

March 9, 2015

To the Audit Committee of
Southern Tier Network, Inc.:

We have audited the financial statements of Southern Tier Network, Inc. (the Organization) for the year ended December 31, 2014, and will issue our report thereon. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 29, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

1. Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 2 to the financial statements.

Accounting policies were established related to new transactions that the Organization encountered in 2014 for the first time, including:

- the acquisition of indefeasible rights of use,
- the sale of built fiber optic cable plant,
- collection of outstanding accounts receivable.

The application of other previously existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was the valuation allowance for parts and supplies inventory, which was estimated to be zero at December 31, 2014.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users.

We did not note any particularly sensitive financial statement disclosures. The financial statement disclosures are neutral, consistent, and clear.

Significant Audit Findings (Continued)

2. *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

3. *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

There were no material misstatements detected as a result of our audit procedures.

4. *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

5. *Management Representations*

We have requested certain representations from management that are included in the management representation letter.

6. *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

7. *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors.

However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

* * * *

This information is intended solely for the use of the Audit Committee, Board of Directors, and management of Southern Tier Network, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.