



**VIRTUAL CONFERENCE**

APRIL 10, 2025 | APRIL 15, 2025

# Determining the Fiscal Health of Your County Budget

**Regional Director Terry Torneten, Region 13**

April 10, 2025





# Iowa Code

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**176A.8.2.** To serve as an **agency of the state and to manage** and transact all of the business and affairs of its district and have control of all of the property acquired by it and necessary for the conduct of the business of the district for the purposes of this chapter.

# Iowa Code and Our Budget

- **176A.8.6.** To prepare annually before April 30 a budget for the fiscal year beginning July 1 and ending the following June 30, in accordance with the provisions of Chapter 24 and certify the same to the Board of Supervisors of the county of their Extension District as required by law.
- **176A.8.12** To expend the “county agricultural extension education fund” for salaries and travel, expense of personnel, rental, office supplies, equipment, communications, office facilities and services and in payment of such other items as shall be necessary to carry out the extension district program....
- **Iowa Code Chapter 24** centers on development of local budgets.
- Specific links pertaining to [Iowa Code](#) and budgets.



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# Iowa Code Chapter 176A.9.4

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Pertaining to **fee program, grants, contracts, donations:**

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The extension council may collect reasonable fees and may seek and receive grants, donations, gifts, bequests, or other moneys from public and private sources to be used for the purposes set forth in this section and may enter into contracts to provide educational services.



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# Extension Education Fund

## Operating Account

Extension Education Fund

Tort Fund

Unemployment Fund

Tax and Other  
Sub-fund

Program Fee  
Sub-fund

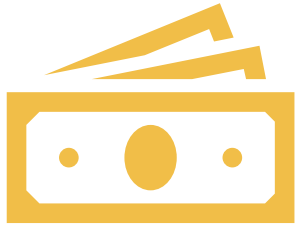
Grant and Contract  
Sub-fund

Donor Restricted  
Sub-fund



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# Determining Budget Health



**How do I determine the health of a district budget?**



**Start with this rule of thumb:**

Carry the minimum equivalent of 3 - 4 months of the average tax sub-fund revenue into the next fiscal year. Many carry that own building 5 months of revenue with 40 plus districts owning their building. Ownership is growing.

# Carryover Analysis



The extension district may carryover in the tax sub-fund up to 50% of the that year's tax sub-fund expenditures.



What can a district do if it had a carryover issue at year-end?

# Tax Sub-Fund Expenses

## District Expenses: Percent of Tax Sub-Fund Revenue

Expense	Mean	Median	Maximum	Minimum	Standard Deviation
Personnel Expense	70.9%	71.6%	109%	44%	12.4%
Facility Expense	10.2%	8.7%	42%	0%	6.3%
General Office Expense	11.5%	12.1%	24%	7%	3.8%
Non-Fee Expense	3.8%	1.3%	23%	0%	4.3%
Residual	3.6%	4.1%	24%	-35%	10.7%

# Non-Fee Project Activity

On the previous slide, non-fee expenses averaged 3.8%. This expense comes directly from the tax sub-fund revenues.



What does non-fee project activity mean?



How is this type of expense tracked?



Why is this expense important?

# Items to Look for in a Healthy Budget

1. Tax Revenue vs. Tax Expense.  
Is a negative tax budget bad?
2. Balance Sheet – 3-year comparison
3. Trends over 5-7 years
4. Variance in Revenue and Expense  
Summary. Monthly analysis.
5. Tort and Unemployment.  
How much is enough?
6. Personnel, facility and benefit costs as a % of tax ask.  
Great- less than 75%  
Good- 75-80%  
Concern- 80-85%  
Probable issues- 85-90%  
Not Sustainable- over 90%

# Other Items

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1. Council motions: Record wage adjustments. Which fund?
2. Treasurer's report
3. Audits- Why do we do what we do?
4. Grants or other revenues
5. Investments
6. Efficiencies
7. Fee for service
8. ??

# Monthly Tax Fund Analysis

Determine where funds are being disbursed on one sheet that shows month-by-month comparisons.

FY25 Tax Expense Projections		JULY	aug
Salary & Wage	\$	20,000.00	
Benefits	\$	1,895.10	
Shared Support Services	\$	-	
Travel	\$	227.13	
Professional Development & Training	\$	100.00	
Professional Contracted Services	\$	2,000.00	
Facility	\$	1,000.00	
Telecommunications	\$	328.96	
Postage	\$	88.46	
Supplies	\$	200.00	
marketing	\$	30.00	
Employment Advertising/Legal Notices	\$	-	
Background Screening	\$	300.00	
Meeting	\$	-	
Equipment	\$	2,000.00	
insurance / bonds	\$	-	
Bank Charges, Fees, & Interest	\$	-	
Membership, Dues & Subscriptions	\$	-	
Non-Fee Project Activities	\$	1,380.00	
Resale	\$	230.00	\$ -

# Sub-Fund Analysis

- Sub-fund Analysis – Do a year-to-year check of balances in the four sub-funds:
- Tax
- Program
- Grant
- Education

XXXX COUNTY Sub-Fund Analysis								
		Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY2025
Tax Sub Fund	Beginning		\$ 90,068.00				\$ 129,266.00	
	End	\$ 90,068.93					\$ 139,062.00	
	Net	90068.93	(90068.00)	0.00	0.00	0.00	9796.00	0.00
		Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY2025
Program Sub Fund	Beginning	\$ 110,156.25					\$ 210,168.00	
	End	\$ 123,087.69					\$ 231,993.00	
	Net	12931.44	0.00	0.00	0.00	0.00	21825.00	0.00
		Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY2025
Total GRANT Fund	Beginning	\$ (592.55)					\$ 8,926.00	
	End	\$ (1,372.32)					\$ 9,960.00	
	Net	(779.77)	0.00	0.00	0.00	0.00	1034.00	0.00
		Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY2025
Total Education Fund	Beginning	\$ 200,257.15					\$ 348,360.00	
	End	\$ 211,784.30					\$ 381,015.00	
	Net	11527.15	0.00	0.00	0.00	0.00	32655.00	0.00

# Wages, Benefits and Facilities as % of Budget

	FY2019 actuals	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 Budget	FY2025 proj	FY2025 Actual
Wages	115,002.15	119,302.61	126,491.51	129,986.51	137,290.10	141,898.20	145,645.00		
Benefits	19,564.46	20,125.02	21,505.51	22,090.07	23,338.25	24,125.80	24,882.00		
Facilities	19,464.29	7,231.25	6,950.49	10,278.88	19,725.33	11,316.44	31,100.00		
<b>Total</b>	<b>154,030.90</b>	<b>146,658.88</b>	<b>154,947.51</b>	<b>162,355.46</b>	<b>180,353.68</b>	<b>177,340.44</b>	<b>201,627.00</b>	<b>0.00</b>	<b>0.00</b>
tax rev	202,624.85	200,521.94	204,708.16	202,966.25	200,261.13	215,507.75	235,000.00		
<b>% of tax rev</b>	<b>76.0%</b>	<b>73.1%</b>	<b>75.7%</b>	<b>80.0%</b>	<b>90.1%</b>	<b>82.3%</b>	<b>85.8%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>



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# Cost of Hiring and Employing

Utilize analysis tools for both budget planning. Examine personnel expenses for determining fiscal health of the Extension District that you serve.

Enter the information only in the grey areas.		
(Enter Employee Title)		
FT/PT hrs (hrs wk*52)	2080.00	2080.00
Overtime (hours *1.5)	1.00	1.50
<b>Total Hours Paid</b>		<b>2081.50</b>
Wage per Hour	\$ 18.00	
<b>Gross Wages</b>		<b>\$ 37,467.00</b>
FICA (7.65% of gross)		\$ 2,866.23
IPERS (9.44% of gross)		\$ 3,536.88
<b>Wage &amp; Benefit Cost</b>		<b>\$ 43,870.11</b>
Annual Insurance Cost		\$ -
Annual Travel		\$ -
Professional Development		\$ -
Supply, Utility, Consumable		\$ -
<b>Total Employee Cost</b>		<b>\$ 43,870.11</b>

# Cost of Employment

- Cost of employing, training, and providing for quality staff includes many aspects for council and administrative staff.
- State average is 70.9% of tax funds.
- Wage and salary including overtime
- Insurance
  - Health, dental, life, ADD, vision
- Retirement and payroll tax
- Travel, lodging, registration
- Professional development
  - Professional contracted services
- Supplies, utilities, equipment, furniture



# Contribution Rates

IPERS' actuary completed the annual valuation and certified the following contribution rates for fiscal year 2025 (**July 1, 2024 - June 30, 2025**). Iowa Code allows IPERS to set rates with the guidance of the actuary, using IPERS' Contribution Rate Funding Policy and the actuarial assumptions set by IPERS' Investment Board. [www.ipers.org/about-us/contribution-rates](http://www.ipers.org/about-us/contribution-rates)

	Member Share	Employer Share	Total
<b>Regular Members</b>			
<b>7/1/23 – 6/30/24</b>	6.29%	9.44%	15.73%
<b>7/1/24 – 6/30/25</b>	6.29%	9.44%	15.73%

# Working Together

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- County staff, regional director with the council treasurer and fiscal committee a “no fault” work session may be held.
- No finger pointing and no blame. If the spending patterns—spending more than the tax allocation continues—there will be hardships. If a county has strong fee account balances, there can be conversations about using them.
- As you have seen, we have planning tools that will help us analyze the current challenges and assist in a plan for moving forward. Together, we can identify potential solutions that build the fiscal health of a county budget.



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## Q & A

Regional Director Terry Torneten





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**THANK YOU!**