vesting.

Coastal Utilities, Inc.

All Plan Years with 1,000 or more Hours of Service.

Vesting Service

- All participants shall be vested under the 5-year cliff vesting rules.
- All participants shall be 100% vested upon attainment of their Normal Retirement Date.
- All participants shall be 100% vested upon attainment of their Disability Retirement Date.

Career Average Compensation/Salary

Madison River Communications Corp.

Definition: Compensation is the total compensation received by the Participant for the prior calendar year, including any amount deferred under a qualified 401(k), 403(b), 125 plan, or any other qualified cash or deferred arrangement. Excluded are moving expenses, automobile allowances, taxable values of employer paid group term life insurance, and any other special forms of payment.

Averaging: The Career Average Compensation is the average of Participant's Compensation earned for each Year of Credited Service. For Service prior to January 1, 1998, the total Compensation for Plan Year Ending December 31, 1997 will be used. For service after January 1, 1998, the Compensation earned for each Plan Year will be used.

SCHEDULE SB ATTACHMENTS, Part V – Summary of Plan Provisions

Coastal Utilities, Inc.

Definition: Compensation is the total compensation received by the Participant for the prior calendar year, including bonuses, overtime, commissions, and compensation for services on the basis of a percentage of profits, tips, and any amount deferred under a qualified 401(k), 403(b), 125 plan. Excluded are amounts for other fringe benefits, moving expenses, automobile allowances, taxable values of employer paid group term life insurance, and any other special forms of payment.

Averaging: Career average salary.

Normal Retirement Eligibility

Madison River Communications Corp.

The Normal Retirement Date for each Participant is the first of the month coincident with or next following the earlier of the attainment of age 65, but not earlier than the 5 year anniversary of Plan participation.

Coastal Utilities, Inc.

The Normal Retirement Date for each Participant is the first of the month coincident with or next following the attainment of age 65.

Normal Retirement Benefit

Madison River Communications Corp.

The amount of Normal Retirement Benefit payable according to the Normal Annuity Form chosen is calculated as follows:

1.25% of Career Average Compensation multiplied by Years of Benefit Service (max 35 years).

For Gallatin River Employees involved in Collective Bargaining Agreement, the benefit is the Employees applicable Band classification multiplied by their Years of Benefit Service after January 1, 1999.

Effective January 1, 2001 and after:

Location-Dixon
Band 1 $31.14
Band 2 $48.23

Plan Name:	Madison River Communications Corp. Employees' Retirement Plan
EIN / PN:	20-5689137 / 003
Plan Sponsor:	Madison River Communications Corp.
Valuation Date:	January 1, 2011

Location-Pekin
Band 1 $34.55
Band 2 $50.16

Location-Galesburg
Band 1 $36.47
Band 2 $48.08

For Bargaining Unit Employees who move from a lower Band classification to a higher Band classification, the Employee must be in the higher classification for three (3) years before all of his/her Benefit Service can be counted at the higher level.

For Bargaining Unit Employees who move from a higher Band classification to a lower classification, the benefit will be the greater of (1) the benefit calculated by using all of the Benefit Service, multiplied by the pension band amount as of the Accrual Date or (2) the cumulative total of each separate period of Benefit Service spent in each different band, multiplied by the applicable band amounts. The dollar amount of the higher pension Band will remain frozen unless the Employee is again assigned to a higher pension Band.

Minimum Benefit

For Mebtel Communication Employees who were Participants in the Mebtel Communications Employees' Pension Plan as of December 31, 1997, each Participant is entitled to a minimum benefit under the prior Plan using Average Compensation from 1993 to 1997.

Late Retirement

Eligibility is the first of the month on or next following the actual date the Participant terminates employment after Normal Retirement Date. The Benefit is based on service and final average compensation as of the actual retirement date or actuarial equivalent of Normal Retirement Benefit, if greater.

<u>Coastal Utilities, Inc.</u>

The amount of annual retirement benefit according to the Normal Form is calculated as follows:

1.35% of Final Average Compensation (FAC) multiplied by Years of Benefit Service as of December 31, 2000, plus 0.5 0% of such FAC in excess of the 2000 Covered Compensation multiplied by Years of Benefit Service (maximum 35) as of December 31, 2000, plus

1.25% of Career Average Compensation (CAC) multiplied by Years of Benefit Service as of December 31, 2000.

Final Average Compensation is high 5 consecutive calendar year average from date of employment to December 31, 2000. Career Average Compensation is average of all calendar years of compensation after December 31, 2000.

Covered compensation is the average of Social Security Taxable Wage Base for the 35-year period ending at the Participant's Social Security retirement age.

Accrued Benefits

The Monthly Accrued Benefit, with respect to the formula above, as of any date, is calculated using actual Benefit Service and Compensation as of the date of determination (not later than the freeze date).

Early Retirement Eligibility

Eligibility is contingent upon the attainment of age 55 and the completion of 10 Years of vesting service.

Early Retirement Benefit

A Participant may retire on the first day of any month following attainment of eligibility. The amount of the monthly Early Retirement Benefit is the Participant's Accrued Benefit reduced to reflect the early commencement of payments.

Madison River Communications Corp.

The reduction is one-one hundred eightieth (1/180) for each of the first sixth (60) months and one-three hundred sixtieth (1/360) for each of the next sixty (60) months by which the benefit commences prior to Normal Retirement Date.

Coastal Utilities. Inc.

The amount of the monthly early retirement benefit is the Participant's Accrued Benefit reduced to reflect the early commencement of payments. The reduction is one-one hundred eightieth (1/180) for each of the first sixty (60) months and one-three hundred sixtieth (1/360) for each of the next sixty (60) months by which the benefit commences prior to Normal Retirement Date.

Disability Retirement Eligibility

Madison River Communications Corp.

A Participant may retire on the first day of any month prior to Normal Retirement Date if he or she qualifies for any Employer sponsored disability benefits under an existing Insured Disability Income Plan, or becomes unable to complete the job requirements due to physical or mental impairment.

The Disability Benefit is determined as of the Disability Retirement Date. If the Participant is receiving a long-term disability benefit, Plan benefits will be deferred until the earlier of the Normal Retirement Date or when the long-term disability benefits terminate.

Coastal Utilities. Inc.

A Participant may retire on the first day of any month prior to Normal Retirement Date if he or she becomes unable to complete the job requirements due to physical or mental impairment and qualifies for total disability under the Federal Social Security Act. The condition must continue for six consecutive months.

Disability Retirement Benefit

Madison River Communications Corp.

Accrued Benefit as of the Disability Retirement Date.

Vested Benefits upon Termination of Service

The vested benefit shall be the vested portion of the Accrued Benefit as of the date of determination.

Death Benefit

Madison River Communications Corp.

If an active or terminated Participant is vested at the date of death, the Surviving Spouse will receive, at what would have been the Participant's Earliest Retirement age, a benefit computed assuming the Participant had terminated on the date of death and had elected a 50% Joint and Survivor Option at the Earliest Retirement Age.

If a Participant has completed the requirements for Early or Normal Retirement and dies prior to actual retirement, the Surviving Spouse will receive a benefit computed assuming the Participant had retired on the

first of the month on or next following the date of death and had elected a Joint and Survivor option with one-half of the initial amount continued to the Spouse as Contingent Annuitant.

Coastal Utilities. Inc.

If an active or terminated Participant is vested at the date of death, the Surviving Spouse will receive, at what would have been the Participant's Earliest Retirement Date, a benefit computed assuming the Participant had terminated on the date of death and had elected a 50% Joint and Survivor Option at the Earliest Retirement Age.

If a Participant has completed the requirements for Early or Normal Retirement and dies prior to actual retirement,, the Surviving Spouse will receive a benefit computed assuming the Participant had retired on the first of the month on or next following the date of death and had elected a Joint and Survivor option with one-half of the initial amount continued to the Spouse as Contingent Annuitant.

Prior to a Participant's Retirement Date, beneficiaries may receive a lump sum equal to 100 times the December 31, 2000 Accrued Benefit.

Optional Forms of Retirement Income in Lieu of Normal Form

Madison River Communications Corp.

A Participant may elect to receive the annuity under one of the following actuarially equivalent optional modes:

- A monthly benefit is paid to the Participant for life, with no further benefits after death.
- A reduced benefit is paid to the participant while the participant and the designed contingent annuitant are both living, with such benefit (50%, 75% or 100% of such benefit thereof) continued after death for the subsequent lifetime of the Surviving Spouse.
- A reduced benefit is paid to the Participant for life, with 120, 180 or 240 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a beneficiary until 120, 180 or 240 have been paid.
- A lump sum payment of the Actuarial Equivalence of the Participant's retirement benefit, provided the amount does not exceed $1,000.00. Mebtel Participants have certain special provisions.

The Normal Form of payment is Life Annuity. For Mebtel Employees, the Normal Form of payment is a Ten (10) Year Certain and Life Annuity. Unless the participant has elected an option above, it is automatically assumed that a married participant has elected a Joint and Last Survivor option with one-half of the initial amount continued to the spouse upon the participant's death.

Coastal Utilities. Inc.

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

- A monthly benefit is paid to the Participant for life, with no further benefits after death.
- A reduced benefit is paid to the participant while the participant and the designed contingent annuitant are both living, with such benefit (50%, 75% or 100% of such benefit thereof) continued after death of either party, payable for the subsequent lifetime of the survivor.
- A reduced benefit is paid to the Participant for life, with 120, 180 or 240 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a beneficiary until 120, 180 or 240 have been paid.
- A lump sum payment of the Actuarial Equivalence of the Participant's Normal Retirement Benefit, provided the amount does not exceed $1,000.00. Participants may receive a lump sum payment of the Actuarial Equivalence of the December 31, 2000 Actuarial Benefit without regard to any maximum limit.

The Normal Form of payment is Life Annuity. Unless the participant has elected an option above, it is automatically assumed that a married participant has elected a Joint and Last Survivor option with one-half of the initial amount continued to the surviving spouse as contingent annuitant.

Plan Participants' Contributions

Not applicable.

Changes in Plan Provisions since Last Actuarial Valuation

None.

5500 Schedule H, Line 4i

Schedule of Assets (Held at End of Year)

See attachment – 5500 Schedule H, Part III Accountants Opinion

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 11
Explanation of Interest Adjustment for Excess Contributions under Special Final Rule as of January 1, 2011

Line 11a has been adjusted to reflect the addition of credit balances used during the year and subsequently replenished due to cash contributions.

Line 11b has been adjusted to reflect interest on the replenished balance at the actual return of 13.78%.

2010 Schedule SB Line 38	$	2,504,950
Excess contributions at beginning of prior year with regard to the 2010 minimum required contribution	$	2,089,337
Interest earned on excess at prior year effective rate of 8.17%		138,732
Excess contribution amount solely because an election was made to offset the minimum required contribution for 2010 with funding standard carryover balance		415,613
Interest earned on replenished credit balance at prior year actual return on assets of 13.78%		57,271
Total amount available to be added to the prefunding balance	$	2,700,953

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2011

Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
Shortfall	01/01/2011	(198,309)	7	(198,309)	(32,628)
Shortfall	01/01/2010	748,114	6	673,314	125,030
Shortfall	01/01/2009	(335,969)	5	(277,147)	(59,617)
Shortfall	01/01/2008	2,938,708	4	1,861,252	491,521
Total				2,059,110	524,306

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 25
Change in Method

The following method change was made as part of this valuation:

- The interest rate used to determine the Funding Target was changed from the segment rates based on bond yields during the month of the valuation (January) to the segment rates based on bond yields for the fourth month preceding the valuation date (September). In accordance with 1.430(h)(2)-1(h)(3), automatic approval has been granted for some changes in funding methods permitted by the Pension Protection Act with respect to the interest rate methodology. The method for determining interest rates was changed from 3-segment rates without a lookback to 3-segment rates with a 4-month lookback and thus is automatically approved.

- The valuation software used to produce the actuarial information submitted on this schedule has been changed and refined to reflect evolving understanding of PPA requirements, and such modifications may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24

Change in Actuarial Assumptions

The following assumption change was made as part of this valuation:

- The retirement rates have been updated to reflect the possibility of participants electing to commence benefits at their Early Retirement Date.