

STATEWIDE 911 BOARD

Financial Statements

Year Ended June 30, 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 the statement of net position as of June 30, 2015, and the related statements of revenue, 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.

Certified Public Accountants

One Independence Center, 1776 North Meridian Street, Suite 500 Indianapolis, Indiana 46202

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

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, 2015, and the results of its operations and its cash flows for the year 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 November 09, 2015 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 America 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 11-14 be presented to supplement the basic financial statements. The additional information (pages 11-14) is presented for purposes 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 subjected 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
November 09, 2015

STATEWIDE 911 BOARD

STATEMENT OF NET POSITION

June 30, 2015

	<u>2015</u>
<u>ASSETS</u>	
Cash	\$ 11,826,853
Accounts receivable	6,568,989
Prepaid expenses	4,596
Other receivables	21,042
Capital assets	49,406
	<hr/>
TOTAL ASSETS	18,470,886
<u>DEFERRED OUTFLOWS</u>	
Pension expense - outflow	27,720
	<hr/>
TOTAL DEFERRED OUTFLOWS	27,720
<u>LIABILITIES</u>	
Accounts payable	902,538
Accrued Hold Harmless distributions	9,689,991
Accrued 90/10 distributions	—
Non-compliant reserve	1,319,076
Net pension liability	71,217
	<hr/>
TOTAL LIABILITIES	11,982,822
<u>DEFERRED INFLOWS</u>	
Pension expense - inflow	14,161
	<hr/>
TOTAL DEFERRED INFLOWS	14,161
<u>NET POSITION</u>	
Restricted	6,501,623
	<hr/>
TOTAL NET POSITION	\$ 6,501,623

The accompanying notes are an integral part of these statements.

STATEWIDE 911 BOARD

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET POSITION

Year Ended June 30, 2015

	Amount	Percent
	2015	2015
OPERATING REVENUES		
Wireless fees	\$ 48,758,652	67.5
Landline fees	9,772,568	13.5
VOIP fees	7,935,219	11.0
Prepaid fees	5,778,020	8.0
TOTAL OPERATING REVENUES	72,244,459	100.0
OPERATING EXPENSES		
Hold harmless distribution	60,778,104	84.1
90/10 distribution	—	0.0
Operating expense	10,222,030	14.1
Depreciation expense	10,886	0.0
TOTAL OPERATING EXPENSES	71,011,020	98.2
OPERATING INCOME (LOSS)	1,233,439	1.8
OTHER INCOME / (EXPENSE)		
Other income/expense	751	0.0
TOTAL OTHER INCOME	751	0.0
CHANGE IN NET POSITION	1,234,190	1.8
NET POSITION, BEGINNING OF YEAR	5,336,886	
As reported at June 30, 2014		
Prior period adjustments - GASB 68 implementation		
Net pension liability as of June 30, 2013	(84,257)	
Deferred outflows - INPRS contributions 2014	14,804	
Total prior period adjustment	(69,453)	
As Restated at July 1, 2014	5,267,433	
NET POSITION, END OF YEAR	\$ 6,501,623	

The accompanying notes are an integral part of these statements.

STATEWIDE 911 BOARD

STATEMENT OF CASH FLOWS

Year Ended June 30, 2015

	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 72,156,881
Cash paid for PSAP distributions and operations	<u>(71,093,289)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,063,592</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of capital assets	<u>(3,461)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(3,461)</u>
NET INCREASE (DECREASE) IN CASH	1,060,131
CASH, BEGINNING OF YEAR	<u>10,766,722</u>
CASH, END OF YEAR	\$ <u><u>11,826,853</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in Net Assets	\$ 1,234,190
Non-cash items	
Depreciation	10,886
Decrease (increase) in assets	
Accounts receivable	(87,578)
Prepaid expenses	(389)
Other receivables	(18,274)
Increase (decrease) in liabilities	
Net pension liability	(11,795)
Accounts payable and accrued expenses	155,705
PSAP distributions payable	(1,538,229)
Non-compliant reserve	<u>1,319,076</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u><u>1,063,592</u></u>

The accompanying notes are an integral part of these statements.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 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. The fee varies depending on the type of service used by the customer/user of communication services. Landline, VOIP and contractual wireless customers are billed ninety cents, (\$0.90) per month. Prepaid wireless customers/users are charged fifty cents (\$0.50) per transaction at the point of sale. 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. The cash balance at June 30, 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, 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 – 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

Year Ended June 30, 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 November 09, 2015, 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, an agent multiple-employer public employee retirement system, 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' 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.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2015

(2) Pension plan (continued)

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.

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.

At June 30, 2015, Statewide 911 Board reported a liability of \$71,217 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension used to calculate the net pension was determined by an actuarial valuation as of that date. Statewide 911 Board's proportion 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, 2014, Statewide 911 Board's proportion was 0.0000271.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u> </u>	<u> </u>
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	\$ <u>27,720</u>	\$ <u>14,161</u>

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2015

(2) Pension plan (continued)

\$20,474 reported as deferred outflows of resources related to pensions resulting from Statewide 911 Board contributions subsequent to the measurement date will be recognized with next year's calculation as provided by INPRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:

2015	\$	(1,481)
2016		(1,481)
2017		(1,481)
2018		(2,472)
Total	\$	<u>(6,915)</u>

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.00%
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%

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.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2015

(2) Pension plan (continued)

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 Board 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	\$ 114,328	\$ 71,217	\$ 34,691

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

(3) Prior period adjustment

The Statewide 911 Board adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. The effect of the adoption of this standard was a prior period adjustment for the June 30, 2014 net pension liability as provided by INPRS. The Statewide 911 Board decided to present one year financial statements as information for the prior years was not readily available.

(4) 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.

The Board was named as a defendant in an Emergency Petition for Declaratory Ruling with the Federal Communications Commission regarding the assessment of 911 fees for certain customers. This case is ongoing and an estimate of the possible loss or range of loss is unknown.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Year Ended June 30, 2015

(4) Pending litigation (continued)

The Board filed a lawsuit seeking to recover unpaid 911 fees totaling approximately \$4 million from four Eligible Telecommunications Carriers. This case is ongoing and the likelihood of an unfavorable outcome is unknown.

REQUIRED SUPPLEMENTARY INFORMATION

STATEWIDE 911 BOARD

Retirement Plan Schedule of Proportionate Share of Pension Liability

Year Ended June 30, 2015

	<u>2015</u>
Board's proportion of the net pension liability	0.0000271
Board's proportionate share of the net pension liability	71,217
Plan fiduciary net position as a percentage of the total pension liability	84.3%

* 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, 2015

		2014
Statutorily required contribution	\$	<u>20,474</u>
Contributions in relation to the statutorily required contribution		<u>20,474</u>
Deficit (excess)	\$	<u><u>-</u></u>

November 09, 2015

To the Board of Directors
of Statewide 911 Board

We have audited the financial statements of Statewide 911 Board as of and for the year ended June 30, 2015, and have issued our report thereon dated November 09, 2015. 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 and Other Matters

As part of obtaining reasonable assurance about whether 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. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Statewide 911 Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the following paragraph, that we consider to be significant deficiencies.

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, was not properly implemented by the Board. As a result, entries to make the Board's statements compliant with the regulation were not made. The impact of not properly monitoring and implementing GASB Standards is that the Board and management could be making decisions based on financial statements that materially misstate the position of the Board.

The Board's subsidiary accounts receivable ledger contained multiple instances of payments applied in months when no outstanding receivables were shown. By not properly recording receivables at the time they are earned the Board cannot receive an accurate picture of its financial position or earnings.

Purpose of the Report

The purpose of these reports is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering the entity's internal control and compliance. Accordingly, the communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "London Witte Group, LLC". The signature is written in a cursive, flowing style.

London Witte Group, LLC

November 09, 2015

Statewide 911 Board
10 West Market Street, Suite 2950
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, 2015, and have issued our report thereon dated November 09, 2015. 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 14.2% 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 26, 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 based on estimated annual fee revenue as defined in Indiana Code Title 36, Article 8, Chapter 16.7, Section 37.
- 3) The Board did not distribute, to the Indiana counties, excess actual fee revenues over estimated fee revenues in 2015, after the Board's administrative expense. 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

One Independence Center, 1776 North Meridian Street, Suite 500 Indianapolis, Indiana 46202

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November 09, 2015

Board of Directors
Indiana Statewide 911 Board
10 West Market Street, Suite 2950
Indianapolis, IN 46204

We have audited the financial statements of the Indiana Statewide 911 Board for the year ended June 30, 2015 and have issued our report thereon dated November 09, 2015. 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 April 26, 2013, 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 November 09, 2015.

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. During fiscal year 2015, the Board adopted Governmental Accounting Standards Board Statement No. 68. Accounting and Financial Reporting for Pensions. 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 November 09, 2015.

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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