

**Ted J. Thomas**  
Chairman  
(501) 682-5806

**Elana C. Wills**  
Commissioner  
(501) 682-5809

**Lamar B. Davis**  
Commissioner  
(501) 682-5809

**ARKANSAS  
PUBLIC SERVICE COMMISSION**  
1000 Center  
P.O. Box 400  
Little Rock, Arkansas 72203-0400  
<http://www.Arkansas.gov/psc>



July 14, 2016

Chairmen  
Arkansas Legislative Council  
State Capitol Building, Room 315  
Little Rock, AR 72201

Dear Chairmen:

Attached is the quarterly report concerning operation of the Extension of Telecommunications Facilities Fund (ETFF) for the period April through June 2016.

Arkansas Code Annotated § 23-17-404(e) (8) (D) (1) requires the Commission to provide quarterly reports to the Legislative Council concerning operation of the fund. The attachment details the quarterly activity regarding grants requested awarded and denied by company and names the Arkansas General Assembly Members whose constituents benefited from the approved grants. Year-to-date data has been provided for all approved grants. ETFF financial information is also provided for each month, the quarter and year-to-date.

Questions concerning operation of the ETFF or the quarterly report may be referred to Bill Dennis, Manager-Telecommunications and Quality of Service at 501-682-5695.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ted J. Thomas", written over a faint, circular official stamp.

Ted J. Thomas  
Chairman

TJT/ms  
Attachments



**RURAL TELCOM SOLUTIONS, LLC.**

**2200 EAST 8<sup>TH</sup> STREET  
PO BOX 608  
DANVILLE, AR 72833**

**LARRY FRAZIER - MANAGER**

**479-495-5881**

July 14, 2016

**Re: Arkansas Extension of Telecommunications Facilities Fund  
Arkansas PSC Docket No. 02-080-A**

Secretary of the Commission  
Arkansas Public Service Commission  
1000 Center Street  
Little Rock, AR 72201

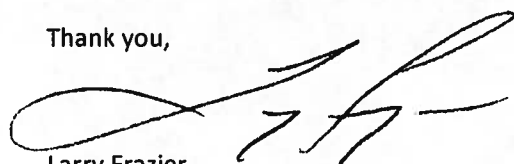
Dear Secretary,

Enclosed are the following documents for filing in the above captioned docket:

- (\*) Suggested language to submit to the Chairman of the appropriate committees to accompany the transmittal of the quarterly report of the Arkansas Extension of Telecommunications Facilities Fund.
- (\*) Monthly Status Reports for the Arkansas Extension of Telecommunications Facilities Fund for the activity months of April, May, and June 2016.
- (\*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements, by Company, for the 2nd quarter of 2016.
- (\*) A statement of grant application activity for the 2nd quarter of 2016.
- (\*) A statement of grant financial activity for the 2nd quarter of 2016.

Please contact me if you have any questions regarding the enclosed materials.

Thank you,



Larry Frazier  
Rural Telcom Solutions, LLC  
Administrator

**July 14, 2016**

**Arkansas Public Service Docket 02-080-A**

**Chairmen  
Arkansas Legislative Council  
State Capitol Building, Room 315  
Little Rock, AR 72201**

**Dear Chairmen:**

**Attached is the quarterly report concerning operation of the Extension of Telecommunications Facilities Fund (ARETFF) for the period April 2016 through June 2016.**

**Ark. Code Ann. § 23-17-404(e)(8)(D)(1) requires the Commission to provide quarterly reports to the Legislative Council concerning operation of the fund. The attachment details the quarterly activity regarding grants requested, awarded, and denied by company and names of the Arkansas General Assembly Members whose constituents benefited from the approved grants. Year-to-date data has been provided for all approved grants. ARETFF financial information is also provided for each month, the quarter and year-to-date.**

**Questions concerning operation of the ARETFF or the quarterly report may be referred to Bill Dennis, Manager-Telecommunications and Quality of Service at 501-682-5695.**

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**Arkansas Extension of Telecommunications Facilities Fund****Quarterly Statement by Company****April 2016 - June 2016****Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC.**

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<b>GRANT PAYMENTS</b>	<b>Initial Grants</b>				<b>Year-to-date</b>
	<b>1Q2016</b>	<b>2Q2016</b>	<b>3Q2016</b>	<b>4Q2016</b>	
Centurylink of Arkansas	\$60,812.76	\$52,000.58	\$0.00	\$0.00	\$112,813.34
Windstream Arkansas	\$0.00	\$2,394.60	\$0.00	\$0.00	\$2,394.60
Northern Arkansas Telephone Company	\$0.00	\$2,294.00	\$0.00	\$0.00	\$2,294.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL GRANT PAYMENTS</b>	<b>\$60,812.76</b>	<b>\$56,689.18</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$117,501.94</b>

<b>GRANT TRUE-UP PAYMENTS</b>	<b>Grant True-Up Activity</b>				<b>Year-to-date</b>
	<b>1Q2016</b>	<b>2Q2016</b>	<b>3Q2016</b>	<b>4Q2016</b>	
Southwest Ar Telephone Cooperative	(\$13,276.97)	\$0.00	\$0.00	\$0.00	(\$13,276.97)
Centurylink of Arkansas	\$0.00	(\$16,588.37)	\$0.00	\$0.00	(\$16,588.37)
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL GRANT TRUE-UP PAYMENTS</b>	<b>(\$13,276.97)</b>	<b>(\$16,588.37)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$29,865.34)</b>

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 2nd Quarter 2016

See item Arkansas ARETFF Docket No. 02-080-A. Rural Telcom Solutions, LLC assumed responsibility January 1, 2012. Balance reflects transfers from predecessor and current activity.

**Arkansas Extension of Telecommunications Facilities Fund**  
**Quarterly Grant Application Activity**  
**April 2016 - June 2016**  
**Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(i))**

Initial Grants					
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>	<u>Senator</u>	<u>Representative</u>
2016-005	Centurylink of Arkansas	\$5,185.53	Barbara Gosha	Linda Collins-Smith	James Ratliff
2016-006	Centurylink of Arkansas	\$15,704.98	Ric Kellett	Linda Collins-Smith	Scott Baltz
2016-007	Centurylink of Arkansas	\$4,928.33	Mike & Erin Glover	Greg Standridge	Trevor Drown
2016-008	Windstream of Arkansas	\$2,394.60	Mary Hulsey	Larry Teague	Nate Bell
2016-009	Northern Arkansas Telephone Company	\$2,294.00	Jerry McKinnis	Scott Flippo	Kelley Linck
2016-010	Centurylink of Arkansas	\$8,313.26	David Shepard	Blake Johnson	Joe Jett
2016-011	Centurylink of Arkansas	\$6,425.87	Rebecca Gray	Missy Irwin	Scott Blatz
2016-012	Centurylink of Arkansas	\$5,601.00	John Mills	Linda Collins-Smith	James Ratliff
2016-013	Centurylink of Arkansas	\$5,841.61	Ronald Bounds	Blake Johnson	Joe Jett
		<u>\$56,689.18</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2015-012TU	Centurylink of Arkansas	\$2,536.18	Regina Curtis
2016-001TU	Centurylink of Arkansas	(\$19,124.55)	Sarah Redus-Pace
		<u>(\$16,588.37)</u>	

Grants Denied / Returned / Withdrawn			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
		\$0.00	
		\$0.00	
		<u>\$0.00</u>	

Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 2nd Quarter 2016

See item Arkansas ARETFF Docket No. 02-080-A. Rural Telcom Solutions, LLC assumed responsibility January 1, 2012. Balance reflects transfers from predecessor and current activity.

**Arkansas Extension of Telecommunications Facilities Fund****Quarterly Financial Activity****April 2016 - June 2016 \*****Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(I))**

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2016</u>
<b><u>Revenues / Assessments</u></b>					
AICCLP	\$124,998.00	\$124,998.00	\$0.00	\$0.00	\$249,996.00
Grant True-up Receipts	\$13,276.97	\$19,124.55	\$0.00	\$0.00	\$32,401.52
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$1,818.19	\$2,384.01	\$0.00	\$0.00	\$4,202.20
<b>Total Revenue</b>	<b>\$140,093.16</b>	<b>\$146,506.56</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$286,599.72</b>

<b><u>Disbursements</u></b>					
Grant Request Approvals	\$60,812.76	\$56,689.18	\$0.00	\$0.00	\$117,501.94
Grant True-Up Approvals	\$0.00	\$2,536.18	\$0.00	\$0.00	\$2,536.18
External Audit Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$0.00	\$0.00	\$9,300.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Disbursements</b>	<b>\$65,462.76</b>	<b>\$63,875.36</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$129,338.12</b>

<b>Operating Surplus / (Deficit)</b>	<b>\$74,630.40</b>	<b>\$82,631.20</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$157,261.60</b>
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<b>Fund Balance as of:</b>	<u>2nd Quarter</u>	<u>Accounts</u>	
2016 Opening Fund Balance **	\$2,320,582.86	Investment 1	\$1,462,834.07
		Investment 2	\$510,603.65
YTD Operating Surplus / Deficit	\$157,261.60	Investment 3	\$504,406.74
Closing Fund Balance	<b>\$2,477,844.46</b>		<b>\$2,477,844.46</b>

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2016</u>
<b><u># of Grant Requests</u></b>					
Grants	4	9	0	0	13
True-Ups	1	2	0	0	3
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b># of New Customers</b>	<b>4</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>13</b>

\* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd, 3rd &amp; 4th Quarter 2016

\*\*See Item Arkansas ARETFF Docket No. 02-080-A. Rural Telcom Solutions, LLC assumed responsibility January 1, 2012. Balance reflects transfers from predecessor and current activity.

**Arkansas Extension of Telecommunications Facilities Fund**  
**Statement of Fund Performance**

Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC

Monthly Activity For	April 2016	Y-T-D 2016
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$166,664.00
Grant True-up Receipts	\$0.00	\$13,276.97
Miscellaneous	\$0.00	\$0.00
Interest Income	\$818.64	\$2,636.83
Total Revenue	<u>\$42,484.64</u>	<u>\$182,577.80</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$28,213.44	\$89,026.20
Grant True-Up Approvals	\$0.00	\$0.00
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$1,550.00	\$6,200.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$29,763.44</u>	<u>\$95,226.20</u>
<b>Operating Surplus / (Deficit)</b>	<b>\$12,721.20</b>	<b>\$87,351.60</b>

Fund Balance as of:	April 2016	<u>Accounts</u>	
2015 Opening Fund Balance	\$2,320,582.86	Investment 1	\$1,393,285.48
		Investment 2	\$510,408.58
YTD Operating Surplus / Deficit	\$87,351.60	Investment 3	\$504,240.40
Closing Fund Balance	<u>\$2,407,934.46</u>		<u>\$2,407,934.46</u>

THIS REPORT IS BEING FILED WITH UNAUDITED FINANCIAL INFORMATION AND IS FOR MANAGEMENT PURPOSES ONLY

**Arkansas Extension of Telecommunications Facilities Fund  
Statement of Fund Performance**

Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC

Monthly Activity For	<u>May 2016</u>	<u>Y-T-D 2016</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$208,330.00
Grant True-up Receipts	\$0.00	\$13,276.97
Miscellaneous	\$0.00	\$0.00
Interest Income	\$899.52	\$3,536.35
Total Revenue	<u>\$42,565.52</u>	<u>\$225,143.32</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$17,033.13	\$106,059.33
Grant True-Up Approvals	\$0.00	\$0.00
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$1,550.00	\$7,750.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$18,583.13</u>	<u>\$113,809.33</u>
<b>Operating Surplus / (Deficit)</b>	<b>\$23,982.39</b>	<b>\$111,333.99</b>

**Fund Balance as of:**

2015 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>May 2016</u>	<u>Accounts</u>
\$2,320,582.86	Investment 1 \$1,416,984.39
	Investment 2 \$510,603.65
\$111,333.99	Investment 3 \$504,328.81
<u>\$2,431,916.85</u>	<u>\$2,431,916.85</u>



**Arkansas Extension of Telecommunications Facilities Fund**  
**Statement of Fund Performance**

Prepared for the Arkansas Public Service Commission by Rural Telcom Solutions, LLC

Monthly Activity For	June 2016	Y-T-D 2016
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$249,996.00
Grant True-up Receipts	\$19,124.55	\$32,401.52
Miscellaneous	\$0.00	\$0.00
Interest Income	\$665.85	\$4,202.20
Total Revenue	<u>\$61,456.40</u>	<u>\$286,599.72</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$11,442.61	\$117,501.94
Grant True-Up Approvals	\$2,536.18	\$2,536.18
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$1,550.00	\$9,300.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$15,528.79</u>	<u>\$129,338.12</u>
<b>Operating Surplus / (Deficit)</b>	<b>\$45,927.61</b>	<b>\$157,261.60</b>

**Fund Balance as of:**

2015 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

June 2016	Accounts	
\$2,320,582.86	Investment 1	\$1,462,834.07
	Investment 2	\$510,603.65
\$157,261.60	Investment 3	\$504,406.74
<u>\$2,477,844.46</u>		<u>\$2,477,844.46</u>