



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

**B40418**

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February 22, 2012

Mr. Richard Murdock, Treasurer of State  
Wireless Enhanced 911 Advisory Board  
242 State House  
Indianapolis, IN 46204

Dear Mr. Murdock:

We have received the audit report prepared by London Witte Group, LLC, Independent Public Accountants, for the biennial period ending June 30, 2011. Per the auditors' opinion, the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the financial statements included in the report present fairly the financial condition of the Wireless Enhanced 911 Advisory Board as of June 30, 2011, and the results of its operations for the biennial period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a public record.

STATE BOARD OF ACCOUNTS

***WIRELESS ENHANCED 911  
ADVISORY BOARD***

***Financial Statements  
with  
Additional Information***

***Years Ended June 30, 2011 and 2010***

# WIRELESS ENHANCED 911 ADVISORY BOARD

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Wireless Enhanced 911 Advisory Board

We have audited the statements of net assets of the **Wireless Enhanced 911 Advisory Board** as of June 30, 2011 and 2010, and the related statements of revenue, expenditures and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Wireless Enhanced 911 Advisory Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wireless Enhanced 911 Advisory Board as of June 30, 2011 and 2010, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2011, on our consideration of the Wireless Enhanced 911 Advisory Board's internal control over financial reporting and on 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's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. Management's Discussion and Analysis has not been included with the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supporting information included in the report is presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*London Witte Group, LLC*

October 15, 2011

# WIRELESS ENHANCED 911 ADVISORY BOARD

## STATEMENTS OF NET ASSETS

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b><u>ASSETS</u></b>		
<b>CAPITAL ASSETS</b>	\$ 31,568	\$ -
<b>CURRENT ASSETS</b>		
Cash	9,114,362	6,948,633
Accounts receivable	3,704,373	2,377,181
<b>TOTAL CURRENT ASSETS</b>	<u>12,818,735</u>	<u>9,325,814</u>
<b>TOTAL ASSETS</b>	<u>12,850,303</u>	<u>9,325,814</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	771,084	153,661
Accrued PSAP distributions	3,864,245	3,317,345
Accrued PSAP equal distributions	438,098	376,092
<b>TOTAL CURRENT LIABILITIES</b>	<u>5,073,427</u>	<u>3,847,098</u>
<b><u>NET ASSETS</u></b>		
<b>RESTRICTED</b>	<u>7,776,876</u>	<u>5,478,716</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 7,776,876</u>	<u>\$ 5,478,716</u>

The accompanying notes are an integral part of these statements.

# WIRELESS ENHANCED 911 ADVISORY BOARD

## STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN NET ASSETS

Years Ended June 30, 2011 and 2010

	Amount		Percent	
	2011	2010	2011	2010
<b>OPERATING REVENUES</b>				
PSAP fees	\$ 21,322,046	\$ 19,039,528	69.6	69.8
Administrative fees	620,009	553,475	2.0	2.0
PSAP equal fees	2,417,326	2,158,552	7.9	7.9
Technology fees	6,280,005	5,536,092	20.5	20.3
Interest income	862	1,044	0.0	0.0
	<b>30,640,248</b>	<b>27,288,691</b>	<b>100.0</b>	<b>100.0</b>
<b>OPERATING EXPENSES</b>				
PSAP distribution	21,322,028	19,039,546	69.6	69.8
PSAP equal distribution	2,417,326	2,158,552	7.9	7.9
Administrative expenses	327,604	442,168	1.1	1.6
Technology distribution	4,604,858	5,212,564	15.0	19.1
	<b>28,671,816</b>	<b>26,852,830</b>	<b>93.6</b>	<b>98.4</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,968,432</b>	<b>435,861</b>	<b>6.4</b>	<b>1.6</b>
<b>OTHER INCOME</b>				
Grant proceeds	961,872	-	3.1	0.0
Grant distribution	(632,144)	-	(2.1)	0.0
	<b>329,728</b>	<b>-</b>	<b>1.1</b>	<b>0.0</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,298,160</b>	<b>435,861</b>	<b>7.5</b>	<b>1.6</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,478,716</b>	<b>5,042,855</b>		
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 7,776,876</b>	<b>\$ 5,478,716</b>		

The accompanying notes are an integral part of these statements.

# WIRELESS ENHANCED 911 ADVISORY BOARD

## STATEMENTS OF CASH FLOWS

Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 29,312,194	\$ 27,114,033
Cash paid to suppliers and employees	(27,443,383)	(26,797,947)
Interest income	862	1,044
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>1,869,673</u>	<u>317,130</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets	<u>(33,672)</u>	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(33,672)</u>	-
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Grant proceeds	961,872	-
Grant expenditures	<u>(632,144)</u>	-
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>329,728</u>	-
 <b>NET INCREASE (DECREASE) IN CASH</b>	2,165,729	317,130
 <b>CASH, BEGINNING OF YEAR</b>	<u>6,948,633</u>	<u>6,631,503</u>
 <b>CASH, END OF YEAR</b>	<u>\$ 9,114,362</u>	<u>\$ 6,948,633</u>
 <b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 1,968,432	\$ 435,861
Non-cash items		
Depreciation	2,105	-
Decrease (increase) in assets		
Accounts receivable	(1,327,192)	(173,614)
Increase (decrease) in liabilities		
Accounts payable	617,422	127,913
Accrued expenses	<u>608,906</u>	<u>(73,030)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 1,869,673</u>	<u>\$ 317,130</u>

The accompanying notes are an integral part of these statements.

# WIRELESS ENHANCED 911 ADVISORY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

### (1) Summary of significant accounting policies

The significant policies followed by the Wireless Enhanced 911 Advisory 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 Board is a component unit of the State of Indiana. The purpose of the Board is to insure the safekeeping of funds to be used in the implementation of Wireless Enhanced 911 Services.

Programs – The Board collects and distributes funds for the following programs:

CMRS – Commercial mobile radio service ("CMRS") providers are required to bill each CMRS mobile telephone number for the emergency wireless enhanced 911 fee each month. The CMRS provider may keep seven tenths of a cent (\$0.007) of the fee collected for administrative purposes. The remaining amount must be remitted to the Board for deposit into a fund no later than sixty (60) days after the end of the calendar month in which the fees are collected by the provider.

Pre-paid wireless service – Effective July 1, 2010, pre-paid wireless service providers are required to bill each pre-paid wireless service retail transaction for the enhanced pre-paid wireless charge, which is equal to one half of the monthly wireless enhanced 911 fee. The pre-paid wireless service provider may keep one percent (1%) of the fee collected for administrative purposes. The remaining amount must be remitted to the Indiana Department of Revenue for deposit into the Board's Pre-paid Wireless 911 Fee fund on or before the due date of their Indiana sales tax return.

The Board shall manage the distribution of the pre-paid wireless service funds equal to one half the distribution of the wireless enhanced 911 funds. The Board shall manage the distribution of the wireless enhanced 911 funds in the following manner:

Administration - One cent (\$0.01) of the fee collected from each subscriber may be used by the Board to recover the Board's expenses in administering this chapter.

# WIRELESS ENHANCED 911 ADVISORY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

### (1) Summary of significant accounting policies (continued)

PSAP – Thirty-eight and three tenths cents (\$0.383) of the fee collected from each subscriber must be held in escrow and used for monthly distributions to eligible PSAPs that provide wireless enhanced 911 service and that have submitted written notice to the Board. The funds held in escrow must be distributed in the following manner:

- a. Thirty-four and four tenths cents (\$0.344) of fees held in escrow are allocated among the 92 counties based upon the percentage of the state's population (as reported in the most recent official United States census) served by each PSAP. Fees are then distributed among the eligible PSAPs.
- b. Three and nine tenths cents (\$0.039) of fees held in escrow are allocated and distributed equally among the eligible PSAPs.

The remainder of the fee collected from each subscriber must be held in escrow and used for costs associated with other wireless enhanced 911 services mandated by the FCC and specified in the FCC order but not incurred by the PSAPs. As of June 30, 2011, the Board is allocating this fee to the Technology fund. This fund is currently being used to pay for a wireless E911 call delivery network renamed from Wireless Direct to IN911 wireless network, in order to provide Indiana with a more effective and efficient wireless E911 call delivery system.

Capital assets – Capital assets are defined as assets with an initial individual cost of more than \$300 and an estimated useful life in excess of 3 years. The Board depreciates capital assets on a straight line basis. Automobiles are depreciated over 8 years. Current capital assets include an automobile with a historical cost of \$33,672 and \$0 as of June 30, 2011 and 2010, respectively; and with accumulated depreciation of \$2,105 and \$0 as of June 30, 2011 and 2010, respectively. Depreciation expense is included in operating expenses and amounts to \$2,105 and \$0 as of June 30, 2011 and 2010, respectively.

Cash – The Board considers cash to be cash on hand and in demand accounts. Most cash is held by the Treasurer of the State of Indiana. At times, such cash may be in excess of the FDIC insurance limit. The cash balance at June 30, 2011 is cash on hand. The cash balance as of June 30, 2010 is held in a demand checking account that is invested through an overnight sweep product.

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.

# WIRELESS ENHANCED 911 ADVISORY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

### (1) Summary of significant accounting policies (continued)

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, 2011 and 2010.

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 assets – The Board's resources are classified for accounting and financial reporting purposes as restricted for the reimbursement of wireless enhanced 911 costs to PSAP and CMRS providers, as well as payments for technological advancement and for administrative costs of the Board.

Operating and non-operating revenues – Revenues are classified as either operating or non-operating. Operating revenues consist of Administrative, PSAP, PSAP equal and Technology fees. All other items are considered non-operating.

Grant proceeds – Grant proceeds are Federal monies awarded under the ENHANCE 911 Act of 2004 from the National Highway Traffic Safety Administration, U.S. Departments of Transportation and National Telecommunications and Information Administration, and U.S. Department of Commerce. Grant proceeds are to be used for the implementation and operation of Phase II Enhanced 911 (E-911) services and for migration to an Internet-Protocol (IP) based emergency network. The Board must provide a 50 percent match for the grant proceeds and all funds must be expended by September 30, 2012.

Subsequent events – Management has evaluated subsequent events through October 15, 2011, the date the financial statements were made available to be issued.

# WIRELESS ENHANCED 911 ADVISORY BOARD

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

### (2) Pension plan

The employees of the State Treasurer's Office that represent the Board are members of the Public Employee Retirement Fund (PERF), which is a defined benefit plan covering employees meeting certain eligibility requirements. The PERF Retirement Plan is a multi-employer plan which acts as a common investment and administrative agent for State of Indiana employees of the various subdivisions and instrumentalities of the State of Indiana. All employees of the State Treasurer's Office that represent the Board participate in this plan.

The State Treasurer's Office allocates these costs to the Board. These costs are presented in the administrative expenses of the financial statements. Separate information concerning the employer contributions, accumulated benefit obligations, and actuarially determined benefit obligation does not impact the financial position or operations of the Board and, accordingly, is not presented.

## **ADDITIONAL INFORMATION**

# WIRELESS ENHANCED 911 ADVISORY BOARD

## ADDITIONAL INFORMATION – STATEMENT OF NET ASSETS

June 30, 2011

### ASSETS

	<u>Admin</u>	<u>PSAP</u>	<u>PSAP Equal</u>	<u>Technology</u>	<u>Total</u>
<b>CAPITAL ASSETS, NET</b>	\$ <u>31,568</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>31,568</u>
<b>CURRENT ASSETS</b>					
Cash	1,208,809	1,574,000	178,448	6,153,105	9,114,362
Accounts receivable	<u>471,558</u>	<u>2,290,245</u>	<u>259,650</u>	<u>682,920</u>	<u>3,704,373</u>
<b>TOTAL CURRENT ASSETS</b>	<u>1,680,367</u>	<u>3,864,245</u>	<u>438,098</u>	<u>6,836,025</u>	<u>12,818,735</u>
<b>TOTAL ASSETS</b>	<u>1,711,935</u>	<u>3,864,245</u>	<u>438,098</u>	<u>6,836,025</u>	<u>12,850,303</u>

### LIABILITIES

<b>CURRENT LIABILITIES</b>					
Accounts payable	85,696	-	-	685,388	771,084
Accrued PSAP distributions	-	3,864,245	-	-	3,864,245
Accrued PSAP equal distributions	<u>-</u>	<u>-</u>	<u>438,098</u>	<u>-</u>	<u>438,098</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>85,696</u>	<u>3,864,245</u>	<u>438,098</u>	<u>685,388</u>	<u>5,073,427</u>

### NET ASSETS

<b>RESTRICTED</b>	<u>1,626,239</u>	<u>-</u>	<u>-</u>	<u>6,150,637</u>	<u>7,776,876</u>
<b>TOTAL NET ASSETS</b>	<u>\$ <u>1,626,239</u></u>	<u>\$ <u>-</u></u>	<u>\$ <u>-</u></u>	<u>\$ <u>6,150,637</u></u>	<u>\$ <u>7,776,876</u></u>

# WIRELESS ENHANCED 911 ADVISORY BOARD

## ADDITIONAL INFORMATION – STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET ASSETS

Year Ended June 30, 2011

	<u>Admin</u>	<u>PSAP</u>	<u>PSAP Equal</u>	<u>Technology</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
PSAP fees	\$ -	\$ 21,322,046	\$ -	\$ -	\$ 21,322,046
Administrative fees	620,009	-	-	-	620,009
PSAP equal fees	-	-	2,417,326	-	2,417,326
Technology fees	-	-	-	6,280,005	6,280,005
Interest income	862	-	-	-	862
<b>TOTAL OPERATING REVENUES</b>	<u>620,871</u>	<u>21,322,046</u>	<u>2,417,326</u>	<u>6,280,005</u>	<u>30,640,248</u>
<b>OPERATING EXPENSES</b>					
PSAP distribution	-	21,322,028	-	-	21,322,028
PSAP equal distribution	-	-	2,417,326	-	2,417,326
Administrative expenses	327,604	-	-	-	327,604
Technology distribution	-	-	-	4,604,858	4,604,858
<b>TOTAL OPERATING EXPENSES</b>	<u>327,604</u>	<u>21,322,028</u>	<u>2,417,326</u>	<u>4,604,858</u>	<u>28,671,816</u>
<b>OPERATING INCOME</b>	<u>293,267</u>	<u>18</u>	<u>-</u>	<u>1,675,147</u>	<u>1,968,432</u>
<b>OTHER INCOME</b>					
Grant Proceeds	961,872	-	-	-	961,872
Grant disbursement	(632,144)	-	-	-	(632,144)
<b>TOTAL OTHER INCOME</b>	<u>329,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,728</u>
<b>CHANGE IN NET ASSETS</b>	622,995	18	-	1,675,147	2,298,160
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,003,244</u>	<u>(18)</u>	<u>-</u>	<u>4,475,490</u>	<u>5,478,716</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,626,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,150,637</u>	<u>\$ 7,776,876</u>

# WIRELESS ENHANCED 911 ADVISORY BOARD

## ADDITIONAL INFORMATION – STATEMENT OF NET ASSETS

June 30, 2010

### ASSETS

<b>CURRENT ASSETS</b>	<u>Admin</u>	<u>PSAP</u>	<u>PSAP Equal</u>	<u>Technology</u>	<u>Total</u>
Cash	\$ 1,005,246	\$ 1,659,534	\$ 188,145	\$ 4,095,708	\$ 6,948,633
Accounts receivable	48,192	1,657,793	187,947	483,249	2,377,181
<b>TOTAL CURRENT ASSETS</b>	<u>1,053,438</u>	<u>3,317,327</u>	<u>376,092</u>	<u>4,578,957</u>	<u>9,325,814</u>

### LIABILITIES

<b>CURRENT LIABILITIES</b>					
Accounts payable	50,194	-	-	103,467	153,661
Accrued PSAP distributions	-	3,317,345	-	-	3,317,345
Accrued PSAP equal distributions	-	-	376,092	-	376,092
<b>TOTAL CURRENT LIABILITIES</b>	<u>50,194</u>	<u>3,317,345</u>	<u>376,092</u>	<u>103,467</u>	<u>3,847,098</u>

### NET ASSETS

<b>RESTRICTED</b>	<u>1,003,244</u>	<u>(18)</u>	<u>-</u>	<u>4,475,490</u>	<u>5,478,716</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,003,244</u>	<u>\$ (18)</u>	<u>\$ -</u>	<u>\$ 4,475,490</u>	<u>\$ 5,478,716</u>

# WIRELESS ENHANCED 911 ADVISORY BOARD

## ADDITIONAL INFORMATION – STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN NET ASSETS

Year Ended June 30, 2010

	<u>Admin</u>	<u>PSAP</u>	<u>PSAP Equal</u>	<u>Technology</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
PSAP fees	\$ -	\$ 19,039,528	\$ -	\$ -	\$ 19,039,528
Administrative fees	553,475	-	-	-	553,475
PSAP equal fees	-	-	2,158,552	-	2,158,552
Technology fees	-	-	-	5,536,092	5,536,092
Interest income	1,044	-	-	-	1,044
<b>TOTAL OPERATING REVENUES</b>	<u>554,519</u>	<u>19,039,528</u>	<u>2,158,552</u>	<u>5,536,092</u>	<u>27,288,691</u>
<b>OPERATING EXPENSES</b>					
PSAP distribution	-	19,039,546	-	-	19,039,546
PSAP equal distribution	-	-	2,158,552	-	2,158,552
Administrative expenses	442,168	-	-	-	442,168
Technology distribution	-	-	-	5,212,564	5,212,564
<b>TOTAL OPERATING EXPENSES</b>	<u>442,168</u>	<u>19,039,546</u>	<u>2,158,552</u>	<u>5,212,564</u>	<u>26,852,830</u>
<b>OPERATING INCOME</b>	<u>112,351</u>	<u>(18)</u>	<u>-</u>	<u>323,528</u>	<u>435,861</u>
<b>OTHER INCOME</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER INCOME</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	112,351	(18)	-	323,528	435,861
<b>TRANSFER FROM (TO) OTHER FUNDS</b>	-	-	-	-	-
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>890,893</u>	<u>-</u>	<u>-</u>	<u>4,151,962</u>	<u>5,042,855</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,003,244</u>	<u>\$ (18)</u>	<u>\$ -</u>	<u>\$ 4,475,490</u>	<u>\$ 5,478,716</u>

INDEPENDENT AUDITORS' REPORTS REQUIRED  
UNDER SINGLE AUDIT ACT

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

To the Board of Directors of  
Wireless Enhanced 911 Advisory Board  
October 15, 2011

We have audited the financial statements of Wireless Enhanced 911 Advisory Board as of and for the year ended June 30, 2011, and have issued our report thereon, dated October 15, 2011. We conducted our audit in accordance with auditing standards generally accepted 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.

Compliance

As part of obtaining reasonable assurance about whether Wireless Enhanced 911 Advisory Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 the 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, we considered Wireless Enhanced 911 Advisory Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

A control deficiency 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 misstatements on a timely basis. A significant deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

This report is intended for the information of the board of directors, management, federal awarding agencies and pass-through entities, and supplemental lenders. However, this report is a matter of public record and its distribution is not limited.

*London Witte Group, LLC*

London Witte Group, LLC

**REPORT ON COMPLIANCE AND WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
Wireless Enhanced 911 Advisory Board  
October 15, 2011

We have audited the compliance of Wireless Enhanced 911 Advisory Board with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011, and have issued our report thereon, dated October 15, 2011. Wireless Enhanced 911 Advisory Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Wireless Enhanced 911 Advisory Board's management. Our responsibility is to express an opinion on Wireless Enhanced 911 Advisory Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wireless Enhanced 911 Advisory Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Wireless Enhanced 911 Advisory Board's compliance with those requirements.

In our opinion, Wireless Enhanced 911 Advisory Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

## Internal Control Over Compliance

The management of Wireless Enhanced 911 Advisory Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wireless Enhanced 911 Advisory Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors, management, federal awarding agencies and pass-through entities, and supplemental lenders. However, this report is a matter of public record and distribution is not limited.

*London Witte Group, LLC*

London Witte Group, LLC

# WIRELESS ENHANCED 911 ADVISORY BOARD

## SCHEDULE OF FEDERAL EXPENDITURES, FINDINGS, AND QUESTIONED COSTS

For the Year Ended June 30, 2011

### SCHEDULE OF FEDERAL EXPENDITURES

<u>Major Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Transportation – E-911 Grant Program	20.615	<u>\$961,871.94</u>

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

#### *Section I - Summary of Auditor's Results*

##### Financial Statements

Type of auditor's report issued: UNQUALIFIED

##### Internal Control over financial reporting:

No material weaknesses were identified

No significant control deficiencies were identified

No noncompliance material to the financial statements was noted

##### Federal Awards

##### Internal Control over major programs:

No material weaknesses were identified

No significant control deficiencies were identified

##### Type of auditor's report issued on compliance for

Major Programs: UNQUALIFIED

##### Identification of major programs:

E-911 - CFDA Number 20.615

##### Dollar threshold used to distinguish between type A and type B programs:

\$300,000

The auditee qualifies as a low-risk auditee.

#### *Section II – Financial Statement / Federal Award Findings and Questioned Costs*

No matters were reported.