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March 30, 2016

To the Board of Directors
Southern Tier Network, Inc.

We have audited the financial statements of Southern Tier Network, Inc. for the year ended December 31, 2015. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America 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 January 11, 2016. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Findings</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Southern Tier Network, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. 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 estimates affecting the financial statements were:

> Management's estimates of the useful lives of IRU's, fixed assets and related depreciation, and inventory reserve valuation are based on management's review of historical information, current events and assumptions about future events affecting IRU's, property and equipment, and inventory. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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

Management Representations

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

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 auditors' 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.

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 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.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC

/sab

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NPO-CX-12.2: AUDIT DIFFERENCE EVALUATION FORM

Entity: Southern Tier Network

Statement of Financial Position Date: 12/31/2015

Completed by: RKA

Date: 3/18/2016

Instructions: This form may be used to accumulate audit differences (AD) greater than the amount considered clearly trivial (documented at **Step 5** of NPO-CX-2.1). This form should not include normal closing entries. At the end of the audit, evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. Before evaluating the effect of uncorrected misstatements, reassess whether materiality is still appropriate based on the entity's actual financial results. The notes following the table provide explanations and a listing of qualitative considerations in evaluating materiality. The form allows for quantifying the effect of misstatements using both the rollover and iron curtain methods, as appropriate. You need to be familiar with the guidance in section 1112 before completing this form.

				Financial Statement Effect—Amount of Over (Under) Statement of:						
Description (Nature) of Audit Difference (AD)	**Factual (F), Judgmental (J), or Projected (P)**	**Cause**	**W/P Reference**	**Total Assets**	**Total Liabilities**	**Net Assets**	**Revenues**	**Expenses**	**Change in Net Assets**	**Working Capital**
Revenue recognized in the wrong period.	Factual	Contract revenue received in 2014 but recognized in 2015.	10.1C	-$5,436	-$387	$0	-$5,049	$0	-$5,049	$0
									$0	
									$0	
									$0	
									$0	
									$0	
									$0	
									$0	
									$0	
									$0	
Total				-$5,436	-$387	$0	-$5,049	$0	-$5,049	$0
Less Audit Adjustments Subsequently Booked									$0	
Unadjusted AD—Current Year (Iron Curtain Method)				-$5,436	-$387	$0	-$5,049	$0	-$5,049	$0
Effect of Unadjusted AD—Prior Years									$0	
Combined Current and Prior Year AD (Rollover Method)				-$5,436	-$387	$0	-$5,049	$0	-$5,049	$0
Financial Statement Caption Totals									$0	
Current Year AD as % of FS Captions (Iron Curtain Method)				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Current and Prior Year AD as % of FS Captions (Rollover Method)				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Qualitative Factors: Describe qualitative factors that entered into your evaluation of whether uncorrected accumulated misstatements are material, individually or in the aggregate, in relation to specific accounts and disclosures and to the financial statements as a whole, and the reasons why.

The misstatement above was the result of a timing issue of when contract revenue was received and recognized. There are no known reasons or motivations for management to understatement assets or revenue. The misstatement does not have any regulatory or compliance implications and does not mislead financial statement users. Based on these qualitative considerations it was determined that the misstatements above does not materially misstate specific accounts or the financial statements as a whole and would not mislead financial statement users.

Conclusion: Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected audit differences, individually and in the aggregate, ○ do ◉ do not cause the financial statements taken as a whole to be materially misstated.