

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>



October 26, 2017

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 2017 through September 2017.

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 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.

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 8<sup>TH</sup> STREET

PO BOX 608

DANVILLE, AR 72833

Kala Mitchell - MANAGER

479-495-5881

October 26, 2017

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

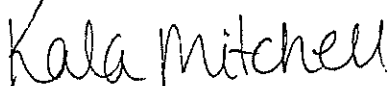
Dear Secretary,

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 2017.
- (\*) A Statement of the Arkansas Extension of Telecommunications Facilities Fund disbursements, by Company, for the 3rd quarter of 2017.
- (\*) A statement of grant application activity for the 3rd quarter of 2017.
- (\*) A statement of grant financial activity for the 3rd quarter of 2017.

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

Thank you,



Kala Mitchell  
Arkansas Rural Strategies, LLC  
Administrator

October 26, 2017

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 2017 through September 2017.

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

**Arkansas Extension of Telecommunications Facilities Fund**  
**Quarterly Financial Activity**  
**July 2017 - September 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>
<b>Revenues / Assessments</b>					
AICCLP	\$124,998.00	\$124,998.00	\$124,998.00	\$0.00	\$374,994.00
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	\$0.00	\$8,131.43
<b>Total Revenue</b>	<b>\$131,008.50</b>	<b>\$128,714.35</b>	<b>\$127,602.79</b>	<b>\$0.00</b>	<b>\$387,325.64</b>

<b>Disbursements</b>					
Grant Request Approvals	\$100,383.10	\$27,382.74	\$11,972.26	\$0.00	\$139,738.10
Grant True-Up Approvals	\$0.00	\$1,861.32	\$0.00	\$0.00	\$1,861.32
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	\$0.00	\$12,290.01
Miscellaneous	\$0.00	\$0.00	\$253.89	\$0.00	\$253.89
<b>Total Disbursements</b>	<b>\$105,033.10</b>	<b>\$38,474.06</b>	<b>\$18,826.16</b>	<b>\$0.00</b>	<b>\$162,333.32</b>

<b>Operating Surplus / (Deficit)</b>	<b>\$25,975.40</b>	<b>\$90,240.29</b>	<b>\$108,776.63</b>	<b>\$0.00</b>	<b>\$224,992.32</b>
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<b>Fund Balance as of:</b>	<b>3rd Quarter</b>	<b>Accounts</b>	
2017 Opening Fund Balance **	\$2,664,899.66	Investment 1	\$1,821,091.98
		Investment 2	\$513,390.39
YTD Operating Surplus / Deficit	\$224,992.32	Investment 3	\$555,409.61
Closing Fund Balance	<b>\$2,889,891.98</b>		<b>\$2,889,891.98</b>

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Y-T-D 2017</u>
<b># of Grant Requests</b>					
Grants	5	4	4	0	13
True-Ups	2	2	0	0	4
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>0</b>	<b>17</b>
<b># of New Customers</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>13</b>

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

\*\*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

Quarterly Statement by Company

July 2017 - September 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	\$0.00	\$91,231.11
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	\$0.00	\$14,218.59
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL GRANT PAYMENTS</b>	<b>\$100,383.10</b>	<b>\$27,382.74</b>	<b>\$11,972.26</b>	<b>\$0.00</b>	<b>\$139,738.10</b>

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	\$0.00	\$871.90
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL GRANT TRUE-UP PAYMENTS</b>	<b>(\$3,259.29)</b>	<b>\$920.40</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$2,338.89)</b>

Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 3rd 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>July 2017</u>	<u>Y-T-D 2017</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$291,662.00
Grant True-up Receipts	\$0.00	\$4,200.21
Miscellaneous	\$0.00	\$0.00
Interest Income	\$672.53	\$6,199.17
<b>Total Revenue</b>	<b><u>\$42,338.53</u></b>	<b><u>\$302,061.38</u></b>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$0.00	\$127,765.84
Grant True-Up Approvals	\$0.00	\$1,861.32
External Audit Fees	\$0.00	\$4,580.00
Program Administration Fees	\$996.67	\$10,296.67
Miscellaneous	\$253.89	\$253.89
<b>Total Disbursements</b>	<b><u>\$1,250.56</u></b>	<b><u>\$144,757.72</u></b>
<b>Operating Surplus / (Deficit)</b>	<b>\$41,087.97</b>	<b>\$157,303.66</b>

<b>Fund Balance as of:</b>	<u>July 2017</u>	<u>Accounts</u>
2017 Opening Fund Balance	\$2,664,899.66	Investment 1     \$1,753,883.27
		Investment 2     \$513,047.36
YTD Operating Surplus / Deficit	\$157,303.66	Investment 3     \$555,272.69
Closing Fund Balance	<b><u>\$2,822,203.32</u></b>	<b><u>\$2,822,203.32</u></b>

**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 2017</u>	<u>Y-T-D 2017</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$333,328.00
Grant True-up Receipts	\$0.00	\$4,200.21
Miscellaneous	\$0.00	\$0.00
Interest Income	\$987.60	\$7,186.77
<b>Total Revenue</b>	<b><u>\$42,653.60</u></b>	<b><u>\$344,714.98</u></b>
 <b><u>Disbursements</u></b>		
Grant Request Approvals	\$3,327.78	\$131,093.62
Grant True-Up Approvals	\$0.00	\$1,861.32
External Audit Fees	\$3,610.00	\$8,190.00
Program Administration Fees	\$996.67	\$11,293.34
Miscellaneous	\$0.00	\$253.89
<b>Total Disbursements</b>	<b><u>\$7,934.45</u></b>	<b><u>\$152,692.17</u></b>
 <b>Operating Surplus / (Deficit)</b>	 <b>\$34,719.15</b>	 <b>\$192,022.81</b>

<b>Fund Balance as of:</b>	<u>August 2017</u>	<u>Accounts</u>
2017 Opening Fund Balance	\$2,664,899.66	Investment 1     \$1,788,357.38
		Investment 2     \$513,221.66
YTD Operating Surplus / Deficit	\$192,022.81	Investment 3     \$555,343.43
Closing Fund Balance	<b><u>\$2,856,922.47</u></b>	<b><u>\$2,856,922.47</u></b>



**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 2017</u>	<u>Y-T-D 2017</u>
<b><u>Revenues / Assessments</u></b>		
ARHCF Support	\$41,666.00	\$374,994.00
Grant True-up Receipts	\$0.00	\$4,200.21
Miscellaneous	\$0.00	\$0.00
Interest Income	\$944.66	\$8,131.43
<b>Total Revenue</b>	<b><u>\$42,610.66</u></b>	<b><u>\$387,325.64</u></b>
<b><u>Disbursements</u></b>		
Grant Request Approvals	\$8,644.48	\$139,738.10
Grant True-Up Approvals	\$0.00	\$1,861.32
External Audit Fees	\$0.00	\$8,190.00
Program Administration Fees	\$996.67	\$12,290.01
Miscellaneous	\$0.00	\$253.89
<b>Total Disbursements</b>	<b><u>\$9,641.15</u></b>	<b><u>\$162,333.32</u></b>
<b>Operating Surplus / (Deficit)</b>	<b>\$32,969.51</b>	<b>\$224,992.32</b>

<b>Fund Balance as of:</b>	<u>September 2017</u>	<u>Accounts</u>
2017 Opening Fund Balance	\$2,664,899.66	Investment 1 \$1,821,091.98
		Investment 2 \$513,390.39
YTD Operating Surplus / Deficit	\$224,992.32	Investment 3 \$555,409.61
Closing Fund Balance	<b><u>\$2,889,891.98</u></b>	<b><u>\$2,889,891.98</u></b>