



June 8, 2022

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

RE: *Docket No. 22-KDLT-029-KSF (Company Code KS005305)  
In the Matter of the Audit of Intrado Communications, LLC by the Kansas Universal  
Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for Fiscal Year 24,  
March 2020 - February 2021*

Dear Ms. Retz:

In its July 27, 2021 Order, the Kansas Corporation Commission (KCC) directed Vantage Point Solutions (VPS) to perform a KUSF carrier audit of Intrado Communications, LLC (Intrado 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 Intrado'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. Intrado's audit does not require a separate confidential report; therefore, only the enclosed public audit report for Intrado 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,

  
Shomari Jackson

cc: Sandy Reams

## CERTIFICATE OF SERVICE

I hereby certify that on this 8<sup>th</sup> day of June 2022, 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

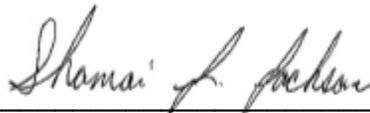
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Shomari Jackson

**Vantage Point Solutions, Inc.**  
**Audit Report for**  
**Intrado Communications, LLC**

**From:** Shomari Jackson, Auditor

**Company Personnel:** Scotty Amos, Authorized Compliance Agent

**Date:** June 3, 2022

**Microsoft Teams Meeting Date:** May 25, 2022

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

**Re:** Docket No. 22-KDLT-029-KSF

*In the Matter of the Audit of Intrado Communications, LLC by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for KUSF Operating Year 24, Fiscal Year March 2020 – February 2021.*

**EXECUTIVE SUMMARY:**

Pursuant to the Kansas Corporation Commission's (KCC or Commission) July 27, 2021 Order, Vantage Point Solutions, Inc. (VPS) conducted an audit of Intrado Communications, LLC (Intrado or Company) based on the Kansas Universal Service Fund (KUSF) Revised Audit Procedures adopted for KUSF Fiscal Year 24 (FY 24).<sup>1</sup> VPS identified two (2) findings resulting from the Company's non-compliance with the Commission's KUSF policies, with no financial impact to the KUSF. The Company is current with its KUSF obligations.

Finding 1 – Intrado did not complete Box C of the Carrier Remittance Worksheet (CRW) for FY 24, with no financial impact to the KUSF.

Finding 2 – Intrado's 2020 Annual Interrogatory stated the Company reported less revenue to the KUSF than it actually reported to the KUSF.

VPS recommends the Commission issue an Order to: (1) adopt this Audit Report and the identified findings; (2) direct Intrado to file Audit True-ups for March 2019 – February 2021 (FYs 23-24) to report the KUSF surcharge amount collected from customers in Box C; (3) file a revised Annual Interrogatory for 2020 with the Commission to correctly report the Annual Kansas Intrastate Retail Revenues Reported to the KUSF; and (4) file an affidavit, signed by an officer of the Company, attesting that the Company has corrected

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<sup>1</sup> Order Accepting VPS Revised KUSF Selection Criteria and Carrier Review Procedures, Docket No. 20-GIMT-086-GIT, July 13, 2021 (20-086 Order).

its reporting deficiencies to report the KUSF surcharge collected from customers in Box C of the CRW and the date that the procedure was implemented. VPS recommends Intrado be directed to take all corrective actions within 60-days from the date of the Commission's Order. VPS will file a Compliance Report in the Docket 90-days of the Order.

Intrado agrees with the Audit Report.

## **BACKGROUND:**

During the course of the audit, VPS issued twenty-one (21) Data Requests (DRs) to Intrado. The responses to DRs 3 and 20 are included as Attachment A.

Intrado is a provider of switched competitive local exchange and interexchange carrier services,<sup>2</sup> headquartered in Lancaster, Texas.

Intrado is required to report its revenue and pay the related assessments to the KUSF on an annual basis.<sup>3</sup> The Company is authorized to collect an amount equal to or less than its KUSF assessment from customers, and does so.<sup>4</sup> The Company is not a designated Eligible Telecommunications Carrier (ETC) in Kansas, therefore, it does not offer Lifeline services to its customers.

Pursuant to Commission Order,<sup>5</sup> VPS confirmed that Intrado does not offers bundled services plans to its Kansas customers. The Company reports revenue and remits assessments to the KUSF based on the direct assignment methodology for the local monthly recurring and usage charges, including the minutes of use for its long distance services and related charges. The Company states it uses this same allocation methodology for Federal USF (FUSF) and KUSF purposes.<sup>6</sup>

## **FINDINGS AND RECOMMENDATIONS:**

1. A Company is to report the amount of its KUSF assessment collected from customers in Box C of the CRW.<sup>7</sup>

Intrado did not report the monies collected from its customers in Box C on its CRW for FY 24.<sup>8</sup> This finding does not impact the amount the Company owed to the KUSF.

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<sup>2</sup> Order Granting Certificate, Docket No. 01-KDLC-1051-COC, Sept. 25, 2001; and Order Granting Certificate, Docket No. 01-KDLT-1053-COC, Sept. 25, 2001.

<sup>3</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>4</sup> K.S.A. 66-2008(a).

<sup>5</sup> Order Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2016.

<sup>6</sup> Attachment A, Response to DR 3.

<sup>7</sup> Order Adopting Audit Report, Docket No. 19-RWLZ-033-KSF, Jan. 24, 2019. See also KUSF Carrier Remittance Instructions, Plan Year 2019-2020; (CRW Instructions), II.A., available for viewing at: [https://www.gvnwusf.com/Portals/5/Documents/Instructions/2019\\_2020/AttachmentE.pdf](https://www.gvnwusf.com/Portals/5/Documents/Instructions/2019_2020/AttachmentE.pdf).

<sup>8</sup> Attachment A, Response to DR 20.

VPS recommends that Intrado file, in this Docket, an affidavit signed by an officer of the Company, attesting the Company corrected its KUSF reporting procedures to report the KUSF surcharge collected from customers in Box C of its annual CRWs, and the date the new procedures were implemented.

VPS also recommends that Intrado be directed to file annual Audit True-ups for FY 23 through FY 24 to correctly report the KUSF surcharge collected from customers in Box C.

2. Telecommunications carrier and electing carriers are to file an Annual Interrogatory for the prior year with the Commission by May 1<sup>st</sup> of the current year to allow the Commission to determine a carrier's assessment as required by K.S.A. 66-123.<sup>9</sup>

Intrado's 2020 Annual Interrogatory showed the Company reported less intrastate retail revenues to the KUSF than it actually reported. The under-reporting occurred because the Company reported the State Universal Service Fund (SUSF) surcharge collected from its customers, and not the revenues on its revenue report.<sup>10</sup>

VPS recommends that Intrado be ordered to file a revised Annual Interrogatory for 2020 with the KCC to report the correct Annual Kansas Intrastate Retail Revenues Reported to the KUSF.

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<sup>9</sup>Order, Docket No. 13-GIMT-736-GIT, Dec. 3, 2003; Order and Certificate.

<sup>10</sup> Attachment A, Response to DR 20.

## KUSF Carrier Audit Information Request

**Submitted By:** Shomari Jackson  
**Submitted To:** Jane Wyatt  
**Company Name:** Intrado Communications, LLC  
**Docket Number:** 22-KDLT-029-KSF  
**Request Date:** August 6, 2021  
**Due Date:** **August 19, 2021**

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### Request No. 3

**RE:** Company Accounting Systems – Revenues

Please provide the following information:

- a. Provide an overview of when revenue is recognized and recorded on the Company's official accounting records (i.e. are revenues recorded when earned or when received)?
- b. Complete the attachment below for each of the sample months.



KUSF - FY 23 DR No.  
3 Revenue Template

- c. Identify the following methodologies used by your Company to identify Kansas revenues:  
\_\_\_\_ Billing Address;  
\_\_\_\_ Primary Service Address, generally the 911 address;<sup>1</sup>  
\_\_\_\_ Primary Place of Use<sup>2</sup>; or  
\_\_\_\_ Other (please describe)
- d. For each revenue category reported on the CRW (i.e. local service, toll, miscellaneous revenue, uncollectible, etc.):
  1. Explain how revenue is classified within each category (by service type, USOC, accounting code, etc.).
  2. Provide a detailed description of how the Company assigns or allocates the different revenue categories identified in #1 (above) between the intrastate and interstate jurisdiction (e.g. direct assignment, cost study, safe harbor, percent

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<sup>1</sup> VoIP providers, please see September 22, 2008, Order, Docket No. 07-GIMT-432-GIT.

<sup>2</sup> Wireless providers, please see September 7, 2006, Order, Docket No. 06-GIMT-943-GIT.

## KUSF Carrier Audit Information Request

interstate usage, etc.) If a combination of methods is used, identify each method and the revenue categories to which it is applied.

- e. Provide a copy of the Company's latest KUSF methodology filing and Commission Order approving the filing, if applicable.
- f. Provide documentation to support the revenues, by category, reported on the CRWs, including a listing of the Company's revenue categories and account codes to allow the auditor to tie to the revenue reported on each CRW. This documentation should support the revenues reported per b. above.

**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 – DR3

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: 9/14/2021

## KUSF Carrier Audit Information Request

Company Name: Intrado Communications, LLC

Docket Number: 22-KDLT-029-KSF

Request Number: 3

Response Date:

Submitted by: Jane Wyatt

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Request No. 3

RE: Company Accounting Systems – Revenues

Please provide the following information:

- a) Provide an overview of when revenue is recognized and recorded on the Company's official accounting records (i.e. are revenues recorded when earned or when received)?

RESPONSE: Intrado's services are generally long distance in nature, usage based / minutes of use (MOU), and recorded as earned. The billing system runs daily and monthly processes to summarize, rate, and produce final invoices. Our invoices are based a calendar month of activity with invoices dated the 7th of each month (i.e. for the prior calendar month).

- b) Complete the attachment below for each of the sample months. RESPONSE: Please see attached

- c) Identify the following methodologies used by your Company to identify Kansas revenues:

\_\_\_\_\_ Billing Address

\_\_\_X\_\_\_ Primary Service Address, generally the 911 address;<sup>1</sup>

\_\_\_X\_\_\_ Primary Place of Use<sup>2</sup>; or

\_\_\_\_\_ Other (please describe)

- d) For each revenue category reported on the CRW (i.e. local service, toll, miscellaneous revenue, uncollectible, etc.):

1. Explain how revenue is classified within each category (by service type, USOC, accounting code, etc.).

RESPONSE: Revenue is classified by service type, primarily Long Distance Services

2. Provide a detailed description of how the Company assigns or allocates the different revenue categories identified in #1 (above) between the intrastate and interstate jurisdiction (e.g. direct assignment, cost study, safe harbor, percent interstate usage, etc.). If a combination of methods is used, identify each method and the revenue categories to which it is applied

RESPONSE: Direct Assignment is used to assign the revenue categories and jurisdiction, primarily revenue category is long distance and related charges. Jurisdiction is not maintained in the G/L. Jurisdiction is determined during mediation in Switch based on the underlying attributes of the call, passed to the billing system and billed accordingly.

- e) Provide a copy of the Company's latest KUSF methodology filing and Commission Order approving the filing, if applicable. RESPONSE: N/A
- f) Provide documentation to support the revenues, by category, reported on the CRWs, including a listing of the Company's revenue categories and account codes to allow the auditor to tie to the revenue reported on each CRW. This documentation should support the revenues per b. above.

RESPONSE: See Avalara for Communications tax report files that correspond to the months above per b, and filtered to Kansas customers.

## KUSF Carrier Audit Information Request

**Submitted By:** Shomari Jackson  
**Submitted To:** Jane Wyatt  
**Company Name:** Intrado Communications, LLC  
**Docket Number:** 22-KDLT-029-KSF  
**Request Date:** May 18, 2022  
**Due Date:** **May 27, 2022**

### Request No. 20

**RE:** Confirmation of Auditor Understanding

Please confirm the Auditor's understanding of the following items. If the statements are incorrect or inaccurate, please provide clarification.

- The Company did not report the KUSF surcharge collected from customers in Box C of the annual CRW for FY 24. **RESPONSE:** This was an oversight in preparation of the form. We should have indicated we collected \$48.13.
- The Company did not report any revenue on its 2019 Annual Interrogatory. **RESPONSE:** It appears that the auditor did not have the correct 2019 Annual Interrogatory for Intrado Communications, LLC. We have provided.
- The Company underreported its revenues on its 2020 Annual Interrogatory. **RESPONSE:** It appears we reported the SUSF charged and not the revenues on the report. We intend to amend.

**NOTE:** If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

### Verification of Response – DR20

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: 5/20/2022