

**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>



October 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 July through September 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 dark ink, appearing to read "Ted J. Thomas".

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**

**October 13, 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

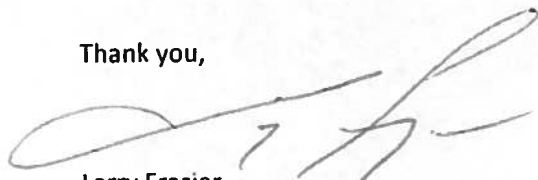
Dear Secretary,

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 July, August, and September 2016.
- (\*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements, by Company, for the 3rd quarter of 2016.
- (\*) A statement of grant application activity for the 3rd quarter of 2016.
- (\*) A statement of grant financial activity for the 3rd quarter of 2016.

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

Thank you,



Larry Frazier  
Rural Telcom Solutions, LLC  
Administrator

October 13, 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 July 2016 through September 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.

## Arkansas Extension of Telecommunications Facilities Fund

## Quarterly Statement by Company

July 2016 - September 2016

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

<b>GRANT PAYMENTS</b>	<b>Initial Grants</b>				
	<b>1Q2016</b>	<b>2Q2016</b>	<b>3Q2016</b>	<b>4Q2016</b>	<b>Year-to-date</b>
Centurylink of Arkansas	\$60,812.76	\$52,000.58	\$18,086.50	\$0.00	\$130,899.84
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
Madison County Telephone Company	\$0.00	\$0.00	\$5,477.04	\$0.00	\$5,477.04
	\$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>\$23,563.54</b>	<b>\$0.00</b>	<b>\$141,065.48</b>

<b>GRANT TRUE-UP PAYMENTS</b>	<b>Grant True-Up Activity</b>				
	<b>1Q2016</b>	<b>2Q2016</b>	<b>3Q2016</b>	<b>4Q2016</b>	<b>Year-to-date</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)	\$1,369.38	\$0.00	(\$15,218.99)
Centurylink of Arkansas Withdraw	\$0.00	\$0.00	(\$4,847.75)	\$0.00	(\$4,847.75)
Northern Arkansas Telephone Company	\$0.00	\$0.00	(\$2,036.16)	\$0.00	(\$2,036.16)
<b>TOTAL GRANT TRUE-UP PAYMENTS</b>	<b>(\$13,276.97)</b>	<b>(\$16,588.37)</b>	<b>(\$5,514.53)</b>	<b>\$0.00</b>	<b>(\$35,379.87)</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**  
**July 2016 - September 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>
2016-014	Centurylink of Arkansas	\$9,197.56	Blake Schluterman	Gary Stubblefield	Joe Jett
2016-015	Centurylink of Arkansas	\$4,847.75	Woodards Poultry	Blake Johnson	Joe Jett
2016-016	Madison County Telephone Company	\$5,477.04	Lynn Sykes	Bryan King	Bill Gossage
2016-017	Centurylink of Arkansas	\$4,041.19	Vincent Nguyen	Jonathan Dismang	Jeremy Gillam
		\$0.00			
		\$0.00			
		\$0.00			
		\$0.00			
		\$0.00			
		<u>\$23,563.54</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2015-013TU	Centurylink of Arkansas	\$1,369.38	Terry Ahart
2015-011TU	Northern Arkansas Telephone Company	(\$2,036.16)	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		<u>(\$666.78)</u>	

Grants Denied / Returned / Withdrawn			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2016-015	Centurylink of Arkansas	(\$4,847.75)	Woodards Poultry
		\$0.00	
		<u>(\$4,847.75)</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**  
**July 2016 - September 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	\$124,998.00	\$0.00	\$374,994.00
Grant True-up Receipts	\$13,276.97	\$19,124.55	\$6,883.91	\$0.00	\$39,285.43
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$1,818.19	\$2,384.01	\$2,854.50	\$0.00	\$7,056.70
Total Revenue	<u>\$140,093.16</u>	<u>\$146,506.56</u>	<u>\$134,736.41</u>	<u>\$0.00</u>	<u>\$421,336.13</u>
<b><u>Disbursements</u></b>					
Grant Request Approvals	\$60,812.76	\$56,689.18	\$23,563.54	\$0.00	\$141,065.48
Grant True-Up Approvals	\$0.00	\$2,536.18	\$1,369.38	\$0.00	\$3,905.56
External Audit Fees	\$0.00	\$0.00	\$7,835.00	\$0.00	\$7,835.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$4,650.00	\$0.00	\$13,950.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Disbursements	<u>\$65,462.76</u>	<u>\$63,875.36</u>	<u>\$37,417.92</u>	<u>\$0.00</u>	<u>\$166,756.04</u>
<b>Operating Surplus / (Deficit)</b>	<u>\$74,630.40</u>	<u>\$82,631.20</u>	<u>\$97,318.49</u>	<u>\$0.00</u>	<u>\$254,580.09</u>
<b>Fund Balance as of:</b>	<u>3rd Quarter</u>	<b><u>Accounts</u></b>			
2016 Opening Fund Balance **	\$2,320,582.86	Investment 1			\$1,559,187.18
		Investment 2			\$511,372.09
YTD Operating Surplus / Deficit	\$254,580.09	Investment 3			\$504,603.68
Closing Fund Balance	<u>\$2,575,162.95</u>				<u>\$2,575,162.95</u>
<b><u># of Grant Requests</u></b>					
Grants	4	9	4	0	17
True-Ups	1	2	1	0	4
Denied / Withdrawn	0	0	1	0	1
Pending	0	0	0	0	0
Total	5	11	6	0	22
<b># of New Customers</b>	4	9	4	0	17

\* Prepared by Rural Telcom Solutions, LLC from the Monthly reports for the 1st, 2nd, 3rd & 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	July 2016	Y-T-D 2016
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$291,662.00
Grant True-up Receipts	\$2,036.16	\$34,437.68
Miscellaneous	\$0.00	\$0.00
Interest Income	\$1,035.46	\$5,237.66
Total Revenue	<u>\$44,737.62</u>	<u>\$331,337.34</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$19,522.35	\$137,024.29
Grant True-Up Approvals	\$1,369.38	\$3,905.56
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$1,550.00	\$10,850.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$22,441.73</u>	<u>\$151,779.85</u>
Operating Surplus / (Deficit)	\$22,295.89	\$179,557.49

<b>Fund Balance as of:</b>	<u>July 2016</u>	<u>Accounts</u>
2015 Opening Fund Balance	\$2,320,582.86	Investment 1 \$1,484,679.56
		Investment 2 \$510,987.72
YTD Operating Surplus / Deficit	\$179,557.49	Investment 3 \$504,473.07
Closing Fund Balance	<u>\$2,500,140.35</u>	<u>\$2,500,140.35</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	<u>August 2016</u>	<u>Y-T-D 2016</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$333,328.00
Grant True-up Receipts	\$0.00	\$34,437.68
Miscellaneous	\$0.00	\$0.00
Interest Income	\$939.03	\$6,176.69
Total Revenue	<u>\$42,605.03</u>	<u>\$373,942.37</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$4,041.19	\$141,065.48
Grant True-Up Approvals	\$0.00	\$3,905.56
External Audit Fees	\$4,110.00	\$4,110.00
Program Administration Fees	\$1,550.00	\$12,400.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$9,701.19</u>	<u>\$161,481.04</u>
Operating Surplus / (Deficit)	\$32,903.84	\$212,461.33

<b>Fund Balance as of:</b>	<u>August 2016</u>	<u>Accounts</u>
2015 Opening Fund Balance	\$2,320,582.86	Investment 1 \$1,517,319.69
		Investment 2 \$511,183.02
YTD Operating Surplus / Deficit	\$212,461.33	Investment 3 \$504,541.48
Closing Fund Balance	<u>\$2,533,044.19</u>	<u>\$2,533,044.19</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	<u>September 2016</u>	<u>Y-T-D 2016</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$374,994.00
Grant True-up Receipts	\$4,847.75	\$39,285.43
Miscellaneous	\$0.00	\$0.00
Interest Income	\$880.01	\$7,056.70
Total Revenue	<u>\$47,393.76</u>	<u>\$421,336.13</u>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$0.00	\$141,065.48
Grant True-Up Approvals	\$0.00	\$3,905.56
External Audit Fees	\$3,725.00	\$7,835.00
Program Administration Fees	\$1,550.00	\$13,950.00
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$5,275.00</u>	<u>\$166,756.04</u>
Operating Surplus / (Deficit)	\$42,118.76	\$254,580.09

**Fund Balance as of:**

2015 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

**September 2016**

\$2,320,582.86

\$254,580.09

\$2,575,162.95

**Accounts**

Investment 1 \$1,559,187.18

Investment 2 \$511,372.09

Investment 3 \$504,603.68

\$2,575,162.95