

Statewide 911 Board

Financial Statements
with
Additional Information

Years Ended June 30, 2022 and 2021

STATEWIDE 911 BOARD

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Independent Auditor's Report

To the Board of Directors
of Statewide 911 Board

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Statewide 911 Board, which comprise the statements of net position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Statewide 911 Board as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Statewide 911 Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Statewide 911 Board's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Statewide 911 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Statewide 911 Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United State of America require that the retirement plan schedule of proportionate share of pension liability and schedule of contributions on pages 17-18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 the financial report for placing the basic financial statement in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required additional information in accordance with government auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during out audit of the basic financial statements. We do not express an opinion or provide any assurance on the information as the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 13, 2022 on our consideration of 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 result of that testing, and not to provide an opinion on the internal control over financial reporting or 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.



LWG CPAs & Advisors
Indianapolis, Indiana
December 13, 2022

STATEWIDE 911 BOARD

STATEMENTS OF NET POSITION

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 33,201,867	\$ 35,611,850
Accounts receivable	9,130,390	8,877,703
Prepaid expenses	111,532	87,745
Other receivables	-	630,000
Capital assets	26,431	31,243
TOTAL ASSETS	<u>42,470,220</u>	<u>45,238,541</u>
<u>DEFERRED OUTFLOWS</u>		
Pension expense - outflow	80,866	65,826
TOTAL DEFERRED OUTFLOWS	<u>80,866</u>	<u>65,826</u>
<u>LIABILITIES</u>		
Accounts payable	1,660,679	4,771,162
Accrued Hold Harmless distributions	10,129,683	10,129,683
Accrued 90/10 distributions	10,966,649	11,438,438
Net pension liability	59,871	137,428
TOTAL LIABILITIES	<u>22,816,882</u>	<u>26,476,711</u>
<u>DEFERRED INFLOWS</u>		
Pension expense - inflow	106,960	58,176
TOTAL DEFERRED INFLOWS	<u>106,960</u>	<u>58,176</u>
<u>NET POSITION</u>		
Restricted	19,627,244	18,769,480
TOTAL NET POSITION	<u>\$ 19,627,244</u>	<u>\$ 18,769,480</u>

The accompanying notes are an integral part of these statements.

STATEWIDE 911 BOARD

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

Years Ended June 30, 2022 and 2021

	Amount		Percent	
	2022	2021	2022	2021
OPERATING REVENUES				
Wireless fees	\$ 57,488,432	\$ 55,539,892	61.9	60.2
Landline fees	8,651,743	9,702,305	9.3	10.5
VOIP fees	10,614,826	9,852,518	11.4	10.7
Prepaid fees	15,477,461	15,594,148	16.7	16.9
Lifeline fees	9,313	10,548	0.0	0.0
Grant income	678,645	1,584,218	0.7	1.7
TOTAL OPERATING REVENUES	<u>92,920,420</u>	<u>92,283,629</u>	<u>100.0</u>	<u>100.0</u>
OPERATING EXPENSES				
Hold harmless distribution	60,778,104	60,778,104	65.4	65.9
90/10 distribution	10,966,649	11,438,438	11.8	12.4
Operating expense	19,630,393	18,069,734	21.2	19.6
Grant expense	678,378	1,584,218	0.7	1.7
Depreciation and amortization expense	8,631	8,516	0.0	0.0
TOTAL OPERATING EXPENSES	<u>92,062,155</u>	<u>91,879,010</u>	<u>99.1</u>	<u>99.6</u>
OPERATING INCOME (LOSS)	<u>858,265</u>	<u>404,619</u>	<u>0.9</u>	<u>0.4</u>
OTHER INCOME / (EXPENSE)				
Other income/expense	(767)	103	0.0	0.0
Interest income	266	8,734	0.0	0.0
TOTAL OTHER INCOME	<u>(501)</u>	<u>8,837</u>	<u>0.0</u>	<u>0.0</u>
CHANGE IN NET POSITION	<u>857,764</u>	<u>413,456</u>	<u>0.9</u>	<u>0.4</u>
NET POSITION, BEGINNING OF YEAR	<u>18,769,480</u>	<u>18,356,024</u>		
NET POSITION, END OF YEAR	<u>\$ 19,627,244</u>	<u>\$ 18,769,480</u>		

The accompanying notes are an integral part of these statements.

STATEWIDE 911 BOARD

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 92,667,733	\$ 92,164,967
Cash paid for PSAP distributions and operations	<u>(95,073,396)</u>	<u>(92,337,241)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,405,663)</u>	<u>(172,274)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(3,819)	(1,359)
Other receipts and payments - nonoperating	<u>(501)</u>	<u>8,837</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(4,320)</u>	<u>7,478</u>
NET INCREASE (DECREASE) IN CASH	(2,409,983)	(164,796)
CASH, BEGINNING OF YEAR	<u>35,611,850</u>	<u>35,776,646</u>
CASH, END OF YEAR	<u><u>\$ 33,201,867</u></u>	<u><u>\$ 35,611,850</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 858,265	\$ 404,619
Non-cash items		
Depreciation and amortization	8,631	8,516
Decrease (increase) in assets		
Accounts receivable	(252,687)	(118,662)
Prepaid expenses	(23,787)	(4,384)
Other receivables	630,000	1,136,374
Increase (decrease) in liabilities		
Net pension liability	(77,557)	(39,393)
Net deferred inflow (outflow)	33,744	31,119
Accounts payable and accrued expenses	(3,110,483)	3,252,148
PSAP distributions payable	<u>(471,789)</u>	<u>(4,842,611)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (2,405,663)</u></u>	<u><u>\$ (172,274)</u></u>

The accompanying notes are an integral part of these statements.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

(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 ensure 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 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, 2022 and 2021.

Other receivables – Other receivables consist of a Federal grant awarded to the Board in 2019. See Note 3 for further details.

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.

Accrued hold harmless distributions – The Board accounts for monthly PSAP distributions not yet disbursed. Additionally, the non-compliant reserve for 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.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

(1) Summary of significant accounting policies (continued)

Accrued 90/10 distributions – If any fees remain in the fund after distributions according to IC 36-8-16.7-37(2) shall be distributed in compliance with IC 36-8-16.7-37(3). Ninety percent (90%) of the fees shall be distributed to the counties based upon each county's percentage of the state's population. Ten percent (10%) of the fees shall be distributed equally among the counties.

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. Operating revenue consist of fees collected for all communication services used by the customer/user as described in IC 36-8-16.7-32(a) and IC 36-8-16.6-11. All other items are considered nonoperating.

Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

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

Subsequent events – Subsequent events have been evaluated through the date of the Independent Auditor's Report, the date of which the financial statements were available for distribution.

(2) Pension plan

Plan Description

The Statewide 911 Board is a participating employer of the Public Employees' Hybrid plan (PERF Hybrid), and its employees are participating members. PERF Hybrid is part of the Public Employees' Retirement Fund (PERF) and consists of two components: the Public Employees' Defined Benefit Account (PERF DB), the monthly employer-funded defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account.

PERF Hybrid is administered by the Indiana Public Retirement System (INPRS). INPRS issues a publicly available financial report, including PERF Hybrid, that may be obtained at <http://www.inprs.in.gov/>.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

(2) Pension plan (continued)

Public Employees' Defined Benefit Account

PERF DB is a cost-sharing, multiple employer defined benefit fund providing retirement, disability, and survivor benefits to full-time employees of the State not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, IC 5-10.5, 35 IAC 1.2, and other Indiana pension law.

Eligibility for Pension Benefit Payment

Full Retirement Benefit: A member is entitled to a full retirement benefit at 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position.

Early Retirement Benefit: A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is 44% of full benefits at age 50, increasing 5% per year up to 89% at age 59.

Disability Benefit: An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of disability.

Survivor Benefit: If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment.

Contribution Rates

Contributions are determined by the INPRS Board and are based on a percentage of covered payroll. If determined to be necessary by the actuaries of INPRS, the INPRS Board updates the percentage of covered payroll annually effective July 1. Employers currently contribute 11.2% of covered payroll. No member contributions are required. The Board's contributions to PERF DB were \$41,262 and \$35,605 for the years ended June 30, 2022 and 2021, respectively.

Benefit Formula and Postretirement Benefit Adjustment

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1% (minimum of \$180 per month). Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the INPRS Board.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

(2) Pension plan (continued)

Public Employees' Defined Contribution Account

PERF DC is a multiple-employer defined contribution fund providing retirement benefits to full-time employees of the State not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2, and other Indiana pension law.

Contribution Rates

Member contributions under PERF DC are set by statute and the INPRS Board at 3% of covered payroll. The employer may choose to make these contributions on behalf of the member. The Board made no contributions to PERF DC for the year ended June 30, 2022. Under certain limitations, voluntary post-tax member contributions up to 10% of compensation can be made solely by the member.

Benefit Terms

Members (or their beneficiaries) are entitled to the sum total of contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death) or upon providing proof of the member's qualification for Social Security disability benefits. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. PERF DC members are 100% vested in their account balance.

Significant Actuarial Assumptions

The total pension liability is determined using an actuarial valuation performed by the actuaries of INPRS, which involves estimates of the value of reported amounts (e.g., salaries, credited service, etc.) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations, etc.). Actuarially determined amounts are subject to review and modifications, as actual results are compared with past expectations and new estimates are developed.

Key methods, assumptions, and dates of experience studies used in calculating the total pension liability in the latest actuarial valuation are included in the publicly available financial report published by INPRS. In addition, the INPRS financial report includes a target asset allocation and geometric real rates of return expected to be realized in calculating the total pension liability, as well as how those rates of return were determined.

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

(2) Pension plan (continued)

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability of the Plan calculated using the discount rate 6.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
2022	\$ <u>156,589</u>	\$ <u>59,871</u>	\$ <u>(20,805)</u>
2021	\$ <u>224,054</u>	\$ <u>137,428</u>	\$ <u>64,871</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022 and 2021, the Board reported a liability of \$59,871 and \$137,428, respectively, for its proportionate share of the net pension liability. The Board's proportionate share of the net pension liability was based on the Board's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2022 and 2021 measurement dates was 0.0000455 percent and 0.0000455 percent, respectively.

For the years ended June 30, 2022 and 2021, the Board recognized pension expense of \$527 and \$30,408, respectively, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of (\$10,073) and \$6,899, respectively. At June 30, 2022 and 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan 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	\$ 7,440	\$ 14,580
Differences between expected and actual experience	2,048	1,195
Net difference of projected and actual investment earnings	-	77,737
Change of assumptions	30,116	13,448
Contribution subsequent to the measurement date	41,262	-
Total, year ending June 30, 2022	\$ <u>80,866</u>	\$ <u>106,960</u>

STATEWIDE 911 BOARD

NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

(2) Pension plan (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 16,024	\$ 27,697
Differences between expected and actual experience	2,435	1,845
Net difference of projected and actual investment earnings	11,762	-
Change of assumptions	-	28,634
Contribution subsequent to the measurement date	35,605	-
Total, year ending June 30, 2021	<u>\$ 65,826</u>	<u>\$ 58,176</u>

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:

2023	\$ (19,981)
2024	(8,250)
2025	<u>(22,221)</u>
Total	<u>\$ (50,452)</u>

(3) Federal grant

On August 9, 2019, the Board was awarded a Federal Grant of \$2,800,000 through the National Highway Traffic Safety Administration. The funds which will be distributed to PSAPs in the State for qualifying projects. The funding will provide basic improvements such as providing digital and IP network capabilities to 911 emergency call centers and will assist implementation of advanced mapping systems that will make it easier to identify a 911 caller's location. NG911 will help 911 call centers manage call overload, as call-takers will be able to transfer calls, messages and data between public safety answering points that are interconnected to the IP network. The 911 Grant Program also provides funding for training costs directly related to NG911 implementation.

During the years ended June 30, 2022 and 2021, grant income amounted to \$678,645 and \$1,584,218 and grant expenses amounted to \$678,378 and \$1,584,218, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

STATEWIDE 911 BOARD

Retirement Plan Schedule of Proportionate Share of Pension Liability

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 28,083	\$ 27,481	\$ 31,199	\$ 25,674	\$ 28,389	\$ 22,367	\$ 16,150	\$ 14,805
Contributions in relation to the statutorily required contribution	28,083	27,481	31,199	25,674	28,389	22,367	16,150	14,805
Deficit (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 250,740	\$ 245,370	\$ 278,561	\$ 229,231	\$ 253,469	\$ 199,707	\$ 144,185	\$ 132,177
Contributions as a percentage of covered-employee payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%

* The effect and cost to re-create financial statement information for 10 years was not practical.
Information was prepared prospectively from June 30, 2015 for GASB Statement No. 68 purposes.

STATEWIDE 911 BOARD

Retirement Plan Schedule of Contributions

Last 10 Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability	0.0000455	0.0000455	0.0000535	0.0000449	0.0000511	0.0000417	0.0000301	0.0000271
Board's proportionate share of the net pension liability	\$ 59,871	\$ 137,428	\$ 176,821	\$ 152,527	\$ 227,985	\$ 189,253	\$ 122,594	\$ 71,217
Board's covered-employee payroll	\$ 250,740	\$ 245,370	\$ 278,561	\$ 229,231	\$ 253,469	\$ 199,707	\$ 144,185	\$ 132,177
Board's proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.9%	56.0%	63.5%	66.5%	89.9%	94.8%	85.0%	53.9%
Plan fiduciary net position as a percentage of the total pension liability	92.5%	81.4%	80.1%	78.9%	76.6%	75.3%	77.4%	77.4%

* The effect and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2015 for GASB Statement No. 68 purposes.



**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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Statewide 911 Board (the "Board"), a component unit of the State of Indiana, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issue our report thereon dated December 13, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 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 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 or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report 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, this communication is not suitable for any other purpose.



LWG CPAs & Advisors
Indianapolis, Indiana
December 13, 2022



December 13, 2022

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, 2022, and have issued our report thereon dated December 13, 2022. 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 21.1% 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 2022, 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.

A handwritten signature in cursive script that reads 'LWG CPAs & Advisors'.

LWG CPAs & Advisors



December 13, 2022

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 as of and for the year ended June 30, 2022 and have issued our report thereon dated December 13, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 26, 2022, 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 our 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 reporting. Accordingly, as part of our audit, we considered the internal control of Statewide 911 Board 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.

We have provided our comments regarding significant control deficiencies and other matters noted during our audit in a separate letter to you dated December 13, 2022.

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.

Significant Risks Identified

We have identified the following significant risks:

Management override of controls – Due to the size of the Company and the limited accounting staff there is a significant risk of management over ride of controls.

Cash – The company receives cash and other forms of payment from customers and pays invoices to vendors. We consider this a significant risk, specifically related to misappropriation of assets.

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. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. 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.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Company's financial statements relate to: Pension Plan and Federal Grant.

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 also 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. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

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. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management that are included in the attached letter dated December 13, 2022.

Management's Consultations with Other 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 Matters, Findings, or Issues

In the normal course of our professional association with the Company, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Company's auditors.

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

A handwritten signature in cursive script that reads "LWG CPAs & Advisors".

LWG CPAs & Advisors