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**ARKANSAS
PUBLIC SERVICE COMMISSION**
1000 Center Street
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Little Rock, Arkansas 72203-0400
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January 28, 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 October 2018 through December 2018.

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-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 Extension of Telecommunications Facilities Fund
Quarterly Financial Activity
October -December 2018 *
Quarterly Report to the Legislative Council (Section 23-17-404(e)(8)(D)(f))

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter'	Y-T-D 2018
Revenues / Assessments					
AICCLP	\$83,332.00	\$124,998.00	\$124,998.00	\$166,672.00	\$500,000.00
Grant True-up Receipts	\$802.97	\$0.00	\$0.00	\$3,107.34	\$3,910.31
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income	\$3,060.46	\$3,513.94	\$3,517.01	\$4,354.41	\$14,445.82
Total Revenue	\$87,195.43	\$128,511.94	\$128,515.01	\$174,133.75	\$518,956.13
Disbursements					
Grant Request Approvals	\$8,126.84	\$23,434.13	\$202,293.92	\$69,921.54	\$303,776.43
Grant True-Up Approvals	\$0.00	\$0.00	\$4,005.19	\$0.00	\$4,005.19
External Audit Fees	\$0.00	\$0.00	\$8,175.00	\$0.00	\$8,175.00
Program Administration Fees	\$2,990.01	\$2,990.01	\$2,990.01	\$2,990.01	\$11,960.04
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Disbursements	\$11,116.85	\$26,424.14	\$217,464.12	\$72,911.55	\$327,916.66
Operating Surplus / (Deficit)	\$76,078.58	\$102,087.80	(\$88,949.11)	\$101,222.20	\$190,439.47

Fund Balance as of:	3rd Quarter	Accounts	
2018 Opening Fund Balance **	\$2,964,951.72	Investment 1	\$2,639,423.61
		Investment 2	\$515,967.58
YTD Operating Surplus / Deficit	\$190,439.47	Investment 3	\$0.00
Closing Fund Balance	\$3,155,391.19		\$3,155,391.19

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Y-T-D 2018
# of Grant Requests					
Grants	2	4	6	13	25
True-Ups	1	0	1	2	4
Denied / Withdrawn	0	0	0	0	0
Pending	0	0	0	0	0
Total	3	4	7	15	29
# of New Customers	2	3	6	13	24

* Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 1st, 2nd, 3rd & 4th Quarter 2018

**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 Grant Application Activity
 October - December 2018
 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>
2018-013	Magazine Telephone Company	\$2,093.00	John Simpson	Gary Stubblefield	Jon Eubanks
2018-014	CenturyLink of Arkansas	\$20,082.99	Martin Menwiller	Bart Hester	Dan Douglas
2018-015	CenturyLink of Arkansas	\$4,584.59	Greg Vellios	Scott Flippo	Nelda Speaks
2018-016	CenturyLink of Arkansas	\$1,112.73	April Hill	Breanne Davis	Trevor Drown
2018-017	Northern Arkansas Telephone Company	\$1,827.60	Gwyn Boyter	Scott Flippo	Jack Fortner
2018-018	Yelcot Telephone Company	\$2,274.55	Chase Holmes	Scott Flippo	Jack Fortner
2018-019	Yelcot Telephone Company	\$1,452.97	Joseph Skorich	Scott Flippo	Jack Fortner
2018-020	CenturyLink of Arkansas	\$21,870.67	Debbie Davis	Bart Hester	Dan Douglas
2018-021	Yelcot Telephone Company	\$3,849.40	Brad Goeke	Scott Flippo	Jack Fortner
2018-022	CenturyLink of Arkansas	\$3,335.22	Joseph Lindquist	Linda Collins-Smith	Scott Baltz
2018-023	Yelcot Telephone Company	\$6,221.92	Ron O'Neal	Scott Flippo	Jack Fortner
2018-024	CenturyLink of Arkansas	\$1,215.90	Tommy Jarmon	Gary Stubblefield	Aaron Pilkington
		<u>\$69,921.54</u>			

Grant True-Up Activity			
<u>ARETFF App #</u>	<u>Company Name</u>	<u>Amount</u>	<u>Customer Name</u>
2018-008TU	Southwest Arkansas Telephone Cooperative	\$3,107.34	Bill Knudtson
		<u>\$3,107.34</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 2018

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 - December 2018

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

GRANT PAYMENTS	Initial Grants				Year-to-date
	1Q2018	2Q2018	3Q2018	4Q2018	
CenturyLink of Arkansas	\$5,570.01	\$23,434.13	\$30,172.89	\$52,202.10	\$111,379.13
Yelcot Telephone Company	\$2,556.83	\$0.00	\$0.00	\$13,798.84	\$16,355.67
Southwest Arkansas Telephone Cooperative	\$0.00	\$0.00	\$171,803.93	\$0.00	\$171,803.93
Northern Arkansas Telephone Company	\$0.00	\$0.00	\$317.10	\$1,827.60	\$2,144.70
Magazine Telephone Company	\$0.00	\$0.00	\$0.00	\$2,093.00	\$2,093.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL GRANT PAYMENTS	\$8,126.84	\$23,434.13	\$202,293.92	\$69,921.54	\$303,776.43

GRANT TRUE-UP PAYMENTS	Grant True-Up Activity				Year-to-date
	1Q2018	2Q2018	3Q2018	4Q2018	
Yelcot Telephone Company	(\$802.97)	\$0.00	\$0.00	\$0.00	(\$802.97)
Arkansas Telephone Company	\$0.00	\$0.00	\$2,851.25	\$0.00	\$2,851.25
Southwest Arkansas Telephone Cooperative	\$0.00	\$0.00	\$1,153.94	(\$3,107.34)	(\$1,953.40)
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL GRANT TRUE-UP PAYMENTS	(\$802.97)	\$0.00	\$4,005.19	(\$3,107.34)	\$94.88

Prepared by Arkansas Rural Strategies, LLC from the Monthly reports for the 4th Quarter 2018

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 2018</u>	<u>Y-T-D 2018</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,666.00	\$374,994.00
Grant True-up Receipts	\$3,107.34	\$3,910.31
Miscellaneous	\$0.00	\$0.00
Interest Income	\$1,490.88	\$11,582.29
Total Revenue	<u>\$46,264.22</u>	<u>\$390,486.60</u>
<u>Disbursements</u>		
Grant Request Approvals	\$2,093.00	\$235,947.89
Grant True-Up Approvals	\$0.00	\$4,005.19
External Audit Fees	\$0.00	\$8,175.00
Program Administration Fees	\$996.67	\$9,966.70
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$3,089.67</u>	<u>\$258,094.78</u>
Operating Surplus / (Deficit)	\$43,174.55	\$132,391.82

Fund Balance as of:	<u>October 2018</u>	<u>Accounts</u>	
2018 Opening Fund Balance	\$2,964,951.72	Investment 1	\$2,581,720.71
		Investment 2	\$515,622.83
YTD Operating Surplus / Deficit	\$132,391.82	Investment 3	\$0.00
Closing Fund Balance	<u>\$3,097,343.54</u>		<u>\$3,097,343.54</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 2018</u>	<u>Y-T-D 2018</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$83,332.00	\$458,326.00
Grant True-up Receipts	\$0.00	\$3,910.31
Miscellaneous	\$0.00	\$0.00
Interest Income	\$1,401.64	\$12,983.93
Total Revenue	<u>\$84,733.64</u>	<u>\$475,220.24</u>
<u>Disbursements</u>		
Grant Request Approvals	\$27,607.91	\$263,555.80
Grant True-Up Approvals	\$0.00	\$4,005.19
External Audit Fees	\$0.00	\$8,175.00
Program Administration Fees	\$996.67	\$10,963.37
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$28,604.58</u>	<u>\$286,699.36</u>
Operating Surplus / (Deficit)	\$56,129.06	\$188,520.88

Fund Balance as of:	<u>November 2018</u>	<u>Accounts</u>
2018 Opening Fund Balance	\$2,964,951.72	Investment 1 \$2,637,680.25
		Investment 2 \$515,792.35
YTD Operating Surplus / Deficit	\$188,520.88	Investment 3 \$0.00
Closing Fund Balance	<u>\$3,153,472.60</u>	<u>\$3,153,472.60</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 2018</u>	<u>Y-T-D 2018</u>
<u>Revenues / Assessments</u>		
ARHCF Support	\$41,674.00	\$500,000.00
Grant True-up Receipts	\$0.00	\$3,910.31
Miscellaneous	\$0.00	\$0.00
Interest Income	\$1,461.89	\$14,445.82
Total Revenue	<u>\$43,135.89</u>	<u>\$518,356.13</u>
<u>Disbursements</u>		
Grant Request Approvals	\$40,220.63	\$303,776.43
Grant True-Up Approvals	\$0.00	\$4,005.19
External Audit Fees	\$0.00	\$8,175.00
Program Administration Fees	\$996.67	\$11,960.04
Miscellaneous	\$0.00	\$0.00
Total Disbursements	<u>\$41,217.30</u>	<u>\$327,916.66</u>
Operating Surplus / (Deficit)	\$1,918.59	\$190,439.47

Fund Balance as of:	<u>December 2018</u>	<u>Accounts</u>
2018 Opening Fund Balance	\$2,964,951.72	Investment 1 \$2,639,423.61
		Investment 2 \$515,967.58
YTD Operating Surplus / Deficit	\$190,439.47	Investment 3 \$0.00
Closing Fund Balance	<u>\$3,155,391.19</u>	<u>\$3,155,391.19</u>