



VIRTUAL CONFERENCE
APRIL 10, 2025 | APRIL 15, 2025

Reading the Financial Reports

Extension Council Conference, April 15, 2025

- Terry Janssen, Region 7 Director

00:00:10:00 - 00:00:36:05

Mary Greiman

All right. Well, good evening everyone. Looks like we've got a nice crowd on here. Welcome to session 4C which is reading the monthly financial reports. We are really pleased to have you here and joining us for this session. And our speaker tonight is one of my favorites - and my former director here in our area - Terry Janssen.

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Mary Greiman

He's the Region 7 director now, but I enjoyed working with him when he was in our section.

00:00:42:16 - 00:00:55:00

Terry Janssen

Okay. Thank you, Mary. So, I'm going to go ahead and share my screen.

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Terry Janssen

So my name is Terry Janssen. I'm the Region 7 Regional Extension Director, and Region 7 is in the northwest corner. I cover Cherokee, Ida, Buena Vista, Sac and Calhoun counties. And so tonight's session is going to be looking at the financial reports that you receive. And we're going to cover three of the main ones. But as a council member, you're responsible for the fiscal happenings of the extension district.

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Terry Janssen

And so it's important that, you know the finances and be able to understand those.

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Terry Janssen

As an extension Council member and as an extension district, we have fiscal policies and procedures. And in those fiscal policies and procedures is the role of your Extension Council. And part of that is fiscal oversight. You should be receiving, at least at your extension council meetings, the voucher report, which lists the voucher check number, name of the vendor, the amount of the check and the total amount of expenditures.

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Terry Janssen

You should also be receiving a balance sheet, which provides the bank account balances, payroll liabilities, and the fund/sub-fund balances. And then also a summary revenue and expense report which shows the total income and expense compared to the budget. So all of those - those three - are

the main three. But you should also have available to you the reconciliation posting journal and outstanding transaction report.

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Terry Janssen

You should have a copy of the bank statement. And then if you have an agency account, you would have the same reports for the agency account. And, you can talk to your county director or your regional director on those reports - making sure that those are available to you if you have an agency account and you want to know more about, those agency accounts and what funds are in there, the reason for those funds, you can check with your county or regional director.

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Terry Janssen

So, reading the monthly financial reports is in Chapter 176A of our extension code. And we have to prepare, certify a budget, have a public hearing, certify a budget by April 30th of every year, and, that used to be March 15th. And then last year it was changed to April 30th. And the beginning our fiscal year begins July 1st and ends June 30th.

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Terry Janssen

And the provisions of this is set up in Chapter 24. So, again, it's our responsibility within Iowa Code to make sure that we're doing our financial responsibilities according to Iowa Code and our fiscal policy. So one of the things we want to start with is a budget worksheet. That's usually how we lay everything out.

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Terry Janssen

How we get to our financial reports is by putting together a, example or in this case, a budget worksheet, that this is an example of that. If you are on the fiscal policy or fiscal committee or on the finance committee, you've probably seen this. This is the revenue portion of the budget worksheet. And as you can see, it gives you an estimate of, FY '22, '23 and '24 or the actuals of those three years, what the budget was filed and then an estimate for, in this case, the FY '25 estimate, and then, next year's budget.

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Terry Janssen

So this is the top part of the budget worksheet that will have the revenue in it. In this example it has the tax revenue. There would also be grants and contracts and fees as well.

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Terry Janssen

On the lower portion you have the budget worksheet. And that would include the expenses. In this case, I've taken a snapshot of the wages and benefits, for this particular county. So that's how you start out. You got to start out with the budget, and then you can create and that information is put into GP, our accounting software.

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Terry Janssen

And that creates our reports. So the financial reports that we're going to talk about tonight is the balance sheet, the voucher report, and the revenue and expense report. And again, if you are new to the Extension Council, you're just learning or you're just seeing some information on these three reports, you're having some discussion about it at the council meetings with your county director or

regional director, and if you've been part of the Extension District or on Extension Council for several years, these are common to you.

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Terry Janssen

So it's no surprise that you've seen them. You understand, maybe, but I'm going to point out a few things that might be helpful as we go through the process of looking at these and I'm going to start with the balance sheet. So, the balance sheet

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Terry Janssen

includes a date at the top. And in this case, we're looking at a balance sheet that has an ending date of February 28th. Now, it doesn't mean that this, particular balance sheet was ran on February 28th. It was run through the end of...it reports it at the end of February 28th, but it's a snapshot.

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Terry Janssen

This could have been ran on February 15th, and it would be halfway through the month and not collect everything that's through the end of the month. I guess what I'm saying is it's a snapshot. It says February 28th. There's no way, Tiffany - right? - that we can say I want to run this through February 15th.

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Terry Janssen

It just runs it to the end and, goes from there.

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Terry Janssen

So the next portion of the balance sheet I want to point out is the cash on hand in the various accounts. So on the balance sheet, you have your operating checking. In this case they have \$1,074.99. They have petty cash. They have a cash box. They have savings. And so they are transferring money from their savings account when they're doing their monthly bills to make sure that they cover what's coming out of the checking account.

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Terry Janssen

And then they have a couple of CDs.

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Terry Janssen

And then the total cash on hand is that \$231,886.67. So this is what's in, the, operating account. You'll notice that there are two CDs - Certificates of Deposit - on the balance sheet. So what is the longest period an agricultural extension district can have operating funds in an investment account, like a CD? And you can type your answer in the chat.

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Terry Janssen

Oh, here you go. There. Now, I'm seeing it. A year, five years. Okay. 13 months. Okay. So, according to Iowa Code Public Investment Maturity and Procedural Limitations - and this is in our fiscal policy, too - says that investments which mature within 397 days or less. Now, I would encourage you that, if you're looking at that, 397 days is naturally over a year. I think a recommendation of between 10 and maybe 11 months would be a better option.

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Terry Janssen

You're tying up that money for a long period of time. And if there was a need for funds, it would be prudent for you to have that more available than the 397 days.

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Terry Janssen

The next area on the balance sheet is the accounts payable. And this usually is our tax payables or IPERs payables.

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Terry Janssen

On the balance sheet is also our tax sub fund. So our tax sub fund...we've collected these funds. It's February 28th. Let's say we still have \$117,550.75 that we're going to use. And those tax funds are generally used for payroll benefits. They're also used for, supplies, maintenance, rent, mortgage (if you have it).

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Terry Janssen

So those are where your tax sub funds go and they're listed on the balance sheet. The next area is the program fee sub funds. And as you can see here, this county has \$49,969.36. And then on down Communities fee program, Human Sciences has a balance. 4-H and Youth program fee has a balance in there.

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Terry Janssen

They may have collected a large amount of program fees or 4-H fees and maybe have haven't made a payment yet or need to make a payment. And then there's 4-H clubs. So 4-H clubs' funds are counted in there. Those are put in, by club. And we can pull reports for those on a monthly basis or when the counties need them.

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Terry Janssen

So the total, sub funds, program fees up is \$104,271. And the club funds are the funds, as I mentioned, for those clubs. And they are not part of our operating account, I mean, per se. And we can't use them for extension operations. Then there's a grant and contract sub funds, and you can see that list there.

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Terry Janssen

So, those are usually funds that come in, especially if they're grants, and they're written for a purpose and sometimes they're reimbursable. And so we need to push them back out to pay for expenses. Then our total. And then, of course, total funds available minus the liabilities gives us our \$231,528.67.

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Terry Janssen

Move on to the revenue and expense summary.

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Terry Janssen

I'm going to move up just a little bit. So this is the top portion of the revenue and expense summary. And it's very hard to put everything on this PowerPoint slide. So I kind of took off the bottom part. But

I wanted to show you the bottom part, which is really the part that contains our extension fund available dollars.

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Terry Janssen

And it will also list unemployment revenue there, or it might show tort liability. And, in this case, this county is not levying for those. And this just shows the lower portion. And for our presentation tonight, I'm not going to cover this portion, but if you have questions or interest in knowing more, visit with your county or regional director. They'll certainly help you.

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Terry Janssen

So now back to the top part of the revenue and expense summary. And I'm going to go through this. Again, if you have questions you can put them in the chat. So the beginning balance is the amount carried over from one year to the next. And the actual is, again, the actual year to date.

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Terry Janssen

And, and that's what was actually carried over. So that would be the number that you would find on the previous year's year end report of the balance - the ending balance. So your ending balance for the year end should be your actual year-to-date beginning balance. And, that's what you're going to use. And that's what's put into our budget worksheet.

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Terry Janssen

So one of the things you have to kind of think about as we're looking at tax appropriations and tax carryover is that approximately 39% of the Extension district's tax receipts come in October or, you know, right around 38 - 40%. And the same for our tax appropriations that we receive in April. So about 38 - 40% in October and April, and the rest are scattered throughout, the rest of the year.

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Terry Janssen

So, you have to keep that in mind when you're budgeting and making sure that you have carryover - tax carryover - but not too much tax carryover. So we're going to look at the columns and the revenue and expense summary report. That first column on the report is your actual monthly column or actual monthly dollars.

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Terry Janssen

So it's your income, your tax income in this case. The property tax that was received by this county was \$1,387.41. They must have sold some commercial or private pesticide books or maybe some early ear tags, \$185 and then \$39 of other. So total extension fund income revenue was \$5,292.30 for the month.

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Terry Janssen

And then salaries, \$6,686.60 for that month, for February, for the month of February. And then all of the individual expenses all the way down. And you see that equipment this month in February, was \$11,236.66. So it was a good portion of the budget, which our budget was, \$20,000. So can you imagine or think about why this county would have that large of an expense for equipment in February?

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Terry Janssen

You can type that in the chat if you have an idea.

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Terry Janssen

Any ideas? They purchased equipment. New furnace. Yeah. Could be. That would that would do it. Bought computers. Okay. New printers. Computers. Awesome. So in this case, they happened to buy a smart board TV. And if you've priced a smart board TV, they're about \$6,600 with the stand. They also purchased some other equipment. And so the reason this county had upgraded was for several reasons.

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Terry Janssen

One is, as I understand, yes....I don't know who do DMC is, but, they're spending carryover money. But part of it is they're upgrading some things that they know they're going to need in the future. They're getting rid of their LCD projector in the ceiling. They're getting rid of the screen and they're going strictly with the smart board.

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Terry Janssen

I think part of that is, as I understand it, the Blu ray may be going away. And so, that's part of the reason. So this column is talking about the month of February.

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Terry Janssen

The light green is our year to date. And so, when I'm looking at it, I'm looking at the month, but I'm really looking at that year to date number. And, I always look at that year to date number and then I slide clear to the right. But I'm not going to go there yet. So you can see that we are, where we are year to date, with the light green there.

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Terry Janssen

And then compare it to the budget, which is the blue column, and then our variance, you know, the, the first thing that, really sticks out with your variance is the red numbers. So the red numbers means that, you are either over in the case of an expense or you're under in the case of revenue.

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Terry Janssen

So you can go down here and you can look and see with this particular situation we're looking at, February 28th, and we're basically 8/12 of the way through the year. So 47% is December. So what would this indicate if you're looking at this and, you're looking at this at an extension council meeting, we're over 50%.

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Terry Janssen

You know, we're looking at, that, 8 divided by 12 because we're through we're going to say it's the end of February. We're 66% through the year, and yet we have only 48% of the wages. Can you type in the chat? What do you think is the situation there as a council member? I'm looking at that. I'm talking to the regional director of the county director and I'm going, okay, so what's going on here?

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Terry Janssen

Did someone go on vacation? A long vacation, maybe. Yeah. So in this case, in this county, there is an employee that left. It was an employee that was paid, definitely, a good wage. They'd been in extension for a while and we just didn't fill the position because we actually hired a person in June and they weren't going to start for us until January because they were still going to college. So this county's going to look at some situations.

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Terry Janssen

And this is part of the reason that, the equipment line is the way it is. It's, trying to look at upgrading, doing some things, before the end of the fiscal year. And so this county knew that there was going to be a situation and they're addressing it. And then the last column, as I mentioned, is the variance in the gray.

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Terry Janssen

And I really look at the percentages to see where we are. And really, when you're looking at that, I'm also looking at that number in the lower right corner - that 51.41% - because that's your total. So we're okay if we overspend like in the resale column. You see that we are over our budget on resale clear at the bottom.

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Terry Janssen

Comparing the blue, which is \$3,000 to the \$4,531.84, you're okay overspending in those line items. The problem is, you don't want to overspend your total budget. That requires an amendment. And, we're getting close to the time that generally we're thinking that by May 1st, we need to be looking at doing that because you can't overspend your budget, not one penny over until you amend.

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Terry Janssen

So in this case, this county's not going to have to worry about that this year.

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Terry Janssen

So, just kind of giving you a look at some of the things that I look at. I look at the total tax, program fee and grant income, and I look at these numbers down here to give me an idea of where we are compared to the budget.

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Terry Janssen

So, again, why is it important to look at this date and percentage? I just kind of mentioned that, because this tells you where you are with your budget, this county is 67% of the way through the year, and has only spent 51.4% of the budget.

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Terry Janssen

Then to move on to the voucher report. So this is a report that tells you all of the expenses, lists your vendor, the memo for what the expenditure is for. And so we'll go through this. But first I wanted to mention again I'm not showing you the lower portion of the summary report just because it would make it that much tighter.

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Terry Janssen

So I kind of took that off, and I'm showing you this. One of the things you want to look at is, at the lower portion it usually has your deposits, your transfers. If you're transferring money from savings to checking, it should match. So you want to make sure that those two things match. So back to the upper portion.

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Terry Janssen

Again, you're looking at the time frame of the voucher report, and this is more consistent with an actual day. You can run this report from one date to the other, as you'll notice. And I'll explain that a little bit later here, but, it will bring in your interest income. That's the income from the two CDs that we had previously.

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Terry Janssen

We have employee direct deposits, and they're designated by DD. So those are listed there. And electronic fund transfers for payroll taxes and IPERs. So what you're trying to do is - and I'll point this out a little bit later - you're trying to capture all of the things that are coming out of your account. You want to know what's coming out of the operating account, right?

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Terry Janssen

So this is what's going out and coming in. And that's what these reports are doing. You also have the written checks on your voucher report. So they're listed there. And so what should you look for when looking at the checks? Write your answer in the in the chat box if you would.

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Terry Janssen

And you can go all the way across. You can go all the way across, too. So instead of just looking at the check numbers, go all the way across. Okay, Mandy. Sequence. Amounts. Vendors. Yes. You're looking at all of those things. One of the things you want to look at, what I look at, is this check number.

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Terry Janssen

And it might be hard to see, but it's 22781. What should the check be that is in your minutes? What should be the last check number that's in your minutes that you approved from the month before? In January in this case?

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Terry Janssen

Yeah, it should be 22780. So if it's not, where is that check? Okay, so the other thing you want to be looking for is...it was mentioned the vendor. Is a vendor paid twice? Is there a round number that maybe needs further explaining? So there's a lot of things you can look at, making sure that...

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Terry Janssen

Yeah. Are there any voids? Why were they voided? Tiffany. Yes. Very good. Yeah. Why were they voided? And, and Tiffany may have some input on how you go about voiding a check. So, write big void on the check and make sure the signature line is cut out. That's been what one county has done in the past.

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Terry Janssen

So the date the check was posted. Here's your vendor name. So checking through those. Again, there's your memo - purpose of the expense or the memo line - and then the amount of the expense. Okay. So you see this on your voucher report. What does that "M" signify for these checks? Write your answer in the chat box if you can tell me. Bookkeepers are going to know this.

00:28:10:22 - 00:28:18:11

Terry Janssen

So if it's a council member, have a council member reply. So you bookkeepers, you're going to know.

00:28:18:23 - 00:28:27:12

Terry Janssen

What is the M stand for? Manual check.

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Terry Janssen

Monthly? No. The M signifies that, they're multiple. Yes, okay. Multiple. M equals checks that pay multiple invoices or multiple purposes. I guess it might be the same. It is the same vendor. So it's

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Terry Janssen

multiple expenses on one invoice.

00:29:01:01 - 00:29:28:07

Terry Janssen

Here's where the voided checks, should be noted, with a big V, so you can quickly see what checks were voided. And those should be in, in your stack of checks that you're signing. So, the voided checks don't get thrown away. They need to be kept for auditing purposes. So, just wanted to cover one thing that we do in Region 7.

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Terry Janssen

So every region might do some things a little different. But the treasurer's report and voucher report - approval on our council agendas really look at approving everything that comes out of our account. So we're tracking the operating checks. The beginning and end. So they're looking at that voucher report. They're looking at direct deposits. What the numbers are. The sequence.

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Terry Janssen

So we're capturing that. We're having a council approve the checks, the deposits, the direct deposit, the electronic fund transfers. Again, those are coming out. And then bank charges. So, the bank charges would include or could be penalties. A lot of the times it's direct deposit fees. So, those are coming out of our accounts and we want to make sure we capture those.

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Terry Janssen

We're also capturing those that are coming into our account when we talk about deposits into our account on the voucher report. And then we also want to track the transfer from savings to checking. And we're putting that on our agenda. And we're approving that at the council meeting because, again, those dollars are coming out of our operating account.

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Terry Janssen

So that concludes my presentation. I probably stopped a little quick there.

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Terry Janssen

Are there any questions for me?

00:31:17:06 - 00:31:41:14

Terry Janssen

Does the treasurer have to put a signature on voided checks? Not on the signature line, but somewhere on the eight by ten printed check. I don't I don't know if I've ever had that, Tiffany. I don't know what the standard practice is. I don't think it would hurt to initial it to just to say, hey, I've seen it.

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Terry Janssen

But I don't I don't think that's a standard practice.

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Mary Greiman

And it looks like there was one before that, Terry, that said, "What is the significance of the word 'allowable' spending in that last report that you had up?"

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Terry Janssen

Well, let me look here.

00:32:04:14 - 00:32:22:19

Terry Janssen

Oh, yeah. Good point. So the allowable spending is what's been approved. Okay. So basically that's your budget. That's your budget for FY '25. Yeah. Good question.

00:32:22:21 - 00:32:52:07

Terry Janssen

Yeah I've seen that so many times that I don't I don't even yeah. It's your basically your budget. So you're keeping track of what your budget is saying. I'm also putting on there and I didn't I don't think I had it there. I'm also wanting the council members to understand where they are in the budget and look at that "percentage of budget" number and put that on that report.

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Terry Janssen

And then I also make a note and I say, okay, we're 51.8% of the budget expenditures, but we're 68% through the year. So I'm giving those council members a heads up of what they can expect in the next few months. We need to be looking at where we are and carryover. And there is a carryover worksheet that can help us.

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Terry Janssen

And that carryover worksheet will have on the lower portion an amendment portion that will say, oh, you know, we're going to be spending too much. We may need to look at amending. So that's a very good worksheet. Your regional director or county director can work that through with you. I start doing that in December and January and I knew that we were going to be over in a couple counties.

00:33:43:05 - 00:33:53:17

Mary Greiman



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There's a last question there that says, is there a normal, typical time of the year to have a higher percentage of spending than the percent of the fiscal year?

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Terry Janssen

It just depends on, it just depends on the situation. You might have a large percentage of your budget come out after fair, because of, for some reason, you're collecting maybe livestock premiums or livestock expenses at the fair, and you're reimbursing youth. That's getting run through your county so you'd have a higher percentage of fee or non-fee, program expense.

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Terry Janssen

And over time, over the course of the rest of the year, that's going to level out. So you have to know what your normal, large expenditure times of year are and plan for that accordingly and use that in your in your thought process.