



**GVNW CONSULTING, INC.**

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November 13, 2019

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

RE: Docket No. 20-S&AT-055-KSF  
*In the Matter of the Audit of S & A Telephone Company, Inc. by the Kansas  
Universal Service Fund (KUSF) Administrator Pursuant to K.S.A 2018 Supp. 66-  
2010(b) for KUSF Operating Year 22, Fiscal Year March 2018-February 2019*

Dear Ms. Retz:

In its August 15, 2019 Order, the Kansas Corporation Commission (KCC) directed GVNW to perform a KUSF carrier audit of S & A Telephone Company, Inc. (S & A 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 S & A's customers, if applicable, are appropriate and accurate.

The KCC directed GVNW to file two versions of the audit report with the KCC; one version containing confidential information and one version with the confidential data redacted for public disclosure. S & A's audit does not require a separate confidential report; therefore, only the enclosed public audit report for S & A is being filed.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Smith", is written over a faint, stylized graphic that resembles a large, thin letter 'A'.

Dennis Smith  
Consultant

cc w/encl: Sandy Reams

## CERTIFICATE OF SERVICE

I hereby certify that on this 13<sup>th</sup> day of November, 2019, 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 Smith

**GVNW Consulting, Inc.  
Audit Report for  
S & A Telephone Company Inc**

**From:** Dennis Smith, Auditor

**Company Personnel:** Jeremy Parrucci, JSI Consulting  
Janet Bathurst, General Manager

**Date:** November 13, 2019

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

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

**Re:** Docket No. 20-S&AT-055-KSF

*In the Matter of the Audit of S & A Telephone Company, Inc. by the Kansas Universal Service Fund (KUSF) Administrator Pursuant to K.S.A. 2018 Supp. 66-2010(b) for KUSF Operating Year 22, Fiscal Year March 2018 – February 2019.*

**EXECUTIVE SUMMARY:**

Pursuant to the Kansas Corporation Commission's (KCC or Commission) August 15, 2019 Order, GVNW Consulting, Inc. (GVNW) conducted an audit of S & A Telephone Company Inc. (S & A or Company) based on the Kansas Universal Service Fund (KUSF) Revised Audit Procedures adopted for Fiscal Year (FY) 22.<sup>1</sup> GVNW did not identify any KUSF reporting deficiencies during the course of the audit of S & A and the Company is current with its KUSF obligations.

S & A agrees with this Audit Report.

GVNW recommends the Commission issue an Order to: (1) adopt this Audit Report; and (2) close this Docket.

**BACKGROUND:**

During the course of the audit, GVNW issued sixteen (16) Data Requests (DRs) to S & A.

S & A, headquartered in Allen, Kansas, provides local exchange telecommunications services in Kansas.

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<sup>1</sup> Order Accepting GVNW's KUSF Year 22 Audit Selections; Docket No. 18-GIMT-084-GIT, August 8, 2019 (18-084 Order).

S & A is required to report its revenue and pay the related assessments to the KUSF on a monthly basis.<sup>2</sup> The Company is authorized to collect an amount equal to or less than its KUSF assessment from customers, and does so. The Company is designated as an Eligible Telecommunications Carrier (ETC) in Kansas, therefore, it does offer Lifeline services to its customers.

Pursuant to Commission Order,<sup>3</sup> GVNW confirmed that S & A offers bundled assessable and non-assessable service plans to its Kansas customers, as well as unbundled services. The bundled plans include voice and data services. The Company reports revenue and remits assessments to the KUSF based on the unbundled service price of the assessable service subject to the KUSF assessment. For unbundled services, the intrastate assessable revenues are directly reported to the KUSF. The Company uses these same allocation methodologies for Federal Universal Service Fund (USF) purposes.<sup>4</sup>

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<sup>2</sup> Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, January 23, 2006 (06-332 Order).

<sup>3</sup> Order Determining KUSF Contribution Methodology, ¶ 27, Docket No. 14-GIMT-105-GIT, Oct. 20, 2016.

<sup>4</sup> S&A's response to GVNW DR 16.