

MONTEZUMA COUNTY, COLORADO

Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal

For the Year Ending December 31, 2018

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
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For the Year Ending December 31, 2018

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Majors and Haley, P.C.
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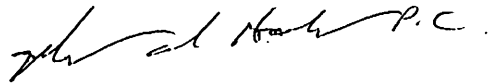
Chris L. Majors, CPA, MT

Lori Hasty Haley, CPA

Board of County Commissioners
Montezuma County, Colorado
Cortez, Colorado 81321

We have prepared the accompanying Consolidated Cost Allocation Plan and Indirect Cost Rate Proposal for Montezuma County, Colorado, for the year ended December 31, 2018. The plan and proposal were prepared in accordance with the policies and procedures contained in Title 2 U.S. Code of Federal Regulations Part 200. The financial data was extracted from our audit workpapers from which the County audit report for 2018 was also prepared.

In our opinion, the aforementioned plan and proposal fairly present the information contained therein, when considered in its entirety.



Majors and Haley, P.C.

July 9, 2019

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Certification of Indirect Costs

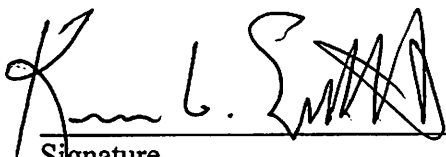
For the Year Ending December 31, 2018

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

- (1) All costs included in this proposal for the year ended December 31, 2018 to establish cost allocations or billings for the proposal period January 1 to December 31, 2020 are allowable in accordance with the requirements of OMB guidance, "Uniform Guidelines for Grants and Cooperative Agreements" and the Federal awards to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

- (2) All costs included in this proposal are properly allocable to Federal awards on the basis of beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Colorado Department of Public Health and Environment will be notified of any accounting changes that would affect the predetermined rate.

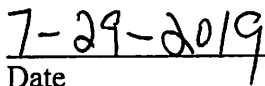
I declare that the foregoing is true and correct.



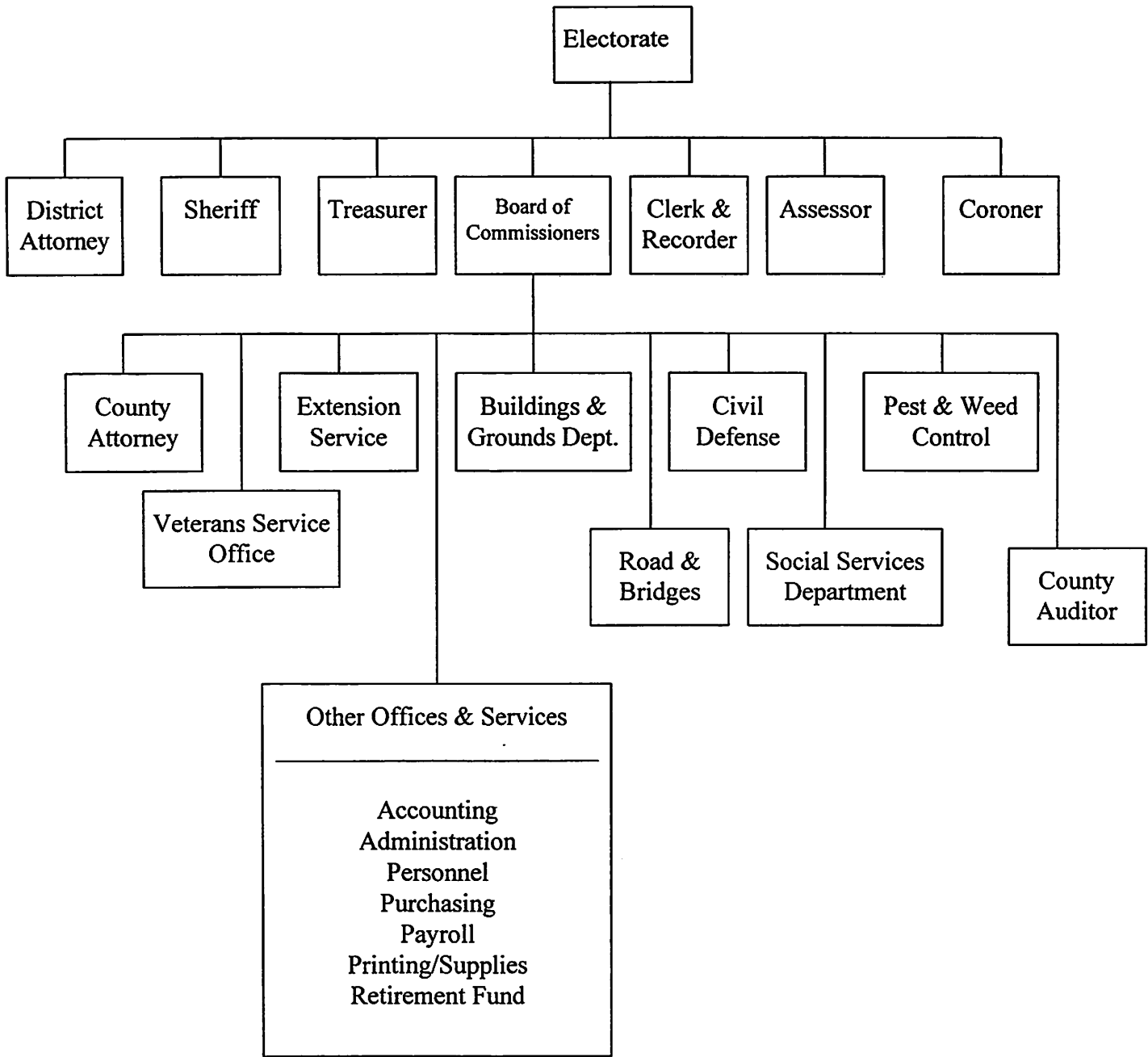
Signature



Title



Date



MONTENZUMA COUNTY, COLORADO
 Consolidated Cost Allocation Plan and
 Indirect Cost Rate Proposal
ORGANIZATION CHART

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Scope of Plan

For the Year Ended December 31, 2018

The Montezuma County, Colorado, Consolidated Cost Allocation Plan has been prepared in accordance with guidelines defined by the Office of Management and Budget Policy. These guidelines are described by Title 2 U.S. Code of Federal Regulations, Part 200 and the Guide for State and Local Government Agencies Establishing Cost Allocation Plans and Indirect Cost Rates and Contracts with the Department of Health and Human Service OASC 10.

The Plan allocated the actual December 31, 2018 costs of central services provided to other operating departments, including those responsible for accomplishing Federally assisted programs and grants. Central service functions whose costs have been distributed in this plan are:

- Auditing Services
- Accounting and Personnel
- County Treasurer
- Central Purchasing and Computer Expense
- Maintenance of Building and Grounds
- Building Usage and Maintenance
- Equipment Use Charges

These functions are shown on the Montezuma County, Colorado, organization chart page 3. A summary of the central service allocations is provided on page 6. The central service costs in this plan were allocated to the operating and benefiting departments on a basis of the department's salaries incurred during the year.

Individual sections are provided for each central service function. These sections include:

- A description of services including those considered to be central services as differentiated from those considered to be general government.
- The detailed expense classifications of the allowable costs for the central service area.

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Scope of Plan

For the Year Ended December 31, 2018

The major tasks completed in establishing the Consolidated Cost Allocation Plan were:

- Identification of central service functions.
- Determination of allowable central service functions and costs.
- Detailing the salaries of all operating and benefiting departments.
- Computation of an average indirect cost rate.

All amounts have been rounded to the nearest dollar.

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and Indirect Cost Rate Proposal
Summary of Central Service Allocations
Computation of Indirect Cost Rate and Allocation to Department of Social Services

For the Year Ending December 31, 2018

	Costs	Page Reference
Central Services		
Auditing Services	\$ 46,000	8
Accounting and Personnel	63,666	10
County Treasurer	128,334	12
Central Purchasing and Computer Expense	119,137	14
Building Use and Maintenance	37,817	17
 Total	 \$ 394,954	
	 Amounts Per Financial Statements	 Net Amount
County Salaries		
Commissioners	\$ 175,500	\$ 175,500
Administration	170,421	\$ (42,605) 127,816
Clerk and Recorder	350,637	350,637
Treasurer	164,453	(82,227) 82,226
Emergency Management	50,926	50,926
Public Trustee	12,500	12,500
Assessor	251,780	251,780
Sheriff and Jail	3,179,267	3,179,267
Coroner	33,100	33,100
District Attorney	484,676	484,676
Attorney	198,957	198,957
Extension	57,999	57,999
Veterans	38,134	38,134
Fairgrounds and Racetrack	69,462	69,462
Computer and Mapping	256,195	(38,223) 217,972
Maintenance of Buildings and Grounds	133,007	(133,007) -
Senior Citizens	153,222	153,222
Transit	144,040	144,040
Planning	69,305	69,305
Federal Lands	60,303	60,303
Conservation Trust	69,462	69,462
County Surveyor	3,300	3,300
Health	1,130,801	1,130,801
Road and Bridge	1,572,902	1,572,902
Social Services	1,654,640	1,654,640
Fleet	178,974	178,974
Landfill	380,072	380,072
 Total	 \$ 11,044,035	 \$ (296,062) \$ 10,747,973
 Computation of Indirect Cost Rate		
Total Central Services Cost	\$ 394,954	
Total Net Salaries	\$ 10,747,973	
Indirect Cost Rate		3.67%
 Allocation to Department of Social Services		
Social Service Salary		\$ 1,654,640
 Amount Allocable to Social Services		 \$ 60,725

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Central Services – Auditing Services

For the Year Ended December 31, 2018

Montezuma County, Colorado engages a certified public accounting firm to perform certain auditing and accounting related functions for the County. Services performed in 2018 include the examination of the County's financial statements and the preparation of the Cost Allocation Plan.

These costs were considered to be a central service and deemed one hundred percent allowable.

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
Central Services - Auditing Services

For the Year Ending December 31, 2018

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Examination of Financial Statements	\$ 46,000		\$ 46,000
Total	<u>\$ 46,000</u>	<u>\$ -</u>	<u>\$ 46,000</u>

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Central Services – Accounting and Personnel

For the Year Ended December 31, 2018

The office of the Administrative Assistant provides these services. The department head furnished estimates of the percentages of time each employee devoted to either central services or the County Commissioners office. After eliminating unallowable costs, the balance of the department's total expenditures was allocated between central services and the Commissioners' office based on these percentages.

Twenty-five percent of these costs were considered to be central services.

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
Central Services - Accounting and Personnel

For the Year Ending December 31, 2018

	<u>Total</u> <u>Expenses</u>	<u>Non-</u> <u>Allowable</u>	<u>Allowable</u>
Salaries	\$ 170,421	\$ (127,816)	\$ 42,605
Fringe Benefits	49,724	(37,293)	12,431
Operating Expenses	15,414	(11,561)	3,853
Professional Services	531	(398)	133
Postage	20	(15)	5
Miscellaneous	4,038	(3,029)	1,009
Software	9,590	(7,193)	2,397
Fleet Costs	161	(121)	40
Dues, Meetings & Travel	4,771	(3,578)	1,193
Total	<u>254,670</u>	<u>\$ (191,004)</u>	<u>\$ 63,666</u>
 Total per Audit - General Fund	 <u>\$ 254,670</u>		

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Central Services – County Treasurer

For the Year Ended December 31, 2018

The County Treasurer performs all banking functions for all County funds, and has the responsibility for the custody of all funds, including those related to federal programs.

All monies received by the County are receipted and credited to the appropriate funds. Monies received include tax receipts, fees and miscellaneous receipts.

Disbursements from all county and agency funds are made through the Treasurer's Office. These disbursements are charged against the appropriate fund as they are processed by the Treasurer.

The cost of apportioning the tax revenues, processing the disbursements, recording miscellaneous receipts and preparing fund accounting reports were determined to be allowable costs under the plan. Time samples of the various functions performed by the Treasurer's Office personnel were taken, adjusted for seasonal variations, and used for the allocations of the allowable functions described above.

Fifty percent of the County Treasurer's time is spent in the allowable functions.

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
Central Services - County Treasurer

For the Year Ending December 31, 2018

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Permanent Salaries	\$ 164,453	\$ (82,227)	\$ 82,226
Fringe Benefits	59,406	(29,703)	29,703
Operating Expenses	19,383	(9,692)	9,691
Postage	11,874	(5,937)	5,937
Dues, Meetings & Travel	1,554	(777)	777
Total	<u>256,670</u>	<u>\$ (128,336)</u>	<u>\$ 128,334</u>
Total per Audit - General Fund	<u>\$ 256,670</u>		

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Central Services – Central Purchasing and Computer Expense

For the Year Ended December 31, 2018

This central service department is for the central purchasing and computer costs that benefit all County departments.

Twenty-five percent of these costs are deemed to be central service.

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
Central Services - Central Purchasing and Computer Expense

For the Year Ending December 31, 2018

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Permanent Salaries	\$ 152,892	\$ (114,669)	\$ 38,223
Fringe Benefits	49,334	(37,001)	12,333
Operating Expenses	2,182	(1,637)	545
Telephone	30,060	(22,545)	7,515
Postage	29,534	(22,151)	7,383
Fleet Costs	4,110	(3,083)	1,027
Network	37,243	(27,932)	9,311
Miscellaneous	8,366	(6,275)	2,091
Maintenance Contract	162,837	(122,128)	40,709
Total	<u>476,558</u>	<u>\$ (357,421)</u>	<u>\$ 119,137</u>
Reconciliation to Audit			
Mapping	<u>149,386</u>		
	<u>\$ 625,944</u>		
Purchasing	\$ 59,593		
Computer services	566,351		
Total per Audit - General Fund	<u>\$ 625,944</u>		

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Central Services – Maintenance of Building and Grounds

For the Year Ended December 31, 2018

The building maintenance department performs all of the janitorial services and minor repairs to the building and grounds, pays for all of the operating and cleaning supplies, utilities, and outside repairs and improvements.

One hundred percent of the building maintenance functions are deemed allowable.

These costs, together with the annual use charge of the building, divided by the square footage of the courthouse arrives at a rental rate of \$20.06 per square foot. This cost per square foot is considered to be reasonable for rental space in the community.

The Montezuma County buildings cost \$619,757 to build with \$29,000 coming from Federal funds. The building costs were depreciated over a 50-year life using the straight-line method.

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
Central Services - Maintenance of Building and Grounds

For the Year Ending December 31, 2018

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Salaries	\$ 133,007		\$ 133,007
Fringe Benefits	50,994		50,994
Operating Expenses	22,356		22,356
Public Utilities	132,476		132,476
Vehicle Maintenance and Fleet Costs	19,031		19,031
Maintenance Contracts	146,967		146,967
Insurance and Bonds - Liability	143,149		143,149
Total	<u>647,980</u>	<u>\$ -</u>	<u>\$ 647,980</u>
Reconciliation to Audit			
Insurance and Bonds	(143,149)		
Capital Outlay	10,225		
Sherrif and Jail Operating Expenses	62,726		
Sherrif and Jail Utilities	141,532		
Total per Audit - General Fund	<u>\$ 719,314</u>		

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
Central Services - Building Usage and Maintenance

For the Year Ending December 31, 2018

<u>Central Support Department</u>	<u>Building</u>	<u>Cost less Federal Funds Used</u>	<u>Annual Depreciation</u>	<u>Allowable Building Maintenance Cost</u>	<u>Total Annual Building Charge</u>	<u>Total Square Feet Building</u>	<u>Cost Per Square Foot</u>	<u>Square Feet Per Department</u>	<u>Building Use Charge Department</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Accounting and Personnel	Courthouse	\$ 590,757	\$ 11,815	\$ 647,980	\$ 659,795	32,888	\$ 20.06	1,488	\$ 29,852	\$ (22,389)	\$ 7,463
County Treasurer	Courthouse	\$ 590,757	\$ 11,815	\$ 647,980	\$ 659,795	32,888	\$ 20.06	1,426	28,608	(14,304)	14,304
Maintenance of Grounds and Building	Courthouse	\$ 590,757	\$ 11,815	\$ 647,980	\$ 659,795	32,888	\$ 20.06	800	16,050		16,050
Total									\$ 74,510	\$ (36,693)	\$ 37,817