

MONTEZUMA COUNTY, COLORADO

Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal

For the Year Ending December 31, 2019

MONTEZUMA COUNTY, COLORADO
Consolidated Cost Allocation Plan and
Indirect Cost Rate Proposal
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For the Year Ending December 31, 2019

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Board of County Commissioners
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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, 2019. 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 2019 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.

June 24, 2020

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

For the Year Ending December 31, 2019

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, 2019 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.

Larry D. Lurda
Signature

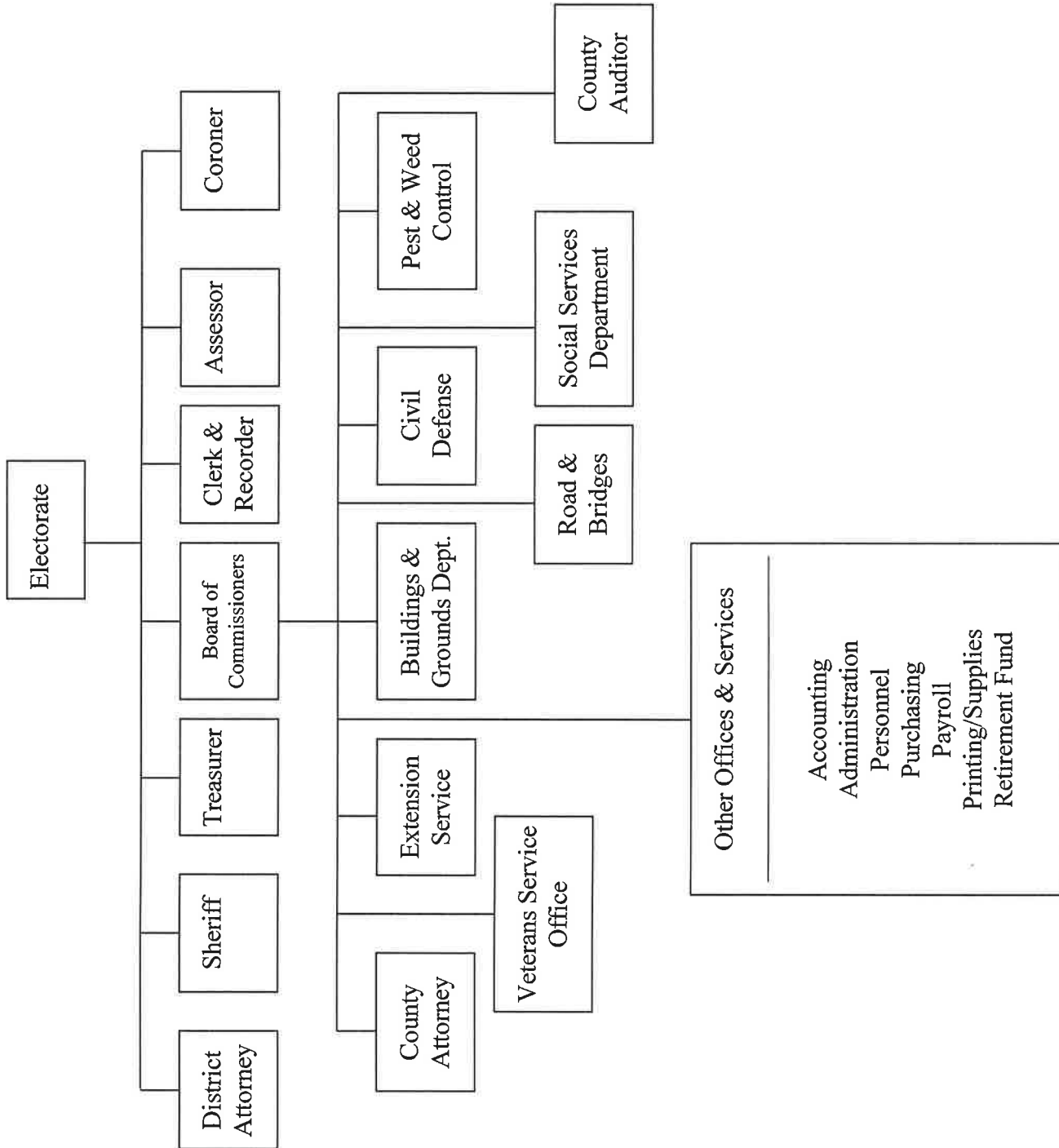
Chairman Montezuma Cty BOC C
Title

7-27-2020
Date

MONTEZUMA 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, 2019

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, 2019 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, 2019

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, 2019

Central Services	<u>Costs</u>	<u>Page Reference</u>
Auditing Services	\$ 48,000	8
Accounting and Personnel	66,787	10
County Treasurer	128,912	12
Central Purchasing and Computer Expense	134,223	14
Building Use and Maintenance	39,308	17
Total	<u><u>\$ 417,230</u></u>	

County Salaries	<u>Amounts Per Financial Statements</u>	<u>Adjustments</u>	<u>Net Amount</u>
Commissioners	\$ 179,106		\$ 179,106
Administration	176,641	\$ (44,160)	132,481
Clerk and Recorder	363,235		363,235
Treasurer	167,862	(83,931)	83,931
Emergency Management	49,079		49,079
Public Trustee	12,913		12,913
Assessor	255,814		255,814
Sheriff and Jail	3,195,699		3,195,699
Coroner	35,140		35,140
District Attorney	494,576		494,576
Attorney	200,970		200,970
Extension	61,846		61,846
Veterans	63,853		63,853
Fairgrounds and Racetrack	75,396		75,396
Computer and Mapping	293,016	(46,127)	246,889
Maintenance of Buildings and Grounds	130,181	(130,181)	-
Senior Citizens	154,995		154,995
Transit	134,986		134,986
Planning	78,597		78,597
Federal Lands	62,149		62,149
Conservation Trust	59,896		59,896
County Surveyor	3,503		3,503
Health	1,203,735		1,203,735
Road and Bridge	1,682,549		1,682,549
Social Services	1,847,260		1,847,260
Fleet	80,462		80,462
Landfill	371,623		371,623
Total	<u><u>\$ 11,435,082</u></u>	<u><u>\$ (304,399)</u></u>	<u><u>\$ 11,130,683</u></u>

Computation of Indirect Cost Rate

Total Central Services Cost	<u>\$ 417,230</u>	
Total Net Salaries	<u>\$ 11,130,683</u>	
Indirect Cost Rate		3.75%

Allocation to Department of Social Services

Social Service Salary	\$ 1,847,260
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Amount Allocable to Social Services

\$ 69,244

MONTEZUMA COUNTY, COLORADO

Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Central Services – Auditing Services

For the Year Ended December 31, 2019

Montezuma County, Colorado engages a certified public accounting firm to perform certain auditing and accounting related functions for the County. Services performed in 2019 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, 2019

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Examination of Financial Statements	\$ 48,000		\$ 48,000
Total	<u>\$ 48,000</u>	<u>\$ -</u>	<u>\$ 48,000</u>

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

For the Year Ended December 31, 2019

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, 2019

	<u>Total</u> <u>Expenses</u>	<u>Non-</u> <u>Allowable</u>	<u>Allowable</u>
Salaries	\$ 176,641	\$ (132,481)	\$ 44,160
Fringe Benefits	53,962	(40,472)	13,490
Operating Expenses	9,839	(7,379)	2,460
Professional Services	13,205	(9,904)	3,301
Miscellaneous	1,748	(1,311)	437
Software	7,303	(5,477)	1,826
Fleet Costs	1,335	(1,001)	334
Dues, Meetings & Travel	3,116	(2,337)	779
Total	<u>267,149</u>	<u>\$ (200,362)</u>	<u>\$ 66,787</u>
 Total per Audit - General Fund	 <u><u>\$ 267,149</u></u>		

MONTEZUMA COUNTY, COLORADO

Consolidated Cost Allocation Plan and
Indirect Cost Proposal
Central Services – County Treasurer

For the Year Ended December 31, 2019

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, 2019

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Permanent Salaries	\$ 167,862	\$ (83,931)	\$ 83,931
Fringe Benefits	58,844	(29,422)	29,422
Operating Expenses	19,480	(9,740)	9,740
Postage	10,074	(5,037)	5,037
Dues, Meetings & Travel	1,564	(782)	782
Total	<u>257,824</u>	<u>\$ 128,912</u>	<u>\$ 128,912</u>
Total per Audit - General Fund	<u>\$ 257,824</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, 2019

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, 2019

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Permanent Salaries	\$ 184,508	\$ (138,381)	\$ 46,127
Fringe Benefits	54,959	(41,219)	13,740
Operating Expenses	3,768	(2,826)	942
Telephone	29,847	(22,385)	7,462
Postage	22,101	(16,576)	5,525
Fleet Costs	6,868	(5,151)	1,717
Network	36,269	(27,202)	9,067
Dues, Training and Travel	2,970	(2,228)	742
Miscellaneous	10,170	(7,628)	2,542
Maintenance Contract	185,438	(139,079)	46,359
Total	<u>536,898</u>	<u>\$ (402,675)</u>	<u>\$ 134,223</u>
Reconciliation to Audit Mapping	<u>155,068</u>		
	<u>\$ 691,966</u>		
Purchasing	\$ 53,199		
Computer services	638,767		
Total per Audit - General Fund	<u>\$ 691,966</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, 2019

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, 2019

	<u>Total Expenses</u>	<u>Non- Allowable</u>	<u>Allowable</u>
Salaries	\$ 130,181		\$ 130,181
Fringe Benefits	48,004		48,004
Operating Expenses	58,431		58,431
Building Repairs	1,857		1,857
Public Utilities	108,566		108,566
Vehicle Maintenance and Fleet Costs	17,665		17,665
Maintenance Contracts	144,301		144,301
Insurance and Bonds - Liability	165,019		165,019
Total	<u>674,024</u>	<u>\$ -</u>	<u>\$ 674,024</u>
Reconciliation to Audit			
Insurance and Bonds	(165,019)		
Capital Outlay			
Sherrif and Jail Operating Expenses	57,717		
Sherrif and Jail Maintenance Contracts	8,840		
Sherrif and Jail Utilities	131,120		
Total per Audit - General Fund	<u>\$ 706,682</u>		

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

For the Year Ending December 31, 2019

Central Support Department	Building	Cost less Federal Funds Used	Annual Depreciation	Allowable Building Maintenance Cost	Total Annual Building Charge	Total Square Feet Building	Cost Per Square Foot	Square Feet Per Department	Building Use Charge Department	Non- Allowable	Allowable
Accounting and Personnel	Courthouse	\$ 590,757	\$ 11,815	\$ 674,024	\$ 685,839	32,888	\$ 20.85	1,488	\$ 31,030	\$ (23,273)	\$ 7,757
County Treasurer	Courthouse	\$ 590,757	\$ 11,815	\$ 674,024	\$ 685,839	32,888	\$ 20.85	1,426	29,737	(14,869)	14,868
Maintenance of Grounds and Building	Courthouse	\$ 590,757	\$ 11,815	\$ 674,024	\$ 685,839	32,888	\$ 20.85	800	16,683		16,683
Total									\$ 77,450	\$ (38,142)	\$ 39,308