

Board of Directors

Supply Chain Audit Reports

Tuesday, October 27, 2026

Available for Public Use

Universal Service Administrative Company Offices

700 12th Street, N.W., Suite 900

Washington, DC 20005

Summary of the Supply Chain Audit Reports Released: June 2026.

Entity Name	Number of Findings	Significant Findings	Amount of Support	Monetary Effect	USAC Management Recovery Action	Entity Disagreement
Attachment A Skyrider Communications, Inc.	0	• Not applicable.	$3,277,106	$0	$0	N/A
Attachment B Cablevision Lightpath of New Jersey	0	• Not applicable.	$9,129,243	$0	$0	N/A
Total	**0**		**$12,406,349**	**$0**	**$0**	

Attachment A

SC2024BE020

Skyrider Communications Inc. Audit ID: SC2024BE020

Performance audit for the Universal Service Fund Supply Chain Audit Program related to E-Rate disbursements made from July 1, 2023 to June 30, 2024; and Rural Health Care disbursements made from July 1, 2023 to June 30, 2024

Prepared for: Universal Service Administrative Company

As of Date: May 21, 2026

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EXECUTIVE SUMMARY

May 21, 2026

Ms. Teleshia Delmar, Vice President – Audit and Assurance Division
Universal Service Administrative Company
700 12th Street, NW, Suite 900
Washington, DC 20005

Dear Ms. Delmar:

This report presents the results of our work conducted to address the Supply Chain performance audit objective relative to Skyrider Communications Inc. (the Universal Service Fund ("USF") Recipient or Skyrider), with Service Provider Identification Number ("SPIN") 143031192, for disbursements of $3,225,504 made from the USF's E-Rate Program from July 1, 2023 to June 30, 2024; and disbursements of $51,602 made from the USF's Rural Health Care ("RHC") Program from July 1, 2023 to
June 30, 2024. Our work was performed from June 9, 2025, to September 19, 2025 and our results are as of May 21, 2026.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards ("GAGAS") issued by the Comptroller General of the United States (2018 Revision, as amended). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to GAGAS, we conducted this performance audit in accordance with Consulting Services Standards established by the American Institute of Certified Public Accountants ("AICPA"). This performance audit did not constitute an audit of financial statements, or an attestation level report as defined under GAGAS and the AICPA standards for attestation engagements.

The objective of this performance audit was to evaluate the USF Recipient's compliance with the rules of the Federal Communications Commission ("FCC") set forth in 47 C.F.R. § 54.9 and 47 C.F.R. § 54.10 (collectively, the "FCC Rules") relative to disbursements of $3,225,504 made from the E-Rate Program from July 1, 2023 to June 30, 2024 and disbursements of $51,602 made from the RHC Program from July 1, 2023 to June 30, 2024.

Compliance with FCC Rules is the responsibility of the USF Recipient who is required to affirmatively demonstrate compliance with the applicable rules. Our responsibility is to evaluate the USF Recipient's compliance with FCC Rules based on our audit objective.

As our report further describes, Baker Tilly US, LLP did not identify any audit findings as a result of the work performed.

Baker Tilly US, LLP cautions that projecting the results of our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

This report is intended solely for the use of the Universal Service Administrative Company, the USF Recipient, and the FCC and is not intended to be and should not be relied upon by anyone other than these specified parties. This report is not confidential and may be released by USAC and the FCC.

Sincerely,

Baker Tilly US, LLP

cc: Michelle Garber, USAC Interim Chief Executive Officer
Craig Davis, USAC Vice President, E- Rate Division
Mark Sweeney, USAC Vice President, Rural Health Care Division

List of Acronyms

Acronym	Definition
BEAR	Billed Entity Applicant Reimbursement form submitted for E-Rate reimbursement
BMIC	Basic Maintenance of Internal Connections
C.F.R.	Code of Federal Regulations
COE	Central Office Equipment
Covered List Companies	AO Kaspersky Lab, China Mobile International USA Inc., China Telecom (Americas) Corp., Pacific Networks Corp., Comnet (USA) LLC., China Unicom (Americas) Operations Ltd., Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, and Dahua Technology Company, and their parents, affiliates, and subsidiaries to the extent they were included on the Covered List for the applicable audit period.
Covered List	A list, published and maintained by the FCC's Public Safety and Homeland Security Bureau, of covered communications equipment and services that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons.
CPRs	Continuing Property Records
FCC	Federal Communications Commission
FCC Form 463	Rural Health Care Invoice to USAC for reimbursement
FCC Form 473	Service Provider Annual Certification Form
FRN	Funding Request Number
G/L	General Ledger
MIBS	Managed Internal Broadband Services
RHC	Rural Health Care
Skyrider or the USF Recipient	Skyrider Communications Inc.
SPI	Service Provider Invoice form submitted for E-Rate reimbursement
TPUC	Telecommunications Plant Under Construction
USAC	Universal Service Administrative Company
USF	Universal Service Fund

AUDIT RESULTS AND RECOVERY ACTION

Baker Tilly US, LLP's performance audit procedures identified no audit findings.

BACKGROUND, OBJECTIVES, SCOPE, AND PROCEDURES

BACKGROUND

Program Overview

USAC is an independent not-for-profit corporation operating under the FCC's direction pursuant to 47 C.F.R. Part 54. USAC is the permanent administrator of the Universal Service Fund (USF) which includes four support mechanisms: High Cost, Lifeline, RHC, and E-Rate. With these four support mechanisms, the FCC strives to ensure that people in the United States have affordable access to advanced telecommunications services.

On November 22, 2019, the Federal Communications Commission ("FCC") adopted the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order*, which adopted a rule, codified at 47 C.F.R. § 54.9, which prohibits the use of any funds from the USF to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by any company posing a national security threat to the integrity of communications networks or the communications supply chain.[1] On December 10, 2020, the FCC adopted the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order* to implement the Secure and Trusted Communications Networks Act of 2019.[2] The *Second Report and Order* adopted a rule, codified at 47 C.F.R. § 54.10, which prohibits the use of certain federal subsidies, including USF funds, to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained, identified and published on the Covered List.[3]

The Covered List is a list of covered communications equipment and services that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons.[4] The FCC's Public Safety and Homeland Security Bureau publishes and maintains the Covered List, including by updating the list as needed from time to time.[5] The current list can be found at https://www.fcc.gov/supplychain/coveredlist. Please note that the scope of this audit was limited to USF support, funds disbursed under appropriated programs[6] were not in scope.

USAC engaged Baker Tilly US LLP to conduct a performance audit relating to the USF Recipient's compliance with the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order*, rule 47 C.F.R. § 54.9 and *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order,* rule 47 C.F.R. § 54.10, relative to disbursements of $3,225,504 made from the E-Rate Program from

[1] *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs,* WC Docket No. 18-89, Report and Order, Further Notice of Proposed Rulemaking, and Order, 34 FCC Rcd 11423 (2019); 47 C.F.R. Section 54.9.

[2] *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs,* WC Docket No. 18-89, Second Report and Order, 35 FCC Rcd 14284 (2020).

[3] 47 C.F.R. Section 54.10.

[4] *Public Safety and Homeland Security Bureau Announces Publication of the List of Equipment and Services Covered by Section 2 of The Secure Networks Act*, WC Docket No. 18-89, Public Notice, DA 21-309 (2021).

[5] 47 CFR 1.50002.

[6] Within the context of this audit report, Appropriated Programs refer to the federal initiatives administered by USAC including the Affordable Connectivity Program (ACP), Emergency Broadband Benefit Program (EBBP), Emergency Connectivity Fund (ECF) and Covid-19 Telehealth Program

July 1, 2023 to June 30, 2024; and disbursements of $51,602 made from the RHC Program from July 1, 2023 to June 30, 2024.

USF Recipient Overview

Skyrider (SPIN: 143031192), the subject of this performance audit, is located in West Monroe, Louisiana and does business as SkyRider Communications. The beneficiary is a stand-alone entity. Skyrider provides telecommunication services including telephone and internet.

E-Rate

In the table below, we show the E-Rate support disbursed by USAC to the USF Recipient during the twelve-month period from July 1, 2023 to June 30, 2024, by E-Rate service type:

E-Rate Service Category	E-Rate Service Type	Amount
Category One	Data Transmission and/or Internet Access	$1,783,723
Category Two	Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections	$1,441,781
	TOTAL	**$3,225,504**

Source: USAC Open Data

E-Rate Category One includes the services needed to support broadband connectivity to schools and libraries. Data transmission and/or Internet access services are eligible in Category One.

E-Rate Category Two includes the internal connections needed for broadband connectivity within schools and libraries. Broadband internal connections, MIBS and BMIC are eligible in Category Two.

RHC

In the table below, we show the RHC support disbursed by USAC to the USF Recipient during the twelve-month period from July 1, 2023, to June 30, 2024, by RHC Program Fund:

RHC Program Fund	Amount
Healthcare Connect Fund	$51,602
TOTAL	**$51,602**

Source: USAC Open Data

The RHC Program funds two types of services: voice and data services via the Telecommunications Program and broadband services via the Healthcare Connect Fund.

OBJECTIVES

The audit objective of this performance audit was to evaluate the USF Recipient's compliance with the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order*, rule 47 C.F.R. § 54.9 and *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order,* rule 47 C.F.R. § 54.10, relative to disbursements of $3,225,504 made from the E-Rate Program from July 1, 2023 to June 30, 2024; and disbursements of $51,602 made from the RHC Program from July 1, 2023 to June 30, 2024.

SCOPE

The scope of this performance audit included, but was not limited to the reconciliation of USF support received to the USF Recipient's underlying financial data, review of the Continuing Property Records ("CPRs") and G/L details; including the use of an audit software platform to perform searches of the memo and description fields in the G/L detail to identify transactions with details that match with the names of Covered List Companies; review of internal network diagrams and internal scan outputs, where available; review of vendor policies, approved vendor lists, network vendor transactions and invoices; and physical inspection to determine whether USF funds were used for equipment or services produced or provided by the Covered List Companies. The scope of our work relates to disbursements made from the E-Rate Program from July 1, 2023, to June 30, 2024; and disbursements made from the RHC Program from July 1, 2023, to June 30, 2024.

Our performance audit included, but was not limited to, the following focus areas:

1. Annual Supply Chain Certification
2. Reconciliation of USF expenditure
3. Review of Asset Records
4. Data Analysis of Relevant Financial Records
5. Network Architecture Review

PROCEDURES

1. Annual Supply Chain Certification

Baker Tilly obtained the FCC Form *473* and FCC Form *463* filed for funding year 2023 and verified that:

For section 54.9, the USF Recipient certified that "no universal service support has been or will be used to purchase, obtain, maintain, improve, modify or otherwise support any equipment or services produced or provided by any company designated by Federal Communications Commission as posing a national security threat to the integrity of communications networks or the communications supply chain since the effective date of designations."

For section 54.10 the USF Recipient certified that "no Federal subsidy made available through a program administered by the Commission that provides funds to be used for the capital expenditures necessary for the provision of advanced communications services has been or will be used to purchase, rent, lease, or otherwise obtain, any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained, as required by 47 C.F.R. § 54.10."

2. Reconciliation of USF expenditure

Baker Tilly reconciled USF disbursements to recipient records.

E-Rate and RHC

Baker Tilly obtained details of the expenditure for which USF support was used and reconciled the expenditure items (equipment or services) to the list of services or equipment approved by USAC for funding during the application process. Baker Tilly also analyzed transaction data and reviewed a sample of underlying documentation to verify that the USF expenditure was adequately supported and did not include any expenditure items for equipment and services that can be traced to Covered List Companies.

3. Review of Asset Records

E-Rate

Baker Tilly selected 55 out of 152 Funding Request Numbers (FRNs) for testing. This represents 18% coverage of the disbursed dollars and represents each type of service that was funded for our audit period.

For the 43 selected FRNs with Category One services, Baker Tilly obtained the underlying Skyrider application forms submitted to USAC for reimbursement. Baker Tilly reviewed the applications and determined no equipment was included as part of the Category One services. Baker Tilly also inquired of Skyrider to understand if any equipment was provisioned to the Beneficiary as part of this service. Skyrider noted that no equipment was provisioned to the Beneficiary as part of the Category One service, and Skyrider confirmed any equipment used to provide the service was included in the network documentation provided. Baker Tilly reviewed the Skyrider network, which was used to provide the Category One service, as described in the Network Architecture section below.

Baker Tilly noted 12 of the 55 selected FRNs had Category Two services. Baker Tilly obtained the underlying Skyrider applications forms that were submitted to USAC for reimbursement. Baker Tilly reviewed the forms to determine if any equipment and services were included to verify nothing could be traced to the Covered List Companies. Baker Tilly confirmed any equipment used to provide the service was included in the network documentation provided. Baker Tilly reviewed the Skyrider network, which was used to provide the Category Two MIBS, as described in the Network Architecture section below.

RHC

Baker Tilly selected 7 out of 7 FRNs for testing, which represented 100% of the RHC disbursed dollars. Baker Tilly obtained the underlying Skyrider application forms submitted to USAC for reimbursement, as well as the corresponding bills that support the subject FCC Form 463. Baker Tilly reviewed the forms and bills to determine if any equipment was included as part of the service provided. Baker Tilly also inquired of Skyrider to understand if any equipment was provisioned to the Beneficiary as part of this service. Baker Tilly noted no equipment was provisioned to the Beneficiary as part of the broadband service provided, and Skyrider confirmed any equipment used to provide the service was included in the network documentation provided. Baker Tilly reviewed the Skyrider network, which was used to provide the broadband service, as described in the Network Architecture section below.

4. Data Analysis Relevant Financial Records

Baker Tilly obtained general ledger activity files for the funding periods. Baker Tilly imported the general ledger files into an audit software platform (MindBridge) and performed searches on the name, source name, memo, and item description sections of the general ledger detail to verify that there were no transactions with details that matched the names of the Covered List Companies.

5. Network Architecture Review

Baker Tilly reviewed network diagrams and conducted a physical inspection of Skyrider's assets to validate the physical existence of network assets at three central office locations, including the primary central office of the network and to confirm that the manufacturer and model in the COE CPR details provided matched the equipment in service. Baker Tilly reviewed the COE CPR details and physical network assets to verify that key identifiers such as asset manufacturer, vendor and model could not be traced to Covered List Companies. In addition to the COE CPR, Baker Tilly also obtained a network asset listing from Skyrider. Baker Tilly reviewed this network asset listing as well to obtain reasonable assurance that no assets could be traced to Covered List Companies.

RESULTS

FINDINGS, RECOMMENDATIONS, AND USF RECIPIENT RESPONSES

Baker Tilly US, LLP's performance audit procedures identified no audit findings. Refer to the Conclusion section below.

CONCLUSION

Baker Tilly's evaluation of the USF Recipient's compliance with the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order* and 47 C.F.R. § 54.9 and *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order,* rule 47 C.F.R. § 54.10, relevant to the disbursements made from the E-Rate Program from July 1, 2023 to June 30, 2024 and the disbursements made from the RHC Program from July 1, 2023 to June 30, 2024; identified no audit findings.

** This concludes the audit report.**

Attachment B

SC2024BE016

Cablevision Lightpath of New Jersey
Audit ID: SC2024BE016

Performance audit for the Universal Service Fund Supply Chain Audit Program related to E-Rate disbursements made from July 1, 2023 to June 30, 2024.

Prepared for: Universal Service Administrative Company

As of Date: June 15, 2026

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EXECUTIVE SUMMARY

June 15, 2026

Ms. Teleshia Delmar, Vice President – Audit and Assurance Division
Universal Service Administrative Company
700 12th Street, NW, Suite 900
Washington, DC 20005

Dear Ms. Delmar:

This report presents the results of our work conducted to address the Supply Chain performance audit objective relative to Cablevision Lightpath of New Jersey (Universal Service Fund ("USF") Recipient) with Service Provider Identification Number ("SPIN") 143013604 or "Cablevision", for disbursements of $9,129,243 made from the Universal Service Fund's E-Rate Program from July 1, 2023 to June 30, 2024. Our work was performed from July 8, 2025 to January 26, 2026 and our results are as of June 15, 2026.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards ("GAGAS") issued by the Comptroller General of the United States (2018 Revision, as amended). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to GAGAS, we conducted this performance audit in accordance with Consulting Services Standards established by the American Institute of Certified Public Accountants ("AICPA"). This performance audit did not constitute an audit of financial statements, or an attestation level report as defined under GAGAS and the AICPA standards for attestation engagements.

The objective of this performance audit was to evaluate the USF Recipient's compliance with the Federal Communications Commission's ("FCC") rule 47 C.F.R. § 54.9 and 47 C.F.R. § 54.10 (collectively, the "FCC Rules") relative to disbursements of $9,129,243 made from the Universal Service Fund's E-Rate Program from July 1, 2023 to June 30, 2024.

Compliance with FCC Rules is the responsibility of the USF Recipient who is required to affirmatively demonstrate compliance with the applicable rules. Our responsibility is to evaluate the USF Recipient's compliance with the FCC Rules based on our audit objective.

As our report further describes, Baker Tilly US, LLP did not identify any audit findings as a result of the work performed. Baker Tilly US, LLP's determination is based on the circumstances in this audit and is neither binding nor limiting to any other past or future Baker Tilly US, LLP, USAC, or FCC verification, audit, or investigation.

Baker Tilly US, LLP cautions that projecting the results of our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or because compliance with controls may deteriorate.

This report is intended solely for the use of the Universal Service Administrative Company, the USF Recipient, and the FCC and is not intended to be and should not be relied upon by anyone other than these specified parties. This report is not confidential and may be released by USAC and the FCC.

Sincerely,

Baker Tilly US, LLP

cc: Michelle Garber, USAC Interim Chief Executive Officer
Craig Davis, USAC Vice President of Program Management, Schools and Libraries

List of Acronyms

Acronym	Definition
Beneficiary	School, Library or Rural Health Care Facility that received equipment or services from the Service Provider which is the subject of this audit
BMIC	Basic Maintenance of Internal Connections
CLLI	Common Language Location Identifier
COE	Central Office Equipment
Covered List Companies	AO Kaspersky Lab, China Mobile International USA Inc., China Telecom (Americas) Corp., Pacific Networks Corp., Comnet (USA) LLC., China Unicom (Americas) Operations Ltd., Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, and Dahua Technology Company, and their parents, affiliates, and subsidiaries to the extent they were included on the Covered List for the applicable audit period.
Covered List	A list, published and maintained by the FCC's Public Safety and Homeland Security Bureau, of covered communications equipment and services that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons.
CPRs	Continuing Property Records
E-Rate	The schools and libraries universal service support program
FCC	Federal Communications Commission
FCC Form 473	Service Provider Annual Certification Form
FRN	Funding Request Number
G/L	General Ledger
NMS	Network Management Software
Cablevision or USF Recipient	Cablevision Lightpath of New Jersey
SPI	Service Provider Invoice form submitted for E-Rate reimbursement
USAC	Universal Service Administrative Company
USF	Universal Service Fund

AUDIT RESULTS AND RECOVERY ACTION

Baker Tilly US LLP's performance audit procedures identified no audit findings.

BACKGROUND, OBJECTIVES, SCOPE AND PROCEDURES

BACKGROUND

Program Overview

USAC is an independent not-for-profit corporation operating under the FCC's direction pursuant to 47 C.F.R. Part 54. USAC is the permanent administrator of the Universal Service Fund which includes four support mechanisms: High Cost, Lifeline, RHC, and E-Rate. With these four support mechanisms, the FCC strives to ensure that people in the United States have affordable access to advanced telecommunications services.

On November 22, 2019, the Federal Communications Commission ("FCC") adopted the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order*, which adopted a rule, codified at 47 C.F.R. § 54.9, which prohibits the use of any funds from the Universal Service Fund ("USF") to purchase, obtain, maintain, improve, modify, or otherwise support any equipment or services produced or provided by any company posing a national security threat to the integrity of communications networks or the communications supply chain.[1] On December 10, 2020, the FCC adopted the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order* to implement the Secure and Trusted Communications Networks Act of 2019.[2] The *Second Report and Order* adopted a rule, codified at 47 C.F.R. § 54.10, which prohibits the use of certain federal subsidies, including USF funds, to purchase, rent, lease, or otherwise obtain any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained, identified and published on the "Covered List."[3]

The "Covered List" is a list of covered communications equipment and services that are deemed to pose an unacceptable risk to the national security of the United States or the security and safety of United States persons.[4] The FCC's Public Safety and Homeland Security Bureau publishes and maintains the Covered List, including by updating the list as needed from time to time.[5] The current list can be found at https://www.fcc.gov/supplychain/coveredlist. Please note that the scope for this audit was limited to USF support, funds disbursed under appropriated programs[6] were not in scope.

USAC engaged Baker Tilly US LLP to conduct a performance audit relating to the USF Recipient's compliance with the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order*, rule 47 C.F.R. § 54.9 and *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order,*

[1] *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs,* WC Docket No. 18-89, Report and Order, Further Notice of Proposed Rulemaking, and Order, 34 FCC Rcd 11423 (2019); 47 C.F.R. Section 54.9.

[2] *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs,* WC Docket No. 18-89, Second Report and Order, 35 FCC Rcd 14284 (2020).

[3] 47 C.F.R. Section 54.10.

[4] *Public Safety and Homeland Security Bureau Announces Publication of the List of Equipment and Services Covered by Section 2 of The Secure Networks Act*, WC Docket No. 18-89, Public Notice, DA 21-309 (2021).

[5] 47 CFR 1.50002.

[6] Within the context of this audit report, Appropriated Programs refer to the federal initiatives administered by USAC including the Affordable Connectivity Program (ACP), Emergency Broadband Benefit Program (EBBP), Emergency Connectivity Fund (ECF) and Covid-19 Telehealth Program

rule 47 C.F.R. § 54.10, relative to disbursements of $9,129,243 made from the E-Rate Program from July 1, 2023 to June 30, 2024.

USF Recipient Overview

Cablevision Lightpath of New Jersey (SPIN: 143013604), the subject of this performance audit, is located in Parsippany, New Jersey. Cablevision Lightpath of New Jersey provides telecommunication services including telephone and internet to its customers in in the New Jersey area.

E-Rate
In the table below, we show the E-Rate support disbursed by USAC to the USF Recipient during the twelve-month period from July 1, 2023 to June 30, 2024, by E-Rate service type:

Category	Amount
E-Rate	$ 9,129,243
TOTAL	**$ 9,129,243**

Source: USAC open data

OBJECTIVES

The audit objective of this performance audit was to evaluate the USF Recipient's compliance with the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order*, rule 47 C.F.R. § 54.9 and *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order,* rule 47 C.F.R. § 54.10, relative to disbursements of $9,129,243 made from the E-Rate Program from July 1, 2023 to June 30, 2024.

SCOPE

The scope of this performance audit included, but was not limited to, reconciliation of USF support received to the USF Recipient's underlying financial data, review of the Continuing Property Records ("CPRs") and G/L details; including the use of an audit software platform to perform searches of the memo and description fields in the G/L detail to identify transactions with details that match the names of Covered companies; review of internal network diagrams and internal scan outputs, if available; review of vendor policies, approved vendors, network vendor transactions and invoices; and physical inspection to determine whether USF funds were used for equipment or services produced or provided by the Covered Companies. The scope of our work relates to disbursements made from the E-Rate Program from July 1, 2023 to June 30, 2024.

Our performance audit included, but was not limited to the following focus areas:

1. Annual Supply Chain Certification
2. Reconciliation of USF expenditure

3. Review of asset Records
4. Data analysis of relevant financial records
5. Network architecture review

PROCEDURES

1. Annual Supply Chain Certification

Baker Tilly obtained the FCC Form 473 filed in respect of funding year 2023 and verified that:

For section 54.9, the USF Recipient certified that "no universal service support has been or will be used to purchase, obtain, maintain, improve, modify or otherwise support any equipment or services produced or provided by any company designated by Federal Communications Commission as posing a national security threat to the integrity of communications networks or the communications supply chain since the effective date of designations."

For section 54.10 the USF Recipient certified that "no Federal subsidy made available through a program administered by the Commission that provides funds to be used for the capital expenditures necessary for the provision of advanced communications services has been or will be used to purchase, rent, lease, or otherwise obtain, any covered communications equipment or service, or maintain any covered communications equipment or service previously purchased, rented, leased, or otherwise obtained, as required by 47 C.F.R. § 54.10".

2. Reconciliation of USF expenditure

Baker Tilly reconciled USF disbursements to recipient records.

E-Rate
Baker Tilly obtained details of the USF support received and reconciled the support to the USF Recipient's underlying financial data. Baker Tilly also analyzed transaction data and reviewed a sample of underlying documentation to verify that USF expenditure was adequately supported and did not include any expenditure items for network equipment and services that can be traced to Covered List Companies

***3.* Review of Asset Records**

E-Rate

Baker Tilly obtained property records for all network assets owned by Cablevision and reconciled the amounts to the general ledger to ensure all telecommunications network equipment was accounted for in Cablevision's records. Baker Tilly performed a key word search of the COE CPRs to obtain reasonable assurance that the assets on the list could not be traced to the Covered List Companies. Baker Tilly selected a non-statistical sample of 70 assets from the asset listing and requested supporting invoices to verify that the equipment detail in the invoices matched the CPR details and that no equipment or services were produced or provided by the Covered List Companies.

Baker Tilly also reviewed a non-statistical sample of 70 FRNs. This represents approximately 36% coverage of the disbursed dollars and also represents each type of service that was funded for the audit period. For the selected FRNs with Category One services, Baker Tilly obtained the underlying bills that support the BEAR/SPI forms that were submitted to USAC for reimbursement. Baker Tilly reviewed the bills to determine if any equipment was included as part of the Category One services. Baker Tilly also inquired of Cablevision to understand if any equipment was provisioned as part of this service. Baker Tilly noted that no equipment was provisioned as part of the Category One service and that Cablevision confirmed that any equipment used to provide the service was included in the network documentation provided. Baker Tilly reviewed the Cablevision network, which was used to provide the Category One service, as described in the Network Architecture section below.

4. Data Analysis of Relevant Financial Records

Baker tilly obtained general ledger activity files for the funding periods. Baker Tilly imported the general ledger into an audit software platform (Mindbridge) and performed searches on the memo and description sections of the general ledger detail to verify that there were no transactions with details that matched the names of the Covered List Companies.

5. Network Architecture Review

Baker Tilly reviewed network diagrams, performed a limited network scan and conducted a physical inspection of Cablevision's network assets to validate the physical existence of network assets at three central office locations, including the primary central office of the network, and to confirm that the manufacturer and model in the COE CPR details provided matched the equipment in service. Baker Tilly reviewed the COE CPR details and physical network assets to verify that key identifiers such as asset manufacturer, vendor and model could not be traced to Covered List Companies. In addition to the COE CPR, Baker Tilly also obtained a network asset listing from Cablevision. Baker Tilly reviewed this network asset listing as well to obtain reasonable assurance that no assets could be traced to Covered List Companies.

RESULTS

FINDINGS, RECOMMENDATIONS AND USF RECIPIENT RESPONSES

Baker Tilly's performance audit procedures identified no audit findings. Refer to the Conclusion section below.

Conclusion

Baker Tilly's evaluation of the USF Recipient's compliance with the *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs First Report and Order* and 47 C.F.R. § 54.9 and *Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs Second Report and Order,* rule 47 C.F.R. § 54.10, relevant to the disbursements of $9,129,243 made from the E-Rate Program from July 1, 2023 to June 30, 2024 identified no audit findings.

** This concludes the audit report.**