

KITTITAS COUNTY
BOARD OF COUNTY COMMISSIONERS

RESOLUTION NO. 2017-054

**A Resolution adopting Central Services Simplified Indirect Cost Allocation Plan
for Year Ended December 31, 2015**

WHEREAS, Kittitas County receives Federal Grant Dollars, and

WHEREAS, according to the United States Office of Management & Budget, 2 CFR Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), Kittitas County needs to adopt a Central Services Simplified Indirect Cost Allocation Plan, and;

WHEREAS, the County Auditor has determined the Indirect Cost Rate to be 12.60%, based on the distribution base of direct salaries & wages of each department/fund, and;

WHEREAS, the County Auditor has certified the Indirect Cost Rate of 11.25%; a reduction from the actual calculation to allow for a margin of error, and

WHEREAS, the attached documentation shows the calculations of the Indirect Cost Plan for Kittitas County as per the requirements for 2 CFR Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

NOW, THEREFORE BE IT RESOLVED that the Board of County Commissioners adopts the Indirect Cost Rate for Kittitas County at 11.25%, based on the distribution base of direct salaries & wages, for federal grant reimbursement as certified by the County Auditor, effective January 1, 2017.

ADOPTED this 21st day of March, 2017.




ATTEST

**BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON**


Chairman


Vice-Chairman


Commissioner


Clerk of the Board/Deputy Clerk of the Board

CERTIFICATE OF COST ALLOCATION PLAN

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal for the period ended **December 31, 2015** to establish cost allocations or billings starting **January 1, 2017** are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provisions of this Part 2 CFR Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards. 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 a 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 Federal government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: Kittitas County – Public Health Department

Signature: 

Name of Official: Jerald V. Pettit

Title: Kittitas County Auditor

Date of Execution: January 1, 2017

The 2017 Indirect Cost Rate is approved at 29.5% and the plan is based upon the 2015 actual data and completed review 3-1-2017.

**Kittitas County
Central Services
Simplified Indirect Cost Allocation**

For the Year Ended December 31, 2015

| Department | | | Sub Department | | | | | |
|--|-------------------------------|-------------------------------|---------------------------|----------------------------------|------------------|----------------------|------------------------------|------------------------------------|
| Indirect Functions that Provide Services to the Service Providing Units | | | a | b | c | d | e | f |
| | | | Total Costs 12-31-2015 | Additional Costs ie Depr, Rev | Excluded Costs | Unallowable Costs | Indirect Costs a+b+c+d | Direct Salaries/Wages |
| | | | | | | | | All Other Direct Costs |
| 0011 | Auditor | Accounting | 411,741 | - | (16,049) | - | 395,692 | - |
| 0017 | Information Services | Information Services | 868,529 | 33,663 | (106,662) | (3,283) | 792,247 | - |
| 0020 | Communications | Postage Machine/Cle Elum Line | 96,395 | 2,876 | (84,508) | - | 14,763 | - |
| 0038 | Human Resource | Human Resources | 173,366 | - | (37,155) | - | 136,211 | - |
| Total Indirect Services | | | 1,550,031 | 36,539 | (244,373) | (3,283) | 1,338,913 | 0 |
| Departments that Provide Direct Services to the Citizens of the County | | | a | b | c | d | e | f |
| | | | Total Costs 12-31-2015 | Additional Costs ie Depr, Rev | Excluded Costs | Unallowable Costs | Indirect Costs | Direct Salaries/Wages |
| | | | | | | | | All Other Direct Costs a+b-f |
| 0010 | Assessor | Assessor | 980,380 | - | - | - | - | 656,525 |
| 0011 | Auditor | Administration | 122,339 | - | - | - | 49,874 | 80,206 |
| 0011 | Auditor | Recording | 113,140 | - | - | - | - | 77,536 |
| 0011 | Auditor | Vehicle Licensing | 183,096 | - | - | - | - | 121,208 |
| 0011 | Auditor | Elections | 121,465 | - | - | - | - | 35,398 |
| 0011 | Auditor | Voter Registration | 36,479 | - | - | - | - | 17,482 |
| 0011 | Auditor | HAVA Grant | 1,824 | - | - | - | - | - |
| 0012 | Board Equalization | Board Equalization | 6,146 | - | - | - | - | 4,124 |
| 0013 | Fire Marshal/Code Enforcement | Fire Marshal/Code Enforcement | 313,654 | - | - | - | - | 116,285 |
| 0015 | County Clerk | County Clerk | 296,392 | - | - | - | - | 202,533 |
| 0016 | Commissioners | Commissioners | 442,551 | - | - | - | - | 320,531 |
| 0018 | Cooperative Extension | Cooperative Extension | 171,824 | - | - | - | - | 77,334 |
| 0019 | Disability Board | Disability Board | 20,916 | - | - | - | - | 14,939 |
| 0021 | Judge - Superior Court | Judge - Superior Court | 743,029 | - | - | - | - | 256,023 |
| 0022 | Juvenile | Juvenile | 477,287 | - | - | - | - | 299,109 |
| 0023 | Law Library | Law Library | 20,018 | - | - | - | - | 3,214 |

Kittitas County
Central Services
Simplified Indirect Cost Allocation

For the Year Ended December 31, 2015

| Department | | Sub Department | a | b | c | d | e | f | |
|--|-------------------------------|----------------------------------|-------------|------------------|----------------|-------------|----------|----------------|--------------------|
| Departments that Provide Direct Services to the Citizens of the County | | | Total Costs | Additional Costs | Excluded Costs | Unallowable | Indirect | Direct | All Other |
| | | | 12-31-2015 | ie Depr, Rev | | Costs | Costs | Salaries/Wages | Direct Costs a+b-f |
| 0024 | Lower District Court | Lower District Court | 1,049,521 | - | - | - | - | 554,161 | 495,360 |
| 0025 | Facilities Maintenance | Motorpool | 10,661 | - | - | - | 2,566 | - | 10,661 |
| 0025 | Facilities Maintenance | Maintenance Vehicles | 8,819 | - | - | - | - | - | 8,819 |
| 0025 | Facilities Maintenance | Courthouse | 385,142 | 615,393 | (24,633.87) | (2,430) | 69,579 | 158,039 | 842,497 |
| 0025 | Facilities Maintenance | Sorenson Building | 101,384 | - | - | - | - | 40,970 | 60,414 |
| 0025 | Facilities Maintenance | Upper District Court | 125,561 | - | - | - | - | 433 | 125,128 |
| 0025 | Facilities Maintenance | Permit Center | 53,433 | - | - | - | - | 20,952 | 32,481 |
| 0025 | Facilities Maintenance | Jail | 299,435 | - | - | - | - | 31,746 | 267,689 |
| 0025 | Facilities Maintenance | Sheriff Admin | 34,862 | - | - | - | - | 7,586 | 27,275 |
| 0025 | Facilities Maintenance | Building Projects | 181,285 | - | - | - | - | 6,000 | 175,285 |
| 0026 | Non-Departmental | Non-Departmental | 2,227,474 | - | (2,121,148.16) | (11,733.13) | 94,593 | 53,436 | 2,174,038 |
| 27 | Coroner | Coroner | 205,179 | - | - | - | - | 87,256 | 117,923 |
| 0029 | Prosecutor | Prosecutor Admin | 943,545 | - | - | - | - | 622,911 | 320,634 |
| 0029 | Prosecutor | Prosecutor Support Enforcement | 114,692 | - | - | - | - | 80,174 | 34,519 |
| 0029 | Prosecutor | Prosecutor Civil | 606,189 | - | (131,522.88) | - | 88,953 | 348,134 | 258,055 |
| 0029 | Prosecutor | Prosecutor Sexual Assault Interv | 12,573 | - | - | - | - | 6,634 | 5,939 |
| 0030 | Sheriff | Sheriff | 6,896,477 | - | - | - | - | 3,903,074 | 2,993,403 |
| 0031 | Treasurer | Treasurer | 533,694 | 2,973 | (313,594) | (7,789) | 215,285 | 272,189 | 264,478 |
| 0032 | Upper District Court | Upper District Court | 538,517 | - | - | - | - | 320,653 | 217,864 |
| 0033 | Pest Control | Pest Control | 29,652 | - | - | - | - | - | 29,652 |
| 0034 | Conference of Government | Conference of Government | 309 | - | - | - | - | 223 | 86 |
| 0036 | Library Advisory Board | Library Advisory Board | 134,000 | - | - | - | - | - | 134,000 |
| 0037 | Emergency Management | Emergency Management | 168,909 | - | - | - | - | 31,098 | 137,811 |
| 0040 | Criminal Justice | Criminal Justice | 18,789 | - | - | - | - | - | 18,789 |
| 0043 | Declaration of Emergency | Declaration of Emergency | 0 | - | - | - | - | - | - |
| 0044 | Post Employment Benefits | Post Employment Benefits | 54,894 | - | - | - | - | - | 54,894 |
| 0045 | Historical Document Program | Historical Document Program | 11,431 | - | - | - | - | 7,253 | 4,178 |
| 0046 | Current Use | Current Use | 144 | - | - | - | - | - | 144 |
| 0047 | Upper Co Ground Water | Upper Co Ground Water | 10,109 | - | - | - | - | - | 10,109 |
| 0060 | Computer Replacement | Computer Replacement | 47,203 | - | - | - | 20,676 | - | 47,203 |
| 109 | County Fair | County Fair | 1,593,214 | - | - | - | - | 328,656 | 1,264,558 |
| 101 | Airport | Airport | 140,554 | - | - | - | - | 28,381 | 112,173 |
| 103 | Youth Amateur Sports Activity | Youth Amateur Sports Activity | 3,627 | - | - | - | - | - | - |
| 105 | Community Services | Mental Health | 1,021,216 | - | - | - | - | 18,416 | 1,002,800 |
| 106 | County Road | County Road | 16,448,291 | - | - | - | - | 1,933,338 | 14,514,953 |
| 107 | Flood Control | Flood Control | 489,048 | - | - | - | - | 34,541 | 454,507 |
| 108 | Public Facilities | Public Facilities | 640,954 | - | - | - | - | 841 | 640,113 |
| 110 | EIS Trust | EIS Trust | 2,650 | - | - | - | - | 109 | 2,541 |
| 112 | Low Income Housing | Low Income Housing | 40,720 | - | - | - | - | 474 | 40,246 |
| 113 | Recreation | Recreation | 16,536 | - | - | - | - | 2,689 | 13,847 |
| 114 | Homelessness Housing | Homelessness Housing | 228,366 | - | - | - | - | 2,589 | 225,777 |
| 115 | Trial Court Improvements | Trial Court Improvements | 86,816 | - | - | - | - | 17,216 | 69,600 |
| 116 | Public Health | Public Health | 1,474,027 | - | - | - | - | 854,016 | 620,011 |

Kittitas County
Central Services
Simplified Indirect Cost Allocation

For the Year Ended December 31, 2015

| Department | | Sub Department | a | b | c | d | e | f | | |
|--|-------------------------------|-------------------------------|---------------------------|----------------------------------|----------------|----------------------|-------------------|--------------------------|------------------------------------|---|
| Departments that Provide Direct Services to the Citizens of the County | | | Total Costs 12-31-2015 | Additional Costs ie Depr, Rev | Excluded Costs | Unallowable Costs | Indirect Costs | Direct Salaries/Wages | All Other Direct Costs a+b-f | |
| 118 | Veterans Assistance | Veterans Assistance | 42,024 | - | - | - | - | - | 42,024 | |
| 119 | 911 Excise | 911 Excise | 630,481 | - | - | - | - | - | 630,481 | |
| 120 | 3/10s Clerk | 3/10s Clerk | 112,860 | - | - | - | - | 73,168 | 39,692 | |
| 120 | 3/10s Juvenile | 3/10s Juvenile | 31,910 | - | - | - | - | 20,455 | 11,455 | |
| 120 | 3/10s Prosecutor | 3/10s Prosecutor | 209,709 | - | - | - | - | 144,498 | 65,211 | |
| 120 | 3/10s Sheriff | 3/10s Sheriff | 1,018,053 | - | - | - | - | 546,747 | 471,306 | |
| 120 | 3/10's Admin | 3/10's Admin | 0 | - | - | - | - | - | - | |
| 121 | Treasurer ULID | Treasurer ULID | 1 | - | - | - | - | - | 1 | |
| 122 | Treasurers M&O | Treasurers M&O | 59,889 | - | - | - | - | 27,929 | 31,960 | |
| 123 | Noxious Weed | Noxious Weed | 374,724 | - | - | - | - | 194,738 | 179,986 | |
| 125 | Auditor Centennial Doc | Auditor Centennial Doc | 91,212 | - | - | - | - | - | 91,212 | |
| 126 | Leased Water | Leased Water | 25,000 | - | - | - | - | - | - | |
| 127 | Misdemeanant Probation | Misdemeanant Probation | 747,090 | - | - | - | - | 475,277 | 271,813 | |
| 130 | Prosecutor Victim Witness | Prosecutor Victim Witness | 127,671 | - | - | - | - | 80,079 | 47,592 | |
| 131 | Drug Enforcement | Drug Enforcement | 10,000 | - | - | - | - | - | 10,000 | |
| 134 | Public Defense | Public Defense | 36,350 | - | - | - | - | - | 36,350 | |
| 135 | Forfeited Drug Proceeds | Forfeited Drug Proceeds | 622 | - | - | - | - | - | 622 | |
| 136 | Adult Misd Pre Diversion | Adult Misd Pre Diversion | 60,850 | - | - | - | - | - | 60,850 | |
| 140 | Hotel Motel | Hotel Motel | 701,591 | - | - | - | - | 7,071 | 694,520 | |
| 142 | Real Estate Excise Tax Tech | Real Estate Excise Tax Tech | 9,085 | - | - | - | - | - | 9,085 | |
| 202 | 2010 GO Bond | 2010 GO Bond | 884,756 | - | - | - | - | - | 884,756 | |
| 205 | Refund Fund | Refund Fund | 15 | - | - | - | - | - | - | |
| 206 | CRID | CRID | 0 | - | - | - | - | - | - | |
| 301 | Capital Improvements | Capital Improvements | 1,055,646 | - | - | - | - | - | 1,055,646 | |
| 302 | Courthouse Jail Expansion | Courthouse Jail Expansion | 0 | - | - | - | - | - | - | |
| 309 | Rodeo Grounds Capital Improve | Rodeo Grounds Capital Improve | 0 | - | - | - | - | - | - | |
| 401 | Solid Waste | Solid Waste | 3,374,632 | - | - | - | - | 412,812 | 2,961,820 | |
| 402 | Community Development Service | Community Development Service | 1,442,989 | - | - | - | - | 692,131 | - | |
| 501 | ER&R | ER&R | 2,452,888 | - | - | - | - | 189,840 | 2,263,048 | |
| 511 | Unemployment | Unemployment | 26,592 | - | - | - | - | - | 26,592 | |
| 601 | Jerry Williams Library Trust | Jerry Williams Library Trust | 31 | - | - | - | - | - | 31 | |
| | | Total Direct Services | 54,567,114 | 618,366 | (2,590,898) | (21,952) | 541,524 | 14,921,380 | 39,484,600 | 0 |
| | | TOTAL | 56,117,145 | 654,905 | (2,835,272) | (25,235) | 1,880,438 | 14,921,380 | 39,484,600 | 0 |
| | | | (56,117,142) | | | | | | | |
| | | | 3 | | | | | | | |

Indirect Cost Rate Computation:

Indirect Costs divided by
Direct Salaries & Wages

1,880,438
14,921,380

Indirect Cost Rate =

12.60%

Adopted Rate =

11.25%

Notes:

Apply this rate to total allowable salaries for each claim for reimbursement

Kittitas County Central Services Simplified Indirect Cost Allocation Plan For Year Ended December 31, 2015

NARRATIVE

In order for the county to comply with federal regulations, 2 CFR Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance); Kittitas County has to adopt a simplified Central Services Indirect Cost Allocation Plan.

This Central Services indirect cost allocation plan is for accounting, information technology, communications, and human resources which provide departments centralized services. This is a process whereby these central services costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. This central service cost allocation plan provides that process.

Each county department/fund is listed showing the total 2015 actual expenses and 2015 direct salaries and wages. The distribution base is the direct salaries & wages of each department/fund.

The departments are divided into 2 categories: Indirect Functions that Provide Services to the Service Providing Units and Departments that Provide Direct Services to the Citizens of the County. The Indirect functions are departments that provide Central Services to each county Department. The other Departments provide services directly to the citizens. Those departments may have some indirect costs. The explanation of each of these services is listed below.

DEFINITIONS

Additional Costs – Additional expenses not accounted for at the department level; including depreciation.

All Other Direct Costs – the amount remaining from total costs less additional expenses, unallowable costs, indirect costs and direct salaries & wages.

Capitalized Assets – Purchases of Asset that has a value \$5,000 or above and has a life longer than one year. These assets are depreciated. The Capitalized Asset is removed as an unallowable cost.

Central Services – services that are provided to the organization, the customers of the Central Services are the internal departments, which include Auditor Accounting, Information Technology, Communications, and Human Resource.

Central Service Cost allocation plan – means the documentation identifying, accumulating, and allocating or developing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

Department – all County Departments and/or County Funds.

Depreciation – Allocating the costs of a Capitalized Asset to periods benefiting the assets use.

Direct Salaries & Wages – the 2015 fiscal year end salaries & wages for each department

Excluded Costs - Certain items of cost are classified by Uniform Guidance as extraordinary or distorting expenditures and are excluded from the computation of the indirect cost rate i.e. capitalized equipment.

Indirect Costs – costs incurred for a common or joint purpose benefiting more than one cost objective

Indirect Cost Rate – a devise for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio of the indirect coast to a direct cost base.

Sub Department – additional breakdown of a department expenses for accounting purposes

Total Costs – the 2015 fiscal year end actual expenses

Unallowable Costs – Certain items of cost are classified by Uniform Guidance as unallowable, which means that federal funds cannot be used for those items of cost. For indirect cost rate calculation; however, these unallowed costs are included in the base along with the direct costs. Some examples for unallowed costs are: Governance, promotional advertising, entertainment, and fines & penalties.

Uniform Guidance – United States Office of Management & Budget, 2CFR Part 200, Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards establishing principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with governmental units.

FINANCIAL INFORMATION

Accounting

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Audited Data

Kittitas County is audited annually by the State Auditor's office. The audits consist of Financial and Single Audit and the Accountability Audit. The Financial and Single Audit was issued on September 29, 2016, Report #1017601. The report stated:

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal Control over Financial Reporting:

- *Significant Deficiencies: We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.*
- *Material Weaknesses: We identified no deficiencies that we consider to be material weaknesses.*

We noted no instances of noncompliance that were material to the financial statements of the County.

Federal Awards Internal Control over Major Programs:

- *Significant Deficiencies: We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.*
- *Material Weaknesses: We identified no deficiencies that we consider to be material weaknesses.*

We issued an unmodified opinion on the County's compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Depreciation

Capital assets, which includes property, plant, equipment, and infrastructure assets, (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the county as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Kittitas County has elected to use the modified approach to account for the infrastructure account; Gravel Roads, which eliminates the need to report depreciation expense.

Computer Software is reported as Intangible Assets with a capitalization limit of \$5,000 and is not depreciated.

Capital Leases are defined as long term debt to the county. The asset is tracked but there is not value placed in the Capital Assets. Capital Leases are determined by one of the following four criteria; 1) The lease transfers ownership of the property to the lessee by, or at, the end of the lease term; 2) The lease contains an option to purchase the leased property at a bargain price; 3) The lease is equal to or greater than 75% of the estimated economic life of the leased property; 4) The present value of rental and other minimum lease payments, excluding that portion representing executory costs to be paid by the lessor, equals or exceeds 90% of the fair value of the lease property.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

| Assets | Years |
|-----------------------------------|-------|
| Buildings & Improvements | 5-60 |
| Improvements other than Buildings | 5-50 |

| | |
|-------------------------------------|------|
| Machinery & Equipment | 3-20 |
| Roads, Guardrails & Traffic Signals | 20 |
| Bridges | 51 |

Time and Attendance

Kittitas County uses an electronic time and attendance system to track employee's time. Employees who allocate their time are required to post their time by project or by project time distribution. This allows the time costs to be charged to the specific project.

Travel Reimbursements

Kittitas County's travel policy for 2015 followed the Federal Guidelines for employee reimbursement of travel costs. Kittitas County uses the High-Low cost of travel reimbursement.

Reimbursement for Expenses

You must use the Kittitas County Claim for Expense Form to ask for reimbursement of expense. This form is on CAMAS.

Meals are reimbursed as follows:

You must be traveling away from home overnight to receive meal reimbursement (IRS requirement)

| | |
|--------------------|---------------------------|
| Breakfast | \$ 9.00 - \$11.00* |
| Lunch | \$12.00 - \$16.00* |
| Dinner | \$26.00 - \$33.00* |
| Incidentals | \$ 5.00 - \$ 5.00* |
| TOTAL | \$52.00 - \$65.00* |

***High Cost area established King County**

Mileage Reimbursement

Mileage Rate is 57.5 cents per mile for the use of your personal vehicle.

INDIRECT FUNCTIONS

Auditor – Accounting

The Accounting Division is responsible for the Budgeting, Auditing and Accounting for the county. The total Auditor's Accounting Division 2015 actual expenses were \$411,741. The accounting division audits the vouchers and payrolls and processes the warrants for the junior taxing districts. The allocation for the amount of time the accounting division spends on the other districts is 4.36% of the total hours. The amount of salaries, benefits and supplies allocated, \$395,691; as an indirect cost is 95.64%. All other operating expenses were allocated at 100% with the exception of penalties and fines which are not allowed. The amounts of excludable and unallowable costs are \$15,722 which includes salaries reimbursed by other funding sources.

| | |
|--|------------------|
| Total Expenditures | \$411,741 |
| Less: Excludable Cost (District 4.36%) | -16,049 |
| Total Indirect Costs | \$395,692 |

Information Technology (Services)

Information Technology is responsible to maintain the county computer equipment and software for all departments. Total 2015 actual expenses for Information Technology were \$868,528 plus depreciation of \$33,663 for total expenses of \$902,192. Of the total expenses \$46,717 are excluded costs and \$3,283 are unallowable costs.

| | |
|-----------------------------|------------------|
| Total Expenditure | \$868,528 |
| Plus Depreciation | 33,663 |
| Less Excluded Costs | -106,662 |
| Less Unallowable Costs | -3,283 |
| Total Indirect Costs | \$792,247 |

These excluded/unallowable costs include the following:

| | |
|---|------------------|
| Capital Outlay | 59,945 |
| Capital Lease and interest | 46,717 |
| Total Excludable/Unallowable Costs | \$106,662 |

Communications

The Communications Department is responsible for the County's postage machine; the county's phone system and the copier, which is located in the auditor's office. Total 2015 actual expenses for Communications were \$96,395, plus depreciation of \$2,876 and of the expenses \$84,508 are excludable costs. These excludable costs include the following:

| | |
|-----------------------------|-----------------|
| Total Expenditures | \$96,395 |
| Plus Depreciation | 2,876 |
| Less Excludable Costs | -84,508 |
| Total Indirect Costs | \$14,763 |

These excluded/unallowable costs include the following:

| | |
|----------------------------------|-----------------|
| Supplies purchase for copier | \$ 571 |
| Telephone courtesy phones | 139 |
| Postage – billed direct | 75,000 |
| Equipment Maintenance for copier | 659 |
| Lease on Postage Machine | 8,138 |
| Total Excludable Costs | \$84,508 |

Human Resource

The Human Resource Department administers various programs involving recruitment, compensation, benefits, collective bargaining, and personnel policy. The 2015 actual expenses are \$173,366. The Human Resource is responsible for Civil Service and these costs are excludable as they only represent the Sheriff's office which is considered 15% of Salaries and Benefits, and other operating expenses for a total of \$37,155 excludable costs. Items that affect the entire employee base are presented at 100%.

| | |
|-----------------------------|------------------|
| Total Expenditures | \$173,366 |
| Less Excludable Costs | -37,155 |
| Total Indirect Costs | \$136,211 |

DEPARTMENTS THAT PROVIDE DIRECT SERVICES

Auditor- Administration

The Auditor is responsible for 5 sub-departments; Accounting, Recording, Vehicle Licensing; Elections and Voter Registration. There are 13 employees in the office. During 2015 the accounting staff had 5 full time employees. The total paid hours for the accounting staff was 10,982 out of 29,419 or 37.33%, the accounting staff salaries were \$263,715 out of \$595,792 or 44.26%; the average of both is 40.80%. The expenses were distributed by the 40.80% except for the costs related to other divisions within the office. The total Auditor's Administration 2015 expenses are \$122,339. The amount for the indirect allowable costs is **\$49,874**.

Facilities Maintenance – Motor pool

The facilities maintenance expenses for the motor pool was \$10,656. The total mileage used by each employee was divided by the total miles used for all pool cars. The 2015 amount of indirect usage for Auditor's Accounting, Human Resource, Information Technology and a percentage of County Treasurer is **\$2,566**. County Auditor Administration and Facilities Maintenance did not have vehicle usage that would be included.

| Department | Percent of total Usage | Allocation usage | Amount Total costs x Percentage of Usage x Allocation Usage |
|------------------------|------------------------|------------------|--|
| Auditor Accounting | 3.07% | 100% | 327 |
| Information Technology | 14.00% | 100% | 1,492 |
| County Treasurer | 1.89% | 100% | 202 |
| Human Resource | 5.11% | 100% | 545 |
| Total Motor Pool Costs | | | 2,566 |

Facilities Maintenance

The facilities maintenance expenses for the Courthouse were \$385,142; plus \$615,393 for depreciation of capitalized expenses for a total of \$1,000,536 costs. There were \$29,443 excludable costs as these were billable cost to other departments, i.e. Solid Waste. There were \$2,430 of Unallowable costs for penalties. The total allowable costs are \$968,662. The allowable costs were divided by the square footage of the building. The building square footage is 73,707. The total expenses divided by the square footage equals \$13.14 per square foot. The allowable indirect costs for the Facilities Maintenance total \$69,579. The following is the breakdown.

| Room | Square Footage | % allowed | Amount |
|----------------------|----------------|--------------|-----------------|
| Auditor's Accounting | 345.00 | 100 | \$ 4,534 |
| Accounting Manager | 74.00 | 100 | 972 |
| Human Resource | 916.40 | 100 | 12,043 |
| Treasurer's Office | 1,892.84 | 60 | 15,042 |
| County Auditor | 152.10 | 44 | 885 |
| Information Services | 2,668.00 | 100 | 35,063 |
| Mail Room | 79.05 | 100 | 1,038 |
| | | TOTAL | \$69,579 |

Non-Departmental

This department's expense for 2015 is \$2,227,473. The indirect cost from this department is for the state auditor, retrospective rating and dues. The state auditor costs for 2015 were \$75,274. The audit was for the Single and Financial Audit and the Accountability Audit. The retrospective rating is for additional premiums that are due to the Department of Labor & Industries for claim expenses above the plan choice. The dues that affect all departments, WSAC, WACO, NACO and state purchasing are also allocated as an indirect expense. The total amounts of indirect costs are **\$18,712**.

Treasurer

The County Treasurer is responsible for the collection of the taxes, receipting of all money from all departments/funds, investments and the redemption of all county warrants. The amount of cash and investments on hand as of December 31, 2015, was \$112,966,190 of which 40.67% was for County funds and 59.33% was for the Special Purpose districts. The total expenses for 2015 were \$528,393, plus depreciation of \$2,973 for a total of \$531,667. The excludable expenses were calculated at the 59.33% or \$313,594. There are \$2,789 unallowable costs for leases and capitalized equipment. The total amount of allowable indirect costs for the Treasurer is **\$215,285**.

Computer Replacement

The total 2015 computer replacement expenses were \$47,203 of this amount **\$20,676** was the amount of direct purchases for Human Resource, Treasurer and Information Technology.

GENERAL COSTS OF GOVERNMENT

Under Paragraph 200.444 of Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards the general costs of government are unallowable. The following unallowable costs include:

- Salaries and expenses of the Board of County Commissioners,
- Cost of the judicial branch of government
- Cost of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statutes or regulation
- Cost of other general types of government services normally provided to the general public such as fire and police

CENTRAL SERVICES INDIRECT COST CALCULATION

The Central Services Departments; Auditor's Accounting, Information Technology, Communications, and Human Resources had indirect costs of \$1,338,913. With the other indirect costs from other departments totaling \$541,524 the total county indirect costs are \$1,880,438.

The County elects to use the simplified method for the rate computation based upon salaries. The total County indirect costs divided by direct wages. The wages paid in 2015 were \$14,921,380.

Indirect Cost Rate Computation:

| | | |
|---------------------------|---------------------|------------------------------|
| Indirect Costs divided by | <u>\$ 1,880,438</u> | Indirect Cost Rate =12.60% |
| Direct Salaries & Wages | \$14,921,380 | Adopted Rate = 11.25% |

Notes: Apply this rate to allowable salaries and wages