

May 12, 2025

Celeste Chaney-Tucker - [Celeste.Chaney-Tucker@ks.gov](mailto:Celeste.Chaney-Tucker@ks.gov)  
Executive Director  
Kansas Corporation Commission  
1500 SW Arrowhead Road  
Topeka, KS 66604-4027

**Re:** Docket No. 25-MTMT-102-KSF

*In the Matter of the Audit MCC Telephony of Midwest, LLC 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 Celeste:

In its August 6, 2024 Order, the Kansas Corporation Commission (KCC) directed Vantage Point Solutions (VPS) to perform a KUSF carrier audit of MCC Telephony of Midwest, LLC (MCC 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 MCC'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. MCC's audit does not require a separate confidential report; therefore, only the enclosed public audit report for MCC 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, CPA

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

## CERTIFICATE OF SERVICE

I hereby certify that on this 12<sup>th</sup> day of May, 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:

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Dennis C. Smith, CPA



**Vantage Point Solutions, Inc.  
Audit Report for  
MCC Telephony of Midwest, LLC**

**From:** Dennis Smith, Auditor

**Company Personnel:** Lauren Leone, Tax Manager  
Brian Douglass, Sr. Tax Director

**Date:** May 5, 2025

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

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

**Re:** Docket No. 25-MTMT-102-KSF

*In the Matter of the Audit MCC Telephony of Midwest, LLC 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 6, 2024 Order, Vantage Point Solutions, Inc. (VPS) conducted an audit of MCC Telephony of Midwest, LLC (MCC or Company) based on the Kansas Universal Service Fund (KUSF) Audit Procedures adopted for KUSF Fiscal Year 27 (FY27).<sup>1</sup> VPS identified one (1) finding 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** – MCC did not report its Late Charge revenues, however the result of the finding was immaterial.

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

1. Update its KUSF reporting procedures to include reporting of Late Charge revenues; and
2. File an affidavit, signed by an officer of the Company, attesting that the Company updated its KUSF reporting procedures to include Late Charge revenues.

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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).

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

VPS recommends MCC 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.

MCC agrees with the Audit Report.

### **Background**

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

MCC operates as a provider of facilities-based and resold local exchange services<sup>2</sup> and interexchange services<sup>3</sup> and is headquartered in Blooming Grove, NY.

MCC 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 not a designated Eligible Telecommunications Carrier (ETC) in Kansas, therefore, it does not offer Lifeline services to its customers.

Pursuant to Commission Order,<sup>6</sup> VPS confirmed that MCC offers bundled assessable and non-assessable services to its Kansas customers. The Company reports revenue and remits assessments to the KUSF based on the unbundled price of the assessable service. The Company states it uses this same allocation methodology for Federal USF (FUSF) and KUSF purposes.<sup>7</sup>

### **Current KUSF Obligations**

The Company is current with its KUSF obligations.<sup>8</sup>

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<sup>2</sup> Order Approving Application of MCC Telephony for Certificate of Convenience and Authority to Provide Facilities-Based and Resold Local Exchange Services and Granting Billing Standard Waiver, Docket No. 10-MTMT-432-COC, Jun. 28, 2010.

<sup>3</sup> Order Granting Request of MCC Telephone for Certificate of Convenience and Necessity to Provide Facilities-Based and Resold Interexchange Services and Granting Waiver of Billing Standard, Docket No. 10-MTMT-433-COC, Jun. 14, 2010.

<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 Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2016.

<sup>7</sup> MCC's response to DR 11.

<sup>8</sup> Confirmed with the KUSF Administrator on April 28, 2024.

## **Current Audit Findings**

VPS conducted the audit of MCC in accordance with the KUSF Audit Procedures adopted by the KCC.<sup>9</sup> Based on the referenced procedures, VPS identified the following audit finding and provides the following recommendation:

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

**Standard:** Miscellaneous recurring and non-recurring intrastate retail revenues, including Late Payment Fees, are Kansas intrastate retail revenues subject to the KUSF.<sup>10</sup>

**Finding 1:** The Company did not report its Late Charge revenues attributable to telephone customers to the KUSF<sup>11</sup>, however the underreported amount was immaterial.

**Recommendation:** VPS recommends the Company be directed to update its KUSF reporting procedures to include reporting of Late Charges.

VPS recommends the Company be directed to file an affidavit, signed by an officer of the Company, attesting that the Company updated its KUSF reporting procedures to include Late Charges.

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

VPS recommends MCC 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>9</sup> 23-261 Order.

<sup>10</sup> Order on Issue of Uncollectible Revenue and Additional KUSF Revenue Reporting Issus, Docket No. 94-GIMT-478-GIT, Aug. 13, 1999. See also KUSF Carrier Remittance Worksheet Instructions, Plan Year 2023–2024; (CRW Instructions), available for viewing at: [https://vantagepnt.com/wp-content/uploads/2024/11/KUSF\\_Remittance\\_2024-2025\\_Instructions.pdf](https://vantagepnt.com/wp-content/uploads/2024/11/KUSF_Remittance_2024-2025_Instructions.pdf)

<sup>11</sup> Attachment A.

## KUSF Carrier Audit Information Request

Attachment A  
Docket No. 25-MTMT-102-KSF  
Page 1 of 1

**Submitted By:** Dennis Smith  
**Submitted To:** Lauren Leone  
Brian Douglass  
**Company Name:** MCC Telephony of Midwest, LLC  
**Docket Number:** 25-MTMT-102-KSF  
**Request Date:** April 24, 2025  
**Due Date:** May 5, 2025

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### Data Request No. 15

#### RE: Confirmation of Auditor Understanding

Please confirm the following statement(s). If the statement(s) is incorrect or inaccurate, please provide an explanation.

1. The Company does not report Late Charge revenue to the KUSF on its monthly CRWs.  
Correct.
2. The Company does not collect the KUSF surcharge from customers on Late Charges.  
Correct.

**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: Melissa Balu

Date: 5/2/25