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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><p style="text-align: center;">▶ <b>Complete all entries in accordance with the instructions to the Form 5500.</b></p> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection</b> |
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|----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                                                 |
| For calendar plan year 2013 or fiscal plan year beginning <u>12/30/2013</u> and ending <u>12/31/2013</u> |                                                                                                                                                                                                                                                                 |
| A This return/report is for:                                                                             | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                                               |
| B This return/report is:                                                                                 | <input type="checkbox"/> the first return/report; <input checked="" type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input checked="" type="checkbox"/> a short plan year return/report (less than 12 months). |
| C If the plan is a collectively-bargained plan, check here. . . . .                                      | <input checked="" type="checkbox"/>                                                                                                                                                                                                                             |
| D Check box if filing under:                                                                             | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                                       |

|                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----|------------------------------------------------|--|--------------------------------------------------------------|--|------------------------------------------------------|--|------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                       | <b>Basic Plan Information—enter all requested information</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |
| <b>1a</b> Name of plan<br>MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA                                                                                                                                                                                         | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">003</td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/>08/15/1960</td> </tr> <tr> <td colspan="2"><b>2b</b> Employer Identification Number (EIN)<br/>20-5689137</td> </tr> <tr> <td colspan="2"><b>2c</b> Sponsor's telephone number<br/>318-388-9000</td> </tr> <tr> <td colspan="2"><b>2d</b> Business code (see instructions)<br/>517000</td> </tr> </table> | <b>1b</b> Three-digit plan number (PN) ▶ | 003 | <b>1c</b> Effective date of plan<br>08/15/1960 |  | <b>2b</b> Employer Identification Number (EIN)<br>20-5689137 |  | <b>2c</b> Sponsor's telephone number<br>318-388-9000 |  | <b>2d</b> Business code (see instructions)<br>517000 |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                                             | 003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |
| <b>1c</b> Effective date of plan<br>08/15/1960                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |
| <b>2b</b> Employer Identification Number (EIN)<br>20-5689137                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |
| <b>2c</b> Sponsor's telephone number<br>318-388-9000                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |
| <b>2d</b> Business code (see instructions)<br>517000                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br>MADISON RIVER COMMUNICATIONS CORP.<br><br>CENTURYLINK - FINANCE DEPT. 2NE700<br>100 CENTURYLINK DRIVE<br>P. O. BOX 4065<br>MONROE, LA 71203 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                          |     |                                                |  |                                                              |  |                                                      |  |                                                      |  |

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

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

|                                                                                                            |                                                   |            |                                                              |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                           | Filed with authorized/valid electronic signature. | 10/14/2014 | LEANNA MCGEE                                                 |
|                                                                                                            | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                           |                                                   |            |                                                              |
|                                                                                                            | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                                                   |            | Preparer's telephone number (optional)                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |
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| <b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address<br><br>CENTURYLINK EMPLOYEE BENEFITS COMMITTEE<br>C/O CENTURYLINK, INC.<br>805 BROADWAY STREET, 8TH FLOOR<br>VANCOUVER, WA 98660                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>3b</b> Administrator's EIN<br>72-0651161                |
|                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>3c</b> Administrator's telephone number<br>360-905-7972 |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><b>a</b> Sponsor's name                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>4b</b> EIN<br><br><b>4c</b> PN                          |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                    | <b>5</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 458                                                        |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |
| <b>a</b> Active participants .....                                                                                                                                                                                                                                                                                                                                                                                         | <b>6a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                          |
| <b>b</b> Retired or separated participants receiving benefits .....                                                                                                                                                                                                                                                                                                                                                        | <b>6b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                          |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                          | <b>6c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                          |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                   | <b>6d</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                          |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits .....                                                                                                                                                                                                                                                                                                                 | <b>6e</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                          |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                    | <b>6f</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                                          |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                                                                                                                                                                                                                            | <b>6g</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                            |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                                                                                                                                                                                                                                | <b>6h</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                            |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                                                                                                                                                                                                                                        | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                            |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>1A 1B 3H                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |
| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                              | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                     |                                                            |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                            |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |                                                            |



**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  
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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 EMBARQ RETIREMENT PENSION PLAN**b** Name of plan sponsor EMBARQ CORPORATION**c** EIN-PN 20-2923630-001**a** Plan name CENTURYLINK RETIREMENT PLAN**b** Name of plan sponsor CENTURYLINK INC.**c** EIN-PN 72-0651161-001**a** Plan name QWEST PENSION PLAN**b** Name of plan sponsor QWEST COMMUNICATION INTERNATIONAL INC.**c** EIN-PN 84-1339282-005**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

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
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| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2013</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                            |                                                                    |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| For calendar plan year 2013 or fiscal plan year beginning <u>12/30/2013</u> and ending <u>12/31/2013</u>   |                                                                    |
| <b>A</b> Name of plan<br><u>MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA</u>                         | <b>B</b> Three-digit plan number (PN) <u>003</u>                   |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>MADISON RIVER COMMUNICATIONS CORP.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>20-5689137</u> |

| <b>Part I Asset and Liability Statement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                 |                       |                 |
| Assets                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 | (a) Beginning of Year | (b) End of Year |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |                       |                 |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>    |                       |                 |
| <b>(2)</b> Participant contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>    | <u>117</u>            |                 |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>   | <u>17138534</u>       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 17138651              |                 |

**Liabilities**

|                                                                           |           |        |   |
|---------------------------------------------------------------------------|-----------|--------|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |        |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 13358  | 0 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> | 811066 | 0 |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |        |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 824424 | 0 |

**Net Assets**

|                                                           |           |          |   |
|-----------------------------------------------------------|-----------|----------|---|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 16314227 | 0 |
|-----------------------------------------------------------|-----------|----------|---|

**Part II Income and Expense Statement**

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

**Income**

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

|                                                                                                 |        | (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)  |            | -1000     |
| (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 <b>income</b> amounts in column (b) and enter total .....               | 2d     |            | -1000     |

**Expenses**

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

**Net Income and Reconciliation**

|                                                          |       |  |          |
|----------------------------------------------------------|-------|--|----------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | -1000    |
| l Transfers of assets:                                   |       |  |          |
| (1) To this plan .....                                   | 2l(1) |  | 14000    |
| (2) From this plan .....                                 | 2l(2) |  | 16327227 |

**Part III Accountant's Opinion**

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

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

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

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

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

(1) Name: **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:

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

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

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

|                                                                                                                                                                                                                               | Yes | No | Amount   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                          |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....                               |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | X   |    | 50000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                    |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                          |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                |     | X  |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) ..... |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                      |     | 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: 0

**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) |
|--------------------------------|--------------|-------------|
| EMBARQ RETIREMENT PENSION PLAN | 20-2923630   | 001         |
|                                |              |             |
|                                |              |             |
|                                |              |             |
|                                |              |             |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

## Part V Trust Information (optional)

|                         |                       |
|-------------------------|-----------------------|
| <b>6a</b> Name of trust | <b>6b</b> Trust's EIN |
|                         |                       |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2013</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2013 or fiscal plan year beginning 12/30/2013 and ending 12/31/2013

|                                                                                                            |                                                                    |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA</u>                         | <b>B</b> Three-digit plan number (PN) ▶<br><u>003</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>MADISON RIVER COMMUNICATIONS CORP.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>20-5689137</u> |

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

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

|                                                                                                                                                                                                                                                                    |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b>          |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>04-3581074</u> |                   |
| <b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>                                                                                                                                                                                            |                   |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> <u>0</u> |

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

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

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

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a** Enter the percentage of plan assets held as:  
 Stock: 29.0% Investment-Grade Debt: 40.0% High-Yield Debt: 15.0% Real Estate: 5.0% Other: 11.0%
- 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, 2013 and 2012**

**(With Report of Independent Auditors Therein)**



A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator  
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, 2013 and 2012, and the related statement of changes in net assets available for benefits for each of the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis of 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 Northern Trust, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executed investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter – Supplemental Schedules

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2013, is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this supplemental schedule.

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 & Nettville*

New Orleans, Louisiana  
October 13, 2014

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

|                                                                   | As of December 31,     |               |
|-------------------------------------------------------------------|------------------------|---------------|
|                                                                   | 2013                   | 2012          |
|                                                                   | (Dollars in thousands) |               |
| <b>Assets</b>                                                     |                        |               |
| Investments, at fair value (Notes 3 and 4):                       |                        |               |
| Plan's interest in CenturyLink, Inc. Defined Benefit Master Trust | \$ —                   | 17,139        |
| Total investments, at fair value                                  | —                      | 17,139        |
| Total assets                                                      | —                      | 17,139        |
| <b>Liabilities</b>                                                |                        |               |
| Securities lending obligation                                     | —                      | 812           |
| Accrued expenses                                                  | —                      | 13            |
| Total liabilities                                                 | —                      | 825           |
| <b>Net assets available for benefits</b>                          | <b>\$ —</b>            | <b>16,314</b> |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

|                                                                    | Years Ended December 31, |                  |
|--------------------------------------------------------------------|--------------------------|------------------|
|                                                                    | 2013                     | 2012             |
|                                                                    | (Dollars in thousands)   |                  |
| <b>Additions (reductions) to net assets attributed to:</b>         |                          |                  |
| Investment income:                                                 |                          |                  |
| Allocable share of Master Trust investment income (Note 4)         | \$ —                     | \$ 379           |
| Total investment income                                            | —                        | 379              |
| Allocable share of Master Trust Investment expense (Note 4)        | —                        | (28)             |
| Net investment income                                              | —                        | 351              |
| Net (depreciation) appreciation in fair value of investments       |                          |                  |
| Allocable share of Master Trust investment activities (Note 4)     | (1)                      | 1,589            |
| Total net (depreciation) appreciation in fair value of investments | (1)                      | 1,589            |
| Transfers in from other plans                                      | 14                       | —                |
| Total additions, net                                               | 13                       | 1,940            |
| <b>Deductions from net assets attributed to:</b>                   |                          |                  |
| Benefits paid to participants                                      | —                        | 438              |
| Allocable share of Master Trust administrative expenses (Note 4)   | —                        | 8                |
| Other plan administrative expenses                                 | —                        | 166              |
| Transfers out to other plans                                       | 16,327                   | —                |
| Total deductions                                                   | 16,327                   | 612              |
| Net (decrease) increase                                            | (16,314)                 | 1,328            |
| <b>Net assets available for benefits:</b>                          |                          |                  |
| Beginning of year                                                  | 16,314                   | 14,986           |
| End of year                                                        | <b>\$ —</b>              | <b>\$ 16,314</b> |

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

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to 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.

Effective January 1, 2013, the Plan was merged into the Embarq Retirement Pension Plan ("Embarq Plan"). This merger had no effect on the participants' pension benefits as the benefit provisions of the merged Plan were incorporated into the Embarq Plan.

***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. In the regular course of doing business, the Plan is subject to review by various governmental agencies such as the Department of Labor ("DOL") and the Internal Revenue Service ("IRS").

***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 Madison River. 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 Madison River'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 period ended January 1, 2013 and the year ended December 31, 2012. The Plan had no other activity after the January 1, 2013 merger.

**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 13, 2014, 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.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

***Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires Plan's management to make estimates and assumptions that affect reported amounts of assets, liabilities, and changes therein; disclosure of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

***Recently Adopted Accounting Pronouncements***

In December 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2011-11, "*Disclosures about Offsetting Assets and Liabilities*" ("ASU 2011-11"), which was subsequently amended in January 2013 when the FASB issued ASU No. 2013-01 "*Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*." Together, these ASUs provide guidance on disclosure of information pertaining to the offsetting (netting) of assets and liabilities in the financial statements. The amendments in these ASUs affect all entities that have financial instruments and derivative instruments that either (1) offset in accordance with either ASC 210-20-45 or ASC 815-10-45 or (2) are subject to an enforceable master netting arrangement or similar agreement. ASU 2011-11 amends the existing disclosure requirements on offsetting in ASC 210-20-50 by requiring disclosures relating to gross amounts of recognized assets and liabilities, the amounts that are offset, net amounts presented in the balance sheet, and amounts subject to an enforceable master netting arrangement or similar agreement. The amendments in these ASUs became effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Adoption of the provisions of ASU No. 2011-11 did not have a material impact on the Plan's statement of net assets available for benefits and statement of changes in net assets available for benefits.

***Income Recognition***

The allocable share of net realized and unrealized gains and losses from the CenturyLink, Inc. Defined Benefit Master Trust ("Master Trust") are reflected in the statements 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.

The allocable share of dividend income from the Master Trust 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 or paid by the Master Trust and allocated to 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 or paid by the Master Trust and allocated to the Plan include trustee fees, investment management fees, administration fees and certain other expenses.

***Payment of Benefits***

Benefit payments to participants are recorded upon distribution to the participant.

**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.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

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.

At the beginning of 2012, all assets, including the group annuity contract, 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 Plan merged into the Embarq Plan on January 1, 2013, which included the Plan's assets. These Plan assets are now included as part of the Embarq Plan assets as of December 31, 2013. The fair values of the investments held in the Master Trust as of December 31, 2013 and 2012 are presented in Note 4—Investment in CenturyLink, Inc. Defined Benefit Master Trust.

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

The CenturyLink, Inc. Defined Benefit 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 further information on description of fair value of financial instruments, including input levels, see Note 3—Fair Value of Financial Instruments.

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

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

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 as well as a commingled convertible bond fund. 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. The commingled bond fund is valued at NAV based on the market value of the underlying convertible bonds using the same valuation inputs previously described. The commingled funds can be redeemed at NAV within one year from the financial statement date and is 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 funds held in 2012 trade at the daily net asset value, as determined by the market value of the underlying investments, 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 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.

## MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN

### Notes to Financial Statements

(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. Certain U.S. Treasury Bills held in 2012 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.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

The Plan's interest in the net assets of the Master Trust was approximately 0.1% as of December 31, 2012. The Plan's interest in the net assets of the Master Trust of 0.1% were merged with the Embarq Retirement Pension Plan's interest in the net assets of the Master Trust on January 1, 2013.

It is important to note that the asset allocations do not include market exposures that are gained with derivatives. The fair value of Master Trust investments is presented net of selling costs, such as brokerage commissions, of approximately \$21 million as of December 31, 2013 and 2012 in the tables below.

The following table sets forth by category and input level, within the fair value hierarchy, the Master Trust's net assets available for benefits at fair value as of December 31, 2013:

| Fair Value of Master Trust Assets at December 31, 2013                |                        |              |              |               |
|-----------------------------------------------------------------------|------------------------|--------------|--------------|---------------|
|                                                                       | Level 1                | Level 2      | Level 3      | Total         |
|                                                                       | (Dollars in thousands) |              |              |               |
| Investment grade bonds (a)                                            | \$ 813,506             | \$ 1,505,770 | \$ —         | \$ 2,319,276  |
| High yield bonds (b)                                                  | —                      | 1,265,942    | 25,707       | 1,291,649     |
| Emerging market bonds (c)                                             | 196,459                | 367,689      | —            | 564,148       |
| Convertible bonds (d)                                                 | —                      | 388,951      | —            | 388,951       |
| Diversified strategies (e)                                            | —                      | 724,030      | —            | 724,030       |
| U.S. stocks (f)                                                       | 1,409,655              | 92,018       | —            | 1,501,673     |
| Non-U.S. stocks (g)                                                   | 1,160,238              | 299,066      | —            | 1,459,304     |
| Emerging market stocks (h)                                            | —                      | 110,409      | —            | 110,409       |
| Private equity (i)                                                    | —                      | —            | 731,898      | 731,898       |
| Private debt (j)                                                      | —                      | —            | 428,366      | 428,366       |
| Market neutral hedge funds (k)                                        | —                      | 867,961      | 99,116       | 967,077       |
| Directional hedge funds (k)                                           | —                      | 581,131      | 32,282       | 613,413       |
| Real estate (l)                                                       | —                      | 312,416      | 260,987      | 573,403       |
| Derivatives (m)                                                       | (7,988)                | (35,155)     | —            | (43,143)      |
| Cash equivalents and short-term investments (n)                       | —                      | 730,900      | —            | 730,900       |
| Securities lending collateral (o)                                     | —                      | 707,371      | —            | 707,371       |
| Total investments at fair value                                       | 3,571,870              | 7,918,499    | 1,578,356    | 13,068,725    |
| Securities lending obligation (o)                                     | —                      | (707,371)    | —            | (707,371)     |
| Total investments at fair value, net of securities lending obligation | \$ 3,571,870           | \$ 7,211,128 | \$ 1,578,356 | 12,361,354    |
| Dividends and interest receivable                                     |                        |              |              | 133           |
| Total net assets available for benefits                               |                        |              |              | \$ 12,361,487 |

Securities loaned by the Master Trust totaled \$692 million at December 31, 2013. 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 \$216 million; \$65 million; \$33 million; \$73 million; \$266 million, and \$39 million, respectively.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

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 at December 31, 2012  |                        |              |              |               |
|---------------------------------------------------------|------------------------|--------------|--------------|---------------|
|                                                         | 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)      |
| Total net assets available for benefits at fair value   |                        |              |              | \$ 12,344,313 |

Securities loaned by the Master Trust totaled \$602 million at December 31, 2012. 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.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

During 2013 and 2012, the Master Trust's investments (including investments bought and sold, as well as held during the year) appreciated (depreciated) as follows:

|                                                                                   | <b>Years Ended December 31,</b> |                     |
|-----------------------------------------------------------------------------------|---------------------------------|---------------------|
|                                                                                   | <b>2013</b>                     | <b>2012</b>         |
|                                                                                   | <b>(Dollars in thousands)</b>   |                     |
| <b>Net appreciation (depreciation) in fair value of Master Trust investments:</b> |                                 |                     |
| Investment grade bonds                                                            | \$ (286,985)                    | \$ 133,935          |
| High yield bonds                                                                  | 66,784                          | 104,320             |
| Emerging market bonds                                                             | (61,368)                        | 61,504              |
| Convertible bonds                                                                 | 66,369                          | 39,290              |
| Diversified strategies                                                            | (26,011)                        | 100,951             |
| U.S. stocks                                                                       | 439,112                         | 198,590             |
| Non-U.S. stocks                                                                   | 245,021                         | 226,568             |
| Emerging market stocks                                                            | (7,520)                         | 30,730              |
| Private equity                                                                    | 97,929                          | 44,576              |
| Private debt                                                                      | 25,042                          | 45,482              |
| Market neutral hedge funds                                                        | 63,636                          | 41,716              |
| Directional hedge funds                                                           | 69,306                          | 44,332              |
| Real estate                                                                       | 49,624                          | 22,461              |
| Derivatives                                                                       | (183,791)                       | 152,281             |
| Cash equivalents and short-term investments                                       | (204)                           | (84)                |
| <b>Total net appreciation in fair value of Master Trust investments</b>           | <b>\$ 556,944</b>               | <b>\$ 1,246,652</b> |

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 \$293 million and \$577 million for the years ended December 31, 2013 and 2012, respectively. 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 \$264 million and \$670 million for the years ended December 31, 2013 and 2012, respectively.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

The following table reflects the changes in net assets for the Master Trust for the years ended December 31, 2013 and 2012:

|                                               | Years Ended December 31, |               |
|-----------------------------------------------|--------------------------|---------------|
|                                               | 2013                     | 2012          |
|                                               | (Dollars in thousands)   |               |
| <b>Changes in Master Trust Net Assets:</b>    |                          |               |
| Investment income:                            |                          |               |
| Dividends                                     | \$ 62,384                | \$ 66,692     |
| Interest                                      | 146,599                  | 143,429       |
| Other                                         | 73,612                   | 81,007        |
| Total investment income                       | 282,595                  | 291,128       |
| Investment expense                            | (20,544)                 | (23,588)      |
| Net investment income                         | 262,051                  | 267,540       |
| Net appreciation in fair value of investments | 556,944                  | 1,246,652     |
| Net transfers (from) to the Master Trust      | (791,086)                | 10,836,930    |
| Administrative expenses                       | (10,735)                 | (6,809)       |
| Net increase                                  | 17,174                   | 12,344,313    |
| Net assets available for benefits:            |                          |               |
| Beginning of year                             | 12,344,313               | —             |
| End of year                                   | \$ 12,361,487            | \$ 12,344,313 |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

***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 years ended December 31, 2013 and 2012:

|                                                                     | Master Trust Assets Valued Using Level 3 Inputs |                   |                   |                                     |                               |                   |                     |
|---------------------------------------------------------------------|-------------------------------------------------|-------------------|-------------------|-------------------------------------|-------------------------------|-------------------|---------------------|
|                                                                     | High<br>Yield<br>Bonds                          | Private<br>Equity | Private<br>Debt   | Market<br>Neutral<br>Hedge<br>Funds | Directional<br>Hedge<br>Funds | Real<br>Estate    | Total               |
|                                                                     | (Dollars in thousands)                          |                   |                   |                                     |                               |                   |                     |
| <b>Balance at December 31, 2011</b>                                 | \$ —                                            | \$ —              | \$ —              | \$ —                                | \$ —                          | \$ —              | \$ —                |
| 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)            |
| <b>Balance at December 31, 2012</b>                                 | <b>\$ 58,663</b>                                | <b>\$ 733,687</b> | <b>\$ 477,233</b> | <b>\$ —</b>                         | <b>\$ 28,500</b>              | <b>\$ 334,269</b> | <b>\$ 1,632,352</b> |
| Net (dispositions) acquisitions                                     | (37,762)                                        | (97,452)          | (73,547)          | 100,000                             | (868)                         | (88,781)          | (198,410)           |
| Actual return on plan assets:                                       |                                                 |                   |                   |                                     |                               |                   |                     |
| Realized gains relating to assets sold during the year              | 12,247                                          | 68,008            | 18,156            | —                                   | 129                           | 11,038            | 109,578             |
| Unrealized (losses) gains relating to assets still held at year-end | (7,441)                                         | 27,655            | 6,524             | (884)                               | 4,521                         | 4,461             | 34,836              |
| <b>Balance at December 31, 2013</b>                                 | <b>\$ 25,707</b>                                | <b>\$ 731,898</b> | <b>\$ 428,366</b> | <b>\$ 99,116</b>                    | <b>\$ 32,282</b>              | <b>\$ 260,987</b> | <b>\$ 1,578,356</b> |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

***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 tables below present a summary of the fair value, redemption frequency, and redemption notice period of commingled funds as of December 31, 2013 and 2012:

| Commingled Funds                            | Fair Value<br>(Dollars in thousands) | Redemption Frequency                 | Redemption Notice Period   | Redemption Restrictions as of December 31, 2013 |
|---------------------------------------------|--------------------------------------|--------------------------------------|----------------------------|-------------------------------------------------|
| Investment grade bonds                      | \$ 208,575                           | Daily                                | Same day or 1 day          | None                                            |
| High yield bonds                            | 897,353                              | Daily, monthly or quarterly          | Same day, 1, 10 or 90 days | None                                            |
| Emerging market bonds                       | 9,830                                | Daily                                | Same day                   | None                                            |
| Convertible bonds                           | 24,244                               | Monthly                              | 10 days                    | None                                            |
| Diversified strategies                      | 724,030                              | Monthly                              | 5 days                     | None                                            |
| U.S. stocks                                 | 92,018                               | Daily                                | Same day                   | None                                            |
| Non U.S. stocks                             | 299,029                              | Daily                                | Same day, 2 or 10 days     | None                                            |
| Emerging market stocks                      | 110,409                              | Daily or monthly                     | Same day, 30 or 60 days    | None                                            |
| Market neutral hedge funds                  | 867,961                              | Monthly, quarterly or semi-annually  | 5, 10, 60, 90 or 95 days   | See (a) below                                   |
| Directional hedge funds                     | 581,131                              | Quarterly, semi-annually or annually | 60, 65, 90 or 95 days      | None                                            |
| Real estate                                 | 312,416                              | Quarterly or semi-annually           | 45, 60 or 90 days          | None                                            |
| Cash equivalents and short-term investments | 85,724                               | Daily                                | Same day                   | None                                            |
| Total commingled funds                      | <u>\$ 4,212,720</u>                  |                                      |                            |                                                 |

(a) Approximately \$5.7 million or less than 1% in market neutral hedge funds commingled funds were in liquidation and could not be redeemed as of December 31, 2013.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

| Commingled Funds                            | Fair Value<br>(Dollars in thousands) | Redemption Frequency                        | Redemption Notice Period  | Redemption Restrictions as of December 31, 2012 |
|---------------------------------------------|--------------------------------------|---------------------------------------------|---------------------------|-------------------------------------------------|
| 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                      | <u>\$ 4,116,752</u>                  |                                             |                           |                                                 |

(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, 2013:

| Limited Partnerships       | Fair Value<br>(Dollars in thousands) | Redemption Frequency  | Unfunded Commitments<br>(Dollars in thousands) | Average Life of Distribution |
|----------------------------|--------------------------------------|-----------------------|------------------------------------------------|------------------------------|
| High yield bonds           | \$ 25,707                            | No redemption feature | None                                           | Approximately 5 to 7 years   |
| Private equity             | 731,898                              | No redemption feature | \$ 300,656                                     | Approximately 8 to 10 years  |
| Private debt               | 428,366                              | No redemption feature | 254,491                                        | Approximately 9 to 11 years  |
| Market neutral hedge funds | 99,116                               | No redemption feature | None                                           | Approximately 4 to 5 years   |
| Directional hedge funds    | 32,282                               | No redemption feature | None                                           | Approximately 2 years        |
| Real estate                | 260,987                              | No redemption feature | 49,576                                         | Approximately 7 to 9 years   |
| Total commingled funds     | <u>\$ 1,578,356</u>                  |                       | <u>\$ 604,723</u>                              |                              |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

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<br>(Dollars in thousands) | Redemption Frequency  | Unfunded Commitments<br>(Dollars in thousands) | Average Life of Distribution         |
|-------------------------|--------------------------------------|-----------------------|------------------------------------------------|--------------------------------------|
| High yield bonds        | \$ 58,663                            | No redemption feature | None                                           | Approximately 5 to 7 years           |
| 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          |
| Directional hedge funds | 28,500                               | No redemption feature | None                                           | Approximately 2 years; See (a) below |
| Real estate             | 334,269                              | No redemption feature | 50,939                                         | Approximately 9 to 11 years          |
| Total commingled funds  | <u>\$ 1,632,352</u>                  |                       | <u>\$ 450,006</u>                              |                                      |

(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 \$14 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, 2013. 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, 2013 and 2012:

|                                                                            | As of December 31,                |            |
|----------------------------------------------------------------------------|-----------------------------------|------------|
|                                                                            | 2013                              | 2012       |
|                                                                            | (Dollars and shares in thousands) |            |
| Bridgewater All Weather 12% LLC Series I, 525 and 454 shares, respectively | \$ 724,530                        | \$ 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, 2013, the Master Trust would have been required to post additional collateral of approximately \$6 million.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

The tables below present derivative instruments held directly by the Master Trust as of December 31, 2013. The tables exclude any derivatives that may be held in the investments in commingled and mutual funds.

|                           | Statements of Net Assets<br>Available For Benefits Location | Asset Derivatives as of<br>December 31, 2013 |                  |
|---------------------------|-------------------------------------------------------------|----------------------------------------------|------------------|
|                           |                                                             | Notional Amount                              | Fair Value       |
|                           |                                                             | (Dollars in thousands)                       |                  |
| Exchanged-traded:         |                                                             |                                              |                  |
| U.S. equity futures       | Investments, at fair value                                  | \$ 95,414                                    | \$ 541           |
| U.S. treasury futures     | Investments, at fair value                                  | (104,909)                                    | 238              |
| Eurodollar futures        | Investments, at fair value                                  | 959                                          | 1                |
| Interest rate swaps       | Investments, at fair value                                  | 134,772                                      | 2,517            |
| Credit default swaps      | Investments, at fair value                                  | 207,986                                      | 4,327            |
| Options                   | Investments, at fair value                                  | 10,700                                       | 1,551            |
| Foreign exchange forwards | Investments, at fair value                                  | 345,679                                      | 7,065            |
| Total                     |                                                             | <u>\$ 690,601</u>                            | <u>\$ 16,240</u> |

|                           | Statements of Net Assets<br>Available For Benefits Location | Liability Derivatives as of<br>December 31, 2013 |                    |
|---------------------------|-------------------------------------------------------------|--------------------------------------------------|--------------------|
|                           |                                                             | Notional Amount                                  | Fair Value         |
|                           |                                                             | (Dollars in thousands)                           |                    |
| Exchanged-traded:         |                                                             |                                                  |                    |
| U.S. treasury futures     | Investments, at fair value                                  | \$ 2,120,096                                     | \$ (8,700)         |
| Eurodollar futures        | Investments, at fair value                                  | 353,455                                          | (68)               |
| Interest rate swaps       | Investments, at fair value                                  | 421,369                                          | (38,915)           |
| Credit default swaps      | Investments, at fair value                                  | 44,495                                           | (1,039)            |
| Options                   | Investments, at fair value                                  | (254,357)                                        | (2,266)            |
| Foreign exchange forwards | Investments, at fair value                                  | 592,676                                          | (8,395)            |
| Total                     |                                                             | <u>\$ 3,277,734</u>                              | <u>\$ (59,383)</u> |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

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.

|                           | Statements of Net Assets<br>Available For Benefits Location | Asset Derivatives as of<br>December 31, 2012 |                  |
|---------------------------|-------------------------------------------------------------|----------------------------------------------|------------------|
|                           |                                                             | 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                     |                                                             | <u>\$ 1,542,144</u>                          | <u>\$ 29,153</u> |

|                           | Statements of Net Assets<br>Available For Benefits Location | Liability Derivatives as of<br>December 31, 2012 |                    |
|---------------------------|-------------------------------------------------------------|--------------------------------------------------|--------------------|
|                           |                                                             | Notional Amount                                  | Fair Value         |
|                           |                                                             | (Dollars in thousands)                           |                    |
| Exchanged-traded:         |                                                             |                                                  |                    |
| Non U.S. equity futures   | Investments, at fair value                                  | \$ 871                                           | \$ (6)             |
| U.S. equity 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                     |                                                             | <u>\$ 2,213,391</u>                              | <u>\$ (35,580)</u> |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

The following table presents the total net gain (loss) of derivatives for the years ended December 31, 2013 and 2012:

|                                  | Statements of Changes in Net Assets<br>Available for Benefits Location | Years Ended December 31, |                   |
|----------------------------------|------------------------------------------------------------------------|--------------------------|-------------------|
|                                  |                                                                        | 2013                     | 2012              |
|                                  |                                                                        | (Dollars in thousands)   |                   |
| Exchanged-traded:                |                                                                        |                          |                   |
| U.S. equity futures              | Net appreciation in fair value of investments                          | \$ 58,922                | \$ 45,886         |
| Non U.S. equity futures          | Net (depreciation) appreciation in fair value of investments           | (6,919)                  | 111               |
| U.S. treasury futures            | Net (depreciation) appreciation in fair value of investments           | (223,320)                | 86,391            |
| Eurodollar futures               | Net (depreciation) appreciation in fair value of investments           | (1,734)                  | 2,443             |
| Interest rate swaps              | Net (depreciation) appreciation in fair value of investments           | (36,574)                 | 16,987            |
| Credit default swaps and options | Net appreciation in fair value of investments                          | 5,082                    | 2,847             |
| Options                          | Net appreciation in fair value of investments                          | 1,255                    | 55                |
| Foreign exchange forwards        | Net appreciation (depreciation) in fair value of investments           | 19,498                   | (2,439)           |
| Total                            |                                                                        | <u>\$ (183,790)</u>      | <u>\$ 152,281</u> |

***Master Netting Agreements***

The Master Trust is subject to master netting agreements, or netting arrangements, with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with relevant transactions by specifying offsetting mechanisms and collateral posting arrangements at pre-arranged exposure levels. Since different types of transactions have different mechanics and are sometimes traded out of different legal entities of a particular counterparty organization, each type of transaction may be covered by a different master netting arrangement, possibly resulting in the need for multiple agreements with a single counterparty. Master netting agreements are specific to each different asset type; therefore, they allow the company to close out and net its total exposure to a specified counterparty in the event of a default with respect to any and all the transactions governed under a single agreement with the counterparty.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

The following is a summary by counterparty of the Master Trust's net exposure to derivative assets and liabilities, by financial instrument type, available for offset and net of collateral under Master Agreements at December 31, 2013:

| Asset Description                         | Gross<br>Recognized<br>Assets | Gross<br>Amounts<br>Offset | Net Amounts<br>Presented | Amounts Not<br>Offset:<br>Net Collateral<br>Received | Net Exposure    |
|-------------------------------------------|-------------------------------|----------------------------|--------------------------|------------------------------------------------------|-----------------|
| (Dollars in thousands)                    |                               |                            |                          |                                                      |                 |
| Exchange cleared interest rate/credit     | \$ 1,632                      | \$ 1,632                   | \$ —                     | \$ —                                                 | \$ —            |
| Exchange traded equities                  | 541                           | —                          | 541                      | —                                                    | 541             |
| Exchange traded interest rate/credit      | 239                           | 205                        | 34                       | —                                                    | 34              |
| OTC foreign exchange                      | 7,064                         | 3,414                      | 3,650                    | —                                                    | 3,650           |
| OTC interest rate/credit                  | 6,764                         | 3,747                      | 3,016                    | 1,339                                                | 1,677           |
| <b>Total derivatives subject to a MNA</b> | <b>\$ 16,240</b>              | <b>\$ 8,998</b>            | <b>\$ 7,241</b>          | <b>\$ 1,339</b>                                      | <b>\$ 5,902</b> |
| Securities lending                        | \$ 691,929                    | \$ —                       | \$ 691,929               | \$ 691,929                                           | \$ —            |

| Liability Description                     | Gross<br>Recognized<br>Liabilities | Gross<br>Amounts<br>Offset | Net Amounts<br>Presented | Amounts Not<br>Offset:<br>Net Collateral<br>Received | Net Exposure    |
|-------------------------------------------|------------------------------------|----------------------------|--------------------------|------------------------------------------------------|-----------------|
| (Dollars in thousands)                    |                                    |                            |                          |                                                      |                 |
| Exchange cleared interest rate/credit     | \$ 2,615                           | \$ 1,632                   | \$ 983                   | \$ 983                                               | \$ —            |
| Exchange traded interest rate/credit      | 8,768                              | 205                        | 8,563                    | 8,563                                                | —               |
| OTC foreign exchange                      | 8,395                              | 3,414                      | 4,980                    | 597                                                  | 4,383           |
| OTC interest rate/credit                  | 39,605                             | 3,747                      | 35,858                   | 35,858                                               | —               |
| <b>Total derivatives subject to a MNA</b> | <b>\$ 59,383</b>                   | <b>\$ 8,998</b>            | <b>\$ 50,384</b>         | <b>\$ 46,001</b>                                     | <b>\$ 4,383</b> |

The following is a summary by counterparty of the Master Trust's net exposure to derivative assets and liabilities, by financial instrument type, available for offset and net of collateral under Master Agreements at December 31, 2012:

| Asset Description                         | Gross<br>Recognized<br>Assets | Gross<br>Amounts<br>Offset | Net Amounts<br>Presented | Amounts Not<br>Offset:<br>Net Collateral<br>Received | Net Exposure     |
|-------------------------------------------|-------------------------------|----------------------------|--------------------------|------------------------------------------------------|------------------|
| (Dollars in thousands)                    |                               |                            |                          |                                                      |                  |
| Exchange cleared interest rate/credit     | \$ 10,022                     | \$ 9,539                   | \$ 482                   | \$ 123                                               | \$ 359           |
| Exchange traded equities                  | 5,983                         | —                          | 5,983                    | —                                                    | 5,983            |
| Exchange traded interest rate/credit      | 287                           | 270                        | 17                       | —                                                    | 17               |
| OTC foreign exchange                      | 6,483                         | 2,678                      | 3,805                    | —                                                    | 3,805            |
| OTC interest rate/credit                  | 6,378                         | 2,324                      | 4,054                    | 3,723                                                | 331              |
| <b>Total derivatives subject to a MNA</b> | <b>\$ 29,153</b>              | <b>\$ 14,811</b>           | <b>\$ 14,341</b>         | <b>\$ 3,846</b>                                      | <b>\$ 10,495</b> |
| Securities lending                        | \$ 601,600                    | \$ —                       | \$ 601,600               | \$ 601,600                                           | \$ —             |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

| Liability Description                     | Gross<br>Recognized<br>Liabilities | Gross<br>Amounts<br>Offset | Net Amounts<br>Presented | Amounts Not<br>Offset:<br>Net Collateral<br>Received | Net Exposure    |
|-------------------------------------------|------------------------------------|----------------------------|--------------------------|------------------------------------------------------|-----------------|
| (Dollars in thousands)                    |                                    |                            |                          |                                                      |                 |
| Exchange cleared interest rate/credit     | \$ 9,743                           | \$ 9,539                   | \$ 204                   | \$ 204                                               | \$ —            |
| Exchange traded equities                  | 6                                  | —                          | 6                        | 6                                                    | —               |
| Exchange traded interest rate/credit      | 11,297                             | 270                        | 11,028                   | 11,028                                               | —               |
| OTC foreign exchange                      | 8,187                              | 2,678                      | 5,509                    | 210                                                  | 5,299           |
| OTC interest rate/credit                  | 6,346                              | 2,324                      | 4,022                    | 2,847                                                | 1,175           |
| <b>Total derivatives subject to a MNA</b> | <b>\$ 35,579</b>                   | <b>\$ 14,811</b>           | <b>\$ 20,769</b>         | <b>\$ 14,295</b>                                     | <b>\$ 6,474</b> |

**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 \$692 million and \$602 million as of December 31, 2013 and 2012, respectively. 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 \$707 million and \$613 million as of December 31, 2013 and 2012, respectively. Income from securities lending transactions totaled approximately \$2 million and \$1 million for the years ended December 31, 2013 and 2012, respectively.

As described in Note 4—Interest in CenturyLink, Inc. Defined Benefit Master Trust, 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, 2013 and 2012. These calculations have been used to disclose accumulated plan benefits as of December 31, 2011 and 2010. The actuarial valuation as of January 1, 2013 and 2012 is not materially different than the valuation would be as of December 31, 2012 and 2011.

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

The December 31, 2012 significant assumptions used to calculate the present value of accumulated plan benefits include the following:

|                                  |      |
|----------------------------------|------|
| • Discount rate                  | 7.5% |
| • Lump sum payment interest rate | 6.0% |
| • Cost of living adjustment      | None |
| • Mortality                      | *    |

\* 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.

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 for the years ended December 31, 2012 and 2011:

|                                                            | Years Ended December 31, |                  |
|------------------------------------------------------------|--------------------------|------------------|
|                                                            | 2012                     | 2011             |
|                                                            | (Dollars in thousands)   |                  |
| Actuarial present value of accumulated plan benefits:      |                          |                  |
| Vested benefits:                                           |                          |                  |
| Participants currently receiving payments                  | \$ 4,754                 | \$ 3,465         |
| Other participants                                         | 8,690                    | 9,782            |
| Non vested benefits                                        | 136                      | 108              |
| Total actuarial present value of accumulated plan benefits | <u>\$ 13,580</u>         | <u>\$ 13,355</u> |

The following table presents the changes in accumulated plan benefit obligations for the year ended December 31, 2012:

|                                                                              | (Dollars in thousands) |
|------------------------------------------------------------------------------|------------------------|
| Actuarial present value of accumulated plan benefits as of December 31, 2011 | <u>\$ 13,355</u>       |
| Increase (decrease) during the year due to:                                  |                        |
| Decrease in discount period                                                  | 985                    |
| Benefits paid                                                                | (438)                  |
| Actuarial loss and other                                                     | (349)                  |
| Change in actuarial assumptions                                              | 27                     |
| Actuarial present value of accumulated plan benefits as of December 31, 2012 | <u>\$ 13,580</u>       |

**MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN**  
Notes to Financial Statements

**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 Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the respective trustees have certified the following information included in the accompanying financial statements and supplemental schedule. Additionally, the investment categories, sub categories, and fair value amounts in Note 4—Interest in CenturyLink, Inc. Defined Benefit Master Trust 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:

- Statements of Net Assets Available for Benefits:

2012 - Northern Trust - 0.1% interest in Master Trust, all assets, excluding \$28 thousand of estimated selling costs, and securities lending obligation

- Statements of Changes in Net Assets Available for Benefits:

2012 - Northern Trust - 0.1% interest in Master Trust, investment income and net appreciation (depreciation) in fair value of investments, excluding \$28 thousand of estimated selling costs, and securities lending obligation

- Effective January 1, 2013, the Plan was merged into and is now reported as part of the Embarq Retirement Pension Plan.

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 favorable tax determination letters from the Internal Revenue Service ("IRS") dated May 9, 2012 and January 31, 2013. 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.

Accounting principles generally accepted in the United States of America ("GAAP") requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan Administrator has analyzed the tax positions taken by the Plan and concluded that as of December 31, 2013, 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, the Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

**Note 9. Related Party, Party-In-Interest Transactions and Nonexempt Transactions**

The Plan and Master Trust invest in certain commingled funds managed by the Plan's trustee. There were no qualifying administrative and investment expenses to be reimbursed by the Master Trust in 2013. Direct expenses paid in 2013 and 2012 by the Master Trust for the Plan include trustee fees, investment management fees, administration fees, and certain other expenses. These direct expenses paid by the Master Trust for the years ended December 31, 2013 and 2012 totaled \$4 million and \$3 million, respectively. These transactions, which qualify as related party or party-in-interest transactions, are exempt from the prohibited transaction rules.

## MADISON RIVER COMMUNICATIONS CORP. EMPLOYEES' RETIREMENT PLAN

### Notes to Financial Statements

#### Note 10. 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.

**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)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

| Identity of Issue, Borrower or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest,<br>Collateral, Par or Maturity Value | Current Value |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------|
| CenturyLink Defined Benefit Master Trust*    | Investment in Master Trust                                                                                    | \$ —          |
| Total assets held for investment purposes    |                                                                                                               | \$ —          |

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

See accompanying Independent Auditors' Report

**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)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

| Identity of Issue, Borrower or Similar Party | Description of Investment, including<br>Maturity Date, Rate of Interest,<br>Collateral, Par or Maturity Value | Current Value |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------|
| CenturyLink Defined Benefit Master Trust*    | Investment in Master Trust                                                                                    | \$ —          |
| Total assets held for investment purposes    |                                                                                                               | \$ —          |

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

See accompanying Independent Auditors' Report

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

Pension Benefit Guaranty Corporation

**Annual Return/Report of Employee Benefit Plan**

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

▶ **Complete all entries in accordance with the instructions to the Form 5500.**OMB Nos. 1510-0110  
1510-0069**2013****This Form is Open to Public Inspection****Part I Annual Report Identification Information**For calendar plan year 2013 or fiscal plan year beginning 12/30/2013 and ending 12/31/2013

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

**Part II Basic Plan Information** - enter all requested information

|                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1a</b> Name of plan<br>MADISON RIVER COMM. CORP. EMPLOYEES RETIREMENT PLA                                                                                                                                                                                        | <b>1b</b> Three-digit plan number (PN) ▶ <u>003</u>                                                                                                                                                 |
|                                                                                                                                                                                                                                                                     | <b>1c</b> Effective date of plan<br><u>08/15/1960</u>                                                                                                                                               |
| <b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)<br><br>MADISON RIVER COMMUNICATIONS CORP.<br><br>CENTURYLINK - FINANCE DEPT. 2NE700<br>100 CENTURYLINK DRIVE<br>P. O. BOX 4065<br>MONROE LA 71203 | <b>2b</b> Employer Identification Number (EIN)<br><u>20-5689137</u><br><b>2c</b> Sponsor's telephone number<br><u>(318) 388-9000</u><br><b>2d</b> Business code (see instructions)<br><u>517000</u> |

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

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

|                                                                                                            |                   |                                                              |
|------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b><br>    | <u>10/14/2014</u> | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b><br>Signature of employer/plan sponsor                                                     | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b><br>Signature of DFE                                                                       | Date              | Enter name of individual signing as DFE                      |
| Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) |                   | Preparer's telephone number (optional)                       |

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

Form 5500 (2013)  
v. 130118