INSTRUCTIONS TO PREPARE THE FY 2020 COUNTY ANNUAL REPORT FOR THE IOWA DOT

PREPARED BY: Local Systems Bureau
Iowa Department of Transportation
June 2020
(515) 239-1064
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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 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 general, 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 amount 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 apply the reimbursable amount to.

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 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, 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 correct and ample expenditures were made
of TIME-21 funds. Accounting codes 320, 330, 420, and 430 will be used to
verify that the minimum of 10% has been spent on bridges.

Also, 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.
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.
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.
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
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”.


could show as a negative value if the obligations exceed the Auditor’s end balance.
**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.)
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.

Item 4  RISE FUNDS

List amount of RISE funds reimbursed to the secondary road fund.
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 is 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.

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 – list any state county bridge 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.
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

The total costs for Day Labor construction projects include equipment operating costs and may include materials incorporated into the project that are taken from county material stockpiles. Because the county’s costs for equipment and equipment operations and stockpiled materials are accounted for in the General Roadway Expenditures in the 721 and 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).

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.

For example, a project to install and 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.

A similar process must be used for any material taken from stockpiles that are accounted for by the 660 Accounting Codes. The invoice costs for that material are included in the project cost but must be deducted from the total costs transferred to the 020 item on the Financial Sheet.
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**

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<tr>
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<td>$2,497.03</td>
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Wage Reimbursement: $2,682.90

**TOTAL REIMBURSEMENTS (Subtract)**: $2,682.90

**NET EXPENDITURES** (Enter on Line 8, Sheet 2): $457,211.55

**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

![Example of Sheet 8](image)

**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

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. *(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 Local Systems webpage https://iowadot.gov/local_systems/Bid-and-quote-thresholds and I.M. 2.010, Attachment A.

Electronic view

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<th><strong>Construction Costs</strong></th>
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<tr>
<td><strong>Resources</strong></td>
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</tbody>
</table>

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 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.

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.

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.
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.

Example – Electronic view

![Edit Project Form]

- **Project Number**: BROS-C069(068)-8J-56
- **TPMS**: 36596
- **Location**: On 410TH ST, Over BEAVER CREEK, S31 T99 R15
- **Length (miles)**: 0.02
- **Percent Complete as of 6/30/2020**: 99%

**Costs**

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<td>Project Total (All Years)</td>
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**Remarks**

- [Blank]

![Blank Frame]
Sheet 11 was developed in accordance with Iowa Administrative Code, 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 Appendix 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.
On the summary screen for this sheet, check the box under the “Use 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.
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.
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. 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
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.
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)                 | $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. Contributions for Secondary Road Improvements - Examples are cash and property donations by individuals for improvements to secondary roads.

3. Other Monies - Such as the sale of anticipatory certificates, special assessments, sale of vacated road property and haul road or detour payments.

4. Discretionary Funds Transferred Into Your Secondary Road Fund. Examples are county assistance fund, local option tax, licenses, permits, inspections, etc. Do not include permits for dust control.

5. 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 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) 2020, 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 Appendix A.

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.

- **Public Letting** - Check the box if the project was publicly advertised and let for bids.
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.
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

<table>
<thead>
<tr>
<th>Actual Costs</th>
<th>Contract Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Amount</td>
<td>749726.31</td>
</tr>
<tr>
<td>Contract Adjustment</td>
<td>-21036.37</td>
</tr>
<tr>
<td>Day Labor Amount</td>
<td>0</td>
</tr>
<tr>
<td>Day Labor Adjustment</td>
<td>0</td>
</tr>
</tbody>
</table>

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](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](image)

**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.
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.
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.

<table>
<thead>
<tr>
<th>Labor Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>John Smith</td>
</tr>
<tr>
<td>John Doe</td>
</tr>
<tr>
<td>JD Johnson</td>
</tr>
<tr>
<td>Richard Jones</td>
</tr>
<tr>
<td>Jack Nimble</td>
</tr>
<tr>
<td>Nancy Miller</td>
</tr>
<tr>
<td>Larry Larson</td>
</tr>
<tr>
<td>Janis Harms</td>
</tr>
<tr>
<td>Tom Jones</td>
</tr>
<tr>
<td>Don Peterson</td>
</tr>
<tr>
<td>Toni Jackson</td>
</tr>
<tr>
<td>Matt Kelly</td>
</tr>
<tr>
<td>Scott Lee</td>
</tr>
<tr>
<td>Bill Martin</td>
</tr>
<tr>
<td>Nicole Roberts</td>
</tr>
<tr>
<td>Norman Scott</td>
</tr>
<tr>
<td>Mary Stone</td>
</tr>
<tr>
<td>Steve Swanson</td>
</tr>
<tr>
<td>Mark Taylor</td>
</tr>
<tr>
<td>Tim Allen</td>
</tr>
<tr>
<td>Keith Davis</td>
</tr>
<tr>
<td>Total Labor Cost =</td>
</tr>
</tbody>
</table>

(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.

<table>
<thead>
<tr>
<th>Equipment Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>8</td>
</tr>
</tbody>
</table>

Total Equip. Cost = $4,193.88

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

<table>
<thead>
<tr>
<th>Material Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
</tr>
<tr>
<td>Hot Mix Asphalt</td>
</tr>
<tr>
<td>Tack</td>
</tr>
</tbody>
</table>

Total Material Cost = $33,974.00

<table>
<thead>
<tr>
<th>Overhead Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>(10% of wages charged to the project)</td>
</tr>
<tr>
<td>Wages charged to the project equal $4338.24</td>
</tr>
<tr>
<td>(Wages equals wage per hour times hours charged)</td>
</tr>
<tr>
<td>Total Overhead Cost = $433.82</td>
</tr>
</tbody>
</table>

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 than 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.