

**INSTRUCTIONS TO
PREPARE THE FY 2021
COUNTY ANNUAL REPORT
FOR THE IOWA DOT**

PREPARED BY: Local Systems Bureau
Iowa Department of Transportation
July 2021
(515) 239-1064

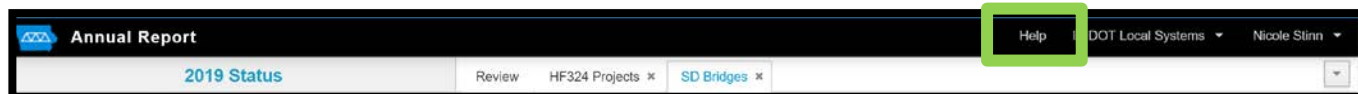
Table of Contents

<u>SHEET 1 - COVER SHEET.....</u>	<u>6</u>
<u>SHEET 2 - FINANCIAL SHEET FOR SECONDARY ROAD FUND.....</u>	<u>6</u>
<u>SHEET 3 - RECEIPTS TO SECONDARY ROAD FUND.....</u>	<u>9</u>
<u>SHEET 4 - 70X ADMINISTRATION AND ENGINEERING COSTS.....</u>	<u>13</u>
<u>SHEET 5 - 020 COUNTY CONSTRUCTION COSTS.....</u>	<u>14</u>
<u>SHEET 6 AND 7 - 71X ROADWAY MAINTENANCE COSTS.....</u>	<u>17</u>
<u>SHEET 8 - 72X GENERAL ROADWAY EXPENDITURES.....</u>	<u>18</u>
<u>SHEET 9 - INDEBTEDNESS.....</u>	<u>18</u>
<u>SHEET 10 - LOCALLY FUNDED PROJECTS.....</u>	<u>20</u>
Sheet 10 & Sheet 14 Comparison.....	25
<u>SHEET 11 - ROAD EQUIPMENT INVENTORY.....</u>	<u>25</u>
<u>SHEET 12 - EXPENDITURES FOR SECONDARY ROADS NOT ACCOUNTED FOR THROUGH THE SECONDARY ROAD FUND.....</u>	<u>28</u>
<u>SHEET 13 - LOCAL EFFORT PROVISION WORKSHEET.....</u>	<u>29</u>
<u>SHEET 14 - STATEMENT OF FINAL COSTS (HF324).....</u>	<u>32</u>
<u>SD BRIDGES (HOUSE FILE 2345 – REPLACING OR REPAIRING STRUCTURALLY DEFICIENT COUNTY BRIDGES).....</u>	<u>37</u>
<u>APPENDICES.....</u>	<u>39</u>
<u>APPENDIX A - EXAMPLE TYPES OF WORK (MAINTENANCE VS. CONSTRUCTION).....</u>	<u>39</u>
<u>APPENDIX B – EXAMPLE DAY LABOR COST CALCULATION.....</u>	<u>40</u>
<u>APPENDIX C - FREQUENTLY ASKED QUESTIONS.....</u>	<u>41</u>

GENERAL INSTRUCTIONS

Additional Instructions

Additional technical guidance for completing the Annual Report is available in the “Help” section of the Annual Report tool.



When Is the Annual Report Due?

Per [Iowa Code Section 309.22](#), “After the close of each fiscal year, and not later than September 15, the county engineer shall submit an annual report” to the Iowa DOT. Therefore, submittals are welcome any time after July 1 of each year and must be submitted by September 15.

What Must Be Submitted?

There are 15 sheets (including a notes sheet) contained in the printable copies of the document known as the Official Report of County Highway Engineer. All references to Sheet Numbers or Item Numbers in these instructions relate to numbers contained in the printable copies of the report. The following is included in that report:

SHEET 1 *TITLE SHEET*

The Title sheet shows the table of contents for the rest of the report and provides a line for the county engineer to sign a hard copy for filing.

SHEETS 2 – 8 *SUMMARY AND DETAILED FINANCIAL INFORMATION*

Sheets 2 - 8 contain the summary and detailed information of all receipts and expenditures that passed through the county's secondary road fund during the last fiscal year. This is required by [Iowa Code Section 309.22](#) and must be filed on the forms referenced in these instructions per [Administrative Rule 761 Chapter 173.3](#). These forms are available in TPMS and are developed by the cooperative efforts of the Iowa DOT and the ICEA (Iowa County Engineers Association) Service Bureau.

SHEET 9 *INDEBTEDNESS AND OBLIGATIONS*

Sheet 9 summarizes the bonding and other debts the county has issued for Secondary Road Purposes.

SHEET 10 *LOCAL PROJECTS (CONSTRUCTION PROGRAM PROGRESS REPORT)*

Sheet 10 lists the progress of locally paid, accomplishment year projects included in the five-year program for the past fiscal year and lists the amount expended by contract or day labor on each project. This information is required by [Iowa Code Section 309.22](#).

SHEET 11 *ROAD/STREET EQUIPMENT INVENTORY*

Sheet 11 is provided to list the county equipment used for maintenance and/or construction. It shows the cost of purchasing, leasing, or renting the equipment. It also shows an accounting of the use of such equipment for construction, reconstruction, or improvement projects on county roads in the previous fiscal year. Paragraph 7 of [Section 309.93 of the Iowa Code](#) requires this information.

SHEET 12 *EXPENDITURES FOR SECONDARY ROADS NOT ACCOUNTED FOR THROUGH THE SECONDARY ROAD FUND*

Sheet 12 is used to document information for those counties that expend monies directly from other funds for secondary road purposes. It is used as part of the calculation for 'Local Effort' on Sheet 13.

SHEET 13 *LOCAL EFFORT PROVISION WORKSHEET*

Sheet 13 is a worksheet used by the Iowa DOT to certify to the State Treasurer which counties have/have not met their local effort requirement under [Iowa Code Section 312.2\(5\)](#). Basically, a county is required to raise 75% of their maximum taxing potential for secondary road purposes.

SHEET 14 *STATEMENT OF FINAL COSTS (HF-324)*

Sheet 14 is for reporting the final costs of **all** completed projects that exceeded 90% of the bid threshold at the beginning of the reporting year. This reporting is required by [Iowa Code Section 309.93\(7\)](#). Details for completing this sheet are contained later in these instructions.

3. SUBMITTAL PROCEDURE

All submittals are to be made through the ICEA Service Bureau "Annual Report Tool" in TPMS. The Annual Report Tool notifies the Local Systems Bureau when completed reports are ready for review.

4. GENERAL COMMENTS ON PREPARING THE ANNUAL REPORT

A. ITEMS CHARGEABLE TO VARIOUS CLASSIFICATIONS

Use the Accounting Code Series listed in [I.M. 2.070](#), Secondary Road Budget Accounting Code Series.

B. FRINGE BENEFITS

Items such as vacation, sick leave, holiday pay, FICA, IPERS, medical insurance etc. should be charged as a part of labor on a pro-rated basis and placed in the appropriate expenditure classification. These expenses can be carried in a holding account and then distributed/pro-rated per month, per quarter, or per year to the appropriate labor classifications. Accounting Code Series 900 has been assigned for these fringe benefit items. This accounting procedure will more accurately determine labor and item cost. Fringe benefits shall not be placed as a separate item on any sheet of the annual report.

C. EXPENDITURES REIMBURSABLE TO THE SECONDARY ROAD FUND

Sheets 4 thru 8 provide lines for reimbursements to the major expense classifications.

Reimbursable items are those that are initially paid from the county's secondary road fund and are then reimbursed by outside people or agencies or by a transfer of other county funds, **except as noted in the last paragraph of this section.** Other agencies may include other counties, cities, etc. Other county funds may include the general fund, conservation, etc.

To qualify as a reimbursable item, the work must be paid for out of secondary road funds and reimbursed to that fund by others **in the same accounting year.** If the repayment does **not** take place in the same accounting year the expense occurred, it should be treated as an expense in the current year and as a miscellaneous receipt in the next fiscal year.

Reimbursement to the new equipment expenditure shall only be used if a county purchases, without trade, replacement equipment and then sells the old equipment in the same accounting year. The amount of the sale for the old equipment shall be the reimbursable figure. This line item shall not be used for trade-in values or for amounts received for selling non-replaced pieces of equipment. (Sale of non-replaced pieces of equipment is considered a revenue and placed on the "Old Equipment Sold" revenue line. See sheet 3, item 14.)

Reimbursed amounts may affect multiple expenditure line items. For example, if a grain wagon gets too close to the edge of a soft shoulder and spills into the ditch, the Secondary Roads Department may need to expend their efforts fixing the shoulder and cleaning the ditch, and to do so they may need to buy scoop shovels and use a motor grader. Secondary Roads may then bill the driver of the grain wagon for damages. The damage payment could be considered a reimbursable amount toward item 482 (Shoulders) in the Roadway Maintenance category as well as toward item 655 (Tools) in the Equipment Operations

Category. One category item should be chosen to which the reimbursable amount will be applied.

Many items/transactions may be considered reimbursable for the DOT/for this report. However, very few of these items may be treated as reimbursements for the county's local budget. For example, a payment made to the Secondary Roads Department by a landowner for upgrading a level B road to a level A road may be considered a reimbursable expense for this Annual Report for the DOT, but that expense would not be allowed to be treated as a reimbursement for the county's local budget.

Reimbursable amounts are accounted for in this system in order to more accurately determine the expenses incurred for secondary road operations only and not to show as net expenditure those expenses which are of a non-secondary road operation nature. In other words, the goal is to show what it truly costs to run secondary road operations only. The goal is not to get a summed amount to show what money flows back into the department for miscellaneous other activities. (NOTE: This is opposite of the way the overall county "local" budget is treated.)

This method of utilizing reimbursements should **not** be used when accounting for funds received from federal or state special programs which are actually used for secondary road construction, reconstruction, or improvements. Examples are the federal and state bridge funding (HBP and HBP-Swap) programs, federal and swap surface transportation funding (STBG and STBG-Swap), disaster payments (FEMA and ER), railroad programs, Traffic Safety programs (HSIP, HSIP-Swap, and TSIP), economic development programs (RISE), the Emergency Watershed Program (EWP), negotiated Transfer of Jurisdiction (TJ) agreements, other state-aid programs (C-STEP), etc. To assure work accomplished using these funds is reflected in the net expenditures, the repayment must be accounted for as a **receipt** and **not as a reimbursement**. Expenditures should be programmed in the year they are expected to occur. Likewise, the receipts should be programmed in the year they will be received. See the instructions for [Sheet 3](#).

See also the [Budget & Program Instructions](#).

D. TIME-21 REQUIREMENTS

[Iowa Code section 312A.3](#) specifies that TIME-21 funding must be "used by counties for construction and maintenance projects on secondary road bridges and on highways in the farm-to-market road system." It also specifies that "At least ten percent of the moneys allocated to a county...shall be used for bridge construction, repair, and maintenance...".

The Annual Report is used to verify that correct and ample expenditures were made of TIME-21 funds. Accounting codes 320, 331, 332, 420, 431, and 432 are used to verify that the minimum of 10% has been spent on bridges. Additionally, code 310 is used to verify expenditures on Farm-to-Market routes.

On Sheet 10, in the remarks for each project, counties should note whether the project can/should be counted toward TIME-21.

DETAILED BREAKDOWN OF ANNUAL REPORT SHEETS 1 – 15:

SHEET 1 - COVER SHEET

The Annual Report Tool automatically completes this sheet. The official copy that the county prints and files for its records should be signed by the county engineer.

SHEET 2 - FINANCIAL SHEET FOR SECONDARY ROAD FUND

Item 1 AUDITOR'S BALANCE

Shows the balance of your secondary road fund at the beginning of the fiscal year (July 1). This figure must be the same as last year's ending balance (line 22 sheet 2 from last report). Do not show the cash balance reported by the treasurer but rather the cash balance after the outstanding warrants have been subtracted.

If a state auditor has changed, by transfer or correction, last year's balance, show the original balance and then add or subtract the change under Item 7, Tax Refunds and/or Credits, on sheet 3, Receipts to the Secondary Road Fund. Please be sure to include an explanation if last year's balance has been changed.

Item 2 – 19 RECEIPTS AND EXPENDITURES

These items are the totals of the various receipts and expenditures categories computed from information entered on sheets 3 thru 8. The Annual Report tool will automatically enter these values based on the information inserted in the categories on sheets 3 thru 8.

FINANCIAL SHEET FOR SECONDARY ROAD FUND		
* EXPENDABLE INCOME		
1. Auditor's Balance - July 1	\$3,109,260.86	See Sheet 3
2. Total Receipts (From Sheet 3)	\$7,598,457.90	
3. Total Funds To Account For		\$10,707,718.76
* EXPENDITURES FOR THE FISCAL YEAR		
70X Administration and Engineering		
4. 700 Administration	\$220,778.76	See Sheet 4
5. 701 Engineering	\$255,096.93	
TOTAL ADMINISTRATION - ENGINEERING		\$475,875.69
020 Construction		
7. 020 Construction		\$49,315.23
71X Roadway Maintenance		
8. 710 Bridges and Culverts	\$457,211.55	See Sheet 6 & 7
9. 711 Roads	\$2,990,139.65	
10. 712 Snow and Ice Control	\$570,225.76	
11. 713 Traffic Controls	\$228,826.56	
12. 714 Road Clearing	\$73,118.01	
13. TOTAL ROADWAY MAINTENANCE		\$4,319,521.53
72X General Roadway Expenditures		
14. 720 New Equipment	\$1,072,535.00	See Sheet 8
15. 721 Equipment Operations	\$1,987,189.72	
16. 722 Tools, Materials, and Supplies	\$13,619.18	
17. 723 Real Estate and Buildings	-\$400.00	
TOTAL GENERAL ROADWAY EXPENDITURES		\$3,072,943.90
19 TOTAL EXPENDITURES (70X + 020 + 71X + 72X)		\$7,917,656.35
* Auditor's Balance - June 30		
20. Obligated Balance		

Item 20 OBLIGATED BALANCE

Two categories of obligations are included in the total obligated balance: operations and construction.

The operations category is for bills received but not paid until after June 30th (outstanding bills) and for approved purchase orders which will be delivered after June 30th. Common operations obligations include equipment, materials, supplies, and maintenance contracts which are outstanding at the close of the fiscal year. List any outstanding bills to your secondary road fund and road clearing fund at the close of the fiscal year.

The construction category consists of unpaid balances on locally paid construction contracts, including engineering contracts. List the unpaid balances of all local contracts which are outstanding at the close of the fiscal year.

The "Obligations Total" balance shown on the printed report should be the total of the two categories.

Electronic view

Balances	
Operations Obligations: Outstanding Bills and amounts obligated for equipment, materials, and supplies, as well as any maintenance contracts which are outstanding at the close of the fiscal year.	\$ 693253.02
Construction Obligations: Amounts obligated for local construction or engineering contracts for construction projects.	\$ 321453.70
Unobligated Balance	\$548,498.67
End Balance *	\$ 1563205.39
Total Expenditures	\$6,374,880.91
Total Funds Accounted	\$7,938,086.30

Printed view

* Auditor's Balance - June 30		
20. Obligated Balance		
Operations: Outstanding Bills and amounts obligated for equipment, materials, and supplies, as well as any maintenance contracts which are outstanding at the close of the fiscal year.	\$358,813.08	
Construction: Amounts obligated for local construction or engineering contracts for construction projects	\$0.00	
Obligations Total	\$358,813.08	
21. Un-obligated Balance	\$1,817,236.67	
22. End Balance (Obligated + Unobligated)		\$2,176,049.75
23. TOTAL FUNDS ACCOUNTED FOR		\$7,258,254.31

Item 21 UNOBLIGATED BALANCE

The unobligated balance is essentially the portion of your end balance that is “unspoken for” or free of encumbrances in the coming fiscal year. This value is calculated automatically according to the following formula: End Balance – Obligated Balance = Unobligated Balance. It is possible this

could show as a negative value if the obligations exceed the Auditor's end balance.

Item 22 END BALANCE (OBLIGATED + UNOBLIGATED)

The auditor's June 30 ending balance. This is not the treasurer's cash balance but rather the cash balance minus the outstanding warrants.

Note: The auditor's balance takes into account any expenses for which warrants (claims) have been written but which have not yet been paid. The treasurer's cash balance is simply a snapshot of your account balance and does not recognize that payments are pending.

Item 23 TOTAL FUNDS ACCOUNTED FOR

Expenditures plus ending auditor's balance (Item 19 + Item 22). This item should also equal the total funds to account for in Item 3 above.

SHEET 3 - RECEIPTS TO SECONDARY ROAD FUND

This sheet provides a detailed breakdown of the total receipts listed in Item 2 on Sheet 2. Special categorical funds as noted on the previous page are accounted for as receipts rather than reimbursements. RISE receipts are listed under Item 4. Federal Bridge Replacement Funds are listed under Item 5, and Swap Bridge Replacement Funds are listed under Item 6. All other special categorical funds should be included under miscellaneous receipts.

If an expenditure and its repayment by others did not take place in the same fiscal year, the expenditure is listed in the year expended and the repayment is listed as a miscellaneous receipt in the year received.

Item 1 COUNTY AUDITOR'S BEGINNING SECONDARY ROAD FUND BALANCE

This is the figure entered on Line 1 of Sheet 2 "Financial Sheet For Secondary Road Fund".

Electronic view

Financial Sheet For Secondary Road Fund (Sheet 2)		
Expendable Income		
Auditor's Balance *	\$ 1209639.06	See Receipts (Sheet 3)
Total Receipts	\$6,728,447.24	
Total Funds to Account		\$7,938,086.30

Receipts To Secondary Road Fund (Sheet 3)					
1. County Auditor's Beginning Balance (Line 1, Financial Summary)					\$1,209,639.06
	Property Tax, Delinquent Tax, Credits, etc.	Valuation	Gross County Levy Rates	Secondary Road Levy Rate	SRF Transfer Amounts

Item 2 TRANSFERS FROM TAX LEVIES PER [331.429 OF THE IOWA CODE](#)

Tax receipts from property taxes, delinquent taxes from past years, and state payment of tax credit are shown in the upper portion of this box. Receipts from Local Option Sales Tax transfers are included in the lower portion of this box. You will enter the amounts transferred to the Secondary Roads Department for each the rural basic and the general basic funds. Levy rates will be calculated for both of these funds based on pre-populated data for valuations. (Valuation data originates from the Department of Management, and is placed in the Annual Report tool by the Service Bureau.)

Electronic view

Receipts To Secondary Road Fund (Sheet 3)					
1. County Auditor's Beginning Balance (Line 1, Financial Summary)					\$1,209,639.06
2. Transfers per Code Section 331.429	Property Tax, Delinquent Tax, Credits, etc.	Valuation	Gross County Levy Rates	Secondary Road Levy Rate	SRF Transfer Amounts
	Rural Basic	\$857,119,383.00	\$2.3815 Max=\$3.95/\$1000	\$2.38150 Max=\$3.00375/\$1000	\$ 2041228.00
	General Basic	\$1,401,685,316.00	\$3.5 Max=\$3.50/\$1000	\$0.14269 Max=\$0.16875/\$1000	\$ 200000.00
	Local Option Sales Tax				\$ 248768.00

Item 3 ROAD USE TAX RECEIPTS

List the amount of regular Road Use Tax Fund (RUTF) revenue received for your county secondary road fund. Also show the receipts for the TJ of the FM extensions in the cities with population of 500 or less, as per [Iowa Code, Section 312.3, subsection 2.b.](#) TIME-21 funds received in accordance with [312A.3, subsection 2.](#) also get reported here. The TIME-21 receipts are provided on the Local Systems Bureau website at https://iowadot.gov/local_systems/County-Reports-Funding-Resources/Funding-information. TIME-21 funds are part of the RUTF deposit received from the Treasurer of Iowa, so they need to be deducted from the regular RUTF amount shown as being received by the County.

Electronic view

3. Road Use Tax Receipts	Regular RUTF - (Std 24.5% & SF451 TJ)	\$ 3626620.49
	Time-21 Funds	\$ 519958.55
	City FM extension funds 306.4(3a) transfer from cities less than 500 population	\$ 27316.16

Item 4 RISE FUNDS

List amount of RISE funds reimbursed to the secondary road fund. List the funds in the year received regardless of when the cost was incurred or

when reimbursement was applied for.

Item 5 FEDERAL BRIDGE REPLACEMENT FUNDS

List federal bridge replacement or rehabilitation funds received into the Secondary Road Fund.

Item 6 SWAP BRIDGE REPLACEMENT FUNDS

List Swap bridge replacement or rehabilitation funds received into the Secondary Road Fund. (This line item was new in the FY'20 Annual Report.)

Item 7 TRANSFER OF FARM TO MARKET FUNDS TO LOCAL SECONDARY ROAD FUND

List amount transferred per [Iowa Code Section 309.10](#). Transfers must meet the criteria shown in [I.M. 2.140](#), Transfer of Farm-to-Market Funds to the Local Secondary Road Fund.

Item 8 TAX REFUNDS AND/OR CREDITS

Refunds to taxpayers are not available for road purposes and are therefore considered to be reductions in receipts rather than expenditures, even though your auditor may show them as expenditures. Include tax refunds and/or credits, such as fuel tax refunds. Also, include any state auditor's transfers/corrections, errors, and canceled warrants which were issued and canceled in the same accounting year. If warrants issued in past years are canceled, show this amount as a miscellaneous receipt on Item 26 and note the initial year issued in the description. Include tax refunds/credits on this line item that were received in the fiscal year for which this report is being completed regardless of the year in which the taxes were paid and the refund was applied for.

Item 9 MISCELLANEOUS RECEIPTS

This is the total of Items 12 through 26, as shown Item 27.

Item 10 TOTAL RECEIPTS TO SECONDARY ROADS

This is the total of all of the receipts to the Secondary Road Fund. It is computed by summing Items 2 through 9.

Item 11 TOTAL FUNDS TO ACCOUNT FOR

This is the sum of Items 1 and 10. It is the sum of the auditor's end balance on June 30 of the previous year and your current year's receipts.

It gives a total of all monies that were available to the secondary road fund.

Items 12 - 26 MISCELLANEOUS RECEIPTS ITEMIZED

- Item 12 Right-of-way sold or Leased
- Item 13 Real Estate and Buildings sold or rented
- Item 14 Gravel Pits and Rock Quarries Leased or Royalties
- Item 15 Old Equipment Sold
- Item 16 Used Materials, Supplies and Junk sold
- Item 17 Cash Donations
- Item 18 Licenses or Permits
- Item 19 Reimbursements to Secondary Road Fund – List out the reimbursements received to Secondary Roads during this fiscal year.
- Item 20 Special Assessments – list special assessments received as per [Iowa Code Section 311](#)
- Item 21 Other FHWA Funds or Grants – list all other funds received from FHWA, such as Emergency Relief, TIGER funds, and other grants
- Item 22 State Bridge Funds + Other State Funds (such as STBG funds reimbursed on a minor collector that is not FM) – list any state county bridge or other state funds received this FY.
- Item 23 Other Federal Funds not from FHWA – list all other Federal funds received that didn't originate from FHWA, such as any NRCS, EWP, Forest Service, HUD or other Federal Grants received this FY. Include FEMA in Item 24 (see below).
- Item 24 FEMA Disaster Aid – list all FEMA disaster aid funds received this FY.
- Item 25 Transfers from other funds to Secondary Roads – list all transfers from other funds to the Secondary Road Fund.
- Item 26 Use item 26 to list other special categorical receipts that are not covered by Items 12 - 25, including receipts from negotiated TJ agreements.

SHEET 4 - 70X ADMINISTRATION AND ENGINEERING COSTS

The Accounting Code Series listed in [I.M. 2.070](#) explains what expenditures are to be included in 110 through 250 categories. Expenditures must be reported in one of those categories; there are no exceptions.

SHEET 5 - 020 COUNTY CONSTRUCTION COSTS

The Accounting Code Series in [I.M. 2.070](#) explains most of the 310 through 390 categories. All ROW expenditures are reported in the 310 category. All other expenditures must fit into one of the categories shown.

The Raw Local Construction Totals minus the ROW costs (310) should equal the project totals of sheet(s) 10.

The Day Labor Construction Costs must match the total of the day labor portions of Sheet(s) 10.

DEDUCT FOR COSTS ACCOUNTED FOR UNDER 721 & 722 SERIES OF GENERAL ROADWAY EXPENDITURES

Equipment Deductions

The total costs for Day Labor construction projects include equipment operating costs. Because the county's costs for equipment and equipment operations are accounted for in the General Roadway Expenditures in the 721 series, adjustments to the Day Labor project costs for duplicated expenditures are necessary before the Adjusted Local Construction Expenditures are transferred to the 020 construction item in the Financial Sheet for Secondary Road Funds (Sheet 2). If the adjustment was not made to deduct the expenses from the 721 series, the Annual Report application would "double count" them.

For example, a project to install a new roadway culvert pipe could include 10 hours of excavator time. If the hourly rate for a hydraulic crawler excavator were \$67.53 per hour, multiplying the rate by the hours used shows a cost of \$675.30 to the project for the excavator use. While the total cost for the project will include this amount, the county's costs for operating the equipment are accounted for in the General Roadway Expenditures of the budget. In order to avoid duplication of the excavator cost, the total costs for the 020 item of the Financial Sheet will need to be adjusted by \$675.30.

In accordance with stipulations in [309.93](#) and [314.1A](#) of the Iowa Code, the DOT has determined hourly rates for the various pieces of construction and maintenance equipment typically used by counties. The rates can be found on the Local Systems webpage at: https://iowadot.gov/local_systems/Equipment-Rates.

Note: If there is a deduction shown on Sheet 5 for equipment, there the "Used on Project This FY" box on Sheet 11 should generally be checked for the corresponding pieces of equipment.

Materials Deductions

The total costs for Day Labor construction projects may include materials incorporated into the project that are taken from county material stockpiles. Because the county's costs for stockpiled materials are already accounted for in the General Roadway Expenditures in the 722 series, adjustments to the Day Labor project costs for duplicated expenditures are necessary before the Adjusted Local Construction Expenditures are transferred to the 020 construction item in the Financial Sheet for Secondary Road Funds (Sheet 2). If the adjustment was not made to deduct the expenses from the 722 series, the Annual Report application would "double count" them.

If materials are recorded as a "contract" expense but are also shown as a series 722 deduction, the effect is that they essentially cancel each other out so that the "Adjusted Local Construction Expenditures" looks artificially low.

According to current practices, any materials purchased specifically for a project classified as "construction" should be charged to the 300 series. This would include both materials purchased through a bid letting and without a bid letting. Materials initially purchased and stockpiled mainly for maintenance, such as bulk orders of CMP, should be put into the 722 series. Materials shown in the "Materials" deduction line on Sheet 5 are those materials which are pulled out of the 722 series stockpiles for use on a "construction" project. (See [I.M. 2.070](#) for accounting code explanations.)

To summarize, any materials purchased specifically for a "construction" project should be attributed to the 300s series while any materials pulled out of general maintenance stock for a project should be shown as a materials adjustment on Sheet 5. (See [I.M. 2.010, Attachment A](#) for definitions of construction vs. maintenance.)

Electronic view

Deduct For Items Accounted For Under 721 & 722 Series	
Equipment (Operation, Tools and Supplies)	\$ 31041.70
Material	\$ 25258.73
Total to Deduct from Raw Local Construction Total	\$56,300.43
Adjusted Local Construction Expenditures	\$2,014,593.39
Reimbursable Construction Items	\$ 0
Net Adjusted Construction	\$2,014,593.39
Remarks	

ADJUSTED LOCAL CONSTRUCTION EXPENDITURES

This figure is the raw local construction costs minus the duplicated costs accounted for in the 721 and 722 General Roadway Expenditures.

REIMBURSABLE CONSTRUCTION ITEMS

Reimbursable Construction Items are those project related costs that were initially paid from the Secondary Road Fund and then were repaid by outside agencies or by a transfer of other county funds, unless the repayment comes from one of the previously listed categories that are to always be considered receipts. The costs shown here must be paid for from the Secondary Road Fund and reimbursed to that fund by others in the same accounting year.

NET ADJUSTED CONSTRUCTION

The total of the Reimbursable Construction Items is subtracted from the Adjusted Local Construction Expenditures to arrive at the Net Adjusted Construction cost. This is the cost that is carried back to Item 7, 020 Construction, on the Financial Sheet For Secondary Road Fund (Sheet 2).

SHEET 6 and 7 - 71X ROADWAY MAINTENANCE COSTS

Report all expenditures related to the maintenance of secondary roads and bridges in this area. Explanations of the various work categories are provided in [I.M. 2070](#).

Reimbursements for maintenance work charged should be included in the locations provided and the net costs should be entered in the various locations on Sheet 2. Please note the special procedure for reporting road clearing costs below.

Examples – Electronic view

* 710 BRIDGES AND CULVERTS		
420 Bridges		\$338,639.28
431 Pipes		\$118,758.14
432 Box		\$2,497.03
Reimbursements (List)		
Wage Reimbursement		\$2,682.90
TOTAL REIMBURSEMENTS (Subtract)		\$2,682.90
NET EXPENDITURES (Enter on Line 8, Sheet 2)		\$457,211.55

	488 Drainage Dist. Tile	\$0.00
	489 Miscellaneous	\$10,479.77
SUBTOTAL		\$242,639.79
Reimbursements (List)		
County Line Reimbursement		\$5,519.87
TOTAL REIMBURSEMENTS (Subtract)		\$5,519.87
NET EXPENDITURES (Enter on Line 8, Sheet 2)		\$2,990,139.65

714 - ROAD CLEARING

Counties may pay for road clearing items out of their secondary road fund, a separate county road clearing fund (a special component of Rural Basic), or a combination of both.

Expenditures from your secondary road fund for road clearing purposes are to be listed on Sheet 7 under 714 Road Clearing. Reimbursements or receipts from the separate county road clearing fund for road clearing purposes are to be listed on sheet 7 under 714 Reimbursements to Road Clearing.

Expenditures paid directly from the separate county road clearing fund that were for secondary road clearing purposes are not to be listed here but rather on Sheet 12, Expenditures for Secondary Roads Not Accounted For Through the Secondary Road Fund.

For example, if county conservation does the secondary road clearing as part of their duties and the county pays for these services through the secondary road fund, record the payments on Sheet 7. If the same services were performed but not paid out of the secondary road fund, do not list any amount on Sheet 7, but do list the expenditure on Sheet 12, Expenditures for Secondary Roads Not Accounted For Through the Secondary Road Fund.

SHEET 8 - 72X GENERAL ROADWAY EXPENDITURES

Reimbursements to New Equipment (Code 610): Insurance settlements, vehicles or equipment sold to other county agencies etc., should be considered a reimbursement if the transaction took place in the same fiscal year as the purchase. Treat it as a miscellaneous receipt if the payment was not received in the same fiscal year as the expenditure. The same procedure applies to reimbursements for the other categories on this sheet.

Example – Electronic view

* 720 NEW EQUIPMENT		
610 New Equipment	\$745,584.22	
Total Reimbursements (Subtract)	\$402,927.37	
NET EXPENDITURES (Enter on Line 14, Sheet 2)		\$342,656.85

SHEET 9 - INDEBTEDNESS

List only indebtedness for the purpose of Secondary Roads, not the total indebtedness of the county for other purposes.

INDEBTEDNESS, BONDS, BANK LOANS and ANTICIPATORY CERTIFICATES

Fill out the Type, Issue Date, Description, Deposited Into, Purpose, and Term fields. The “Deposited Into” field may be the Secondary Road Fund or another fund at the County.

Enter the “Bond/Loan Amount Outstanding Beginning FY”, the “Proceeds Received this FY”, “Principal Paid this FY”, and “Interest Paid this FY”. The Bond/Loan “Outstanding Balance End of FY” will be automatically calculated.

If any new debt was deposited directly into the Secondary Road Fund (i.e., if the “Deposited Into” field shows secondary roads), report the total also on Sheet 3, under Miscellaneous Receipts – Other.

If any funding used for Secondary Road purposes was deposited this FY into another County Fund, such as the General Fund, Rural Basic Fund, or a special fund for bond proceeds, report that amount on Sheet 12.

Example – Electronic view

✕
* Required fields

Edit Debt

Type * Issue Date *

G.O. Bonding 7/29/2016

Description *

\$4,675,000 General Obligation Capital Loan Notes, Series 2016B

Deposited Into *

1500 Capital Project Fund; County Auditor's Budget; \$4,779,038.85 on 7/29/16

Purpose *

Webster County Maintenance Facility at 1950 225th Street, Fort Dodge, Iowa for the maintenance, repair, and storage of secondary road department equipment and for sheriff's department equipment and evidence storage.

Term (years) *

10

Amount Outstanding Beginning FY *	Proceeds Received this FY
\$ 3800000.00	\$ 0
Principal Paid this FY	Interest Paid this FY
\$ 0	\$ 0

An Anticipatory Certificate is used if a county is lacking in cash to pay for road work; the county may issue an anticipatory certificate to a contractor, who may then go to the bank and cash the anticipatory certificate. The bank would then charge the county interest.

SHEET 10 - LOCALLY FUNDED PROJECTS

These sheets should be used to list every construction project that expended local Secondary Road Funds during the past fiscal year. Projects paid from the Farm-to-Market account should NOT be shown here unless, for some reason, a local expenditure was made on them. **(Note: These are NOT the pages for the reporting of final project costs in accordance with [Iowa Code section 309.93](#). Sheet 14 – Statement of Final Costs (HF-324) is provided at the end of the report for those costs.)** The costs incurred should be broken down into the various accounting codes and work types provided.

Note: To determine if a project is construction or maintenance, see the Local Systems [Bid and Quote Thresholds webpage](#) and [I.M. 2.010, Attachment A](#).

Electronic view

2019 Status	Review			Construction Costs *	Local Projects *
Financial Summary					
Receipts					
Administration and Engineering Costs					
Local Projects	✓	L-HMA...	34389	On Various Locations	
Construction Costs	✓	BROS-...	29412	On 370TH ST, Over ROCK	
Roadway Maintenance Costs	✓	BROS-...	36596	On 410TH ST, Over BEAV	
General Roadway Costs					
Indebtedness					
Equipment					
Non SRF Funds					
Local Effort					
HF324 Projects (Final Costs)					
SD Bridges					
Resources					

The following information must be completed for each project reported.

Project Number:

The project number shown here should match the project number in the CFYP submitted.

Let As PN (If Different):

This information should only be completed if the project was let under a different project number.

TPMS:

This is the TPMS ID associated with the project. This ID number must be shown for every project reported on Sheet(s) 10. Including the TPMS ID facilitates comparison of the reported projects to the CFYP. It should reduce phone calls/emails requesting clarification of information provided.

FHWA # (For NBIS Structures):

If the project involves the replacement or rehabilitation of a structure on the NBIS (a 20' or longer structure), the FHWA Bridge number should be shown here. This should be the same number shown in the CFYP for the project.

Unprogrammed (check box):

This box should be checked if the project was not included in the CFYP. If the box is checked, please provide an explanation in the remarks field for expending money on an unprogrammed project.

Project Location:

This should be the location description in TPMS that was used for the preparation and submittal of the CFYP.

System:

This must be completed and should indicate the road system classification (Farm to Market or Local) that the project is located on. The Annual Report summary lists construction completed on each system, and that information is forwarded to the legislature, so it is important that this item is properly completed.

Percent Complete as of 6/30/20xx:

List the percent complete based on the ratio of current years costs and previous years costs to the estimated (or contract) final cost. For example, if 20% was completed in the prior fiscal year, and 50% was completed this fiscal year, enter 70%. This is the total % complete as of the end of this fiscal year.

It is generally not good practice to release the retainage on a project before the final audit has been completed. However, if a project has been completed and retainage has been paid but the audit has not been

completed, it is recommended that the project be shown as 100% complete and recorded on Sheet 14.

Project Cost Details:

Each project record provides a detailed listing of accounting classes and codes and types of work. Project costs should be listed according to their corresponding work type codes. Separate columns are provided for day labor and contract work. The item code totals are shown at the far right (print version only). Project totals are automatically calculated for each the day labor and contract work types, and the total project cost is shown.

When the project was initiated, a determination should have been made as to whether the project was considered maintenance or construction. (As a reminder, guidance on determining construction vs. maintenance can be found on the Local Systems [Bid and Quote Thresholds webpage](#) and in [I.M. 2.010, Attachment A.](#))

If the project is considered to be maintenance, the work is NOT subject to the Bid Threshold, and an unlimited amount of day labor may be utilized. **Maintenance projects should NOT be shown on Sheet 10.**

If the project is considered to be construction, the **total** amount of the project may exceed the Bid Threshold amount, but the **day labor portion** must NOT exceed the threshold. In other words, the portion of the project NOT subjected to bids cannot exceed the threshold.

More information on the Bid Threshold may be found on the Local Systems [Bid and Quote Thresholds webpage](#).

All of the following should be considered “day labor”:

- work completed by Secondary Roads employees
- work performed by a directly hired contractor (no formal bids taken), and
- materials purchased for a specific project without formal bids taken.

Essentially, day labor can be considered any work performed or materials purchased for a specific project which were not subjected to formal bidding procedures. **Quotes do NOT count as formal bids.**

All day labor costs should be entered in the column labeled “Day Labor”, and all non-day Labor costs should be entered in the column labeled “Contract”. Again, the “Contract” column should only reflect payments made for projects (or portions of projects) that were publicly let. **“Contract” does NOT simply mean a contractor was hired.**

✕
* Required fields

Edit Project

Details

Project Number * Let As PN (if Different)

TPMS FHWA# (For NBIS Structures)

Unprogrammed

Location *

Length (miles) System *

Percent Complete as of 6/30/2021 * %

Costs

Type	Day Labor	Contract
320 Bridges	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
331 Pipe Culverts	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
332 Box Culverts	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
351 Clear and Grub	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
352 Excavation	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

For projects being paid through the Farm-to-Market account, enter a remark to explain any local expenditures shown. (Explain why the project is being included on Sheet 10, which is for locally paid projects only.)

Remarks:

Space is provided at the bottom of each record for special notes to explain unusual situations. If applicable, use this space to indicate if TIME-21 funding was utilized on the project. Use of this field is encouraged in order to provide information that will reduce follow-up questions.

Example – Electronic view

✕
 * Required fields

Edit Project

Details

Project Number * Let As PN (If Different)

TPMS FHWA# (For NBIS Structures)

Unprogrammed

Location *

Length (miles) System * ▾

Percent Complete as of 6/30/2020 *

Costs

Type	Day Labor	Contract
320 Bridges	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

Totals	\$0.00	\$1,032,020.12
Project Total (This FY)		\$1,032,020.12
Project Total (All Years)		\$1,032,020.12

Remarks

Sheet 10 & Sheet 14 Comparison

Projects on Sheets 10 and 14 may not correspond 1:1.

Sheet 10 – Local Projects

- Includes ONLY construction projects
- Includes ONLY projects with local expenditures
- These may be reimbursed by other funds.
- Only enter expenses for fiscal year being reported
- The program will automatically sum the current year's expenditures and prior years' expenditures.
- Show a project as 100% complete when retainage has been paid.
- All costs incurred that were not subject to formal bids should be recorded as day labor.
- For example, if materials were purchased via quotes and county crews did the work, the sum of those amounts should be shown as the total day labor cost for the FY.
- If a locally paid expenditure was made on a project which is largely paid through another account (i.e. the FM account), please provide a note saying, "Local expenditures only are shown on this sheet. The remaining project costs were paid through the xxx account."

Sheet 14 – HF 324 (Final Costs)

- Includes ONLY projects which are 100% complete.
- Recommended: Consider project 100% complete when retainage has been paid.
- Contains projects from ALL funding sources (local, FM, bonds, LOST, etc.)
- Day labor costs should include all expenditures made which were not subject to formal bids.
- Includes materials purchased via quotes.
- Includes directly hired contractors.
- "Actual Day Labor" costs should generally match day labor cost shown in the "AGC Day Labor Breakdown" except for overhead expenses.
- Total project cost should match the project total on Sheet 10.
- Double check project type/road type/work type
- Publicly let checkbox
- Fund the contractor was paid out of.

SHEET 11 - ROAD EQUIPMENT INVENTORY

Sheet 11 was developed in accordance with [Iowa Administrative Code, 761 Transportation Chapter 178](#) to report the costs of purchasing, leasing, or renting county or city equipment used for maintenance and/or construction work on roads, streets, culverts or bridges. It also shows an accounting of the use of such equipment for construction, reconstruction, or improvement projects on county roads and city streets in the previous fiscal year.

For examples of types of work that are considered construction, reconstruction, improvement or maintenance, refer to [I.M. 2.010, Attachment A](#). Refer also to [Appendix C](#) for frequently asked questions concerning Sheet 11.

Note: Equipment should only be reported on this form if it is either (a) self-propelled equipment, or (b) motorized, non-self-propelled equipment with a cost in excess of \$5,000. However, maintenance equipment used exclusively for snow and ice removal (snow plows, spreaders, etc.) does not need to be reported. A separate line item entry is required for each piece of equipment that meets the reporting requirements.

Complete Sheet 11 as follows:

Click on an entry to bring up the “Edit Equipment” box, and fill out the applicable fields.

Local ID#: Enter the county or city identification number. If the county or city does not use an I.D. # for its equipment, leave this column blank.

Model Year: Enter the model year of the piece of equipment (1999, 2001, 1986, etc.).

Description: Enter a description of the equipment. These entries would be similar to Buick LeSabre car, Cat 12M motor grader, Int’l 4700 single axle truck, Ford L9000 tandem axle truck, etc.

Cost: If the piece of equipment was purchased by the county, enter the purchase price. If the piece of equipment was leased, enter the lease rate per unit of time, such as \$50 per hour, \$1,000 per month, etc., in the “Cost” and “/Unit” columns below. If the piece of equipment was rented, then enter the rental rate per unit of time, such as \$50 per hour, \$1,000 per month, etc. Note: The rate in this field should indicate what the county paid to rent a piece of equipment, NOT the rate the county charges others.

Cost Type: Choose purchase, lease, or rental.

Notes: Enter any desired notes in this field.

Status: Indicate any changes in the equipment’s status from the previous year by entering one of the following: “new” if the equipment was purchased in the current year; “traded” if the equipment was traded in the current year; “junked” if the equipment was disposed of without receiving compensation in the current year; or “sold” if the equipment was sold in the current year. If there is no change in the equipment’s status, leave this column blank.

Electronic view

✕

* Required fields

Edit Equipment

Details

Local ID *

Model Year *

Description *

Cost

Cost Type *

Notes

Status

Print view

ROAD/STREET EQUIPMENT INVENTORY							
Local ID#	Model Year	Description	Price		Used on project this FY	Status	
			Type	Amount			
101	2001	Dodge Pickup	Purchase	\$20,655.00 Each	No	N/A	
104	2001	Dodge Pickup	Purchase	\$17,582.00 Each	No	N/A	
105	2012	Ford Pickup	Purchase	\$26,987.00 Each	No	N/A	
106	1997	Ford Pickup	Purchase	\$15,289.00 Each	No	N/A	
107	1996	Dodge Pickup	Purchase	\$18,125.00 Each	No	N/A	
108	1998	Dodge Pickup	Purchase	\$12,635.00 Each	No	N/A	
109	1999	Dodge Pickup	Purchase	\$20,709.00 Each	No	N/A	
111	2006	Chevrolet Pickup	Purchase	\$20,233.00 Each	No	N/A	
112	2010	Ford Pickup	Purchase	\$22,946.00 Each	No	N/A	
113	2012	Ford Pickup	Purchase	\$16,739.00 Each	No	N/A	

On the summary screen for this sheet, check the box under the “Used on Project this FY” column for any pieces of equipment used on a construction, reconstruction, or improvement project this fiscal year, including any day labor construction projects. **Generally, if an equipment deduction is shown on Sheet 5, some equipment should be checked on Sheet 11 as having been used on a project.**

Electronic view

Used On Project This FY	I..	Description	M..	Co...	Cost	Co...	St...
<input type="checkbox"/>	#239	Chev Pickup 4WD Dbl ...	2019	Purchase	\$26,76...	Each	New
<input type="checkbox"/>	#238	Chev Pickup 4WD Dbl ...	2019	Purchase	\$26,76...	Each	New
<input type="checkbox"/>	#237	Chev Pickup 4WD Dbl ...	2019	Purchase	\$27,73...	Each	New
<input checked="" type="checkbox"/>	#236	Chev Pickup 4WD Dbl ...	2019	Purchase	\$27,73...	Each	New
<input type="checkbox"/>	#235	Chev Pickup 4WD Dbl ...	2019	Purchase	\$27,05...	Each	New
<input type="checkbox"/>	#234	Chev Pickup 4WD Dbl ...	2019	Purchase	\$27,05...	Each	New
<input type="checkbox"/>	#233	Chev Pickup 4WD	2019	Purchase	\$25,82...	Each	New
<input type="checkbox"/>	#232	Chev Pickup 4WD	2019	Purchase	\$25,82...	Each	New
<input type="checkbox"/>	#231	Chev Pickup 4WD	2019	Purchase	\$25,82...	Each	New
<input type="checkbox"/>	#229	Sterling Dump Truck	2002	Purchase	\$40,00...	Each	New
<input type="checkbox"/>	#228	Sterling Dump Truck	2001	Purchase	\$41,00...	Each	New
<input type="checkbox"/>	#227	Sterling Dump Truck	2001	Purchase	\$41,00...	Each	New
<input type="checkbox"/>	#224	Motor Grader	2018	Purchase	\$310,2...	Each	New
<input type="checkbox"/>	#215	Motor Grader CAT 12M3	2015	Purchase	\$286,2...	Each	

SHEET 12 - EXPENDITURES FOR SECONDARY ROADS NOT ACCOUNTED FOR THROUGH THE SECONDARY ROAD FUND

This sheet was designed to show expenditures for Secondary Road purposes (i.e., expenditures made on behalf of Secondary Roads) that were not accounted for through the Secondary Road Fund because the monies were not transferred into the Secondary Road Fund. The expenditures are paid directly out of other funds. The need for this sheet is to provide a method to document such expenditures so they can be counted towards the county's local effort requirement. Any unusual situations should be noted in area provided for notes on the last sheet of the report.

Examples of expenditures made for Secondary Roads purposes from other funds could include, but are not limited to:

- payments made by the county auditor from a county fund for FICA, IPERS, health insurance, etc.,
- payments made directly from a LOST fund for construction projects,
- rock or equipment purchased directly from the county's general fund,
- expenditures paid directly from the separate county road clearing fund that were for secondary road clearing purposes, and
- debt deposited directly into another county fund used for Secondary Roads purposes.

SHEET 13 - LOCAL EFFORT PROVISION WORKSHEET

[Iowa Code Section 312.2\(5\)](#) requires the Treasurer of State to reduce the Road Use Tax (RUT) payments to counties that do not raise a minimum of 75% of the potential revenue that could have been raised for secondary road purposes.

The Iowa DOT takes 75% of the potential receipts available to the county minus actual secondary road receipts and if that amount is positive, it is reported to the Treasurer of State for reallocation of RUTF to other counties.

This sheet is automatically calculated by showing numbers from other sheets throughout the Annual Report.

The following is a short description of each item on the Local Effort Provision Worksheet:

Section 1 TABULATION OF ACTUAL RECEIPTS

All values are automatically entered from Sheets 3 & 12.

- A. Shows levies up to the maximums of \$0.16875 per thousand for "General" and \$3.00375 per thousand for "Rural". Lists levy amounts and dollar amounts from Sheet 3.
- B. Tax Receipts - from sheet 3, line 2. Receipts include property tax (current & delinquent), state credits, etc., on line B1. Receipts from Local Option Sales Tax are shown on B2.
- C. Other Funds Transferred into Secondary Road Fund - Items such as licenses, permits, county assistance, contributions for road improvements etc. IF these fees/funds are collected outside of the Secondary Roads Department and are transferred in. (See Special Local Effort Notes later in these Sheet 13 instructions.) Generally, this category contains a small amount of funds. Also see special local effort notes later in these instructions.
- D. Other Funds Provided for Secondary Road Purposes (from Sheet 12) - Funds provided directly for secondary road purposes which did not pass through the secondary road account. Uses figure from Sheet 12, line 5 in the expenditures
- E. Total Receipts - Add B1 through D

Electronic view

Section 1 - Tabulation of Actual Receipts					
A. Secondary Road Levies Transfer amounts must equal Valuations X SR Levy Rates	Property Tax, Delinquent Tax, Credits, etc.	Valuation	Gross County Levy Rates	Secondary Road Levy Rate	SRF Transfer Amounts
	Rural Basic	\$614,145,991.00	3.95 Max=\$3.95/\$1000	2.63643 Max=\$3.00375/\$1000	\$1,619,150.00
	General Basic	\$948,371,595.00	3.5 Max=\$3.50/\$1000	0.11072 Max=\$0.16875/\$1000	\$105,000.00
B1. Total Tax Receipts					\$1,724,150.00
B2. Local Option Sales Tax Deposited Directly into Secondary Road Fund					\$0.00
C. Other Funds Transferred Into the Secondary Road Fund (From Sheet 3, Line 24)					\$0.00
D. Other Funds Provided for Secondary Road Purposes (From Sheet 12)					\$287,058.70
E. Total Receipts (Add B through D)					\$2,011,208.70

Section 2 CALCULATION OF MAXIMUM REVENUE POTENTIAL

- A. All Property Value. The value calculated in A comes from the General Basic valuation on Sheet 3, Item 2. The value calculated in B comes from the Rural Basic valuation on Sheet 3, Item 2. Both of these valuations are obtained from the state Department of Management by the ICEA Service Bureau and are “locked”. (Note: Per [Iowa Code Section 331.429](#) this is the “assessed value on all taxable property” in the county. The state Department of Management has indicated this includes assessed value of utility property)
- B. Rural Property Value.
- C. Total Revenue Potential = Sum of 2A + 2B.

Electronic view

Section 2 - Calculation of Maximum Revenue Potential: Code Section 331.420	
A. All Property Value / 1000 x \$.16875	\$160,037.71
B. Rural Property Value / 1000 x 3.00375	\$1,844,741.02
C. Total Revenue Potential (Add 2A and 2B)	\$2,004,778.73

Section 3 COMPLIANCE TO LOCAL EFFORT PROVISION

- A. Minimum Requirement -- 75% of the potential revenue. (Line 2C times 0.75)
- B. Actual Receipts - Total receipts from line 1E.
- C. Amount Subject to Reallocation (3A - 3B) - Future RUTF receipts will be reduced by any positive number listed on 3C of this sheet.

Electronic view

Section 3 - Compliance to Local Effort Provision: Code Section 312.2(5)	
A. Minimum Requirement (Line 2C Total (2004778.73 x 0.75)	\$1,503,584.05
B. Actual (Section 1 Line E)	\$2,011,208.70
C. Amount Subject to Reallocation	\$0.00
Local Effort Percentage	100.321%

Local Effort Percentage – The percent of possible local effort made. This value must be greater than 75% to avoid loss of future RUTF. It is possible for this number to exceed 100% if the county contributes more than just property taxes to Secondary Roads.

SPECIAL LOCAL EFFORT NOTES

ITEMS CREDITED TOWARD LOCAL EFFORTS:

- 1. Tax Receipts - Property tax and credits and Local Option Sales Tax (if credited to the Secondary Road Fund).
- 2. The following items if they are collected outside of the Secondary Roads Department and are then transferred to the Secondary Roads account (eligible for Sheet 3, line 25).
 - a) Contributions for Secondary Road Improvements - Examples are cash and property donations by individuals for improvements to secondary roads.
 - b) Other Monies – Such as the sale of anticipatory certificates, special assessments, sale of vacated road property and haul road or detour payments.
 - c) Discretionary Funds Transferred Into Your Secondary Road Fund – Examples are county assistance fund, license, permit, and inspection fees collected outside of the Secondary Roads Department, etc. (An example of these permit fees might be fees for utility permits collected

by the County Treasurer and deposited into the Secondary Roads account.) Do not include permits for dust control.

3. Local Option Sales Tax (LOST) – This will be pulled from either Sheet 3, line 2 if LOST funds are deposited directly into the Secondary Roads account or from Sheet 12 if the LOST funds are paid out of a non-Secondary Roads account on behalf of Secondary Roads.
4. Discretionary Funds Paid Directly From Other County Funds for Secondary Road Purposes - (From sheet 12 of the Annual Report) Examples are FICA, IPERS, insurance costs related to road operations, road clearing, etc.

ITEMS NOT CREDITED TOWARDS LOCAL EFFORT:

1. Reimbursements and Refunds - Examples are Federal-aid bridge funds, Swap bridge funds, research funds, disaster payments, road clearing or weed fund reimbursement (unless used for weed and brush control in road ROW), city engineering, construction or maintenance reimbursement, dust control reimbursement, refund of life insurance premium, recovery on insurance losses, railroad project reimbursement, road transfer agreement payments, federal excise tax refunds, reservoir road payments, tax free land payments, etc.
2. Sale/Income From County Assets - (Unless it exceeds purchase amount). Examples are sale of used material, real estate (except sale of vacated road property), equipment, farm or building rent, etc.

NOTE: If sale price does exceed the original purchase price, only the excess amount will be considered as local effort.

3. Road Use Tax Receipts.

SHEET 14 - STATEMENT OF FINAL COSTS (HF324)

This sheet was developed in accordance with [Iowa Administrative Code, Transportation \[761\], Chapter 178](#). Report **ALL** (local, FM, Swap, and FA) completed county road projects on the farm-to-market and local secondary road system for which the final total cost (not partial cost) exceeded 90% of the bid threshold at the beginning of the fiscal year. For fiscal year (FY) 2021, counties should only report projects with construction costs greater than 90% of \$93,000. For more information on bid thresholds, visit this website:

https://iowadot.gov/local_systems/publications/bid-and-quote-thresholds

If a county has not completed any projects that exceed these cost reporting thresholds, leave this section blank.

This includes day labor or public or private contracts for construction, reconstruction, or improvement project(s) completed for which final payment(s) was made during the fiscal year.

For examples of types of work that are considered construction, reconstruction, improvement or maintenance, refer to [I.M. 2.010, Attachment A](#).

It is generally not good practice to release the retainage on a project before the final audit has been completed. However, if a project has been completed and retainage has been paid but the audit has not been completed, it is recommended that the project be shown as 100% complete on Sheet 10 and be recorded on Sheet 14.

Since this form shows the final total cost of these projects, this amount will not necessarily match construction dollars identified on Sheet 10 or Sheet 2 of this report. Some projects may have started in an earlier fiscal year and were just completed during the fiscal year that this annual report covers. Other projects whose final cost is less than 90 percent of the bid threshold don't need to be reported on this form. However, those projects still need to be reported on Sheet 10 per [Iowa Code section 309.22](#).

Note: Refer to [Appendix B](#) for an example Day Labor Cost Calculation. Refer also to [Appendix C](#) for frequently asked questions.

Complete Sheet 14 as follows:

Project Data:

Click on a project in the main screen to open the "Edit Project" window. In the "Edit Project" window, enter the following information.

Project Number - Enter the number assigned to the project. This may be the number used in a public letting, programmed in a construction program, or assigned for accounting purposes. (The as-let project number is preferred.)

TPMS Number – Enter the TPMS number that was assigned to this project.

Location – Enter the location of the project. This should match the description used in TPMS during project development or programming.

Local ID – Enter the local ID (the county's name for the structure) if there is one.

Route - Enter the name of the route on which the project is located.

Estimated Costs - If day labor was used after letting the project and rejecting all bids, enter the cost of the lowest bid received. If the project was let and awarded, enter either the county's estimate of the project cost (i.e., the engineer's estimate) or the cost that was in the five-year construction program, whichever was most realistic.

Contractor - On projects or parts of a project that were contracted out, enter the contractor's company name in this column.

Contract Paid Out Of – List the fund from which payments were made for the project. This is the fund which “fronted” the money for the project, the fund from which the direct payment to the contractor was made. For example, for an 8J or SE Swap bridge project, this would be the Secondary Road Fund rather than the HBP account.

Public Letting - Check the box if the project was publicly advertised and let for bids. If materials were subjected to public bid (a formal letting), even though the contractor/labor was not, still check the box to indicate “Yes” for public letting.

Electronic view

The screenshot shows a web form titled "Edit Project" with a close button (X) in the top right corner. A note indicates "* Required fields". The form is organized into sections:

- Project Data** (Section Header)
- Project Number ***: Input field containing "BROS-C086(88)--8J-86".
- TPMS**: Input field containing "5324".
- Location ***: Input field containing "280th Street".
- Local ID**: Input field containing "14041".
- Route**: Input field containing "280th Street".
- Estimated Costs**: Input field with a dollar sign (\$) and the value "871447.7".
- Contractor**: Input field containing "PCI".
- Contract Paid Out Of**: A dropdown menu currently showing "Secondary Road Fund".
- Public Letting**: A checked checkbox.

Project (TR-608) Classifications:

Project Type - Enter either “Road” or “Bridge”.

Roadway Surface Class – Enter whether it is Earth, Granular, Hard-Surfaced or Paved.

Work Type – Enter one of the following:

- Rehabilitation – partial restoration of service life
- Renewal – Replacement or reconstruction sufficient to restore full service-life to the route
- Upgrade – indicates that the project expanded the extent, size and composition of the network.

Length (miles) – Enter the length of the project, in miles.

Electronic view

Project Classification	
Type *	Surface Class *
Bridge	Granular
Work Type *	Length (miles)
Upgrade	0.2

Actual Costs:

Contract Amount - Enter the dollar amount of the original contract.

Contract Adjustments - Enter the cumulative dollar amount of any additional cost or cost reductions as determined by extra work orders, change orders, or bid item quantity adjustments.

Day Labor Amount – Enter the originally estimated cost of day labor (i.e., the cost of day labor from the engineer’s estimate). Please note, this field is used for information only and does not affect other calculations.

Day Labor Adjustment - Enter the amount by which the actual cost of the day labor differed from the originally estimated cost as shown in the Day Labor Amount field. Please note, this field is used for information only and does not affect other calculations.

Note: Day labor costs shown here may differ from breakdown costs entered below because of overhead and indirect costs.

Electronic view

Actual Costs	
Contract Amount	Contract Adjustment
\$ 749726.31	\$ -21036.37
Day Labor Amount	Day Labor Adjustment
\$ 0	\$ 0
Actual Total: \$728,689.94	

Day Labor Breakdown:

Note: These are the day labor numbers reported per Iowa Code Sections [309.93](#) and [314.1A](#), and [Iowa Administrative Code, \[Transportation 761\], Chapter 178](#).

Wages & Benefits - Enter the total dollars associated with the construction work performed by county employees on the project. Include the total salaries (including overtime), plus corresponding fringe benefit costs (IPERS, FICA, Insurance, etc.), paid to public employees for the time they devoted to the project.

Equipment - Enter the total dollars associated with the equipment used on this project. The rate for the individual pieces of equipment may be the actual lease or rental rate, if the equipment is leased or rented, or the rate as determined by the Iowa DOT. If a piece of equipment used on the project is not shown, contact the Local Systems Bureau (515-239-1528) for assistance. Do **not** use locally determined rental rates.

Iowa DOT equipment rates can be found on the Local Systems website at: https://iowadot.gov/local_systems/Equipment-Rates.

Materials - Enter the total cost of materials and supplies acquired, consumed, or expended for the project. This may be the cost directly chargeable by invoice, or it may be charged from stock. If used material is utilized, enter the salvage value.

Overhead - Enter the overhead or indirect costs incurred by the county or city, as a pro rata share associated with the day labor project. If a county or city has determined an overhead rate based on an accountant's review of their public records, that rate may be used. If no overhead rate has been determined, then use ten percent of the total direct salary or wage costs (excluding fringe benefits) charged to the project. Just a reminder, costs for IPERS, FICA, Insurance, etc. are not overhead costs, they are included as labor costs in the "Wages & Benefits" field.

Day Labor Total - This value is calculated automatically.

Electronic view

Day Labor Breakdown	
Wages & Benefits	Equipment
\$ 3474.00	\$ 3657.00
Materials	Overhead
\$ 0	\$ 347.00
Day Labor Total: \$7,478.00	
Sample Day Labor Costs	

Note: This form and the documentation used to develop the costs are public records. As such, they are open to inspection to see if a county or city actually saved money by doing the work by day labor.

Example: Print view

STP-S-C084(157)--5E-84			
B14 - STP-S-CO84()5E-84			
Road - Paved - Upgrade / Engineer's Estimate: \$1,778,165.00 / Public Letting: Yes / OMG Midwest			
Contractor Paid Out Of: Farm to Market			
Project Summary	Contract Payments	Actual Day Labor	Total
Construction Costs	\$1,903,106.00	\$19,939.00	\$1,923,045.00
Less Adjustments	-\$55,838.00	\$0.00	-\$55,838.00
Final Costs	\$1,847,268.00	\$19,939.00	\$1,867,207.00
Day Labor Breakdown (AGC Method)			Results
Labor (Wage + Benefits) X (Hours Worked)			\$6,118.00
Equipment (DOT or Actual Rental rate) X (Hours Used)			\$8,225.00
Materials (Actual Cost)			\$5,596.00
Overhead (Figure as 10% of Labor)			\$612.00
Total Day Labor			\$20,551.00

[Iowa Code Section 314.1](#) requires public agencies to advertise and let to bid any public improvement that involves construction, reconstruction, or improvement of a highway, bridge, or culvert that has a cost in excess of the applicable bid threshold. According to [subsection 3a of 314.1](#), the public agency has the option to reject bids and re-advertise and re-let the project or build by day labor at a cost not in excess of the lowest bid received. The public agency should exercise extraordinary care to keep accurate records of the day labor costs to insure the day labor project doesn't exceed the bid thresholds or the lowest bid received. Also, projects should not be arbitrarily cut up into smaller projects to avoid complying with the bid threshold requirement to let a project.

SD Bridges (House File 2345 – Replacing or Repairing Structurally Deficient County Bridges)

Background

In the 2016 Legislative session, the Iowa Legislature passed a bill ([HF 2345](#)) requiring counties to make annual reports regarding progress in working on SD bridges, which is now found in [Iowa Code Section 309.22A](#). The mandates established direct that, each year, counties must report:

- a) All SD structures that have been replaced or rehabilitated to full legal load capacity.
- b) All SD structures partially rehabilitated and note what additional actions are needed to achieve full capacity.
- c) All SD structures that are in process of being replaced or rehabbed, along with a timeline.
- d) All other SD structures that remain, along with a timeline for repair or replacement.

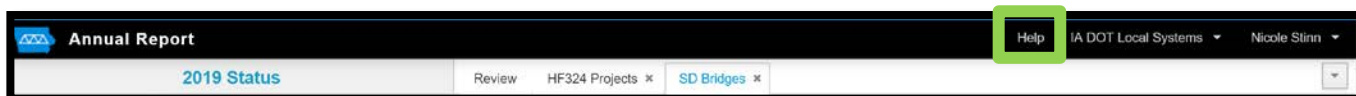
Electronic view

View Summary Download Please review all SD bridges. Update actions to reflect work done during the fiscal year before submitting.

ξ	Lo...	N.	Location	Attribu...	Operat...	B.	Timeline	A...	Action	Work ...	
SD	L-5-20...	313...	FM over N...	FFC: R-Ma...	UNRESTR...	1977	Programm...	\$356,...			
SD	L-1-20...	312...	LOCAL ov...	FFC: R-Lo...	POSTED S...	1965	Programm...	\$130,...			
SD	FM-C...	312...	FM over S...	FFC: R-Mi...	POSTED S...	1962	Programm...	\$422,...			
SD	FM-C...	311...	FM over C...	FFC: R-Mi...	POSTED S...	1949	Programm...	\$450,...			
SD	L-7-20...	309...	LOCAL ov...	FFC: R-Lo...	POSTED S...	1945	Programm...	\$867,...			
SD	L-4-20...	309...	LOCAL ov...	FFC: R-Lo...	POSTED S...	1943	Programm...	\$175,...			
SD	L-6-20...	309...	LOCAL ov...	FFC: R-Lo...	UNRESTR...	1978	Programm...	\$140,...			
SD	L-4-20...	309...	FM over IN...	FFC: R-Mi...	UNRESTR...	1965	Programm...	\$362,...			
SD	L-1-20...	309...	K30 over S...	FFC: R-Ma...	UNRESTR...	1953	Programm...	\$653,...			

The Iowa DOT will report the current SD bridge list to the Legislature, which is required by [Iowa Code Section 307.32](#).

Refer to the Technical Instructions posted in the “[Help](#)” section of the Annual Report tool for further information.



APPENDICES

Appendix A - Example Types of Work (Maintenance vs. Construction)

Appendix A was replaced with [IM 2.010 Attachment A](#), August 8, 2018

Appendix B – Example Day Labor Cost Calculation

The following is an example of how the day labor costs can be determined. In this example, Project L-HMA2001 involved resurfacing 2,000 lineal feet of road with 3 inches of Hot Mix Asphalt, 24 feet wide.

Labor Costs		Wage	Fringe	Total	Hours	Total
Name	Position	Per Hr.	Per Hr.	Hr. Rate	Charged	Cost
John Smith	Foreman	\$22.91	\$9.16	\$32.07	16	\$513.12
John Doe	Heavy Equip Operator	\$19.09	\$7.64	\$26.73	12	\$320.76
JD Johnson	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Richard Jones	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Jack Nimble	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Nancy Miller	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Larry Larson	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Janis Harms	Equipment Operator	\$18.27	\$7.31	\$25.58	12	\$306.96
Tom Jones	Equipment Operator	\$18.27	\$7.31	\$25.58	8	\$204.64
Don Peterson	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Toni Jackson	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Matt Kelly	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Scott Lee	Laborer	\$12.75	\$5.10	\$17.85	16	\$285.60
Bill Martin	Truck Driver	\$14.65	\$5.86	\$20.51	16	\$328.16
Nicole Roberts	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Norman Scott	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Mary Stone	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Steve Swanson	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Mark Taylor	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Tim Allen	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Keith Davis	Truck Driver	\$14.65	\$5.86	\$20.51	12	\$246.12
Total Labor Cost =						\$6,073.68

(Fringe Benefits such as IPERS, FICA, all insurance, etc. add up to payroll additive of 40% in this example) County and city are to use their own additive.

Equipment Costs

No.	Type of Equip.	Iowa DOT Hourly Rate*	Hours Operated	Total Cost
1	Asphalt Paver	\$145.16	12	\$1741.92
1	Wheel Roller	\$43.10	12	\$517.20
1	Drum Roller	\$38.05	12	\$456.60
1	Broom	\$15.32	12	\$183.64
1	Distributor	\$39.38	4	\$157.52
1	Tractor Trailer	\$22.41	8	\$179.28
1	Trailer	\$6.04	8	\$48.32
1	Skid Loader	\$15.80	12	\$189.60
1	Water Truck	\$21.24	12	\$254.88
3	Small Trucks	\$7.58	16	\$121.28
8	Dump Trucks	\$28.62	12	\$343.44
Total Equip. Cost =				\$4,193.88

* Get Iowa DOT Hourly Rate from https://iowadot.gov/local_systems/publications/County-and-City-Reports

Material Costs

Type	Cost	Amount used	Total Cost
Hot Mix Asphalt	\$36.35 per Ton	920 Tons	\$33,442.00
Tack	\$ 4.00 per Gal.	133 Gallons	\$532.00
Total Material Cost =			\$33,974.00

Overhead Costs (10% of wages charged to the project)

Wages charged to the project equal \$4338.24 Total Overhead Cost = \$433.82

(Wages equals wage per hour times hours charged)

Total Project Day Labor Cost = \$44,675.38

Appendix C - Frequently Asked Questions

Question: *What projects need to be reported?*

Answer: Only construction, reconstruction, or improvement projects that are within 90% of the bid threshold at the beginning of the fiscal year need to be reported to the Iowa DOT. Repair or maintenance projects do not need to be reported.

Question: *Do we have to track projects that are less than the 90% bid threshold?*

Answer: Yes, all construction, reconstruction, or improvement projects must be reported to the county auditor in accordance with [Iowa Code Section 314.1](#).

Question: *Is there a maximum width limit for projects less than 500 feet in order to still be considered maintenance?*

Answer: No, there is no maximum width limitation. If the city or county is replacing a length of road or street that is less than 500 feet along the centerline, it doesn't make a difference as to how wide the section is. It is still considered maintenance.

Question: *If you have a number of sections of pavement to replace that add up to more the 500 feet in total, is this project considered construction?*

Answer: If none of the sections are more than 500 continuous feet, then the project is considered to be maintenance. Keep in mind that you can't break up a larger project into smaller projects to get around the law. A larger project could be defined as one that a reasonable person would consider one project, such as a section of road or street more than 500 continuous feet, even if it turned at an intersection.

Question: *If we have a project to seal coat a number of roads or streets and the total estimated cost is over the bid threshold, do we need to report it?*

Answer: No, a seal coat project, or even a resurfacing project with a thickness of less than 2 inches, is considered maintenance and doesn't need to be reported.

Question: *What if a county mills or mixes up the material in a road or street, relays it and then seal coats the top, is this a reportable project?*

Answer: No, this is maintenance. Only if the city or county is taking out the old material and replacing it with new material, such as hot mix asphalt or Portland cement concrete, would it be construction.

Question: *What about projects involving water mains or sewers, are they reportable?*

Answer: Only if they are part of a street, bridge or culvert project. If the street project creates the need to relocate the water lines, sanitary sewers or storm sewers, then this work is part of the construction project and needs to be reported. Work on water lines or sewers that are not part of a street or road project would not need to be reported.

Question: *If a county does day labor work in conjunction with a construction, reconstruction or improvement contract, but the cost of the day labor work is less than 90% of the bid threshold, does it need to be reported?*

Answer: Yes, if the total construction cost (contract cost plus day labor cost) is within 90% of the bid threshold. If the county provides materials to the contractor for the project, the material cost should be reported. If the county lends or rents equipment to the contractor because the

contractor's equipment broke down during the project, this equipment cost would not need to be reported.

Question: *Do the engineering or right-of-way costs need to be reported?*

Answer: No, the total "construction" cost of the project is what needs to be reported. This is the final project cost to construct it, whether it is by contract, day labor, or both.

Question: *What happens if a project's final cost is over the estimate?*

Answer: In most cases nothing will happen. If a county has a history of under estimating its day labor costs and the final construction costs normally comes in over the bid threshold, then the Iowa DOT may point out the Code of Iowa requirements and the need to be more accurate in estimating the project's cost. Additionally, if a county shows a repeated history of final costs exceeding the bid threshold, the Association of General Contractors (AGC) may express concern.

Question: *When should a project be reported?*

Answer: Report a project only when the project is complete and the final costs are known. If a project is let in one fiscal year, but doesn't get completed until the next fiscal year, then it won't be reported in the first fiscal year.

Question: *Does an emergency project need to be reported?*

Answer: Yes, if it involves construction, reconstruction or improvement work. If it involves repairing a road/street, bridge or culvert to its original condition, then it would not need to be reported since it is considered repair or maintenance. Keep in mind that some emergency county projects, whose estimates are less than \$100,000, may only require quotes per [Iowa Code Section 309.40A](#).

Question: *When should a county make their estimate of doing the work by day labor known?*

Answer: This is not needed and the county should not be "bidding" against contractors as part of the public bid process. Counties are usually required to make an estimate of the project's construction cost as part of the bidding process. If the contractor's bids come in over the estimate, and the county thinks they can do the work for less than the lowest bid, the county can reject all bids and either re-let it or do the work by day labor. The final construction day labor costs should come in under the lowest bid, unless there are unforeseen reasons why it didn't.

Question: *Is there a particular form needed to certify to the county auditor that the work has been done in accordance with the plans and specifications as required by [Iowa Code Section 314.1](#)?*

Answer: No, whatever form or format the county or city uses is fine.

Question: *Does the county need to include state or federal-aid projects let at the Iowa DOT?*

Answer: Yes, all construction, reconstruction or improvement projects, no matter what funding is used or where they are let, need to be reported if they are within 90% of the bid threshold.

Iowa DOT administered projects on Primary Roads, where the county has some funds in them, do not need to be reported.

Question: *If a project is let jointly with a neighboring county, do both counties need to report it?*

Answer: No. If two or more counties have a joint project, then the county taking the lead in the project should report it. There is not a need for both/all counties to report the project.

Question: *What bid threshold should the county or city use when it changes in the middle of a fiscal year?*

Answer: The bid threshold at the beginning of the fiscal year will determine which projects should be reported. The need for a public letting would, of course, change in the middle of the fiscal year if the threshold changes.

Question: *What is the bid threshold?*

Answer: The maximum estimated project cost after which a project must be bid. Any project estimated to cost equal or above that amount requires a public letting. Any project estimated to cost below that amount does not need to bid at a public letting. See the [Bid Threshold webpage](#) for additional information.

Question: *We have a contractor that agrees to do road work on several different city streets. Is each one of them considered a separate project?*

Answer: If the contractor agrees to do all of the road work under one contract, then all of the work done under that contract is considered only one project.

Question: *How are labor costs and overhead defined?*

Answer: The labor costs include wages and fringe benefits such as insurance, IPERS, FICA etc. Overhead includes other indirect costs which are incurred for a common purpose and not readily assignable to a project or person. Overhead costs may include: heat for the buildings, storage space for equipment or supplies, and administrative costs such as accounting.

Question: *Are projects paid out of construction the only ones that need to be reported?*

Answer: The type of work being done (construction or improvement vs. maintenance) not the source of funds, determines if a project should be reported. Examples: If a county was cleaning the silt out of the ditches along a road and putting the dirt on top of the road to bring it back up to how it was originally constructed, then putting rock on the top, the project would be maintenance, even if the cost was being paid out of the county's construction line item. If a county was regrading a road to get rid of some snow traps and constructed the road higher than it originally was, plus bought some right-of-way or had easements to knock down some high back slopes, then the project would be construction, even if paid for with maintenance funds. The same goes for resurfacing projects. Resurfacing a road with less than 2 inches of Hot Mix Asphalt (HMA) may show up as a construction expenditure, but it doesn't need to be reported on Sheet 14 since it would be defined as maintenance work.

Question: *We have several pieces of equipment that we are purchasing using a lease/purchase option. Should those be reported as purchased or leased equipment?*

Answer: Show the equipment as a purchased item. Calculate what the final cost will be and use that as the purchase price.

Question: *Does all of the county's or city's equipment need to be reported?*

Answer: In most cases no. The county's or city's self-propelled equipment and motorized, non-self-propelled equipment over \$5,000 should be reported if it is used for road, street, bridge or culvert construction or maintenance work. A mower used only maintenance mowing of roadsides, or equipment used exclusively for snow removal would not need to be reported.

Question: *Do we only need to report equipment that is used on a project?*

Answer: All equipment meeting the criteria provided in this form's instructions should be listed, regardless of whether or not the equipment was used on a project.