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**SOUTHERN TIER NETWORK
AUDIT/FINANCE COMMITTEE MEETING
MINUTES**

The Audit and Finance Committee of the Board of Directors of Southern Tier Network convened at 3:00 p.m., Tuesday, March 10, 2020 at STN Conference room, 8 Denison Parkway East, Corning, N.Y.

Members Present:

Mark Rogus, Chair
Judy McIntosh

Members Present Telephonic:

Alan Eusden

Absent:

Howard Zingler
Tim O'Hearn

Others Present:

Rich Davis, EFPR
Steve Manning, CEO
Tony Marzolino, CFO - Telephonic

1. APPROVAL OF MINUTES – February 11, 2020 meeting minutes were approved on a motion by Judy McIntosh and seconded by Mark Rogus.

2. AUDIT COMMITTEE: Start at 3:03 PM

a. **Review Standard Operating Procedures** – Mr. Rogus introduced Rich Davis, Partner at EFPR Group. Mr. Rogus recognized the efforts and quality work performed by the EFPR (Nicole, Kevin, and Rich) along with STN Accountant. Mr. Davis presented a draft of the 2019 Audit with a brief summary, noting that STN received an unmodified opinion on the financial statements. Mr. Davis commented on the associated notes and the Report on Internal Controls. Mr. Davis stated the EFPR Partner review would be performed prior to March 12, 2020. Upon completion of the report, the Committee agreed to recommend board approval of the Audit, pending the Partner review.

On a motion made by Ms. McIntosh, seconded by Mr. Eusden the Audit Committee adjourned at 3:17 pm.

3. FINANCE COMMITTEE: Start at 3:18 PM

- a. **Jan/Feb 2020 Revenue Actuals to Budget** – Mr. Marzolino reviewed a preliminary 1st Qtr. forecast with the Committee. Committee questioned new activity/new customer prospects coming into view and suggested management provide insight as to sources of new incremental revenue be prepared for a future board meeting. Committee requested Mr. Marzolino work with Mr. Gasper to provide a revenue projection for Q1.
- b. **Update on ARC/EDA Diversity Grant** – Management provided a verbal report on purpose and scope of the Grant as well as the budget including the cash-match portion required of STN. Committee members questioned sales opportunities associated with the diversity build and asked if counties would contribute to the match. It is expected a portion of new revenue will come from organizations (including counties) leasing the diverse fibers; other revenue could be generated through new customers along the build-path.
- c. **Multi-County Consortium Update** - Mr. Manning provided verbal progress report including Chemung County's decision to join the Coalition. All felt Chemung's joining was a positive decision and action.
- d. **Sales Opportunity Update** – Mr. Manning presented information related to a potential sale opportunity.

4. OTHER

Being no other information being provided, on a motion duly made, Judy McIntosh, seconded by Mark Rogus the meeting adjourned at 3:55 pm.

Mark Rogus Secretary

