

# AUSLEY McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

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P.O. BOX 391 (ZIP 32302)  
TALLAHASSEE, FLORIDA 32301  
(850) 224-9115 FAX (850) 222-7560

July 11, 2018

**CONFIDENTIAL DOCUMENTS ENCLOSED**

**VIA HAND DELIVERY**

Ms. Carlotta S. Stauffer, Director  
Office of the Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**REDACTED**

COM \_\_\_\_\_  
AFD \_\_\_\_\_  
APA \_\_\_\_\_  
ECO \_\_\_\_\_  
ENG \_\_\_\_\_  
GCL \_\_\_\_\_  
IDM 1 \_\_\_\_\_  
CLK \_\_\_\_\_

RE: Docket No. 20180122- TP  
Smart City Telecommunications LLC d/b/a Smart City Telecom; Section 54.313  
Annual Reporting Requirements: Form 481

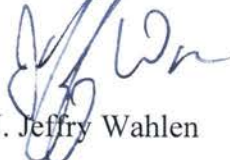
Dear Ms. Stauffer:

In accordance with 47 CFR § 54.313, enclosed for filing is Smart City's annual report, consisting of FCC Form 481 and supporting documents, filed with the Federal Communications Commission (FCC). Section 54.313 requires eligible telecommunications carriers (ETCs) receiving high-cost federal support to file their annual report with the FCC, the Universal Service Administrative Company (USAC), and the relevant state commission.

Smart City considers certain portions of these supporting materials to be proprietary confidential business information and therefore hereby is filing them under a claim of confidentiality pursuant to Section 364.183(1), Florida Statutes, and Rule 25-22.006(5), Florida Administrative Code. One highlighted (confidential – not to be disclosed) and two redacted copies (available for public inspection) are enclosed per the rule.

You may contact me if there are questions regarding this filing.

Sincerely,

  
J. Jeffrey Wahlen

Enclosures

cc: Debbie Huttenhower; Eric Wooten (w/ encls.)

RECEIVED-FPSC  
2018 JUL 11 PM 3:00  
COMMISSION  
CLERK

<010> Study Area Code	210330
<015> Study Area Name	SMART CITY TEL LLC
<020> Program Year	2019
<030> Contact Name: Person USAC should contact with questions about this data	Debbie Huttenhower
<035> Contact Telephone Number: Number of the person identified in data line <030>	4078286656 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	dhuttenhower@smartcity.com
Form Type	54.313 and 54.422

REDACTED VERSION



(400) Number of Complaints per 1,000 customers  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2018

<010> Study Area Code 210330

<015> Study Area Name SMART CITY TEL LLC

<020> Program Year 2019

<030> Contact Name - Person USAC should contact regarding this data Debbie Wittenhower

<035> Contact Telephone Number - Number of person identified in data line  
<030> 4078286656 ext.

<039> Contact Email Address - Email Address of person identified in data line  
<030> dwittenhower@smartcity.com

<400> Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.

<410> Complaints per 1000 customers for fixed voice

<420> Complaints per 1000 customers for mobile voice

(500) Compliance With Service Quality Standards and Consumer Protection Rules  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2018

<010>	Study Area Code	210330
<015>	Study Area Name	SMART CITY TEL LLC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035>	Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com
<515>	Certify compliance with applicable minimum service standards	

(600) Functionality in Emergency Situations  
Data Collection Form

Redacted for Public Inspection

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2018

<010>	Study Area Code	210330
<015>	Study Area Name	SMART CITY TEL LLC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Debbie Rutenhower
<035>	Contact Telephone Number - Number of person identified in data line <030>	407286656 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	drutenhower@smartcity.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	210330f1610.pdf



(900) Tribal Lands Reporting Data Collection Form	FCC Form 481
	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2018

<010> Study Area Code	210330
<015> Study Area Name	SMART CITY TEL LLC
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Debbie Rutenhower
<035> Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

<900> Does the filing entity offer tribal land services? (Y/N) No

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(5) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable



<b>(1000) Voice and Broadband Service Rate Comparability Data Collection Form</b>	FCC Form 481
	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2018

<010>	Study Area Code	210330
<015>	Study Area Name	SMART CITY TEL LLC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035>	Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

\_\_\_\_\_  
Name of Attached Document

<1020> Broadband comparability certification

Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau

<1030> Attach detailed description for broadband comparability compliance

\_\_\_\_\_  
Name of Attached Document

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2018

<010>	Study Area Code	210330
<015>	Study Area Name	SMART CITY TEL LLC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035>	Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

<1100> Certify whether terrestrial backhaul options exist (Y/N)

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<1140> Alaska Plan rate-of-return certification (yes, no, or not applicable) of compliance with approved performance plan.

<b>(1200) Terms and Condition for Lifeline Customers</b> <b>Lifeline</b> <b>Data Collection Form</b>	<b>FCC Form 481</b> <b>OMB Control No. 3060-0986/OMB Control No. 3060-0819</b> <b>July 2018</b>
------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------

<010>	Study Area Code	210330
<015>	Study Area Name	SMART CITY TEL LLC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035>	Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans



Name of Attached Document

<1220> Link to Public Website

HTTP <https://www.smartcitytelecom.com/residential/residential-voice/>

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,
- <1222> Details on the number of minutes provided as part of the plan,
- <1223> Additional charges for toll calls, and rates for each such plan.

<b>(2005) Price Cap Carrier Additional Documentation</b> <b>Data Collection Form</b> <i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018
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<010> Study Area Code	210330
<015> Study Area Name	SMART CITY TEL LLC
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035> Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR 54.313(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2015> 2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

<2016> Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017A> Connect America Fund Phase II recipient?

<2017C> Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2017.

<2018> Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A) Name of Attached Document Listing Required Information

<2019> Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

## Redacted for Public Inspection

(3005) Rate Of Return Carrier Additional Documentation  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2018

<010>	Study Area Code	210330
<015>	Study Area Name	SMART CITY TEL LLC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035>	Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

## CAF BLS Reporting

- (3008A) Please indicate whether new locations were deployed during the prior calendar year. (Yes/No)
- (3008B) Please enter the number of new locations deployed in the prior calendar year associated with each of the following speed tiers.
- (3008B1) Number of newly built locations with access to broadband speeds of at least 10/1 Mbps but less than 25/3 Mbps.
- (3008B2) Number of newly built locations with access to broadband speeds of 25/3 Mbps or higher.
- (3008C) Please provide the percentage of deployment across the entire study area.

<010> Study Area Code 210330

<015> Study Area Name SMART CITY TEL LLC

<020> Program Year 2019

<030> Contact Name - Person USAC should contact regarding this data Debbie Huttenhower

<035> Contact Telephone Number - Number of person identified in data line <030> 4078286656 ext.

<039> Contact Email Address - Email Address of person identified in data line <030> dhuttenhower@smartcity.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009) Progress Report on 5 Year Plan  
Carrier certifies to 54.313(f)(1)(iii)

Yes - Attach Certification

(3010A) Certification of Public Interest Obligations (47 CFR § 54.313(f)(1)(i))

(3010B) Please Provide Attachment Name of Attached Document Listing Required Information

(3012A) Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii)) Yes - Attach New Community Anchors

(3012B) Please Provide Attachment Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (Yes/No)  Yes  No

(3014) If yes, does your company file the RUS annual report (Yes/No)  Yes  No

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation Name of Attached Document Listing Required Information

(3018) If the response is no on line 3014, is your company audited? (Yes/No)  Yes  No

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers

(3023) Underlying information subjected to a review by an independent certified public accountant

(3024) Underlying information subjected to an officer certification.

(3025) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows

(3026) Attach the worksheet listing required information Name of Attached Document Listing Required Information

Redacted for Public Inspection

(3005) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2018

<010> Study Area Code	210330
<015> Study Area Name	SMART CITY TEL LLC
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Debbie Huttenbower
<035> Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dhuttenbower@smartcity.com

Financial Data Summary

(3027) Revenue	
(3028) Operating Expenses	
(3029) Net Income	
(3030) Telephone Plant In Service(TPIS)	
(3031) Total Assets	
(3032) Total Debt	
(3033) Total Equity	
(3034) Dividends	

Name of Attached Document Listing Required Information

(4005) Rural Broadband Experiment Additional Documentation  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2018

<010>	Study Area Code	210330
<015>	Study Area Name	SMART CITY TEL LLC
<020>	Program Year	2019
<030>	Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035>	Contact Telephone Number - Number of person identified in data line <030>	4078286654 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

#### 4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations and provide a list of newly served community anchor institutions.

#### Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas.

#### Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year. Name of Attached Document Listing Required Information





<b>Certification - Reporting Carrier Data Collection Form</b>	<b>FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018</b>
-------------------------------------------------------------------	-------------------------------------------------------------------------------------------

<b>&lt;010&gt;</b>	Study Area Code	210330
<b>&lt;015&gt;</b>	Study Area Name	SMART CITY TEL LLC
<b>&lt;020&gt;</b>	Program Year	2019
<b>&lt;030&gt;</b>	Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<b>&lt;035&gt;</b>	Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<b>&lt;039&gt;</b>	Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
<small>Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.</small>	

<b>Certification - Agent / Carrier Data Collection Form</b>	<b>FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2018</b>
-----------------------------------------------------------------	-------------------------------------------------------------------------------------------

<010> Study Area Code	210330
<015> Study Area Name	SMART CITY TEL LLC
<020> Program Year	2019
<030> Contact Name - Person USAC should contact regarding this data	Debbie Huttenhower
<035> Contact Telephone Number - Number of person identified in data line <030>	4078286656 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	dhuttenhower@smartcity.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>John Staurulakis, Inc.</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent:	John Staurulakis, Inc.
Name of Reporting Carrier:	SMART CITY TEL LLC
Signature of Authorized Officer:	CERTIFIED ONLINE Date: 07/06/2018
Printed name of Authorized Officer:	James Schumacher
Title or position of Authorized Officer:	VP Finance - Administration
Telephone number of Authorized Officer:	4078286656 ext.
Study Area Code of Reporting Carrier:	210330 Filing Due Date for this form: 07/16/2018
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier:	SMART CITY TEL LLC
Name of Authorized Agent Firm:	John Staurulakis, Inc.
Signature of Authorized Agent or Employee of Agent:	CERTIFIED ONLINE Date: 07/06/2018
Name of Authorized Agent Employee:	Lans Chase
Title or position of Authorized Agent or Employee of Agent:	Staff Director - Regulatory
Telephone number of Authorized Agent or Employee of Agent:	7705692015 ext.
Study Area Code of Reporting Carrier:	210330 Filing Due Date for this form: 07/16/2018
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Redacted For Public Inspection

Attachments

**Smart City Telecommunications, LLC**  
**Demonstration of Ability to Function in Emergency Situations for Voice and**  
**Broadband**

Smart City Telecommunications, LLC (“Company”) hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)<sup>1</sup>. The Company’s network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.

Specifically, each central office building is supplied with standby generators and battery back-up that enable the central office to keep running until power is restored so long as fuel is available, or until system changes are made to reroute traffic. Company’s standby generators and battery back-up support both voice and broadband network equipment should an emergency situation occur. Further, Company has implemented and maintains a Disaster Recovery Plan.

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<sup>1</sup> Section 54.202(a)(2) requires ETCs that are designated by the Commission to “demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations.”

**Smart City Telecommunications, LLC (SAC 210330)**

**Response to Line 3010 – Milestone Certification (47 CFR §54.313(f)(1)(i))**

Smart City Telecommunications, LLC is a recipient of Connect America Fund-Alternative Connect America Cost Model (CAF-ACAM) support and is subject to the specific interim 10-year build-out obligations set forth in 47 CFR §54.311 for both fully-funded and capped locations in the funded census blocks.

For capped locations in the funded census blocks that are not part of the required build-out requirements<sup>1</sup> and for all census blocks within Company's service area outside of the funded census blocks<sup>2</sup>, Company hereby certifies that throughout 2017, it took reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas and that requests for such service are met within a reasonable amount of time. If a request for broadband service at actual speeds of at least 10 Mbps downstream/1 Mbps upstream is unreasonable, the Company offers broadband service at the highest available speed.

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<sup>1</sup> 47 CFR §54.308 (a)(1)(ii)(C) - Carriers shall provide to all other capped locations, upon reasonable request, broadband at actual speeds of at least 4 Mbps downstream/1 Mbps upstream.

<sup>2</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087 (2016), fn. 59 – “Low-cost locations are subject to the reasonable request standard because the model calculates carriers will be able to recover the cost of serving those locations through end-user revenues alone.”

Redacted for Public Inspection

FCC Form 481 OMB Control No. 3060-0986

**Template for Reporting Community Anchor Institutions (Lines 2018, 3012B, and 4003B)**

Number

Name

Street Address

State

Zip

- 1
- 2
- 3

Number	Name	Street Address	State	Zip
1				
2				
3				

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Bauknight Pietras & Stormer, P.A. shall have no liability, and shall pursue all available legal and equitable remedies against any recipients, for the unauthorized use or distribution of this document.

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Special-Purpose Financial Statements

Smart City Telecommunications, LLC

*Years Ended December 31, 2017 and 2016  
with Independent Accountants' Review Report*

Smart City Telecommunications, LLC  
Special-Purpose Financial Statements  
Years Ended December 31, 2017 and 2016

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Balance Sheets .....	3
Statements of Income and Retained Earnings or Margins.....	4
Statement of Cash Flows .....	5
Note to the Special-Purpose Financial Statements .....	6



1517 Gervais Street  
PO Box 1330  
Columbia, SC 29202  
T 803-771-8943  
F 803-771-8958

## Independent Accountants' Review Report

Member Managers  
Smart City Telecommunications, LLC

We have reviewed the accompanying special-purpose financial statements of Smart City Telecommunications, LLC (the "Company"), which comprise the special-purpose balance sheets as of December 31, 2017 and 2016, and the related special-purpose statements of income and retained earnings or margins for the years then ended, the statement of cash flows for the year ended December 31, 2017, and the related note to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the rules of the Federal Communications Commission ("FCC") as prescribed by Code of Federal Regulations 47, Section 54.313(f)(2) ("47 CFR, 54.313"), as discussed in Note 1 to the special-purpose financial statements. Management is also responsible for 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.

### Accountants' Responsibility

Our responsibility is to conduct our review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the special-purpose financial statements for them to be in accordance with the rules of the FCC. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying special-purpose financial statements in order for them to be in conformity with the basis of accounting described in Note 1.

This report is intended solely for the information and use of the management of the Company and the FCC and is not intended to be and should not be used by anyone other than these specified parties.

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

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 PrimeGlobal



Member Managers  
Smart City Telephone, LLC

**Basis of Presentation**

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of presentation. The special-purpose financial statements are prepared for the purpose of complying with 47 CFR, 54.313 and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States. Our conclusion is not modified with respect to this matter.

*Banknight Piethos + Storm, P.A.*

May 18, 2018

(3005a) Operating Report for Privately-Held Rate of Return Carriers  
 Balance Sheet - Data Collection Form  
 Page 1 of 3

FCC Form 481  
 OMB Control No. 3060-0986  
 July 2013

<010> Study Area Code  
 <015> Study Area Name  
 <020> Program Year  
 <030> Contact Name - Person USAC should contact regarding this data  
 <035> Contact Telephone Number - Number of person identified in data line <030>  
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>  
 Files as reviewed single company  
 Filed as reviewed consolidated company  
 Filed as subsidiary of reviewed consolidated company

<010> **210330**  
 <015> **Smart City Telecommunications LLC**  
 <020> **2019**  
 <030> **Debbie Huttenhower**  
 <035> **407-828-6656**  
 <039> [dhuttenhower@smartcitytelecom.com](mailto:dhuttenhower@smartcitytelecom.com)

Filed as audited single company  
 Filed as audited consolidated company  
 Filed as subsidiary of audited consolidated company

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our

\_\_\_\_\_  
 Signature Date

**PART A. BALANCE SHEETS**

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund	--	--	26. Notes Payable	--	--
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits	--	--
b. Other Accounts Receivable	--	--	29. Current Mat. L/T Debt	--	--
c. Notes Receivable	--	--	30. Current Mat. L/T Debt-Rur. Dev.	--	--
4. Non-Affiliates:			31. Current Mat.-Capital Leases	--	--
a. Telecom, Accounts Receivable			32. Income Taxes Accrued	--	--
b. Other Accounts Receivable	--	--	33. Other Taxes Accrued		
c. Notes Receivable	--	--	34. Other Current Liabilities		
5. Interest and Dividends Receivable	--	--	35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated	--	--	<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated	--	--	36. Funded Debt-RUS Notes	--	--
8. Prepayments			37. Funded Debt-RTB Notes	--	--
9. Other Current Assets	--	--	38. Funded Debt-FFB Notes	--	--
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other	--	--
			40. Funded Debt-Rural Develop. Loan	--	--
<b>NONCURRENT ASSETS</b>			41. Premium (Discount) on L/T Debt	--	--
11. Investment in Affiliated Companies			42. Reacquired Debt	--	--
a. Rural Development	--	--	43. Obligations Under Capital Lease	--	--
b. Nonrural Development	--	--	44. Adv. From Affiliated Companies	--	--
12. Other Investments			45. Other Long-Term Debt	--	--
a. Rural Development	--	--	46. Total Long-Term Debt (36 thru 45)	--	--
b. Nonrural Development	--	--	<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
13. Nonregulated Investments	--	--	47. Other Long-Term Liabilities	--	--
14. Other Noncurrent Assets	--	--	48. Other Deferred Credits	--	--
15. Deferred Charges	--	--	49. Other Jurisdictional Differences	--	--
			Total Other Liabilities and Deferred Credits		
16. Jurisdictional Differences	--	--	50. (47 thru 49)	--	--
17. Total Noncurrent Assets (11 thru 16)	--	--	<b>EQUITY</b>		
			51. Cap. Stock Outstanding & Subscribed	--	--
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			52. Additional Paid-in-Capital	--	--
18. Telecom, Plant-in-Service			53. Treasury Stock	--	--
19. Property Held for Future Use	--	--	54. Membership and Cap. Certificates	--	--
20. Plant Under Construction			55. Other Capital	--	--
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits	--	--
22. Less Accumulated Depreciation			57. Retained Earnings or Margins		
23. Net Plant (18 thru 21 less 22)			58. Total Equity (51 thru 57)		
			<b>TOTAL LIABILITIES AND EQUITY</b>		
24. TOTAL ASSETS (10+17+23)			59. (35+46+50+58)		

(3005b) Operating Report for Privately-Held Rate of Return Carriers  
 Income Statement- Data Collection Form  
 Page 2 of 3

FCC Form 481  
 OMB Control No. 3060-0986  
 July 2013

<010> Study Area Code  
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<010> 210330  
 <015> Smart City Telecommunications LLC  
 <020> 2019  
 <030> Debbie Huttenhower  
 <035> 407-828-6656  
 <039> dhuttenhower@smartcitytelecom.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
Network Access Services Revenues		
Long Distance Network Services Revenues		
Carrier Billing and Collection Revenues		
Miscellaneous Revenues		
Uncollectible Revenues		
<b>Net Operating Revenues (1 thru 5 less 6)</b>		
Plant Specific Operations Expense		
Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
Depreciation Expense		
Amortization Expense		
Customer Operations Expense		
Corporate Operations Expense		
<b>Total Operating Expenses (8 thru 13)</b>		
<b>Operating Income or Margins (7 less 14)</b>		
Other Operating Income and Expenses		
State and Local Taxes		
Federal Income Taxes		
Other Taxes		
<b>Total Operating Taxes (17+18+19)</b>		
<b>Net Operating Income or Margins (15+16-20)</b>		
Interest on Funded Debt		
Interest Expense - Capital Leases		
Other Interest Expense		
Allowance for Funds Used During Construction		
<b>Total Fixed Charges (22+23+24-25)</b>		
Nonoperating Net Income		
Extraordinary Items		
Jurisdictional Differences		
Nonregulated Net Income		
<b>Total Net Income or margins (21+27+28+29+30-26)</b>		
Total Taxes Based on Income		
Retained Earnings or Margins Beginning-of-Year		
Miscellaneous Credits Year-to-Date		
Dividends Declared (Common)		
Dividends Declared (Preferred)		
Other Debits Year-to-Date		
Transfers to Patronage Capital		
<b>Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]</b>		
40. Patronage Capital Beginning-of-Year	--	--
41. Transfers to Patronage Capital	--	--
42. Patronage Capital Credits Retired	--	--
43. <b>Patronage Capital End-of-Year (40+41-42)</b>	--	--
44. Annual Debt Service Payments	--	--
45. <b>Cash Ratio [(14+20-10-11)/7]</b>		
<b>Operating Accrual Ratio [(14+20+26)/7]</b>		
47. <b>TIER [(31+26)/26]</b>	N/A	N/A
48. <b>DSCR [(31+26+10+11)/44]</b>	N/A	N/A

(3005c) Operating Report for Privately-Held Rate of Return Carriers  
 Cash Flow - Data Collection Form  
 Page 3 of 3

FCC Form 481  
 OMB Control No. 3060-0986  
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<010> 210330  
 <015> Smart City Telecommunications LLC  
 <020> 2019  
 <030> Debbie Huttenhower  
 <035> 407-828-6656  
 <039> dhuttenhower@smartcitytelecom.com

PART C. STATEMENT OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net Income	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
Add: Depreciation	
Add: Amortization	
Loss on disposal of property plant & equipment	
Changes in Operating Assets and Liabilities	
Decrease/(Increase) in Accounts Receivable	
Decrease/(Increase) in Materials and Inventory	
Decrease/(Increase) in Prepayments and Deferred Charges	
Decrease/(Increase) in Other Current Assets	
Increase/(Decrease) in Accounts Payable	
Increase/(Decrease) in Advance Billings & Payments	
Increase/(Decrease) in Other Current Liabilities	
Net Cash Provided/(Used) by Operations	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	--
15. Increase/(Decrease) in Notes Payable	--
16. Increase/(Decrease) in Customer Deposits	--
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	--
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	--
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	--
20. Less: Payment of Dividends	--
21. Less: Patronage Capital Credits Retired	--
22. Other (Explain) distribution to partners	
Net Cash Provided/(Used) by Financing Activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Net Capital Expenditures (Property, Plant & Equipment)	
Other Long-Term Investments	
Other Noncurrent Assets & Jurisdictional Differences	
Other (Explain)	
Net Cash Provided/(Used) by Investing Activities	
Net Increase/(Decrease) in Cash	

Smart City Telecommunications, LLC  
Note to the Special-Purpose Financial Statements  
December 31, 2017 and 2016

**1. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying special-purpose financial statements have been prepared in accordance with the rules of the Federal Communications Commission as prescribed by Code of Federal Regulations 47, Section 54.313(f)(2).

*See Independent Accountants' Review Report.*