

Ted J. Thomas
Chairman
(501) 682-5806

Kimberly A. O'Guinn
Commissioner
(501) 682-5809

Justin Tate
Commissioner
(501) 682-5809

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



November 14, 2019

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 2019 through September 2019.

Ark. Code Ann. §23-17-404(e) (7) (A) (i) 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 Clark Cotten, Manager-Engineering at 501-682-5714.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ted J. Thomas".

Ted J. Thomas
Chairman

TJT/cdc
Attachments

CHIEF CLERK
PUBLIC SERVICE COMMISSION
1000 CENTER STREET
LITTLE ROCK, AR 72203-0400
(501) 682-5800

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RESEARCH**

Arkansas Extension of Telecommunications Facilities Fund
Quarterly Financial Activity
July - September 2019
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 2019</u>
<u>Revenues / Assessments</u>					
AHCF	\$124,998.00	\$41,666.00	\$0.00	\$0.00	\$166,664.00
Grant True-up Receipts	\$0.00	\$0.00	\$15,020.35	\$0.00	\$15,020.35
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$4,261.32	\$4,254.16	\$2,847.07	\$0.00	\$11,362.55
Total Revenue	\$129,259.32	\$45,920.16	\$17,867.42	\$0.00	\$193,046.90

<u>Disbursements</u>					
Grant Request Approvals	\$84,118.37	\$200,769.25	\$71,711.09	\$0.00	\$356,598.71
Grant True-Up Approvals	\$0.00	\$4,556.26	\$0.00	\$0.00	\$4,556.26
External Audit Fees	\$0.00	\$0.00	\$4,755.00	\$0.00	\$4,755.00
Program Administration Fees	\$2,990.01	\$2,990.01	\$2,990.01	\$0.00	\$8,970.03
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Disbursements	\$87,108.38	\$208,315.52	\$79,456.10	\$0.00	\$374,880.00

Operating Surplus / (Deficit)	\$42,150.94	(\$162,395.36)	(\$61,588.68)	\$0.00	(\$181,833.10)
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Fund Balance as of:	<u>3rd Quarter</u>	<u>Accounts</u>	
2018 Opening Fund Balance **	\$3,155,391.19	Investment 1	\$2,456,044.78
		Investment 2	\$517,513.31
YTD Operating Surplus / Deficit	(\$181,833.10)	Investment 3	\$0.00
Closing Fund Balance	\$2,973,558.09		\$2,973,558.09

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2019</u>
<u># of Grant Requests</u>					
Grants	5	12	4	0	21
True-Ups	0	0	0	0	0
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
Total	5	12	4	0	21
# of New Customers	5	12	4	0	21

* Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 1st, 2nd, 3rd & 4th Quarter 2019

**See item Arkansas ARETFF Docket No. 02-080-A. Arkansas Rural Strategies, LLC assumed responsibility July 1, 2017. Balance reflects transfers from predecessor and current activity.

Arkansas Extension of Telecommunications Facilities Fund

Quarterly Grant Application Activity

July - September 2019

Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(f))

Initial Grants

<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>	<u>Senator</u>	<u>Representative</u>
2019-018	CenturyLink of Arkansas	\$6,742.17	Jim Carroll	James Sturch	Michelle Gray
2019-020	Northern Arkansas Telephone Company	\$1,000.80	Courtney Rushing	Scott Filipo	Ron McNair
2019-021	CenturyLink of Arkansas	\$5,025.70	Nicholas Heird	Linda Chesterfield	
2019-022	Southwest Arkansas Telephone Cooperative	\$58,942.42	Brad Tharp	Jimmy Hickey	Lane Jean

\$71,711.09

Grant True-Up Activity

<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2018-010TU	Southwest Arkansas Telephone Cooperative	(\$8,798.43)	Shannon Bearden

(\$8,798.43)

Grants Denied / Returned / Withdrawn

<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2018.023	Yelcot Telephone Company	(\$6,221.92)	

\$0.00

(\$6,221.92)

Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 3rd Quarter 2019

See item Arkansas ARETFF Docket No. 02-080-A. Arkansas Rural Strategies, LLC assumed responsibility July 1, 2017. Balance reflects transfers from predecessor and current activity.

Arkansas Extension of Telecommunications Facilities Fund
Quarterly Statement by Company
July - September 2019
Prepared for the Arkansas Public Service Commission by Arkansas Rural Strategies, LLC.

GRANT PAYMENTS	Initial Grants				Year-to-date
	1Q2019	2Q2019	3Q2019	4Q2019	
CenturyLink of Arkansas	\$18,346.00	\$51,865.62	\$11,767.87	\$0.00	\$81,979.49
Northern Arkansas Telephone Company	\$4,206.40	\$2,508.60	\$1,000.80	\$0.00	\$7,715.80
Southwest Arkansas Telephone Cooperative	\$61,565.97	\$49,151.05	\$58,942.42	\$0.00	\$169,659.44
Central Arkansas Telephone Cooperative	\$0.00	\$97,243.98	\$0.00	\$0.00	\$97,243.98
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL GRANT PAYMENTS	\$84,118.37	\$200,769.25	\$71,711.09	\$0.00	\$356,598.71

GRANT TRUE-UP PAYMENTS	Grant True-Up Activity				Year-to-date
	1Q2019	2Q2019	3Q2019	4Q2019	
Southwest Arkansas Telephone Cooperative	\$0.00	\$4,556.26	(\$8,798.43)	\$0.00	(\$4,242.17)
Yelcot Telephone Company	\$0.00	\$0.00	(\$6,221.92)	\$0.00	(\$6,221.92)
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL GRANT TRUE-UP PAYMENTS	\$0.00	\$4,556.26	(\$15,020.35)	\$0.00	(\$10,464.09)

Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 3rd Quarter 2019

See Item Arkansas ARETF Docket No. 02-080-A. Arkansas Rural Strategies, LLC assumed responsibility July 1, 2017. 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 Arkansas Rural Strategies, LLC

Monthly Activity For	<u>September 2019</u>	<u>Y-T-D 2019</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$0.00	\$166,664.00
Grant True-up Receipts	\$0.00	\$15,020.35
Miscellaneous	\$0.00	\$0.00
Interest Income	\$927.23	\$11,362.55
Total Revenue	<u>\$927.23</u>	<u>\$193,046.90</u>
<u>Disbursements</u>		
Grant Request Approvals	\$63,968.12	\$361,154.97
Grant True-Up Approvals	\$0.00	\$0.00
External Audit Fees	\$4,755.00	\$4,755.00
Program Administration Fees	\$996.67	\$8,970.03
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$69,719.79</u>	<u>\$374,880.00</u>
Operating Surplus / (Deficit)	(\$68,792.56)	(\$181,833.10)

Fund Balance as of:	<u>September 2019</u>	<u>Accounts</u>
2019 Opening Fund Balance	\$3,155,391.19	Investment 1 \$2,456,044.78
		Investment 2 \$517,513.31
YTD Operating Surplus / Deficit	(\$181,833.10)	Investment 3 \$0.00
Closing Fund Balance	<u>\$2,973,558.09</u>	<u>\$2,973,558.09</u>

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

Prepared for the Arkansas Public Service Commission by Arkansas Rural Strategies, LLC

Monthly Activity For	<u>July 2019</u>	<u>Y-T-D 2019</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$0.00	\$166,664.00
Grant True-up Receipts	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Interest Income	\$962.11	\$9,477.59
Total Revenue	<u>\$962.11</u>	<u>\$176,141.59</u>
<u>Disbursements</u>		
Grant Request Approvals	\$6,742.17	\$296,186.05
Grant True-Up Approvals	\$0.00	\$0.00
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$996.67	\$6,976.69
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$7,738.84</u>	<u>\$303,162.74</u>
Operating Surplus / (Deficit)	(\$6,776.73)	(\$127,021.15)

Fund Balance as of:	<u>July 2019</u>	<u>Accounts</u>
2019 Opening Fund Balance	\$3,155,391.19	Investment 1 \$2,511,202.52
		Investment 2 \$517,167.52
YTD Operating Surplus / Deficit	(\$127,021.15)	Investment 3 \$0.00
Closing Fund Balance	<u>\$3,028,370.04</u>	<u>\$3,028,370.04</u>

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

Prepared for the Arkansas Public Service Commission by Arkansas Rural Strategies, LLC

Monthly Activity For	<u>August 2019</u>	<u>Y-T-D 2019</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$0.00	\$166,664.00
Grant True-up Receipts	\$15,020.35	\$15,020.35
Miscellaneous	\$0.00	\$0.00
Interest Income	\$957.73	\$10,435.32
Total Revenue	<u>\$15,978.08</u>	<u>\$192,119.67</u>
 <u>Disbursements</u>		
Grant Request Approvals	\$1,000.80	\$297,186.85
Grant True-Up Approvals	\$0.00	\$0.00
External Audit Fees	\$0.00	\$0.00
Program Administration Fees	\$996.67	\$7,973.36
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$1,997.47</u>	<u>\$305,160.21</u>
 Operating Surplus / (Deficit)	 \$13,980.61	 (\$113,040.54)

Fund Balance as of:	<u>August 2019</u>	<u>Accounts</u>
2019 Opening Fund Balance	\$3,155,391.19	Investment 1 \$2,525,007.43
		Investment 2 \$517,343.22
YTD Operating Surplus / Deficit	(\$113,040.54)	Investment 3 \$0.00
Closing Fund Balance	<u>\$3,042,350.65</u>	<u>\$3,042,350.65</u>