



December 20, 2024

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

RE: Docket No. 25-ORIZ-099-KSF (Company Code KS004150)

***In the Matter of the Audit of Kansas #15 Limited Partnership by the Kansas
Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 66-2010(b) for
Fiscal Year 27, March 2023 - February 2024***

Dear Ms. Retz:

In its August 1, 2024 Order, the Kansas Corporation Commission (KCC) directed Vantage Point Solutions (VPS) to perform a KUSF carrier audit of Kansas #15 Limited Partnership (Kansas #15 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 Kansas #15'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. Kansas #15's audit does not require a separate confidential report; therefore, only the enclosed public audit report for Kansas #15 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,

A handwritten signature in black ink, appearing to read 'Dennis C. Smith', written over a faint, large watermark of the number '15'.

Dennis C. Smith, CPA

cc: Steve Garrett - steve.garrett@ks.gov

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of December, 2024, 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
Kansas #15 Limited Partnership

From: Dennis Smith, Auditor

Company Personnel: Jeffrey Sorensen, Lead Accountant
Christopher Gambill, Manager

Date: November 26, 2024

On-Site Visit Date: October 22 - 23, 2024

KUSF Status: Current with Reporting & Payment obligations

Re: Docket No. 25-ORIZ-099-KSF

In the Matter of the Audit of Kansas #15 Limited Partnership 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 Kansas #15 Limited Partnership (Kansas #15 or Company) based on the Kansas Universal Service Fund (KUSF) Revised Audit Procedures adopted for KUSF Fiscal Year 27 (FY27).¹ VPS identified one (1) finding 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 No. 1** – Kansas #15 did not include the KUSF surcharge collected from customers for prepaid revenues on Line C of its CRWs, with no financial impact to the KUSF, the Company, or its customers.

VPS recommends the Commission issue an Order to adopt this Audit Report and the identified findings and direct Kansas #15 to:

1. Update its KUSF reporting procedures to include the KUSF surcharge collected from customers on prepaid revenues, on Line C of its CRWs.
2. File an affidavit, signed by an officer of the Company, attesting that the Company completed item 1 (above).

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

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

VPS recommends Kansas #15 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.

Kansas #15 agrees with the Audit Report.

Background

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

Kansas #15 operates as a wireless service provider and is headquartered in Chicago, IL.

Kansas #15 is required to report its revenue and pay the related assessments to the KUSF on an annual basis.² The Company is authorized to collect an amount equal to or less than its KUSF assessment from customers, and does so.³ 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,⁴ VPS confirmed that Kansas #15 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 subject to the KUSF assessment. Intrastate revenues are determined by multiplying the assessable service price by the Company's intrastate allocation factor (traffic factor) filed quarterly with the Commission,⁵ and reported to the KUSF. The Company states it uses this same allocation methodology for Federal USF (FUSF) and KUSF purposes.⁶

Current KUSF Obligations

The Company is current with its KUSF obligations.⁷

Current Audit Findings

VPS conducted the audit of Kansas #15 in accordance with the KUSF Audit Procedures adopted by the KCC.⁸ Based on the referenced procedures, VPS identified the following audit finding and provides the following recommendations:

² 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).

³ K.S.A. 66-2008(a).

⁴ Order Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2016.

⁵ Order Approving Traffic Factors for Consumer Cellular Inc., Docket No. 23-GIMT-261-GIT, Apr. 20, 2023, July 25, 2023, Oct. 26, 2023, and Jan. 11, 2024.

⁶ Kansas #15's response to DR 12.

⁷ Confirmed with the KUSF Administrator on November 25, 2024.

⁸ 23-261 Order.

Audit Finding No. 1

Standard: A Company is to report the amount of its actual KUSF assessments collected from customers in Box C of the CRWs.⁹

Finding 1: Kansas #15 did not include the KUSF surcharge collected from customers for prepaid revenues on Line C of its CRWs, with no financial impact to the KUSF, the Company, or its customers.¹⁰

Recommendation: VPS recommends that Kansas #15 update its KUSF reporting procedures to include the KUSF surcharge collected from customers on prepaid revenues, on Line C of its CRWs.

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 include the KUSF surcharge collected from customers on prepaid revenues, on Line C of its CRWs.

VPS recommends Kansas #15 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.

⁹ Order Adopting Audit Report, Docket No. 19-RWLZ-033-KSF, Jan. 24, 2019. See also KUSF Carrier Remittance Instructions, Plan Year 2023-2024; (CRW Instructions), II.A.

¹⁰ Attachment A.

KUSF Carrier Audit Information Request

Attachment A
Docket No. 25-ORIZ-099-KSF
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Submitted By: Dennis Smith
Submitted To: Jeff Sorensen
Company Name: Kansas #15 Limited Partnership
Docket Number: 25-ORIZ-099-KSF
Request Date: November 25, 2024
Due Date: **December 6, 2024**

Data Request No. 15

RE: Confirmation of Auditor Understanding

Please confirm the auditor's understanding of the following item(s). If the statement is inaccurate, please expand to clarify:

- On Line C of the CRW (KUSF Assessment Collected from Customers), the Company does not include the KUSF surcharge collected on Prepaid Revenues.

[Sorensen, Jeffrey] Confirmed 11/26/2024

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: Jeffrey Sorensen

Date: 11/26/2024