

**ESS Finance Subcommittee
Teleconference Meeting
July 11, 2024**

Members Present: Stacie Herridge, Sheri Jones, Geralyn Greer, Amy Assink and Kelly Spees.

Other Participants: ReNae Arnold, Nancy Booten, Jan Gemar, Phil Dunshee, Lisa Long, Census Lo-Liyong, Samantha McMahon, and Kristen Delaney-Cole.

The meeting was called to order at 9 AM.

Meeting Summary

The Finance Subcommittee reviewed the June 6, 2024, meeting summary. A motion was made by Sheri Jones and seconded by Stacie Herridge to approve the summary. The motion was approved.

Accounts Receivable Update

The Account Manager provided a comprehensive update on the status of accounts receivable. Key points included the explanation of outstanding maintenance fee invoices. It was noted that more have been received since the report was printed.

The discussion also covered outstanding payments related to the upcoming deputies conference. There are expected to be more of these in the next few of months. The report further documented two smaller receivables due to a distribution error, from June.

Additionally, next month's outlook on accounts receivable was discussed and it is expected to be mostly cleared up by the next meeting in August. A follow-up will be made next week for anything still outstanding.

May Summary of ESS Payments

The Accounting Coordinator detailed various accounts payable expenses to the Subcommittee. The billing issues from Lightedge Solutions were explained. The discussion covered those bills being out of contract and higher than the agreement. ESS is working with the company to get the bills corrected and in line with the agreement. ESS is waiting for correspondence and several credit memos.

The report showed an extra bill from Iowa Solutions for work done on the covered computers. Additionally, an explanation was given for future bills from Iowa Solutions, due to some adjustments in the monthly charges per the December contract. It was noted that ESS is under budget with office tech support and the services from Iowa Solutions have met expectations.

The discussion covered the annual renewal for insurance and the database software, Chubb and IBM respectively. Additionally, the report showed the last of the mileage reimbursements relating to the ESS Coordinating meeting that was held on May 30, 2024.

A motion to approve the May summary of ESS payments was made by Geralyn Greer, with Amy Assink seconding. The motion was approved.

June Fund 255 Reimbursement Invoice

The Subcommittee reviewed the Fund 255 reimbursement invoice for June 2024, which was based on two payroll expenses. The amount of the reimbursement request was \$42,077.94. As part of the arrangement with the State Treasurer's Office, ESS will draw down funds based on the previous month's income as a means of managing the budget.

Stacie Herridge made a motion to approve the June reimbursement invoice. Amy Assink seconded. The motion was approved.

May 2024 Financial Reports

The Subcommittee reviewed the financial reports for May 2024. Notably, the Bankers Trust account held a closing balance of \$1,211,163.08, down from the opening balance of \$1,232,378.65. The Profit & Loss (P&L) statement for the month showed budgeted income of \$136,786.54 against budgeted expenses of \$140,126.39, resulting in budgeted net income of \$-3,339.85.

The ESS's revolving income stood at \$3,146,959.77, contributing to a total income of \$3,286,746.31 for the period. Revolving expenses amounted to \$3,136,727.33, with total expenditures equaling \$3,304,931.11. Total net income of -\$21,184.80 for May 2024 was due to the depreciation, an extra pay period in May, and overbilling from LightEdge.

The Balance Sheet indicated total assets and liabilities of approximately \$2,805,502.15, with \$1,176,168.68 specifically held within the Bankers Trust Settlement account. It's important to note, given the accrual-based accounting, that the balance sheet figures may not reflect the actual bank account balance.

The Accounting Coordinator shared the journal entries that were made in June. The entries included correcting entries for a few one cent rounding errors, the depreciation entry for software development, the reversal of test transactions in the system, and a reversal of a duplicate entry associated with a deposit from CSC. The report also showed a journal entry clearing the Bank of America balance and correcting the bad debt expense account.

The beginning balance of the credit card account was \$1,959.93, and the ending balance was \$2,040.48. The account was reconciled successfully.

Regarding Fund 255 for May, the account opened with a balance of \$179,185.28 and closed at \$149,303.54. This was consistent with the expected income outlined in the reimbursement invoice. It was noted that the beginning balance was a little higher due to the late submittal of the March reimbursement invoice. All reimbursements are up to date as of May 31, 2024.

A question arose relating to the handling of the incorrect billing from the data center and hosting company, LightEdge. The Project Manager gave an in-depth explanation of the struggles ESS is having with the company's billing department. It was noted that LightEdge has agreed that the invoices are incorrect and that the charges do not conform to what is in the service agreement. ESS is satisfied with the services being provided.

Further, it was made clear that sometime down the road there may be a need to increase expenditures with LightEdge if our configuration changes and we need more power. It was confirmed that at this time we are only paying the contracted amount.

A motion was made by GERALYN GREER to approve the financial reports. Sheri Jones seconded, and the motion was approved.

ESS Financial and Strategic Review

June Metrics

E-Submission activity for June 2024 has fallen from the June 2023 level. June normally represents the month with the most activity out of the entire year. While the trend line is normally expected to follow previous years' month-to-month movements, June declined not only from the June 2023 level but also from the previous month. The economic condition of the real estate sector continues to have an effect on recording activity.

POS System Transition Update

An update was provided on the point-of-sale (POS) transition. ESS is working with Professional Solutions and the remaining counties to get everyone switched over by the end of the month.

ESS has been working with Professional Solutions to ensure that the POS terminals are closed out all at the same time. The company is working to direct PCI emails to ESS rather than the individual counties. It was clarified that counties don't need to do anything with the PCI emails as ESS is taking care of PCI compliance reporting for the counties.

So far Professional Solutions has been reported to have very good customer service. BCUSA has been notified that ESS is changing vendors. It was noted that participation in the POS system is voluntary.

Fee Policies

The Subcommittee received a brief update on the development of a proposed new fee policy for recording and Iowa Land Records.

Audit Update

An update for the 2023 audit was provided. No issues were identified in the audit, and end-of-year adjusting entries have been made. The final audit report will be presented at the August meeting.

The meeting was adjourned. The next meeting of the Finance Subcommittee is a web conference scheduled for Thursday, August 8, 2024.