

## SOUTHERN TIER NETWORK, INC.

### Account Reconciliation Policy

#### CASH ACCOUNTS

The Accountant shall reconcile each cash account each month immediately following the receipt of the monthly bank statement. A copy of the bank statement and the reconciliation worksheet shall be sent to the CEO monthly for review. Any unresolvable discrepancy shall be reported to the CEO. The CEO will acknowledge review of the reconciliation on a monthly basis by initialing or with an e-mail.

#### FIXED ASSET ACCOUNTS

Upon completion of each contract build of the fiber optic network the Accountant shall review the cost of the asset against the build budget. If the costs are within 10% (over or under), the Accountant will capitalize the asset by transferring the asset from a Construction in Progress account to a Fiber Optic Cable Plant account. If costs are over the 10% threshold, the Accountant will discuss with the CEO and STN's external construction manager, if applicable, before capitalizing.

#### INVENTORY ACCOUNTS

The Accountant shall reconcile the inventory accounts as of December 31 each year. The reconciliation shall be reviewed by the CEO. The CEO will acknowledge review of the reconciliation by initialing or with an e-mail.

#### CURRENT ASSETS and LIABILITIES

The Accountant shall reconcile the current assets and current liabilities such as prepaid insurances, prepaid expenses, prepaid commissions, accrued liabilities, and accounts payable as of December 31 each year. The reconciliation shall be reviewed by the CEO. The CEO will acknowledge review of the reconciliation by initialing or with an e-mail.

#### LONG TERM LIABILITIES

The Accountant shall reconcile the long term liabilities such as mortgages, deferred revenue, and notes payable as of December 31 each year. The reconciliation shall be reviewed by the CEO. The CEO will acknowledge review of the reconciliation by initialing or with an e-mail.

The Finance Committee may at their discretion review any of the -accounts for any reason.

Adopted [12/13/2012]

Reviewed and adopted [2/12/19]