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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, January 7, 2020 at STN Conference room, 8 Denison Parkway East, Corning, N.Y.

Members Present:

Mark Rogus, Chair
Judy McIntosh

Absent:

Alan Eusden
Tim O'Hearn

Guest:

Rich Davis, EFPR Group

Members Present Telephonic:

Howard Zingler

Others Present:

Steve Manning, CEO
Tony Marzolino, Fiscal Officer

1. APPROVAL OF MINUTES – December 10, 2019 meeting minutes were approved on a motion by Judy McIntosh and seconded by Howard Zingler.

2. AUDIT COMMITTEE: Start at 3:00 PM

a. **EFPR Presentation of 2019 Audit Plan** – Mr. Rogus introduced Mr. Davis, from EFPR, inviting him to review the 2019 Audit Plan. Mr. Davis reviewed the Scope of Services to be performed by the Engagement Team and associated management responsibilities for the audit. Mr. Davis presented the Engagement Letter for authorization. Committee members requested EFPR review newly drafted 2020 SOPs relative to 2018 deficiency finding. Ms. McIntosh questioned EFPR's process for managing Revenue Recognition changes required by GAAP – discussion ensued, with Mr. Davis stating EFPR will provide foundation and set a framework while working with management in providing appropriate financial documentation and reports. Ms. McIntosh emphasized the importance of STN's compliance with the new rules involving Revenue Recognition reporting. Mr. Marzolino and Mr. Davis also reported that concurrent to the Audit, EFPR will attempt to complete the 2019 IRS-990 by the end of March. Mr. Rogus thanked Mr. Davis for his presentation and attendance.

On a motion made by Mr. Zingler, seconded by Ms. McIntosh the Audit Committee adjourned at 3:15p.

3. FINANCE COMMITTEE: Start at 3:16 PM

- a. **Avangrid RFP Update** – Mr. Manning reported that Avangrid pushed-out RFP decisions/awards into the 2020 calendar year. At the time of this meeting, no new update has been received from Avangrid.
- b. **Sales Report** – Management presented a newly drafted sales reporting format, requesting comment on configuration and content. Committee members requested a summary forecast and probability of success associated with opportunities; develop a summary matrix or grid reporting format (new, existing, renewals) to replace the narrative style. Committee suggested a picture of “the opportunity universe”, market projection for fiscal year 2020 aiding in projecting the sales potential. Committee members also suggested adding upcoming renewals by customer name and expiration date. Committee also suggested management cease reporting to the Finance Committee, instead target board meetings.
- c. **Multi-County Consortium Update** – Management reported a status on the county’s execution of the Inter-Municipal Agreements. Mr. Manning reported that Fujitsu is developing the Scope of Work and related contractual documents for review by the STN/County Team the week of January 20th.

The meeting adjourned at 3:45 pm.

Mark Rogus Secretary

