ESS

Electronic Services System – Coordinating Committee Meeting

Agenda

Web Conference
August 15, 2024
9:00 A.M. to 12:00 P.M.

- **Welcome and Introductions**
- **May 30, 2024 – ESS Coordinating Committee Meeting Summary – Approval**
  July 8, 2024 – ESS Coordinating Committee Meeting Summary – Approval
- **Financial Reports**
  - **2023 Audit Report – Approval**
  - **2024 YTD Reports – Approval**
  - **E-Submission Trends**
- **2024 Budget Amendment – Approval**
- **Temporary Alternative Redaction Process Update**
- **Contracts and Agreements**
  - **Rafferty Group – Engagement Amendment – Approval**
  - **CSI – Agreement Extension – Approval**
- **Project Updates**
  - **ILR Cloud Migration**
  - **Annual Report to Supervisors**
  - **CESAPI Implementation**
  - **Local Service Provider Update**
  - **County Upload API Development**
  - **Communications Update**
  - **Customer Service/Account Management Update**
  - **Modifications to Recorder Search Functions**
- **Adjourn - Next Special Meeting August 28, 2024**
  Next Regular Meeting November 14, 2024

ESS Coordinating Meeting

Hybrid Meeting and Web Conference

May 30, 2024

Attendance

Committee Members

Lisa Kent, Wapello County Recorder
Jolynn Goodchild, Plymouth County Recorder
Lindsay Laufersweiler, Webster County Recorder
Natalie Steffener, Des Moines County Recorder
Dillon Malone, Iowa Title Guaranty
David Erickson, Dentons Davis Brown
Julie Haggerty, Polk County Recorder
Denise Baker, Wright County Recorder
Melissa Bahnsen, Cedar County Recorder
Jamie Stargell, Adams County Recorder
Eric Sloan, IT Boone County

Other Participants

Stacie Herridge, Story County Recorder
Travis Case, Grundy County Recorder
Nancy Booten, Lee County Recorder
Jan Gemar, ILTA
Erin Canfield, Boone County Recorder
ReNae Arnold, Dallas County Recorder
Ann Ditsworth, Dickinson County Recorder

Lisa Long, Iowa Land Records
Census Lo-liyong, Iowa Land Records
Phil Dunshee, Iowa Land Records
Kristen Delaney-Cole, Iowa Land Records

Welcome

A meeting of the ESS Coordinating Committee was held via web conference and in-person.

May 16, 2024, Meeting Summary

The meeting summary of May 16, 2024, was reviewed. Jamie Stargell made a motion to approve the meeting summary with a minor correction. Dillon Malone seconded, and the motion was approved.

2024 Legislative Update

The Policy Coordinator provided a brief update on the 2024 Iowa legislative session. The primary objective of our advocacy efforts was to engage legislators and introduce future policy priorities. The legislative team communicated with numerous legislators across various committees, including Ways and Means and Local Government. Discussions were held with committee heads, who acknowledged the need for legislative review, noting that recording fees have not changed for nearly 40 years. Legislators showed interest and requested detailed plans on the proposed fee increase.

A highlight for the Recorders Association was County Day 2024, which received positive feedback from legislators. Several legislators expressed interest in the modernization initiatives.

The Policy Coordinator also closely monitored legislation that could impact ESS, electronic recording, and technology-related issues.

Stakeholder Survey
The preliminary report of the fee modernization survey was presented to the Committee. The recording modernization and fee increase policy survey targeted Iowa Land Records (ILR) users and stakeholders and received over 500 responses.

The survey consisted of 49 questions divided into three sections. Search users and E-Submission users were asked to rate the importance of various ideas and concepts. The last section consisted of open-ended questions. A key question on the reasonable increase of fees revealed that 79% of respondents agree that a reasonable increase is appropriate. Additionally, 83% of respondents supported a fee increase to fund potential system improvements. The survey also highlighted that the stakeholders highly value good communication with the recorder, consistent document processing practices across counties, and other improvements.

The final survey report will be shared in the Accountability In Reporting Section of the ILR website. 2024 Modernization Stakeholder Survey Report

ESS/ ILR Priority Modernization Projects

Fee Policy Working Group
A discussion was held on the needs for prioritizing maintenance and modernization of the recording system. As part of the modernization project, several key development concepts have been identified. The concepts are based on survey results and the work of the Standards Subcommittee and the Document Formatting Working Group, as well as a leadership group of surveyors. The proposed projects would either be completed internally or with the support of external technical support.

- Statewide recording “notification” system
- Update “Document Formatting” Requirements
- Accessing more property information in other online systems
- Filling gaps in property location information
- Reforming “Back the Blue”
- Digitize historic surveys and plats
- Complete initiatives to update ESS applications and API integrations
- Use SMS texting for two factor authentication

ESS/ ILR Future Structure and Funding
The Project Manager provided a report on the fee policy to the ESS Coordinating Committee. The plan is leaning towards a standard fee per page. The fee allocation proposal aims to establish a base recording fee, with the average recorded document being between 4-5 pages. A component of this proposal would be to allocate a portion of the funds for Iowa Land Records operations and special projects. Another component of this proposal would be to allocate a portion of the funds for county recording technology and training. Most of the funding would be directed to the County General Fund.

As designed at the time of the presentation, the proposed model would generate income for Iowa Land Records, which would be used to hire additional technical and customer support staff. These additional funds would also help cover licensing and operational costs, ensuring that the system remains up-to-date and functional. This additional revenue would significantly enhance the team's capacity to address the system's needs and improvements. No action was requested as a proposal had not yet been finalized.

Timeline for the fee policy. The timeline for the fee policy begins with the ICRA summer conference on June 11, 2024. Following this, the plan will be incorporated with the ISAC legislative program. The details of the plan will be refined from July to October 2024. Concurrently, communication and advocacy efforts will take place from July to December 2024. Draft legislation will be prepared for the 2025 legislative session.

Key plan elements. Key elements of the plan include the simplification of the recording fee structure by eliminating the additional transaction fee, non-standard fee, the current $1 records management fee, the $1 e-commerce (ILR fee). Some clarification regarding multi-transaction documents, particularly with respect to mortgage and release documents, will be needed with respect to changes in policy concerning the additional transaction fee.

Stakeholder Communications

Surveyors Stakeholders Update
A subcommittee of recorders and surveyors (Society of Land Surveyors of Iowa - SLSI) has conducted a series of productive meetings. During these discussions the subcommittee has worked to standardize formatting and indexing requirements for surveys. Surveyors have also expressed a strong interest in digitizing unrecorded surveys and making them available online through Iowa Land Records.

ILR is administering a questionnaire to explore the digitization of older, non-recorded surveys and corner certificates. The questionnaire seeks to determine surveyors' willingness to assist in gathering the necessary images and indexing information for a searchable database. The survey received 51 responses, indicating interest in digitizing the records.

County Auditor’s Stakeholder Update
It was reported that the fee policy working group had held several meetings with the county auditor’s affiliate. There is a pending discussion about whether adjustments should be made to the auditors' transfer fee, which currently involves the calculation of the number of parcels being transferred. There has been discussion about the possibility of restructuring the fee to be a flat fee per conveyance document. Conversations are ongoing to determine the best course of action.

ISBA Stakeholder Update
A discussion was held with the Bar Association regarding updates and legislative changes related to formatting requirements. The possibility of forming a subcommittee was suggested by David Erickson. The draft document formatting amendments were shared with the Iowa Docs team. Updated document templates were tested with the ILR E-Submission staging site, and the quality appeared to be satisfactory. Feedback from Bar representatives has been generally positive, but it is hoped that they will engage further in the coming weeks.

ILTA Stakeholder Update
A discussion was held with the Iowa Land Title Association (ILTA) regarding the modernization project and survey questions. ILTA provided constructive feedback on the modernization document, including questions about the meaning of 'associated documents', questions about indexing notary information, and queries about the property notification alert system. Further discussions are planned as more details are developed.

Other Stakeholders
The ESS Coordinating Committee was informed that communication is ongoing with other stakeholders including the realtors, bankers, and credit unions. The project team will continue to engage with the stakeholders and aim to hold additional meetings in the coming weeks. Further plans for advocacy with state legislators and stakeholders are being developed. A need for more grassroots advocacy was noted during the meeting and recorders were encouraged to have more conversations with their legislators and local communities.

ESS Statutory Policies - Document Formatting

A memo from the Project Manager was presented which outlined proposed changes to document formatting standards. This was based on the work of the ESS Standards Subcommittee and the document formatting working group. The memo was accompanied by the corresponding legislative language.

> **Formatting and Legibility.** Key changes include modifications to 331.606B, subsection 1, focusing on legibility, the size of the top margin of the first page and the minimum size of the stamp area. The changes also included a modification of the minimum font size requirement from 12 pt to 10 pt while maintaining the minimum font size of 8 pt for survey documents.

Parcel Identification Numbers. Proposed policy changes included a requirement to index parcel identification numbers. Preparers would be required to include the parcel identification numbers (PIN) in documents when applicable and recorders would be required to index the PIN information when present. Recorders would also be required to add any new PIN created for a parcel resulting from a change such as a subdivision.

Parsed Location Information. The draft amendment included a provision to require the indexing of section, township, range information for both platted and unplatted land. However, it was noted that this was an unsettled question which will be considered further as discussions with the stakeholder groups are undertaken.

First Page and Cover Sheet. Section 331.606B, subsections 2 and 3 would be amended to include more details in the first page or cover sheet of a document. It was noted that the requirement for preparer information is retained and that the reference to a telephone number OR an email address would be included. The draft amendment also clarifies requirements for the use of a cover sheet.

Surveyors Policies

As noted earlier in the meeting, a subcommittee of recorders and surveyors has worked to standardize formatting and indexing requirements for surveys. Proposed new legislation would create a new section of the Iowa Code specifically for that purpose. A draft of the legislation, presented as a new Section 331.612 - Recording of Surveys, was shared with the Committee.

PRIA Update

The Project Manager provided a report on the activities of a PRIA blockchain working group. The working group is preparing a paper on blockchain and the public land registry. The report is expected to be published in the coming months.

It was reported that there were some questions about the inclusion of blockchain in the modernization stakeholder survey. The purpose of this inclusion was to gauge stakeholder interest in the subject. It was noted that private sector organizations had been actively discussing the use of blockchain to replace the public land registry. The suggestion of an ILR blockchain would be to preserve the public interest in the land registry system. The concept did not score well in the survey results and therefore it was not included in the list of priorities for the modernization initiative.

Next meeting

The meeting was adjourned. The next regular meeting will be on August 15, 2024.

ESS Coordinating Meeting

Web Conference

July 8, 2024

Attendance

Committee Members

Lisa Kent, Wapello County Recorder
Lindsay Laufersweiler, Webster County Recorder
Jolynn Goodchild, Plymouth County Recorder
David Erickson, Dentons Davis Brown
Melissa Bahnsen, Cedar County Recorder
Dillon Malone, Iowa Title Guaranty
Eric Sloan, IT Boone County

Other Participants

Stacie Herridge, Story County Recorder
ReNae Arnold, Dallas County Recorder
Ann Ditsworth, Dickinson County Recorder
Sheri Jones, Jones County Recorder
Jayne Shultz, Winneshiek County Recorder
Lori Kadner, Hardin County Recorder
Nancy Booten, Lee County Recorder
Jordyn Hill, Warren County Recorder
Ashten Wittrock, Carroll County Recorder
Jan Gemar, ILTA

Lisa Long, Iowa Land Records
Census Lo-liyong, Iowa Land Records
Samantha McMahon, Iowa Land Records
Phil Dunshee, Iowa Land Records
Kristen Delaney-Cole, Iowa Land Records

Welcome

A meeting of the ESS Coordinating Committee was held via web conference.

Request for authorization to implement an alternative redaction plan

A brief report was provided on the events surrounding the suspension of redaction services by CSI/Tyler. As communicated via email and memo, CSI, which provides redaction services, was acquired by Tyler Technologies. During the transition, Tyler Technologies noticed suspicious activities and halted the redaction process to investigate.

CSI/Tyler Technologies has suspended redaction services to Iowa Land Records (ILR). The suspension is not specific to ILR but is due to unusual activity on their servers. The ILR development team has confirmed no unusual or suspicious activity on ILR systems.

Iowa law mandates that personally identifiable information (PII) be redacted before documents can be posted online. Since 2010, this process has been successfully managed. However, due to the suspension, ILR cannot make records available to citizens or the real estate industry online unless they are processed to remove any PII.

Proposed Temporary Process

ILR has developed a temporary process to handle document redaction in-house that includes a step-by-step method to receive documents from the counties and redact PII when identified. The ILR administrative team will restrict access to an image, download the PDF, and then manually redact the document using Adobe Acrobat. This is an appropriate and permanent redaction. Upon completion, the redacted image will be made accessible on the website.

Communication has been sent to all recorders, ILR users, and stakeholders. The state executive office, key legislators, and relevant committees have been informed about the issue and the proposed internal redaction process.

Recorders have been advised not to attempt redaction at the county level to ensure consistency with ESS policies and procedures. The ILR system also includes a reporting mechanism that allows users to notify ILR of any document containing PII.

Concerns were raised about the delay in communication from CSI/Tyler Technologies. The Project Manager also noted the delay in communication but noted that the primary focus for now needed to be placed on the alternative process so that records would continue to be accessible to the Iowa real estate industry.

Request to Implement Alternative Redaction Plan

A request for authorization to implement the proposed alternative redaction plan was presented. Dillon Malone made a motion to approve the temporary redaction process, which was seconded by Lindsay Laufersweiler. The motion was approved.

Next Steps

Communication will be sent to recorders with instructions on the steps to be taken if they find documents with PII. Recorders will be required to inform ILR immediately if they encounter any such documents.

Next meeting

The meeting was adjourned. The next regular meeting will be August 15, 2024.

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Electronic Services System Coordinating Committee
Electronic Services System
Johnston, Iowa

We have audited the financial statements of Electronic Services System (the Organization) for the year ended December 31, 2023, and have issued our report thereon dated May 17, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 4, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Electronic Services System are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of depreciation expense which is based on the estimated useful lives of assets using the straight-line method and

- Estimates pertaining to capitalized costs of the System's internally developed software.

We evaluated the accounting estimates used and found them reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We evaluated the disclosures and found them reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 17, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Electronic Services System Coordinating Committee and management of Electronic Services System, and is not intended to be and should not be used by anyone other than these specified parties.

Denman CPA LLP

Denman CPA LLP

West Des Moines, Iowa
May 17, 2024

Electronic Services System
Johnston, Iowa

FINANCIAL REPORT

December 31, 2023 and 2022

TABLE OF CONTENTS

DENMAN

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INDEPENDENT AUDITOR'S REPORT

Electronic Services System Coordinating Committee
Electronic Services System
Johnston, Iowa

Opinion

We have audited the accompanying financial statements of Electronic Services System, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Electronic Services System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Electronic Services System as of December 31, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with the financial reporting requirements of the County Electronic Services System 28E Agreement.

Basis for Opinion

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. 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 Electronic Services System 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.

Basis of Accounting

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared to present the operations of the Electronic Services System pursuant to the 28E agreement described in Note 1, which is not intended to be a complete presentation of the financial statements of Electronic Services System. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting requirements of the County Electronic Services System 28E Agreement, 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 Electronic Services System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Electronic Services System'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 Electronic Services System'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 States of America require that the management's discussion and analysis on pages 6 through 8 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 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 auditing standards generally accepted in the United States of America, 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 the 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.

Restriction on Use

This report, a public record by law, is intended solely for the information and use of the Electronic Services System Coordinating Committee and management of Electronic Services System. The report is not intended to be and should not be used by anyone other than those specified parties.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2024, on our consideration of Electronic Services System'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 solely 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 Electronic Services System'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 Electronic Services System's internal control over financial reporting and compliance.

Denman CPA LLP

Denman CPA LLP

West Des Moines, Iowa
May 17, 2024

Electronic Services System
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Management of Electronic Services System (ESS) provides this Management's Discussion and Analysis of the ESS's annual financial statements. This narrative overview and analysis of the financial activities is for the years ended December 31, 2023 and 2022. We encourage readers to consider this information in conjunction with the ESS's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

Electronic Services System's cash balance at December 31, 2023 was $1,619,142, representing a decrease of $419,999 from December 31, 2022. Recording fee income decreased 18.1% or approximately $6,266,000 to $28,446,716 for the year ended December 31, 2023. Recording distributions decreased 18.1% or approximately $6,265,000 to $28,447,549 for the year ended December 31, 2023.

The decreases in cash balances and recording fees and distributions are due primarily to operating losses in the current year resulting from high inflation, increasing interest rates, higher housing costs and a general slowdown in the real estate market. Cash balances were also affected by the planned expenditure of resources from a Software Development and Equipment Maintenance Reserve fund updates and enhancements to services provided through ESS software. More than $270,000 in reserve funds were invested in software development in 2023.

2022 FINANCIAL HIGHLIGHTS

The cash balance at December 31, 2022 was $2,039,141, representing an increase of $475,740 from December 31, 2021. The increases in cash balance are due primarily to continued growth in income from submittal fees during the first three quarters of 2022 notwithstanding the planned utilization of Electronic Transaction Fund assets for investments in new software development. More than $263,000 in reserve funds were invested in software development in 2022.

Recording fee income increased 1.4% or approximately $460,000 to $34,712,696 for the year ended December 31, 2022. Recording distributions increased 1.4% or approximately $460,000 to $34,712,204 for the year ended December 31, 2022.

Variance in the amounts for recording fees and distributions are related to timing of cash flow.

USING THIS REPORT

The report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of ESS's financial activities.

The Special-Purpose Statements of Net Position present information on the ESS's assets and liabilities, along with the composition of its net position.

The Special-Purpose Statements of Revenues, Expenses, and Changes in Net Position present information on ESS's operating revenues and expenses.

The Special-Purpose Statements of Cash Flows present the change in ESS's cash during the years. This information can help describe how ESS generated and used cash through its operating and capital and related financing activities.

The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL ANALYSIS

Special-Purpose Statements of Net Position

Net position serves as an indicator of ESS's overall financial position. ESS's net position decreased $91,594 or 3.3% during the year ended December 31, 2023. The decrease is due predominately to a downturn in the real estate market, which has resulted in a reduction in submittal fees. The change in net position in 2022 was somewhat greater due to a stronger economy and increased use of electronic services. A summary of the statements of net position is presented below.

	December 31		
	2023	2022	2021
ASSETS			
Cash	$1,619,142	$2,039,141	$1,563,401
Other current assets	282,411	264,304	600,517
Capital assets, less accumulated depreciation	1,016,371	754,353	665,191
Total assets	2,917,924	3,057,798	2,829,109
LIABILITIES			
Current liabilities	260,155	308,435	291,877
NET POSITION			
Net investment in capital assets	1,016,371	754,353	665,191
Unrestricted	1,641,398	1,995,010	1,872,041
Total net position	$2,657,769	$2,749,363	$2,537,232

Special-Purpose Statements of Revenues, Expenses, and Changes in Net Position

Operating revenues are received from the electronic submission of real estate documents for official recording and processing fees from credit card transactions performed at local county recorders' offices.

Electronic Services System is reimbursed by the local counties for service maintenance associated with the integration of county land records management system with the Electronic Services System. ESS's operational costs are in part reimbursed by the State of Iowa through the Electronic Transaction Fund administered by the Office of the Treasurer of State in addition to the operating revenues received through the treasury management account.

Electronic Services System distributes electronic recording fees and taxes to the local counties on a daily basis.

A summary of the statements of revenues, expenses, and changes in net position is presented below:

	Year ended December 31		
	2023	2022	2021
REVENUES			
Recording fees	$28,446,716	$34,712,696	$34,249,445
Point-of-Sale (POS) payment system	3,927,256	4,763,159	3,276,022
Other fees and income	1,081,903	1,235,532	1,424,611
Draws from Electronic Transaction Fund	519,490	807,685	810,666
Total revenues	33,975,365	41,519,072	39,760,744
EXPENSES			
Recording distributions	28,447,549	34,712,204	34,248,021
POS payment system distributions	3,791,118	4,627,513	3,195,308
Depreciation	165,758	244,544	214,834
Salaries and payroll	540,256	441,070	314,637
Transaction fees and bank charges	161,222	230,636	173,529
Other operating expenses	961,056	1,050,974	1,011,715
Total expenses	34,066,959	41,306,941	39,158,044
CHANGE IN NET POSITION	(91,594)	212,131	602,700
NET POSITION, beginning	2,749,363	2,537,232	1,934,532
NET POSITION, ending	$ 2,657,769	$ 2,749,363	$ 2,537,232

Total revenues decreased by 18.2% or $7,543,707 in 2023, primarily due to decreases in overall recording activity and any associated recording service fees. Expenses decreased by 17.5% or $7,239,982 in 2023, primarily due to decreases in recording distributions. Total documents processed decreased by 16.09% or 55,991 documents to 291,909 in 2023. The percent of documents filed electronically statewide increased from approximately 60% in 2022 to 62% in 2023. Despite the proportional increase in the use of Electronic Services, the decline in revenue and cash position is attributed to inflationary pressures which have weakened the economy and higher mortgage interest rates which have affected the real estate market.

ECONOMIC FACTORS

Changes in the real estate market and the State economy as a whole may result in changes in recording activity and revenue. The COVID-19 pandemic clearly influenced business practices and subsequent changes in federal fiscal policy to control inflation have also had substantial effects, particularly with real estate. The adoption of remote work and “contact-free” transactions, coupled with ESS efforts to promote electronic submissions resulted in revenue growth, during the second half of calendar year 2022 and through the first three quarters of 2022. Those gains have been lost and the economic headwinds have been sustained and potentially appear to represent a new normal. For the immediate future, income will be primarily affected by changes in market conditions which may both positively and negatively affect future revenue. ESS anticipates a leveling of submittal fee income during the first half of 2024, with no immediate signs of rebound. Increases in fees may be explored in 2025 in order to provide long-term stability to the financial condition of Electronic Services System.

CONTACTING ELECTRONIC SERVICES SYSTEM FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the ESS’s financial and operating activities to all those with an interest in its finances. If you have any questions or require additional information, please contact the Project Manager at Electronic Services System, 8711 Windsor Parkway, Suite 2, Johnston, IA 50131.

Electronic Services System
SPECIAL-PURPOSE STATEMENTS OF NET POSITION

	December 31	
ASSETS	**2023**	**2022**
CURRENT ASSETS		
Cash	$1,619,142	$2,039,141
Accounts receivable	1,978	4,469
Due from Electronic Transaction Fund	103,483	73,299
Prepaid expenses	176,950	186,536
Total current assets	1,901,553	2,303,445
CAPITAL ASSETS		
Computer equipment	151,854	151,854
Internally developed software	1,447,072	786,940
Software development in progress	148,622	380,978
	1,747,548	1,319,772
Accumulated depreciation	(731,177)	(565,419)
Total capital assets	1,016,371	754,353
Total assets	2,917,924	3,057,798
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	15,172	61,717
Accrued compensation	23,676	25,977
Customer deposits	72,508	75,561
Unearned revenues	148,799	145,180
Total current liabilities	260,155	308,435
NET POSITION		
Net investment in capital assets	1,016,371	754,353
Unrestricted	1,641,398	1,995,010
Net position	$2,657,769	$2,749,363

Electronic Services System
SPECIAL-PURPOSE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Year ended December 31	
	2023	2022
REVENUES		
Recording fees	$28,446,716	$34,712,696
Point-of-Sale (POS) payment system	3,927,256	4,763,159
Submitting fees	915,382	1,098,063
Draws from Electronic Transaction Fund	519,490	807,685
Local service maintenance fees, (net of discounts $168,941, 2023; $160,453, 2022)	129,760	126,353
Miscellaneous income	36,761	11,116
Total revenues	33,975,365	41,519,072
EXPENSES		
Recording distributions	28,447,549	34,712,204
POS payment system distributions	3,791,118	4,627,513
Local service maintenance	293,978	283,882
Transaction fees and bank charges	161,222	230,636
Project management	162,575	142,800
Salaries and payroll	540,256	441,070
Education and outreach	98,474	160,535
Depreciation	165,758	244,544
Office	126,071	116,912
Technology	191,419	233,535
Professional fees	88,539	113,310
Total expenses	34,066,959	41,306,941
CHANGE IN NET POSITION	(91,594)	212,131
NET POSITION, beginning	2,749,363	2,537,232
NET POSITION, ending	$ 2,657,769	$ 2,749,363

Electronic Services System
SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

	Year ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from recording fees, submitting fees and POS payment services	$33,286,301	$40,572,735
Cash received from counties for maintenance fees	135,870	132,522
Reimbursements received from Electronic Transaction Fund	489,306	1,174,925
Cash received from other revenue	36,761	11,116
Cash paid to employees for services	(542,557)	(450,350)
Cash paid to suppliers for goods and services	(1,159,237)	(1,291,785)
Recording and POS distributions to counties	(32,238,667)	(39,339,717)
Net cash provided by operating activities	7,777	809,446
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES		
Purchase of capital assets	(427,776)	(333,706)
NET INCREASE (DECREASE) IN CASH	(419,999)	475,740
CASH		
Beginning	2,039,141	1,563,401
Ending	$ 1,619,142	$ 2,039,141
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net position	$ (91,594)	$ 212,131
Adjustments to reconcile change in net position to net cash provided by operating activities		
Depreciation	165,758	244,544
Change in assets and liabilities		
Accounts receivable	2,491	(309)
Due from Electronic Transaction Fund	(30,184)	367,240
Prepaid expenses	9,586	(30,718)
Accounts payable	(46,545)	20,543
Accrued compensation	(2,301)	(9,280)
Customer deposits	(3,053)	(1,183)
Unearned revenues	3,619	6,478
Net cash provided by operating activities	$ 7,777	$ 809,446

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Electronic Services System (ESS) was formed as a result of legislation adopted by the Iowa General Assembly. ESS is managed under an agreement (County Electronic Services System 28E Agreement), as executed within the meaning of Iowa Code Chapter 28E, between Iowa's ninety-nine counties and Iowa County Recorders Association (ICRA). ESS was formed to facilitate the submitting of real estate and other legal documents electronically to Iowa County Recorders for official recording, to provide public access to records through the Internet, and to provide other electronic services. In 2021, the Iowa legislature authorized the Electronic Services System to simplify its governance structure and contracting authority (House File 527). Iowa counties unanimously approved an amendment to the 28E agreement in December 2021. The governing board of the Electronic Services System is appointed by the Executive Board of the Iowa County Recorders Association (ICRA).

Measurement Focus and Basis of Accounting

The financial statements include the financial activities of the Electronic Services System Coordinating Committee. They include all transactions of the Electronic Services System treasury management account and capital asset account. The treasury management account is used primarily as the central clearinghouse for receipt of payments to the ESS system and the distribution of funds to Iowa counties for recording and other services. The treasury management account is also used for certain operating expenses. The capital asset account includes the equipment and software used to host the Electronic Services System web site.

In accordance with State statute, a portion of all transaction fees recorded by Iowa county recorders is to be deposited to the State of Iowa’s Electronic Transaction Fund, also known as Fund 255, administered by the Office of the Treasurer of State to be used for the payment of claims approved by the Electronic Services System Coordinating Committee. The receipts and disbursements of this fund are not included in the financial statements of Electronic Services System, in accordance with the reporting requirements of the County Electronic Services System 28E Agreement. Receipts from the Electronic Transaction Fund to Electronic Services System’s treasury management account are recorded as draws from Electronic Transaction Fund and are included in revenue.

ESS has elected to apply all applicable Governmental Accounting Standards Board (GASB) pronouncements. The 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.

Use of Estimates

The preparation of special-purpose financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

ESS is a governmental subdivision of the State of Iowa and is exempt from federal and state income taxes.

Capital Assets

Computer equipment is stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets which are three to five years. Software reported on the special-purpose statements of net position has been internally developed by ESS and recorded at cost. Software is amortized over a three year useful life.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

The Special-Purpose Statements of Net Position present ESS's assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Electronic Services System had no restricted net position at December 31, 2023 and 2022.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

Customer Deposits

Electronic Services System allows customers to hold funds on account with ESS for future electronic submittals. These funds are recorded as a liability on the Special-Purpose Statements of Net Position until an electronic submission is initiated by the customer, at which time it is recorded to revenue.

Unearned Revenues

Electronic Services System is reimbursed for costs associated with local service maintenance contracts by local county recorders offices. These local service maintenance contracts are paid for in advance by ESS, resulting in prepaid expenditures for services not yet performed at the end of the reporting period. In order to match the period of recognition for both revenues and expenses associated with these service contracts, ESS has recorded as a liability the payments made by county recorders associated with services which have not yet been performed as of the end of the reporting period.

NOTE 2 CONCENTRATIONS OF CREDIT RISK

Electronic Services System maintains a checking account at a commercial bank. Cash in this account at times exceeded the FDIC insurance limit of $250,000.

NOTE 3 RETIREMENT PLAN

ESS has a retirement plan covering employees who have met certain eligibility requirements. Contributions to the plan for the years ended December 31, 2023 and 2022 were $13,309 and $6,506, respectively.

DENMAN

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West Des Moines, Iowa 50266-1453
www.denman.cpa 515-225-8400

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*

Electronic Services System Coordinating Committee
Electronic Services System
Johnston, Iowa

We have audited, in accordance with the 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, the financial statements of Electronic Services System, which comprise the special-purpose statement of net position as of December 31, 2023, and the related special-purpose statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise Electronic Services System's basic financial statements, and have issued our report thereon dated May 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Electronic Services System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Electronic Services System's internal control. Accordingly, we do not express an opinion on the effectiveness of Electronic Services System'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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Electronic Services System's financial statements are free from 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 financial statements. 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 Electronic Services System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Electronic Services System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Denman CPA LLP

Denman CPA LLP

West Des Moines, Iowa
May 17, 2024

Electronic Services System
Profit & Loss
April through June 2024

	Apr - Jun 24			
Ordinary Income/Expense				
Income				
BudgetedIncome				
41000 · Event Income				
41100 · ILR Conference Registration		1,700.00		
Total 41000 · Event Income			1,700.00	
42000 · POSSERVICEFEE			30,629.16	
42500 · ODSERVICEFEE			4.61	
43000 · SERVICEFEE				
43100 · ACH		196,884.00		
43200 · CC		24,755.63		
43300 · DRAWDOWN		33,342.00		
43000 · SERVICEFEE - Other		-3.00		
Total 43000 · SERVICEFEE			254,978.63	
44000 · MOU Services				
44100 · Policy		11,393.70		
44200 · Communications		106.30		
Total 44000 · MOU Services			11,500.00	
47000 · Fund 255 Reimbursement			102,766.22	
48200 · Local Serv. Prov. Maint. Acct.				
48100 · Cost Sharing Credit		-129,886.73		
48200 · Local Serv. Prov. Maint. Acct. - Other		314,128.55		
Total 48200 · Local Serv. Prov. Maint. Acct.			184,241.82	
48900 · Misc. Income			1.00	
Total BudgetedIncome				585,821.44
49000 · RevolvingIncome				
49300 · ERECORDING				
49100 · AUDITORFEE		116,500.00		
49200 · TRANSFERTAX		5,780,619.20		
49300 · ERECORDING - Other		2,034,920.00		
Total 49300 · ERECORDING			7,932,039.20	
49600 · POSPAYMENT			1,020,628.81	
49700 · ODPAYMENT			153.00	
Total 49000 · RevolvingIncome				8,952,821.01
Total Income				9,538,642.45
Gross Profit				9,538,642.45
Expense				
Budgeted Expenses				
Administration				
Accounting Software-Services		516.00		
60100 · Annual Audit		4,600.00		
60300 · Bookkeeping-CPA-990		18,421.34		
60500 · Professional Fees				
Project Manager	48,100.00			
60510 · Legal	6,750.00			
60520 · Government Relations	6,000.00			
60530 · Human Resources-Oasis	3,752.88			
Total 60500 · Professional Fees		64,602.88		
60600 · Insurance Expense		3,249.00		
60700 · Ess Meetings		755.48		
60800 · Office Operations				
60810 · Office Space Lease	12,200.00			

Electronic Services System
Profit & Loss
April through June 2024

	Apr - Jun 24			
60830 · Offical Publication Expense	99.90			
60860 · Telephone	622.39			
60865 · Internet	1,000.00			
60870 · Office Tech Support	1,147.50			
60880 · Printing and Copying (Color-BW)	1,005.06			
60890 · Miscellaneous	47.45			
Total 60800 · Office Operations		16,122.30		
Total Administration			108,267.00	
Payment Expenses				
66100 · Bank Account Analysis Fee		992.65		
66300 · Gateway Transaction Fees				
66315 - ProfSolOnlineTransFees	13,108.00			
66310 · Vericheck OnlineTransactionFees	8,106.40			
66320 · POSTransactionsFees	23,026.68			
Total 66300 · Gateway Transaction Fees		44,241.08		
Total Payment Expenses			45,233.73	
61000 · Marketing-Communications				
61200 · Administrative/Marketing Coord		12,687.33		
61300 · Education and Outreach				
61350 · Conferences & Meetings	284.79			
61370 · Software & Hosted Services	1,761.70			
Total 61300 · Education and Outreach		2,046.49		
Total 61000 · Marketing-Communications			14,733.82	
61600 · Bad Debt Expense			-106.32	
62000 · Customer Support				
62100 · Account Manager		28,102.42		
62130 · Customer Support Coordinator		10,366.76		
Total 62000 · Customer Support			38,469.18	
63000 · Policy Coordination				
63100 · Policy Coordinator		23,344.55		
Total 63000 · Policy Coordination			23,344.55	
64000 · ILR System Operations				
Software License-Maintenance				
64307 · DB2	0.00			
64310 · Certificates- Digicert	99.00			
64319 · AWS	1,979.77			
64326 · Atlassian	118.77			
64327 · ZOOM	30.00			
64328 · Microsoft	337.50			
Total Software License-Maintenance		2,565.04		
64100 · Development Team				
64110 · Technical Lead	40,013.54			
64120 · Senior Developer	14,508.28			
64130 · Technical Support & Development	36,131.09			
Total 64100 · Development Team		90,652.91		
64200 · External Development & Services				
64210 · FF Redaction Services	13,660.19			
64240 · Data Center & Hosting Services	40,151.67			
Total 64200 · External Development & Servi...		53,811.86		
Total 64000 · ILR System Operations			147,029.81	
Total Budgeted Expenses				376,971.77

Electronic Services System
Profit & Loss
April through June 2024

		Apr - Jun 24
Planned Reserve Expenses		
BF Redaction	991.23	
Software Development-Consulting	95.00	
System Equipment & Maintenance	10,432.84	
Total Planned Reserve Expenses		11,519.07
61500 · Depreciation Expense		169,539.67
70000 · RevolvingExpenses		
ESSPayments		
70100 · COUNTYDISTRIBUTION	7,932,229.20	
70200 · POSDISTRIBUTION	1,001,577.27	
70300 · ODDISTRIBUTION	153.00	
Total ESSPayments	8,933,959.47	
Total 70000 · RevolvingExpenses		8,933,959.47
Total Expense		9,491,989.98
Net Ordinary Income		46,652.47
Other Income/Expense		
Other Income		
79000 · Equipment Retirement		-45,921.96
Total Other Income		-45,921.96
Net Other Income		-45,921.96
Net Income		**730.51**

Electronic Services System
Profit & Loss
April through June 2024

			Apr - Jun 24
Ordinary Income/Expense			
Income			
BudgetedIncome			
41000 · Event Income			
41100 · ILR Conference Registration		1,700.00	
Total 41000 · Event Income			1,700.00
42000 · POSSERVICEFEE			30,629.16
42500 · ODSERVICEFEE			4.61
43000 · SERVICEFEE			
43100 · ACH		196,884.00	
43200 · CC		24,755.63	
43300 · DRAWDOWN		33,342.00	
43000 · SERVICEFEE - Other		-3.00	
Total 43000 · SERVICEFEE			254,978.63
44000 · MOU Services			
44100 · Policy		11,393.70	
44200 · Communications		106.30	
Total 44000 · MOU Services			11,500.00
47000 · Fund 255 Reimbursement			102,766.22
48200 · Local Serv. Prov. Maint. Acct.			
48100 · Cost Sharing Credit		-129,886.73	
48200 · Local Serv. Prov. Maint. Acct. - Other		314,128.55	
Total 48200 · Local Serv. Prov. Maint. Acct.			184,241.82
48900 · Misc. Income			1.00
Total BudgetedIncome			585,821.44
Total Income			585,821.44
Gross Profit			585,821.44
Expense			
Budgeted Expenses			
Administration			
Accounting Software-Services		516.00	
60100 · Annual Audit		4,600.00	
60300 · Bookkeeping-CPA-990		18,421.34	
60500 · Professional Fees			
Project Manager	48,100.00		
60510 · Legal	6,750.00		
60520 · Government Relations	6,000.00		
60530 · Human Resources-Oasis	3,752.88		
Total 60500 · Professional Fees		64,602.88	
60600 · Insurance Expense		3,249.00	
60700 · Ess Meetings		755.48	
60800 · Office Operations			
60810 · Office Space Lease	12,200.00		
60830 · Offical Publication Expense	99.90		
60860 · Telephone	622.39		
60865 · Internet	1,000.00		
60870 · Office Tech Support	1,147.50		
60880 · Printing and Copying (Color-BW)	1,005.06		
60890 · Miscellaneous	47.45		
Total 60800 · Office Operations		16,122.30	
Total Administration			108,267.00
Payment Expenses			
66100 · Bank Account Analysis Fee		992.65	

Electronic Services System
Profit & Loss
April through June 2024

	Apr - Jun 24			
66300 · Gateway Transaction Fees				
66315 - ProfSolOnlineTransFees	13,108.00			
66310 · Vericheck OnlineTransactionFees	8,106.40			
66320 · POSTransactionsFees	23,026.68			
Total 66300 · Gateway Transaction Fees		44,241.08		
Total Payment Expenses			45,233.73	
61000 · Marketing-Communications				
61200 · Administrative/Marketing Coord		12,687.33		
61300 · Education and Outreach				
61350 · Conferences & Meetings	284.79			
61370 · Software & Hosted Services	1,761.70			
Total 61300 · Education and Outreach		2,046.49		
Total 61000 · Marketing-Communications			14,733.82	
61600 · Bad Debt Expense			-106.32	
62000 · Customer Support				
62100 · Account Manager		28,102.42		
62130 · Customer Support Coordinator		10,366.76		
Total 62000 · Customer Support			38,469.18	
63000 · Policy Coordination				
63100 · Policy Coordinator		23,344.55		
Total 63000 · Policy Coordination			23,344.55	
64000 · ILR System Operations				
Software License-Maintenance				
64307 · DB2	0.00			
64310 · Certificates- Digicert	99.00			
64319 · AWS	1,979.77			
64326 · Atlassian	118.77			
64327 · ZOOM	30.00			
64328 · Microsoft	337.50			
Total Software License-Maintenance		2,565.04		
64100 · Development Team				
64110 · Technical Lead	40,013.54			
64120 · Senior Developer	14,508.28			
64130 · Technical Support & Development	36,131.09			
Total 64100 · Development Team		90,652.91		
64200 · External Development & Services				
64210 · FF Redaction Services	13,660.19			
64240 · Data Center & Hosting Services	40,151.67			
Total 64200 · External Development & Servi...		53,811.86		
Total 64000 · ILR System Operations			147,029.81	
Total Budgeted Expenses				376,971.77
Total Expense				376,971.77
Net Ordinary Income				208,849.67
Net Income				**208,849.67**

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Accrual Basis

Electronic Services System
Profit & Loss
January through June 2024

	Jan - Jun 24			
Ordinary Income/Expense				
Income				
BudgetedIncome				
41000 · Event Income				
41100 · ILR Conference Registration		1,700.00		
Total 41000 · Event Income			1,700.00	
42000 · POSSERVICEFEE			54,894.24	
42500 · ODSERVICEFEE			76.68	
43000 · SERVICEFEE				
43100 · ACH		353,559.00		
43200 · CC		49,266.58		
43300 · DRAWDOWN		59,826.00		
43000 · SERVICEFEE - Other		-3.00		
Total 43000 · SERVICEFEE			462,648.58	
44000 · MOU Services				
44100 · Policy		22,805.12		
44200 · Communications		194.88		
Total 44000 · MOU Services			23,000.00	
47000 · Fund 255 Reimbursement			225,953.63	
48200 · Local Serv. Prov. Maint. Acct.				
48100 · Cost Sharing Credit		-129,886.73		
48200 · Local Serv. Prov. Maint. Acct. - Other		314,128.55		
Total 48200 · Local Serv. Prov. Maint. Acct.			184,241.82	
48900 · Misc. Income			1.00	
Total BudgetedIncome				952,515.95
49000 · RevolvingIncome				
49300 · ERECORDING				
49100 · AUDITORFEE		213,780.00		
49200 · TRANSFERTAX		10,367,382.40		
49300 · ERECORDING - Other		3,581,383.00		
Total 49300 · ERECORDING			14,162,545.40	
49600 · POSPAYMENT			1,830,040.72	
49700 · ODPAYMENT			2,712.00	
49000 · RevolvingIncome - Other			708.50	
Total 49000 · RevolvingIncome				15,996,006.62
Total Income				16,948,522.57
Gross Profit				16,948,522.57
Expense				
Budgeted Expenses				
Administration				
Accounting Software-Services		5,656.92		
60100 · Annual Audit		4,600.00		
60300 · Bookkeeping-CPA-990		40,213.54		
60500 · Professional Fees				
Project Manager	72,900.00			
60510 · Legal	13,500.00			
60520 · Government Relations	10,000.00			
60530 · Human Resources-Oasis	6,899.30			
Total 60500 · Professional Fees		103,299.30		
60600 · Insurance Expense		3,249.00		
60700 · Ess Meetings		2,087.76		
60800 · Office Operations				

Electronic Services System
Profit & Loss
January through June 2024

	Jan - Jun 24		
60810 · Office Space Lease	18,300.00		
60830 · Offical Publication Expense	228.89		
60860 · Telephone	1,257.40		
60865 · Internet	1,500.00		
60870 · Office Tech Support	4,564.09		
60880 · Printing and Copying (Color-BW)	2,010.12		
60890 · Miscellaneous	47.45		
Total 60800 · Office Operations		27,907.95	
Total Administration			187,014.47
Payment Expenses			
66100 · Bank Account Analysis Fee		2,270.08	
66300 · Gateway Transaction Fees			
66315 - ProfSolOnlineTransFees	27,359.37		
66310 · Vericheck OnlineTransactionFees	15,354.70		
66320 · POSTransactionsFees	44,404.50		
Total 66300 · Gateway Transaction Fees		87,118.57	
Total Payment Expenses			89,388.65
61000 · Marketing-Communications			
61200 · Administrative/Marketing Coord		22,043.61	
61300 · Education and Outreach			
61310 · ILR Annual Conference	360.00		
61340 · Memberships	200.00		
61350 · Conferences & Meetings	2,112.30		
61370 · Software & Hosted Services	3,739.88		
Total 61300 · Education and Outreach		6,412.18	
Total 61000 · Marketing-Communications			28,455.79
61600 · Bad Debt Expense			-106.32
62000 · Customer Support			
62100 · Account Manager		52,932.39	
62130 · Customer Support Coordinator		18,934.33	
Total 62000 · Customer Support			71,866.72
63000 · Policy Coordination			
63100 · Policy Coordinator		42,993.19	
Total 63000 · Policy Coordination			42,993.19
64000 · ILR System Operations			
Software License-Maintenance			
64305 · Jetbrains	2,009.22		
64307 · DB2	0.00		
64310 · Certificates- Digicert	645.00		
64312 · Duo- Security	90.00		
64319 · AWS	4,013.79		
64326 · Atlassian	240.75		
64327 · ZOOM	60.00		
64328 · Microsoft	675.00		
Total Software License-Maintenance		7,733.76	
64100 · Development Team			
64110 · Technical Lead	74,551.13		
64120 · Senior Developer	31,142.29		
64130 · Technical Support & Development	67,145.17		
Total 64100 · Development Team		172,838.59	
64200 · External Development & Services			
64210 · FF Redaction Services	17,395.77		
64240 · Data Center & Hosting Services	49,310.37		

Electronic Services System
Profit & Loss
January through June 2024

	Jan - Jun 24
64250 · Domain Registration	47.64
Total 64200 · External Development & Servi...	66,753.78
Total 64000 · ILR System Operations	247,326.13
65000 · Local Maint. Expense	4,082.12
Total Budgeted Expenses	671,020.75
Planned Reserve Expenses	
BF Redaction	6,706.13
Software Development-Consulting	190.00
Software License Expense	22,050.00
System Equipment & Maintenance	10,432.84
Total Planned Reserve Expenses	39,378.97
61500 · Depreciation Expense	169,539.67
70000 · RevolvingExpenses	
ESSPayments	
70100 · COUNTYDISTRIBUTION	14,152,392.82
70200 · POSDISTRIBUTION	1,831,483.09
70300 · ODDISTRIBUTION	2,545.50
Total ESSPayments	15,986,421.41
Total 70000 · RevolvingExpenses	15,986,421.41
Total Expense	16,866,360.80
Net Ordinary Income	82,161.77
Other Income/Expense	
Other Income	
79000 · Equipment Retirement	-45,921.96
Total Other Income	-45,921.96
Net Other Income	-45,921.96
Net Income	**36,239.81**

Electronic Services System
Profit & Loss
January through June 2024

				Jan - Jun 24
Ordinary Income/Expense				
Income				
BudgetedIncome				
41000 · Event Income				
41100 · ILR Conference Registration		1,700.00		
Total 41000 · Event Income			1,700.00	
42000 · POSSERVICEFEE			54,894.24	
42500 · ODSERVICEFEE			76.68	
43000 · SERVICEFEE				
43100 · ACH		353,559.00		
43200 · CC		49,266.58		
43300 · DRAWDOWN		59,826.00		
43000 · SERVICEFEE - Other		-3.00		
Total 43000 · SERVICEFEE			462,648.58	
44000 · MOU Services				
44100 · Policy		22,805.12		
44200 · Communications		194.88		
Total 44000 · MOU Services			23,000.00	
47000 · Fund 255 Reimbursement			225,953.63	
48200 · Local Serv. Prov. Maint. Acct.				
48100 · Cost Sharing Credit		-129,886.73		
48200 · Local Serv. Prov. Maint. Acct. - Other		314,128.55		
Total 48200 · Local Serv. Prov. Maint. Acct.			184,241.82	
48900 · Misc. Income			1.00	
Total BudgetedIncome				952,515.95
Total Income				952,515.95
Gross Profit				952,515.95
Expense				
Budgeted Expenses				
Administration				
Accounting Software-Services		5,656.92		
60100 · Annual Audit		4,600.00		
60300 · Bookkeeping-CPA-990		40,213.54		
60500 · Professional Fees				
Project Manager	72,900.00			
60510 · Legal	13,500.00			
60520 · Government Relations	10,000.00			
60530 · Human Resources-Oasis	6,899.30			
Total 60500 · Professional Fees		103,299.30		
60600 · Insurance Expense		3,249.00		
60700 · Ess Meetings		2,087.76		
60800 · Office Operations				
60810 · Office Space Lease	18,300.00			
60830 · Offical Publication Expense	228.89			
60860 · Telephone	1,257.40			
60865 · Internet	1,500.00			
60870 · Office Tech Support	4,564.09			
60880 · Printing and Copying (Color-BW)	2,010.12			
60890 · Miscellaneous	47.45			
Total 60800 · Office Operations		27,907.95		
Total Administration			187,014.47	
Payment Expenses				
66100 · Bank Account Analysis Fee		2,270.08		

Electronic Services System
Profit & Loss
January through June 2024

	Jan - Jun 24			
66300 · Gateway Transaction Fees				
66315 - ProfSolOnlineTransFees	27,359.37			
66310 · Vericheck OnlineTransactionFees	15,354.70			
66320 · POSTransactionsFees	44,404.50			
Total 66300 · Gateway Transaction Fees		87,118.57		
Total Payment Expenses			89,388.65	
61000 · Marketing-Communications				
61200 · Administrative/Marketing Coord		22,043.61		
61300 · Education and Outreach				
61310 · ILR Annual Conference	360.00			
61340 · Memberships	200.00			
61350 · Conferences & Meetings	2,112.30			
61370 · Software & Hosted Services	3,739.88			
Total 61300 · Education and Outreach		6,412.18		
Total 61000 · Marketing-Communications			28,455.79	
61600 · Bad Debt Expense			-106.32	
62000 · Customer Support				
62100 · Account Manager		52,932.39		
62130 · Customer Support Coordinator		18,934.33		
Total 62000 · Customer Support			71,866.72	
63000 · Policy Coordination				
63100 · Policy Coordinator		42,993.19		
Total 63000 · Policy Coordination			42,993.19	
64000 · ILR System Operations				
Software License-Maintenance				
64305 · Jetbrains	2,009.22			
64307 · DB2	0.00			
64310 · Certificates- Digicert	645.00			
64312 · Duo- Security	90.00			
64319 · AWS	4,013.79			
64326 · Atlassian	240.75			
64327 · ZOOM	60.00			
64328 · Microsoft	675.00			
Total Software License-Maintenance		7,733.76		
64100 · Development Team				
64110 · Technical Lead	74,551.13			
64120 · Senior Developer	31,142.29			
64130 · Technical Support & Development	67,145.17			
Total 64100 · Development Team		172,838.59		
64200 · External Development & Services				
64210 · FF Redaction Services	17,395.77			
64240 · Data Center & Hosting Services	49,310.37			
64250 · Domain Registration	47.64			
Total 64200 · External Development & Servi...		66,753.78		
Total 64000 · ILR System Operations			247,326.13	
65000 · Local Maint. Expense			4,082.12	
Total Budgeted Expenses				671,020.75
Total Expense				671,020.75
Net Ordinary Income				281,495.20
Net Income				**281,495.20**

Electronic Services System
Balance Sheet
As of June 30, 2024

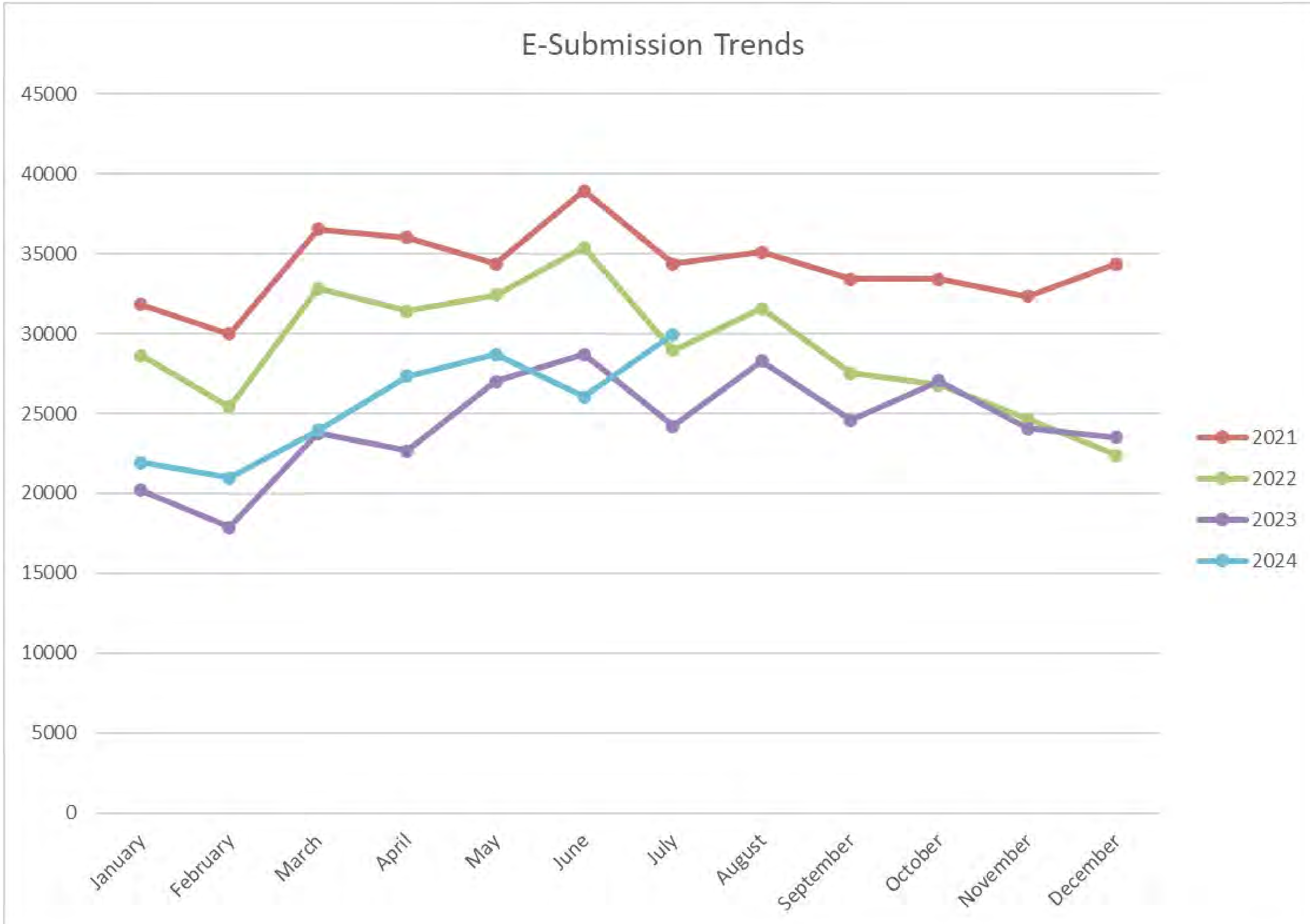
		Jun 30, 24
ASSETS		
Current Assets		
Checking/Savings		
107000 · BT-Settlement		
107100 · Unrestricted Reserve Account	38,399.40	
107200 · Software Dev & Equip Maint R...	373,787.68	
107300 · Redaction Reserve	58,120.12	
107400 · Restricted Operating Reserve	100,000.00	
107000 · BT-Settlement - Other	1,323,094.06	
Total 107000 · BT-Settlement		1,893,401.26
Total Checking/Savings		1,893,401.26
Accounts Receivable		
12000 · Accounts Receivable		43,527.69
Total Accounts Receivable		43,527.69
Other Current Assets		
13000 · Due from State		42,869.16
14000 · Prepaid Expenses		176,949.97
Total Other Current Assets		219,819.13
Total Current Assets		2,156,748.08
Fixed Assets		
17001 · Developed Software		1,447,072.00
17900 · Asset in Process		148,622.01
18000 · Accumulated Depreciation		-794,784.55
Total Fixed Assets		800,909.46
TOTAL ASSETS		**2,957,657.54**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
20000 · Accounts Payable		24,660.78
Total Accounts Payable		24,660.78
Credit Cards		
21100 · BT Credit Card		1,771.32
Total Credit Cards		1,771.32
Other Current Liabilities		
DRAWDOWN		64,743.00
22000 · Accrued Compensation		23,676.21
22500 · Deferred Revenues		148,799.28
Total Other Current Liabilities		237,218.49
Total Current Liabilities		263,650.59
Total Liabilities		263,650.59
Equity		
30000 · Opening Balance Equity		1,975,162.47
32000 · Retained Earnings		682,604.67
Net Income		36,239.81
Total Equity		2,694,006.95
TOTAL LIABILITIES & EQUITY		**2,957,657.54**

Local Government Electronic Transaction Fund (0255)
06/01/2024-06/30/2024

Beginning Balance			$ 149,303.54
Plus Receipts			$ 40,134.30
Less Disbursements			$ (30,806.54)
Ending Balance			$ 158,631.30
RECEIPTS			
Recorder Fees Received			39,511.37
Interest			622.93
Total Receipts			40,134.30
DISBURSEMENTS	Invoice #	Date Paid	Amt Paid
	F255 060124	06/20/2024	30,806.54
Total Disbursements			(30,806.54)

Iowa Land Records - Fund 255
Balance Sheet
As of June 30, 2024

	Jun 30, 24
ASSETS	
Current Assets	
Checking/Savings	
State Treasurer	158,631.30
Total Checking/Savings	158,631.30
Total Current Assets	158,631.30
TOTAL ASSETS	**158,631.30**
LIABILITIES & EQUITY	
Equity	
Retained Earnings	114,806.70
Net Income	43,824.60
Total Equity	158,631.30
TOTAL LIABILITIES & EQUITY	**158,631.30**


E-Submission Trends
45000
40000
35000
30000
25000
20000
15000
10000
5000
0
January
February
March
April
May
June
July
August
September
October
November
December
2021
2022
2023
2024

IOWA LAND RECORDS

ELECTRONIC SERVICES SYSTEM
8711 Windsor Parkway, Suite 2
Johnston, Iowa 50131

August 8, 2024

To: ESS Finance Subcommittee
ESS Coordinating Committee

From: Phil Dunshee, ILR Project Manager

Re: August 2024 ESS Budget Amendment

We have prepared a budget amendment for consideration. While there are a number of changes relating to both revenue and expenditures, the overall effect on projected net income is minor. Net income, when compared with the budget amendment adopted in May would increase by $8,637.19. Projected net income in May was $6,459.39 while the August updated net income would be $15,096.58. Revenue is projected to decline by $13,791.88 while expenses are projected to decline by $22,429.07.

The format of the budget conforms to practices in prior periods. Cells with a burnt orange color represent actual income and expenses. Cells with a blue color are unchanged from the projected amounts approved in the previous budget amendment. Cells with a green color generally represent actual revenue and expenses but are highlighted because for the period (in this case July), the reconciliation and final reports have not been finalized. Finally, cells highlighted with a magenta color represent either a change from the prior budget or a topic that is being called out for discussion. Below is a brief explanation of each notable budget item.

REVENUE

- Projected income for the Deputies Conference was changed to match the projected budgeted income of $7,000.00.
- Income for E-Submission exceeded projections in July, which helped with the overall budget.
- Overall recording activity continued below projections, and for this reason projected revenue from Fund 255 was reduced from $42,500.00 to $40,000.00.

EXPENDITURES

- ESS open enrollment for benefits is underway, and benefit costs are expected to increase by 15% or more. For this reason, projected payroll expenses for full-time employees are projected to go up. Projected expenditures for the following positions have been modified to account for this expected change: accounting, account manager, policy coordinator, and developer.
- Because ESS will be engaged in a legislative advocacy effort this fall and winter, the budget amendment provides more resources for this purpose for the period of September through December. (This is also reflected in a proposed amendment to the engagement which appears elsewhere on the ESS agenda.)
- Experience with the new office technology vendor indicates that fewer resources need to be budgeted for this purpose. Projected expenditures have been modestly reduced.
- The budget appears to allow for a few additional education and outreach activities through the remainder of the calendar year including virtual participation in an upcoming PRIA conference and participation in a housing conference ($750.00), a subscription to CANVA software ($20.00 per month) used by the Communications Coordinator, and a purchase of some promotional materials ($1,500.00).

- Expenses for Amazon Web Services have been lower than originally projected, and resources for that purpose have been modestly reduced.
- Plans are being made to change operating system software in 2025 and in association with that action we will not be renewing a license for some software. The expected new operating system software may include some of the same features at a lower cost (Nessus).
- Fees associated with the updated point-of-sale system have been higher than projected, and costs are being reviewed with the vendor. It is hoped that this review will result in lower costs.

BUDGETED INCOME AND EXPENSES
CY 2024
Proposed Amendment

		2024	January	February	March	April	May	June	July	August	September	October	November	December	Proposed	May Amendment	Change
Income																	
BudgetedIncome																	
Bad Payment Fee			0.00	0.00	0.00	0.00	0.00	0.00	0.00	35.00	0.00	0.00	0.00	0.00	35.00	0.00	35.00
Misc. Income			0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00
Event Income	ILR Conferences Registration		0.00	0.00	0.00	0.00	900.00	800.00	600.00	4700.00	0.00	0.00	0.00	0.00	7000.00	7000.00	0.00
	Sponsorships		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ODSERVICEFEE			55.94	7.69	8.44	1.53	1.54	1.54	0.00	0.00	300.00	150.00	150.00	150.00	826.68	823.60	3.08
POSSERVICEFEE			8953.09	7193.95	8118.04	10259.14	10932.16	9437.86	10162.35	12000.00	10000.00	7500.00	7000.00	9500.00	111056.59	110701.47	355.12
ERECORDING SERVICEFEE																	
	ACH																
	CC																
	DRAWDOWN																
Total SERVICEFEE			68052.31	65301.70	74315.94	85272.09	87910.71	81795.83	91942.95	87000.00	76000.00	72500.00	72500.00	72500.00	935091.53	926936.04	8155.49
MOU Services																	
	Policy		2500.00	4464.57	4446.85	4446.85	4500.00	2446.85	2344.88	2344.88	2500.00	2500.00	2500.00	2500.00	37494.88	37858.27	-363.39
	Communications		0.00	35.43	53.15	53.15	0.00	53.15	53.15	0.00	0.00	0.00	0.00	0.00	248.03	141.73	106.30
	Events		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expense Reimbursement - 255			42868.58	40553.00	39765.83	39418.55	32541.13	30806.54	42077.94	40134.30	40000.00	40000.00	40000.00	40000.00	468165.87	492647.09	-24481.22
Local Service Provider Maint.	Cost Sharing Credit		0.00	0.00	0.00	0.00	0.00	-129886.73	0.00	0.00	0.00	0.00	0.00	0.00	-129886.73	-130000.00	113.27
	Local Maintenance Share		0.00	0.00	0.00	0.00	0.00	314128.55	0.00	0.00	0.00	0.00	0.00	0.00	314128.55	311845.08	2283.47
Total BudgetedIncome			122429.92	117556.34	126708.25	139451.31	136786.54	309583.59	147181.27	146214.18	128800.00	122650.00	122150.00	124650.00	1744161.40	1757953.28	-13791.88

BUDGETED INCOME AND EXPENSES
CY 2024
Proposed Amendment

2024	January	February	March	April	May	June	July	August	September	October	November	December	Proposed	May Amendment	Change
Expense															
Budgeted Expenses															
Administration															
Annual Audits	0.00	0.00	0.00	0.00	4600.00	0.00	4600.00	850.00	0.00	0.00	0.00	0.00	10050.00	12050.00	-2000.00
Accounting Software-Services	4820.92	160.00	160.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	172.00	6688.92	6688.92	0.00
Bookkeeping-CPA-990	7088.83	7072.68	7630.69	4830.26	6888.69	6702.39	8697.88	7900.00	7900.00	8150.00	12150.00	8150.00	93161.42	95648.94	-2487.52
Acct Computer Equip.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees															
Legal Fees	0.00	4500.00	2250.00	2250.00	2250.00	2250.00	2250.00	2250.00	2250.00	2250.00	2250.00	2250.00	27000.00	27000.00	0.00
Government Relations	0.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	2000.00	5000.00	5000.00	5000.00	5000.00	34000.00	22000.00	12000.00
Human Resources-Oasis	1059.06	1043.68	1043.68	1143.68	1565.52	1043.68	1043.68	1120.00	1120.00	1120.00	1680.00	1120.00	14102.98	14370.10	-267.12
Project Manager	0.00	12400.00	12400.00	12400.00	12400.00	23300.00	12350.00	12350.00	12400.00	12400.00	12400.00	12400.00	147200.00	148800.00	-1600.00
Insurance	0.00	0.00	0.00	0.00	0.00	3249.00	37205.00	0.00	0.00	0.00	0.00	0.00	40454.00	52500.00	-12046.00
ESS Meetings	0.00	1332.28	0.00	0.00	645.60	109.88	0.00	0.00	1300.00	0.00	0.00	1300.00	4687.76	5232.28	-544.52
Office Operations															
Office Space Lease	0.00	3050.00	3050.00	3050.00	3050.00	6100.00	3050.00	3050.00	3050.00	3050.00	3050.00	3050.00	36600.00	36600.00	0.00
Office Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00	0.00	0.00	75.00	150.00	225.00	-75.00
Official Publication Expense	48.30	0.00	80.69	16.11	29.77	54.02	12.38	45.00	45.00	45.00	45.00	45.00	466.27	505.10	-38.83
Postage	0.00	0.00	0.00	0.00	0.00	0.00	31.05	0.00	0.00	0.00	0.00	0.00	31.05	0.00	31.05
Teleconference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.00	100.00	100.00	0.00
Telephone	210.83	212.09	212.09	210.47	210.47	201.45	201.75	220.00	220.00	220.00	220.00	220.00	2559.15	2595.95	-36.80
Internet	0.00	250.00	250.00	250.00	250.00	500.00	250.00	250.00	250.00	250.00	250.00	250.00	3000.00	3000.00	0.00
Office Tech Support	731.59	55.00	2630.00	415.00	415.00	317.50	375.00	500.00	500.00	500.00	500.00	500.00	7439.09	9031.59	-1592.50
Printing and Copying (Color-BW)	335.02	335.02	335.02	335.02	335.02	335.02	335.02	340.00	340.00	340.00	340.00	340.00	4045.14	4060.08	-14.94
Miscellaneous Expenses	0.00	0.00	0.00	47.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	197.45	197.45	0.00
Total Administration															
Marketing-Communications															
Communications Coordinator	2827.65	3022.59	3506.04	3495.26	5382.57	3809.50	4053.92	4100.00	4100.00	4100.00	6100.00	4100.00	48597.53	47851.54	745.99
Administrative/Marketing Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Computing Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Education & Outreach															
ILR Conferences	0.00	0.00	360.00	0.00	0.00	0.00	0.00	0.00	0.00	6640.00	0.00	0.00	7000.00	7000.00	0.00
Tradeshows/Exhibits/Sponsorship	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Seminars & Workshops	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	275.00	275.00	0.00	0.00	550.00	825.00	-275.00
Memberships	200.00	0.00	0.00	0.00	0.00	0.00	0.00	625.00	0.00	0.00	0.00	0.00	825.00	825.00	0.00
Conferences and Meetings	0.00	597.85	1229.66	0.00	28.18	256.61	50.92	750.00	0.00	0.00	0.00	0.00	2913.22	2827.51	85.71
Campaigns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Software, Equipment and Hosted	804.74	586.79	586.65	586.75	586.66	588.29	588.10	610.00	610.00	610.00	1720.00	610.00	8487.98	8394.93	93.05
Marketing Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Promotional Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1500.00	0.00	0.00	0.00	1500.00	0.00	1500.00
Total Marketing-Communications															
Customer Support															
Account Manager	8297.17	8269.82	8262.98	8262.98	11579.19	8260.25	8218.48	8225.00	8225.00	8475.00	11700.00	8475.00	106250.87	105220.95	1029.92
Coordinator	2791.14	3041.73	2734.70	3078.04	4449.21	2839.51	2830.69	3372.10	3372.10	3372.10	5058.15	3372.10	40311.57	41994.51	-1682.94
Computing Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Customer Support															
Policy Coordination															
Policy Coordinator	6374.54	6682.61	6591.49	6674.48	9995.99	6674.08	6629.90	6675.00	6675.00	6925.00	10150.00	6925.00	86973.09	86173.12	799.97
Computing Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Policy Coordination															

BUDGETED INCOME AND EXPENSES
CY 2024
Proposed Amendment

		2024	January	February	March	April	May	June	July	August	September	October	November	December	Proposed	May Amendment	Change
ILR System Operations																	
	Development Team																
		Technical Lead	11539.29	11499.14	11499.16	11478.06	17113.24	11422.24	10995.55	11418.54	11418.54	11418.54	16953.90	11418.54	148174.74	148434.69	-259.95
		Senior Developer	5780.32	5911.96	4941.73	3293.78	7088.03	4126.47	5485.25	5900.00	5900.00	5900.00	8900.00	5900.00	69127.54	71950.67	-2823.13
		Technical Support & Development	10224.61	10184.73	10604.74	10604.74	14980.77	10545.58	10545.59	10630.64	10630.64	10800.00	14890.21	10800.00	135442.25	135183.08	259.17
		Developer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Professional Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	External Development & Services																
		FF Redaction Services	0.00	3735.58	0.00	8714.64	4945.55	0.00	0.00	4600.00	4600.00	4600.00	4600.00	4600.00	40395.77	49250.22	-8854.45
		BF Redaction Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Software Development Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Technical Consulting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Data Center & Hosting Services	3052.90	3052.90	3052.90	16783.37	11684.15	11684.15	-6830.35	7981.25	7981.25	7981.25	7981.25	7981.25	82386.27	91018.20	-8631.93
		Domain Registration	16.09	0.00	31.55	0.00	0.00	0.00	16.09	0.00	0.00	0.00	0.00	0.00	63.73	82.64	-18.91
	Software-License-Maintenance																
		Accusoft-PRIZM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		AWS	653.90	690.91	689.21	694.27	701.80	583.70	585.29	585.34	800.00	800.00	800.00	800.00	8384.42	10728.29	-2343.87
		Browser Stack	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Certificates - Digicert	0.00	546.00	0.00	0.00	99.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	945.00	1096.00	-151.00
		Lightedge Firewall	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		City-State-Zip	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		DB2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Duo-Security	30.00	30.00	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.00	90.00	0.00
		FTP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		GEO-IP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		JetBrains	0.00	2009.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2009.22	2009.22	0.00
		JIRA	40.66	40.66	40.66	40.66	40.66	37.45	37.45	41.00	41.00	41.00	41.00	41.00	483.20	848.64	-365.44
		Nessus	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4100.00	-4100.00
		Security Monitoring (formerly Alier	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Server Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Slack	0.00	0.00	0.00	0.00	0.00	0.00	0.00	837.81	0.00	0.00	0.00	0.00	837.81	900.00	-62.19
		SmartNet - firewall	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		SUSE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		VMWare	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		VPN (Anyconnect)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Zoom	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	1000.00	1110.00	1110.00	0.00
		Microsoft	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	1350.00	1350.00	0.00
		LoopUp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Computing and Equipment (Cap.)																
		Developer Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	500.00	500.00	0.00
		System Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Local CC Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total ILR System Operations																	
	Bad Debt Expense		0.00	0.00	0.00	0.00	0.00	-106.32	0.00	0.00	0.00	0.00	0.00	0.00	-106.32		
Local Maint. Expense			763.07	3319.05	0.00	0.00	0.00	0.00	157497.50	159000.00	0.00	0.00	0.00	0.00	320579.62	315927.17	4652.45
Payment Expenses																	
	Bank Account Analysis Fee		503.75	471.76	301.92	279.86	349.47	363.32	469.43	500.00	500.00	500.00	500.00	500.00	5239.51	5557.29	-317.78
	Bank Service Charges		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Gateway Transaction Fees																
		OnlineTransactionFees - PS	6183.79	3735.15	4332.43	4750.19	5205.70	3152.11	3423.63	3739.42	4900.00	4900.00	4900.00	4900.00	54122.42	58201.56	-4079.14
		OnlineTransactionFees - Verichec	2519.95	2427.62	2300.73	2496.38	2750.00	2860.02	2572.99	2789.74	2878.37	2600.00	2600.00	2600.00	31395.80	31553.48	-157.68
		POSTransactionsFees	8061.01	7185.63	6131.18	6506.95	8211.65	8308.08	12305.61	8481.24	6500.00	6500.00	6500.00	6500.00	91191.35	79884.77	11306.58
	Total Gateway Transaction Fees																
Total Payment Expenses																	
Total Budgeted Expenses			85081.63	109574.95	99392.40	114982.90	140126.39	121862.48	292172.30	272031.58	115651.40	120057.39	141874.01	116257.39	1729064.82	1751493.89	-22429.07
Net Budgeted Income			37348.29	7981.39	27315.85	24468.41	-3339.85	187721.11	-144991.03	-125817.40	13148.60	2592.61	-19724.01	8392.61	15096.58	6459.39	8637.19

Engagement Terms and Conditions

Amendment Number 1

This first amendment to the Engagement for government relations services (Engagement) made and effective as of January 1, 2024 by and between the Electronic Services System (ESS) and The Rafferty Group, a company organized under the laws of the State of Iowa (Service Provider). The parties agree to amend the Engagement to advocate for legislation relating to recording fee policies and the modernization of recording services.

1. Scope of Work. The scope of work is amended to insert a reference to advocacy for legislation relating to recording fee policies and the modernization of recording services.

Scope of Work

- Promote legislation to increase recording fees and to enact policies relating to the modernization of recording services as directed by the ESS Project Manager.

2. Compensation. Provisions relating to compensation are amended by inserting a new paragraph describing supplemental compensation for the period of August 2024 through November 2024. The section of the engagement description related to COMPENSATION is amended to read as follows.

<u>**COMPENSATION**</u>
The cost for support during the 2024 calendar year shall be $24,000 plus expenses not to exceed $500 per year. The amount will be invoiced monthly at $2,000 a month, to be invoiced by the 10th of the following month. Expenses will also be billed monthly.

<u>For the period of August, 2024 through November, 2024, Service Provider shall receive supplemental compensation in the amount of $3,000.00 per month, to be invoiced with the base compensation amount described herein.</u>

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment to the Engagement and have caused their duly authorized representatives to execute this Amendment to the Engagement.

ESS	Service Provider
By: ______________________	By: ______________________
Name: __Phil Dunshee__________	Name: ______________________
Title: __Project Manager_________	Title: ______________________
Date: ______________________	Date: ______________________

Contract Terms and Conditions
Amendment Number 7

This seventh amendment to the Agreement dated September 1, 2009, is made and effective as of August 1, 2024, by and between the Electronic Services System (ESS) (previously CLRIS), and Computing System Innovations, LLC, (Service Provider). The parties agree to amend the Agreement, as provided in Section 4.3 to extend the term of the agreement.

6. **Term.** The Term of this Agreement is amended by adding the following new paragraph.

   Section 6. Term.

   The Service Provider and ESS agree to extend the term of this Agreement for the period of August 1, 2024, through June 30, 2025.

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment to the Agreement and have caused their duly authorized representatives to execute this Amendment to the Agreement.

The Association	Service Provider
By: ______________________________	By: ______________________________
Name: Phil Dunshee	Name: Abigail Diaz
Title: Project Manager	Title: Vice President & Secretary, CSI, LLC
Date: August 1, 2024	Date: ______________________________

2023 - 2024
ANNUAL REPORT

BUILDING THE FUTURE WITH USER FEEDBACK

Published July 1, 2024

IOWA LAND RECORDS

2023-2024

ANNUAL REPORT

Published July 1, 2024

IOWA LAND RECORDS

Table Of Contents

Message From The ESS Coordinating Committee Chair

We are pleased to present the Iowa Land Records Annual Report for this transformative year. Despite the challenges posed by the national economy, our commitment to user satisfaction and innovation has enabled us to lay the groundwork for significant advancements in the coming years. We reflect on how we have successfully navigated this landscape to improve our services and shape the future of land records in Iowa.

Over the past year, our team has diligently worked to improve and modernize our Search and Electronic Submission systems. This effort was highlighted by a comprehensive survey in which 542 users and other stakeholders shared their insights and experiences. Their feedback will be instrumental in guiding our strategic direction and ensuring that our services align with our users' evolving needs.

LISA KENT
ESS Coordinating Committee Chair

> *"Iowa Land Records stands out as a leading innovator in land record management across the nation, a distinction that Iowans can be proud of."*

By embracing the feedback from our user survey and committing to a future-forward approach, Iowa Land Records is poised to set new benchmarks in our services. We remain dedicated to harnessing the power of technology and innovation to meet the evolving needs of our users.

As we move forward, we are excited to continue this path of innovation and excellence, always with the goal of providing better and more consistent services to our users and stakeholders.

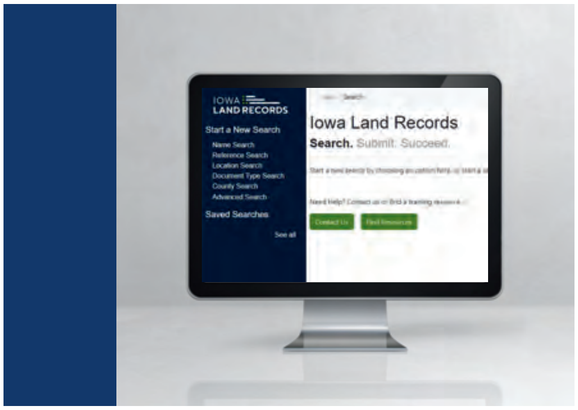
Thank you for your ongoing support and partnership.

Sincerely,

Lisa Kent

Electronic Services System Coordinating Committee Chair
Wapello County Recorder

About
Iowa Land Records



What is Iowa Land Records?

Established in 2004 through legislation with the Iowa County Recorders Association, Iowa Land Records (ILR) was a groundbreaking initiative to centralize and digitize land records management across the state. In its first decade, the platform expanded significantly, integrating electronic recording capabilities and enhancing user accessibility.

Iowa Land Records (ILR) quickly became an essential resource providing free online public access to real estate records for real estate professionals, government agencies, and the public. Continuously evolving to meet technological advancements and user needs, ILR has embraced feedback from various stakeholder surveys, leading to the adoption of advanced search functionalities and improved system integration.

Despite facing challenges like high inflation and increased operational costs, ILR has remained a stable and reliable platform. We are grateful to our team members, our platform users, and the County Recorders Association for their continued dedication and support.

SEARCH. SUBMIT. SUCCEED.

23 MILLION RECORDS

There are over 23 million public records on Iowa Land Records.

62% ALL DOCUMENTS

Over 62% of all land records in Iowa in 2023 were recorded electronically.

4 MILLION SEARCHES

There are over 4 million searches on Iowa Land Records each YEAR.

Iowa Land Records Governance

Iowa Land Records was established under **Chapter 28E** to provide Iowa counties with an electronic services system for land record information, electronic recording and other services as amended by 2021 Iowa Acts, Chapter 126, Section 2. See also, https://iowalandrecords.org/wp-content/uploads/2022/01/SOS-Filing_28E.pdf.

Committees and subcommittees meet regularly and are open to the public. All committee members and the Electronic Services System (ESS) team can be found on the Iowa Land Records website at https://iowalandrecords.org/meet-our-team/ .

Coordinating Committee was established to govern ESS and coordinate efforts to deliver services and information and to make policy regarding the operations of ESS. The committee is comprised of recorders and stakeholders.

Subcommittees (Finance & Standards) were established for more specific discussions. Each subcommittee is composed of members from the six districts of the statewide Iowa County Recorders Association.

Electronic Services System is governed by Iowa Code 331.604

- Establishing and implementing standards for recording, processing, and archiving electronic documents and records.
- Maintaining the statewide internet site and the county land record information system.
- Integrating information contained in documents and records maintained by the recorder and other land record information from other sources with the county land record information system.
- Implementing and maintaining a process for redacting Personal Identifiable Information contained in electronic documents that are displayed for public access through an internet site or that are transferred to another person.

See Section 331.604, subsection 3b of the Iowa Code and the ESS Policies and Procedures published at https://iowalandrecords.org/accountability-in-reporting/. The 28E agreement can be found under filing number: M514302, published at https://sos.iowa.gov/search/28ESearch.html.

Iowa Land Records ESS Coordinating Committee & ESS Team

ESS Coordinating Committee

- **Lindsay Laufersweiler**, District 1 - Webster County Recorder
- **Denise Baker**, District 2 - Wright County Recorder
- **Jolynn Goodchild**, District 3 - Plymouth County Recorder
- **Jamie Stargell**, District 4 - Adams County Recorder
- **Natalie Steffener**, District 5 - Des Moines County Recorder
- **Melissa Bahnsen**, District 6 - Cedar County Recorder
- **Julie Haggerty**, Large County Representative - Polk County Recorder
- **Lisa Kent**, ESS Coordinating Committee Chair - Wapello County Recorder

ESS Team

- **Phil Dunshee**, Project Manager
- **Lisa Long**, Customer Service & Account Manager
- **Kelly Wallace**, Technical Lead
- **Merna Addison**, Application Developer & Technical Support Coordinator
- **Mansi Agarwal**, Senior Software Developer
- **Census Lo-Liyong**, Policy Coordinator
- **Samantha McMahon**, Accounting Coordinator
- **Kristen Delaney-Cole**, Marketing & Communications Coordinator
- **Corrie Strasser**, Customer Support Coordinator

Local Service Providers & ILR

The success of Iowa Land Records relies on a unique relationship between county recorders and multiple service providers. Documents recorded are transferred by local service providers to ILR through an application programming interface (API) provided by the Electronic Services System (ESS). Over the past year, many service providers updated their systems to better integrate with Iowa Land Records.

Electronic Services System is updating the two application programming interfaces (APIs) for E-Submission and county upload functions. In building these new assets, we have transformed the Iowa Land Records (Search and E-Submission) site into a more advanced system that will open new opportunities for the future.

Local Service Providers

Electronic Filing Workflow

01. **Documents E-Submitted** to ILR by a business or organization.

02. **Recorder reviews documents** on ILR then approves or declines the E-Submission.

03. **Approved docs are recorded & indexed** by the county then returned to ILR.

04. **E-Submission Records** now available on ILR Search.

Business & Government Functions Performed Through ESS API:

- ESS makes use of two APIs (county E-Submission and county upload) to communicate with counties through their service providers.
- An API is a mechanism that facilitates communication between two systems, in this case, each county and Iowa Land Records.
- An API allows two programs to talk to each other.
- E-Submission API is used to share online submitted documents with the county recorder for review.
- County upload API is used to transfer correctly formatted data and images of recorded documents from the county recorder site to the ILR website.

Iowa Land Records User Survey

Creating the Survey

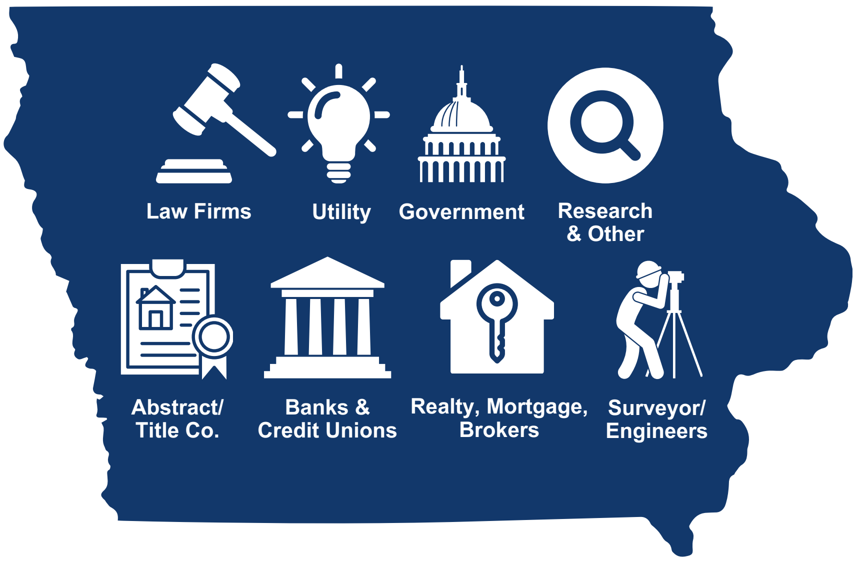
Since its creation almost twenty years ago, Iowa Land Records has seen its operations significantly impacted by increasing demand for enhanced services, high inflation, and rising costs. To prepare for these challenges, Iowa Land Records initiated the Stakeholder Modernization survey to measure user opinion on services and to help prioritize updates.

The project, established through a Memorandum of Understanding (MOU) between the Iowa County Recorders Association and Electronic Services System, created working groups and subcommittees to engage with various interest groups.

The plan included a stakeholder survey focusing on:

- Recording Fees.
- Enhancements to the E-Submission Application.
- Enhancements to the Land Record Search Application.
- Policy Changes to Recording Services.
- Concepts for Recording Modernization.

Industries Represented In The Survey



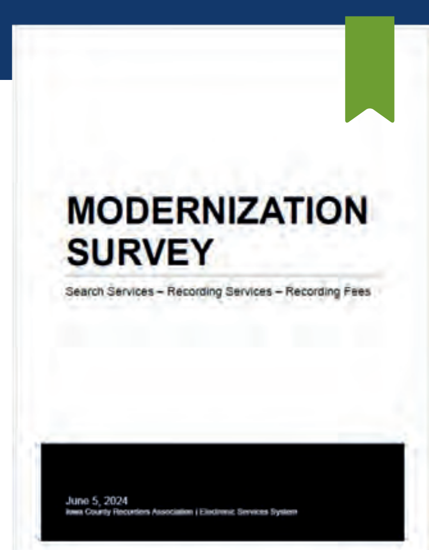
About Survey Participants

A total of 542 users participated in the survey, encompassing a diverse group of professionals including attorneys, abstractors, surveyors, engineers, lenders, bankers, realtors, and many other stakeholders. The complete report offers detailed rankings for modernization ideas and includes an appendix with all of the open-ended comments from survey participants.

Survey Methodology

The survey collected feedback from users of the Iowa Land Records (ILR) system and other stakeholders. Participants ranked the importance of proposed ideas as “not important,” “important,” “very important,” or “no opinion.” Many respondents also answered open-ended questions about the land records search process, search display results, electronic filing, accessibility, fees, and additional comments. All responses were recorded and summarized in a detailed report online at https://iowalandrecords.org/wp-content/uploads/2024/06/Modernization-Survey-Report-06.05.2024.pdf.

READ THE SURVEY REPORT



Top 5 Priorities Identified In Survey Results

Note: At the beginning of the survey, participants were asked to identify themselves as a user of Search, E-Submission, or both applications on the Iowa Land Records system. A portion of the survey focused on the functionalities and user experience of the Search Application and another section of the survey focused on services in the E-Submission Application. The top-ranked ideas, or "most important," are listed below.

Search Application - Top 5 "Most Important" Ideas

- Normalize records across 99 counties.
- Expand online records to include historical property records dating back to 1980.
- Reconnect Iowa Land Records to other land records systems.
- Digitize and index historical surveys, corner certificates, and other property drawings.
- Expand use of associated document references and improve parsed location data.

E-Submission Application - Top 5 "Most Important" Ideas

- Clear communication between document submitters and county recorders.
- Support efficient and consistent document processing practices.
- Support the law prohibiting Personal Identifiable Information (PII) in documents.
- Policy for documents to be legible.
- Prefer all counties use a standard reference numbering system.

Survey Summary Feedback Highlights

Key Findings

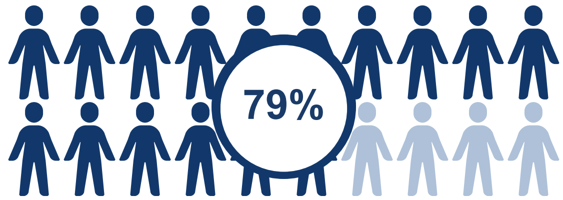
- **Data Integrity:** Emphasis on the importance of indexed documents and consistency across the state.
- **System Integration and Accessibility:** Strong support for better integration with other property information systems and more records online.
- **User Experience:** Need for improvements in user interface, search functionality, and transparent communication regarding submission status.
- **Consistency Across Counties:** Call for standardized procedures for recording and land records management across the 99 counties.
- **Fee Structure:** Broad agreement on the need for fee increases, provided there is clear communication about fund utilization and service enhancements.

User Feedback Summary

Most respondents appreciated the recent improvements to the ILR website (Search and E-Submission) and strongly supported integrating the ILR system to other property systems. However, there was a noted need for more user training content.

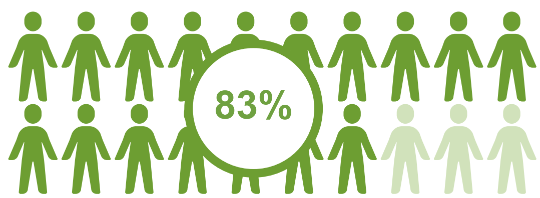
Fee Increase Response & Survey Conclusion

"Would you be willing to support a reasonable increase in the recording fee, if it is less than the inflation amount since 1985?"



Result: Survey participants were asked if they would be "willing to support a reasonable increase in the recording fee, if it is less than the inflation amount since 1985?" 79% of the respondents to this question answered "Yes".

"Many of the possible improvements mentioned in this survey will require additional resources, a portion of which would be obtained through a reasonable recording fee increase. For the ideas you identified as being Very Important, would you consider a recording fee increase to be a good investment?"



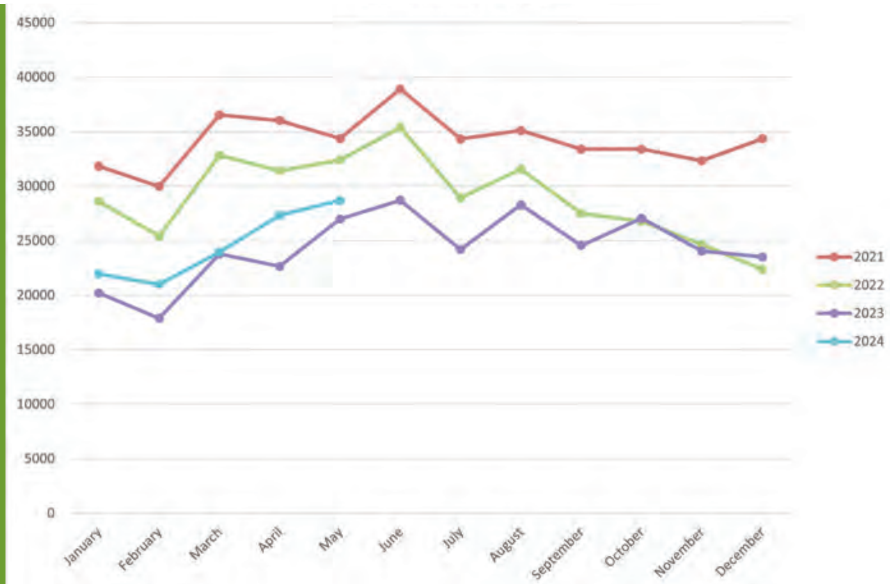
Result: Participants were also asked "would you consider a recording fee increase to be a good investment?" 83% of the respondents to this question answered "Yes".

Survey Conclusion

The survey results indicate strong support for various improvements to the Iowa Land Records system, focusing on enhanced data consistency, integration, access, and privacy.

Stakeholders are particularly interested in technological advancements for more efficient and secure recording processes. There is also significant support for a reasonable recording fee increase, provided it is managed with accountability and transparency to improve local recording and Iowa Land Records services.

By The Numbers
E-Submission Trends



This chart illustrates Electronic Submissions on Iowa land Records and economic trends from January of 2021 through May of 2024.

IOWA ECONOMICS & E-SUBMISSION TRENDS

In 2023, the real estate market experienced significant challenges due to high inflation, rising interest rates, increased housing costs, and a general slowdown in market activity. The Federal Reserve's multiple interest rate hikes aimed at controlling inflation resulted in higher borrowing costs, negatively impacting the profitability of new developments and reducing the volume of real estate investments.

According to the Iowa Realtor Association, the Iowa housing market saw a notable decline in activity, with home sales dropping by 15.2% from the previous year, totaling 32,441 homes sold in 2023 compared to 38,266 in 2022. Despite the slowdown in sales, home prices in Iowa continued to rise, with the median sales price increasing by 6.8% to $220,000. Low inventory and high interest rates were key factors contributing to the slower market. To ensure the long-term financial stability of the Electronic Services System, fee increases may be considered in 2025 to address these ongoing challenges and maintain service quality.

Audit Report Summary

The Electronic Services System (ESS) is audited by an independent auditor at the end of each fiscal year to provide a comprehensive review of ESS's financial performance and internal controls. The 2023 audit was performed by an independent audit firm in accordance with Generally Accepted Auditing Standards (GAAS) and was successfully concluded.

Annual Audit	Year Ending 12/31/2023	
	2023	**2022**
Total Revenue	$33,975,365	$41,519,072
Total Expense	$34,066,959	$41,306,941

In 2023, ESS saw significant declines in financial metrics. Total revenues fell by 18.2% ($7,543,707) and expenses by 17.5% ($7,239,982), mainly due to reduced recording activity and distributions. Documents processed decreased by 16.09% (55,991 documents) to 291,909. However, electronic filings statewide increased from 60% in 2022 to 62% in 2023, continuing the trend of increased E-submissions from the previous year.

Several economic factors influenced these results. The decline in revenue and cash position is attributed to inflation and higher mortgage interest rates, which have weakened the economy and significantly impacted the real estate market.

In 2023, ESS received $28,446,716 in recording fees, an 18% decrease from the previous year. Point-of-Sale (POS) revenue also saw a 17.5% decrease from the previous year.

Additionally, cash balances were impacted by the planned expenditure of resources from a Software Development and Equipment Maintenance Reserve fund. In 2023, more than $270,000 in reserve funds were invested in software development to enhance services provided through ESS software.

However, these gains were offset by persistent economic challenges, which now seem to be the new normal. Income will fluctuate with market conditions.

The audit report also highlighted ESS's internal control and compliance aspects, which were found to be satisfactory with no significant deficiencies or noncompliance issues. ESS remains committed to adapting to these challenges and exploring avenues for financial stability in the future.

The Future Of Iowa Land Records

Insight To Impact: Building The Future With User Feedback

The cornerstone of Iowa Land Records' success has been its commitment to user-centered development. Feedback from users has driven our continuous improvements. Over the years, Search and E-Submission services have adopted numerous user-suggested enhancements, such as:

- **New E-Submission and Search Interface:** Most recently, we simplified navigation and customized search options based on user recommendations to improve the overall experience while creating a single sign-on for both Search and E-Submission services.
- **Redaction Implementation:** Over a decade ago, a comprehensive redaction system was created so that every document is inspected for Personally Identifiable Information and redacted before posting online.
- **Expanded Support:** Offering comprehensive support resources, including tutorials and customer service, to assist users in maximizing Iowa Land Records.

User feedback has not only shaped the technical evolution of the platform but has also influenced its services. Regular user surveys, feedback forums, and focus group testing for new features have been integral in aligning our services with the needs and expectations of its diverse user base.

As it steps into the future, Iowa Land Records remains dedicated to upholding the values that have defined its journey—transparency, efficiency, and a steadfast focus on serving the needs of Iowans. In the coming year, we look forward to celebrating 20 years of pioneering excellence in land records management with you.

MEETING & FINANCIAL REPORTS

Governance meetings and financial reports are public. Meeting recordings, agendas and packets are available on the ILR website in addition to financial information.
https://iowalandrecords.org/accountability-in-reporting/

SIGN UP FOR MEETING NOTIFICATIONS

Individuals may sign up for email notices and reminders about future committee meetings.
https://iowalandrecords.org/meeting-notices/

THANK YOU!

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