



February 20, 2025

Ms. Lynn M. Retz  
Executive Director  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027

**Re:** Docket No. 25-ELKT-108-KSF

*In the Matter of the Audit of Elkhart Telephone Company, Inc. by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for KUSF Operating Year 27, Fiscal Year March 2023-February 2024*

Dear Ms. Retz:

In its August 1, 20924 Order, the Kansas Corporation Commission (KCC) directed Vantage Point Solutions (VPS) to perform a KUSF carrier audit of Elkhart Telephone Company, Inc. (Elkhart or Company) to ensure that the data submitted to the KUSF via the KUSF CRWs, the assessments paid, and the calculation and application of the flow-through surcharge billed to and collected from Elkhart's customers, if applicable, are appropriate and accurate.

The KCC directed VPS to file two (2) versions of the audit report with the KCC; one (1) version containing confidential information and one (1) version with the confidential data redacted for public disclosure. Elkhart's audit does not require a separate confidential report; therefore, only the enclosed public audit report for Elkhart is being filed.

Copies of the supporting documentation, including VPS' audit work papers and information provided by the company, are not included with the audit report, but are available from VPS, upon request.

Sincerely,

Dennis C. Smith

cc: Steve Garrett - [steve.garrett@ks.gov](mailto:steve.garrett@ks.gov)

## CERTIFICATE OF SERVICE

I hereby certify that on this 20<sup>th</sup> day of February, 2025, the above Kansas Universal Service Fund Audit Report was e-filed with the Kansas Corporation Commission and a copy was sent via electronic mail and/or U.S. Mail to:

KANSAS CORPORATION COMMISSION  
1500 S.W. ARROWHEAD ROAD  
TOPEKA, KS 66604

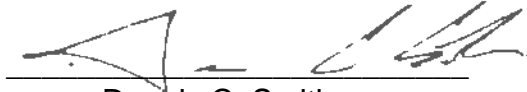
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Dennis C. Smith

**Vantage Point Solutions, Inc.**  
**Audit Report for**  
**Elkhart Telephone Company, Inc.**

**From:** Dennis C Smith, Auditor

**Company Personnel:** Becky Scott, President  
ReLinda Shook, Accountant

**Date:** February 19, 2025

**On-Site Visit Date:** Desk Audit

**KUSF Status:** Current with Reporting & Payment obligations

**Re:** Docket No. 25-ELKT-108-KSF

*In the Matter of the Audit of Elkhart Telephone Company, Inc. by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for KUSF Operating Year 27, Fiscal Year March 2023-February 2024*

**Audit Summary**

Pursuant to the Kansas Corporation Commission's (KCC or Commission) August 1, 2024 Order, Vantage Point Solutions, Inc. (VPS) conducted an audit of Elkhart Telephone Company, Inc. (Elkhart or Company) based on the Kansas Universal Service Fund (KUSF) Audit Procedures adopted for KUSF Fiscal Year 27 (FY27).<sup>1</sup> VPS identified two (2) findings resulting from the Company's non-compliance with the Commission's KUSF policies, with no net impact to the KUSF. The Company is current with its KUSF obligations.

- **Finding No. 1** – Elkhart reported and collected the KUSF surcharge on Business & Residential Voicemail revenues. However, the amount was immaterial.

VPS recommends the Commission issue an Order to adopt this Audit Report and the identified findings and direct Elkhart to:

1. Update its billing system to exclude KUSF surcharge collection from Business and Residential Voicemail revenues;
2. Update its KUSF reporting procedures to exclude reporting of Business and Residential Voicemail revenues;
3. File an affidavit, signed by an officer of the Company, attesting that the Company:

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<sup>1</sup> Order Accepting VPS' KUSF Proposed Revisions to Selection Criteria and Carrier Review Procedures, Docket No. 23-GIMT-261-GIT, Jul. 2, 2024 (23-261 Order).

- a. Corrected its KUSF reporting procedures to exclude Business and Residential Voicemail revenues from its reporting revenues;
- b. Corrected its billing system to exclude KUSF surcharge collection from Business & Residential Voicemail revenues; and

The affidavit should provide the date the corrective actions were implemented.

VPS recommends Elkhart be directed to take all corrective actions within 30-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 60-days of the Order.

The Company is current with its KUSF obligations.

Elkhart agrees with the Audit Report.

### **Background**

During the course of the audit, VPS issued 16 Data Requests (DRs) to Elkhart. DR No. 15 is included as Attachment A.

Elkhart operates as a local exchange carrier (LEC)<sup>2</sup> and intrastate interexchange telecommunications services provider,<sup>3</sup> and is headquartered in Elkhart, KS.

Elkhart is required to report its revenue and pay the related assessments to the KUSF on a monthly basis.<sup>4</sup> The Company is authorized to collect an amount equal to or less than its KUSF assessment from customers, and does so.<sup>5</sup> The Company is a designated Eligible Telecommunications Carrier (ETC) in Kansas, therefore, it does offer Lifeline services to its customers.<sup>6</sup>

Pursuant to Commission Order,<sup>7</sup> VPS confirmed that Elkhart does offer assessable and non-assessable services in a bundle. The Company reports based on the unbundled service price of the assessable service. The Company states it uses this same allocation methodology for Federal USF (FUSF) and KUSF purposes.<sup>8</sup>

### **Current KUSF Obligations**

The Company is current with its KUSF obligations.<sup>9</sup>

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<sup>2</sup> \*Order Granting, Docket No. 93-ELKT-386-COC, Dec. 9, 1993.

<sup>3</sup> Order Granting Certificate, Docket No. 00-ELKC-719-COC, Mar. 14, 2000.

<sup>4</sup> Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, Jan. 23, 2006 (06-332 Order).

<sup>5</sup> K.S.A. 66-2008(a).

<sup>6</sup> Order Granting Eligible Telecommunications Carrier Status and Granting Waiver from Toll Limitation Service Requirement to 42 Companies, Docket No. 98-GIMT-241-GIT, Dec. 5, 1997.

<sup>7</sup> Order Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2016.

<sup>8</sup> Elkhart's response to DR 11.

<sup>9</sup> Confirmed with the KUSF Administrator on Feb. 14, 2025.

## **Current Audit Findings**

VPS conducted the audit of Elkhart in accordance with the KUSF Audit Procedures adopted by the KCC.<sup>10</sup> Based on the referenced procedures, VPS identified the following audit findings and provides the following recommendations:

### **Audit Finding No. 1**

**Standard:** Revenues Derived from Voicemail Services are Excluded from KUSF Assessments. Voicemail service is deregulated.<sup>11</sup>

**Finding:** Elkhart reported and collected the KUSF surcharge on Business & Residential Voicemail revenues. However, the amount was immaterial.

**Recommendation:** VPS recommends that Elkhart be directed to update its billing system to exclude KUSF surcharge collection from Business and Residential Voicemail revenues, update its KUSF reporting procedures to exclude reporting of Business and Residential Voicemail revenues.

VPS also recommends the Company be directed to file an affidavit, signed by an officer of the Company, attesting that the Company corrected its KUSF reporting procedures to exclude Business and Residential Voicemail revenues from its reporting revenues and corrected its billing system to exclude KUSF surcharge collection from Business & Residential Voicemail revenues.

VPS recommends Elkhart be directed to take all corrective actions within 30-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket within 60-days of the Order.

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<sup>10</sup> 23-261 Order.

<sup>11</sup> Order Adopting Audit Report, Docket No. 21-SSLZ-056-KSF, Jun. 17, 2021. See also KUSF Carrier Remittance Instructions, Plan Year 2023-2024; (CRW Instructions Attachment E), available for viewing at: [https://vantagepnt.com/wp-content/uploads/2024/11/KUSF\\_Remittance\\_2023-2024\\_Attachment\\_E.pdf](https://vantagepnt.com/wp-content/uploads/2024/11/KUSF_Remittance_2023-2024_Attachment_E.pdf).

**KUSF Carrier Audit Information Request**

**Submitted By:** Dennis Smith

**Submitted To:** Becky Scott  
ReLinda Shook

**Company Name:** Elkhart Telephone Company, Inc.

**Docket Number:** 25-ELKT-108-KSF

**Request Date:** February 5, 2025

**Due Date:** **February 14, 2025**

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**Data Request No. 15****RE: Confirmation of Auditor Understanding**


Please confirm the Auditor's understanding of the following items. If the statement is inaccurate, please expand/explain.

- The Company does not report the following revenues on its CRWs, nor does it collect the KUSF surcharge on these revenues: Correct
  - \*MULTI-LINE USER / CHG PER #
  - LATE PAYMENT CHARGE
- The Company does report the following revenues on its CRWs, and does collect the KUSF surcharge on these revenues: Correct
  - \*VOICEMAIL – BUS
  - \*VOICEMAIL - RES

**NOTE:** If for some reason, the above information cannot be provided by the date requested, your Company must submit a Request for Additional Time.

**Verification of Response – DR15**

I have read the foregoing Data Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to VPS' auditor any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Data Request.

Sign: 

Date: 02/10/2025