

**ESS Finance Subcommittee
Teleconference Meeting
October 10, 2023**

Members Present: Sheri Jones, Amy Assink, Kelly Spees, Geralyn Greer, Laura McKeever

Other Participants: Nancy Booten, Phil Dunshee, Census Lo-Liyong, Kay Kelleher, Lisa Long and Kristen Delany Cole

The meeting was called to order at 8:30am.

Meeting Summary

The Finance Subcommittee reviewed the September 12, 2023, meeting summary. A motion was made by Sheri Jones and seconded by Laura McKeever to approve the summary. The motion was approved.

Accounts Receivable Update

The Account Manager updated the Subcommittee on the accounts receivable report. ESS recently received payments for Collins and Wayne County. There are still some unresolved accounts that are actually older than what appears in the September receivables report. This is primarily due to timing issues relating to the transition to a new QuickBooks file.

October Summary of ESS Payments

The monthly payment reports covered various expenses. Notable AP report items included the correction of an accounting entry relating to billing for project management, and an underpayment for data center expenses in a prior period. Those items have been resolved. Additionally, the AP report showed the expense for Denman and Company, which prepared the 990 return for ESS and the Iowa County Records Association.

Notable credit card expenses were expenses associated with the Deputies Conference. AWS (Amazon Web Services) are increasing month-to-month as the volume of back-up storage increases. ESS had contracted with AWS for cloud document storage, incurring a cost of \$885.28. Additional payments covered various expenses, including monthly expenditures for service providers and software companies such as Mailchimp, Zoom, Adobe, Microsoft 365, Intuit, JIRA, and Slack AWS.

A motion was made by Sheri Jones and seconded by Nancy Booten to approve the September summary of ESS payments. The motion was approved.

October Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for October 2023, which included a bill totaling \$30,257.61 for payroll expenses. The reimbursement invoice did not include all payroll expenses to ensure that a minimum balance of \$100,000 would be maintained in Fund 255. Laura McKeever made a motion to approve the September reimbursement invoice, which was seconded by Sheri Jones. The motion was approved.

MOU Invoice Report

The Subcommittee members received a detailed report on the September invoice submitted as part of the ESS-ICRA Memorandum of Understanding. It covered various activities related to the Records' manual, policy development, legislation, and work related to the website information hub.

August 2023 Financial Reports

The Project Manager provided an overview of the financial reports, noting the additional complexity due to the need to manage two different accounting files in August. The transition from the previous accounting file to the new file occurred on August 25, 2023. The bank statement balance showed a beginning balance of \$1,346,746.45. A reconciliation process was conducted, including a reconciliation report dated August 25, 2023, and another on August 31, 2023. Despite the need for multiple steps to reconcile, the ending balance was confirmed as \$1,173,439.32 matching the bank statement.

The report highlighted several key financial figures, including budgeted income of \$133,793.88 and total income of \$3,212,897.82. On the expense side, budgeted expenses totaled \$288,832.32 and total expenses of \$3,390,047.47, leading to a negative income of \$177,149.65 for the month. The negative income was mainly attributed to the annual local service provider maintenance expenses and the natural flow of revolving income.

A balance sheet as of August 31st was presented, showing total assets and liabilities of \$2,377,197.75. The report also highlighted a reserve for development and equipment, totaling \$410,870.52, along with other reserve accounts that were appropriately funded. The settlement account, serving as the operational cash flow fund, had a balance of \$1,040,343.17, exceeding the working target of \$850,000 for managing normal revolving cash flow.

The credit card statement was successfully reconciled with an ending balance of \$3,653.46. Fund 255 had a beginning balance of \$127,193.39 and an ending balance of \$143,261.92.

A motion was called to accept and approve the August financial reports. Sheri Jones made a motion to approve the August financial reports. Amy Assink seconded, and the motion was approved.

Accounting File Transition

An update on the ongoing accounting file transition was provided. ESS staff is performing regular reconciliations and working to improve internal processes. The transition has highlighted the need for more robust financial management, and the upcoming 2023 audit, is expected to be more complex due to testing transactions from two different files. An external CPA may be consulted to assist with the 2023 audit.

September Metrics

The latest submission trends report aligns with challenging economic trends. E-submission levels surpass 2019 but fall behind the levels of 2021, 2022, and 2023. Project revenue, including the \$1.00 fee for Fund 255, has fallen below budgeted levels. Budgets were believed to be based on conservative estimates. Measures such as eliminating marketing expenses and ending certain software subscriptions were being implemented. Budget adjustments for the remainder of 2023, and a budget proposal for 2024, will be presented at the November Finance meeting.

The meeting was adjourned at 9:30 AM. The next meeting of the Finance Subcommittee is a web conference scheduled for November 7th, 2023.