



Schools & Libraries Committee

Audit Report Briefing Book

Monday, April 28, 2025

Available for Public Use

Universal Service Administrative Company

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

Washington, D.C. 20005

Summary of the Schools and Libraries Support Mechanism Beneficiary Audit Reports Released: December 2024 and January 2025.

Entity Name	Number of Findings	Significant Findings	Amount of Support	Monetary Effect	USAC Management Recovery Action*	Commitment Adjustment	Entity Disagreement
Attachment A FIT Technologies LLC	0	<ul style="list-style-type: none"> Not applicable. 	\$2,515,644	\$0	\$0	\$0	N/A
Attachment B Extreme Networks	3	<ul style="list-style-type: none"> No significant findings. 	\$19,579,281	\$84,566	\$3,238	\$0	N/A
Attachment C Verizon New Jersey, Inc.	0	<ul style="list-style-type: none"> Not applicable. 	\$1,359,739	\$0	\$0	\$0	N/A
Attachment D Uplift Education	0	<ul style="list-style-type: none"> Not applicable. 	\$3,561,542	\$0	\$0	\$0	N/A
Attachment E Top Communications Inc.	0	<ul style="list-style-type: none"> Not applicable. 	\$239,220	\$0	\$0	\$0	N/A
Total	3		\$27,255,426	\$84,566	\$3,238	\$0	

* The USAC Management Recovery Action may be less than the Monetary Effect as the circumstances did not warrant a recovery of funds (e.g. equipment transferred to eligible schools in the same school district).

INFO Item: Audit Released December 2024 & January 2025

Attachment A

4/28/2025

Attachment A

SL2024SP024

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
PERFORMANCE AUDIT

FIT TECHNOLOGIES LLC
COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES
USAC AUDIT No. SL2024SP024



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CONTENTS

EXECUTIVE SUMMARY 1

AUDIT RESULTS 2

PURPOSE, BACKGROUND, SCOPE, AND PROCEDURES..... 2



**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
FIT TECHNOLOGIES LLC
COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES**

Executive Summary

December 6, 2024

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

Dear Ms. Delmar:

Sikich CPA LLC¹ (referred to as “Sikich” or “we”) audited the compliance of FIT Technologies LLC (Service Provider), Service Provider Identification Number (SPIN) 143022841, for Funding Year (FY) 2022, using regulations governing the federal Universal Service E-Rate program, set forth in 47 C.F.R. Part 54, as well as orders and other program requirements (collectively, Federal Communications Commission [FCC] Rules). Compliance with FCC Rules is the responsibility of the Service Provider. Our responsibility is to make a determination regarding the Service Provider’s compliance with FCC Rules based on the audit.

We conducted this performance audit in accordance with our contract with the Universal Service Administrative Company (USAC) and Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States (2018 Revision). 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 the audit objectives. The audit included examining, on a test basis, evidence supporting the type and amount of services provided by the Service Provider to E-Rate applicants in the states of Ohio and Michigan (selected Beneficiaries), as well as performing other procedures we considered necessary to make a determination regarding the Service Provider’s compliance with FCC Rules. The evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Service Provider, and the FCC and should not be used by those who have not agreed to the procedures and accepted

¹ Effective December 14, 2023, we amended our legal name from “Cotton & Company Assurance and Advisory, LLC” to “Sikich CPA LLC” (herein referred to as “Sikich”).

responsibility for ensuring that those procedures are sufficient for their purposes. This report is not confidential and may be released to a third party upon request.

Audit Results

Based upon the test work performed, our audit did not disclose any areas of non-compliance with FCC Rules that were in effect during the audit period.

Purpose, Background, Scope, and Procedures

The purpose of the audit was to determine whether the Service Provider complied with FCC Rules for FY 2022. The Service Provider provides Managed Internal Broadband Services (MIBS) and Internet Access services to customers across the country and is headquartered in Cleveland, Ohio.

The following chart summarizes the E-Rate support amounts committed and disbursed for the Service Provider's FY 2022 services as of April 12, 2024, which is the date that our audit commenced.

Service Type	Amount Committed	Amount Disbursed
Internet Access	\$2,133,885	\$1,947,232
MIBS	\$609,843	\$568,412
Total	<u>\$2,743,728</u>	<u>\$2,515,644</u>

The "amount committed" total represents 160 FCC Form 471, *Description of Services Ordered and Certification Form*, applications submitted by Beneficiaries for FY 2022, which resulted in 163 Funding Request Numbers (FRNs). We selected a sample of 40 FRNs,² which represent \$717,517 of the funds committed and \$685,073 of the funds disbursed during the audit period. Using this sample, we performed the audit procedures enumerated below.

A. Eligibility Process

We obtained an understanding of the Service Provider's processes governing its participation in the E-Rate program. Specifically, we conducted inquiries of the Service Provider and the selected Beneficiaries and examined documentation to determine whether services provided were E-Rate eligible and had been delivered and installed in accordance with FCC Rules. We obtained an understanding of the Service Provider's

²Our sample included FRNs 2299008287, 2299018496, 2299016810, 2299018138, 2299029184, 2299025434, 2299029195, 2299024913, 2299027635, 2299037890, 2299037968, 2299044449, 2299008322, 2299001467, 2299004484, 2299015509, 2299050961, 2299022389, 2299027682, 2299028639, 2299024934, 2299029309, 2299022499, 2299008327, 2299024993, 2299026954, 2299022676, 2299026035, 2299022945, 2299026027, 2299028235, 2299025860, 2299038144, 2299025662, 2299008284, 2299025645, 2299023437, 2299023663, 2299025549 and 2299023862.

operations and background. We also conducted inquiries and examined documentation to determine if the Service Provider was eligible to provide E-Rate services.

B. Competitive Bidding Process

We reviewed the Service Provider's contracts with the selected Beneficiaries to determine whether the contracts were properly executed. We evaluated the services requested and purchased by the selected Beneficiaries to determine whether the Service Provider provided the services requested in the selected Beneficiaries' FCC Form 471, *Description of Services Ordered and Certification Form*, documents.

C. Invoicing Process

We reviewed the FCC Form 474s, *Service Provider Invoice (SPI) Forms*, for which USAC disbursed payment to determine whether the services identified on the SPI Forms and corresponding Service Provider bills were consistent with the terms and specifications of the Service Provider's contracts and were eligible in accordance with the E-Rate Eligible Services List. We also examined documentation to determine whether the Service Provider charged the selected Beneficiaries the lowest corresponding price charged to similarly situated non-residential customers for similar services.

D. Reimbursement Process

We obtained and examined the SPI Forms that the Service Provider submitted to USAC for reimbursement for the services delivered to the selected Beneficiaries, then performed procedures to determine whether the Service Provider had properly invoiced USAC. Specifically, we reviewed Service Provider bills associated with the SPI Forms for services provided to the selected Beneficiaries. We also determined whether the Service Provider issued credits on its bills to the selected Beneficiaries.

Sikich CPA LLC

****This concludes the report.****

Attachment B

SL2021SP036

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
PERFORMANCE AUDIT

EXTREME NETWORKS

**COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES**

USAC AUDIT No. SL2021SP036



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Contents

Executive Summary	1
Audit Results and Recovery Action	2
Purpose, Background, Scope, and Procedures.....	3
Detailed Audit Findings.....	4
Finding No. 1, 47 C.F.R. § 54.507(d)(4) (2018) – Untimely Implementation of Non-Recurring Services	4
Finding No. 2, 47 C.F.R. § 54.516(a) (2018) – Missing Equipment and Lack of Documentation of Equipment Received.....	5
Finding No. 3, 47 C.F.R. § 54.513(d) (2018) – Failure to Notify USAC of Equipment Transferred to a Location Not Requested in the FCC Form 471	6
Criteria	8

**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
EXTREME NETWORKS
COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES**

Executive Summary

September 14, 2022

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

Dear Ms. Delmar:

Sikich CPA LLC¹ (referred to as “Sikich” or “we”) audited the compliance of Extreme Networks (Service Provider), Service Provider Identification Number (SPIN) 143004393, for Funding Year (FY) 2019, using regulations set forth in 47 C.F.R. Part 54 and orders governing the federal Universal Service E-Rate program, as well as other program requirements (collectively, the Federal Communications Commission [FCC] Rules). Compliance with FCC Rules is the responsibility of Service Provider management. Our responsibility is to make a determination regarding the Service Provider’s compliance with FCC Rules based on our audit.

We conducted this performance audit in accordance with our contract with the Universal Service Administrative Company (USAC) and Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States (2018 Revision). 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 the audit objectives. The audit included examining, on a test basis, evidence supporting the type and amount of services that the Service Provider offered to E-Rate applicants in the states of Kentucky, Connecticut, New Hampshire, and New Jersey, as well as performing other procedures we considered necessary to make a determination regarding the Service Provider’s compliance with FCC Rules. The evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Based on the test work performed, our audit disclosed three detailed audit findings, discussed in the Audit Results and Recovery Action section below. For the purpose of this report, a “finding” is a condition that shows evidence of non-compliance with FCC Rules that were in effect during the audit period.

Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Service Provider, and the

¹ Effective December 14, 2023, we amended our legal name from “Cotton & Company Assurance and Advisory, LLC” to “Sikich CPA LLC” (herein referred to as “Sikich”).

FCC and should not be used by those who have not agreed to the procedures and accepted responsibility for ensuring that those procedures are sufficient for their purposes. This report is not confidential and may be released to a third party upon request.

Audit Results and Recovery Action

Based upon the test work performed, our audit found that three of the selected Beneficiaries that purchased services and equipment from the Service Provider did not comply with FCC Rules, as detailed in the three audit findings discussed below.

Audit Results	Monetary Effect	Overlapping Recovery	Recommended Recovery
Finding No. 1, 47 C.F.R § 54.507(d)(4) (2018)– Untimely Implementation of Non-Recurring Services. One of the selected Beneficiaries did not install internal connections by the service delivery deadline.	\$1,379	\$0	\$1,379
Finding No. 2, 47 C.F.R. § 54.516(a) (2018) – Missing Equipment and Lack of Documentation of Equipment Received. One of the selected Beneficiaries was not able to account for all equipment purchased with E-Rate funds.	\$1,859	\$0	\$1,859
Finding No. 3, 47 C.F.R. § 54.513(d) (2018) – Failure to Notify USAC of Equipment Transferred to a Location Not Requested in the FCC Form 471. One of the selected Beneficiaries installed internal connections in locations that differed from those requested on the FCC Form 471.	<u>\$81,328</u>	\$0	<u>\$0</u>
Total Net Monetary Effect	<u>\$84,566</u>	<u>\$0</u>	<u>\$3,238</u>

USAC Management Response

USAC management concurs with the Audit Results stated above. See the chart below for the recovery amounts. USAC may conduct expanded reviews on funding requests and applications to ensure compliance with E-Rate program rules. These expanded reviews may result in additional recoveries and/or commitment adjustments that were not related to the original scope of this audit.

USAC will request that the Service Provider and the selected Beneficiaries provide copies of policies and procedures implemented to address the issues identified. USAC also refers the Service Provider and the selected Beneficiaries to our website for additional resources. Various

links are listed below:

- <https://www.usac.org/e-rate/learn/webinars/> (E-Rate Equipment Transfers, July 27, 2021)
- https://www.usac.org/wp-content/uploads/e-rate/documents/Webinars/2021/07-27-2021-Procedure_Filing_Guideline_Infograph.pdf
- <https://www.usac.org/e-rate/applicant-process/before-youre-done/service-delivery/>
- <https://www.usac.org/e-rate/applicant-process/before-youre-done/transfer-of-equipment/>

USAC records show the selected Beneficiaries and Service Provider are currently subscribed to the E-Rate weekly News Brief. USAC encourages the selected Beneficiaries to review the News Brief as it contains valuable information about the E-Rate program.

FRN	Recovery Amount
1999045570	\$1,379
1999053371	\$1,859
Total	\$3,238

Purpose, Background, Scope, and Procedures

The purpose of the audit was to determine whether the Service Provider complied with FCC Rules for FY 2019. The Service Provider is headquartered in San Jose, California, and provides internal connections, data transmission and/or Internet access, managed internal broadband services, and basic maintenance of internal connections to customers in Kentucky, Connecticut, New Hampshire, and New Jersey.

The following chart summarizes the E-Rate support amounts committed and disbursed to the Service Provider for FY 2019 as of July 9, 2021, the date that our audit commenced.

Service Type	Amount Committed	Amount Disbursed
Internal Connections	\$17,632,275	\$17,288,715
Basic Maintenance of Internal Connections	\$49,028	\$30,846
Managed Internal Broadband Services	\$197,398	\$150,909
Internet Access	\$2,123,935	\$2,108,811
Total	\$20,002,636	\$19,579,281

The “amount committed” total represents 180 FCC Form 471 *Description of Services Ordered and Certification* applications submitted by Beneficiaries for FY 2019 that resulted in 397 Funding Request Numbers (FRNs). We selected a sample of 40² of the FRNs, which represent

² Our sample included FRNs 1999022183, 1999017484, 1999032033, 1999047721, 1999049842, 1999068578, 1999029621, 1999053371, 1999049651, 1999042350, 1999045570, 1999060658, 1999028594, 1999064183, 1999044515, 1999028659, 1999060997, 1999028928, 1999074077, 1999029167, 1999048044, 1999028685, 1999072155, 1999072330, 1999067411, 1999033221, 1999033588, 1999072136, 1999072421, 1999033215, 1999065913, 1999070672, 1999002017, 1999051813, 1999047757, 1999023928, 1999062276, 1999070708, 1999071047 and 1999060179.

\$11,696,756 of the funds committed and \$11,696,755 of the funds disbursed during the audit period. Using this sample, we performed the audit procedures enumerated below.

A. Eligibility Process

We conducted inquiries with the Service Provider and the selected Beneficiaries and examined documentation to determine whether equipment and services were eligible and had been delivered and installed in accordance with FCC Rules. We obtained an understanding of the Service Provider's operations and background. We also conducted inquiries and examined documentation to determine if the Service Provider was eligible to provide E-Rate equipment and services.

B. Competitive Bidding Process

We evaluated the equipment and services requested and purchased to determine whether the equipment and services provided by the Service Provider matched those requested in the selected Beneficiaries' FCC Form 471 applications.

C. Billing Process

We reviewed the FCC Forms 472s, *Billed Entity Applicant Reimbursements (BEAR) Forms*, and FCC Forms 474s, *Service Provider Invoices (SPI) Forms*, for which USAC disbursed payment to determine whether the equipment and services identified on the BEAR Forms and SPI Forms and corresponding Service Provider bills were consistent with the terms and specifications of the Service Provider's contracts and were eligible in accordance with the E-Rate Eligible Services List. We also examined documentation to determine whether the Service Provider charged the selected Beneficiaries the lowest corresponding price charged similarly situated non-residential customer for services purchased with Universal Service discounts and did not provide rebates, including free services or products.

D. Reimbursement Process

We obtained and examined the BEAR Forms and SPI Forms that the Service Provider and selected Beneficiaries submitted to USAC for reimbursement for the equipment and services delivered to the selected Beneficiaries, then performed procedures to determine whether the Service Provider and the selected Beneficiaries had properly invoiced USAC for the equipment and services provided. Specifically, we reviewed Service Provider bills associated with the BEAR Forms and SPI Forms for equipment and services provided to the selected Beneficiaries. We also determined whether the Service Provider issued credits on its bills to the selected Beneficiaries.

Detailed Audit Findings

Finding No. 1, 47 C.F.R. § 54.507(d)(4) (2018)³ – Untimely Implementation of Non-Recurring Services

³ In the *Matter of Schools and Libraries Universal Service Support Mechanism*, CC Docket No. 02-6, Order, 35 FCC Rcd 2978, 2980 at para.6 (WCB Apr. 1, 2020) extended the FY 2019 service delivery deadline for non-recurring services to September 30, 2021.

Condition

One of the selected Beneficiaries, Allen County School District, did not install \$1,724 in non-recurring Category 2 equipment in a timely manner. Specifically, the Beneficiary acquired two access points using E-Rate program funding but did not install the equipment by the FY 2019 implementation deadline of September 30, 2021.

Cause

The Beneficiary did not have sufficient policies and procedures in place to ensure that it installed equipment by within the implementation deadline.

Effect

The Beneficiary did not appropriately install all equipment it purchased with E-Rate funding. The monetary effect for this finding is \$1,379 (\$1,724 multiplied by the Beneficiary's 80 percent discount rate).

Support Type	Monetary Effect	Recommended Recovery
Internal Connections FRN 1999045570	\$1,379	\$1,379
Total	<u>\$1,379</u>	<u>\$1,379</u>

Recommendations

We recommend that:

1. USAC management seek recovery of the amount identified in the Effect section above.
2. The Beneficiary strengthen its procedures for installing equipment by the applicable implementation deadline.

Beneficiary Response

The audit report indicated two outdoor access [sic] that were not installed at the Allen County Primary Center by the September 30, 2021 deadline. I agree with that finding. The two access points are not missing and are in the process of being installed and put into service. I believe these two devices were overlooked during the COVID timeframe. They were located at the designated school in an unopened condition.

Finding No. 2, 47 C.F.R. § 54.516(a) (2018)⁴ – Missing Equipment and Lack of Documentation of Equipment Received

One of the selected Beneficiaries, Simpson County School District, purchased equipment with E-Rate funding but could not account for all the equipment purchased. The Beneficiary purchased 279 access points and 2 switches under FRN 1999053371; however, its fixed asset listing (FAL) only supported 276 access points and did not support any switches. The three missing access points and two missing switches had a total undiscounted value of \$2,187.

⁴ See also 47 C.F.R. § 54.507(d)(4)(2018).

Cause

The Beneficiary did not have adequate documentation or processes in place to ensure that it accounted for all equipment purchased.

Effect

The Beneficiary was unable to demonstrate that it received and appropriately installed all equipment it purchased with E-Rate funding. The monetary effect for this finding is \$1,859 (\$2,187 multiplied by the Beneficiary's 85 percent discount rate).

Support Type	Monetary Effect	Recommended Recovery
Internal Connections FRN 1999053371	<u>\$1,859</u>	<u>\$1,859</u>
Total	<u>\$1,859</u>	<u>\$1,859</u>

Recommendations

We recommend that:

1. USAC management seek recovery for the amount identified in the Effect section above.
2. The Beneficiary implement procedures to accurately account for equipment purchased with E-Rate funding.

Beneficiary Response

In response to your findings for FRN 1999053371, Simpson County School District appreciates the opportunity in utilizing funding sources (USAC E-Rate) to aid in the education of our students, providing adequate resources and tools to all our stakeholders. My team and I take seriously the guidelines of the funding opportunities.

On FRN 1999053371 (Simpson County School District), we purchased 279 access points and 2 switches. In the review of this FRN, it was found the FAL only supported 276 access points and neither of the switches. My team and I believe wholeheartedly these devices were RMA at some point during the lifespan and were replaced with newer devices. However, we did not have the documentation to fully support your findings.

Finding No. 3, 47 C.F.R. § 54.513(d) (2018) – Failure to Notify USAC of Equipment Transferred to a Location Not Requested in the FCC Form 471

Condition

One of the selected Beneficiaries, Shelby County Schools, did not notify USAC before transferring equipment between eligible locations. Specifically, we reviewed the FALs for sampled Beneficiary to verify that it installed the equipment in the locations identified in its FCC Form 471 requests for funding. The following table shows instances in which the Beneficiary transferred equipment to recipients that were not listed on the FCC Form 471 without first obtaining USAC's approval to do so, as required by FCC Rules.

Entity Name	Equipment Model Number	Eligible Costs Requested on FCC Form 471	Cost of Equipment Installed per FAL	Cost of Transferred Equipment
Shelby Co West Middle School	EC7200A3F-E6	\$9,169	\$0	
Marnel C. Moorman School	EC7200A3F-E6	\$0	\$9,169	\$9,169
Martha Layne Collins	AL4900A04-E6	\$2,943	\$0	
Painted Stone Elementary School	AL4900A04-E6	\$5,886	\$0	
Shelby County High School	AL4900A04-E6	\$14,715	\$0	
Simpsonville Elementary School	AL4900A04-E6	\$2,943	\$0	
Heritage Elementary School	AL4900A04-E6	\$2,943	\$0	
Shelby Co East Middle School	AL4900A04-E6	\$0	\$8,829	\$8,829
Big Picture Academy	AL4900A04-E6	\$0	\$2,943	\$2,943
Marnel C. Moorman School	AL4900A04-E6	\$0	\$14,715	\$14,715
Clear Creek Elementary	X465-48W-B2	\$28,698	\$0	
Southside Elementary School	X465-48W-B2	\$28,698	\$0	
Shelby Co West Middle School	X465-48W-B2	\$0	\$23,915	\$23,915
Wright Elementary School	X465-48W-B2	\$0	\$9,566	\$9,566
Shelby Co East Middle School	X465-48W-B2	\$0	\$23,915	\$23,915
Martha Layne Collins	C8400A02-E6	\$8,608	\$0	
Shelby County High School	C8400A02-E6	\$0	\$8,608	\$8,608
Total				<u>\$101,660</u>

Cause

The Beneficiary did not demonstrate sufficient knowledge of the rules and regulations related to the transfer of equipment purchased using E-Rate funding.

Effect

The Beneficiary did not install equipment in approved locations. The monetary effect of this finding is \$81,328 (\$101,660 multiplied by the Beneficiary's 80 percent discount rate). However, because the equipment transfers would have been allowable under the current transfer of equipment rule, which became effective on June 25, 2020,⁵ we do not recommend recovery of this amount.

⁵ Effective June 25, 2020, 47 C.F.R. §54.513(d) was revised to eliminate the mandatory notification requirement prior to transferring equipment between eligible schools in the same school district.

FRN/Support Type	Monetary Effect	Recommended Recovery
1999068578 (Internal Connections)	<u>\$81,328</u>	<u>\$0</u>
Total	<u>\$81,328</u>	<u>\$0</u>

Recommendations

We recommend that the Beneficiary obtain an understanding of the rules and regulations related to equipment acquired with E-Rate funding.

Beneficiary Response

Furthermore, as it relates to Finding No. 3, 47 C.F.R. § 54.513(d) (2018), the person responsible has since left his role and the district altogether. Since then, we have sought to correct all issues, including these infractions, which the attached inventory list reflects. Please note that we have also established a system of checks and balances that were not present before, such as an outside firm assisting us with our procurement process and ensuring we follow proper procedures.

Criteria

Finding	Criteria	Description
1, 2	47 C.F.R. § 54.507(d)(4) (2018)	<p><i>(4) The deadline for implementation of all non-recurring services will be September 30 following the close of the funding year. An applicant may request and receive from the Administrator an extension of the implementation deadline for non-recurring services if it satisfies one of the following criteria:</i></p> <p><i>(i) The applicant's funding commitment decision letter is issued by the Administrator on or after March 1 of the funding year for which discounts are authorized;</i></p> <p><i>(ii) The applicant receives a service provider change authorization or service substitution authorization from the Administrator on or after March 1 of the funding year for which discounts are authorized;</i></p> <p><i>(iii) The applicant's service provider is unable to complete implementation for reasons beyond the service provider's control; or</i></p> <p><i>(iv) The applicant's service provider is unwilling to complete installation because funding disbursements are delayed while the Administrator investigates the application for program compliance.</i></p>
1	<i>In the Matter of Schools and</i>	<i>First, we waive the service delivery deadline for non-recurring services for all funding year 2019 applicants, as</i>

Finding	Criteria	Description
	<i>Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Order, 35 FCC Rcd 2978, 2980, DA 20-364 at para. 6 (WCB Apr. 1, 2020).</i>	<i>well as for applicants from prior funding years that already received an extension of the deadline to September 30, 2020 and we extend the deadline an additional year from September 30, 2020 to September 30, 2021...</i>
2	47 C.F.R. § 54.516(a) (2018)	<i>(a) Recordkeeping requirements—(1) Schools, libraries and consortia. Schools, libraries, and any consortium that includes schools or libraries shall retain all documents related to the application for, receipt, and delivery of supported services for at least 10 years after the latter of the last day of the applicable funding year or the service delivery deadline for the funding request. Any other document that demonstrates compliance with the statutory or regulatory requirements for the schools and libraries mechanism shall be retained as well. Schools, libraries, and consortia shall maintain asset and inventory records of equipment purchased as components of supported category two services sufficient to verify the actual location of such equipment for a period of 10 years after purchase.</i>
3	47 C.F.R. §54.513(d) (2018)	<i>(d) Eligible services and equipment components of eligible services purchased at a discount under this subpart shall not be transferred, with or without consideration of money or any other thing of value, for a period of three years after purchase, except that eligible services and equipment components of eligible services may be transferred to another eligible school or library in the event that the particular location where the service originally was received is permanently or temporarily closed. If an eligible service or equipment component of a service is transferred due to the permanent or temporary closure of a school or library, the transferor must notify the Administrator of the transfer, and, both the transferor and recipient must maintain detailed records documenting the transfer and the reason for the transfer for a period of five years.</i>

Sikich CPA LLC

INFO Item: Audit Released December 2024 & January 2025

Attachment C

4/28/2025

Attachment C

SL2023SP035

*Limited Scope Performance Audit
of
Verizon New Jersey, Inc.'s
Compliance with the Federal Universal Service Fund
E-Rate Support Mechanism Rules
for Funding Year 2021*

Conducted for:

Universal Service Administrative Company

USAC Audit No. SL2023SP035


MANAGEMENT CONSULTANTS &
CERTIFIED PUBLIC ACCOUNTANTS
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TABLE OF CONTENTS

Executive Summary .. 1

Background, Objective, Scope, and Procedures 3



Executive Summary

January 8, 2025

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

Dear Ms. Delmar:

The Universal Service Administrative Company (USAC or Administrator) Audit and Assurance Division (AAD) engaged Regis & Associates, PC to audit the compliance of Verizon New Jersey, Inc. (Service Provider), Service Provider Identification Number (SPIN) 143001362, for the twelve-month period ended June 30, 2022, (Funding Year 2021), using regulations, set forth in 47 C.F.R. Part 54, , as well as other program requirements (collectively, the Federal Communications Commission (FCC Rules). Compliance with the relevant FCC Rules is the responsibility of the Service Provider. Our responsibility is to make a determination regarding the Service Provider's compliance with the FCC Rules, based on our limited scope performance audit, pursuant to 47 C.F.R Section 54.516(c).

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 objectives. The audit included examining, on a test basis, evidence supporting the type and amount of services provided by the Service Provider to E-Rate program Beneficiaries, as well as performing other procedures we considered necessary to make a determination regarding the Service Provider's compliance with the FCC Rules. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Based on the test work performed, our audit did not disclose any areas of non-compliance with the FCC Rules that were in effect during the audit period.

Certain information may have been omitted from this report concerning communications with USAC's management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Service Provider, and the FCC; and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. This report is not confidential and may be released to a requesting third party.

We appreciate the cooperation and assistance extended by you and your staff during the audit.

Sincerely,

Regis & Associates, PC

Regis & Associates, PC

Washington, DC

January 8, 2025

Background, Objective, Scope, and Procedures

Background

Verizon New Jersey, Inc. – Overview

Verizon New Jersey Inc. (Service Provider) is a wholly owned subsidiary of Verizon Communications Inc. Verizon Communications Inc. (Verizon) is a holding company that, acting through its subsidiaries, is one of the world’s leading providers of communications; technology; and information and entertainment products and services to consumers, businesses, and government entities. With a presence around the world, Verizon offers data, video and voice services and solutions on its networks and platforms that are designed to meet customers’ demand for mobility, reliable network connectivity, security and control.

Objectives

The objective of this performance audit was to determine whether the Service Provider complied with the applicable FCC Rules that governed the E-Rate program; for Funding Year 2021.

Scope

The scope of this performance audit includes examining on a test basis, evidence supporting the Service Provider’s compliance with the FCC Rules. These rules govern E-Rate commitment amounts and disbursements received by the Service Provider during Funding Year 2021. The testing and analysis conducted is detailed in the Procedures section of this report. The following chart summarizes the E-Rate program support amounts committed and disbursed to the Service Provider for Funding Year 2021 (audit period):

Service Type	Amount Committed	Amount Disbursed
Data Transmission and/or Internet Access	\$1,861,052	\$1,359,739

Note: The amounts committed and disbursed reflect funding year activity as of May 1, 2023.

The committed total represents 70 FCC Form 471 applications with 76 Funding Request Numbers (FRNs). We selected 15 FRNs¹ of the funded 76 FRNs which represent \$1,439,668 of the funds committed and \$1,020,913 of the funds disbursed during the audit period, to perform the procedures enumerated below with respect to the Funding Year 2021 applications submitted by the selected Beneficiaries.

¹The FRNs included in the scope of this audit are: 2199058593, 2199006454, 2199021894, 2199006085, 2199001575, 2199024252, 2199016694, 2199031747, 2199009859, 2199035728, 2199061029, 2199039373, 2199004009, 2199059924, and 2199060286.

Procedures

We performed procedures related to the E-Rate program, relative to amounts committed and received for Funding Year 2021, as of May 1, 2023. These procedures are enumerated below:

A. Eligibility Process

We obtained an understanding of the Service Provider's processes and internal controls governing its participation in the E-Rate program. Specifically, we conducted inquiries of the Service Provider and the selected Beneficiaries and examined documentation to determine whether controls existed to ensure services were eligible, delivered, and installed in accordance with the FCC Rules. We conducted inquiries and examined documentation to determine whether the Service Provider assisted with the completion of the selected Beneficiaries' FCC Form 470.

B. Competitive Bid Process

We conducted inquiries and examined documentation to determine whether the Service Provider participated in, or influenced, the selected Beneficiaries' competitive bidding process. We reviewed the Service Provider's contracts (if applicable) with the selected Beneficiaries to determine whether the contracts were properly executed. We evaluated the equipment and services requested and purchased to determine whether the Service Provider provided the services requested in the selected Beneficiaries' FCC Form 471. We also examined documentation to determine whether the Service Provider offered the selected Beneficiaries the lowest corresponding price charged to similarly situated non-residential customers for similar services.

C. Billing Process

We reviewed the FCC Form 472 Billed Entity Applicant Reimbursements (BEARs) and FCC Form 474 Service Provider Invoice (SPIs) Forms for which payment was disbursed by USAC to determine whether the services identified on the BEAR and SPI Forms, and corresponding service provider bills, were consistent with the terms and specifications of the Service Provider's contracts, and eligible in accordance with the E-Rate program Eligible Services List. We also examined documentation to determine whether the Service Provider charged the selected Beneficiaries the lowest corresponding price charged to similarly situated non-residential customers for similar services. In addition, we examined documentation to determine whether the Service Provider billed the selected Beneficiaries for the non-discounted portion of eligible equipment and services purchased with universal service support, and to confirm it did not provide rebates, including free services or products.

D. Reimbursement Process

We obtained and examined the BEAR and SPI Forms submitted for reimbursement for services delivered to the selected Beneficiaries and performed procedures to determine whether USAC was invoiced properly. Specifically, we reviewed Service Provider bills associated with the BEAR and SPI Forms for services provided to the selected Beneficiaries. We also determined whether the Service Provider issued credits on its bills to the selected Beneficiaries.

** This concludes the audit report.**

INFO Item: Audit Released December 2024 & January 2025

Attachment D

4/28/2025

Attachment D

SL2024LR025

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY

PERFORMANCE AUDIT

UPLIFT EDUCATION

**COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES**

USAC AUDIT No. SL2024LR025



Sikich CPA LLC
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CONTENTS

EXECUTIVE SUMMARY 1

AUDIT RESULTS..... 2

PURPOSE, BACKGROUND, SCOPE, AND PROCEDURES 2



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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
UPLIFT EDUCATION
COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES**

Executive Summary

January 13, 2025

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

Dear Ms. Delmar:

Sikich CPA LLC¹ (referred to as “Sikich” or “we”) audited the compliance of Uplift Education (Beneficiary), Billed Entity Number (BEN) 16040266, using regulations and orders governing the federal Universal Service E-Rate program, set forth in 47 C.F.R. Part 54, as well as other program requirements (collectively, Federal Communications Commission [FCC] Rules). Compliance with FCC Rules is the responsibility of the Beneficiary. Our responsibility is to make a determination regarding the Beneficiary’s compliance with FCC Rules based on our audit.

We conducted this performance audit in accordance with our contract with the Universal Service Administrative Company (USAC) and Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States (2018 Revision). 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 the audit objectives. The audit included examining, on a test basis: 1) evidence supporting the competitive bidding process undertaken to select the Beneficiary’s Service Providers, 2) data used to calculate the discount percentage and the type and amount of equipment and services received, and 3) physical inventory of equipment purchased and maintained. It also included performing other procedures we considered necessary to make a determination regarding the Beneficiary’s compliance with FCC Rules. The evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

¹ Effective December 14, 2023, we amended our legal name from “Cotton & Company Assurance and Advisory, LLC” to “Sikich CPA LLC” (herein referred to as “Sikich”).

Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Beneficiary, and the FCC and should not be used by those who have not agreed to the procedures and accepted responsibility for ensuring that those procedures are sufficient for their purposes. This report is not confidential and may be released to a third party upon request.

Audit Results

Based on the test work performed, our audit did not disclose any areas of non-compliance with FCC Rules that were in effect during the audit period.

Purpose, Background, Scope, and Procedures

The purpose of the audit was to determine whether the Beneficiary complied with FCC Rules for Funding Year (FY) 2022. The Beneficiary is a school district located in Dallas, Texas, that serves more than 23,000 students.

The following chart summarizes the E-Rate support amounts committed and disbursed to the Beneficiary for FY 2022 as of April 15, 2024, the date that our audit commenced.

Service Type	Amount Committed	Amount Disbursed
Data Transmission and/or Internet Access	\$959,622	\$807,694
Internal Connections	<u>\$2,753,852</u>	<u>\$2,753,848</u>
Total	<u>\$3,713,474</u>	<u>\$3,561,542</u>

The “amount committed” total represents two FCC Form 471, *Description of Services Ordered and Certification Form*, applications submitted by the Beneficiary for FY 2022 that resulted in 12 Funding Request Numbers (FRNs). We selected a sample of three of the FRNs,² which represent \$3,283,335 of the funds committed and \$3,283,331 of the funds disbursed during the audit period. Using this sample, we performed the audit procedures enumerated below.

A. Application Process

We obtained an understanding of the Beneficiary’s processes relating to the E-Rate program. Specifically, to determine if the Beneficiary used the funding in accordance with FCC Rules, we examined documentation to verify whether the Beneficiary used the funding effectively and whether it had adequate controls in place for E-Rate compliance. We performed inquiries, direct observation, and inspection of documentation to determine whether the Beneficiary was eligible to receive funds and had the necessary resources to support the equipment and services for which it requested funding. We also

² Our sample included FRNs 2299032018, 2299032217, and 2299032410.

conducted inquiries to obtain an understanding of the process the Beneficiary used to calculate its discount percentage and validated the accuracy of the discount percentage.

B. Competitive Bid Process

We obtained and examined documentation to determine whether the Beneficiary: 1) properly evaluated all bids received, and 2) considered the price of the eligible equipment and services as the primary factor in selecting the selected Service Providers. We also obtained and examined evidence that the Beneficiary waited the required 28 days from the date the FCC Form 470, *Description of Services Requested and Certification Form*, was posted on USAC's website before signing contracts or executing month-to-month agreements with the selected Service Providers. Additionally, we examined the Service Provider contracts to determine whether they were properly executed.

C. Invoicing Process

We obtained and examined invoices for which USAC disbursed payment to determine whether the equipment and services identified on the FCC Form 472s, *Billed Entity Applicant Reimbursement (BEAR) Forms*, FCC Form 474s, *Service Provider Invoice (SPI) Forms*, and corresponding Service Provider bills were consistent with the terms and specifications of the Service Provider agreements. We also examined documentation to determine whether the Beneficiary paid its non-discounted share.

D. Site Visit

We performed a virtual site visit to evaluate the location and use of equipment and services to determine whether they were properly delivered and installed, located in eligible facilities, and used in accordance with FCC Rules. We evaluated whether the Beneficiary had the necessary resources to support the equipment and services for which it had requested funding and evaluated the equipment and services purchased to determine whether the Beneficiary used the funding in an effective manner.

F. Reimbursement Process

We obtained and examined invoices that the Beneficiary and selected Service Providers submitted to USAC for reimbursement and performed procedures to determine whether the Beneficiary and Service Providers had properly invoiced USAC. Specifically, we reviewed invoices associated with the BEAR Forms and SPI Forms for equipment and services provided to the Beneficiary. We verified that the equipment and services identified on the BEAR Forms and SPI Forms and corresponding Service Provider bills were consistent with the terms and specifications of the Service Provider agreements and were eligible in accordance with the E-Rate Eligible Services List.

Sibich CPA LLC

****This concludes the report.****

INFO Item: Audit Released December 2024 & January 2025

Attachment E

4/28/2025

Attachment E

SL2024SP021

UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
PERFORMANCE AUDIT

TOP COMMUNICATIONS INC.
COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES
USAC AUDIT No. SL2024SP021



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CONTENTS

EXECUTIVE SUMMARY	1
AUDIT RESULTS	2
PURPOSE, BACKGROUND, SCOPE, AND PROCEDURES	2



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**UNIVERSAL SERVICE ADMINISTRATIVE COMPANY
TOP COMMUNICATIONS INC.
COMPLIANCE WITH THE FEDERAL UNIVERSAL SERVICE FUND
E-RATE SUPPORT MECHANISM RULES**

Executive Summary

January 13, 2025

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

Dear Ms. Delmar:

Sikich CPA LLC¹ (referred to as “Sikich” or “we”) audited the compliance of Top Communications Inc. (Service Provider), Service Provider Identification Number (SPIN) 143052015, for Funding Year (FY) 2022, using regulations governing the federal Universal Service E-Rate program, set forth in 47 C.F.R. Part 54, as well as orders and other program requirements (collectively, Federal Communications Commission [FCC] Rules). Compliance with FCC Rules is the responsibility of the Service Provider. Our responsibility is to make a determination regarding the Service Provider’s compliance with FCC Rules based on the audit.

We conducted this performance audit in accordance with our contract with the Universal Service Administrative Company (USAC) and Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States (2018 Revision). 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 the audit objectives. The audit included examining, on a test basis, evidence supporting the type and amount of services that the Service Provider provided to E-Rate applicants in the state of New York (selected Beneficiaries), as well as performing other procedures we considered necessary to make a determination regarding the Service Provider’s compliance with FCC Rules. The evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

Certain information may have been omitted from this report concerning communications with USAC management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Service Provider, and the

¹Effective December 14, 2023, we amended our legal name from “Cotton & Company Assurance and Advisory, LLC” to “Sikich CPA LLC” (herein referred to as “Sikich”).

FCC and should not be used by those who have not agreed to the procedures and accepted responsibility for ensuring that those procedures are sufficient for their purposes. This report is not confidential and may be released to a third party upon request.

Audit Results

Based on the test work performed, our audit did not disclose any areas of non-compliance with FCC Rules that were in effect during the audit period.

Purpose, Background, Scope, and Procedures

The purpose of the audit was to determine whether the Service Provider complied with FCC Rules for FY 2022. The Service Provider is headquartered in Brooklyn, New York, and provides internet access to customers in New York.

The following chart summarizes the E-Rate support amounts committed and disbursed to the Service Provider for FY 2022 as of March 27, 2024, the date that our audit commenced.

Service Type	Amount Committed	Amount Disbursed
Data Transmission and/or Internet Access	\$265,770	\$239,220
Total	<u>\$265,770</u>	<u>\$239,220</u>

The “amount committed” total represents five FCC Form 471, *Description of Services Ordered and Certification Form*, applications submitted by Beneficiaries for FY 2022 that resulted in five Funding Request Numbers (FRNs). We selected a sample of four of the FRNs,² which represent \$239,220 of the funds committed and \$239,220 of the funds disbursed during the audit period. Using this sample, we performed the audit procedures enumerated below.

A. Eligibility Process

We conducted inquiries with the Service Provider and the selected Beneficiaries and examined documentation to determine whether the services requested by the selected Beneficiaries were eligible for reimbursement from the E-Rate program and whether the Service Provider had delivered the services in accordance with FCC Rules. We obtained an understanding of the Service Provider’s operations and background. We also conducted inquiries and examined documentation to determine if the Service Provider provided services in compliance with FCC Rules.

B. Competitive Bidding Process

We reviewed the Service Provider’s contracts with the selected Beneficiaries to determine whether the contracts were properly executed. We evaluated the services requested and purchased by the selected Beneficiaries to determine whether the Service

²Our sample included FRNs 2299057191, 2299049809, 2299057560, and 2299058009.

Provider provided the services that the selected Beneficiaries requested in their FCC Form 471s.

C. Invoicing Process

We reviewed the FCC Form 474s, *Service Provider Invoice (SPI)*, for which USAC disbursed payment to determine whether the services identified on the SPI Forms and corresponding Service Provider bills were consistent with the terms and specifications of the Service Provider's contracts and were eligible in accordance with the E-Rate Eligible Services List. We also examined documentation to determine whether the Service Provider charged the selected Beneficiaries the lowest corresponding price charged for similar services provided to similarly situated non-residential customers.

D. Reimbursement Process

We obtained and examined the SPI Forms that the Service Provider submitted to USAC for reimbursement for the services delivered to the selected Beneficiaries, then performed procedures to determine whether the Service Provider had properly invoiced USAC. Specifically, we reviewed Service Provider bills associated with the SPI Forms for services provided to the selected Beneficiaries. We also determined whether the Service Provider issued credits on its bills to the selected Beneficiaries.

Sikich CPA LLC

****This concludes the report.****

Summary of the Schools and Libraries Support Mechanism Beneficiary Audit Report Released: February 2025.

Entity Name	Number of Findings	Significant Findings	Amount of Support	Monetary Effect	USAC Management Recovery Action	Commitment Adjustment	Entity Disagreement
Attachment F CSRA State and Local Solutions, LLC	0	<ul style="list-style-type: none"> Not applicable. 	\$10,876,595	\$0	\$0	\$0	N/A
Total	0		\$10,876,595	\$0	\$0	\$0	

INFO Item: Audit Released February 2025

Attachment F

4/28/2025

Attachment F

SL2023SP032

*Limited Scope Performance Audit
of
CSRA State and Local Solutions, LLC's
(Formerly known as CSC State and Local Solutions, LLC)*

*Compliance with the Federal Universal Service Fund
E-Rate Support Mechanism Rules*

for Funding Year 2021

Conducted for:

Universal Service Administrative Company

USAC Audit No. SL2023SP032

 **REGIS**
ASSOCIATES, PC
MANAGEMENT CONSULTANTS &
CERTIFIED PUBLIC ACCOUNTANTS
1420 K Street, NW
Suite 910
Washington, DC 20005

TABLE OF CONTENTS

Executive Summary .. 1

Background, Objective, Scope, and Procedures 3



Executive Summary

January 3, 2025

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

Dear Ms. Delmar:

The Universal Service Administrative Company (USAC or Administrator) Audit and Assurance Division (AAD) engaged Regis & Associates, PC to audit the compliance of CSRA State and Local Solutions, LLC (Formerly Known as CSC State and Local Solutions, LLC) (Service Provider), Service Provider Identification Number (SPIN) 143024093, for the twelve-month period ended June 30, 2022, (Funding Year 2021), using regulations , set forth in 47 C.F.R. Part 54, orders governing the federal Universal Service E-Rate program, as well as other program requirements (collectively, the Federal Communications Commission (FCC Rules). Compliance with the relevant FCC Rules is the responsibility of the Service Provider. Our responsibility is to make a determination regarding the Service Provider's compliance with the FCC Rules, based on our limited scope performance audit, pursuant to 47 C.F.R Section 54.516(c).

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 objectives. The audit included examining, on a test basis, evidence supporting the type and amount of services provided by the Service Provider to E-Rate program Beneficiaries, as well as performing other procedures we considered necessary to make a determination regarding the Service Provider's compliance with the FCC Rules. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Based on the test work performed, our audit did not disclose any areas of non-compliance with the FCC Rules that were in effect during the audit period.

Certain information may have been omitted from this report concerning communications with USAC's management or other officials and/or details about internal operating processes or investigations. This report is intended solely for the use of USAC, the Service Provider, and the FCC; and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of those procedures for their purposes. This report is not confidential and may be released to a requesting third party.

We appreciate the cooperation and assistance extended by you and your staff during the audit.

Sincerely,

Regis & Associates, PC

Regis & Associates, PC

Washington, DC

January 3, 2025

Background, Objective, Scope, and Procedures

Background

CSRA State and Local Solutions, LLC. – Overview

CSRA State and Local Solutions, LLC (Formerly Known as CSC State and Local Solutions, LLC) (Service Provider) is a leading provider of advanced network communications and technology solutions for consumers, small businesses, enterprise organizations, and carrier partners across the U.S. CSRA offers bundled services, including broadband, security solutions, voice, and digital TV to consumers. The Service Provider also provides data; cloud solutions; unified communications; and managed services to business and enterprise clients. The Service Provider supplies core transport solutions on a local and long-haul fiber-optic network spanning approximately 125,000 miles.

Objective

The objective of this performance audit was to determine whether the Service Provider complied with the applicable FCC Rules that governed the E-Rate program, for Funding Year 2021.

Scope

The scope of this performance audit includes examining on a test basis, evidence supporting the Service Provider’s compliance with the FCC Rules. These rules govern E-Rate commitment amounts and disbursements received by the Service Provider during Funding Year 2021. The testing and analysis conducted is detailed in the Procedures section of this report. The following chart summarizes the E-Rate program support amounts committed and disbursed to the Service Provider for Funding Year 2021 (audit period):

Service Type	Amount Committed	Amount Disbursed
Data Transmission and/or Internet Access	\$20,843,967	\$10,876,595

Note: The amounts committed and disbursed reflect funding year activity as of April 28, 2023.

The committed total represents 34 FCC Form 471 applications with 244 Funding Request Numbers (FRNs). We selected seven FRNs¹ of the funded 244 FRNs which represent \$3,860,445 of the funds committed and \$1,868,517 of the funds disbursed during the audit period, to perform the procedures enumerated below with respect to the Funding Year 2021 applications submitted by the selected Beneficiaries.

¹The FRNs included in the scope of this audit are: 2199031488, 2199031502, 2199031519, 2199031686, 2199031996, 2199032002, and 2199032009.

Procedures

We performed procedures related to the E-Rate program, relative to amounts committed and received for Funding Year 2021, as of April 28, 2023. These procedures are enumerated below:

A. Eligibility Process

We obtained an understanding of the Service Provider's processes and internal controls governing its participation in the E-Rate program. Specifically, we conducted inquiries of the Service Provider and the selected Beneficiaries and examined documentation to determine whether controls existed to ensure services were eligible, delivered, and installed in accordance with the FCC Rules. We conducted inquiries and examined documentation to determine whether the Service Provider assisted with the completion of the selected Beneficiaries' FCC Form 470.

B. Competitive Bid Process

We conducted inquiries and examined documentation to determine whether the Service Provider participated in, or influenced, the selected Beneficiaries' competitive bidding process. We reviewed the Service Provider's contracts (if applicable) with the selected Beneficiaries to determine whether the contracts were properly executed. We evaluated the equipment and services requested and purchased to determine whether the Service Provider provided the services requested in the selected Beneficiaries' FCC Form 471. We also examined documentation to determine whether the Service Provider offered the selected Beneficiaries the lowest corresponding price charged to similarly situated non-residential customers for similar services.

C. Billing Process

We reviewed the FCC Form 472 Billed Entity Applicant Reimbursements (BEARs) and FCC Form 474 Service Provider Invoice (SPIs) Forms for which payment was disbursed by USAC to determine whether the services identified on the BEAR and SPI Forms, and corresponding service provider bills, were consistent with the terms and specifications of the Service Provider's contracts, and eligible in accordance with the E-Rate program Eligible Services List. We also examined documentation to determine whether the Service Provider charged the selected Beneficiaries the lowest corresponding price charged to similarly situated non-residential customers for similar services. In addition, we examined documentation to determine whether the Service Provider billed the selected Beneficiaries for the non-discounted portion of eligible equipment and services purchased with universal service support, and to confirm it did not provide rebates, including free services or products.

D. Reimbursement Process

We obtained and examined the BEAR and SPI Forms submitted for reimbursement for services delivered to the selected Beneficiaries and performed procedures to determine whether USAC was invoiced properly. Specifically, we reviewed Service Provider bills associated with the BEAR and SPI Forms for services provided to the selected Beneficiaries. We also determined whether the Service Provider issued credits on its bills to the selected Beneficiaries.

** This concludes the audit report.**