



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

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Auditor of State

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NEWS RELEASE

FOR RELEASE

June 17, 2020

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released an audit report on the Wireless 911 Emergency Communications Fund (Wireless Fund) of the Iowa Department of Homeland Security and Emergency Management for the year ended June 30, 2019.

The Wireless Fund was established to account for a monthly surcharge of up to \$1 to be imposed on each wireless communications service number provided in Iowa. The surcharge was imposed to fund the implementation of network and public safety answering point improvements and wireless carriers' transport costs related to wireless 911 services.

The Wireless Fund had revenues totaling \$27,639,836 for the year ended June 30, 2019, a decrease of 17% from the prior year. Revenues included \$27,331,638 from fees, licenses and permits and \$308,198 from interest on investments.

The Wireless Fund's expenditures for the year ended June 30, 2019 totaled \$30,669,762, a decrease of 2% from the prior year. Expenditures included \$30,527,244 for contractual services, including payments to the Joint 911 Service Boards and for wireless carriers' transport costs related to wireless 911 services.

A copy of the audit report is available for review on the Auditor of State's website at <https://auditor.iowa.gov/reports/audit-reports/>.

###

**WIRELESS 911 EMERGENCY COMMUNICATIONS FUND
IOWA DEPARTMENT OF HOMELAND SECURITY
AND EMERGENCY MANAGEMENT**

**INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS**

JUNE 30, 2019

**Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security
and Emergency Management**



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STATE OF IOWA

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Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006

Telephone (515) 281-5834 Facsimile (515) 281-6518

May 20, 2020

Officials of the Wireless 911 Emergency Communications Fund

Dear Officials:

I am pleased to submit to you the financial and compliance audit report for the Wireless 911 Emergency Communications Fund for the year ended June 30, 2019. The audit was performed pursuant to Chapter 34A.7A.2(a) of the Code of Iowa and in accordance with U.S. auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of the Wireless 911 Emergency Communications Fund throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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**Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security and Emergency Management**

Officials

Name

Title

State

Honorable Kim K. Reynolds
Honorable Michael L. Fitzgerald
David Roederer
Glen P. Dickinson

Governor
Treasurer of State
Director, Department of Management
Director, Legislative Services Agency

Agency

Joyce Flinn
Julie Nishijima
Blake DeRouchey

Director, Iowa Department of Homeland
Security and Emergency Management
Non-Disaster Grants and Admin Bureau Chief
911 Program Manager

**Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security
and Emergency Management**



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Independent Auditor's Report

To Joyce Flinn, Director of the
Iowa Department of Homeland Security and Emergency Management:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Wireless 911 Emergency Communications Fund of the Iowa Department of Homeland Security and Emergency Management (Wireless Fund) as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Wireless Fund'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 Wireless Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the governmental activities and the major fund of the Wireless Fund as of June 30, 2019, and the respective changes in its financial position for the year then ended, in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Wireless Fund are intended to present the financial position and results of operations of only that portion of the financial reporting entity of the State of Iowa that is attributable to the transactions of the Wireless Fund. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2019, and the changes in its financial position for the year then ended, in conformity with U.S. generally accepted accounting principles.

Other Matters

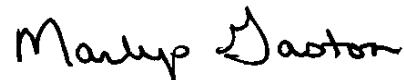
Required Supplementary Information

Management has omitted Management's Discussion and Analysis which U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such omitted information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 opinions on the basic financial statements are not affected by this omitted information.

U.S. generally accepted accounting principles require the budgetary comparison information on page 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted 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 our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 2020 on our consideration of the Wireless Fund'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 effectiveness of the Wireless Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wireless Fund's internal control over financial reporting and compliance.



Marlys K. Gaston, CPA
Deputy Auditor of State

May 20, 2020

**Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security
and Emergency Management**

Basic Financial Statements

Exhibit AWireless 911 Emergency Communications Fund
Iowa Department of Homeland Security and Emergency Management

Governmental Fund Balance Sheet and Statement of Net Position

June 30, 2019

	General Fund	Adjustments (Note 5)	Statement of Net Position
Cash	\$ 14,672,425	-	14,672,425
Accounts receivable	4,173,225	-	4,173,225
Capital assets net of accumulated depreciation/amortization	-	2,230,513	2,230,513
Total assets	\$ 18,845,650	2,230,513	21,076,163
Accounts payable	\$ 9,985,773	-	9,985,773
Compensated absences:			
Due within one year	-	3,262	3,262
Due after one year	-	7,345	7,345
Total liabilities	9,985,773	10,607	9,996,380
Fund Balance/Net Position			
Fund balance - restricted for Wireless 911 purposes	8,859,877	(8,859,877)	-
Total liabilities and fund balance	\$ 18,845,650		
Net position			
Net investment in capital assets Restricted for wireless 911 purposes		2,230,513	2,230,513
		8,849,270	8,849,270
Total net position		\$ 11,079,783	11,079,783

See notes to financial statements.

Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security and Emergency Management

Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balance and Statement of Activities

Year ended June 30, 2019

	General Fund	Adjustments (Note 6)	Statement of Activities
Revenues:			
Fees, licenses and permits	\$ 27,331,638	-	27,331,638
Interest on investments	308,198	-	308,198
Total revenues	<u>27,639,836</u>	<u>-</u>	<u>27,639,836</u>
Expenditures/expenses:			
Personal services	136,034	1,006	137,040
Travel and subsistence	3,831	-	3,831
Supplies and materials	658	-	658
Contractual services	30,527,244	(363,341)	30,163,903
Equipment and repair	1,995	-	1,995
Total expenditures/expenses	<u>30,669,762</u>	<u>(362,335)</u>	<u>30,307,427</u>
Deficiency of revenues under expenditures	(3,029,926)	3,029,926	-
Change in net position	-	(2,667,591)	(2,667,591)
Fund balance/net position beginning of year	11,889,803	1,857,571	13,747,374
Fund balance/net position end of year	<u>\$ 8,859,877</u>	<u>2,219,906</u>	<u>11,079,783</u>

See notes to financial statements.

Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security and Emergency Management

Notes to Financial Statements

June 30, 2019

(1) Summary of Significant Accounting Policies

The Wireless 911 Emergency Communications Fund of the Iowa Department of Homeland Security and Emergency Management (Wireless Fund) was established to account for a monthly surcharge of up to one dollar to be imposed on each wireless communications service number provided in Iowa. The surcharge was imposed to fund the implementation of network and public safety answering point improvements at the Joint 911 Service Boards and wireless carriers' transport costs related to wireless 911 services.

The financial statements of the Wireless Fund have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The more significant of the Wireless Fund's accounting policies are described below.

A. Reporting Entity

For financial reporting purposes, the Wireless Fund has included all funds. The Wireless Fund has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Wireless Fund are such that exclusion would cause the Wireless Fund's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Wireless Fund to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Wireless Fund. The Wireless Fund has no component units which meet the Governmental Accounting Standards Board criteria.

B. Entity-wide and Fund Financial Statements

The financial statements on pages 10 and 11 combine both an entity-wide perspective and a governmental fund perspective.

The General Fund comprises the Wireless Fund's governmental fund type. This fund is the general operating fund of the Wireless Fund and the difference between assets and liabilities of the fund is referred to as fund balance.

The entity-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Wireless Fund. Governmental activities are those which normally are supported by taxes and intergovernmental revenues.

Fund Balance – The restricted fund balance of \$8,859,877 at June 30, 2019 consists of wireless fees collected and maintained for use in operating, maintaining and improving network and public safety answering points at the Joint 911 Service Boards and other related costs in accordance with Chapter 34A.7A of the Code of Iowa.

Net Position – Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted through enabling legislation totaled \$8,849,270 at June 30, 2019 and consists of wireless fees collected and maintained for use in operating, maintaining and improving network and public safety answering points at the Joint 911 Service Boards and other related costs in accordance with Chapter 34A.7A of the Code of Iowa.

C. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Wireless Fund considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due.

D. Capital Assets

Capital assets are reported in the financial statements at historical cost. Donated capital assets acquired before July 1, 2015, are reported at their estimated fair market value at the date of acquisition. Donated capital assets acquired after June 30, 2015, are reported at their acquisition value at the date of acquisition. Capital assets utilized in governmental funds are reported as expenditures when purchased in the governmental fund financial statements. Intangible assets, as defined by the Wireless Fund's policy, acquired after June 30, 1980, are reported. Reportable capital assets are defined by the Wireless Fund as assets above the following thresholds:

<u>Asset Class</u>	<u>Amount</u>
Intangible assets	\$ 500,000
Equipment	5,000

Capital assets are depreciated/amortized over their useful lives using the straight-line depreciation/amortization method. The government-wide financial statements report depreciation/amortization expense. The following useful lives are used:

Asset Class	Estimated Useful Lives (In Years)
Intangible assets	5 - 20
Equipment	2 - 20

E. Compensated Absences

Wireless Fund employees accumulate a limited amount of earned but unused vacation, compensatory time and sick leave hours for subsequent use, for payment of the employer portion of insurance premiums upon retirement or for payment upon termination, death or retirement. A liability is recorded when incurred in the entity-wide Statement of Net Position. Wireless Fund employees accrue vacation, compensatory time and sick leave at rates specified in the Code of Iowa and/or collective bargaining agreements. Accumulated unused vacation leave and compensatory time is payable upon termination of employment. Accumulated unused sick leave is payable only upon retirement and only to limits specified in the Code of Iowa and/or collective bargaining agreements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The liabilities for compensated absences are based on current rates of pay and current insurance rates.

(2) Deposits

The Wireless Fund's deposits with the Treasurer of State throughout the year and at June 30, 2019 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

(3) Capital Assets

Capital assets activity for the year ended June 30, 2019 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities				
Capital assets not being depreciated:				
Construction in process	\$ 77,873	-	77,873	-
Total capital assets not being depreciated	77,873	-	77,873	-
Capital assets being depreciated				
Intangible assets	1,167,690	130,185	-	1,297,875
Equipment	2,319,459	1,099,526	-	3,418,985
Total capital assets being depreciated	3,487,149	1,229,711	-	4,716,860
Less accumulated depreciation for:				
Intangible assets	205,633	233,972	-	439,605
Equipment	1,492,217	554,525	-	2,046,742
Total accumulated depreciation	1,697,850	788,497	-	2,486,347
Total capital assets being depreciated, net	1,789,299	441,214	-	2,230,513
Governmental activities capital assets, net	\$ 1,867,172	441,214	77,873	2,230,513

(4) Changes in Compensated Absences

Changes in compensated absences for the year ended June 30, 2019 are summarized as follows:

Balance beginning of year	\$ 9,601
Increases	8,791
Decreases	<u>(7,785)</u>
Balance end of year	<u>\$ 10,607</u>
Due within one year	<u>\$ 3,262</u>

Sick Leave Insurance Program (SLIP) – Included in the accrued compensated absences liability at June 30, 2019 is the cost of a voluntary termination benefit program titled Sick Leave Insurance Program (SLIP). The program is an opportunity for employees who are retirement-eligible to use the value of their unused sick leave to pay the employer share of the monthly premium of the State's group health insurance plan after their retirement.

Upon retirement, employees shall first receive a cash payment of up to \$2,000 for accumulated, unused sick leave converted at the employee's current regular hourly rate of pay, payable with the final payroll warrant which includes the employee's retirement date. The value of the remaining balance of the accrued sick leave will be converted based upon the original balance (before the cash payment). The remainder of the sick leave value is calculated as follows, based on the number of sick leave hours the employee had before the cash payment:

<u>If the sick leave balance is:</u>	<u>The conversion rate is:</u>
Zero to 750 hours	60% of the value
Over 750 hours to 1,500 hours	80% of the value
Over 1,500 hours	100% of the value

The final calculated dollar value will be credited to the employee's SLIP account. Each month, the Wireless Fund will pay 100% of the employer's share of the selected state group health insurance premium from the retiree's SLIP account. The retiree is responsible for any additional premiums associated with the employee/retiree share.

The Wireless Fund will continue to pay the employer's share of the health insurance premium each month until the converted value of the employee's sick leave balance is exhausted, until the employee is eligible for Medicare, the employee waives the benefit or the employee dies, whichever comes first. The retired employee may stay with the same health insurance program as when employed or switch down at any time without underwriting. The converted value of the sick leave can only be applied to the employer's share of health insurance premiums. It has no cash value and it is not transferable to another use or to an heir. If a retired employee who has utilized this benefit returns to permanent state employment, all remaining balances in the sick leave insurance program will be forfeited. All SLIP benefits are financed on a pay-as-you-go basis. Amounts calculated for this program are included in the compensated absences liability.

(5) Explanation of Difference between the Governmental Fund Balance Sheet and the Statement of Net Position

The difference results from the long-term economic resources focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund Balance Sheet.

Capital assets applicable to the Wireless Fund's governmental activities are not current financial resources and therefore, are not reported in the governmental fund. However, they are reported in the Statement of Net Position. The cost of capital assets is \$4,716,860 and the accumulated depreciation/amortization is \$2,486,347.

Long-term liabilities applicable to the Wireless Fund's governmental activities are not due and payable in the current year and, therefore, are not reported as fund liabilities. However, they are reported in the Statement of Net Position. These liabilities are compensated absences of \$10,607.

(6) Explanation of Difference between the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities

The difference results from the long-term economic resources focus of the Statement of Activities versus the current financial resources focus of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance.

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. These expenses result from an increase in compensated absences of \$1,006.

Governmental funds report capital outlays as expenditures while the governmental activities report depreciation/amortization expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation/amortization expense in the current year by \$363,341.

(7) Risk Management

State employee benefits for health, dental, long-term disability and life insurance coverage are insured through commercial insurers. There were no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage for the past three fiscal years.

The State of Iowa self-insures on behalf of its agencies for losses related to workers' compensation, its motor vehicle fleet, property damage and torts. A contingent fund exists under Section 29C.20 of the Code of Iowa to provide compensation for loss or damage to state property (casualty losses).

(8) Commitments

The Wireless Fund entered into contracts totaling \$26,924,954 for development and implementation of a Statewide IP Enabled Next Generation 911 System. As of June 30, 2019, costs of \$20,138,692 on the project have been incurred. The \$6,786,262 remaining on the contracts at June 30, 2019 will be paid as work on the project progresses. These contracts are primarily related to services and maintenance for the system and equipment purchased that exceeded the capitalization threshold has been capitalized.

The Wireless Fund entered into a contract totaling \$2,248,334 for Next Generation 911 Network Engineering – Network Merging. As of June 30, 2019, costs of \$704,440 on the project have been incurred. The \$1,543,894 remaining on the contract at June 30, 2019 will be paid as work on the project progresses.

The Wireless Fund entered into a contract totaling \$4,362,384 for Next Generation 911 GIS Consulting Services and data hosting. As of June 30, 2019, costs of \$2,838,912 on the project have been incurred. The \$1,523,472 remaining on the contract at June 30, 2019 will be paid as work on the project progresses.

The Wireless Fund entered into a contract totaling \$3,212,342 for the purpose of implementing local public safety answering point shared services. As of June 30, 2019, costs of \$1,218,089 on the project have been incurred. The \$1,994,253 remaining on the contract at June 30, 2019 will be paid as work on the project progresses.

The Wireless Fund entered into contracts totaling \$1,423,932 for Text to 911 Project. As of June 30, 2019, costs of \$1,346,398 on the project have been incurred. The \$77,534 remaining on the contracts at June 30, 2019 will be paid as work on the projects progresses. The equipment purchased under this contract is owned by the local public safety answering points.

Wireless Fund total commitments at June 30, 2019 total \$11,925,415.

(9) Subsequent Event

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the State of Iowa, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the Wireless Fund's operations and finances.

Required Supplementary Information

**Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security
and Emergency Management**

Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security and Emergency Management

Required Supplementary Information

Budgetary Comparison Schedule

Year ended June 30, 2019

	Actual	Original/ Final Budget	Final to Actual Variance
Revenues:			
Fees, licenses and permits	\$ 27,331,638	29,533,339	(2,201,701)
Interest on investments	308,198	150,000	158,198
Total revenues	<u>27,639,836</u>	<u>29,683,339</u>	<u>(2,043,503)</u>
Expenditures:			
Personal services	136,034	199,354	63,320
Travel and subsistence	3,831	11,500	7,669
Supplies and materials	658	910	252
Contractual services	30,527,244	29,467,839	(1,059,405)
Equipment and repair	1,995	3,736	1,741
Total expenditures	<u>30,669,762</u>	<u>29,683,339</u>	<u>(986,423)</u>
Deficiency of revenues under expenditures	(3,029,926)		
Balance beginning of year	<u>11,889,803</u>		
Balance end of year	<u>\$ 8,859,877</u>		

Note to Budgetary Reporting:

The budget for the General Fund is adopted on a basis consistent with U.S. generally accepted accounting principles.

See accompanying independent auditor's report.



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STATE OF IOWA**

Rob Sand
Auditor of State

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Independent Auditor's 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 Joyce Flinn, Director of the
Iowa Department of Homeland Security and Emergency Management:

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Wireless 911 Emergency Communications Fund of the Iowa Department of Homeland Security and Emergency Management (Wireless Fund) as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the Wireless Fund's basic financial statements, and have issued our report thereon dated May 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wireless Fund's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wireless Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wireless Fund'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 Wireless Fund'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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

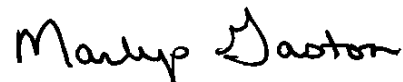
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wireless Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Wireless Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Wireless Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Wireless Fund during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Marlys, K. Gaston, CPA
Deputy Auditor of State

May 20, 2020

Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security and Emergency Management

Schedule of Findings

For the Year ended June 30, 2019

Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over financial reporting were noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Other Findings Related to Required Statutory Reporting:

No matters were noted.

Wireless 911 Emergency Communications Fund
Iowa Department of Homeland Security and Emergency Management

Staff

This audit was performed by:

Marlys K. Gaston, CPA, Deputy
Brian R. Brustkern, CPA, IT Director
Alex N. Kawamura, Senior Auditor
Bianca M. Cleary, Staff Auditor
Steven D. Rater, Staff Auditor