

STATEWIDE 911 BOARD

Financial Statements

Years Ended June 30, 2016 and 2015

STATEWIDE 911 BOARD

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Statewide 911 Board

We have audited the accompanying financial statements of the Statewide 911 Board, which comprise of the statements of net position as of June 30, 2016 and 2015, and the related statements of revenues, expenditures, changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating significant accounting estimates made by management as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Certified Public Accountants

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Statewide 911 Board as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Statewide 911 Board collects, disburses and uses the Statewide 911 fee assessed under Indiana Code Title 36, Article 8, Chapter 16.7, Section 37. Our opinion is not modified with respect the Statewide 911 Board's compliance with this state statute.

Other Matters

In accordance with Government Auditing Standards, we have issued our report dated October 14, 2016 on our consideration of the Statewide 911 Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of American require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America requires that the retirement plan schedule of funding progress and employer contributions on pages 12-13 be presented to supplement the basic financial statements. The additional information (pages 12-13) is presented for the purpose of additional analysis and although it is not a part of the basic financial statements, it is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

London Witte Group, LLC

London Witte Group, LLC
Indianapolis, Indiana
October 14, 2016

Statewide 911 Board

STATEMENTS OF NET POSITION

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Cash	\$ 18,297,713	\$ 11,826,853
Accounts receivable	8,267,755	6,568,989
Prepaid expenses	1,655	4,596
Other receivables	2,558	21,042
Capital assets	60,924	49,406
TOTAL ASSETS	<u>26,630,605</u>	<u>18,470,886</u>
<u>DEFERRED OUTFLOWS</u>		
Pension expense - outflow	76,518	27,720
TOTAL DEFERRED OUTFLOWS	<u>76,518</u>	<u>27,720</u>
<u>LIABILITIES</u>		
Accounts payable	1,101,181	902,538
Accrued Hold Harmless distributions	10,129,683	9,689,991
Accrued 90/10 distributions	5,300,000	—
Non-compliant reserve	—	1,319,076
Net Pension liability	122,594	71,217
TOTAL LIABILITIES	<u>16,653,458</u>	<u>11,982,822</u>
<u>DEFERRED INFLOWS</u>		
Pension expense - inflow	11,784	14,161
TOTAL DEFERRED INFLOWS	<u>11,784</u>	<u>14,161</u>
<u>NET POSITION</u>		
Restricted	<u>10,041,881</u>	<u>6,501,623</u>
TOTAL NET POSITION	<u>\$ 10,041,881</u>	<u>\$ 6,501,623</u>

The accompanying notes are an integral part of these statements.

Statewide 911 Board

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

For Years Ended June 30, 2016 and 2015

	Amount		Percent	
	2016	2015	2016	2015
OPERATING REVENUES				
Wireless fees	\$ 51,474,003	\$ 48,758,652	59.7	67.5
Landline fees	12,917,666	9,771,953	15.0	13.5
VOIP fees	9,582,246	7,935,219	11.1	11.0
Prepaid fees	12,109,055	5,778,020	14.0	8.0
Lifeline fees	168,184	615	0.2	0.0
TOTAL OPERATING REVENUES	86,251,154	72,244,459	100.0	100.0
OPERATING EXPENSES				
Hold harmless distribution	60,778,104	60,778,104	70.5	84.1
90/10 distribution	10,287,275	—	11.9	0.0
Operating expense	11,640,318	10,222,030	13.5	14.1
Depreciation and amortization expense	17,321	10,886	0.0	0.0
TOTAL OPERATING EXPENSES	82,723,018	71,011,020	95.9	98.2
OPERATING INCOME (LOSS)	3,528,136	1,233,439	4.1	1.8
OTHER INCOME / (EXPENSE)				
Other income/expense	12,122	751	0.0	0.0
TOTAL OTHER INCOME	12,122	751	0.0	0.0
CHANGE IN NET POSITION	3,540,258	1,234,190	4.1	1.8
NET POSITION, BEGINNING OF YEAR	6,501,623	5,267,433		
NET POSITION, END OF YEAR	\$ 10,041,881	\$ 6,501,623		

The accompanying notes are an integral part of these statements.

Statewide 911 Board

STATEMENTS OF CASH FLOWS

For Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 84,552,388	\$ 72,156,881
Cash paid for PSAP distributions and operations	<u>(78,063,610)</u>	<u>(71,094,040)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>6,488,778</u>	<u>1,062,841</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(30,040)	(3,461)
Other receipts and payments - nonoperating	<u>12,122</u>	<u>751</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(17,918)</u>	<u>(2,710)</u>
 NET INCREASE (DECREASE) IN CASH	6,470,860	1,060,131
 CASH, BEGINNING OF YEAR	<u>11,826,853</u>	<u>10,766,722</u>
 CASH, END OF YEAR	<u>\$ 18,297,713</u>	<u>\$ 11,826,853</u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 3,528,136	\$ 1,233,439
Non-cash items		
Gain (loss) on disposition of capital assets	1,200	—
Depreciation and amortization	17,321	10,886
Decrease (increase) in assets		
Accounts receivable	(1,698,766)	(87,578)
Prepaid expenses	2,941	(389)
Other receivables	18,485	(18,274)
Increase (decrease) in liabilities		
Net pension liability	51,377	1,764
Net deferred inflow (outflow)	(51,175)	(13,559)
Accounts payable and accrued expenses	198,643	155,705
PSAP distributions payable	5,739,692	(1,538,229)
Non-compliant reserve	<u>(1,319,076)</u>	<u>1,319,076</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 6,488,778</u>	<u>\$ 1,062,841</u>

The accompanying notes are an integral part of these statements.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

(1) Summary of significant accounting policies

The significant policies followed by the Statewide 911 Board ("the Board") are summarized as follows:

Organization – The Board was created under the applicable State of Indiana statutes. It exists as a separate body constituting an instrumentality for public purposes set forth in the statutes.

Nature of operations – The purpose of the Statewide 911 Board is to insure the safekeeping of funds to be used in the implementation of Statewide 911 Services.

Fees – Communication Services Providers who are authorized to offer communication services to customers and/or users of the service in the State of Indiana are required to charge each customer/user a monthly fee for 911 services. IC 36-8-16.7-32(a) and IC 36-8-16.6-11 states the fee for all communication services used by the customer/user are billed one dollar, (\$1.00) per month. Providers and/or retailers are permitted to retain a percentage of the fee collected for administrative purposes. The remaining amount must be remitted to the Board for deposit into the fund. Prepaid fees are remitted by the retailer to the Indiana Department of Revenue and subsequently transferred to the Board.

Cash – The Board considers cash to be cash on hand and in demand accounts. Cash is held by PNC Bank. At times, such cash may be in excess of the FDIC insurance limit. However, additional coverage is provided by the Indiana Public Deposit Insurance Fund for funds that exceed the FDIC limits. The cash balance at June 30, 2016 and 2015 is held in a demand checking account.

Accounts receivable – The Board accounts for fees earned through year end, but not yet collected in the accounts receivable account. There is no allowance for doubtful accounts as all accounts are considered collectable as of June 30, 2016 and 2015.

Prepaid expenses – Prepaid expenses consists of expenditures for assets that have not yet been fully utilized. The Board amortizes these expenses over the expected life of assets.

Capital assets – Additions to capital assets are capitalized at cost. The cost of maintenance and repairs are charged to operations as incurred. Depreciation of capital assets is computed by the straight-line method of depreciation using the following useful lives: computer equipment and website design – 3 years; furniture – 6 years, and vehicles – 9 years.

Non-compliant reserve – Any county that had not consolidated its PSAPs in compliance with IC 36-8-16.7-47 has its distributions held in reserve until such time that it is in compliance.

Revenue recognition – The Board accounts for its operations on an accrual basis where fees earned and expenditures incurred are recorded in the period earned and incurred.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

(1) Summary of significant accounting policies (continued)

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted net position - The Board's resources are classified for accounting and financial reporting purposes as restricted distribution to county government for operation of PSAP's and board responsibilities. The Board's expense is administering the chapter and to develop, operate, and maintain a statewide 911 system.

Subsequent events – Management has evaluated subsequent events through October 14, 2016, the date the financial statements were made available to be issued.

(2) Pension plan

The Statewide 911 Board is a participating employer in the Indiana Public Retirement System (INPRS). INPRS resulted from legislation passed in 2010 that merged the Public Employers' Retirement Fund (PERF) and the Teacher's Retirement Fund (TRF), with the merger of the funds being effective July 1, 2011. Statewide 911 Board contributes to the INPRS, a cost sharing multiple employer plan, which acts as a common investment and administrative agent for units of state and local government in Indiana. INPRS is governed by state statutes I.C.S. 5-10.2 and 5-10.3, effective July 1, 1995. As such, it is INPRS's responsibility to administer the law in accordance with the expressed intent of the Indiana General Assembly. INPRS is a qualified plan under the Internal Revenue Code Section 401(a) and is tax exempt. INPRS is a contributory defined benefit plan that covers substantially all of the Statewide 911 Board's employees.

INPRS retirement benefits vest after 10 years of service. Senate Bill 74 enabled INPRS participants to be eligible for early retirement with 100% of the defined benefit pension if certain conditions were met. A participant may retire with full benefits at age 60 with 15 or more years of service or at age 55 if the participant's age plus years of service equals 85 or more (Rule of 85). If neither of the above conditions is met, a participant may retire with 100% of the pension benefit at age 65 with 10 or more years of service. This annual pension benefit is equal to 1.1% times the average annual salary times the number of years and months of INPRS-covered employment. The average annual salary used for calculating the pension benefit is an average of the participant's highest five years of employment earning within the 10 years preceding retirement.

Participants who retire between the ages of 50 and 55 with 15 or more years of service receive a pension benefit that is reduced by various percentages according to the participant's age.

In addition, the participants are required to contribute to an annuity savings account. Legislation permits an INPRS employer to make the participant's contributions on behalf of the participants. Participants may elect to receive the contributions and accumulated earnings in a lump sum at retirement, or, they may choose to receive the annuity amount as a monthly supplement to their employer-provided pension described above. The participant's balance in the annuity savings account may be withdrawn at any time with interest should a participant terminate employment.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

(2) Pension plan (continued)

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to INPRS, One North Capitol Avenue, Suite 001, Indianapolis, Indiana, 46204.

Statewide 911 Board is required to contribute to the Plan at an actuarially determined rate. The current rate is 11.2% of annual covered payroll. Statewide 911 Board contributed 3% of the participant's annual salary to the annuity savings account. The contribution requirements of participants are determined by State statute.

Statewide 911 Board reported a liability of \$122,594 and \$71,217 as of June 30, 2016 and 2015, respectively, for its proportionate share of the net pension liability. Statewide 911 Board's proportionate share of the net pension liability was based on a projection of long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016 and 2015, Statewide 911 Board's proportion was 0.000301 and 0.000271, respectively.

For the year ended June 30, 2016 and 2015, Statewide 911 Board recognized pension expense of \$24,235 and \$8,679, respectively. At June 30, 2016, Statewide 911 Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 11,864	\$ —
Differences between expected and actual experience	5,262	254
Net difference of projected and actual investment earnings	20,671	11,530
Change of assumptions	10,363	—
Contribution subsequent to the measurement date	28,358	—
Total	<u>\$ 76,518</u>	<u>\$ 11,784</u>

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

(2) Pension plan (continued)

At June 30, 2015, Statewide 911 Board reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 7,246	\$ —
Differences between expected and actual experience	—	320
Net difference of projected and actual investment earnings		13,841
Contribution subsequent to the measurement date	20,474	—
Total	\$ 27,720	\$ 14,161

Amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Fiscal Year Ending June 30:

2016	\$	(12,629)
2017		(12,629)
2018		(5,952)
2019		(5,166)
Total	\$	(36,376)

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.25%
Salary increases	Projected salary increases based on INPRS experience from 2005 to 2010
Investment rate of return	6.75%
Cost of living adjustment	1.00%

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2016 and 2015

(2) Pension plan (continued)

Mortality rates were based on the 2013 IRS Static Mortality Tables projected five years with Scale AA. Disability assumptions were based on 2000-2005 experience for males and 1995-2000 for females.

The long-term expected rate of return on pension plan investments is based on an estimated long-term investment yield for the plan, with consideration given to the nature and mix of current and expected plan investments. INPRS' management and Board continually monitor the investment rate of return assumption and the Board formally reviews the assumption and makes changes as appropriate.

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with the current funding policy adopted by the INPRS Board, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed period approach. Since the current funding policy was adopted, the employer contribution rate has been set by the INPRS Board at a level equal to or exceeding the actuarially calculated rate. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

The following presents Statewide 911 Board' proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what Statewide 911 Boards' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
Board's proportionate share of the net pension liability	\$ 180,837	\$ 122,594	\$ 74,242

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Report on Allocation of Pension Amounts.

(3) Pending litigation

The individual members of the Board have been named as defendants in a lawsuit concerning 911 fee obligations of certain Eligible Telecommunications Carriers. This case is ongoing and an estimate of the possible loss or range of loss is unknown.

REQUIRED SUPPLEMENTARY INFORMATION

STATEWIDE 911 BOARD

Retirement Plan Schedule of Proportionate Share of Pension Liability

Year Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 16,150	\$ 14,805
Contributions in relation to the statutorily required contribution	<u>16,150</u>	<u>14,805</u>
Deficit (excess)	\$ —	\$ —
Board's covered-employee payroll	\$ 144,185	\$ 132,177
Contributions as a percentage of covered-employee payroll	11.2%	11.2%

The amounts presented for each fiscal were determined as of the previous June 30 year end.

STATEWIDE 911 BOARD

Retirement Plan Schedule of Contributions

Year Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability	0.0000301	0.0000271
Board's proportionate share of the net pension liability	\$ 122,594	\$ 71,217
Board's covered-employee payroll	\$ 144,185	\$ 132,177
Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	85.0%	53.9%
Plan fiduciary net position as a percentage of the total pension liability	77.4%	84.3%

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of Statewide 911 Board

We have audited the financial statements of the Statewide 911 Board as of and for the year ended June 30, 2016, and have issued our report thereon dated October 14, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Statewide 911 Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the Statewide 911 Board's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Certified Public Accountants

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended for the information of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

London Witte Group, LLC

London Witte Group, LLC

October 14, 2016

Statewide 911 Board
10 West Market Street, Suite 2420
Indianapolis, IN 46204

To the Board of Directors of the
Statewide 911 Board

We have audited the financial statements of the Statewide 911 Board for the year ended June 30, 2016, and have issued our report thereon dated October 14, 2016. As part of our reporting requirements, the Indiana State Board of Accounts (SBOA) has requested that we make the following certification regarding the Statewide 911 Board's compliance with Indiana Code Title 36, Article 8, Chapter 16.7, Section 37, as defined below:

- 1) The Board retained 13.5% of fees collected during the fiscal year, which represented the operating expenses necessary to develop, operate, and maintain the statewide 911 system. The fees retained by the Board were in excess of the 10% limit, as allowed by Indiana Code Title 36, Article 8, Chapter 16.7, Section 37, Subsection B, which permits the Board to retain fees in a manner that does not impair the ability of the Board to fulfill its management and administrative obligations.
- 2) The Board distributed, to the Indiana counties, distributions as defined in Indiana Code Title 36, Article 8, Chapter 16.7, Section 37.
- 3) The Board did distribute, to the Indiana counties, a portion of the remaining 911 fees in 2016, after the Board's administrative expense and distribution. Ninety percent of this disbursement was paid based upon each counties percentage of the state's population. Ten percent of this disbursement was paid in an equal payment. The Board will accumulate the surplus for the year in a reserve fund.

This letter is supplementary information that is included as part of the financial statements and notes of the Statewide 911 Board. It is intended solely for the use of management and the Indiana State Board of Accounts, and should not be used for any other purposes.

London Witte Group, LLC

London Witte Group, LLC

Certified Public Accountants

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October 14, 2016

Board of Directors
Indiana Statewide 911 Board
10 West Market Street, Suite 2420
Indianapolis, IN 46204

We have audited the financial statements of the Indiana Statewide 911 Board for the year ended June 30, 2016 and have issued our report thereon dated October 14, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States and Government Auditing Standards

As communicated in our engagement letter dated July 20, 2016, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility as prescribed by professional standards, is to plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial statement. Accordingly, as part of our audit, we considered the internal control of the Statewide 911 Board solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. In addition, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we assessed the risk that noncompliance with certain provisions of laws, regulations, contracts, and grants could cause the financial statements to be materially misstated. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Certified Public Accountants

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We have provided our comments regarding significant control deficiencies and other matters noted during our audit in a separate letter to you dated October 14, 2016.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Statewide 911 Board is included in Note 1 to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For the purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the Statewide 911 Board's financial statements or the auditor's report. We are pleased to report that no such disagreement arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the attached letter dated October 14, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultation with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the Statewide 911 Board, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted on a condition to our retention as Statewide 911 Board' auditors.

This information is intended solely for the use of the board of directors and management of the Statewide 911 Board, and is not intended to be and should not be used by anyone other than these specified parties.

London Witte Group, LLC

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