

Ted J. Thomas
Chairman
(501) 682-5806

Elana C. Wills
Commissioner
(501) 682-5809

Kimberly A. O'Guinn
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>



AR Public Srv Commission
Sec of Commission
FILED

02-080-A

January 30, 2018

**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 October 2017 through December 2017.

Ark. Code Ann. § 23-17-404(e)(8)(0)(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 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 Cotton, Manager-Telecommunications and Quality of Service at 501-682-5714.

Sincerely,

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

**Ted J. Thomas
Chairman**

**TJT/bt
Attachments**

ARKANSAS RURAL STRATEGIES, LLC.

2200 EAST 8TH STREET

PO BOX 608

DANVILLE, AR 72833

Kala Mitchell - MANAGER

479-495-5881

January 12, 2018

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

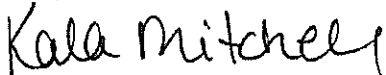
Dear Secretary,

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 October, November, and December 2017.
- (*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements, by Company, for the 4th quarter of 2017.
- (*) A statement of grant application activity for the 4th quarter of 2017.
- (*) A statement of grant financial activity for the 4th quarter of 2017.

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

Thank you,



Kala Mitchell
Arkansas Rural Strategies, LLC
Administrator

Arkansas Extension of Telecommunications Facilities Fund
Quarterly Financial Activity
October 2017 - December 2017 *
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 2017</u>
Revenues / Assessments					
AICCLP	\$124,998.00	\$124,998.00	\$124,998.00	\$124,998.00	\$499,992.00
Grant True-up Receipts	\$3,259.29	\$940.92	\$0.00	\$0.00	\$4,200.21
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$2,751.21	\$2,775.43	\$2,604.79	\$3,085.35	\$11,216.78
Total Revenue	\$131,008.50	\$128,714.35	\$127,602.79	\$128,083.35	\$515,408.99

Disbursements					
Grant Request Approvals	\$100,383.10	\$27,382.74	\$11,972.26	\$47,235.72	\$186,973.82
Grant True-Up Approvals	\$0.00	\$1,861.32	\$0.00	\$2,797.88	\$4,659.20
External Audit Fees	\$0.00	\$4,580.00	\$3,610.00	\$0.00	\$8,190.00
Program Administration Fees	\$4,650.00	\$4,650.00	\$2,990.01	\$2,990.01	\$15,280.02
Miscellaneous	\$0.00	\$0.00	\$253.89	\$0.00	\$253.89
Total Disbursements	\$105,033.10	\$38,474.06	\$18,826.16	\$53,023.61	\$215,356.93

Operating Surplus / (Deficit)	\$25,975.40	\$90,240.29	\$108,776.63	\$75,059.74	\$300,052.06
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Fund Balance as of:	4th Quarter	Accounts	
2017 Opening Fund Balance **	\$2,664,899.66	Investment 1	\$1,895,426.21
		Investment 2	\$513,908.17
YTD Operating Surplus / Deficit	\$300,052.06	Investment 3	\$555,617.34
Closing Fund Balance	\$2,964,951.72		\$2,964,951.72

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2017</u>
# of Grant Requests					
Grants	5	4	4	8	21
True-Ups	2	2	0	2	6
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
Total	7	6	4	10	27
# of New Customers	5	4	4	8	21

* Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 1st, 2nd, 3rd & 4th Quarter 2017

**See Item Arkansas ARETFP 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
 October 2017 - December 2017
 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>
2017-014	Arkansas Telephone Company	\$19,700.15	Joe Verser	Missy Irvin	Josh Miller
2017-015	Centurylink of Arkansas	\$2,584.39	Larry Counts	Linda Collins-Smith	Scott Baltz
2017-016	Yelcot Telephone Company	\$3,802.43	Lola Warren	Scott Flippo	Jack Fortner
2017-017	Mountain View Telephone Company	\$4,793.94	Eric Rinehart	Linda Collins-Smith	Michelle Gray
2017-018	Mountain View Telephone Company	\$3,205.14	Kevin Green	Missy Irvin	John Payton
2017-019	Windstream Arkansas	\$6,069.38	Weston Harris	Scott Flippo	David Branscum
2017-020	Centurylink of Arkansas	\$4,530.71	Chris Miller	Linda Collins-Smith	Scott Baltz
2017-021	Centurylink of Arkansas	\$2,549.58	Lance Lawrence		Trevor Drown
		<u>\$47,235.72</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2017-017TU	Mountain View Telephone Company	\$1,328.85	Eric Rinehart
2017-018TU	Mountain View Telephone Company	\$1,469.03	Kevin Green
		<u>\$2,797.88</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 Arkansas Rural Strategies, LLC from the Monthly reports for the 4th Quarter 2017

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
October 2017 - December 2017
Prepared for the Arkansas Public Service Commission by Arkansas Rural Strategies, LLC.

GRANT PAYMENTS	Initial Grants				Year-to-date
	1Q2017	2Q2017	3Q2017	4Q2017	
Centurylink of Arkansas	\$81,361.10	\$1,605.40	\$8,264.61	\$9,664.68	\$100,895.79
Southwest AR Telephone Cooperative, Inc.	\$19,022.00	\$14,028.00	\$0.00	\$0.00	\$33,050.00
Northern Arkansas Telephone Company	\$0.00	\$460.20	\$778.20	\$0.00	\$1,238.40
Mountain View Telephone Company	\$0.00	\$11,289.14	\$2,929.45	\$7,999.08	\$22,217.67
Arkansas Telephone Company	\$0.00	\$0.00	\$0.00	\$19,700.15	\$19,700.15
Windstream Arkansas	\$0.00	\$0.00	\$0.00	\$6,069.38	\$6,069.38
Yelcot Telephone Company	\$0.00	\$0.00	\$0.00	\$3,802.43	\$3,802.43
TOTAL GRANT PAYMENTS	\$100,383.10	\$27,382.74	\$11,972.26	\$47,235.72	\$186,973.82

GRANT TRUE-UP PAYMENTS	Grant True-Up Activity				Year-to-date
	1Q2017	2Q2017	3Q2017	4Q2017	
Centurylink of Arkansas	(\$3,259.29)	\$0.00	\$0.00	\$0.00	(\$3,259.29)
Southwest AR Telephone Cooperative, Inc.	\$0.00	\$48.50	\$0.00	\$0.00	\$48.50
Mountain View Telephone Company	\$0.00	\$871.90	\$0.00	\$2,797.88	\$3,669.78
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL GRANT TRUE-UP PAYMENTS	(\$3,259.29)	\$920.40	\$0.00	\$2,797.88	\$458.99

Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 4th Quarter 2017

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
 Statement of Fund Performance**

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

Monthly Activity For	<u>October 2017</u>	<u>Y-T-D 2017</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$416,660.00
Grant True-up Receipts	\$0.00	\$4,200.21
Miscellaneous	\$0.00	\$0.00
Interest Income	\$1,046.35	\$9,177.78
Total Revenue	<u><u>\$42,712.35</u></u>	<u><u>\$430,037.99</u></u>
 <u>Disbursements</u>		
Grant Request Approvals	\$34,086.05	\$173,824.15
Grant True-Up Approvals	\$0.00	\$1,861.32
External Audit Fees	\$0.00	\$8,190.00
Program Administration Fees	\$996.67	\$13,286.68
Miscellaneous	\$0.00	\$253.89
Total Disbursements	<u><u>\$35,082.72</u></u>	<u><u>\$197,416.04</u></u>
 Operating Surplus / (Deficit)	 \$7,629.63	 \$232,621.95

Fund Balance as of:

2017 Opening Fund Balance

YTD Operating Surplus / Deficit

Closing Fund Balance

<u>October 2017</u>	<u>Accounts</u>
\$2,664,899.66	Investment 1 \$1,828,474.16
	Investment 2 \$513,564.80
\$232,621.95	Investment 3 \$555,482.65
<u><u>\$2,897,521.61</u></u>	<u><u>\$2,897,521.61</u></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>November 2017</u>	<u>Y-T-D 2017</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$458,326.00
Grant True-up Receipts	\$0.00	\$4,200.21
Miscellaneous	\$0.00	\$0.00
Interest Income	\$998.51	\$10,176.29
Total Revenue	<u>\$42,664.51</u>	<u>\$472,702.50</u>
<u>Disbursements</u>		
Grant Request Approvals	\$6,069.38	\$179,893.53
Grant True-Up Approvals	\$0.00	\$1,861.32
External Audit Fees	\$0.00	\$8,190.00
Program Administration Fees	\$996.67	\$14,283.35
Miscellaneous	\$0.00	\$253.89
Total Disbursements	<u>\$7,066.05</u>	<u>\$204,482.09</u>
Operating Surplus / (Deficit)	\$35,598.46	\$268,220.41

Fund Balance as of:		<u>November 2017</u>											
2017 Opening Fund Balance		\$2,664,899.66	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center;"><u>Accounts</u></th> </tr> </thead> <tbody> <tr> <td>Investment 1</td> <td style="text-align: right;">\$1,863,835.30</td> </tr> <tr> <td>Investment 2</td> <td style="text-align: right;">\$513,733.64</td> </tr> <tr> <td>Investment 3</td> <td style="text-align: right;">\$555,551.13</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$2,933,120.07</u></td> </tr> </tbody> </table>		<u>Accounts</u>	Investment 1	\$1,863,835.30	Investment 2	\$513,733.64	Investment 3	\$555,551.13		<u>\$2,933,120.07</u>
	<u>Accounts</u>												
Investment 1	\$1,863,835.30												
Investment 2	\$513,733.64												
Investment 3	\$555,551.13												
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YTD Operating Surplus / Deficit		\$268,220.41											
Closing Fund Balance		<u>\$2,933,120.07</u>	<u>\$2,933,120.07</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>December 2017</u>	<u>Y-T-D 2017</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$499,992.00
Grant True-up Receipts	\$0.00	\$4,200.21
Miscellaneous	\$0.00	\$0.00
Interest Income	\$1,040.49	\$11,216.78
Total Revenue	<u>\$42,706.49</u>	<u>\$515,408.99</u>
 <u>Disbursements</u>		
Grant Request Approvals	\$7,080.29	\$186,973.82
Grant True-Up Approvals	\$2,797.88	\$4,659.20
External Audit Fees	\$0.00	\$8,190.00
Program Administration Fees	\$996.67	\$15,280.02
Miscellaneous	\$0.00	\$253.89
Total Disbursements	<u>\$10,874.84</u>	<u>\$215,356.93</u>
 Operating Surplus / (Deficit)	 \$31,831.65	 \$300,052.06

Fund Balance as of:		<u>December 2017</u>											
2017 Opening Fund Balance		\$2,664,899.66	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center;"><u>Accounts</u></th> </tr> </thead> <tbody> <tr> <td>Investment 1</td> <td style="text-align: right;">\$1,895,426.21</td> </tr> <tr> <td>Investment 2</td> <td style="text-align: right;">\$513,908.17</td> </tr> <tr> <td>Investment 3</td> <td style="text-align: right;">\$555,617.34</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$2,964,951.72</u></td> </tr> </tbody> </table>		<u>Accounts</u>	Investment 1	\$1,895,426.21	Investment 2	\$513,908.17	Investment 3	\$555,617.34		<u>\$2,964,951.72</u>
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Investment 2	\$513,908.17												
Investment 3	\$555,617.34												
	<u>\$2,964,951.72</u>												
YTD Operating Surplus / Deficit		\$300,052.06											
Closing Fund Balance		<u>\$2,964,951.72</u>	<u>\$2,964,951.72</u>										