

Annual Operational Report

(County Highway Form 16)

(City and Town Form 225)

Instructions for Completion

These instructions have been prepared by the Indiana Local Technical Assistance Program (LTAP), an extension service of the Purdue University School of Civil Engineering, at the request of the Indiana State Board of Accounts. They are meant to replace earlier instructions, also developed by the Purdue University HERPICC Program (predecessor to the Indiana LTAP), to aid in the completion of the above referenced state prescribed forms.

In 2003, the State Legislature passed P.L. 173, which required the State Board of Accounts to ***“review the format and content of the annual operational report required under IC 8-17-4.1-5, as amended by this act, and prescribe a streamlined report that addresses:***

(1) easing the preparation of;
(2) the informational requirements of the users’ of; and
(3) the promotion of accuracy within;
the revised report.”

The attached forms and Instructions for their completion are the result of a combined effort of the State Board of Accounts and the Indiana LTAP Center, and are meant to satisfy the order of the state legislature.

Table of Contents

Section

Cover Sheet

I - Financial Statement

- a) Detail of Operating Receipts for Common Funds
- b) Detail of Operating Receipts for Other Funds

II - Detail of Disbursements

- a) Common Funds
- b) Other Funds

III - Construction and Reconstruction Projects

- a) Motor Vehicle Highway Funds (Highway/Street Projects)
- b) Local Road and Street Funds (Highway/Street Projects)
- c) Motor Vehicle Highway Funds (Bridge Projects)
- d) Local Road and Street Funds (Bridge Projects)
- e) Cumulative Bridge Fund (Bridge Projects)
- f) Other Designated Funds (Highway/Street Projects)
- g) Other Designated Funds (Bridge Projects)

IV - Classification of Highway/Street Department Employees

V - Equipment Inventory

VI - Changes to Certified Road/Street Mileage

VII - Report of Federal Aid Funds

Certification

Appendix 1 - Blank Forms

Appendix 2 – Sample Completed Forms

Public Law 103, Acts of 1971 (IC 8-17-4.1) and Public Law 173, Acts of 2003 require all counties and certain municipalities (those with population of 20,000 or more) to prepare an operational report for the prior calendar year of the department within the county or municipality that has road and street responsibilities. Municipalities with a population of less than 20,000 are exempt from the legal requirement to complete the report, but may find the report useful in effectively managing the resources of their municipality. The pertinent information from the Indiana Code follows:

IC 8-17-4.1-6

Contents of report

Sec. 6. This report shall be prepared on forms prescribed by the State Board of Accounts and must disclose all information considered necessary by the State Board of Accounts to reflect the financial condition and operations of the department.

(Formerly: Acts 1971, P.L.103, SEC.1.) As amended by P.L.86-1988, SEC.120; P.L.173-2003, SEC.11.

IC 8-17-4.1-7

Filing report

Sec. 7. The annual operational report must be completed and a copy filed with the State Board of Accounts, the governing body, and the department by June 1 following the operational report year. The department shall make the report available to the public.

(Formerly: Acts 1971, P.L.103, SEC.1.) As amended by Acts 1980, P.L.74, SEC.302; P.L.86-1988, SEC.121; P.L.173-2003, SEC.12.

Copies of the completed Report should be forwarded to the following agencies:

Indiana State Board of Accounts

Cities and Towns

302 W. West Washington St. Rm. E418

Indianapolis Indiana 46204-2765

ATTN: Mr. Todd Caldwell or

Ms. Susan Gordon

Counties

302 W. Washington St. Rm E418

Indianapolis, Indiana 46204-2765

ATTN: Ms. Lori Rogers or

Ms. Debbie Gibson

Indiana Department of Transportation

Financial Management Unit

Indiana Department of Transportation

Indiana Government Center North, Room N725

Indianapolis, Indiana 46204

Executive Body of the Local Public Agency (LPA)

Cities and Towns – Mayor or Town Council President

Counties – Board of County Commissioners

(This copy to be made available to the public and the press.)

Indiana LTAP

3000 Kent Avenue, Suite C2-118

West Lafayette, IN 47906-4150

Attn: LTAP, Director

The copy sent to LTAP, while not required by the legislation, is invaluable for the statewide summation of road and street activities, costs, revenues, etc, and for the comparison of such information from one county to another.

Instructions for the completion of each Section of the report follow, along with completed examples in the Appendix.

Cover Sheet

The same cover sheet is used for both the county and city/town versions of the report. Counties may just leave the city/town information blank. The calendar year being reported should be shown at the bottom of the report.

Section I - Financial Statements

We recommend that you begin your preparation of the annual operational report by completing the detailed information on operating receipts and operating disbursements in Sections Ia, Ib, IIa, and IIb. The totals on these sections are then carried forward to complete the appropriate parts of Section I.

Financial statements for the most common funds reported by LPA's are all included on a single form, Section I, along with a column to report the total of other less common funds used for road or street work. The Total of all Funds column will then be the Grand Total of all funds from all sources used by the agency for road and street maintenance. Details of the operating receipts for the common funds should be entered on Section Ia. Operating Receipts for each of the less common funds are reported on Section Ib, immediately following the common funds. Only those amounts from other funds that are allocated to the highway or street department for road and street work should be included for these less common funds.

The common funds included on the first form include Motor Vehicle Highway, Local Road and Street, and the Cumulative Bridge Fund. Obviously, the Cumulative Bridge Fund column will apply only to counties. Examples of less common funds used by some LPA's may include the Local Major Moves Construction Fund (established by IC 8-14-16-4), Covered Bridge Fund, LOHUT (Local Option Highway User Tax, commonly referred to as the Wheel/Excise Surtax) Fund, county option income tax funds (EDIT, CAGIT, COIT), county general funds (for payment of departmental salaries), and the solid waste fund. **Some counties may use revenue generated from these sources for road and street activities, but use one or more of the common funds to do so. For example, a county may deposit revenue from the LOHUT into the existing MVH or LRS Fund, while another may establish a separate fund to track these monies separately. If the monies are routed through one of the common funds, then they should not be reported elsewhere, only as additional receipts and expenses within the common fund.**

Examples of highway and street funding that may be included in other funds, or reported as additional revenue within the common funds have been identified by Indiana LTAP via funding surveys completed in recent years. A listing of some of those funds are listed below.

County General Funds - for payment of wages and salaries
County Option Income taxes - EDIT, CAGIT, COIT
LOHUT
Non Motorized Vehicle Fees - such as an Amish Buggy Tax

Franchise Fees - such as cable TV
Permits and Parking Fees
Gaming Revenue
Cumulative Capital Development funds
Cumulative Capital Improvement funds
Community Development Block Grant funds
Bond funds
TIF funds
Subsidies - such as county highway engineer and covered bridge maintenance
Solid Waste funds

Those LPA's contiguous to the Indiana Toll Road received a distribution that was required to be placed into the Local Major Moves Construction Fund. As mentioned above, this fund is to be reported as one of the less common funds.

Generally, the information contained on the Financial Statements will be compiled from the fund ledgers. The Financial Statement will show the Beginning Balance of Cash and Investments as of January 1, receipts from all sources, disbursement totals for each of the major budget classifications, and the Ending Cash and Investment Balance as of December 31 of the subject year. Categories of receipts include taxes, intergovernmental, charges for services, and other. For each of the categories, list the source and amount generated for each of the funds. Taxes should include only those taxes that are levied directly by the LPA. Intergovernmental will include distributions from the State Auditor and all grants, loans and transfers from other government agencies. Charges for Services will include funds collected by the Department for services rendered by the Department and may include such things as permit fees and drive or field entrance construction fees.

Bond Proceeds, Proceeds from Interfund Loans, Investments matured or sold, and Other Receipts, should be reported separately after the operating receipts because they are not the direct result of the LPA's operations.

Section II - Detail of Disbursements

Section II requests information on total expenditures for each of the common funds (Section IIa) and a total for all other funds. Other funds are reported separately on Section IIb. Total expenditures are to be provided for each of the major budget categories (Personal Services, Supplies, Other Services and Charges, and Capital Outlays) for each of the four departments (Administration, Maintenance and Repair, Construction and Reconstruction, and General and Undistributed)

County agencies may refer to the LTAP/HERPICC publication: Guide Manual - Records and Reports for Indiana County Highway Departments, Revised 1986 for direction as to what should be included in each of these Classifications and Departments.

Please report payments on long term debt under the debt service portion for the appropriate Departments and funds.

Section III - Construction and Reconstruction Projects

The purpose of Section III is to provide more detailed information for Construction and Reconstruction projects. There are two basic versions of the form used in Section III, one for Road/Street Projects, the other for Bridge Projects. Each form may be used several times depending on the fund the work came out of. (e.g. MVH, LRS, Bridge, or Other).

Section IIIa - Motor Vehicle Highway Funds (Road/Street Projects)

Section IIIb - Local Road and Street Funds (Road/Street Projects)

Section IIIc - Motor Vehicle Highway Funds (Bridge Projects)

Section IIId - Local Road and Street Funds (Bridge Projects)

Section IIIe - Cumulative Bridge Fund (Bridge Projects)

Section IIIf - Other Designated Funds (Road/Street Projects)

Section IIIg - Other Designated Funds (Bridge Projects)

Section IIIa and IIIb will be used by all agencies using MVH or LRS funds for Construction and Reconstruction Projects. Sections IIIc and IIId will be used only by those counties that are using either MVH or LRS funds for bridge projects. Although this is allowable, it is far less common than using Cumulative Bridge Fund. Section IIIe will be used for the common case of reporting bridge work from the cumulative bridge fund. Sections IIIf and IIIg are used for reporting road and street and bridge work, respectively, from other designated funds.

For road and street projects, the following should be reported for each project (one line per project).

Road/Street -

the name or number of the road to which the improvement is being made.

From Road/Street -

the beginning point (or nearest intersection to the beginning point) of the project being reported

To Road/Street -

the ending point (or nearest intersection to the ending point) of the project being reported

Length -

the length in miles (to the nearest tenth mile) of the project being reported

Width -

the width in feet (to the nearest whole foot) of the project being reported

Type of Work -

Place a check mark in the box for the type of work performed

New Construction -

Construction of an entirely new facility that will not replace or relocate an existing facility

Rehabilitation -

Construction on the same or nearly the same alignment as an existing route, but where old pavement structure is removed and replaced. Such construction may also include widening or adding additional lanes and/or shoulders. Preliminary engineering may be required on these types of projects.

Resurfacing -

Placement of additional surface material over the existing roadway to improve serviceability and to increase strength of the roadway. There may be minor widening included on a Resurfacing project. Typically, preliminary engineering is not required for a resurfacing project.

Surface Treatment -

Surface treatments are single or multiple applications of asphalt and aggregate, meant to protect and waterproof the underlying material. The underlying material may be an existing asphaltic pavement layer, or it could be an aggregate base. Types of surface treatments include chip seals, fog seals, slurry seals, and microsurfacing.

Safety/Traffic -

Check this box if the project is primarily to improve the safety or flow of traffic on an existing road or street. Examples of this type of project are major striping or signage projects, intersection (signalization) improvements.

Federal Aid Used -

Check this box if federal funds are utilized for this part of the project.

Project Cost -

Provide information on the overall cost of the project, including all contract work, and all materials, labor and equipment costs borne by the LPA. Labor and equipment costs should only be provided where they are known and substantiated with accurate records.

Section IV - Classification of Highway/Street Department Employees

Indicate the number of full and part time employees in each of the job classifications listed. Add other classifications as required for your department if they are not among those listed. Note that this information is no longer required on a monthly basis. Use the average number employed over the course of the year

Section V - Equipment Inventory

Make additional copies of this sheet in order to list all equipment owned by the department. It is recommended, for purposes of this report, that equipment with an Actual Cost that is less than the LPA's capitalization threshold not be included in the report.

Section VI - Changes to Certified Road/Street Mileage

List the total certified mileage within each of the listed surface types and the change from the previous year. A brief description for the reason for the change may also be included. Changes shown on this form should include all of those that have been previously submitted to the INDOT, and approved by the Local Road Inventory Section, Division of Roadway Management, 100 N. Senate Ave., Room N808 IGCN, Indianapolis, IN 46204. (317) 232-5482

Agencies using INDOT surface types should use the following schedule to report surface types in this Section.

<u>INDOT Type</u>	<u>Report Type</u>
Unimproved	Same
Graded and Drained Earth	Unimproved
Gravel or Stone	Same
Bituminous Surface Treated	Same
Mixed Bituminous(high or low)	Hot/Cold Asphalt
Bituminous Concrete/Sheet Asphalt	Hot/Cold Asphalt
Portland Cement Concrete	Same
Brick	Same

Section VII - Report of Federal Aid Funds

The purpose of this Section is to be able to track the progress of federal aid projects and to quantify the amount of federal funds being spent on local projects throughout Indiana. INDOT's Federal Aid Sharing Arrangement provides information on the proposed allocation of federal funds among state and local agencies, and MPO's. However, there currently is no clear method to determine how those funds are actually spent. That is the purpose of this report. The LPA should use this to report on federal aid type projects where LPA funds are actually being paid and subsequently reimbursed or payments made by the LPA to INDOT (their local match).

Location information should be the county road or bridge number or other descriptive information about the project. The DES number is assigned by INDOT and is a requirement of all federal aid type projects.

Federal aid projects typically flow through four phases. The first phase is preliminary engineering (PE). This includes all early coordination, permits, design work, field checks, and public hearings. It has been INDOT's policy not to participate in the PE phase, except for Transportation Enhancement Activities (see below). If right of way (RW) is required, this phase will immediately follow the preliminary engineering phase. Again, it has been INDOT policy to not participate in the RW phase of the project. Once the final design is accepted and right of way has been cleared, the project will be included on a state letting. Provided there is an acceptable bid, the contract will be let and the contractor will begin working. This is the construction (CO) phase of the work. Once the bid is accepted the State will contact the LPA and request the local share of the initial contract amount, usually 20 to 25 %. Parallel with the construction phase is the construction inspection (CI). This is where the LPA hires a consultant, very often the same consultant charged with the preliminary design, to oversee the work performed by the contractor. For this work, the consultant will bill the LPA and the LPA will apply for and receive

reimbursement from INDOT for these regular payments.

The category of federal funds being used is also of interest, please check the category of funds applicable to the project from those listed, including

STP - Surface Transportation Program

STP-HES - Surface Transportation Program, Hazard Elimination & Safety

STP-TEA - Surface Transportation Program, Transportation Enhancement Activity

Bridge - Bridge Funds

Min. Alloc. - Minimum Allocation Funds

CMAQ - Congestion Mitigation and Air Quality

Certification

For county agencies, the Report should be signed by the County Highway Engineer (if applicable), the Highway Supervisor, and all three members of the Board of Commissioners. For municipalities, the Report should be signed by the City Engineer (if applicable), the Street Commissioner, and the Mayor or President of the Town Council.