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**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Kansas Corporate Commission  
Topeka, Kansas

We have performed the procedures enumerated below, which were agreed to by the Kansas Corporate Commission, on GVNW's compliance with performing KUSF responsibilities, GVNW's operation and administrative procedures and whether GVNW has established and maintains sufficient internal controls (the subject matter) of the Kansas Corporate Commission as of and for the year ended February 28, 2019. The Kansas Corporate Commission's management is responsible for the subject matter. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

	<b>Control Technique to be Tested</b>	<b>Test Performed</b>	<b>Population of Test to be Performed</b>	<b>Findings</b>
1	An approved, signed contract with the State of Kansas authorizes GVNW to perform as the administrator of the KUSF for the State. The contract is signed by the KCC Chair or designee and GVNW President or designee.	We inspected the contract for proper approval.	Once during the period under review.	None
2	GVNW maintains its status as a foreign corporation registered with the Kansas Secretary of State.	We reviewed GVNW's filing status with the Kansas Secretary of State's Office and verified GVNW has maintained its status as a registered company in the State of Kansas for the period from March 1, 2018 to February 28, 2019.	Once during the period under review.	None

3	GVNW will maintain insurance coverage for general liability, errors, and omissions and will provide the KCC annual evidence of such coverage upon request.	We inspected the insurance policy and determined whether evidence of coverage is available to the KCC upon request.	Once during the period under review.	None
4	GVNW will obtain all required permits, licenses, and bonds to comply with regulations and municipal, county, state, and federal laws and assumes liability for all applicable taxes.	We inspected the required permits, licenses, and bonds obtained by GVNW which were in compliance with regulations and municipal, county, state, and federal laws.	Once during the period under review.	None
5	GVNW will maintain a blanket fidelity bond recognizing the Commission or KUSF as the additional insured third-party beneficiary.	We reviewed GVNW's bond to ensure it complies with the KCC requirements.	Once during the period under review.	None
6	GVNW will request the KCC authorization regarding any change in insurance or bond coverage.	We inspected the insurance and bond coverages and changes and verified written authorization regarding changes was provided by the KCC.	Once during the period under review.	None
7	GVNW will maintain complete and accurate KUSF files, including master files, databases, and documentation supporting the monthly financial reports and annual financial statements, either in a protected physical environment or a protected, off-site digital environment with nightly back-ups.	We interviewed the applicable GVNW personnel regarding GVNW's maintenance of KUSF files in protected environments, including nightly back-up procedures, and verified that protection measures are covered in GVNW's operational controls.	Once during the period under review.	None
10	GVNW will maintain KUSF files, including master files, databases, records, and documentation, for at least five years after the end of a KUSF fiscal year and five years after the end of the contract.	We interviewed applicable personnel to determine whether the KUSF files are saved for at least five years after the end of a KUSF fiscal year or five years after the end of the contract.	Once during the period under review.	None

11	GVNW maintains a formal disaster recovery plan that is tested at least annually to ensure KUSF transactions will continue as normal, at an alternate location, in the event of a disaster.	We inspected the formal disaster recovery plan, and interviewed GVNW staff concerning testing procedures and results.	Once during the period under review.	None
12	GVNW will not destroy any files without prior approval of the KCC staff.	We interviewed GVNW staff concerning file destruction and reviewed any approvals by the KCC of files that were destroyed.	There was no file destruction during the period under review.	None
13	GVNW will not assign or subcontract to another party any KUSF administration function without receiving written approval from the KCC. GVNW will provide a description of the function to be assigned or subcontracted, the name of the assignee or subcontractor, the price of the assigned or subcontracted service, and any relationship of the assignee or subcontractor to the telecommunications industry prior to receiving any approval from the KCC.	If applicable, we reviewed subcontractor agreements entered into by GVNW related to the KUSF administration and reviewed written authorization provided by the KCC.	There were no subcontractor agreements entered into by GVNW related to the KUSF administration during the period under review.	None
14	GVNW does not employ, during the period of its contract, any professional personnel employed by the State and does not employ any State employees who participated in the making of the contract for two years after termination of employment with the State.	We interviewed GVNW staff to determine that GVNW has not hired any employee that were involved in the making of the KUSF administration contract and that worked for the State of Kansas within the past two years.	There were no new hires at GVNW involved with KUSF administration in the past two years.	None

15	GVNW, nor any officer, board of director's member, or employee performs contracted services or has an agreement to provide such services to a person, organization, corporation, or company regulated by the KCC absent a written waiver from the Commission.	We interviewed GVNW personnel to determine that GVNW nor any board of director's member, officer, or employee that performs KUSF functions perform work for any person, entity, organization, or company regulated by the KCC. If applicable, reviewed any waivers of conflict of interest provisions provided via written authorization. We reviewed the attestations, signed by a manager(s) or the President of GVNW verified this information.	There were no waivers of conflict of interest for review in the period under review.	None
16	All GVNW employees are made aware of the contract provision that prevents employees from accepting any beneficial or contractual relationships with any telecommunications service provider for the term of the contract, and for six month thereafter, without first obtaining written permission from the Commission.	We interviewed GVNW personnel to determine that GVNW employees are aware of the contract provision.	Once during the period under review.	None
17	GVNW will provide notification to the Commission, in writing, of any revision to the electronic transaction authorization(s) whenever an authorized person or an authorized person's banking or investment privileges are deleted or modified or a new authorized user is added.	We interviewed GVNW personnel to determine whether a revised authorization was made during the year, if applicable, review the revised authorization(s) for reasonableness, and inspect notification(s) to the KCC.	There were no revised authorizations during the period under review.	None

18	GVNW will not make any news releases, bulletins, or media alerts pertaining to this contract or the KUSF program without prior approval from the KCC.	We interviewed GVNW personnel to determine whether any news releases, bulletins, or media alerts pertaining to this contract or the KUSF program were made.	There were no news releases, bulletins, or media alerts pertaining to the contract or KUSF program from GVNW during the period under review.	None
19	All GVNW employees working with KUSF data are required to sign a GVNW/KUSF Protective Agreement prohibiting disclosure of individual company confidential data and other proprietary data. These agreements are provided to the KCC.	We reviewed and verified that all GVNW employees hired or assigned to KUSF duties within the audit year have signed the GVNW/KUSF Protective Agreement. We interviewed KCC staff to ensure that the agreements were provided to the KCC by GVNW.	All agreements were reviewed for GVNW employees working with KUSF data.	None
20	Access to confidential data is limited to a minimum number of authorized employees.	We interviewed applicable GVNW staff to obtain an understanding of the authorized personnel and determine appropriateness.	Once during the period under review.	None
21	Access to KUSF files is limited, with data maintained in locked file cabinets or password protected computer files.	We interviewed applicable GVNW staff to obtain an understanding of the segregation of duties and determined whether there was appropriateness. We reviewed access to KUSF files and determine appropriateness.	Access to KUSF files was determined to be appropriate.	None
22	GVNW will ensure that no services are performed for any entity regulated or funded by the KCC or the KUSF, absent a written waiver of a conflict of interest from the KCC.	We interviewed KCC and GVNW staff to identify whether any such entity exists. We verified that a written waiver was provided by the KCC, where applicable.	Once during the audit period under review.	None

23	The KUSF will be subject to an annual financial audit in accordance with auditing standards generally accepted in the United States.	We conducted an annual audit.	Once during the audit period under review.	None
24	The KUSF Administrator will be subject to an annual Agreed-Upon-Procedure review of its contractual compliance and internal operating and administrative controls to ensure compliance with Kansas statute and its contract with the Commission.	We conducted an annual Agreed-Upon Procedure.	Once during the audit period under review.	None
25	GVNW segregates administration duties from audit personnel functions. Administration personnel do not perform work related to KUSF carrier audits, and GVNW audit personnel do not perform administration duties.	Reviewed GVNW internal operating and administration procedures and verified a separation of duties performed by administration and audit personnel.	Once during the audit period under review.	None
26	Separate employees are responsible for authorizing KUSF disbursements than the employees accounting for the Fund's records.	We interviewed applicable GVNW staff to obtain an understanding of the segregation of duties and determine whether there was appropriateness.	Once during the audit period under review.	None
27	KUSF administration files, records, and assets are maintained separate from other state funds or accounts managed or owned by GVNW.	We inspected GVNW's files, records, and assets of KUSF to confirm they are maintained separate from other state funds or accounts managed or owned by GVNW.	Once during the audit period under review.	None
28	KUSF funds are maintained in separate and unique accounts within the KUSF system of accounts.	We inspected the GVNW general ledger to confirm separate accounts are maintained.	Once during the audit period under review.	None

29	GVNW staff will accumulate and store carrier data, including revenue data and KUSF telecommunications service provider information, in a separate and distinct database.	We inspected GVNW's KUSF database to confirm it includes revenue data and GVNW's KUSF telecommunication service provider information in a separate and distinct database.	Once during the audit period under review.	None
30	The KUSF Accounts Receivable Report is reconciled to the general ledger postings prior to posting and sending out statements each month. Follow up on any discrepancies. Reconciliation is approved by the Manager or designee prior to posting to the billing system.	We selected three months and inspected the reconciliation of the KUSF Accounts Receivable Report to the general ledger posting summary and inspected the report for proper approval.	Three months were selected.	None
31	The KUSF bank account is reconciled to the lockbox / bank deposit report and system lockbox activity, noting and following up on each discrepancy.	We selected three months and inspected the KUSF bank reconciliation for completeness and accuracy.	Three months were selected.	None
32	The KUSF bank account is reconciled to the lockbox / bank deposit report and KUSF disbursement report every month and any discrepancy is followed up on.	We selected three months and inspected the KUSF bank reconciliation for completeness and accuracy.	Three months were selected.	None
33	GVNW employees authorized to initiate and approve KUSF disbursements do not account for KUSF account receivables or company-specific KUSF records.	We interviewed applicable GVNW staff to obtain an understanding of the segregation of duties and determined whether there was appropriateness.	Once during the period under review.	None

34	KUSF disbursements to ETCs and approved programs are prepared by the Reporting Administrator and approved by the Manager or designee.	We selected five disbursements and inspected KUSF disbursements to ETCs and approved programs and verified they are prepared by the Reporting Administrator and approved by the Manager or designee.	Five disbursements were selected.	None
35	The KUSF website is maintained separate from other funds administered by GVNW.	Verified GVNW maintains a KUSF website separate from other state administration websites.	Once during the period under review.	None
36	GVNW will maintain accurate and current information on the KUSF website.	We viewed the KUSF website and verified that GVNW maintains reasonable and current information and that current KUSF information is available to all KUSF contributors and recipients.	Once during the period under review.	None
37	GVNW will provide a copy of its KUSF Administration Procedures and Operational Controls to the Commission no later than March 1 of each year.	Verified the Administration Procedures and Operational Controls were provided to the KCC by March 1 through interviews with GVNW and the KCC staff and verification of email sent by GVNW to the KCC.	Once during the period under review.	None
38	Each month, GVNW will send a monthly account statement/invoice to each KUSF telecommunications service provider who has activity during the month.	We inspected ten monthly account statements that were sent to companies with activity.	Ten companies were selected for review.	None
39	Monthly statements are reconciled to monthly reports to ensure all activity is included on statements and a statement has been generated for each company with activity.	We inspected ten monthly account statements that were sent to companies with activity to ensure proper reconciliation and that a statement was generated for each company with activity.	Ten companies were selected for review.	None



40	Monthly statements/invoices provide detailed information of assessment owed, assessment paid, penalties applied, and resulting balance at the end of the month.	We inspected ten monthly account statements/invoices for proper detailed information.	Ten companies were selected for review.	None
41	Monthly statements/invoices are reviewed prior to being sent out to providers. Monthly statement checklist is completed, signed and dated prior to statements being issued. The checklist is maintained in the Monthly Forms/Checklist binder.	We inspected ten monthly account statements/invoices for proper reviews and that a checklist is completed, signed, and dated appropriately.	Ten companies were selected for review.	None
42	The Administrator reviewed each company's Operations and Identification Form (Attachment B) to ensure it is consistent with Commission Orders. GVNW will send written notification to each company that elects to report and remit payment on a basis for which the contributor does not qualify.	We interviewed applicable GVNW personnel regarding carriers who have been approved for remittance of data on a basis other than monthly.  We inspected a sample of fifteen carriers reporting on an annual, quarterly, or monthly basis to determine whether they notified GVNW of this election and whether GVNW approved the elections.	Once during the period under review.  Fifteen individual carriers were inspected.	None
43	GVNW reviewed Carrier Remittance Worksheets (CRWs) for accuracy. GVNW will notify the Company if a CRW is submitted that is not consistent with the election selected by the company in its Operations and Identification Form (Attachment B).	We inspected a sample of ten CRWs to determine consistent election between the Operations and Identification Forms.	Ten individual CRWs were inspected.	None
44	The Monthly Report package is reviewed for accuracy and completeness prior to being sent to the KCC or staff. Emails showing submission of reports to staff are retained.	We selected three months and inspected the Monthly Reporting package for review by GVNW staff and verified that emails of submission are retained.	Three months were inspected.	None

45	Late payment, CRW, and delinquent balance penalties are applied in accordance with Commission Orders. For March 1 through Oct. 31, 2018, a late payment penalty (LPP) of 1% per month (12% annum) is assessed for each assessment payment not received by the due date. A CRW penalty is applied (1% of assessment owed or \$100, whichever is greater), for any CRW received after the due date. A 1% per month (12% cumulative) Delinquent Balance Penalty (DBP) is assessed for the entire outstanding balance, including assessment principal but excluding current month's penalties.	We selected fifteen carriers and inspected the corresponding carrier statements that were sent to delinquent accounts and recalculate the late penalties.	Fifteen individual carriers were inspected.	None
46	Late penalties, adopted by the KCC in the Sept. 2018 and Oct. 2018 Orders, Docket 18-GIMT-084-GIT, are applied in accordance with the Orders. Effective Nov. 1, 2018, a LPP of 1% per month (12% annum) is assessed for each assessment payment (Including additional assessments due as a result of a revision/audit, etc.) not received by the due date. A Late Filing Penalty (LFP) is applied (1% of assessment owed or \$100, whichever is greater), for any CRW, revised CRW, or true-up received after the due date. The LFP for a Company Identification and Operations form (Attachment B) is \$100 for each received after the due date. No LFP is applied for company reporting "not	We inspected the corresponding carrier statements that were sent to delinquent accounts and recalculated the late penalties.	Fifteen individual carriers were inspected.	None

	generating" or if no additional assessment is owed. A 1% per month (12% cumulative) Delinquent Balance Penalty (DBP) is assessed for the entire outstanding balance, including assessment principal but excluding current month's penalties.			
47	GVNW staff shall furnish any special reports, summaries, or other information needed by the KCC within the requested time frame.	<p>We inspected applicable requests from the KCC.</p> <p>We discussed with the appropriate staff of the KCC regarding GVNW's compliance with the KCC's requests.</p>	Once during the period under review. No special reports were requested during the period under review.	None
48	Accountant completes Monthly Performance Report, reconciles to general ledger and provides to the Manager by the 14th of each month.	We selected three months and inspected the Monthly Performance Report for completion and reconciliation by the Accountant and interviewed the Manager for receipt of the MPR.	Three months were inspected.	None
49	GVNW staff shall prepare and provide to the KCC staff, no later than the 15th of each month, a Monthly Report package to include the following: Fund Performance Report, comparison of actual to projected fund results, Aging of Account Receivable Report, Returned Mail Report, Delinquent Carrier Report, and monthly detail reports to include disbursements for each funded program, late payment and CRW fees, and revenues for wireless and interconnected VoIP providers.	We selected three months and inspected and compared the monthly and cumulative disbursements by program to each recipient, the total monthly disbursements by program, and cumulative disbursements by program and the detailed schedule provided by GVNW to the KCC showing monthly disbursements by program and cumulative disbursements by program and determined amounts agreed.	Three months were inspected.	None

50	The Monthly Statement of Fund Performance will summarize annual and year-to-date revenue, disbursement, and overall fund balance information.	We selected three months and inspected the Monthly Statement of Fund Performance and determined amounts agreed.	Three months were inspected.	None
51	A manager or designee approves all disbursements. The Reporting Administrator runs a query to verified all companies eligible for KUSF support submitted a worksheet, with the Compliance Administrator following up on missing worksheets.	We selected ten disbursements and inspected disbursements to determine whether a manager or designee has approved.  We interviewed the Reporting Administrator and Compliance Administrator regarding their process and inspect supporting worksheets.	Ten individual disbursements were inspected.  Once during the period under review.	None
52	Payments to each institutional program are disbursed to the program's designated agent/administrator within 15 business days of request of such payment.	We selected and inspected ten payments to institutional programs for compliance with the 15 day requirement.	Ten individual payments were inspected.	None
53	Corrections and revisions to work product that contain a substantive or material error, submitted to the KCC or staff, will be provided to the KCC or staff within five business days of notice or notification of the error, unless otherwise agreed upon in writing.	We selected and inspected the only correction and revision to the work product that contained a substantive or material error and verified that notification was given within five days.	Only one revision during the period under review.	None
54	GVNW will update its database and carrier records to reflect new information provided by the KCC staff in regard to the Returned Mail Report.	We interviewed the KCC staff for any new information that has been provided to GVNW for updating and inspected GVNW's database and carrier records for reflection of the new information.	Once during the period under review.	None

55	Annually, at the end of each KUSF fiscal year, request the KCC staff to send the Business Listing Report showing all active and inactive telecommunications providers and compare the report to the KUSF master files. Note all differences, and after collaboration with the KCC staff, make changes to master file as appropriate.	We interviewed both the KCC and GVNW staff to verify the request was completed and verified the report was sent.	Once during the period under review.	None
56	GVNW will submit a Report, in Excel format, by May 1st of each year, of the annual reconciliation of the KUSF master files to the KCC's database to identify companies required to report to the KUSF with all differences identified. GVNW will perform a reconciliation on a quarterly basis.	We reviewed the annual reconciliation report submitted by GVNW and verified the reconciliation file was sent to the KCC. We reviewed one quarterly reconciliation to ensure they are being completed.	One annual reconciliation report and one quarterly reconciliation was reviewed.	None
57	GVNW staff shall review and compare the KUSF master file to the Carrier Remittance Worksheets to ensure all carriers required to report to the KUSF are doing so.	We interviewed GVNW staff to verify that this process is being performed.	Once during the period under review.	None
58	All changes to a carrier's information, including contact data, is updated in the database at the time of receipt.	We interviewed GVNW staff to verify that this process is being performed and inspected the database for changes to a carrier's information.	One carrier change was inspected.	None
59	GVNW staff shall update the KUSF master files at least monthly to reflect company and docket activity provided in the KCC staff monthly activity email.	We interviewed GVNW staff to verify that this process is being performed and inspected the KUSF master files to verify appropriate activity has been updated.	One monthly activity update was reviewed.	None

60	GVNW reviews the KCC's website "Recent Commission Actions" to identify the KCC approved carrier changes at least every other week.	We interviewed GVNW staff regarding the procedures to review the KCC website and verified that appropriate actions appear to be followed.	Once during the period under review.	None
61	GVNW reviews, on a quarterly basis, the Federal Communications Commission's Carrier Locator Directory and Database for carriers required to remit Form 499-A and identifies carriers that may be required to report and contribute to the KUSF. The review will identify carriers not subject to the KCC certification procedures, including, but not limited to: paging providers, wireless carriers, and interconnected VoIP providers. Reflect all necessary changes to the master file. Note if no new providers are identified. Information is printed, signed, and dated by the Compliance Administrator as record of review.	We interviewed GVNW staff to verify that this process is being performed and inspected the master file for necessary changes noting the information is printed, signed, and dated by the Compliance Administrator. We inspected all notes to verify that no new providers were identified for the two quarters as applicable.	Two quarters were inspected.	None
62	GVNW mails each telecommunications service provider an introductory letter, instruction packet with attachments, current Carrier Remittance Worksheet and Commission Order determining current KUSF assessment rate within 20 days of identification of the provider's requirement to comply with KUSF obligations.	We interviewed GVNW staff to verify that this process is being performed and verified that GVNW has an instruction packet with all attachments required to be sent to a new telecommunication service provider.	Once during the period under review.	None

63	GVNW will notify all providers participating in the KUSF of the approved assessment rate via written notice (electronic or US Postal Service) no later than February 20th of each year. Notification will include the instruction packet and attachments, CRWs with the new rate(s), Commission Order or link to the Order setting the new KUSF assessment rate, and the "What's New" letter to highlight new or modified requirements, and other information as necessary. Additional notifications occur if the assessment rate is modified during the year.	We interviewed GVNW staff to verify that this process is being performed and verified that GVNW has an instruction packet with all attachments required to be sent to all telecommunication service providers on an annual basis.	Once during the period under review.	None
64	GVNW shall follow up on all delinquent contributors (Attachment B, CRW, payments) through phone calls and monthly written notices. GVNW staff shall document all applicable communications with delinquent carriers and include in the Monthly Delinquent Report sent to the KCC by the 15th of the month, if criteria is met.	We selected and inspected two months and the GVNW master file and the monthly financial statement package prepared for the KCC and documentation relating to applicable communications with delinquent carriers noting all communications were documented.	Two individual months were inspected.	None
65	The KUSF database is updated with any new or revised company information per the Attachment B at least annually.	We interviewed GVNW staff to verify that this process is being performed and inspected the KUSF database to verify appropriate activity has been updated.	Once during the period under review.	None
66	All carriers' files are moved to a temporary closed file location when GVNW receives permission to change the status to "closed." Administrator maintains an	We interviewed GVNW staff to verify that this process is being performed and inspected the list of closed files verifying it is approved by the Compliance Administrator	Once during the period under review.	None

	electronic list of files to be moved to storage. After close of the KUSF year, the Compliance Administrator verifies all accounts closed during the year are identified in the list before files are moved to storage. A summary list of the closed files is printed after the close of the year, reviewed, initialed, and dated by the Compliance Administrator, and placed in the binder. A list of files to be destroyed is sent to staff prior to being destroyed.	and a temporary location is maintained for closed files.		
67	GVNW will compare historical and cumulative revenue reported totals and notify a company if revenue exceeds annual revenue election per Attachment B.	We interviewed GVNW staff to verify that this process is being performed and inspected five Carrier Remittance Worksheets to determine GVNW's compliance and follow up with any company that exceeds annual revenue election per Attachment B.	Five individual carrier remittance worksheets were inspected.	None
68	GVNW will apply a \$100 election change charge for the 3rd and any subsequent election changes during a KUSF year.	We interviewed GVNW staff to verify that this process is being performed and inspected five Attachment B's to determine GVNW's compliance.	Five individual attachment B's were inspected.	None
69	Each company changing its filing election on Attachment B is reviewed for historical revenues. Carriers are given written notification of incorrect reporting frequency for which they do not qualify. A copy of written notification is retained in the carrier's file and initialed by the Compliance Administrator or designee.	We interviewed GVNW staff to verify that this process is being performed and inspected five Attachment B's and Carrier Remittance Worksheets to determine GVNW's compliance.	Five individual attachment B's and carrier remittance worksheets were reviewed.	None



70	GVNW staff will analyze the database to compare current reported data to previously reported data on a monthly basis.	We interviewed GVNW staff to verify that this process is being performed.	Once during the period under review.	None
71	Carrier Remittance Worksheets are date stamped upon receipt.	We inspected thirty Carrier Remittance Worksheets for date stamp.	Thirty individual carrier remittance worksheets were inspected.	None
72	Current Carrier Remittance Worksheet data is compared to prior reported data, on a monthly basis, to identify reporting or payment issues and variances exceeding 10%.	We inspected thirty CRWs and compared to prior reported data for reporting or payment issues and variances exceeding 10%.	Thirty individual carrier remittance worksheets were inspected.	None
73	CRWs will be examined and analyzed by GVNW staff assigned to KUSF to include a review for errors, omissions, mathematical correctness, and compliance with established submission procedures.	We inspected thirty CRWs for errors, omissions, and accuracy and inspected documentation for any errors found and determined whether proper amounts were entered into the database.	Thirty individual carrier remittance worksheets were inspected.	None
74	Carriers will be notified if a discrepancy is found in the remittance form. This is done via phone call, email, or a returned CRW.	We interviewed GVNW and KUSF personnel regarding any discrepancies in remittance forms and the promptness of the actions taken.	Once during the period under review.	None
75	CRWs submitted to GVNW without the signature of a company officer or designated agent will not be considered final. GVNW staff will return the unsigned form and a follow-up letter, to obtain a signed form.	We inspected thirty remittance forms to determine whether appropriate carrier personnel signed the form.	Thirty individual remittance forms were inspected.	None

76	KUSF Carrier Remittance Worksheets are processed within ten business days of receipt, except: (1) CRWs for the next KUSF year that are received on or before March 31st of the current KUSF will be processed between April 1st and 30th; (2) the Company does not have a current or complete Attachment B on file or when follow-up is needed; or (3) processing of data has been appropriately deferred for the KCC approval.	We selected thirty carrier remittance worksheets and inspected the process date to determine whether the forms were processed within ten business days, as applicable.	Thirty individual carrier remittance worksheets were inspected.	None
77	All CRWs received by the 15th of the month (or due date) are recorded in that month's KUSF activity, except CRWs: (1) related to the next KUSF year; (2) deferred to the KCC for approval; or (3) subject to follow-up.	We selected thirty carrier remittance worksheets and inspected the process date to determine whether the CRWs received by the 15th of the month were recognized in that month's KUSF activity.	Thirty individual carrier remittance worksheets were inspected.	None
78	KUSF CRWs and Company Identification and Operations (Attachment B) are due by April 15 for each fiscal year. (See KUSF Instructions, Attachment A for list of due dates.) New KUSF year CRWs and Attachment B forms received prior to April 1 are processed within the month of April, except CRWs or Attachment B's: (1) deferred to KCC for approval; or (2) subject to follow-up.	We selected ten carrier remittance worksheets and ten attachment B forms and inspected the process date to determine whether the forms were processed within ten business days, as applicable.	Ten individual carrier remittance worksheets and ten individual attachment B forms were inspected.	None
79	GVNW will verified that each company requesting KUSF high-cost support is eligible for such support.	We reviewed each high-cost support recipient's KUSF Support Calculation Worksheet to verify the company is eligible and requested the approved support amount.	One new company was reviewed.	None

80	GVNW will verified that the each company requesting Lifeline credit reimbursement is eligible for such credits. GVNW will also verified the amount of the monthly Lifeline credit equals the \$7.77 monthly credit (or other company-specific amount) approved by the Commission.	We reviewed that the company requesting Lifeline support is a designated ETC or grandfathered by the KCC. We compared the monthly Lifeline credit requested to the Commission's Order approving the KLSP credit amount.	One new company was reviewed.	None
81	Provide separate written notice to each provider delinquent in reporting revenue or remitting payment, within 30 days of the delinquency. Provide a 2nd notice upon 60 days delinquency and a 3rd notice, via certified mail, upon 90 days delinquency. Manager reviews the Delinquent Report to verify written delinquent notice is given to each provider when an account is 30 days, 60 days, and 90 days delinquent.	We interviewed GVNW personnel regarding their verification process of eligibility and verified this process is being performed.	One delinquent provider was reviewed.	None
82	Each 90 day delinquent notice is sent via certified mail and the specified company has 20 days from receipt to remit delinquent report or payment to the KUSF or the account will be turned over to the KCC for further action.	We interviewed GVNW staff to verify that this process is being performed and verified accounts are being turned over to the KCC for further action.	Once during the period under review.	None
83	Contact each delinquent carrier (not only the provider's authorized agent) via electronic medium or phone calls informing it of any delinquent CRW, Attachment B, or payment(s) and that continued non-compliance will result in the issue being turned over to the Commission for further action.	We interviewed GVNW staff to verify that this process is being performed and verified accounts are being turned over to the KCC for further action.	Once during the period under review.	None

84	For each delinquency over 180 days, discuss with staff the current show cause status, whether the account qualifies for write-off, or other actions to collect outstanding reports or payments.	We interviewed GVNW staff to verify that this process is being performed.	Once during the period under review.	None
85	GVNW will inform the KCC immediately of any carrier's refusal to pay its legitimate fund contributions.	We interviewed GVNW and the KCC staff to verify that this process is being performed.	Once during the period under review.	None
86	GVNW will immediately notify the KCC if it has any reason to believe that a contributor has misstated its assessment, submitted false information, or any other irregularities exist.	We interviewed GVNW and the KCC staff to verify that this process is being performed.	Once during the period under review.	None
87	GVNW will prepare a Quarterly Write-Off Report to identify company balances that meet the Commission's write-off policy and send to staff. If no companies meet the write-off criteria, a memorandum stating this will be sent to staff.	We interviewed GVNW staff to verify that this process is being performed and reviewed the Quarterly Write-Off Reports.	All quarterly write-off reports were reviewed.	None
88	GVNW staff shall review the monthly accounts receivable analysis and follow-up on any outstanding balances in a timely fashion.	We tested 80% of the outstanding accounts receivable balances as of February 28, 2019 to subsequent cash payments in order to determine whether amounts were paid.	Selected 80% of outstanding accounts.	None
89	The Compliance Administrator and the Reporting Administrator have regular contact with the KCC staff to discuss carriers.	We interviewed GVNW and the KCC staff to verify that this process is being performed.	Once during the period under review.	None

90	True-up forms are generated and sent automatically via email. Companies that changed filing frequency during the year have true-ups manually created.	We interviewed GVNW staff to verify that this process is being performed and verified automatic and manual forms are being created.	Once company was selected for review.	None
91	GVNW runs a query to identify all carriers that have not remitted true-ups to determine if true-ups are required. Companies required to submit true-up forms, but that have not done so are identified and included in the monthly Delinquent Report.	We interviewed GVNW staff to verify that this process is being performed and inspected the Delinquent Report for one company who did not submit the proper forms.	Once company was selected for review.	None
92	The automated system performs calculations after data entry. GVNW verifies system calculations agree to company calculations and follows up with company on any discrepancies.	We interviewed GVNW staff to verify that this process is being performed.	Once during the period under review.	None
93	The Reporting Administrator identifies each company with a 10% or greater variance in revenues of current month in comparison to prior month, and sends a follow-up email to the Company. The Reporting Administrator initials and dates that an email was sent. For any company that does not respond within ten calendar days, a follow-up email is sent, with the date of the follow-up email and initials of sender noted in the Report. The Reporting Administrator prints the Report to include: the two months' of revenues compared; the variance percentage, date of each email sent, and initials of person that sent email, and	We interviewed GVNW staff to verify that this process is being performed. We selected and inspected five variance reports for the Reporting Administrator's initials and dates and the Compliance Administrator's initials and dates. We verified that the report is filed.	Five individual variance forms were reviewed.	None

	places the Report in binder. The Compliance Administrator reviews the Report to ensure an email was sent to each company, with all follow-up emails sent as applicable. The Compliance Administrator initials and dates.			
94	Notices are sent to any company incurring a penalty.	We interviewed GVNW staff to verify that this process is being performed.	Once during the period under review.	None
95	GVNW and the KCC staff collaborate to determine if KUSF carrier audit selection criteria or audit program needs modified. GVNW's KUSF auditor(s) submit selection and recommendations to the Commission for review.	We interviewed GVNW and the KCC staff to verify that this process is being performed.	Once during the period under review.	None
96	GVNW will file an Audit Report for the prior fiscal year for each selected contributor in the company-specific docket no later than June 30th unless otherwise extended by the KCC.	We reviewed each Carrier Audit docket and verified an Audit Report was filed no later than June 30th, unless an extension was granted by the KCC.	Once during the period under review.	None
97	GVNW staff shall work with the KCC staff to prepare KUSF Support Calculation Worksheets based on information provided by the KCC staff and applicable Commission Orders. One-time KUSF support payments are made based on the KCC Order.	We interviewed GVNW staff to verify that this process is being performed and verified with the KCC staff that this process is being performed.	Once during the period under review.	None

98	GVNW will send the Support Calculation Worksheet to each ETC prior to the beginning of each KUSF fiscal year or anytime the ETC's support changes.	We interviewed GVNW staff to verify that this process is being performed. We verified that five Support Calculation Worksheets are being prepared when required.	Five individual support calculation worksheets were reviewed noting support worksheets were sent prior to the first of the year.	None
99	Invoices for KRSI and TAP are approved by the Manager or designee prior to payment processing.	We inspected ten invoices for KRSI and TAP for approval by the Manager or designee prior to payment processing.	Ten individual invoices were reviewed.	None
100	GVNW verifies each provider requesting to net its KUSF obligation with a KUSF support payment is authorized to receive KUSF support. GVNW verifies the amount of KUSF support is the amount approved by the Commission. The Manager reviews monthly disbursement to verify only those authorized are included for net support payments.	We interviewed GVNW staff to verify that this process is being performed and verified that GVNW has verification and approval by the KCC for support payments for ten provider requests.	Ten individual provider requests were reviewed.	None
101	ACHs are prepared by authorized GVNW personnel and approved by the appropriate Manager. Electronic transfers require authorized password for person preparing transfer and separate authorized individual(s) with separate password to release funds.	We inspected ten applicable ACHs and note proper payment, date, and approval.	Ten individual ACH transactions were inspected.	None
102	KUSF support payments to carriers will be made via ACH no later than the first day of the month following the month for which revenue is reported.	We traced and agreed a sample of thirty Support Payable Amounts from the Carrier Remittance Worksheets to the KCC generated High Cost Support Worksheet to determine whether amounts requested by carriers agreed with the amounts authorized by the KCC.	Thirty support payable amounts were inspected noting performance before the first day of the month.	None

103	GVNW's internal processing of disbursements from the KUSF fund, as requested by the KCC appointed agent for the Relay/DPR and TAP will follow KUSF approval requirements. Disbursements for these State funds require the approval of the GVNW President or designee.	We inspected thirty disbursements for proper approval.	Thirty individual disbursements were inspected.	None
104	GVNW staff will ensure that funds are distributed from KUSF to the Kansas programs in the following priority: (1) Relay Services, (2) Telecommunications Access Program Fund, (3) Kansas Lifeline Service Program, and (4) Kansas Universal Service support for high cost areas.	We discussed with GVNW personnel to determine that there were no shortfalls in the funding.	Once during the period under review.	None
105	GVNW's administrative and audit expenses will be withdrawn from the KUSF in accordance with the administration contract. Additionally, administrative penalties are applied as an offset to the administration fee reimbursed from the KUSF.	We inspected ten GVNW expense disbursements to determine whether there was compliance with procedures and Section V of the contract. We verified that administrative penalties were appropriately applied, if applicable.	Ten individual disbursements were inspected.	None
106	Bank and investment fees incurred by the KUSF are automatically withdrawn by the KUSF financial institution on a monthly basis.	We verified the amounts withdrawn from the KUSF match the amounts recorded by the financial institution for three months.	Two months were verified.	None
107	The Monthly Performance Report is completed and reconciled to the general ledger. The Manager or designee reviews and compares to prior month's report prior to submission to the Commission. The Accountant follows up with the Manager on the 10th and 15th.	We interviewed GVNW staff to verify that this process is being performed. We verified the Monthly Performance Report is being completed and reconciled timely for two months.	Two months were verified.	None



108	Monitor monthly KUSF fund balances and notify the Commission staff when the Contingency Fund Allowance balance is less than the Allowance approved by the Commission.	We interviewed GVNW staff to verify that this process is being performed. We inspected the allowance balance requirement approved by the KCC.	Once during the period under review.	None
109	GVNW will notify staff, in writing, when the KUSF balance is (a) equal to the fiscal year's contingency fund allowance plus \$2.0 million; (b) equal to the contingency fund allowance plus \$1.0 million; and (c) equal to the contingency fund allowance.	We interviewed GVNW staff to verify that this process is being performed or that the GVNW staff are aware of this requirement if the need arises. Reviewed the Monthly Reports to verify comparison of balances occurs.	Once during the period under review.	None
110	Establish a short-term line of credit of \$500,000, subject to the Commission's approval, if insufficient funding occurs. GVNW and the KCC will execute all appropriate bank documents to authorize the line of credit. Manager reviews and initials confirmation from bank detailing the line of credit.	We interviewed GVNW staff to verify that this process is being performed or that the GVNW staff are aware of this requirement if the need arises.	Once during the period under review.	None
111	The KCC maintains a contract with a bank with offices located in Kansas to perform KUSF lockbox and investment functions. GVNW and the KCC execute appropriate banking documents that allow GVNW to establish and maintain lockbox and investment activities.	We interviewed GVNW and the KCC staff to verify that this process is being performed and verified a contract is maintained with a bank with offices in Kansas to perform KUSF lockbox and investment functions.	Once during the period under review.	None
112	KUSF monies are maintained in a separate and unique system of accounts.	We interviewed GVNW staff and verified that this process is being performed and inspected that the accounts are maintained in a separate and unique system of accounts.	Once during the period under review.	None


113	KUSF monies are invested in accordance with KCC requirements. Checking account balances are maintained in accordance with the KCC authorizations and excess monies are maintained in investment accounts, with monies swept from investment to checking on a daily basis to meet KUSF obligations.	<p>We inspected the Summary Statements of Transactions to determine the existence of the Federated Account and the daily balances for two months.</p> <p>We analyzed the average daily cash balance per the bank statements received from Core First Bank and Trust in Topeka, Kansas and determined excess cash reserves and daily balances avoid cash shortfalls for four months.</p> <p>We inspected the Federated Investment Statements to determine all investments reflect those provided per the contract for one month.</p> <p>We interviewed GVNW personnel to determine whether monies are invested in the proper accounts.</p>	<p>Two months were inspected.</p> <p>Three months were analyzed.</p> <p>One month was inspected.</p> <p>Once during the period under review.</p>	None
114	Quarterly investment account analysis is provided to the Commission showing the earnings detail for the quarter.	We interviewed GVNW and KCC staff to verify that this process is being performed.	Once during the period under review.	None
115	Deposits are insured by the FDIC or FSLIC, or invested and secured as permitted by the KUSF administration contract and Kansas statute, and authorized by the Commission.	We interviewed GVNW staff to verify that this process is being performed and inspected collateral statements for amounts over the FDIC or FSLIC, if applicable.	Once during the period under review.	None
116	GVNW shall recognize interest income in the KUSF fund balance.	We inspected the reasonableness of the investment balance as of February 28, 2019 and the related interest income for the year then ended.	Inspected as of February 28, 2019.	None

117	GVNW submits a written invoice for monthly administration and any additional fees incurred by the administrator pursuant to the contract to KCC Staff no later than the 5 <sup>th</sup> of the month following the administration month. GVNW withdraws the administration fees from the KUSF upon receiving written approval for payment from Staff.	We reviewed the email and invoice sent to Staff and Staff's written authorization to withdraw payment for administration fees.	An email and invoice for one month was reviewed.	None
118	GVNW submits a written invoice in accordance with the contract to Staff no later than the 10 <sup>th</sup> of each month for audit related work performed during the prior calendar month. GVNW accrues monthly expenses for January – June and submits a summary invoice in accordance with the contract to Staff no later than August 1st. Upon written payment approval from Staff, GVNW withdraws the approved audit fees from the KUSF. GVNW accrues audit expenses for the months of July – December and submits a summary invoice in accordance with the contract to KCC Staff no later than February 1st. Upon written approval for payment from Staff, GVNW withdraws the approved audit fees from the KUSF.	We reviewed emails and invoices sent to Staff and Staff's written authorization to withdraw payment for audit related fees.	An email and invoice for one month was reviewed.	None
119	Prior to November 30th, a file is prepared containing each provider's reported revenue, by month, for March through October, and projected revenues, by month, for	We interviewed GVNW staff to verify that this process is being performed and inspected ten provider's files for the appropriate reports.	Ten provider files were inspected.	None

	November through February of the current KUSF fiscal year.			
120	The Manager reviews the revenue reported and the revenue projections file prior to November 30th, with the file provided to KCC staff on or before November 30th.	We interviewed the GVNW Manager to verify that this process is being performed.	Once during the period under review.	None
121	A file containing each provider's revenue, including true-ups received by April 15th (or the due date), and presorted by carrier business operations, is completed and reviewed by a GVNW manager by June 1st of each year.	We interviewed GVNW staff to verify that this process is being performed and inspected ten provider's files for the appropriate reports and approvals.	Ten individual provider files were inspected.	None
122	The revenue file, containing each provider's revenue, including true-ups received by April 15th (or the due date), and presorted by carrier business operations, is provided to the KCC staff by June 1st of each year.	We interviewed GVNW and the KCC staff and verified the revenue file was completed and sent to KCC Staff no later than June 1st.	Once during the period under review.	None

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Kansas Corporate Commission and is not intended to be and should not be used by anyone other than the specified parties.



**CliftonLarsonAllen LLP**

Greenwood Village, Colorado  
September 11, 2019