Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 08/15/1960

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

MADISON RIVER COMMUNICATIONS CORP.

CENTURYLINK - FINANCE DEPT. 2NE700

100 CENTURYLINK DRIVE
P. O. BOX 4065
MONROE, LA 71203

2b Employer Identification Number (EIN)
20-5689137

2c Sponsor's telephone number
318-388-9000

2d Business code (see instructions)
517000

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	12/11/2013	LEANNA MCGEE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address

CENTURYLINK EMPLOYEE BENEFITS COMMITTEE
C/O CENTURYLINK, INC.
805 BROADWAY STREET, 8TH FLOOR
VANCOUVER, WA 98660

3b Administrator's EIN: 72-0651161

3c Administrator's telephone number: 360-905-7972

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	472
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	139
b	Retired or separated participants receiving benefits	**6b**	126
c	Other retired or separated participants entitled to future benefits	**6c**	191
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	456
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	2
f	Total. Add lines **6d** and **6e**	**6f**	458
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1A 1B 1G 3H

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

9a Plan funding arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

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

a Pension Schedules

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

b General Schedules

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

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

▶ **Round off amounts to nearest dollar.**

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

A Name of plan
MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
20-5689137

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

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

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2012

2 Assets:

a Market value	**2a**	14953732
b Actuarial value	**2b**	15402675

3 Funding target/participant count breakdown:

		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	**3a**	126	4194426
b For terminated vested participants	**3b**	199	6051274
c For active participants:			
(1) Non-vested benefits	**3c(1)**		130342
(2) Vested benefits	**3c(2)**		6097953
(3) Total active	**3c(3)**	147	6228295
d Total	**3d**	472	16473995

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

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.51 %
6 Target normal cost	**6**	150000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

10/08/2013
Date

RONALD T. COZZOLINO
Type or print name of actuary

11-06794
Most recent enrollment number

TOWERS WATSON DELAWARE INC.
Firm name

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

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

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

Part II Beginning of Year Carryover Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		1917439
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		654306
9	Amount remaining (line 7 minus line 8)		1263133
10	Interest on line 9 using prior year's actual return of -0.83%		-10484
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of 6.34% except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	1252649

Part III Funding Percentages

14	Funding target attainment percentage	14	85.89 %
15	Adjusted funding target attainment percentage	15	85.89 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	85.87 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)		18(c)

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

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
2.06%	5.25%	6.32 %	☐ N/A, full yield curve used

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

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

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

a Target normal cost (line 6)	**31a**	150000
b Excess assets, if applicable, but not greater than line 31a	**31b**	

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	2323969	633912
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	783912

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement		783912	783912

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

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

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

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

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

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

A Name of plan
MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
20-5689137

Part I Service Provider Information (see instructions)

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

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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)

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

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

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

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name: DENISE PATTERSON	**b** EIN: 53-0181291	
c Position: ACTUARY		
d Address: 191 N. WACKER DR., SUITE 2100 CHICAGO, IL 60606	**e** Telephone:	

Explanation: CHANGE DUE TO INTERNAL CLIENT RESPONSIBILITY REALIGNMENT.

a Name: MAYER HOFFMAN MCCANN P.C.	**b** EIN: 43-1947695	
c Position: ACCOUNTANT		
d Address:	**e** Telephone:	

Explanation: AUDITORS CHANGED DUE TO FEE CONSIDERATIONS.

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

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

A Name of plan
MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
20-5689137

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

a Name of MTIA, CCT, PSA, or 103-12 IE: CENTURYLINK DEFINED BENEFIT MT

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

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
84-0928963-014	M	17138534

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

a Plan name

b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

A Name of plan
MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
20-5689137

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		117
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	3123	
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	14953732	17138534
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	28872	

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	14985727	17138651
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		13358
i Acquisition indebtedness	1i		811066
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k		824424
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	14985727	16314227

Part II Income and Expense Statement

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

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

		(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)		1940961
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1940961
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	438248	
(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)		438248
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)	7995	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	166218	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		174213
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		612461
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1328500
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: POSTLETHWAITE & NETTERVILLE (2) EIN: 72-1202445

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:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		50000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

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

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection.

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

A Name of plan
MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA

B Three-digit plan number (PN) ▶ 003

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

D Employer Identification Number (EIN)
20-5689137

Part I Distributions

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 22-1211670 36-3046063

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

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3** 15

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

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

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

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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

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

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

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

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

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

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

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

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

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

a Enter the percentage of plan assets held as:
Stock: 32.0% Investment-Grade Debt: 39.0% High-Yield Debt: 11.0% Real Estate: 5.0% Other: 13.0%

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):

MADISON RIVER COMMUNICATIONS CORP.
EMPLOYEES' RETIREMENT PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

P&N Postlethwaite & Netterville
A Professional Accounting Corporation
www.pncpa.com

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P&N Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Trustees
of Madison River Communications Corp.
Employees' Retirement Plan

We were engaged to audit the accompanying financial statements of the Madison River Communications Corp Employees' Retirement Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2012, the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Prudential Retirement Insurance and Annuity Company and Northern Trust, the trustees of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that Northern Trust held the Plan's investment assets and executed investment transactions from January 1, 2012 to December 31, 2012, and that Prudential Retirement Insurance and Annuity Company held the Plan's investment assets and executed investment transactions from January 1, 2011 to December 31, 2011. The Plan Administrator has obtained certifications from the trustees as of and for the years ended December 31, 2012 and 2011, that the information provided to the Plan Administrator by the trustees is complete and accurate.

Disclaimer of Opinion

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

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Other Matter – Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of and for the year ended 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. The schedule is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Other 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. Their report, dated October 15, 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 (b) the form and content of the information included in the financial statements other than that derived from the information certified by the trustee, 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

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

Postlethwaite & Netterville

New Orleans, Louisiana
October 11, 2013

MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of December 31, 2012 and 2011
(Dollars in thousands)

	December 31,	
	2012	2011
Assets		
Investments, at fair value (Notes 3 and Note 4):		
Plan's interest in the CenturyLink, Inc. Defined Benefit Master Trust	$ 17,139	$ —
Plan's interest in the CenturyTel, Inc. Defined Benefit Plans Master Trust	—	14,954
Investments held outside the Master Trusts	—	3
Total investments, at fair value	17,139	14,957
Other assets	—	29
Total assets	17,139	14,986
Liabilities		
Securities lending obligation	812	—
Accrued expenses	13	—
Total liabilities	825	—
Net assets available for benefits	$ 16,314	$ 14,986

MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, 2012 and 2011
(Dollars in thousands)

	2012	2011
Additions (reductions) to net assets attributed to:		
Investment income:	$	$ —
Allocable share of Master Trust investment activities (Note 4)	379	
Allocable share of CenturyTel Master Trust investment activities	—	255
Total investment income	379	255
Allocable share of Master Trust investment expense (Note 4)	(28)	—
Other plan identified investment expense	—	(9)
Net investment income	351	246
Net appreciation (depreciation) in fair value of investments:		
Allocable share of Master Trust investment activities (Note 4)	1,589	—
Allocable share of CenturyTel Master Trust investment activities	—	(358)
Total net appreciation (depreciation) in fair value of investments	1,589	(358)
Total additions (deductions), net	1,940	(112)
Deductions from net assets attributed to:		
Benefits paid to participants	438	334
Allocable share of Master Trust administrative expenses (Note 4)	8	—
Other plan administrative expenses	166	132
Total deductions	612	466
Net increase (decrease)	1,328	(578)
Net assets available for benefits:		
Beginning of year	14,986	15,564
End of year	$ 16,314	$ 14,986

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

Note 1: Plan Description

The following description of the Madison River Communications Corp. Employees' Retirement Plan (the "Plan") provides general information only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

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

Pension Benefits

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

Death and Disability Benefits

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

Funding Policy

Contributions to provide benefits under the Plan are made solely by the Company. The funding policy defines the employer contribution to be the minimum contributions required by ERISA, including the provisions of the Internal Revenue Code and the Pension Protection Act of 2006, as amended (the "PPA"). The Plan's actuary using the Unit Credit Cost Method computes annual contributions. Under this cost method, a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. Contributions are paid to the custodians in cash, within 265 days following the close of the Company's fiscal year. Contributions will not exceed the maximum amount deductible for tax purpose. The Plan has met the minimum funding requirements of ERISA for the years ended December 31, 2012 and 2011.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

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

Plan management has evaluated subsequent events through October 11, 2013, the date these financial statements were available to be issued, and no additional matters were determined to require additional disclosure or modification to the financial statements, as issued.

Use of Estimates

The preparation of the Plan's financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires the Plan's management to make certain estimates, judgments, and assumptions that affect the accompanying financial statements and disclosures. The most important of these estimates and assumptions relate to fair value measurements of the Plan investments and the actuarial assumptions used to calculate the actuarial present value of accumulated plan benefits. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs ("ASU 2011-04"), which amends ASC 820, Fair Value Measurement. ASU 2011-04 also requires the categorization by level for items that are only required to be disclosed at fair value and information about transfers between Level 1 and Level 2. In addition, the ASU provides guidance on measuring the fair value of financial instruments managed within a portfolio and the application of premiums and discounts on fair value measurements. The ASU requires additional disclosure for Level 3 measurements regarding the sensitivity of fair value to changes in unobservable inputs and any interrelationships between those inputs. The new guidance is effective for reporting periods beginning after December 15, 2011. The adoption did not have a material effect on the statement of net assets available for benefits and statement of changes in net assets available for benefits.

Income Recognition

Net realized and unrealized gains and losses are reflected in the statement of changes in net assets available for benefits as net appreciation or depreciation in fair value of investments. Net realized and unrealized gains and losses are the difference between the fair value at the beginning of the year or date purchased during the year and the selling price or the fair value at the end of the year.

Dividend income is recorded on the ex-dividend date, the date at which a declared dividend belongs to the seller of the security rather than the buyer. Interest income and other income are accrued when earned. Interest income includes gains and losses on interest rate swaps. Other income primarily represents partnership income and securities lending income. Purchases and sales of securities are recorded on a trade date basis.

Administrative and Plan Expenses

Plan expenses are generally paid by the Plan with the exception of certain expenses incurred by the Company, such as Plan design and corporate functions, which are paid for by the Company. Direct expenses paid by the Plan include trustee fees, investment management fees, administration fees, and certain other expenses.

Payment of Benefits

Benefit payments are recorded when paid.

Reclassifications

Certain reclassifications to the 2011 financial statements have been made to conform to the current year presentation.

Note 3: Fair Value of Financial Instruments

Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent and knowledgeable participants who are willing and able to transact for an asset or liability at the financial statement date. Plan management uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then Plan management ranks the values based on the reliability of the inputs used following the fair value hierarchy set forth by the FASB.

The three levels of the fair value hierarchy are as follows:

Input Level	Description of Input
Level 1.....	Observable inputs such as quoted market prices in active markets.
Level 2.....	Inputs other than quoted prices in active markets that are either directly or indirectly observable.
Level 3.....	Unobservable inputs in which little or no market data exists.

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

The following table presents the Plan's investments recognized in the statements of net assets available for benefits and measured at fair value on a recurring basis as of December 31, 2011. All investments (except as noted in the below tables) were held in the CenturyTel, Inc. Defined Benefit Plans Master Trust (the "CenturyTel Master Trust") with a Plan Trustee, Prudential Retirement Insurance and Annuity Company ("Prudential Financial"). At the beginning of 2012, all assets were transferred to the CenturyLink, Inc. Defined Benefit Master Trust ("Master Trust") and are held with a Plan Trustee, The Northern Trust Company ("Northern Trust"). The fair values of the investments held in the Master Trust as of December 31, 2012 are presented in Note 4 - Investment in CenturyLink, Inc. Defined Benefit Master Trust.

	Fair value as of December 31, 2011			
	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
CenturyTel, Inc. Defined Benefit Plans Master Trust Assets:				
Pooled and separate funds:				
Domestic equities	$ —	$ 6,956	$ —	$ 6,956
Diversified bonds	—	7,890	—	7,890
Cash equivalents and short-term investments	—	108	—	108
Assets held outside the CenturyTel, Inc. Defined Benefit Plans Master Trusts				
Common and commingled trust funds	—	3	—	3
Total investments, at fair value	$ —	$ 14,957	$ —	$ 14,957

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

The CenturyTel Master Trust's pooled and separate funds were reported at fair value based on the net asset unit prices quoted by the fund, representing the fair value of the underlying investments. The net asset unit value of each fund was determined at the close of each day in which Prudential Financial and the related exchanges the investments trade on were open for business. The various pooled and separate funds had no redemption restrictions.

The Plan's common and commingled trust funds were held with a Plan Trustee, Northern Trust and were reported at fair value based on the value of the underlying investments. The underlying investments were valued at amortized cost, which Northern Trust had determined approximates fair value. Repurchase agreements were valued at cost, which approximated fair value.

Interest in CenturyTel, Inc. Defined Benefit Plans Master Trust

On July 1, 2003, the Company created the CenturyTel Master Trust to hold the assets of the defined benefit plans sponsored by the Company and the assets of the 401(h) component of a health and welfare plan sponsored by the Company. On December 20, 2007, the Plan was added to the CenturyTel Master Trust.

The net assets of the CenturyTel Master Trust at December 31, 2011 were $413.9 million. The net investment loss from assets in the CenturyTel Master Trust was approximately $49,000 for the year ended December 31, 2011. The net investment loss was allocated to the plans based on each plan's share of such net assets in the CenturyTel Master Trust. At December 31, 2011, the Plan's interest in the net assets of the CenturyTel Master Trust was approximately 4%.

Investments that Represent 5% or more of the Plan's Net Assets Available for Benefits

As the Company created the CenturyTel Master Trust on July 1, 2003, the Plan's only investments at December 31, 2011 was the investment in the CenturyTel Master Trust, the common and commingled trust funds. The investments held outside the CenturyTel Master Trust were not greater than 5% of net assets at December 31, 2011.

Note 4: Interest in CenturyLink, Inc. Defined Benefit Master Trust

The CenturyLink, Inc. Defined Benefit Master Trust ("Master Trust") was created at the beginning of 2012 for the purpose of collective investment of the assets of participating defined benefit pension plans sponsored by the Company. The assets are allocated among the participating plans by assigning to each plan those transactions that can be specifically identified, and allocating among all plans the net investment income, gains and losses, and expenses of the Master Trust, in proportion to the market value of the assets assigned to each plan. The assets of the Master Trust are managed by CenturyLink Investment Management ("CIM") in its capacity as investment fiduciary for the participating plans. For discussion on fair value of financial instruments, including input levels, see Note 3.

Master Trust assets are invested in various asset categories utilizing multiple strategies and investment managers. For several of the investments detailed below, the Master Trust owns units in commingled funds and limited partnerships that invest in various types of assets. Interests in commingled funds are valued using the net asset value (NAV) per unit of each fund. The NAV reported by the fund manager is based on the market value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding. All commingled funds held by the Master Trust that can be redeemed at NAV within a year of the financial statement date are classified as Level 2, otherwise the fund is classified as Level 3. Investments in limited partnerships represent long-term commitments with a fixed maturity date, typically ten years. Valuation inputs for these limited partnership interests are generally based on assumptions and other information not observable in the market and are classified as Level 3 investments. The assumptions and valuation methodologies of the pricing vendors, account managers, fund managers, and general partners are monitored and evaluated for reasonableness.

Below is an overview of the asset categories, the underlying strategies, and valuation inputs used to value the assets in the tables below:

(a) Investment grade bonds – This asset category represents investments in fixed income securities as well as commingled bond funds with characteristics similar to the Barclays Capital U.S. Aggregate Bond Index. This index is comprised of U.S. Treasury securities, agencies, corporate bonds, mortgage-backed securities, asset-backed securities, and commercial mortgage-backed securities. Treasury securities are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1. The valuation inputs of other investment grade bonds primarily utilize observable market information and are based on a spread to U.S. Treasury securities and consider yields available on comparable securities of issuers with similar credit ratings. The primary observable inputs include references to the new issue market for similar securities, the secondary trading markets, and dealer quotes. Option adjusted spread models are utilized to evaluate securities such as asset backed securities that have early redemption features. These securities are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying fixed income securities using the same valuation inputs described above. The commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(b) High yield bonds – This asset category represents investments in below investment grade fixed income securities as well as commingled high yield bond funds. The valuation inputs for the securities primarily utilize observable market information and are based on a spread to U.S. Treasury securities and consider yields available on comparable securities of issuers with similar credit ratings. These securities are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying high yield instruments using the same valuation inputs described above. Commingled funds that can be redeemed at NAV within a year of the financial statement date are classified as Level 2. Commingled funds that cannot be redeemed at NAV or that cannot be redeemed at NAV within a year of the financial statement date are classified as Level 3.

(c) Emerging market bonds – This asset category represents investments in securities issued by governments and other entities located in developing countries as well as registered mutual funds and commingled emerging market bond funds. The valuation inputs for the securities utilize observable market information and are primarily based on dealer quotes or a spread relative to the local government bonds. These securities are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying emerging market bonds using the same valuation inputs described above. The commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2. The registered mutual funds trade at the daily net asset value, as determined by the market value of the underlying investments, and are classified as Level 1.

(d) Convertible bonds – This asset category primarily represents investments in corporate debt securities that have features that allow the debt to be converted into equity securities under certain circumstances. The valuation inputs for the individual convertible bonds primarily utilize observable market information including a spread to U.S. Treasuries and the value and volatility of the underlying equity security. Convertible bonds are classified as Level 2.

(e) Diversified strategies – This asset category represents an investment in a commingled fund that primarily has exposures to global government, corporate and inflation linked bonds, global stocks, and commodities. The commingled fund is valued at NAV based on the market value of the underlying investments. The valuation inputs utilize observable market information including published prices for exchange traded securities, bid prices for government bonds, and spreads and yields available for comparable fixed income securities with similar credit ratings. This fund can be redeemed at NAV within a year of the financial statement date and is classified as Level 2.

(f) U.S. stocks – This asset category represents investments in stocks of U.S. based companies as well as commingled U.S. stock funds. The valuation inputs for U.S. stocks are based on the last published price reported on the major stock market on which the securities are traded and are classified as Level 1. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described above. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(g) Non-U.S. stocks – This asset category represents investments in stocks of companies based in developed countries outside the U.S. as well as commingled funds. The valuation inputs for non-U.S. stocks are based on the last published price reported on the major stock market on which the securities are traded and are classified as Level 1. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described above. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(h) Emerging market stocks – This asset category represents investments in a registered mutual fund and commingled funds comprised of stocks of companies located in developing markets. The registered mutual fund trades at the daily net asset value, as determined by the market value of the underlying investments, and is classified as Level 1. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described previously for individual stocks. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(i) Private equity – This asset category represents non-public investments in domestic and foreign buy-out and venture capital funds. Private equity funds are structured as limited partnerships and are valued according to the valuation policy of each partnership, subject to prevailing accounting and other regulatory guidelines. The partnerships use valuation methodologies that give consideration to a range of factors, including but not limited to the price at which investments were acquired, the nature of the investments, market conditions, trading values on comparable public securities, current and projected operating performance, and financing transactions subsequent to the acquisition of the investments. These valuation methodologies involve a significant degree of judgment. Private equity investments are classified as Level 3.

(j) Private debt – This asset category represents non-public investments in distressed or mezzanine debt funds, as well as certain group annuity contracts. Mezzanine debt instruments are debt instruments that are subordinated to other debt issues and may include embedded equity instruments such as warrants. Private debt funds are structured as limited partnerships and are valued according to the valuation policy of each partnership, subject to prevailing accounting and other regulatory guidelines. The valuation of underlying fund investments are based on factors including the issuer's current and projected credit worthiness, the security's terms, reference to the securities of comparable companies, and other market factors. These valuation methodologies involve a significant degree of judgment. These private debt investments are classified as Level 3. Group annuity contracts are valued based on the amount the plans would receive if funds are withdrawn from these participating contracts. The cash-out factor is based on the associated underlying pool of the insurance company's general account assets consisting primarily of bond funds. The group annuity contracts are classified as Level 3.

(k) Hedge funds. Market neutral hedge funds – This asset category represents investments in a diversified mix of instruments that are intended in combination to exhibit low correlations to market fluctuations. These investments are typically combined with futures to achieve uncorrelated excess returns over various markets. *Directional hedge funds* – This asset category represents investments that may exhibit somewhat higher correlations to market fluctuations than the market neutral hedge funds. Investments in hedge funds include both direct investments and investments in diversified funds of funds. Hedge Funds are valued at NAV based on the market value of the underlying investments which include publicly traded equity and fixed income securities and privately negotiated debt securities. The hedge funds are valued by third party administrators using the same valuation inputs previously described. Hedge funds that can be redeemed at NAV within a year of the financial statement date are classified as Level 2. Hedge fund investments that cannot be redeemed at NAV or that cannot be redeemed at NAV within a year of the financial statement date are classified as Level 3.

(l) Real estate – This asset category represents investments in commingled funds and limited partnerships that invest in a diversified portfolio of real estate properties. These investments are valued at NAV according to the valuation policy of each fund or partnership, subject to prevailing accounting and other regulatory guidelines. The valuation inputs of the underlying properties are generally based on third-party appraisals that use comparable sales or a projection of future cash flows to determine fair value. Real estate investments that can be redeemed at NAV within a year of the financial statement date are classified as Level 2. Real estate investments that cannot be redeemed at NAV or that cannot be redeemed at NAV within a year of the financial statement date are classified as Level 3.

(m) Derivatives – This asset category includes the market value of exchange-traded futures contracts which are classified as Level 1, as well as privately negotiated over-the-counter swaps that are valued based on the change in interest rates or a specific market index and classified as Level 2. The market values represent gains or losses that occur due to fluctuations in interest rates, foreign currency exchange rates, security prices, or other factors.

(n) Cash equivalents and short-term investments – This asset category represents investments that are used in conjunction with derivatives positions or are used to provide liquidity for the payment of benefits or other purposes. U.S. Treasury Bills are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1. The valuation inputs of other securities are based on a spread to U.S. Treasury Bills, the Federal Funds Rate, or London Interbank Offered Rate and consider yields available on comparable securities of issuers with similar credit ratings and are classified as Level 2. The commingled funds are valued at NAV based on the market value of the underlying investments using the same valuation inputs described above. These commingled funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(o) Securities lending obligation and collateral – This asset category represents securities lending transactions whereby the Master Trust's lending agent lends stock and bond investments of the Master Trust to other third-party investment firms in exchange for collateral. The stock and bond securities are generally loaned for a period of less than one month and can be recalled on a day's notice. Under the terms of its securities lending agreement, the Master Trust typically requires collateral of a value in excess of the fair value of the loaned investments. Collateral received is then invested in a segregated account maintained by the lending agent. Upon the maturity of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed and the Master Trust returns the collateral. The value of the obligation is a fixed amount based on the collateral received and is classified as Level 2. The collateral received is invested in segregated account where the lending agent purchases short-term investments, primarily over-night repurchase agreements, the valuations of which are described above, and are classified as Level 2.

At December 31, 2012, the Plan's interest in the net assets of the Master Trust was 0.1%.

The following table sets forth by category and input level, within the fair value hierarchy, the Master Trust's net assets at fair value as of December 31, 2012:

	Fair Value of Master Trust Assets			
	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
Investment grade bonds[a]	$ 864,621	$ 1,517,301	$ —	$ 2,381,922
High yield bonds[b]	—	1,312,642	58,663	1,371,305
Emerging market bonds[c]	198,891	391,222	—	590,113
Convertible bonds[d]	—	379,477	—	379,477
Diversified strategies[e]	—	655,110	—	655,110
U.S. stocks[f]	1,225,317	114,604	—	1,339,921
Non-U.S. stocks[g]	1,213,494	178,100	—	1,391,594
Emerging market stocks[h]	100,734	193,471	—	294,205
Private equity[i]	—	—	733,687	733,687
Private debt[j]	—	—	477,233	477,233
Market neutral hedge funds[k]	—	906,537	—	906,537
Directional hedge funds[k]	—	505,054	28,500	533,554
Real estate[l]	—	223,187	334,269	557,456
Derivatives[m]	(5,009)	(1,395)	—	(6,404)
Cash equivalents and short-term investments[n]	330	751,373	—	751,703
Securities lending collateral[o]	—	613,162	—	613,162
Total investments at fair value	3,598,378	7,739,845	1,632,352	12,970,575
Securities lending obligation[o]	—	(613,162)	—	(613,162)
Total investments, net of securities lending obligation	$ 3,598,378	$ 7,126,683	$ 1,632,352	$ 12,357,413
Dividends and interest receivable				117
Accrued expenses				(13,217)
Net assets available for benefits				$ 12,344,313

Securities loaned by the Master Trust totaled $602 million. They are included in investment grade bonds, high yield bonds, emerging market bonds, convertible bonds, U.S. stocks, and non-U.S. stocks, in the preceding table in the amounts of $162 million; $85 million; $33 million; $60 million; $216 million, and $46 million, respectively.

During 2012, the Master Trust's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) as follows:

	(Dollars In Thousands)
Net appreciation (depreciation) in fair value of Master Trust investments:	
Investment grade bonds	$ 133,935
High yield bonds	104,320
Emerging market bonds	61,504
Convertible bonds	39,290
Diversified strategies	100,951
U.S. stocks	198,590
Non-U.S. stocks	226,568
Emerging market stocks	30,730
Private equity	44,576
Private debt	45,482
Market neutral hedge funds	41,716
Directional hedge funds	44,333
Real estate	22,461
Derivatives	152,281
Cash equivalents and short-term investments	(84)
Total net appreciation in fair value of Master Trust investments	$ 1,246,652

The net appreciation of the Master Trust's investments whose fair value was determined based upon quoted prices for identical instruments traded in active markets was approximately $577 million for the year ended December 31, 2012. The net appreciation of investments whose fair value was determined using methods other than quoted prices for identical instruments traded in active markets was approximately $670 million for the year ended December 31, 2012.

The following are the changes in net assets for the Master Trust for the year ended December 31, 2012.

	(Dollars In Thousands)
Changes in Master Trust Net Assets:	
Investment income:	
Dividends	$ 66,692
Interest	143,429
Other	81,007
Total investment income	291,128
Investment expense	(23,588)
Net investment income	267,540
Net appreciation in fair value of investments	1,246,652
Net transfers to Master Trust	10,836,930
Administrative expenses	(6,809)
Net increase	12,344,313
Net assets available for benefits:	
Beginning of year	—
End of year	$ 12,344,313

Changes in Fair Value of Level 3 assets and related Gains and Losses

The following table presents a rollforward of the Master Trust assets valued using Level 3 inputs for the year ended December 31, 2012.

	Master Trust assets valued using level 3 inputs						
	High yield bonds	Private equity	Private debt	Market neutral hedge funds	Directional hedge funds	Real estate	Total
	(Dollars in thousands)						
Balance at December 31, 2011	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Net transfers to Master Trust	78,900	820,454	438,922	61,102	29,867	366,058	1,795,303
Net (dispositions) acquisitions	(9,739)	(45,463)	18,307	—	(343)	(6,804)	(44,042)
Net transfers – other	(12,382)	6,560	—	(61,102)	—	(26,485)	(93,409)
Actual return on plan assets:							
Realized gains relating to assets sold during the year	—	2,997	988	—	13	147	4,145
Unrealized (losses) gains relating to assets still held at year-end	1,884	(50,861)	19,016	—	(1,037)	1,353	(29,645)
Balance at December 31, 2012	$ 58,663	$ 733,687	$ 477,233	$ —	$ 28,500	$ 334,269	$ 1,632,352

Master Trust Investments Valued at NAV

For commingled funds and limited partnerships described above, the Master Trust owns units in funds that invest in various types of assets. Commingled funds give investors the right, subject to predetermined redemption procedures, to redeem their investment at NAV. The table below presents a summary of the fair value, redemption frequency, and redemption notice period of commingled funds as of December 31, 2012:

Commingled funds	Fair value	Redemption frequency	Redemption notice period	Redemption restrictions as of December 31, 2012
	(Dollars in thousands)			
Investment grade bonds	$ 392,697	Daily or monthly	Same day, 1, 2, or 30 days	None
High yield bonds	879,425	Daily, monthly, or quarterly	Same day, 10, or 90 days	None
Emerging market bonds	20,081	Daily	Same day	None
Diversified strategies	655,110	Monthly	5 days	None
U.S. stocks	99,762	Daily	Same day	None
Non U.S. stocks	171,037	Daily or semi-monthly	Same day or 5 days	None
Emerging market stocks	193,471	Daily or monthly	Same day, 30, or 60 days	None
Market neutral hedge funds	906,537	Weekly, monthly, quarterly, or semi-annually	5, 10, to 95 days	See (a) below
Directional hedge funds	505,054	Quarterly, semi-annually, or annually	45 to 90 days	None
Real estate	223,186	Quarterly or semi-annually	45 to 60 days	None
Cash equivalents and short-term investments	70,392	Daily	Same day	None
Total commingled funds	$ 4,116,752			

(a) Approximately $3.6 million or less than 1% in market neutral hedge funds commingled funds were in liquidation and could not be redeemed as of December 31, 2012.

Unlike commingled funds, limited partnerships do not have redemption features. Investment in limited partnerships represent long term commitments, typically ten years, draw capital for investment in the first several years, and make distributions to investors in the last several years of the life of the partnership (as investments are liquidated). The distributions from the limited partnership portfolios are dependent on market conditions and unpredictable by nature, but some level of distributions can be expected each year. Plan management estimates that the majority of the currently outstanding fair value of the limited partnerships would be distributed over a period of nine to eleven years. The table below presents a summary of the fair value, redemption frequency, unfunded commitments, and average life of distribution of limited partnerships in the Master Trust as of December 31, 2012:

Limited partnerships	Fair value	Redemption frequency	Unfunded commitments	Average life of distribution
	(Dollars in thousands)		(Dollars in thousands)	
High yield bonds	$ 58,663	No redemption feature	None	Approximately 5 to 7 years
Directional hedge funds	28,500	No redemption feature	None	Approximately 2 years; See (a) below
Private equity	733,687	No redemption feature	$ 160,404	Approximately 9 to 11 years
Private debt	477,233	No redemption feature	238,663	Approximately 9 to 11 years
Real estate	334,269	No redemption feature	50,939	Approximately 9 to 11 years
Total limited partnerships	$ 1,632,352		$ 450,006	

(a) Approximately $2 million, or 7%, in directional hedge funds limited partnerships were in liquidation at December 31, 2012.

As detailed above, all of the Master Trust's Level 3 investments consist of limited partnerships, including three group annuity contracts categorized as private debt of $13.9 million. The limited partnerships have been valued using NAV as reported in the audited financial statements of the respective investments (adjusted for estimated selling costs), as of December 31, 2012. The value of the group annuity contracts was determined by the respective insurance company using methodologies not readily available. These investments therefore, meet the exceptions to disclosing the quantitative information about significant unobservable inputs used in Level 3 fair value measurements.

Investments that Represent 5% or more of the Master Trust's Net Assets Available for Benefits

The following table presents investments that represent 5% or more of the Master Trust's net assets available for benefits as of December 31, 2012.

	(Dollars and shares in thousands)
Bridgewater All Weather 12% LLC Series I, 454 shares	$ 655,540

Derivatives

Derivative instruments are used to reduce risk as well as provide return. The Master Trust uses exchange traded futures to gain exposure to equity and debt markets consistent with target asset allocations. Interest rate swaps are used in the Master Trust to reduce risk relative to measurement of the benefit obligation, which is sensitive to interest rate changes. Foreign exchange forward contracts are used primarily to manage currency exposures. Credit default swaps are used to manage credit exposure and to enhance investment returns. Options are used to provide protection or enhance returns associated with changes in interest rates. Some derivative instruments subject the Master Trust to counterparty risk. The external investment managers, along with CIM, closely monitor counterparty exposure and mitigate this risk by diversifying the exposure among multiple high credit quality counterparties, requiring collateral, and limiting exposure by periodically settling contracts.

Swap contracts held in the Master Trust contain credit-risk-related contingent features. For instance, if the net assets of the Master Trust declined by more than 15% per month or 30% per year, the counterparty of certain contracts could choose to terminate the contract. Other counterparties would require the posting of additional collateral equal to 1% to 2.5% of the notional value in order to maintain the existing contracts if net assets of the Master Trust drop by more than 50% in a year. For swap contracts that would require posting of additional collateral, if the feature were triggered on December 31, 2012, the Master Trust would have been required to post additional collateral of approximately $6.8 million.

The tables below present derivative instruments held directly by the Master Trust as of December 31, 2012. The tables exclude any derivatives that may be held in the investments in commingled and mutual funds.

		Asset derivatives as of December 31, 2012	
	Statements of net assets available for benefits location	Notional amount	Fair value
		(Dollars in thousands)	
Exchanged –traded			
U.S. equity futures	Investments, at fair value	$ 302,086	$ 5,983
U.S. treasury futures	Investments, at fair value	(54,359)	258
European treasury futures	Investments, at fair value	152,269	29
Interest rate swaps	Investments, at fair value	573,968	12,862
Credit default swaps	Investments, at fair value	295,218	2,844
Options	Investments, at fair value	8,700	693
Foreign exchange forwards	Investments, at fair value	264,262	6,484
Total		$ 1,542,144	$ 29,153

		Liability derivatives as of December 31, 2012	
	Statements of net assets available for benefits location	Notional amount	Fair value
		(Dollars in thousands)	
Exchanged –traded			
Non U.S. equity futures	Investments, at fair value	$ 871	$ 6
U.S. treasury futures	Investments, at fair value	1,701,682	11,297
Interest rate swaps	Investments, at fair value	494,821	11,899
Credit default swaps	Investments at fair value	169,997	1,669
Options	Investments, at fair value	(772,900)	2,522
Foreign exchange forwards	Investments, at fair value	618,920	8,187
Total		$ 2,213,391	$ 35,580

The following table presents the total net gain (loss) of derivatives for the year ended December 31, 2012:

	Statements of changes in net assets available for benefits location	(Dollars in thousands)
Exchanged –traded		
U.S. equity futures	Net appreciation in fair value of investments	$ 45,886
Non U.S. equity futures	Net appreciation in fair value of investments	111
U.S. treasury futures	Net appreciation in fair value of investments	86,391
European treasury futures	Net appreciation in fair value of investments	2,443
Interest rate swaps	Net appreciation in fair value of investments	16,987
Credit default swaps and options	Net appreciation in fair value of investments	2,847
Options	Net appreciation in fair value of investments	55
Foreign exchange forwards	Net (depreciation) in fair value of investments	(2,439)
Total		$ 152,281

Note 5: Securities Lending

The Master Trust participates in securities lending transactions whereby the Master Trust's lending agent lends investments of the Master Trust to other third-party investment companies in exchange for collateral. The securities are generally loaned for a period of less than a month. Under the terms of its securities lending agreement, the Master Trust typically requires collateral of a value equal to 102%, for U.S. securities, or 105%, for foreign securities, of the then fair value of the loaned investments. Collateral is then invested in a segregated account maintained by the lending agent. Upon the maturity of the agreement, the borrower must return the same, or substantially the same, investments that were borrowed, and the Master Trust returns the collateral. The risks to the Master Trust of securities lending transactions are that 1) the borrower may not provide additional collateral when required, 2) the borrower may not return the investments when due, or 3) the earnings on the collateral investments may be negative requiring the Master Trust to assume additional collateral obligations. The Master Trust investments loaned under securities lending transactions totaled $602 million as of December 31, 2012. The Master Trust recognizes the securities loaned on the statements of net assets available for benefits and records a corresponding asset and liability for the collateral held and for its obligation to return the collateral to the borrower. The Master Trust's financial instruments held as collateral totaled $613 million as of December 31, 2012. Income from securities lending transactions totaled approximately $1 million for the year ended December 31, 2012.

As described in Note 4, in addition to direct investments in stocks and fixed-income securities, the Master Trust invests in commingled funds and mutual funds. Several of these funds may also engage in securities lending.

Note 6: Actuarial Present Value of Accumulated Benefits

The actuarial present value of accumulated plan benefits is the present value of those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service that employees have rendered to the Company. Accumulated plan benefits include benefits expected to be paid to:

- Retired or terminated employees or their beneficiaries;
- Beneficiaries of employees who have died; and
- Present employees or their beneficiaries.

Benefits payable upon retirement, death, or disability are included to the extent they are deemed attributable to employee service rendered through the valuation date. The accumulated plan benefits are based on census data and Plan provisions in effect as of January 1, 2012 and 2011. These calculations have been used to disclose accumulated plan benefits as of December 31, 2011 and 2010. The actuarial valuation as of January 1, 2012 and 2011 is not materially different than the valuation would be as of December 31, 2011 and 2010.

The December 31, 2011 significant assumptions used to calculate the actuarial present value of accumulated plan benefits include:

• Discount rate	7.5%
• Lump sum payment interest rate	6.0%
• No cost of living adjustment	
• Mortality*	

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

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

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

The following table presents the components of the Plan's benefit obligations as of December 31, 2011 and 2010:

	December 31,	
	2011	2010
	(Dollars in thousands)	
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	$ 3,465	$ 2,832
Other participants	9,782	10,030
Non vested benefits	108	36
Total actuarial present value of accumulated plan benefits	$ 13,355	$ 12,898

The following table presents the changes in accumulated plan benefit obligations for the year ended December 31, 2011:

	(Dollars in thousands)
Actuarial present value of accumulated plan benefits as of December 31, 2010	$ 12,898
Increase (decrease) during the year due to:	
Decrease in discount period	954
Benefits paid	(334)
Actuarial gain and other	(188)
Change in actuarial assumptions	25
Actuarial present value of accumulated plan benefits as of December 31, 2011	$ 13,355

Note 7: Summary of Information Certified by the Trustees

The Plan Administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the respective Trustee(s) has/have certified the following information included in the accompanying financial statements and supplemental schedule. Additionally, the investment categories, and sub categories, and fair value amounts in Notes 3 and 4 were derived from information certified by the Trustees. The Plan Administrator has obtained certifications from the Trustees that the following information is complete and accurate:

	2012	2011
	(Dollars in thousands)	
Prudential Financial:		
Investment in CenturyTel, Inc. Defined Benefit Plans Master Trust	$ –	$ 14,954
Net investment income and net appreciation from CenturyTel, Inc. Defined Benefit Plans Master Trust	–	(103)
Northern Trust:		
Investment in CenturyLink, Inc. Defined Benefit Master Trust	17,139	–
Net investment income and net appreciation from CenturyLink, Inc. Defined Benefit Master Trust	1,940	–
Common and commingled trust funds	–	3
Liability for securities lending	812	–

Accordingly, the Plan Administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to the investment information certified by the Trustees as complete and accurate, except for comparing such information certified by the Trustees to information included in the Plan's financial statements and supplemental schedule.

Note 8: Tax Status

The Plan received a favorable tax determination letter dated May 19, 2011, from the IRS. Furthermore, the Plan's management believes that the Plan continues to be designed and operated in compliance with the applicable requirements of the Internal Revenue Code; therefore, it believes that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date. Accordingly, no provision for income taxes has been provided for in the Plan's financial statements. Effective January 1, 2013, the Madison River Communications Corp. Employees' Retirement Plan was merged into the Embarq Retirement Pension Plan.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and concluded that as of December 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 10: Plan Termination

Although the Company has not expressed any intention to do so, it has the right to terminate the Plan subject to the provisions of ERISA. However, the Company is required to comply with all relevant provisions of the applicable labor agreements.

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

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees.

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

Note 11: Related Party and Party-In-Interest Transactions

The Plan and Master Trust invest in certain commingled funds managed by the Plan's Trustee. In addition, the Master Trust reimbursed the Company approximately $5 thousand for certain qualifying administrative and investment expenses in 2012. Direct expenses paid in 2012 by the Master Trust for the Plan, and paid in 2011 by the Plan, include trustee fees, investment management fees, administration fees, and certain other expenses. These direct expenses paid by the Master Trust for the year ended December 31, 2012 totaled $202 thousand, and direct expenses paid by the Plan for the year ended December 31, 2011 totaled $141 thousand. These transactions, which qualify as related party or party-in-interest transactions, are exempt from the prohibited transaction rules.

Note 12: Concentrations, Risks and Uncertainties

As described in Note 3 – Fair Value of Financial Instruments and Note 4 – Interest in CenturyLink, Inc. Defined Benefit Master Trust, the Plan's assets include various types of investments. Investments, in general, are exposed to various risks, such as significant world events, interest rate, credit, foreign currency, and overall market volatility risk. These risks are managed by broadly diversifying assets across numerous asset classes and strategies with differing expected returns, volatilities, and correlations. Risk is also broadly diversified across numerous market sectors and individual companies. Financial instruments that potentially subject the Plan to concentrations of counterparty risk consist principally of investment contracts with high quality financial institutions. These investment contracts are typically collateralized obligations and/or actively managed, limiting the amount of counterparty exposure to any one financial institution. Although the investments are well diversified, and there are no significant concentrations of risk, the value of Plan assets could change materially depending upon the overall market volatility, which could affect the amounts reported in the statements of net assets available for benefits and the funded status of the Plan.

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

Note 13: Subsequent Events

Effective January 1, 2013, the Madison River Communications Corp. Employees' Retirement Plan was merged into the Embarq Retirement Pension Plan.

MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN
EIN: 72-0651161 PLAN NO: 003
FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012

	Identity of Issue, Borrower or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(In Thousands) Current Value
*	CenturyLink Defined Benefit Master Trust	Investment in Master Trust	$ 17,139
	Total assets held for investment purposes		$ 17,139

* CenturyLink as Plan Sponsor is considered a party in interest.

See accompanying Independent Auditors' Report

Appendix B – Summary of plan provisions

Plan Sponsor

CenturyLink

Plan

Madison River Communications Corp. Employees' Retirement Plan

Effective Date and Most Recent Amendment

The plan was originally effective August 15, 1960. The provisions reflected herein are based on the January 1, 2009 restatement, as amended. The most recent amendment is the second amendment, signed December 14, 2011.

Plan Year

The twelve-month period ending December 31, 2011.

Coverage and Participation

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

Benefit Accrual Freeze

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

Benefit Service

Madison River Communications Corp.

Prior to January 1, 1976, benefit service includes all of an Employee's full calendar years of continuous employment on January 1, 1976. On and after January 1, 1976, one Year of Benefit Service is earned upon the completion of one thousand (1,000) or more Hours of Service. For those Employees of the Gallatin River division, Service for both the Collective Bargaining and Non-

Bargaining units prior of November 1, 1998 will not be included for benefit accrual purposes, but will be included for eligibility and vesting.

Coastal Utilities, Inc.

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

Vesting Service

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

Career Average Compensation/Salary

Madison River Communications Corp.

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

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

Coastal Utilities, Inc.

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

Averaging: Career average salary.

Normal Retirement Eligibility

Madison River Communications Corp.

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

Coastal Utilities, Inc.

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

Normal Retirement Benefit

Madison River Communications Corp.

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

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

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

Effective January 1, 2001 and after:

Location-Dixon
Band 1 $31.14
Band 2 $48.23

Location-Pekin
Band 1 $34.55
Band 2 $50.16

Location-Galesburg
Band 1 $36.47
Band 2 $48.08

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

For Bargaining Unit Employees who move from a higher Band classification to a lower classification, the benefit will be the greater of (1) the benefit calculated by using all of the Benefit Service, multiplied by the pension band amount as of the Accrual Date or (2) the cumulative total of each separate period

of Benefit Service spent in each different band, multiplied by the applicable band amounts. The dollar amount of the higher pension Band will remain frozen unless the Employee is again assigned to a higher pension Band.

Minimum Benefit

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

Late Retirement

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

Coastal Utilities, Inc.

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

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

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

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

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

Accrued Benefits

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

Early Retirement Eligibility

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

Early Retirement Benefit

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

Madison River Communications Corp.

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

Coastal Utilities. Inc.

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

Disability Retirement Eligibility

Madison River Communications Corp.

A Participant may retire on the first day of any month prior to Normal Retirement Date if he or she qualifies for any Employer sponsored disability benefits under an existing LTD Plan.

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

Coastal Utilities. Inc.

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

Disability Retirement Benefit

Madison River Communications Corp.

Accrued Benefit as of the Disability Retirement Date.

Vested Benefits upon Termination of Service

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

Death Benefit

Madison River Communications Corp.

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

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

Coastal Utilities. Inc.

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

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

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

Optional Forms of Retirement Income in Lieu of Normal Form

Madison River Communications Corp.

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

- A monthly benefit is paid to the Participant for life, with no further benefits after death.
- A reduced benefit is paid to the participant while the participant and the designed contingent annuitant are both living, with such benefit (50%, 75% or 100% of such benefit thereof) continued after death for the subsequent lifetime of the Surviving Spouse.

- A reduced benefit is paid to the Participant for life, with 120, 180 or 240 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a beneficiary until 120, 180 or 240 have been paid.

- A lump sum payment of the Actuarial Equivalence of the Participant's retirement benefit, provided the amount does not exceed $1,000.00. Mebtel Participants have certain special provisions.

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

Coastal Utilities. Inc.

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

- A monthly benefit is paid to the Participant for life, with no further benefits after death.

- A reduced benefit is paid to the participant while the participant and the designed contingent annuitant are both living, with such benefit (50%, 75% or 100% of such benefit thereof) continued after death of either party, payable for the subsequent lifetime of the survivor.

- A reduced benefit is paid to the Participant for life, with 120, 180 or 240 monthly payments guaranteed. If the Participant dies within the guarantee period, the payments continue to a beneficiary until 120, 180 or 240 have been paid.

- A lump sum payment of the Actuarial Equivalence of the Participant's Normal Retirement Benefit, provided the amount does not exceed $1,000.00. Participants may receive a lump sum payment of the Actuarial Equivalence of the December 31, 2000 Actuarial Benefit without regard to any maximum limit.

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

Plan Participants' Contributions

Not applicable.

Changes in Plan Provisions since Last Actuarial Valuation

The second Amendment, adopted December 14, 2011, contained clarifications to certain plan provisions which had no significant impact on the results of the valuation.

MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN
EIN: 72-0651161 PLAN NO: 003
FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2012

	Identity of Issue, Borrower or Similar Party	Description of Investment, including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(In Thousands) Current Value
*	CenturyLink Defined Benefit Master Trust	Investment in Master Trust	$ 17,139
	Total assets held for investment purposes		$ 17,139

* CenturyLink as Plan Sponsor is considered a party in interest.

See accompanying Independent Auditors' Report

Section 3: Participant data

3.1 Summary of plan participants

All monetary amounts shown in US Dollars

Census Date		01/01/2012	01/01/2011
A	**Active Employees**		
1	Number	147	185
2	Expected plan compensation for year beginning on the valuation date (limited by IRC §401(a)(17))	N/A	N/A
3	Average plan compensation	N/A	N/A
4	Average age	52.27	52.70
5	Average credited service	25.35	25.66
6	Total accrued benefits	925,094	1,050,687
7	Average accrued benefits	6,293	5,679
B	**Participants with Deferred Benefits**		
1	Number	199	180
2	Total annual pension	840,001	821,944
3	Average annual pension	4,221	4,566
4	Average age	50.48	48.72
5	Distribution at January 1, 2012		

Age	Number	Annual Pension
Under 40	35	59,435
40-44	28	88,622
45-49	34	96,174
50-54	32	103,175
55-59	33	172,065
60-64	24	93,175
65 and over	13	227,355

C	**Participants Receiving Benefits**		
1	Number	126	111
2	Total annual pension	368,734	289,480
3	Average annual pension	2,926	2,608
4	Average age	65.91	65.59
5	Distribution at January 1, 2012		

Age	Number	Annual Pension
Under 55	2	2,188
55-59	10	56,098
60-64	41	94,622
65-69	46	123,595
70-74	24	79,349
75-79	2	10,940
80-84	0	0
85 and over	1	1,942

3.2 Age and service distribution of participating employees

Number distributed by attained age and attained years of credited service

Attained Age	Attained Years of Credited Service and Number[1]													
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over	Total
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	1	0	0	0	0	0	0	0	1
30-34	0	0	0	0	0	0	2	0	0	0	0	0	0	2
35-39	0	0	0	0	0	0	10	2	0	0	0	0	0	12
40-44	0	0	0	0	0	1	10	4	4	0	0	0	0	19
45-49	0	0	0	0	0	1	5	2	3	6	4	0	0	21
50-54	0	0	0	0	0	0	3	1	3	3	17	1	0	28
55-59	0	0	0	0	0	0	3	1	6	0	8	9	2	29
60-64	0	0	0	0	0	0	4	1	2	1	3	12	9	32
65-69	0	0	0	0	0	0	0	0	0	0	1	1	1	3
70 & over	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	3	37	11	18	10	33	23	12	147

Average:	Age	52	Number of Participants:	Fully vested	147	Males	111
	Service	25		Partially vested	0	Females	36

Census data as of January 1, 2012

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

Appendix A – Statement of actuarial assumptions and methods

Interest rate basis:

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

Interest rates:

➢ First segment rate	2.06%
➢ Second segment rate	5.25%
➢ Third segment rate	6.32%
➢ Effective interest rate	5.51%

Lump Sum Conversation Rate

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

Plan Sponsor

CenturyLink

EIN/PN

56-1968779/003

Assumed Cost of Living Adjustments

None.

Inclusion Date

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

Plan-related Expenses

Plan-related expenses are derived by considering the expenses paid from the trust in the previous 2 years. Anticipated PBGC premiums for the current plan year are added to this amount. For this valuation, plan related expenses are estimated to be $150,000. No investment related expenses are included in this estimate.

Mortality

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

Disabled Mortality

Same as for healthy participants.

Retirement Rates

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

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

Disability Rates

None.

Compensation Increases

Not applicable.

Future Increases in Social Security

Not applicable.

Future Increases in Maximum Benefits and Plan Compensation Limitations

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

Representative Termination Rates not Due to Disability, Retirement or Mortality

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

Form of Payment

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

Marriage

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

Employees

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

Plan Compensation

Not applicable.

Benefit Commencement Date

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

Deferred vested benefit: Age 65.

Disability benefit: Upon disablement.

Retirement benefit: Upon retirement.

Timing of Benefit Payments

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

Asset Method

Average of fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefit payments, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted receivable contributions (discounted using the effective interest rate for the 2011 plan year).

Participant Data

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

Tax Policy

The actuarial valuation performed for the plan year ending December 31, 2012 is used to determine the maximum deductible contribution for the tax year ending December 31, 2012.

Benefits not Included in Valuation

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

PBGC Premium Funding Target

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

Valuation Date

First day of the plan year.

Changes in Assumptions and Methods Since Last Actuarial Valuation

Other than the prescribed change in mortality, no changes in assumptions were made as part of this valuation.

The preliminary minimum funding schedule for the 2013 plan year, before reflecting any funding balance elections, is shown below, as set forth below:

All monetary amounts shown in US Dollars

Plan Year	2013
Preliminary Schedule of Minimum Funding Requirements	
April 15, 2013	195,978
July 15, 2013	195,978
October 15, 2013	195,978
January 15, 2014	195,978
September 15, 2014	To be determined by 2013 valuation

Change in minimum funding requirement and funding shortfall

The minimum funding requirement increased from $654,306 for the 2011 plan year to $783,912 for the 2012 plan year, and the funding shortfall increased from $2,059,110 on January 1, 2011 to $2,323,969 on January 1, 2012.

Significant reasons for these changes include the following:

- The plan's effective interest rate declined 83 basis points compared to the prior year, which increased the minimum funding requirement and the funding shortfall.
- While the return on the market value of assets was less than expected, the return on the actuarial value of assets since the prior valuation was greater than expected, which decreased the minimum funding requirement and the funding shortfall.

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

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

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210 - 0110
1210 - 0089

2012

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

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

B This return/report is:
- [ ] the first return/report;
- [x] an amended return/report;
- [ ] the final return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here ▶ [x]

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

Part II Basic Plan Information - enter all requested information

1a Name of plan
MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 08/15/1960

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

MADISON RIVER COMMUNICATIONS CORP.

CENTURYLINK - FINANCE DEPT. 2NE700
100 CENTURYLINK DRIVE
P. O. BOX 4065
MONROE LA 71203

2b Employer Identification Number (EIN) 20-5689137

2c Sponsor's telephone number (318) 388-9000

2d Business code (see instructions) 517000

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

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

SIGN HERE	[signature]	12/10/13	Marina Pearson
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

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

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

OMB No. 1210-0110

2012

This Form is Open to Public Inspection

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

▶ **Round off amounts to nearest dollar.**

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

A Name of plan

MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PL

B Three-digit plan number (PN) ▶ 003

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

MADISON RIVER COMMUNICATIONS CORP.

D Employer Identification Number (EIN) 20-5689137

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B **F** Prior year plan size: [ ] 100 or fewer [X] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2012

2	Assets:			
	a Market value		2a	14953732
	b Actuarial value		2b	15402675
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	3a	126	4194426
	b For terminated vested participants	3b	199	6051274
	c For active participants:			
	(1) Non-vested benefits	3c(1)		130342
	(2) Vested benefits	3c(2)		6097953
	(3) Total active	3c(3)	147	6228295
	d Total	3d	472	16473995
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5	Effective interest rate		5	5.51 %
6	Target normal cost		6	150000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE RTC — Signature of actuary

10/08/2013 — Date

RONALD T. COZZOLINO — Type or print name of actuary

11-06794 — Most recent enrollment number

TOWERS WATSON DELAWARE INC. — Firm name

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

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

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

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)		1917439
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)		654306
9	Amount remaining (line 7 minus line 8)		1263133
10	Interest on line 9 using prior year's actual return of -.83 %		-10484
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b Interest on (a) using prior year's effective interest rate of 6.34 % except as otherwise provided (see instructions)		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	1252649

Part III Funding Percentages

14	Funding target attainment percentage	14	85.89 %
15	Adjusted funding target attainment percentage	15	85.89 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	85.87 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶	18(b)	18(c)

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

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

Liquidity shortfall as of end of quarter of this plan year

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

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

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
2.06 %	5.25 %	6.32 %	

b Applicable month (enter code) 21b 4

22 Weighted average retirement age 22 64

23 Mortality table(s) (see instructions) ☐ Prescribed -- combined ☒ Prescribed -- separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment 27

Part VII Reconciliation of Unpaid Minimum Required Contributions for Prior Years

28 Unpaid minimum required contributions for all prior years 28

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) 29

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29) 30 0

Part VIII Minimum Required Contribution for Current Year

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

a Target normal cost (line 6) 31a 150000

b Excess assets, if applicable, but not greater than line 31a 31b

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	2323969	633912
b Waiver amortization installment		

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month Day Year) and the waived amount. 33

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) 34 783912

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement		783912	783912

36 Additional cash requirement (line 34 minus line 35) 36

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) 37

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

a Total (excess, if any, of line 37 over line 36) 38a

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances 38b

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) 39 0

40 Unpaid minimum required contributions for all years 40

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

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment 42

43 Excess installment acceleration amount to be carried over to future plan years 43