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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089               |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2012</b>                                   |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

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

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

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

|                                                                                                            |                                                          |                   |                                                              |
|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | <u>Filed with authorized/valid electronic signature.</u> | <u>10/14/2013</u> | <u>CAMBER L BOLAND</u>                                       |
|                                                                                                            | Signature of plan administrator                          | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           |                                                          |                   |                                                              |
|                                                                                                            | Signature of employer/plan sponsor                       | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           |                                                          |                   |                                                              |
|                                                                                                            | Signature of DFE                                         | Date              | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                          |                   | Preparer's telephone number (optional)                       |
|                                                                                                            |                                                          |                   |                                                              |

|                                                                                                                                                                                                                                                                                                                                                                                                                    |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address                                                                                                                                                                                                                                                |           | <b>3b</b> Administrator's EIN                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                                                                                                                    |           | <b>3c</b> Administrator's telephone number                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                    |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>4</b> 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:<br><b>a</b> Sponsor's name                                                                                                                                                                                                  |           | <b>4b</b> EIN<br><br><b>4c</b> PN                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                            |           | <b>5</b> 427                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                             |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                                                                                                                                                  | <b>6a</b> | 351                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                 | <b>6b</b> | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                  | <b>6c</b> | 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                           | <b>6d</b> | 393                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                          | <b>6e</b> | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                            | <b>6f</b> | 393                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                     | <b>6g</b> | 379                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                         | <b>6h</b> | 19                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                               |           | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2G 2J 2K 2F 2T 3D                                                                                                                                                                                                                               |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                        |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                      |           | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                     |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                  |           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary |           | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        |                                                |
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| <b>SCHEDULE C</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Service Provider Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>2012</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                        | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

**Part I Service Provider Information (see instructions)**

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

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

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

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
| WADDELL & REED<br>6300 LAMAR AVE<br>P.O. BOX 29217<br>SHAWNEE MISSION, KS 66201-9217                              |

|                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation |
|------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
|-------------------------------------------------------------------------------------------------------------------|

|                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------|
| <b>(b)</b> Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation |
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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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

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

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

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

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

NATIONWIDE

ONE NATIONWIDE PLAZA  
COLUMBUS, OH 43215

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 15 60 49 63<br>59 64   | NONE                                                                                              | 15090                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                            | 47844                                                                                                                                                                           | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

DEMARS PENSION CONSULTING

8700 INDIAN CREEK PARKWAY  
SUITE 185  
OVERLAND PARK, KS 66210

| (b)<br>Service Code(s) | (c)<br>Relationship to employer, employee organization, or person known to be a party-in-interest | (d)<br>Enter direct compensation paid by the plan. If none, enter -0-. | (e)<br>Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f)<br>Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g)<br>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)<br>Did the service provider give you a formula instead of an amount or estimated amount? |
|------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 10 15 37 65<br>50 99   | NONE                                                                                              | 11653                                                                  | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                  | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                            | 7899                                                                                                                                                                            | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                          |

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

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

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

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

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

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

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

**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<br>(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<br>(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<br>(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)

|                                                                            |                                  |
|----------------------------------------------------------------------------|----------------------------------|
| <b>a</b> Name: MAPES & MILLER LLP                                          | <b>b</b> EIN: 48-1077109         |
| <b>c</b> Position: PLAN AUDITOR                                            |                                  |
| <b>d</b> Address: P.O. BOX 266<br>711 3RD STREET<br>PHILLIPSBURG, KS 67661 | <b>e</b> Telephone: 785-543-6561 |
|                                                                            |                                  |

Explanation: BOARD VOTE BASED ON AUDIT QUOTES/COSTS AND TIMELINESS OF FINISHED AUDIT.

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>▶ File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2012</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>RURAL TELEPHONE SERVICE COMPANY, INC. 401(K) PLAN</u>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                              | <b>B</b> Three-digit plan number (PN) <span style="float: right;"><u>003</u></span>       |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>RURAL TELEPHONE SERVICE COMPANY, INC.</u>                                                                                                                                                            |                                                                                                                                                                                                                                                                              | <b>D</b> Employer Identification Number (EIN)<br><u>48-0538069</u>                        |

|          | Part I Asset and Liability Statement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 | (a) Beginning of Year | (b) End of Year |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> | 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. <b>Round off amounts to the nearest dollar.</b> 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. |                 |                       |                 |
|          | <b>Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                       |                 |
| <b>a</b> | Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       |                       |                 |
| <b>b</b> | Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
|          | <b>(1)</b> Employer contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1b(1)</b>    | 176166                | 172060          |
|          | <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1b(2)</b>    | 24524                 | 25915           |
|          | <b>(3)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1b(3)</b>    |                       |                 |
| <b>c</b> | General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
|          | <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(1)</b>    |                       |                 |
|          | <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(2)</b>    |                       |                 |
|          | <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                 |                       |                 |
|          | <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(3)(A)</b> |                       |                 |
|          | <b>(B)</b> All other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(3)(B)</b> |                       |                 |
|          | <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |                       |                 |
|          | <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(4)(A)</b> |                       |                 |
|          | <b>(B)</b> Common .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(4)(B)</b> |                       |                 |
|          | <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1c(5)</b>    |                       |                 |
|          | <b>(6)</b> Real estate (other than employer real property) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(6)</b>    |                       |                 |
|          | <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>1c(7)</b>    |                       |                 |
|          | <b>(8)</b> Participant loans .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(8)</b>    | 24610                 | 16769           |
|          | <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(9)</b>    |                       |                 |
|          | <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>1c(10)</b>   |                       |                 |
|          | <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(11)</b>   |                       |                 |
|          | <b>(12)</b> Value of interest in 103-12 investment entities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(12)</b>   |                       |                 |
|          | <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(13)</b>   | 11024674              | 13008621        |
|          | <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(14)</b>   |                       |                 |
|          | <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(15)</b>   |                       |                 |

| <b>1d</b> Employer-related investments:                              |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 11249974              | 13223365        |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |          |          |
|-----------------------------------------------------------|-----------|----------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 11249974 | 13223365 |
|-----------------------------------------------------------|-----------|----------|----------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 172060     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 841540     |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 39495      |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1053095   |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 1094       |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 1094      |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> | 150611     |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 150611    |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                |        | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------|--------|------------|-----------|
| (6) Net investment gain (loss) from common/collective trusts .....                             | 2b(6)  |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                             | 2b(7)  |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                     | 2b(8)  |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                           | 2b(9)  |            |           |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)..... | 2b(10) |            | 1448121   |
| c Other income.....                                                                            | 2c     |            |           |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 2652921   |

**Expenses**

|                                                                                     |       |        |        |
|-------------------------------------------------------------------------------------|-------|--------|--------|
| e Benefit payment and payments to provide benefits:                                 |       |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....     | 2e(1) | 652787 |        |
| (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) |        | 652787 |
| 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) |        |        |
| (2) Contract administrator fees .....                                               | 2i(2) |        |        |
| (3) Investment advisory and management fees .....                                   | 2i(3) | 26743  |        |
| (4) Other .....                                                                     | 2i(4) |        |        |
| (5) Total administrative expenses. Add lines 2i(1) through (4).....                 | 2i(5) |        | 26743  |
| j Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | 2j    |        | 679530 |

**Net Income and Reconciliation**

|                                                         |       |  |         |
|---------------------------------------------------------|-------|--|---------|
| k Net income (loss). Subtract line 2j from line 2d..... | 2k    |  | 1973391 |
| l Transfers of assets:                                  |       |  |         |
| (1) To this plan.....                                   | 2l(1) |  |         |
| (2) From this plan .....                                | 2l(2) |  |         |

**Part III Accountant's Opinion**

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

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

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

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

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

(1) Name: MAPES & MILLER

(2) EIN: 48-1077109

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

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

**Part IV Compliance Questions**

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

During the plan year:

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

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

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               | Yes | No | Amount |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 500000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    |     | X  |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | X   |    |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     | X  |        |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      |     |    |        |

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

## Part V Trust Information (optional)

**6a** Name of trust

**6b** Trust's EIN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110                              |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>2012</b>                                    |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            | <b>This Form is Open to Public Inspection.</b> |

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 12/31/2012

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

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): <u>31-1592130</u> |          |          |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

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

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                             |                              |
| <b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                                            | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                                | <b>6b</b>                    |                             |                              |
| <b>c</b> 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).....                                                                                                                                                                                                                           | <b>6c</b>                    |                             |                              |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> 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?.....                                                                                                | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</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.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

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

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

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 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:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

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

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

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

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

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

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

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

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

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

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

Financial Statements

December 31, 2012

**RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN**  
Financial Statements  
December 31, 2012

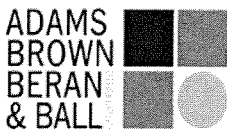
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**Supplementary Information**

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Certified Public Accountants

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Bank of America Building ■ 2006 Broadway, Suite 2A  
P.O. Drawer J ■ Great Bend, Kansas 67530

## INDEPENDENT AUDITORS' REPORT

**Rural Telephone Service Company, Inc. 401(k) Plan**  
145 N. Main Street, PO Box 158  
Lenora, KS

### Report on the Financial Statements

We were engaged to audit the accompanying financial statements of **Rural Telephone Service Company, Inc. 401(k) Plan**, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year, December 31, 2012, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

### Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan's administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Nationwide Trust Company, FSB, the trustee/custodian of the Plan, except for comparing the information with the related information included in the 2012 financial statements and supplemental schedule. We have been informed by the Plan's administrator that the trustee/custodian holds the Plan's investment assets and executes investment transactions. The Plan's administrator has obtained a certification from the trustee/custodian as of and for the year ended December 31, 2012, that the information provided to the Plan's administrator by the trustee/custodian is complete and accurate.

## **Rural Telephone Service Company, Inc. 401(k) Plan**

### **Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the 2012 financial statements. Accordingly, we do not express an opinion on the 2012 financial statements.

### **Other Matters – Supplemental Schedule**

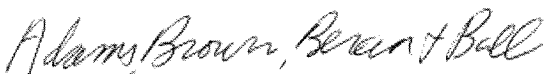
The supplemental schedule of assets held at end of year, as of December 31, 2012, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

### **Other Matter - 2011 Financial Statements**

The financial statements of the plan as of December 31, 2011, were audited by predecessor 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 predecessor auditors not to perform and they did not perform, any auditing procedures with respect to the information certified by the trustee/custodian. Their report, dated October 8, 2012, indicated that (a) because of the significance of the information that they did not audit, they were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee/custodian, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

### **Report on Form and Content in Compliance With DOL Rules and Regulations 2012**

The form and content of the information included in the 2012 financial statements and supplemental schedule, other than that derived from the information certified by the trustee/custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



**ADAMS, BROWN, BERAN & BALL, CHTD.**  
Certified Public Accountants

October 14, 2013

**RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN**  
**Statements of Net Assets Available for Benefits**  
**December 31, 2012 and 2011**

| <b><u>ASSETS</u></b>                     |    |                          |                          |
|------------------------------------------|----|--------------------------|--------------------------|
|                                          |    | <b><u>2012</u></b>       | <b><u>2011</u></b>       |
| <b>Investments at Fair Value</b>         |    |                          |                          |
| Mutual Funds                             | \$ | <b><u>13,008,621</u></b> | <b><u>11,024,674</u></b> |
| <b>Receivables</b>                       |    |                          |                          |
| Employer Contributions                   |    | <b>172,060</b>           | 176,166                  |
| Participant Contributions                |    | <b>25,915</b>            | 24,524                   |
| Notes Receivable From Participants       |    | <b><u>16,769</u></b>     | <b><u>24,610</u></b>     |
| <b>Total Receivables</b>                 |    | <b><u>214,744</u></b>    | <b><u>225,300</u></b>    |
| <b>Total Assets</b>                      |    | <b>13,223,365</b>        | <b>11,249,974</b>        |
| <b><u>LIABILITIES</u></b>                |    |                          |                          |
| <b>Accounts Payable</b>                  |    | <b><u>-</u></b>          | <b><u>-</u></b>          |
| <b>Net Assets Available for Benefits</b> | \$ | <b><u>13,223,365</u></b> | <b><u>11,249,974</u></b> |

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

**RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN**  
Statement of Changes in Net Assets Available for Benefits  
For the Year Ended December 31, 2012

---

|                                                              |                      |
|--------------------------------------------------------------|----------------------|
| <b>Investment Income</b>                                     |                      |
| Net Appreciation in Fair Value of Investments                | \$ 1,448,121         |
| Interest and Dividends                                       | <u>150,611</u>       |
| <b>Total Investment Income</b>                               | <u>1,598,732</u>     |
| <b>Interest Income on Notes Receivable From Participants</b> | <u>1,094</u>         |
| <b>Contributions</b>                                         |                      |
| Participant                                                  | 841,540              |
| Employer                                                     | 172,060              |
| Rollovers                                                    | <u>39,495</u>        |
| <b>Total Contributions</b>                                   | <u>1,053,095</u>     |
| <b>Total Additions</b>                                       | <u>2,652,921</u>     |
| <b>Deductions</b>                                            |                      |
| Benefits Paid to Participants                                | 652,787              |
| Administrative Fees                                          | <u>26,743</u>        |
| <b>Total Deductions</b>                                      | <u>679,530</u>       |
| <b>Net Increase</b>                                          | 1,973,391            |
| <b>Net Assets Available for Benefits - Beginning of Year</b> | <u>11,249,974</u>    |
| <b>Net Assets Available for Benefits - End of Year</b>       | \$ <u>13,223,365</u> |

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

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

Notes to Financial Statements

December 31, 2012

---

### **NOTE 1 - DESCRIPTION OF PLAN**

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

#### **General**

The Plan is a defined contribution 401(k) plan covering substantially all employees of the Company, who have six months of service and are age 18 or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

#### **Contributions**

Each year, participants may contribute up to 50% of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Company may make a discretionary contribution each year. Contributions are subject to certain IRS limitations.

#### **Participant Accounts**

Each participant's account is credited with the participant's contribution and allocations of the Company's contribution, as well as allocations of Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### **Vesting**

Participants are vested immediately in their contributions, plus actual earnings thereon. Vesting in the Company's contributions is as follows: 20% at 2 years, 40% at 3 years, 60% at 4 years, 80% at 5 years and 100% at 6 or more years of service.

#### **Forfeited Accounts**

At December 31, 2012 and 2011, forfeited non-vested accounts totaled \$4,358 and \$306, respectively. These accounts will be used to reduce future employer contributions and Plan expenses. No forfeitures were used to reduce employer contributions in 2012 and 2011. Also, in 2012 and 2011, Plan expenses were paid with \$-0- and \$2,077 in forfeitures, respectively.

#### **Payment of Benefits**

On termination of service, a participant may elect to receive either a lump-sum amount equal to the value of the vested interest in his or her account, an annuity, or delay receipt of benefits, if the vested account balance is greater than \$5,000.

#### **Notes Receivable From Participants**

Participants may borrow from their fund account a minimum of \$1000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 6.25%, which are commensurate with local prevailing rates as determined quarterly by the Plan's management. Principal and interest are paid ratably through biweekly payroll deductions.

**RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN**  
Notes to Financial Statements  
December 31, 2012

---

**NOTE 2 - SUMMARY OF ACCOUNTING POLICIES**

**Basis of Accounting**

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

**Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

**Investment Valuation and Income Recognition**

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's management determines the Plan's valuation policies. See Note 4 for discussion of fair value measurements.

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

**Notes Receivable From Participants**

Notes receivable from participants are measured at their unpaid principal balance. Any accrued but unpaid interest is included in participant contributions receivable. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2012 or 2011. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

**Payment of Benefits**

Benefits are recorded when paid.

**Expenses**

Certain expenses of maintaining the Plan are paid directly by the Company and are excluded from these financial statements. Fees related to the administration of participant loans are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation of fair value of investments.

**Subsequent Events**

The Plan has evaluated subsequent events through October 14, 2013, the date the financial statements were available to be issued.

**NOTE 3 - INVESTMENTS**

The following presents investments that represent 5% or more of the Plan's net assets:

|                          | <u>2012</u> | <u>2011</u> |
|--------------------------|-------------|-------------|
| Wr Adv Asst Strat Fund   | \$ 821,821  | 723,132     |
| Wr Adv Cor Invt Fund     | 767,970     | 624,556     |
| Wr Adv Scnc Tech Fund    | 947,773     | 795,526     |
| Wr Adv Smcap Fund        | 749,152     | 682,533     |
| Wr Adv New Concepts Fund | *           | 567,799     |
| Wr Ivy Asst Strat Fund   | 670,078     | *           |

\* Balance was less than 5% of the Plan's net assets.

**RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN**  
Notes to Financial Statements  
December 31, 2012

---

During the year ending December 31, 2012, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$1,448,121, as follows:

|              |              |
|--------------|--------------|
| Mutual Funds | \$ 1,448,121 |
|--------------|--------------|

**NOTE 4 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

|         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Level 2 | <p>Inputs to the valuation methodology include -</p> <ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> <p>If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011.

**Mutual Funds**

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

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012 and 2011:

**RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN**  
Notes to Financial Statements  
December 31, 2012

| <i>Assets at Fair Value as of December 31, 2012</i> |                             |                 |                 |                          |
|-----------------------------------------------------|-----------------------------|-----------------|-----------------|--------------------------|
|                                                     | <u>Level 1</u>              | <u>Level 2</u>  | <u>Level 3</u>  | <u>Total</u>             |
| Mutual Funds                                        |                             |                 |                 |                          |
| Balanced Funds                                      | \$ 1,186,618                | -               | -               | <b>1,186,618</b>         |
| Growth Funds                                        | 2,976,354                   | -               | -               | <b>2,976,354</b>         |
| Growth and Income Funds                             | 1,174,310                   | -               | -               | <b>1,174,310</b>         |
| Bond Funds                                          | 1,706,084                   | -               | -               | <b>1,706,084</b>         |
| Foreign Funds                                       | 2,350,287                   | -               | -               | <b>2,350,287</b>         |
| Other Funds                                         | <u>3,614,968</u>            | <u>-</u>        | <u>-</u>        | <b><u>3,614,968</u></b>  |
| <b>Total Assets at Fair Value</b>                   | <b>\$ <u>13,008,621</u></b> | <b><u>-</u></b> | <b><u>-</u></b> | <b><u>13,008,621</u></b> |

| <i>Assets at Fair Value as of December 31, 2011</i> |                             |                 |                 |                          |
|-----------------------------------------------------|-----------------------------|-----------------|-----------------|--------------------------|
|                                                     | <u>Level 1</u>              | <u>Level 2</u>  | <u>Level 3</u>  | <u>Total</u>             |
| Mutual Funds                                        |                             |                 |                 |                          |
| Balanced Funds                                      | \$ 900,812                  | -               | -               | 900,812                  |
| Growth Funds                                        | 2,907,293                   | -               | -               | 2,907,293                |
| Growth and Income Funds                             | 933,702                     | -               | -               | 933,702                  |
| Bond Funds                                          | 922,742                     | -               | -               | 922,742                  |
| Foreign Funds                                       | 2,061,579                   | -               | -               | 2,061,579                |
| Other Funds                                         | <u>3,298,546</u>            | <u>-</u>        | <u>-</u>        | <u>3,298,546</u>         |
| <b>Total Assets at Fair Value</b>                   | <b>\$ <u>11,024,674</u></b> | <b><u>-</u></b> | <b><u>-</u></b> | <b><u>11,024,674</u></b> |

**NOTE 5 - PLAN TERMINATION**

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

**NOTE 6 - TAX STATUS**

The IRS has determined and informed the Company that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan's management believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan's management believes it is no longer subject to income tax examinations for years prior to 2009.

**NOTE 7 - CERTIFIED INVESTMENTS**

Certain information related to investments disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2012 and 2011, and net appreciation in fair value of investments, interest and dividends for the year ended December 31, 2012, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by Nationwide Trust Company, FSB (the trustee/custodian of the Plan).

**RURAL TELEPHONE SERVICE COMPANY, INC. 401(k) PLAN**  
Notes to Financial Statements  
December 31, 2012

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**NOTE 8 - RISKS AND UNCERTAINTIES**

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

**NOTE 9 - RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS**

Certain Plan investments are shares of mutual funds managed by various fund companies. Fees incurred by the Plan for investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. As described in Note 2, the Plan made a direct payment to the trustee/custodian, Nationwide Trust Company, FSB of \$15,090, which was not covered by revenue sharing. Also, \$11,653 was paid to Demars Pension Consulting Services, Inc., the third party administrator, which was not covered by revenue sharing. Loan fees paid out of participant accounts to Nationwide Trust Company, FSB, also qualify as a party-in-interest transaction. The Plan Sponsor pays directly any other fees related to the plan's operations.

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

**Supplementary Information**

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

EIN 48-0538069 - Plan Number 003

Schedule of Assets Held at End of Year

December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Abrden Gbl Eq Fund                                              | Value of Int in Regist Invest Co. | \$ 100,464           |
| Alger Cap App Inst Fund                                         | Value of Int in Regist Invest Co. | 9,127                |
| Allber Hi Inc Fund                                              | Value of Int in Regist Invest Co. | 30,740               |
| Allber Int Val Fund                                             | Value of Int in Regist Invest Co. | 260                  |
| Allnzgi Nfj Smcap Val Fund                                      | Value of Int in Regist Invest Co. | 47,110               |
| Amcent Bal Inst Fund                                            | Value of Int in Regist Invest Co. | 9,409                |
| Amcent Growth Fund                                              | Value of Int in Regist Invest Co. | 17,564               |
| Amcent Infl Adj Bond Fund                                       | Value of Int in Regist Invest Co. | 14,647               |
| Amcent Realest Fund                                             | Value of Int in Regist Invest Co. | 261                  |
| Amcent Shtdrinflprtbd Inst Fund                                 | Value of Int in Regist Invest Co. | 53,159               |
| Amcent Sm Co Fund                                               | Value of Int in Regist Invest Co. | 19,261               |
| Amfds Amcap Fund (R5)                                           | Value of Int in Regist Invest Co. | 3,193                |
| Amfds Am Bal Fund (R3)                                          | Value of Int in Regist Invest Co. | 72,738               |
| Amfds Am Bal Fund (R6)                                          | Value of Int in Regist Invest Co. | 30,988               |
| Amfds Hi Inc Tr Fund (R6)                                       | Value of Int in Regist Invest Co. | 27,339               |
| Amfds Am Mut Fund (R5)                                          | Value of Int in Regist Invest Co. | 73,889               |
| Amfds Cap Wld Bond Fund (R3)                                    | Value of Int in Regist Invest Co. | 5,537                |
| Amfds Cap Wld Bond Fund (R5)                                    | Value of Int in Regist Invest Co. | 21,452               |
| Amfds Cap Wld Gr Inc Fund (R3)                                  | Value of Int in Regist Invest Co. | 45,006               |
| Amfds Cap Wld Gr Inc Fund (R5)                                  | Value of Int in Regist Invest Co. | 4,940                |
| Amfds Fdmntl In Fund (R3)                                       | Value of Int in Regist Invest Co. | 49,052               |
| Amfds Fdmntl In Fund (R5)                                       | Value of Int in Regist Invest Co. | 5,126                |
| Amfds Growth Fund (R3)                                          | Value of Int in Regist Invest Co. | 72,057               |
| Amfds Inc Fund (R3)                                             | Value of Int in Regist Invest Co. | 40,218               |
| Amfds Intrmd Bond Fund (R6)                                     | Value of Int in Regist Invest Co. | 190,796              |
| Amfds New Wld Fund (R3)                                         | Value of Int in Regist Invest Co. | 49,806               |
| Amfds New Wld Fund (R5)                                         | Value of Int in Regist Invest Co. | 5,257                |
| Astn Frpt Mdcap Fund                                            | Value of Int in Regist Invest Co. | 4,076                |
| Avemaira Ris Divd Fund                                          | Value of Int in Regist Invest Co. | 7,405                |
| Baron Smcap Fund                                                | Value of Int in Regist Invest Co. | 15,757               |
| Blkrk Eq Divd Inv Fund                                          | Value of Int in Regist Invest Co. | 48,719               |
| Clvrt Smcap Fund                                                | Value of Int in Regist Invest Co. | 4,726                |
| Col Mdcap Gr Oppr Fund                                          | Value of Int in Regist Invest Co. | 14,412               |
| De Emrg Mkt Fund                                                | Value of Int in Regist Invest Co. | 53,754               |
| De Extnd Dur Bond Fund                                          | Value of Int in Regist Invest Co. | 20,705               |
| Dfa US Lg Co Fund                                               | Value of Int in Regist Invest Co. | 86,124               |
| Dws Rreef Gblrealest Seca Fund                                  | Value of Int in Regist Invest Co. | 53,885               |
| Davis Ny Vntr Fund                                              | Value of Int in Regist Invest Co. | 31,025               |
| Drey Emrg Mkt Fund                                              | Value of Int in Regist Invest Co. | 8,408                |
| Drxnevol All Cap Eq Inv Fund                                    | Value of Int in Regist Invest Co. | 12,052               |
| Drxnevol Altrnatvinvmt Inv Fund                                 | Value of Int in Regist Invest Co. | 7,865                |
| Drxnevol Mfg Bond Fund                                          | Value of Int in Regist Invest Co. | 5,471                |
| Drxnevol Mkt Ldrs Inv Fund                                      | Value of Int in Regist Invest Co. | 7,330                |
| Ev Flotng Rt Fund                                               | Value of Int in Regist Invest Co. | 30,535               |
| Fed Bond Fund                                                   | Value of Int in Regist Invest Co. | 71,650               |
| Fed Intl Ldrs Fund                                              | Value of Int in Regist Invest Co. | 8,262                |

See independent auditors' report

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

EIN 48-0538069 - Plan Number 003  
Schedule of Assets Held at End of Year  
December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Fed Prudnt Bear Fund                                            | Value of Int in Regist Invest Co. | \$ 135,460           |
| Fidadv New Insights Fund                                        | Value of Int in Regist Invest Co. | 48,927               |
| Fidadv Val Strat Fund                                           | Value of Int in Regist Invest Co. | 11,995               |
| Fnkn Inc Fund                                                   | Value of Int in Regist Invest Co. | 79,822               |
| Fnklnmsf Mut Gbl Disc Fund                                      | Value of Int in Regist Invest Co. | 49,050               |
| Fnklnmsf Div Mkt Tr Fund                                        | Value of Int in Regist Invest Co. | 48,227               |
| Fnklnmsf Forgn Fund                                             | Value of Int in Regist Invest Co. | 26,272               |
| Gdmnses Mdcap Val Fund                                          | Value of Int in Regist Invest Co. | 54,949               |
| Gdmnses Smcap Val A                                             | Value of Int in Regist Invest Co. | 39,262               |
| Harbor Intl Inst Fund                                           | Value of Int in Regist Invest Co. | 84,024               |
| Heartland Val Pls Inv Fund                                      | Value of Int in Regist Invest Co. | 29,199               |
| Invsco Comstk Fund                                              | Value of Int in Regist Invest Co. | 65,992               |
| Invsco Eq Inc Fund                                              | Value of Int in Regist Invest Co. | 73,625               |
| Invsco Gbl Cor Eq Fund                                          | Value of Int in Regist Invest Co. | 48,660               |
| Invsco Gr Inc Fund                                              | Value of Int in Regist Invest Co. | 49,146               |
| Invsco Mdcap Cor Eq Fund                                        | Value of Int in Regist Invest Co. | 53,905               |
| JPM Cor Bond Fund                                               | Value of Int in Regist Invest Co. | 13,761               |
| JPM Smcap Val Fund                                              | Value of Int in Regist Invest Co. | 44,587               |
| JPM Smcap Val Fund                                              | Value of Int in Regist Invest Co. | 60,171               |
| Janus Frty Fund                                                 | Value of Int in Regist Invest Co. | 3,832                |
| Leggm Wstras Corplsbd Fund                                      | Value of Int in Regist Invest Co. | 40,434               |
| Leggm Wstras Infndplsbdinst                                     | Value of Int in Regist Invest Co. | 45,375               |
| Mfrs Gbl Ttl Rtn Fund                                           | Value of Int in Regist Invest Co. | 291                  |
| Mfs Intl New Disc Fund                                          | Value of Int in Regist Invest Co. | 45,195               |
| Mfs Val A                                                       | Value of Int in Regist Invest Co. | 139,818              |
| * NW Inv Dest Mod Aggr Svc Fund                                 | Value of Int in Regist Invest Co. | 30,807               |
| * NW Inv Dest Mod Svc Fund                                      | Value of Int in Regist Invest Co. | 76                   |
| * NW Mny Mkt Inst Fund                                          | Value of Int in Regist Invest Co. | 68,584               |
| Neuber Hi Inc Fund                                              | Value of Int in Regist Invest Co. | 19,043               |
| Neuber Hi Inc Bond Inv Fund                                     | Value of Int in Regist Invest Co. | 7,969                |
| Neuber Realest Tr Fund                                          | Value of Int in Regist Invest Co. | 6,313                |
| Okmrk Gbl Li Fund                                               | Value of Int in Regist Invest Co. | 43,878               |
| Olstn All Cap Val Adv Fund                                      | Value of Int in Regist Invest Co. | 10,908               |
| Opp Devl Mkt Fund                                               | Value of Int in Regist Invest Co. | 54,637               |
| Opp Gold Spec Mnrls Fund                                        | Value of Int in Regist Invest Co. | 1,652                |
| Opp Intl Bond Fund                                              | Value of Int in Regist Invest Co. | 33,490               |
| Opp Intl Gr Fund                                                | Value of Int in Regist Invest Co. | 81,373               |
| Opp Ltd Trm Govt Fund                                           | Value of Int in Regist Invest Co. | 564                  |
| Pimco Comdtrealrtntstat Fund                                    | Value of Int in Regist Invest Co. | 13,319               |
| Pimco Real Rtn Fund                                             | Value of Int in Regist Invest Co. | 19,052               |
| Pimco Real Rtn Inst Fund                                        | Value of Int in Regist Invest Co. | 24,810               |
| Pimco Ttl Rtn Inst Fund                                         | Value of Int in Regist Invest Co. | 87,340               |
| Pionr Eq Inc Fund                                               | Value of Int in Regist Invest Co. | 67,368               |
| Pionr Hi Yld Fund                                               | Value of Int in Regist Invest Co. | 43,564               |
| Prncpl Lgcap Gr Fund                                            | Value of Int in Regist Invest Co. | 87,542               |
| Prudntl Jniss 20 20 Focs Fund                                   | Value of Int in Regist Invest Co. | 15,594               |

See independent auditors' report

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

EIN 48-0538069 - Plan Number 003  
Schedule of Assets Held at End of Year  
December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Prudntl Jnish Gr Fund                                           | Value of Int in Regist Invest Co. | \$ 99,113            |
| Prudntl Ttl Rtn Bond Fund                                       | Value of Int in Regist Invest Co. | 36,780               |
| Ptnm Eq Inc Fund                                                | Value of Int in Regist Invest Co. | 7,933                |
| Rydexsgi S P 500 Pure Gr Fund                                   | Value of Int in Regist Invest Co. | 13,634               |
| Rydexsgi S P 500 Pure Val Fund                                  | Value of Int in Regist Invest Co. | 17,459               |
| Rydexsgi S P Mdcap 400 Pure Val Fund                            | Value of Int in Regist Invest Co. | 6,368                |
| Sntnl Sm Co Fund                                                | Value of Int in Regist Invest Co. | 9,582                |
| Trowepr Blue Chip Gr Fund                                       | Value of Int in Regist Invest Co. | 60,238               |
| Trowepr Eq Inc Fund                                             | Value of Int in Regist Invest Co. | 53,955               |
| Thrnbrg Intl Inv Fund                                           | Value of Int in Regist Invest Co. | 44,586               |
| Turner Smcap Gr Fund                                            | Value of Int in Regist Invest Co. | 40,974               |
| Vaneck Gbl Hrd Asst Fund                                        | Value of Int in Regist Invest Co. | 1,022                |
| Vaneck Intl Inv Gold Fund                                       | Value of Int in Regist Invest Co. | 1,962                |
| Vic Fd For Inc Fund                                             | Value of Int in Regist Invest Co. | 665                  |
| Vngrd Sel Val Inv Fund                                          | Value of Int in Regist Invest Co. | 9,530                |
| Vngrd Wingtn Inv Fund                                           | Value of Int in Regist Invest Co. | 167                  |
| Vngrd Wisly Inc Fund                                            | Value of Int in Regist Invest Co. | 9,255                |
| Wfa Emgr Mkt Eq Fund                                            | Value of Int in Regist Invest Co. | 48,535               |
| Wfa Govt Sec Inv Fund                                           | Value of Int in Regist Invest Co. | 136,932              |
| Wfa Smcap Val Fund                                              | Value of Int in Regist Invest Co. | 39,012               |
| Wr Adv Accum Fund                                               | Value of Int in Regist Invest Co. | 147,344              |
| Wr Adv Asst Strat Fund                                          | Value of Int in Regist Invest Co. | 821,821              |
| Wr Adv Bond Fund                                                | Value of Int in Regist Invest Co. | 86,553               |
| Wr Adv Cash Mgt Fund                                            | Value of Int in Regist Invest Co. | 394,957              |
| Wr Adv Cntnenti Inc Fund                                        | Value of Int in Regist Invest Co. | 141,031              |
| Wr Adv Cor Invmt Fund                                           | Value of Int in Regist Invest Co. | 767,970              |
| Wr Adv Gbl Bond Fund                                            | Value of Int in Regist Invest Co. | 58,366               |
| Wr Adv Govt Bond Fund                                           | Value of Int in Regist Invest Co. | 177,220              |
| Wr Adv Hi Inc Fund                                              | Value of Int in Regist Invest Co. | 471,330              |
| Wr Adv Intl Gr Fund                                             | Value of Int in Regist Invest Co. | 62,878               |
| Wr Adv New Concept Fund                                         | Value of Int in Regist Invest Co. | 526,192              |
| Wr Adv Scnc Tech Fund                                           | Value of Int in Regist Invest Co. | 947,773              |
| Wr Adv Smcap Fund                                               | Value of Int in Regist Invest Co. | 749,152              |
| Wr Adv Val Fund                                                 | Value of Int in Regist Invest Co. | 106,828              |
| Wr Adv Vngrd Fund                                               | Value of Int in Regist Invest Co. | 296,935              |
| Wr Ivy Asst Strat Fund                                          | Value of Int in Regist Invest Co. | 670,078              |
| Wr Ivy Bond Fund                                                | Value of Int in Regist Invest Co. | 61,804               |
| Wr Ivy Cor Eq Fund                                              | Value of Int in Regist Invest Co. | 52,254               |
| Wr Ivy Cundill Gbl Val Fund                                     | Value of Int in Regist Invest Co. | 83,026               |
| Wr Ivy Divd Oppr Fund                                           | Value of Int in Regist Invest Co. | 353,675              |
| Wr Ivy Enrgy Fund                                               | Value of Int in Regist Invest Co. | 9,438                |
| Wr Ivy Euro Oppr Fund                                           | Value of Int in Regist Invest Co. | 101,947              |
| Wr Ivy Gbl Natrl Rsrc Fund                                      | Value of Int in Regist Invest Co. | 530,693              |
| Wr Ivy Lgcap Gr Fund                                            | Value of Int in Regist Invest Co. | 69,538               |
| Wr Ivy Ltd Trm Bond Fund                                        | Value of Int in Regist Invest Co. | 49,786               |
| Wr Ivy Mdcap Gr Fund                                            | Value of Int in Regist Invest Co. | 91,850               |

See independent auditors' report

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

EIN 48-0538069 - Plan Number 003  
Schedule of Assets Held at End of Year  
December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Wr Ivy Mgd Intl Oppr Fund                                       | Value of Int in Regist Invest Co. | \$ 96,697            |
| Wr Ivy Pacfc Oppr Fund                                          | Value of Int in Regist Invest Co. | 289,275              |
| Wr Ivy Realest Sec Fund                                         | Value of Int in Regist Invest Co. | 151,930              |
| Wr Ivy Scnc Tech Fund                                           | Value of Int in Regist Invest Co. | 368,937              |
| Wr Ivy Smcap Gr Fund                                            | Value of Int in Regist Invest Co. | 80,945               |
| Wr Ivy Smcap Val Fund                                           | Value of Int in Regist Invest Co. | 20,418               |
| Integrity Fund - Self-Direct                                    | Value of Int in Regist Invest Co. | 29,788               |
| Sbd Money Market Fund - Self-Direct                             | Value of Int in Regist Invest Co. | 1,071                |
| * Notes Receivable From Participants<br>4.25% - 6.25%           | Loans                             | 16,769               |
| <b>Total</b>                                                    |                                   | <b>\$ 13,025,390</b> |

\* Party-In-Interest

See independent auditors' report

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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)<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.2em;"><b>2012</b></div><br><br>This Form Is Open to Public Inspection |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                      |                                                                                |                                            |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------|
| <b>Part I Annual Report Identification Information</b>                                                   |                                                                      |                                                                                |                                            |
| For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>12/31/2012</u> |                                                                      |                                                                                |                                            |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan;                       | <input type="checkbox"/> a multiple-employer plan; or                          |                                            |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan;          | <input type="checkbox"/> a DFE (specify) _____                                 |                                            |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report;                    | <input type="checkbox"/> the final return/report;                              |                                            |
|                                                                                                          | <input type="checkbox"/> an amended return/report;                   | <input type="checkbox"/> a short plan year return/report (less than 12 months) |                                            |
| <b>C</b> If the plan is a collectively-bargained plan, check here                                        | <input type="checkbox"/>                                             |                                                                                |                                            |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558;                       | <input type="checkbox"/> automatic extension;                                  | <input type="checkbox"/> the DFVC program; |
|                                                                                                          | <input type="checkbox"/> special extension (enter description) _____ |                                                                                |                                            |

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

**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.

|                                                                                                          |                                    |         |                                                              |
|----------------------------------------------------------------------------------------------------------|------------------------------------|---------|--------------------------------------------------------------|
| <b>SIGN<br/>HERE</b>                                                                                     |                                    | 10/1/13 | CAMBER L BOLAND                                              |
|                                                                                                          | Signature of plan administrator    | Date    | Enter name of individual signing as plan administrator       |
| <b>SIGN<br/>HERE</b>                                                                                     |                                    | 10/1/13 | Camber L. Boland                                             |
|                                                                                                          | Signature of employer/plan sponsor | Date    | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN<br/>HERE</b>                                                                                     |                                    |         |                                                              |
|                                                                                                          | Signature of DFE                   | Date    | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name if applicable) and address; include room or suite number (optional) |                                    |         | Preparer's telephone number (optional)                       |
|                                                                                                          |                                    |         |                                                              |

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

Form 5500 (2012)  
v. 120126

|                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                  |                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor Name <input checked="" type="checkbox"/> Same as Plan Sponsor Address                                                   |                                                                                                                                                                                                                                  | <b>3b</b> Administrator's EIN<br><br><b>3c</b> Administrator's telephone number |
| <b>4</b> 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:<br><b>a</b> Sponsor's name                |                                                                                                                                                                                                                                  | <b>4b</b> EIN<br><br><b>4c</b> PN                                               |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                          |                                                                                                                                                                                                                                  | <b>5</b> 427                                                                    |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines 6a, 6b, 6c, and 6d)                                                                                                            |                                                                                                                                                                                                                                  |                                                                                 |
| <b>a</b> Active participants                                                                                                                                                                                                     |                                                                                                                                                                                                                                  | <b>6a</b> 351                                                                   |
| <b>b</b> Retired or separated participants receiving benefits                                                                                                                                                                    |                                                                                                                                                                                                                                  | <b>6b</b> 0                                                                     |
| <b>c</b> Other retired or separated participants entitled to future benefits                                                                                                                                                     |                                                                                                                                                                                                                                  | <b>6c</b> 42                                                                    |
| <b>d</b> Subtotal. Add lines 6a, 6b, and 6c                                                                                                                                                                                      |                                                                                                                                                                                                                                  | <b>6d</b> 393                                                                   |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits                                                                                                                             |                                                                                                                                                                                                                                  | <b>6e</b> 0                                                                     |
| <b>f</b> Total. Add lines 6d and 6e                                                                                                                                                                                              |                                                                                                                                                                                                                                  | <b>6f</b> 393                                                                   |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)                                                                                        |                                                                                                                                                                                                                                  | <b>6g</b> 379                                                                   |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested                                                                                            |                                                                                                                                                                                                                                  | <b>6h</b> 19                                                                    |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)                                                                                                   |                                                                                                                                                                                                                                  | <b>7</b>                                                                        |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2G 2J 2K 2F 2T 3D                                             |                                                                                                                                                                                                                                  |                                                                                 |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                      |                                                                                                                                                                                                                                  |                                                                                 |
| <b>9a</b> Plan funding arrangement (check all that apply)                                                                                                                                                                        |                                                                                                                                                                                                                                  | <b>9b</b> Plan benefit arrangement (check all that apply)                       |
| (1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor | (1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor |                                                                                 |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and where indicated, enter the number attached. (See instructions)                                                                 |                                                                                                                                                                                                                                  |                                                                                 |
| <b>a Pension Schedules</b>                                                                                                                                                                                                       |                                                                                                                                                                                                                                  | <b>b General Schedules</b>                                                      |
| (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)                                                                                                                                                   | (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)                                                                                                                                                         |                                                                                 |
| (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary                                                                   | (2) <input type="checkbox"/> <b>I</b> (Financial Information - Small Plan)                                                                                                                                                       |                                                                                 |
| (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                                                                                 | (3) <input type="checkbox"/> <b>A</b> (Insurance Information)                                                                                                                                                                    |                                                                                 |
|                                                                                                                                                                                                                                  | (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information)                                                                                                                                                  |                                                                                 |
|                                                                                                                                                                                                                                  | (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)                                                                                                                                                       |                                                                                 |
|                                                                                                                                                                                                                                  | (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)                                                                                                                                                          |                                                                                 |

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

EIN 48-0538069 - Plan Number 003  
Schedule of Assets Held at End of Year  
December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Aborden Gbl Eq Fund                                             | Value of Int in Regist Invest Co. | \$ 100,464           |
| Alger Cap App Inst Fund                                         | Value of Int in Regist Invest Co. | 9,127                |
| Allber Hi Inc Fund                                              | Value of Int in Regist Invest Co. | 30,740               |
| Allber Int Val Fund                                             | Value of Int in Regist Invest Co. | 260                  |
| Allnzgi Nfj Smcap Val Fund                                      | Value of Int in Regist Invest Co. | 47,110               |
| Amcent Bal Inst Fund                                            | Value of Int in Regist Invest Co. | 9,409                |
| Amcent Growth Fund                                              | Value of Int in Regist Invest Co. | 17,564               |
| Amcent Infl Adj Bond Fund                                       | Value of Int in Regist Invest Co. | 14,647               |
| Amcent Realest Fund                                             | Value of Int in Regist Invest Co. | 261                  |
| Amcent Shtdrinflprtbd Inst Fund                                 | Value of Int in Regist Invest Co. | 53,159               |
| Amcent Sm Co Fund                                               | Value of Int in Regist Invest Co. | 19,261               |
| Amfds Amcap Fund (R5)                                           | Value of Int in Regist Invest Co. | 3,193                |
| Amfds Am Bal Fund (R3)                                          | Value of Int in Regist Invest Co. | 72,738               |
| Amfds Am Bal Fund (R6)                                          | Value of Int in Regist Invest Co. | 30,988               |
| Amfds Hi Inc Tr Fund (R6)                                       | Value of Int in Regist Invest Co. | 27,339               |
| Amfds Am Mut Fund (R5)                                          | Value of Int in Regist Invest Co. | 73,889               |
| Amfds Cap Wld Bond Fund (R3)                                    | Value of Int in Regist Invest Co. | 5,537                |
| Amfds Cap Wld Bond Fund (R5)                                    | Value of Int in Regist Invest Co. | 21,452               |
| Amfds Cap Wld Gr Inc Fund (R3)                                  | Value of Int in Regist Invest Co. | 45,006               |
| Amfds Cap Wld Gr Inc Fund (R5)                                  | Value of Int in Regist Invest Co. | 4,940                |
| Amfds Fdmntl In Fund (R3)                                       | Value of Int in Regist Invest Co. | 49,052               |
| Amfds Fdmntl In Fund (R5)                                       | Value of Int in Regist Invest Co. | 5,126                |
| Amfds Growth Fund (R3)                                          | Value of Int in Regist Invest Co. | 72,057               |
| Amfds Inc Fund (R3)                                             | Value of Int in Regist Invest Co. | 40,218               |
| Amfds Intrmd Bond Fund (R6)                                     | Value of Int in Regist Invest Co. | 190,796              |
| Amfds New Wld Fund (R3)                                         | Value of Int in Regist Invest Co. | 49,806               |
| Amfds New Wld Fund (R5)                                         | Value of Int in Regist Invest Co. | 5,257                |
| Astn Frpt Mdcap Fund                                            | Value of Int in Regist Invest Co. | 4,076                |
| Avemaira Ris Divd Fund                                          | Value of Int in Regist Invest Co. | 7,405                |
| Baron Smcap Fund                                                | Value of Int in Regist Invest Co. | 15,757               |
| Blkrk Eq Divd Inv Fund                                          | Value of Int in Regist Invest Co. | 48,719               |
| Civrt Smcap Fund                                                | Value of Int in Regist Invest Co. | 4,726                |
| Col Mdcap Gr Oppr Fund                                          | Value of Int in Regist Invest Co. | 14,412               |
| De Emrg Mkt Fund                                                | Value of Int in Regist Invest Co. | 53,754               |
| De Extnd Dur Bond Fund                                          | Value of Int in Regist Invest Co. | 20,705               |
| Dfa US Lg Co Fund                                               | Value of Int in Regist Invest Co. | 86,124               |
| Dws Rreef Gblrealest Seca Fund                                  | Value of Int in Regist Invest Co. | 53,885               |
| Davis Ny Vntr Fund                                              | Value of Int in Regist Invest Co. | 31,025               |
| Drey Emrg Mkt Fund                                              | Value of Int in Regist Invest Co. | 8,408                |
| Drxnevol All Cap Eq Inv Fund                                    | Value of Int in Regist Invest Co. | 12,052               |
| Drxnevol Altrnatvinvmt Inv Fund                                 | Value of Int in Regist Invest Co. | 7,865                |
| Drxnevol Mfg Bond Fund                                          | Value of Int in Regist Invest Co. | 5,471                |
| Drxnevol Mkt Ldrs Inv Fund                                      | Value of Int in Regist Invest Co. | 7,330                |
| Ev Flotng Rt Fund                                               | Value of Int in Regist Invest Co. | 30,535               |
| Fed Bond Fund                                                   | Value of Int in Regist Invest Co. | 71,650               |
| Fed Intl Ldrs Fund                                              | Value of Int in Regist Invest Co. | 8,262                |

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

EIN 48-0538069 - Plan Number 003  
Schedule of Assets Held at End of Year  
December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Fed Prudnt Bear Fund                                            | Value of Int in Regist Invest Co. | \$ 135,460           |
| Fidadv New Insights Fund                                        | Value of Int in Regist Invest Co. | 48,927               |
| Fidadv Val Strat Fund                                           | Value of Int in Regist Invest Co. | 11,995               |
| Fknk Inc Fund                                                   | Value of Int in Regist Invest Co. | 79,822               |
| Fnklnmsf Mut Gbl Disc Fund                                      | Value of Int in Regist Invest Co. | 49,050               |
| Fnklnmsf Div Mkt Tr Fund                                        | Value of Int in Regist Invest Co. | 48,227               |
| Fnklnmsf Forgn Fund                                             | Value of Int in Regist Invest Co. | 26,272               |
| Gdmnscs Mdcap Val Fund                                          | Value of Int in Regist Invest Co. | 54,949               |
| Gdmnscs Smcap Val A                                             | Value of Int in Regist Invest Co. | 39,262               |
| Harbor Intl Inst Fund                                           | Value of Int in Regist Invest Co. | 84,024               |
| Heartland Val Pls Inv Fund                                      | Value of Int in Regist Invest Co. | 29,199               |
| Invsco Comstk Fund                                              | Value of Int in Regist Invest Co. | 65,992               |
| Invsco Eq Inc Fund                                              | Value of Int in Regist Invest Co. | 73,625               |
| Invsco Gbl Cor Eq Fund                                          | Value of Int in Regist Invest Co. | 48,660               |
| Invsco Gr Inc Fund                                              | Value of Int in Regist Invest Co. | 49,146               |
| Invsco Mdcap Cor Eq Fund                                        | Value of Int in Regist Invest Co. | 53,905               |
| JPM Cor Bond Fund                                               | Value of Int in Regist Invest Co. | 13,761               |
| JPM Smcap Val Fund                                              | Value of Int in Regist Invest Co. | 44,587               |
| JPM Smcap Val Fund                                              | Value of Int in Regist Invest Co. | 60,171               |
| Janus Frty Fund                                                 | Value of Int in Regist Invest Co. | 3,832                |
| Leggm Wstras Corplsbd Fund                                      | Value of Int in Regist Invest Co. | 40,434               |
| Leggm Wstras Infndplsbdinst                                     | Value of Int in Regist Invest Co. | 45,375               |
| Mfrs Gbl Ttl Rtn Fund                                           | Value of Int in Regist Invest Co. | 291                  |
| Mfs Intl New Disc Fund                                          | Value of Int in Regist Invest Co. | 45,195               |
| Mfs Val A                                                       | Value of Int in Regist Invest Co. | 139,818              |
| * NW Inv Dest Mod Aggr Svc Fund                                 | Value of Int in Regist Invest Co. | 30,807               |
| * NW Inv Dest Mod Svc Fund                                      | Value of Int in Regist Invest Co. | 76                   |
| * NW Mny Mkt Inst Fund                                          | Value of Int in Regist Invest Co. | 68,584               |
| Neuber Hi Inc Fund                                              | Value of Int in Regist Invest Co. | 19,043               |
| Neuber Hi Inc Bond Inv Fund                                     | Value of Int in Regist Invest Co. | 7,969                |
| Neuber Realest Tr Fund                                          | Value of Int in Regist Invest Co. | 6,313                |
| Okmrk Gbl Li Fund                                               | Value of Int in Regist Invest Co. | 43,878               |
| Olstn All Cap Val Adv Fund                                      | Value of Int in Regist Invest Co. | 10,908               |
| Opp Devl Mkt Fund                                               | Value of Int in Regist Invest Co. | 54,637               |
| Opp Gold Spec Mnrls Fund                                        | Value of Int in Regist Invest Co. | 1,652                |
| Opp Intl Bond Fund                                              | Value of Int in Regist Invest Co. | 33,490               |
| Opp Intl Gr Fund                                                | Value of Int in Regist Invest Co. | 81,373               |
| Opp Ltd Trm Govt Fund                                           | Value of Int in Regist Invest Co. | 564                  |
| Pimco Comdtrealrtnstat Fund                                     | Value of Int in Regist Invest Co. | 13,319               |
| Pimco Real Rtn Fund                                             | Value of Int in Regist Invest Co. | 19,052               |
| Pimco Real Rtn Inst Fund                                        | Value of Int in Regist Invest Co. | 24,810               |
| Pimco Ttl Rtn Inst Fund                                         | Value of Int in Regist Invest Co. | 87,340               |
| Pionr Eq Inc Fund                                               | Value of Int in Regist Invest Co. | 67,368               |
| Pionr Hi Yld Fund                                               | Value of Int in Regist Invest Co. | 43,564               |
| Prncpl Lgcap Gr Fund                                            | Value of Int in Regist Invest Co. | 87,542               |
| Prudntl Jnism 20 20 Focs Fund                                   | Value of Int in Regist Invest Co. | 15,594               |

See independent auditors' report

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

EIN 48-0538069 - Plan Number 003  
Schedule of Assets Held at End of Year  
December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Prudntl Jnish Gr Fund                                           | Value of Int in Regist Invest Co. | \$ 99,113            |
| Prudntl Ttl Rtn Bond Fund                                       | Value of Int in Regist Invest Co. | 36,780               |
| Ptnm Eq Inc Fund                                                | Value of Int in Regist Invest Co. | 7,933                |
| Rydexsgi S P 500 Pure Gr Fund                                   | Value of Int in Regist Invest Co. | 13,634               |
| Rydexsgi S P 500 Pure Val Fund                                  | Value of Int in Regist Invest Co. | 17,459               |
| Rydexsgi S P Mdcap 400 Pure Val Fund                            | Value of Int in Regist Invest Co. | 6,368                |
| Sntnl Sm Co Fund                                                | Value of Int in Regist Invest Co. | 9,582                |
| Trowepr Blue Chip Gr Fund                                       | Value of Int in Regist Invest Co. | 60,238               |
| Trowepr Eq Inc Fund                                             | Value of Int in Regist Invest Co. | 53,955               |
| Thrnbrg Intl Inv Fund                                           | Value of Int in Regist Invest Co. | 44,586               |
| Turner Smcap Gr Fund                                            | Value of Int in Regist Invest Co. | 40,974               |
| Vaneck Gbl Hrd Asst Fund                                        | Value of Int in Regist Invest Co. | 1,022                |
| Vaneck Intl Inv Gold Fund                                       | Value of Int in Regist Invest Co. | 1,962                |
| Vic Fd For Inc Fund                                             | Value of Int in Regist Invest Co. | 665                  |
| Vngrd Sel Val Inv Fund                                          | Value of Int in Regist Invest Co. | 9,530                |
| Vngrd Wingtn Inv Fund                                           | Value of Int in Regist Invest Co. | 167                  |
| Vngrd Wisly Inc Fund                                            | Value of Int in Regist Invest Co. | 9,255                |
| Wfa Emgr Mkt Eq Fund                                            | Value of Int in Regist Invest Co. | 48,535               |
| Wfa Govt Sec Inv Fund                                           | Value of Int in Regist Invest Co. | 136,932              |
| Wfa Smcap Val Fund                                              | Value of Int in Regist Invest Co. | 39,012               |
| Wr Adv Accum Fund                                               | Value of Int in Regist Invest Co. | 147,344              |
| Wr Adv Asst Strat Fund                                          | Value of Int in Regist Invest Co. | 821,821              |
| Wr Adv Bond Fund                                                | Value of Int in Regist Invest Co. | 86,553               |
| Wr Adv Cash Mgt Fund                                            | Value of Int in Regist Invest Co. | 394,957              |
| Wr Adv Cntnenti Inc Fund                                        | Value of Int in Regist Invest Co. | 141,031              |
| Wr Adv Cor Invmt Fund                                           | Value of Int in Regist Invest Co. | 767,970              |
| Wr Adv Gbl Bond Fund                                            | Value of Int in Regist Invest Co. | 58,366               |
| Wr Adv Govt Bond Fund                                           | Value of Int in Regist Invest Co. | 177,220              |
| Wr Adv Hi Inc Fund                                              | Value of Int in Regist Invest Co. | 471,330              |
| Wr Adv Intl Gr Fund                                             | Value of Int in Regist Invest Co. | 62,878               |
| Wr Adv New Concept Fund                                         | Value of Int in Regist Invest Co. | 526,192              |
| Wr Adv Scnc Tech Fund                                           | Value of Int in Regist Invest Co. | 947,773              |
| Wr Adv Smcap Fund                                               | Value of Int in Regist Invest Co. | 749,152              |
| Wr Adv Val Fund                                                 | Value of Int in Regist Invest Co. | 106,828              |
| Wr Adv Vngrd Fund                                               | Value of Int in Regist Invest Co. | 296,935              |
| Wr Ivy Asst Strat Fund                                          | Value of Int in Regist Invest Co. | 670,078              |
| Wr Ivy Bond Fund                                                | Value of Int in Regist Invest Co. | 61,804               |
| Wr Ivy Cor Eq Fund                                              | Value of Int in Regist Invest Co. | 52,254               |
| Wr Ivy Cundill Gbl Val Fund                                     | Value of Int in Regist Invest Co. | 83,026               |
| Wr Ivy Divd Oppr Fund                                           | Value of Int in Regist Invest Co. | 353,675              |
| Wr Ivy Enrgy Fund                                               | Value of Int in Regist Invest Co. | 9,438                |
| Wr Ivy Euro Oppr Fund                                           | Value of Int in Regist Invest Co. | 101,947              |
| Wr Ivy Gbl Natrl Rsrc Fund                                      | Value of Int in Regist Invest Co. | 530,693              |
| Wr Ivy Lgcap Gr Fund                                            | Value of Int in Regist Invest Co. | 69,538               |
| Wr Ivy Ltd Trm Bond Fund                                        | Value of Int in Regist Invest Co. | 49,786               |
| Wr Ivy Mdcap Gr Fund                                            | Value of Int in Regist Invest Co. | 91,850               |

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

EIN 48-0538069 - Plan Number 003

Schedule of Assets Held at End of Year

December 31, 2012

| <b>Identity of Issue, Borrower,<br/>Lessor or Similar Party</b> | <b>Description of Investments</b> | <b>Current Value</b> |
|-----------------------------------------------------------------|-----------------------------------|----------------------|
| Wr Ivy Mgd Intl Oppr Fund                                       | Value of Int in Regist Invest Co. | \$ 96,697            |
| Wr Ivy Pacfc Oppr Fund                                          | Value of Int in Regist Invest Co. | 289,275              |
| Wr Ivy Realest Sec Fund                                         | Value of Int in Regist Invest Co. | 151,930              |
| Wr Ivy Scnc Tech Fund                                           | Value of Int in Regist Invest Co. | 368,937              |
| Wr Ivy Smcap Gr Fund                                            | Value of Int in Regist Invest Co. | 80,945               |
| Wr Ivy Smcap Val Fund                                           | Value of Int in Regist Invest Co. | 20,418               |
| Integrity Fund - Self-Direct                                    | Value of Int in Regist Invest Co. | 29,788               |
| Sbd Money Market Fund - Self-Direct                             | Value of Int in Regist Invest Co. | 1,071                |
| * Notes Receivable From Participants<br>4.25% - 6.25%           | Loans                             | 16,769               |
| <b>Total</b>                                                    |                                   | <b>\$ 13,025,390</b> |

\* Party-In-Interest

See independent auditors' report