

Memorandum

*Making Conservation
a California Way of Life.*

To: RIHUI ZHANG
Chief
Division of Local Assistance

Date: July 1, 2019

File: P1594-0078
P1594-0079
P1594-0080
P1594-0081
P1594-0082

From: MARSUE MORRILL, CPA *Marsue*
Audit Chief
Planning and Modal Office
Independent Office of Audits and Investigations

Subject: **INDIRECT COST RATE PROPOSAL AUDIT – RIVERSIDE COUNTY, DEPARTMENTS OF TRANSPORTATION AND SURVEYOR**

At the request of the Independent Office of Audits and Investigations, the California State Controller's Office (SCO) completed an audit of Riverside County (County) Indirect Cost Rate Proposal (ICRP) for fiscal year (FY) 2015/16 through 2017/18. The purpose of the audit was to determine whether the ICRPs were presented in accordance with Title 2 Code of Federal Regulations Part 200, and the California Department of Transportation's Local Assistance Procedures Manual, Chapter 5. In Addition, the audit was performed to determine whether the County has adequate accounting controls to properly manage federal and state funded projects.

Based on the audit, SCO determined the County included unallowable indirect costs for FY 2015/16 through FY 2017/18 for the Department of Transportation and Surveyor. The audited rates are as follows:

Division	FY	Proposed Rate	Audited Rate*	Disposition
Transportation	2015/16	102.55%	120.22%	Immaterial - No action required
Transportation	2016/17	154.21%	157.67%	No action required
Transportation	2017/18	150.00%	141.85%	Reconcile prior billings and reimburse overpayment
Surveyor	2015/16	36.17%	51.16%	No action required
Surveyor	2016/17	43.89%	48.74%	No action required
Surveyor	2017/18	84.93%	90.42%	No action required

***Base: Total Direct Salaries plus Fringe Benefits**

Please provide our office with a corrective action plan, including time lines, by August 27, 2019.

If you have any questions, contact Luisa Ruvalcaba, Audit Manager, at luisa.ruvalcaba@dot.ca.gov

Attachment

Riverside County Audit

cc: Juan Perez, Director, Transportation, Riverside County
Rodney Whitfield, Director of Financial Services, Federal Highway Administration
Veneshia Smith, Financial Program Manager, Federal Highway Administration
William Lewis, Assistant Director, Independent Office of Audits and Investigations
Michael Beauchamp, District Director, District 8, California Department of Transportation
Ray Desselle, Deputy District Director, Planning, District 8, California Department of Transportation
Angel Pyle, Assistant Division Chief, Division of Rail and Mass Transportation, California Department of Transportation
Ezequiel Castro, Chief, Capital South Branch, Division of Rail and Mass Transportation, California Department of Transportation
Susie Beesley, Manager, Contract and Grant Compliance, Division of Rail and Mass Transportation, California Department of Transportation
Erin Thompson, Chief, Office of Regional Planning, Division of Transportation Planning, California Department of Transportation
Jacqueline Kahrs, Regional Coordination Branch Chief, Office of Regional Planning, Division of Transportation Planning, California Department of Transportation
Kamal Sah, Chief, Office of Guidance and Oversight, Division of Local Assistance, California Department of Transportation
Paula Bersola, Audit Coordinator, Division of Local Assistance, California Department of Transportation
Lisa Gore, Associate Accounting Analyst, Division of Accounting, California Department of Transportation
Jacqueline Manohar, Audits Coordinator, Division of Rail and Mass Transportation, California Department of Transportation
Luisa Ruvalcaba, Audit Manager, Planning and Modal Office, Independent Office of Audits & Investigations

P1594-0078

P1594-0079

P1594-0080

P1594-0081

P1594-0082

**RIVERSIDE COUNTY
DEPARTMENTS OF
TRANSPORTATION AND SURVEYOR**

Audit Report

**INDIRECT COST RATE PROPOSAL AUDIT OF
CALTRANS CONTRACT NO. 77A0044
(Audit Request Nos. P1594-0078, P1594-0079, P1594-0080,
P1594-0081, and P1594-0082)**

July 1, 2015, through June 30, 2018



BETTY T. YEE
California State Controller

June 2019



BETTY T. YEE
California State Controller

June 17, 2019

MarSue Morrill, Chief
External Audits – Local Governments
Audits and Investigations
California Department of Transportation
1304 O Street, Suite 200, MS 2
Sacramento, CA 95814

Dear Ms. Morrill:

The State Controller's Office audited the indirect cost rate proposals (ICRPs) of Riverside County, Department of Transportation (DOT) and Department of Surveyor (DOS). The audit period included ICRPs for fiscal year (FY) 2015-16, FY 2016-17, and FY 2016-17, which are based in part on actuals of FY 2013-14, FY 2014-15, and FY 2015-16 respectively. The audit was performed at the request of the California Department of Transportation (Caltrans) Audits and Investigations.

The purpose of the audit was to determine whether the ICRPs were presented in accordance with Title 2, *Code of Federal Regulations*, Part 200, and the Caltrans *Local Assistance Procedures Manual*, Chapter 5. Our audit was also performed to determine whether the county has sufficient accounting controls to properly manage federal- and state-funded projects.

Riverside County submitted ICRPs for the DOT and the DOS, and included unallowable indirect costs. The DOT and DOS included unallowable indirect costs in their ICRPs as follows:

- The DOT proposed a rate of 102.55% for FY 2015-16, included unallowable estimated indirect costs of \$89,977, and excluded allowable actual indirect costs of \$417,737, which increased the rate to 120.22%, a difference of 17.67%;
- The DOT proposed a rate of 154.21% for FY 2016-17 and excluded allowable estimated indirect costs of \$339,595 and actual indirect costs of \$295,763, which increased the rate to 157.67%, a difference of 3.46%;
- The DOT proposed a rate of 150.00% for FY 2017-18 and excluded allowable estimated indirect costs of \$743,740 and actual indirect costs of \$721,616, which decreased the rate to 141.85%, a difference of -8.15%;
- The DOS proposed a rate of 36.17% for FY 2015-16 and included unallowable estimated indirect costs of \$440,069 and actual indirect costs of \$379,256, which increased the rate to 51.16%, a difference of 14.99%;

- The DOS proposed a rate of 43.89% for FY 2016-17 and included unallowable estimated indirect costs of \$132,122 and actual indirect costs of \$152,019, which increased the rate to 48.74%, a difference of 4.84%; and
- The DOS proposed a rate of 84.93% for FY 2017-18 and included unallowable estimated indirect costs of \$140,727 and actual indirect costs of \$156,136, which increased the rate to 90.42%, a difference of 5.49%.

If you have any questions, please contact Andrew Finlayson, Bureau Chief, by telephone at (916) 324-6310.

Sincerely,

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

JLS/hf

cc: Tami Gill, Audit Manager (via email)
External Audits – Local Governments
Audits and Investigations
California Department of Transportation

Contents

Audit Report

Summary	1
Background	2
Objectives, Scope, and Methodology	2
Conclusion	5
Follow-up on Prior Audit Findings.....	5
Views of Responsible Officials.....	5
Restricted Use	5
Schedule 1—Summary of Proposed and Audited Rates	6
Department of Transportation	
Schedule 2—Summary of Direct Costs, Indirect Costs, and Carry-Forward, Fiscal Year 2015-16	7
Schedule 3—Summary of Carry-Forward, Fiscal Year 2013-14 Actuals.....	10
Schedule 4—Summary of Direct Costs, Indirect Costs, and Carry-Forward, Fiscal Year 2016-17	13
Schedule 5—Summary of Carry-Forward, Fiscal Year 2014-15 Actuals.....	16
Schedule 6—Summary of Direct Costs, Indirect Costs, and Carry-Forward, Fiscal Year 2017-18	19
Schedule 7—Summary of Direct Costs, Indirect Costs, and Carry-Forward, Fiscal Year 2015-16 Actuals	22
Department of Surveyor	
Schedule 8—Summary of Direct Costs, Indirect Costs, and Carry-Forward, Fiscal Year 2015-16	25
Schedule 9—Summary of Carry-Forward, Fiscal Year 2013-14 Actuals.....	28

**Schedule 10—Summary of Direct Costs, Indirect Costs, and Carry-Forward,
Fiscal Year 2016-17 31**

Schedule 11—Summary of Carry-Forward, Fiscal Year 2014-15 Actuals..... 34

**Schedule 12—Summary of Direct Costs, Indirect Costs, and Carry-Forward,
Fiscal Year 2017-18 37**

Schedule 13—Summary of Carry-Forward, Fiscal Year 2015-16 Actuals..... 40

Findings and Recommendations 43

Audit Report

Summary

The State Controller's Office (SCO) audited the indirect cost rate proposals (ICRPs) of Riverside County, Department of Transportation (DOT) and Department of Surveyor (DOS). The audit period included ICRPs for fiscal year (FY) 2015-16, FY 2016-17, and FY 2017-18, which are based in part on actual costs of FY 2013-14, FY 2014-15, and FY 2015-16, respectively.

The purpose of the audit was to determine whether the ICRPs were presented in accordance with Title 2, *Code of Federal Regulations* (CFR), Part 200, and the California Department of Transportation's (Caltrans) *Local Assistance Procedures Manual* (LAPM), Chapter 5.

Our audit was also performed to determine whether the county's accounting controls properly manage federal- and state-funded projects.

Riverside County submitted ICRPs for the DOT and DOS, and included unallowable indirect costs. The DOT and DOS included unallowable indirect costs as follows:

- The DOT proposed a rate of 102.55% for FY 2015-16, included unallowable estimated indirect costs of \$89,977, and excluded allowable actual indirect costs of \$417,737, which increased the rate to 120.22%, a difference of 17.67%;
- The DOT proposed a rate of 154.21% for FY 2016-17 and excluded allowable estimated indirect costs of \$339,595 and actual indirect costs of \$295,763, which increased the rate to 157.67%, a difference of 3.46%;
- The DOT proposed a rate of 150.00% for FY 2017-18 and excluded allowable estimated indirect costs of \$743,740 and actual indirect costs of \$721,616, which decreased the rate to 141.85%, a difference of -8.15%;
- The DOS proposed a rate of 36.17% for FY 2015-16 and included unallowable estimated indirect costs of \$440,069 and actual indirect costs of \$379,256, which increased the rate to 51.16%, a difference of 14.99%;
- The DOS proposed a rate of 43.89% for FY 2016-17 and included unallowable estimated indirect costs of \$132,122 and actual indirect costs of \$152,019, which increased the rate to 48.74%, a difference of 4.84%; and
- The DOS proposed a rate of 84.93% for FY 2017-18 and included unallowable estimated indirect costs of \$140,727 and actual indirect costs of \$156,136, which increased the rate to 90.42%, a difference of 5.49%.

Background

The county’s DOT is under the Transportation Land Management Agency (TLMA). The DOT is subdivided into major cost centers for operations, capital, garage, landscape maintenance districts, and surveyor. The DOT oversees the design, operation, and maintenance of roads and bridges. Its activities include the engineering design, construction, and maintenance of county roads.

The DOS is a major department within the TLMA. The main functions of the DOS are to provide a safe, efficient transportation system, support delivery of the Transportation Improvement Program (TIP), and review and process land development cases. The DOS performs preliminary, property, construction, and geodetic field surveys; provides public information and keeps land surveying and public right-of-way records; performs office analysis of all field surveys; processes public right-of-way documents for transportation projects and private developments; and performs tract and parcel map checking. The DOS does not receive funding from the general fund; it relies on a mixture of state, federal, and local transportation improvement dollars to support activity of the annual TIP program. DOS’s major expenses are salary costs associate with staffing to provide the required technical and specialty services, and consultant costs.

We performed the audit at the request of Caltrans (Audit Request Nos. P1594-0078, P1594-0079, P1594-0080, P1594-0081, and P1594-0082). The authority to conduct this audit is given by Interagency Agreement No. 77A0044, dated June 1, 2014, between the SCO and Caltrans, which authorizes the SCO to perform audits of proposed ICRPs submitted to Caltrans from local government agencies to ensure compliance with 2 CFR 200 and the Caltrans LAPM, Chapter 5.

Objectives, Scope, and Methodology

We conducted the audit to determine whether:

- The county’s ICRPs are in compliance with the cost principles prescribed in 2 CFR 200;
- The county’s ICRPs are in compliance with the requirements for ICRP preparation and application identified in the Caltrans LAPM, Chapter 5; and
- The county’s accounting controls properly manage federal- and state-funded projects.

The audit period is as follows:

Department	Fiscal Year	Proposed Rate	Audited Rate	Difference	Reference
Transportation	2015-16	102.55%	120.22%	17.67%	Schedule 2
Transportation	2016-17	154.21%	157.67%	3.46%	Schedule 4
Transportation	2017-18	150.00%	141.85%	-8.15%	Schedule 6
Surveyor	2015-16	36.17%	51.16%	14.99%	Schedule 8
Surveyor	2016-17	43.89%	48.74%	4.84%	Schedule 10
Surveyor	2017-18	84.93%	90.42%	5.49%	Schedule 12

To achieve our audit objectives, we:

- Reviewed the county's prior ICRP reports issued by the SCO for FY 2011-12 for findings related to the objectives of the audit;
- Reviewed the single audit reports issued by Brown Armstrong, CPA for FY 2013-14 through FY 2015-16 for findings related to the objectives of the audit;
- Reviewed the county's written policies and procedures relating to accounting systems, procurement, and project/contract management;
- Interviewed employees, completed an internal control questionnaire, and performed a system walk-through in order to gain a limited understanding of the county's internal controls; accounting systems related to timekeeping and payroll; procurement and billing processes; accounts payable; and accounts receivable;
- Assessed the internal control system related to the ICRPs for FY 2013-14 through FY 2015-16, based on the review of written procedures and policies, internal control interviews, and walk-throughs;
- Based on our internal control assessment, designed a non-statistical targeted selection for direct and indirect costs reported in the ICRPs;
- Judgmentally selected a non-statistical sample of direct and indirect costs reported in the ICRPs, and performed a limited test of controls to confirm and validate that documented processes and procedures were functioning as designed. Tested the financial accounting system to ensure that the system can identify projects, activities related to projects, direct costs, and indirect costs, as indicated by the county's written policies and procedures and internal control interviews. We also tested the same targeted selection to determine whether the amounts claimed were adequately supported and in compliance with 2 CFR 200:

Direct Salaries and Benefits

<u>Fiscal Year</u>	<u>Department</u>	<u>Selection Amount</u>	<u>Population Amount</u>
FY 2015-16 estimates based on FY 2013-14 actuals	Transportation	\$ 55,245	\$ 13,543,154
FY 2016-17 estimates based on FY 2014-15 actuals	Transportation	\$ 50,086	\$ 13,041,869
FY 2017-18 estimates based on FY 2015-16 actuals	Transportation	\$ 27,698	\$ 14,206,628
FY 2015-16 estimates based on FY 2013-14 actuals	Surveyor	\$ 47,358	\$ 1,903,924
FY 2016-17 estimates based on FY 2014-15 actuals	Surveyor	\$ 48,911	\$ 1,971,428
FY 2017-18 estimates based on FY 2015-16 actuals	Surveyor	\$ 61,455	\$ 1,857,927

The targeted selection represents employees performing a relatively even distribution of direct and indirect labor. In addition, we isolated risk factors or other criteria to target the section.

Indirect Salaries and Benefits

<u>Fiscal Year</u>	<u>Department</u>	<u>Selection Amount</u>	<u>Population Amount</u>
FY 2015-16 estimates based on FY 2013-14 actuals	Transportation	\$ 70,666	\$ 5,399,432
FY 2016-17 estimates based on FY 2014-15 actuals	Transportation	\$ 47,418	\$ 8,128,766
FY 2017-18 estimates based on FY 2015-16 actuals	Transportation	\$ 28,780	\$ 9,048,468
FY 2015-16 estimates based on FY 2013-14 actuals	Surveyor	\$ 61,658	\$ 2,477,081
FY 2016-17 estimates based on FY 2014-15 actuals	Surveyor	\$ 68,333	\$ 2,595,366
FY 2017-18 estimates based on FY 2015-16 actuals	Surveyor	\$ 64,305	\$ 2,773,151

The targeted selection represents employees performing a relatively even distribution of direct and indirect labor. In addition, we isolated risk factors or other criteria to target the selection.

Non-labor and Indirect Costs

<u>Fiscal Year</u>	<u>Department</u>	<u>Selection Amount</u>	<u>Population Amount</u>
FY 2015-16 estimates based on FY 2013-14 actuals	Transportation	\$ 2,107,723	\$ 10,417,011
FY 2016-17 estimates based on FY 2014-15 actuals	Transportation	\$ 2,367,930	\$ 10,711,652
FY 2017-18 estimates based on FY 2015-16 actuals	Transportation	\$ 1,807,484	\$ 11,552,910
FY 2015-16 estimates based on FY 2013-14 actuals	Surveyor	\$ 390,841	\$ 447,651
FY 2016-17 estimates based on FY 2014-15 actuals	Surveyor	\$ 267,194	\$ 501,003
FY 2017-18 estimates based on FY 2015-16 actuals	Surveyor	\$ 130,143	\$ 604,745

The targeted selection of cost category represents high risk and/or significant amount; therefore we isolated risk factors or other criteria to target the selection. Errors found in the samples selected were not projected to the intended population¹;

- Determined whether payments to contractors were made in a timely manner and were billed to Caltrans subsequent to payment;
- Verified whether the actual indirect costs recovered by the county were at the Caltrans approved indirect cost rate; and
- Verified whether the county's invoices to Caltrans for approved projects are in compliance with the Caltrans LAPM, Chapter 5.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We did not audit Riverside County's financial statements. The scope of the audit was limited to select financial and compliance activities. In addition, our review of internal controls was limited to gaining and understanding of the transaction flow and accounting controls to determine the county's ability to accumulate and segregate reasonable, allowable, and allocable indirect and direct costs.

¹As these samples were not statistical, we made no assumption that errors would also be found in the transactions not sampled.

Conclusion

The county's financial accounting system appeared adequate to capture costs and that the project costs incurred from the DOT and DOS. However, the DOT and DOS proposed indirect costs that were not allowable, reasonable, and in compliance with applicable federal and state laws and regulations and the fiscal provisions as stipulated by the contract.

Payments from all departments to contractors were made in a timely manner, were in accordance with contract provisions, and were properly approved by Caltrans contract officers.

**Follow-up on
Prior Audit
Findings**

The last ICRP audit, for FY 2011-12 through FY 2013-14, included audit findings. Based on the work performed in the current audit, we noted that the county has not fully implemented appropriate corrective actions in response to the audit findings (see Findings 1, 2, and 5).

**Views of
Responsible
Officials**

We discussed our audit results with the county's representatives during an exit teleconference on March 5, 2019. Robert Brooks, Administrative Services Manager II; Ying Zhang, Principal Accountant; and Nicolie Lettini, Consultant, Capital Accounting Partners, LLC; agreed with the audit results. Mr. Brooks declined a draft audit report and agreed that we could issue the audit report as final.

Restricted Use

This report is solely for the information and use of Riverside County; Caltrans; and the SCO. It is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record.

Original signed by

JIM L. SPANO, CPA
Chief, Division of Audits

June 17, 2019

**Schedule 1—
Summary of Proposed and Audited Rates
July 1, 2015, through June 30, 2018**

<u>Department</u>	<u>Fiscal Year</u>	<u>Proposed Rate</u>	<u>Audited Rate</u>	<u>Difference</u>	<u>Reference</u>
Transportation	2015-16	102.55%	120.22%	17.67%	Schedule 2
Transportation	2016-17	154.21%	157.67%	3.46%	Schedule 4
Transportation	2017-18	150.00%	141.85%	-8.15%	Schedule 6
Surveyor	2015-16	36.17%	51.16%	14.99%	Schedule 8
Surveyor	2016-17	43.89%	48.74%	4.84%	Schedule 10
Surveyor	2017-18	84.93%	90.42%	5.49%	Schedule 12

**Schedule 2—
Department of Transportation
Summary of Direct Costs, Indirect Costs, and
Carry-Forward,
Fiscal Year 2015-16**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 14,257,265	\$ 14,257,265	\$ -	
Direct fringe benefits	6,078,071	6,078,071	-	
Total direct costs	\$ 20,335,336	\$ 20,335,336	\$ -	
Indirect costs:				
Indirect salaries	\$ 5,684,136	\$ 5,684,136	\$ -	
Indirect fringe benefits	2,423,227	2,423,227	-	
Protective gear	46,323	46,323	-	
Uniforms or replacement clothing	61,831	61,831	-	
Communications (regular phones)	15,152	15,152	-	
County radio systems	52,318	52,318	-	
Cellular phones	69,904	69,904	-	
Communications – Equipment install	3,266	3,266	-	
Computer lines	88,231	88,231	-	
County delivery service	2,024	2,024	-	
Microwave	12,829	12,829	-	
Telephone services	13,979	13,979	-	
Information technology – Core services	319,321	319,321	-	
Cleaning supplies	14,829	14,829	-	
Janitorial services	136,464	136,464	-	
Liability insurance	2,401,765	2,401,765	-	
Insurance – property	47,127	47,127	-	
Maintenance – Communications equipment	-	-	-	
Maintenance – Computer equipment	-	-	-	
Maintenance – Field equipment	14,354	14,354	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	66	66	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	41,205	41,205	-	
Maintenance – Software	52,512	52,512	-	
Maintenance – Telephone	7	7	-	
Maintenance or building and improvements	172,216	172,216	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	536,357	536,357	-	
Bank charges	10,229	10,229	-	
Refunds	-	-	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	50,477	50,477	-	
Computer supplies	38,718	38,718	-	
Office equipment (non-fixed assets)	11,209	11,209	-	
Office supplies	77,592	77,592	-	

Schedule 2 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	16,021	16,021	-	
Postage or mailing	19,179	19,179	-	
Printing or binding	22,363	22,363	-	
Computer equipment – Software	22,756	22,756	-	
Consultants	179,908	179,908	-	
Engineering services	36,922	36,922	-	
Fire protection services	4,602	4,602	-	
Medical exams	20,752	20,752	-	
Temporary assist pool services	3,409	3,409	-	
Micrographic services	-	-	-	
Personnel services	118,665	118,665	-	
Pre-employment services	1,283	1,283	-	
Oasis processing – Financials	199,616	199,616	-	
Oasis processing – HRMS	65,424	65,424	-	
RMAP services	17,045	17,045	-	
Professional services	253,604	213,604	(40,000)	Finding 1
Legally required notices	48,559	48,559	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	45,500	45,500	-	
Field equipment – Non-asseted	964	964	-	
Maintenance tools	7,671	7,671	-	
Small tools or instruments	57,637	57,637	-	
Operational supplies	19,209	19,209	-	
Awards or recognitions	-	-	-	
Special program expense	1,563	1,563	-	
Training – Education or tuition	32,618	32,618	-	
Training – Other	-	-	-	
Contracts	21,112	21,112	-	
Equipment usage – Non-capitalized assets	-	-	-	
Inventory – Stores	-	-	-	
Materials	52,713	52,713	-	
Labor (garage staff – transportation projects)	29,334	29,334	-	
Conference or registration fees	7,829	7,829	-	
Field supplies	231	231	-	
Disposal fee	18,335	18,335	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	4,475	4,475	-	
Car pool expense	7,423	7,423	-	
Lodging	13,197	13,197	-	
Meals	6,202	6,202	-	
Miscellaneous travel expenses	803	803	-	
Private mileage reimbursement	5,852	5,852	-	
Electricity	61,164	61,164	-	
Sewer system	4,057	4,057	-	
Utilities	6,194	6,194	-	
Water	(10,159)	(10,159)	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	826,329	934,446	108,117	Finding 2
Interfund expense – Administration support indirect	2,671,765	3,021,385	349,620	Finding 2

Schedule 2 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	36,014	36,014	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	199,557	199,557	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Leases	158,714	158,714	-	
Interfund expense – Legal services	268,632	268,632	-	
Interfund expense – Maintenance	3,200	3,200	-	
Interfund expense – Micrographics	251	251	-	
Interfund expense – Miscellaneous	40,836	40,836	-	
Interfund expense – Professional special services	232,434	232,434	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building, and safety labor)	-	-	-	
Interfund – Utilities	264,366	264,366	-	
Interfund expense – GIS	578	578	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund – Miscellaneous	-	-	-	
Intrafund – Salary and benefits	-	-	-	
Intrafund – Payroll distribution	-	-	-	
Intrafund – Overhead allocation	-	-	-	
Fiscal Year 2015-16 Countywide Allocation Plan	388,945	388,945	-	Finding 4
Less 2013-14 ICAP amount included in indirect	-	(199,557)	(199,557)	
True-up for 2015-16 TMLA indirect cost	308,157	-	(308,157)	Finding 3
Subtotal – Indirect costs before carry-forward adjustment	\$ 19,221,478	\$ 19,131,501	\$ (89,977)	
Carry-forward ²	1,632,560	2,050,298	3,682,858	
Total indirect costs after carry-forward adjustment	<u>\$ 20,854,038</u>	<u>\$ 24,446,919</u>	<u>\$ 3,592,881</u>	
Total indirect costs	\$ 20,854,038	\$ 24,446,919	\$ 3,592,881	
Total direct costs	<u>\$ 20,335,336</u>	<u>\$ 20,335,336</u>	<u>\$ -</u>	
Indirect cost rate ³	<u>102.55%</u>	<u>120.22%</u>	<u>17.67%</u>	

¹ See the Findings and Recommendations section.

² See Schedule 4 for carry-forward computation.

³ The indirect cost rate is calculated by dividing the total indirect costs by direct costs.

**Schedule 3—
Department of Transportation
Summary of Carry-Forward,
Fiscal Year 2013-14 Actuals**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 14,257,265	\$ 14,257,265	\$ -	
Direct fringe benefits	6,078,071	6,078,071	-	
Total direct costs	<u>\$ 20,335,336</u>	<u>\$ 20,335,336</u>	<u>\$ -</u>	
Indirect costs:				
Indirect salaries	\$ 5,684,136	\$ 5,684,136	\$ -	
Indirect fringe benefits	2,423,227	2,423,227	-	
Protective gear	46,323	46,323	-	
Uniforms or replacement clothing	61,831	61,831	-	
Communications (regular phones)	15,152	15,152	-	
County radio systems	52,318	52,318	-	
Cellular phones	69,904	69,904	-	
Communications – equipment install	3,266	3,266	-	
Computer lines	88,231	88,231	-	
County delivery service	2,024	2,024	-	
Microwave	12,829	12,829	-	
Telephone services	13,979	13,979	-	
Information technology – core services	319,321	319,321	-	
Cleaning supplies	14,829	14,829	-	
Janitorial services	136,464	136,464	-	
Liability insurance	2,401,765	2,401,765	-	
Insurance – property	47,127	47,127	-	
Maintenance – communications equipment	-	-	-	
Maintenance – computer equipment	-	-	-	
Maintenance – field equipment	14,354	14,354	-	
Maintenance – motor vehicles	-	-	-	
Maintenance – office equipment	66	66	-	
Maintenance – radio electronic equipment	-	-	-	
Maintenance – service contracts	41,205	41,205	-	
Maintenance – software	52,512	52,512	-	
Maintenance – telephone	7	7	-	
Maintenance or building and improvements	172,216	172,216	-	
Maintenance – signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	536,357	536,357	-	
Bank charges	10,229	10,229	-	
Refunds	-	-	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	50,477	50,477	-	
Computer supplies	38,718	38,718	-	
Office equipment (non-fixed assets)	11,209	11,209	-	
Office supplies	77,592	77,592	-	

Schedule 3 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	16,021	16,021	-	
Postage or mailing	19,179	19,179	-	
Printing or binding	22,363	22,363	-	
Computer equipment – software	22,756	22,756	-	
Consultants	179,908	179,908	-	
Engineering services	36,922	36,922	-	
Fire protection services	4,602	4,602	-	
Medical exams	20,752	20,752	-	
Temporary assist pool services	3,409	3,409	-	
Micrographic services	-	-	-	
Personnel services	118,665	118,665	-	
Pre-employment services	1,283	1,283	-	
Oasis processing – Financials	199,616	199,616	-	
Oasis processing HRMS	65,424	65,424	-	
RMAP services	17,045	17,045	-	
Professional services	253,604	213,604	(40,000)	Finding 1
Legally required notices	48,559	48,559	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	45,500	45,500	-	
Field equipment – Non-asseted	964	964	-	
Maintenance tools	7,671	7,671	-	
Small tools or instruments	57,637	57,637	-	
Operational supplies	19,209	19,209	-	
Awards or recognitions	-	-	-	
Special program expense	1,563	1,563	-	
Training – education or tuition	32,618	32,618	-	
Training – other	-	-	-	
Contracts	21,112	21,112	-	
Equipment usage – Non-capitalized assets	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Materials	52,713	52,713	-	
Labor (garage staff – transportation projects)	29,334	29,334	-	
Conference or registration fees	7,829	7,829	-	
Field supplies	231	231	-	
Disposal fee	18,335	18,335	-	
Air transportation	4,475	4,475	-	
Car pool expense	7,423	7,423	-	
Lodging	13,197	13,197	-	
Meals	6,202	6,202	-	
Miscellaneous travel expenses	803	803	-	
Private mileage reimbursement	5,852	5,852	-	
Electricity	61,164	61,164	-	
Sewer system	4,057	4,057	-	
Utilities	6,194	6,194	-	
Water	(10,159)	(10,159)	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	826,329	934,446	108,117	Finding 2
Interfund expense – Administration support indirect	2,671,765	3,021,385	349,620	Finding 2

Schedule 3 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	36,014	36,014	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	199,557	199,557	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Leases	158,714	158,714	-	
Interfund expense – Legal services	268,632	268,632	-	
Interfund expense – Maintenance	3,200	3,200	-	
Interfund expense – Micrographics	251	251	-	
Interfund expense – Miscellaneous	40,836	40,836	-	
Interfund expense – Professional special services	232,434	232,434	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building and safety labor)	-	-	-	
Interfund expense – Utilities	264,366	264,366	-	
Interfund expense – GIS	578	578	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense – Miscellaneous	-	-	-	
Intrafund expense – Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund expense – Overhead allocation	-	-	-	
Subtotal – indirect costs before carry-forward adjustment	\$ 18,524,376	\$ 18,942,113	\$ 417,737	
Carry-forward from fiscal year 2013-14	598,607	598,607	-	
Total indirect costs after carry-forward adjustment	<u>\$ 19,122,983</u>	<u>\$ 19,540,720</u>	<u>\$ 417,737</u>	
Direct cost base	\$ 20,335,336	\$ 20,335,336	\$ -	
Approved indirect cost rate from fiscal year 2013-14	86.01%	86.01%	0.00%	
Recovered indirect cost ²	\$ 17,490,422	\$ 17,490,422	\$ -	
Carry-forward used for fiscal year 2015-16 estimates	\$ 1,632,560	\$ 2,050,298	\$ 3,682,858	

¹ See the Findings and Recommendations section.

² The recovered indirect cost is calculated by multiplying the direct cost base to the approved indirect cost rate from FY 2013-14.

**Schedule 4—
Department of Transportation
Summary of Direct Costs, Indirect Costs, and Carry-Forward,
Fiscal Year 2015-16**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 13,039,038	\$ 13,039,038	\$ -	
Direct fringe benefits	5,308,995	5,308,995	-	
Total direct costs	<u>\$ 18,348,033</u>	<u>\$ 18,348,033</u>	<u>\$ -</u>	
Indirect costs:				
Indirect salaries	\$ 8,127,002	\$ 8,127,002	\$ -	
Indirect fringe benefits	3,309,003	3,309,003	-	
Protective gear	51,804	51,804	-	
Uniforms or replacement clothing	60,733	60,733	-	
Communications (regular phones)	15,369	15,369	-	
Communications equipment install	2,122	2,122	-	
County radio systems	84,728	84,728	-	
Cellular phones	79,932	79,932	-	
Computer lines	87,567	87,567	-	
County delivery service	-	-	-	
Microwave	3,778	3,778	-	
Telephone services	8,885	8,885	-	
Information technology core services	187,211	187,211	-	
Cleaning supplies	17,429	17,429	-	
Janitorial services	128,613	128,613	-	
Liability insurance	2,665,424	2,665,424	-	
Insurance – property	82,379	82,379	-	
Maintenance – communications equipment	21,548	21,548	-	
Maintenance – computer equipment	148,010	148,010	-	
Maintenance – field equipment	17,976	17,976	-	
Maintenance – motor vehicles	-	-	-	
Maintenance – office equipment	24	24	-	
Maintenance – radio electronic equipment	-	-	-	
Maintenance – service contracts	33,577	33,577	-	
Maintenance – software	49,171	49,171	-	
Maintenance – telephone	628	628	-	
Maintenance or building and improvements	220,878	220,878	-	
Maintenance – signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permit	-	-	-	
Miscellaneous expense	(283,478)	(283,478)	-	
Bank charges	12,886	12,886	-	
Refunds	94,294	94,294	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	76,799	76,799	-	
Computer supplies	25,609	25,609	-	
Office equipment (non-fixed assets)	15,009	15,009	-	
Office supplies	76,366	76,366	-	

Schedule 4 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	13,992	13,992	-	
Postage or mailing	19,971	19,971	-	
Printing or binding	21,717	21,717	-	
Computer equipment – software	5,690	5,690	-	
Consultants	181,964	181,964	-	
Engineering services	10,231	10,231	-	
Fire protection services	4,801	4,801	-	
Medical exams	18,374	18,374	-	
Temporary assist pool services	5,647	5,647	-	
Micrographic services	-	-	-	
Personnel service	124,255	124,255	-	
Pre-employment services	792	792	-	
Oasis processing financials	136,663	136,663	-	
Oasis processing HRMS	71,174	71,174	-	
RMAP services	15,660	15,660	-	
Professional services	378,459	374,434	(4,025)	Finding 1
Legally required notices	44,192	44,192	-	
Advertising	-	-	-	
Rent or lease equipment	3,127	3,127	-	
Rent or lease buildings	54,585	54,585	-	
Field equipment – non asseted	8,463	8,463	-	
Maintenance tools	4,978	4,978	-	
Small tools or instruments	86,711	86,711	-	
Operational supplies	1,352	1,352	-	
Awards or recognitions	-	-	-	
Special program expense	2,531	2,531	-	
Training – education or tuition	22,708	22,708	-	
Training – other	-	-	-	
Contracts	32,482	32,482	-	
Equipment usage non capitalize assets	-	-	-	
Materials	49,169	49,169	-	
Labor (garage staff – transportation projects)	42,359	42,359	-	
Conference or registration fees	5,146	5,146	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – stores	-	-	-	
Inventory – road supplies	186,202	186,202	-	
Inventory – signal supplies	-	-	-	
Air transportation	1,400	1,400	-	
Car pool expense	10,617	10,617	-	
Lodging	10,301	10,301	-	
Meals	5,547	5,547	-	
Miscellaneous travel expenses	1,124	1,124	-	

Schedule 4 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Private mileage reimbursement	10,731	10,731	-	
Electricity	62,117	62,117	-	
Sewer system	491	491	-	
Utilities	3,173	3,173	-	
Water	19,410	19,410	-	
Internal Revenue Service settlement	-	-	-	
Right of way	66,355	66,355	-	
Interfund expense – Administration support direct	826,329	926,668	100,339	Finding 2
Interfund expense – Administration support indirect	2,731,306	3,062,905	331,599	Finding 2
Interfund expense – Audit and accounting	41,716	41,716	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – County wide allocation plan	360,393	360,393	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense leases	162,805	162,805	-	
Interfund expense – Legal services	257,423	257,423	-	
Interfund expense – Maintenance	2,000	2,000	-	
Interfund expense – Micrographics	225	225	-	
Interfund expense – Miscellaneous	30,260	30,260	-	
Interfund expense – Professional special services	195,227	195,227	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building and safety labor)	-	-	-	
Interfund expense – Utilities	234,839	234,839	-	
Interfund expense – GIS	7,047	7,047	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense– Miscellaneous	-	-	-	
Intrafund expense– Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund expense – Overhead allocation	-	-	-	
Intrafund expense – Administration support actual true-up	132,150	-	(132,150)	Finding 3
Fiscal year 2016-17 Countywide Allocation Plan	623,454	667,286	43,832	Finding 4
Less 2014-15 ICAP amount included in indirect	(360,393)	(360,393)	-	
Subtotal – indirect costs before carry-forward adjustment	\$ 22,410,718	\$ 22,750,313	\$ 339,595	
Carry-forward ²	5,883,205	6,178,968	295,763	
Total indirect costs after carry-forward adjustment	<u>\$ 28,293,923</u>	<u>\$ 28,929,281</u>	<u>\$ 635,358</u>	
Total indirect costs	\$ 28,293,923	\$ 28,929,281	\$ 635,358	
Total direct costs	\$ 18,348,033	\$ 18,348,033	\$ -	
Indirect cost rate ³	<u>154.21%</u>	<u>157.67%</u>	<u>3.46%</u>	

¹ See the Findings and Recommendations section.

² See Schedule 5 for the carry-forward computation.

³ The indirect cost rate is calculated by dividing the total indirect costs by direct costs.

**Schedule 5—
Department of Transportation
Summary of Carry-Forward,
Fiscal Year 2014-15 Actuals**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 13,039,038	\$ 13,039,038	\$ -	
Direct fringe benefits	5,308,995	5,308,995	-	
Total direct costs	\$ 18,348,033	\$ 18,348,033	\$ -	
Indirect costs:				
Indirect salaries	\$ 8,127,002	\$ 8,127,002	\$ -	
Indirect fringe benefits	3,309,003	3,309,003	-	
Protective gear	51,804	51,804	-	
Uniforms or replacement clothing	60,733	60,733	-	
Communications – Regular phones	15,369	15,369	-	
Communications – Equipment install	2,122	2,122	-	
County radio systems	84,728	84,728	-	
Cellular phones	79,932	79,932	-	
Computer lines	87,567	87,567	-	
County delivery service	-	-	-	
Microwave	3,778	3,778	-	
Telephone services	8,885	8,885	-	
Information technology – Core services	187,211	187,211	-	
Cleaning supplies	17,429	17,429	-	
Janitorial services	128,613	128,613	-	
Liability insurance	2,665,424	2,665,424	-	
Insurance-property	82,379	82,379	-	
Maintenance – Communications equipment	21,548	21,548	-	
Maintenance – Computer equipment	148,010	148,010	-	
Maintenance – Field equipment	17,976	17,976	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	24	24	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	33,577	33,577	-	
Maintenance – Software	49,171	49,171	-	
Maintenance – Telephone	628	628	-	
Maintenance or building and improvements	220,878	220,878	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	(283,478)	(283,478)	-	
Bank charges	12,886	12,886	-	
Refunds	94,294	94,294	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	76,799	76,799	-	
Computer supplies	25,609	25,609	-	
Office equipment (non-fixed assets)	15,009	15,009	-	
Office supplies	76,366	76,366	-	

Schedule 5 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	13,992	13,992	-	
Postage or mailing	19,971	19,971	-	
Printing or binding	21,717	21,717	-	
Computer equipment – software	5,690	5,690	-	
Consultants	181,964	181,964	-	
Engineering services	10,231	10,231	-	
Fire protection services	4,801	4,801	-	
Medical exams	18,374	18,374	-	
Temporary assist pool services	5,647	5,647	-	
Micrographic services	-	-	-	
Personnel services	124,255	124,255	-	
Pre-employment services	792	792	-	
Oasis processing – Financials	136,663	136,663	-	
Oasis processing – HRMS	71,174	71,174	-	
RMAP services	15,660	15,660	-	
Professional services	378,459	374,434	(4,025)	Finding 1
Legally required notices	44,192	44,192	-	
Advertising	-	-	-	
Rent or lease – Equipment	3,127	3,127	-	
Rent or lease – Buildings	54,585	54,585	-	
Field equipment – Non-asseted	8,463	8,463	-	
Maintenance tools	4,978	4,978	-	
Small tools or instruments	86,711	86,711	-	
Operational supplies	1,352	1,352	-	
Awards or recognitions	-	-	-	
Special program expense	2,531	2,531	-	
Training – Education or tuition	22,708	22,708	-	
Training – Other	-	-	-	
Contracts	32,482	32,482	-	
Equipment usage – non-capitalized assets	-	-	-	
Materials	49,169	49,169	-	
Labor (garage staff – transportation projects)	42,359	42,359	-	
Conference or registration fees	5,146	5,146	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	186,202	186,202	-	
Inventory – Signal supplies	-	-	-	
Air transportation	1,400	1,400	-	
Car pool expense	10,617	10,617	-	
Lodging	10,301	10,301	-	
Meals	5,547	5,547	-	
Miscellaneous travel expenses	1,124	1,124	-	
Private mileage reimbursement	10,731	10,731	-	
Electricity	62,117	62,117	-	
Sewer system	491	491	-	
Utilities	3,173	3,173	-	
Water	19,410	19,410	-	

Schedule 5 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Internal Revenue Service settlement	-	-	-	
Right of way	66,355	66,355	-	
Interfund expense – Administration support direct	826,329	926,668	100,339	Finding 2
Interfund expense – Administration support indirect	2,731,306	3,062,905	331,599	Finding 2
Interfund expense – Audit and accounting	41,716	41,716	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	360,393	360,393	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Leases	162,805	162,805	-	
Interfund expense – Legal services	257,423	257,423	-	
Interfund expense – Maintenance	2,000	2,000	-	
Interfund expense – Micrographics	225	225	-	
Interfund expense – Miscellaneous	30,260	30,260	-	
Interfund expense – Professional special services	195,227	195,227	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	234,839	234,839	-	
Interfund expense – GIS	7,047	7,047	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense – Miscellaneous	-	-	-	
Intrafund expense – Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund expense – Overhead allocation	-	-	-	
Intrafund expense – Administration support actual true-up	132,150	-	(132,150)	Finding 3
Subtotal – Indirect costs before carry-forward adjustment	\$ 22,147,657	\$ 22,443,420	\$ 295,763	
Carry-forward from fiscal year 2014-15	1,144,162	1,144,162	-	
Total indirect costs after carry-forward adjustment	<u>\$ 23,291,819</u>	<u>\$ 23,587,582</u>	<u>\$ 295,763</u>	
Direct cost base	\$ 18,348,033	\$ 18,348,033	\$ -	
Approved indirect cost rate from fiscal year 2014-15	94.88%	94.88%	0.00%	
Recovered indirect cost ²	\$ 17,408,614	\$ 17,408,614	\$ -	
Carry-forward used for fiscal year 2016-17 estimates	\$ 5,883,205	\$ 6,178,968	\$ 295,763	

¹ See the Findings and Recommendations section.

² The recovered indirect cost is calculated by multiplying the direct cost base to the approved indirect cost rate from FY 2014-15.

**Schedule 6—
Department of Transportation
Summary of Direct Costs, Indirect Costs, and Carry-Forward,
Fiscal Year 2017-18**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 14,179,365	\$ 14,179,365	\$ -	
Direct fringe benefits	5,598,172	5,598,172	-	
Total direct costs:	\$ 19,777,537	\$ 19,777,537	\$ -	
Indirect costs				
Indirect salaries	\$ 9,031,104	\$ 9,031,104	\$ -	
Indirect fringe benefits	3,565,581	3,565,581	-	
Protective gear	56,790	56,790	-	
Uniforms or replacement clothing	59,543	59,543	-	
Communications – Regular phones	11,704	11,704	-	
Communications – Equipment install	1,202	1,202	-	
County radio systems	87,071	87,071	-	
Cellular phones	86,537	86,537	-	
Computer lines	63,227	63,227	-	
County delivery service	1,428	1,428	-	
Microwave	3,211	3,211	-	
Telephone services	10,740	10,740	-	
Information technology – Core services	160,289	160,289	-	
Cleaning supplies	15,230	15,230	-	
Janitorial services	124,728	124,728	-	
Liability insurance	3,063,987	3,063,987	-	
Insurance-property	98,669	98,669	-	
Maintenance – Communications equipment	45,624	45,624	-	
Maintenance – Computer equipment	164,251	164,251	-	
Maintenance – Field equipment	11,555	11,555	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	26,060	26,060	-	
Maintenance – Software	270,553	270,553	-	
Maintenance – Telephone	16,204	16,204	-	
Maintenance or building and improvements	201,220	201,220	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permit	-	-	-	
Miscellaneous expense	24,959	24,959	-	
Bank charges	13,791	13,791	-	
Refunds	-	-	-	
Sales and Use Tax	85	85	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	37,526	37,526	-	
Computer supplies	30,547	30,547	-	
Office equipment (non-fixed assets)	37,761	37,761	-	
Office supplies	71,152	71,152	-	

Schedule 6 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	8,706	8,706	-	
Postage or mailing	23,703	23,703	-	
Printing or binding	6,524	6,524	-	
Computer equipment – software	9,220	9,220	-	
Consultants	192,455	192,455	-	
Engineering services	258	258	-	
Fire protection services	4,245	4,245	-	
Medical exams	18,608	18,608	-	
Temporary assist pool services	12,166	12,166	-	
Micrographic services	-	-	-	
Personnel services	130,178	130,178	-	
Pre-employment services	1,713	1,713	-	
Oasis processing – Financials	353,122	353,122	-	
Oasis processing – HRMS	106,393	106,393	-	
RMAP services	8,290	8,290	-	
Professional services	235,070	235,070	-	
Legally required notices	42,485	42,485	-	
Advertising	-	-	-	
Rent or lease – Equipment	2,943	2,943	-	
Rent or lease – Buildings	56,584	56,584	-	
Field equipment – Non-asseted	1,858	1,858	-	
Maintenance tools	8,276	8,276	-	
Small tools or instruments	99,004	99,004	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expenses	(50,953)	(50,953)	-	
Training – Education or tuition	11,578	11,578	-	
Training – Other	-	-	-	
Contracts	18,466	18,466	-	
Equipment usage – Non-capitalized assets	-	-	-	
Materials	157,321	157,321	-	
Labor (garage staff – transportation projects)	29,686	29,686	-	
Conference or registration fees	8,090	8,090	-	
Field supplies	-	-	-	
Disposal fee	28,080	28,080	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	3,674	3,674	-	
Car pool expense	5,349	5,349	-	
Lodging	21,705	21,705	-	
Meals	5,598	5,598	-	
Miscellaneous travel expenses	1,114	1,114	-	
Private mileage reimbursement	11,389	11,389	-	
Electricity	55,863	55,863	-	
Sewer system	437	437	-	
Utilities	4,619	4,619	-	
Water	23,144	23,144	-	
Internal Revenue Service settlement	-	-	-	
Right of way	-	-	-	
Interfund expense – Administration support direct	741,657	813,297	71,640	Finding 2
Interfund expense – Administration support indirect	3,127,424	3,429,494	302,070	Finding 2

Schedule 6 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	33,079	33,079	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	388,945	388,945	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (survey)	-	-	-	
Interfund expense – Leases	164,339	164,339	-	
Interfund expense – Legal services	206,088	206,088	-	
Interfund expense – Maintenance	3,000	3,000	-	
Interfund expense – Micrographics	479	479	-	
Interfund expense – Miscellaneous	35,895	35,895	-	
Interfund expense – Professional special services	235,509	235,509	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building and safety labor)	-	-	-	
Interfund expense – Utilities	229,475	229,475	-	
Interfund expense – GIS	290,915	290,915	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund – Miscellaneous	-	-	-	
Intrafund – Salary and benefits	-	-	-	
Intrafund – Payroll distribution	-	-	-	
Intrafund – Indirect cost	-	-	-	
Intrafund expense – Administration support actual true-up	(386,500)	-	386,500	Finding 3
Fiscal year 2017-18 Countywide Allocation Plan	465,494	449,024	(16,470)	Finding 4
Less fiscal year 2015-16 ICAP amount included in indirect	(388,945)	(388,945)	-	
Subtotal – Indirect costs before carry-forward adjustment:	\$ 24,196,144	\$ 24,939,884	\$ 743,740	
Carry-forward ²	5,470,291	3,115,170	(2,355,121)	
Total indirect costs after carry-forward adjustment:	<u>\$ 29,666,435</u>	<u>\$ 28,055,054</u>	<u>\$ (1,611,381)</u>	
Total indirect costs	\$ 29,666,435	\$ 28,055,054	\$ (1,611,381)	
Total direct costs	\$ 19,777,537	\$ 19,777,537	\$ -	
Indirect cost rate ³	<u>150.00%</u>	<u>141.85%</u>	<u>-8.15%</u>	

¹ See the Findings and Recommendations section.

² See Schedule 7 for the carry-forward computation.

³ The indirect cost rate is calculated by dividing the total indirect costs by direct costs.

**Schedule 7—
Department of Transportation
Summary of Carry-Forward,
Fiscal Year 2015-16 Actuals**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 14,179,365	\$ 14,179,365	\$ -	
Direct fringe benefits	5,598,172	5,598,172	-	
Total direct costs	\$ 19,777,537	\$ 19,777,537	\$ -	
Indirect costs:				
Indirect salaries	\$ 9,031,104	\$ 9,031,104	\$ -	
Indirect fringe benefits	3,565,581	3,565,581	-	
Protective gear	56,790	56,790	-	
Uniforms or replacement clothing	59,543	59,543	-	
Communications – Regular phones	11,704	11,704	-	
Communications – Equipment install	1,202	1,202	-	
County radio systems	87,071	87,071	-	
Cellular phones	86,537	86,537	-	
Computer lines	63,227	63,227	-	
County delivery service	1,428	1,428	-	
Microwave	3,211	3,211	-	
Telephone services	10,740	10,740	-	
Information technology – Core services	160,289	160,289	-	
Cleaning supplies	15,230	15,230	-	
Janitorial services	124,728	124,728	-	
Liability insurance	3,063,987	3,063,987	-	
Insurance – Property	98,669	98,669	-	
Maintenance – Communications equipment	45,624	45,624	-	
Maintenance – Computer equipment	164,251	164,251	-	
Maintenance – Field equipment	11,555	11,555	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	26,060	26,060	-	
Maintenance – Software	270,553	270,553	-	
Maintenance – Telephone	16,204	16,204	-	
Maintenance or building and improvements	201,220	201,220	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	24,959	24,959	-	
Bank charges	13,791	13,791	-	
Refunds	-	-	-	
Sales and Use Tax	85	85	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	37,526	37,526	-	
Computer supplies	30,547	30,547	-	
Office equipment (non-fixed assets)	37,761	37,761	-	
Office supplies	71,152	71,152	-	

Schedule 7 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	8,706	8,706	-	
Postage or mailing	23,703	23,703	-	
Printing or binding	6,524	6,524	-	
Computer equipment – Software	9,220	9,220	-	
Consultants	192,455	192,455	-	
Engineering services	258	258	-	
Fire protection services	4,245	4,245	-	
Medical exams	18,608	18,608	-	
Temporary assist pool services	12,166	12,166	-	
Micrographic services	-	-	-	
Personnel services	130,178	130,178	-	
Pre-employment services	1,713	1,713	-	
Oasis processing – Financials	353,122	353,122	-	
Oasis processing – HRMS	106,393	106,393	-	
RMAP services	8,290	8,290	-	
Professional services	235,070	196,476	(38,594)	Finding 1
Legally required notices	42,485	42,485	-	
Advertising	-	-	-	
Rent or lease – Equipment	2,943	2,943	-	
Rent or lease – Buildings	56,584	56,584	-	
Field equipment – Non-asseted	1,858	1,858	-	
Maintenance tools	8,276	8,276	-	
Small tools or instruments	99,004	99,004	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expenses	(50,953)	(50,953)	-	
Training – Education or tuition	11,578	11,578	-	
Training – Other	-	-	-	
Contracts	18,466	18,466	-	
Equipment usage non capitalize assets	-	-	-	
Materials	157,321	157,321	-	
Labor (garage staff – transportation projects)	29,686	29,686	-	
Conference or registration fees	8,090	8,090	-	
Field supplies	-	-	-	
Disposal fee	28,080	28,080	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	3,674	3,674	-	
Car pool expense	5,349	5,349	-	
Lodging	21,705	21,705	-	
Meals	5,598	5,598	-	
Miscellaneous travel expenses	1,114	1,114	-	
Private mileage reimbursement	11,389	11,389	-	
Electricity	55,863	55,863	-	
Sewer system	437	437	-	
Utilities	4,619	4,619	-	
Water	23,144	23,144	-	
Internal Revenue Service settlement	-	-	-	
Right of way	-	-	-	
Interfund expense – Administration support direct	741,657	813,297	71,640	Finding 2
Interfund expense – Administration support indirect	3,127,424	3,429,494	302,070	Finding 2

Schedule 7 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	33,079	33,079	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	388,945	388,945	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Leases	164,339	164,339	-	
Interfund expense – Legal services	206,088	206,088	-	
Interfund expense – Maintenance	3,000	3,000	-	
Interfund expense – Micrographics	479	479	-	
Interfund expense – Miscellaneous	35,895	35,895	-	
Interfund expense – Professional special services	235,509	235,509	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	229,475	229,475	-	
Interfund expense – GIS	290,915	290,915	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund – Miscellaneous	-	-	-	
Intrafund – Salary and benefits	-	-	-	
Intrafund – Payroll distribution	-	-	-	
Intrafund – Indirect cost	-	-	-	
Intrafund expense – Administration support actual true-up	(386,500)	-	386,500	Finding 3
Subtotal – Indirect costs before carry-forward adjustment	\$ 24,119,595	\$ 24,841,211	\$ 721,616	
Carry-forward from fiscal year 2015-16	1,632,561	2,050,298	417,737	
Total indirect costs after carry-forward adjustment	<u>\$ 25,752,156</u>	<u>\$ 26,891,508</u>	<u>\$ 1,139,352</u>	
Direct cost base	\$ 19,777,537	\$ 19,777,537	\$ -	
Approved indirect cost rate from fiscal year 2015-16	102.55%	120.22%	17.67%	
Recovered indirect cost ²	\$ 20,281,864	\$ 23,776,339	\$ 3,494,474	
Carry-forward used for fiscal year 2015-16 estimates	\$ 5,470,292	\$ 3,115,170	\$ (2,355,122)	

¹ See the Findings and Recommendations section.

² The recovered indirect cost is calculated by multiplying the direct cost base to the approved indirect cost rate from FY 2015-16.

**Schedule 8—
Department of Surveyor
Summary of Direct Costs, Indirect Costs, and Carry-Forward,
Fiscal Year 2015-16**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 2,150,284	\$ 2,150,284	\$ -	
Direct fringe benefits	785,091	785,091	-	
Total direct costs	<u>\$ 2,935,375</u>	<u>\$ 2,935,375</u>	<u>\$ -</u>	
Indirect costs:				
Indirect salaries	\$ 647,322	\$ 647,322	\$ -	
Indirect fringe benefits	236,344	236,344	-	
Protective gear	171	171	-	
Uniforms or replacement clothing	4,520	4,520	-	
Communications – Regular phones	-	-	-	
Communications – Equipment install	-	-	-	
County radio systems	-	-	-	
Cellular phones	8,786	8,786	-	
Computer lines	-	-	-	
County delivery service	-	-	-	
Microwave	-	-	-	
Telephone services	837	837	-	
Information technology – Core services	33,005	33,005	-	
Cleaning supplies	-	-	-	
Janitorial services	16,072	16,072	-	
Liability insurance	10,674	10,674	-	
Insurance – Property	1,469	1,469	-	
Maintenance – Communications equipment	-	-	-	
Maintenance – Computer equipment	45	45	-	
Maintenance – Field equipment	-	-	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	6,392	6,392	-	
Maintenance – Software	52,901	52,901	-	
Maintenance – Telephone	-	-	-	
Maintenance or building and improvements	20,638	20,638	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	-	-	-	
Bank charges	1,958	1,958	-	
Refunds	-	-	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	28,224	28,224	-	
Computer supplies	9,043	9,043	-	
Office equipment (non-fixed assets)	743	743	-	
Office supplies	6,653	6,653	-	

Schedule 8 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	-	-	-	
Postage or mailing	2,061	2,061	-	
Printing or binding	516	516	-	
Computer equipment – Software	2,312	2,312	-	
Consultants	-	-	-	
Engineering services	14,152	14,152	-	
Fire protection services	-	-	-	
Medical exams	1,040	1,040	-	
Temporary assist pool services	-	-	-	
Micrographic services	-	-	-	
Personnel services	-	-	-	
Pre-employment services	134	134	-	
Oasis processing – Financials	5,532	5,532	-	
Oasis processing – HRMS	7,236	7,236	-	
RMAP services	5,979	5,979	-	
Professional services	18,731	18,731	-	
Legally required notices	-	-	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	-	-	-	
Field equipment – Non-asseted	1,778	1,778	-	
Maintenance tools	781	781	-	
Small tools or instruments	17,146	17,146	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expense	-	-	-	
Training – Education or tuition	3,858	3,858	-	
Training – Other	-	-	-	
Contracts	-	-	-	
Equipment usage – Non-capitalized assets	-	-	-	
Materials	-	-	-	
Labor (garage staff – transportation projects)	-	-	-	
Conference or registration fees	1,425	1,425	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	-	-	-	
Car pool expense	-	-	-	
Lodging	1,825	1,825	-	
Meals	1,056	1,056	-	
Miscellaneous travel expenses	50	50	-	
Private mileage reimbursement	-	-	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	29,217	121,642	92,425	Finding 5
Interfund expense – Administration support indirect	90,685	377,516	286,831	Finding 5

Schedule 8 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	3,952	3,952	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – County wide allocation plan	(8,386)	(8,386)	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Equipment rental	9,669	9,669	-	
Interfund expense – Leases	-	-	-	
Interfund expense – Legal services	2,635	2,635	-	
Interfund expense – Maintenance	-	-	-	
Interfund expense – Micrographics	1,797	1,797	-	
Interfund expense – Miscellaneous	24,280	24,280	-	
Interfund expense – Professional special services	-	-	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	5,949	5,949	-	
Interfund expense – GIS	107	107	-	
Interfund expense – Miscellaneous project expenses	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense – Miscellaneous	-	-	-	
Intrafund expense – Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund expense – Overhead allocation	-	-	-	
Fiscal year 2015-16 Countywide Allocation Plan	35,715	35,715	-	
Add fiscal year 2013-14 ICAP amount included in indirect	-	8,386	8,386	Finding 7
True up for TMLA indirect cost for 2015-16	326,829	-	(326,829)	Finding 6
Subtotal indirect costs before carry-forward adjustment	\$ 1,693,858	\$ 1,754,671	\$ 60,813	
Carry-forward ²	(632,158)	(252,902)	379,256	
Total indirect costs after carry-forward adjustment	\$ 1,061,700	\$ 1,501,769	\$ 440,069	
Total indirect costs	\$ 1,061,700	\$ 1,501,769	\$ 440,069	
Total direct costs	\$ 2,935,375	\$ 2,935,375	-	
Indirect cost rate ³	36.17%	51.16%	14.99%	

¹ See the Findings and Recommendations section.

² See Schedule 9 for carry-forward computation.

³ The indirect cost rate is calculated by dividing the total indirect costs by direct costs.

**Schedule 9—
Department of Surveyor
Summary of Carry-Forward,
Fiscal Year 2013-14 Actuals**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 2,150,284	\$ 2,150,284	\$ -	
Direct fringe benefits	785,091	785,091	-	
Total direct costs	\$ 2,935,375	\$ 2,935,375	\$ -	
Indirect costs:				
Indirect salaries	\$ 647,322	\$ 647,322	\$ -	
Indirect fringe benefits	236,344	236,344	-	
Protective gear	171	171	-	
Uniforms or replacement clothing	4,520	4,520	-	
Communications – Regular phones	-	-	-	
County radio systems	-	-	-	
Cellular phones	8,786	8,786	-	
Communications – Equipment install	-	-	-	
Computer lines	-	-	-	
County delivery service	-	-	-	
Microwave	-	-	-	
Telephone services	837	837	-	
Information technology – Core services	33,005	33,005	-	
Cleaning supplies	-	-	-	
Janitorial services	16,072	16,072	-	
Liability insurance	10,674	10,674	-	
Insurance – Property	1,469	1,469	-	
Maintenance – Communications equipment	-	-	-	
Maintenance – Computer equipment	45	45	-	
Maintenance – Field equipment	-	-	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	6,392	6,392	-	
Maintenance – Software	52,901	52,901	-	
Maintenance – Telephone	-	-	-	
Maintenance or building and improvements	20,638	20,638	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	-	-	-	
Bank charges	1,958	1,958	-	
Refunds	-	-	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	28,224	28,224	-	
Computer supplies	9,043	9,043	-	
Office equipment (non-fixed assets)	743	743	-	
Office supplies	6,653	6,653	-	

Schedule 9 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	-	-	-	
Postage or mailing	2,061	2,061	-	
Printing or binding	516	516	-	
Computer equipment – Software	2,312	2,312	-	
Consultants	-	-	-	
Engineering services	14,152	14,152	-	
Fire protection services	-	-	-	
Medical exams	1,040	1,040	-	
Temporary assist pool services	-	-	-	
Micrographic services	-	-	-	
Personnel services	-	-	-	
Pre-employment services	134	134	-	
Oasis processing – Financials	5,532	5,532	-	
Oasis processing – HRMS	7,236	7,236	-	
RMAP services	5,979	5,979	-	
Professional services	18,731	18,731	-	
Legally required notices	-	-	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	-	-	-	
Field equipment – Non-asseted	1,778	1,778	-	
Maintenance tools	781	781	-	
Small tools or instruments	17,146	17,146	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expense	-	-	-	
Training – Education or tuition	3,858	3,858	-	
Training – Other	-	-	-	
Contracts	-	-	-	
Equipment usage – Non-capitalized assets	-	-	-	
Materials	-	-	-	
Labor (garage staff – transportation projects)	-	-	-	
Conference or registration fees	1,425	1,425	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	-	-	-	
Car pool expense	-	-	-	
Lodging	1,825	1,825	-	
Meals	1,056	1,056	-	
Miscellaneous travel expenses	50	50	-	
Private mileage reimbursement	-	-	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	29,217	-	92,425	Finding 5
Interfund expense – Administration support indirect	90,685	-	286,831	Finding 5

Schedule 9 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	3,952	3,952	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	(8,386)	(8,386)	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Equipment rental	9,669	9,669	-	
Interfund expense – Leases	-	-	-	
Interfund expense – Legal services	2,635	2,635	-	
Interfund expense – Maintenance	-	-	-	
Interfund expense – Micrographics	1,797	1,797	-	
Interfund expense – Miscellaneous	24,280	24,280	-	
Interfund expense – Professional special services	-	-	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	5,949	5,949	-	
Interfund expense – GIS	107	107	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund – Miscellaneous	-	-	-	
Intrafund – Salary and benefits	-	-	-	
Intrafund – Payroll distribution	-	-	-	
Intrafund – Overhead allocation	-	-	-	
Subtotal – Indirect costs before carry-forward adjustment	\$ 1,331,314	\$ 1,211,412	\$ 379,256	
Carry-forward from fiscal year 2013-14	-	-	-	
Total indirect costs after carry-forward adjustment	<u>\$ 1,331,314</u>	<u>\$ 1,710,570</u>	<u>\$ 379,256</u>	
Direct cost base	\$ 2,935,375	\$ 2,935,375	\$ -	
Approved indirect cost rate from fiscal year 2013-14	66.89%	66.89%	0.00%	
Recovered indirect cost ²	\$ 1,963,472	\$ 1,963,472	\$ -	
Carry-forward used for fiscal year 2015-16 estimates	\$ (632,158)	\$ (252,902)	\$ 379,256	

¹ See the Findings and Recommendations section.

² The recovered indirect cost is calculated by multiplying the direct cost base to the approved indirect cost rate from FY 2013-14.

**Schedule 10—
Department of Surveyor
Summary of Direct Costs, Indirect Costs, and Carry-Forward,
Fiscal Year 2016-17**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 1,973,192	\$ 1,973,192	\$ -	
Direct fringe benefits	755,449	755,449	-	
Total direct costs	<u>\$ 2,728,641</u>	<u>\$ 2,728,641</u>	<u>\$ -</u>	
Indirect costs:				
Indirect salaries	\$ 624,497	\$ 624,497	\$ -	
Indirect fringe benefits	239,093	239,093	-	
Protective gear	724	724	-	
Uniforms or replacement clothing	4,938	4,938	-	
Communications – Regular phones	-	-	-	
Communications – Equipment install	196	196	-	
County radio systems	-	-	-	
Cellular phones	4,944	4,944	-	
Computer lines	828	828	-	
County delivery service	-	-	-	
Microwave	-	-	-	
Telephone services	708	708	-	
Information technology – Core services	35,974	35,974	-	
Cleaning supplies	-	-	-	
Janitorial services	17,034	17,034	-	
Liability insurance	6,254	6,254	-	
Insurance – Property	2,550	2,550	-	
Maintenance – Communications equipment	4,141	4,141	-	
Maintenance – Computer equipment	25,642	25,642	-	
Maintenance – Field equipment	-	-	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	8,177	8,177	-	
Maintenance – Software	36,626	36,626	-	
Maintenance – Telephone	-	-	-	
Maintenance or building and improvements	20,215	20,215	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	-	-	-	
Bank charges	1,971	1,971	-	
Refunds	2,987	2,987	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	22,648	22,648	-	
Computer supplies	7,641	7,641	-	
Office equipment (non-fixed assets)	1,821	1,821	-	
Office supplies	3,888	3,888	-	

Schedule 10 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	-	-	-	
Postage or mailing	914	914	-	
Printing or binding	397	397	-	
Computer equipment – Software	-	-	-	
Consultants	-	-	-	
Engineering services	4,406	4,406	-	
Fire protection services	-	-	-	
Medical exams	1,584	1,584	-	
Temporary assist pool services	188	188	-	
Micrographic services	-	-	-	
Personnel services	-	-	-	
Pre-employment services	354	354	-	
Oasis processing – Financials	5,284	5,284	-	
Oasis processing – HRMS	7,201	7,201	-	
RMAP services	6,001	6,001	-	
Professional services	20,580	20,580	-	
Legally required notices	-	-	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	-	-	-	
Field equipment – Non-asseted	1,316	1,316	-	
Maintenance tools	2,990	2,990	-	
Small tools or instruments	13,437	13,437	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expense	-	-	-	
Training – Education or tuition	3,264	3,264	-	
Training – Other	-	-	-	
Contracts	-	-	-	
Equipment usage non capitalize assets	-	-	-	
Materials	-	-	-	
Labor (garage staff – transportation projects)	-	-	-	
Conference or registration fees	2,275	2,275	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	-	-	-	
Car pool expense	-	-	-	
Lodging	1,950	1,950	-	
Meals	474	474	-	
Miscellaneous travel expenses	-	-	-	
Private mileage reimbursement	-	-	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	29,217	42,434	13,217	Finding 5
Interfund expense – Administration support indirect	271,104	393,726	122,622	Finding 5

Schedule 10 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	3,404	3,404	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	18,607	18,607	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Equipment rental	10,813	10,813	-	
Interfund expense leases	-	-	-	
Interfund expense – Legal services	7,601	7,601	-	
Interfund expense – Maintenance	-	-	-	
Interfund expense – Micrographics	384	384	-	
Interfund expense – Miscellaneous	20,301	20,301	-	
Interfund expense – Professional special services	-	-	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	5,298	5,298	-	
Interfund expense – GIS	54	54	-	
Interfund expense – Miscellaneous project expenses	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense – Miscellaneous	-	-	-	
Intrafund expense – Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund – Overhead allocation	-	-	-	
Intrafund expense – Administration support actual true-up	(148,302)	-	148,302	Finding 6
Fiscal year 2016-17 Countywide Allocation Plan	74,929	74,929	-	
Less fiscal year 2014-15 ICAP amount included in indirect	(18,607)	(18,607)	-	
Subtotal – Indirect costs before carry-forward adjustment	\$ 1,420,915	\$ 1,705,056	\$ 284,141	
Carry-forward ²	(223,203)	(375,222)	(152,019)	
Total indirect costs after carry-forward adjustment	\$ 1,197,712	\$ 1,329,834	\$ 132,122	
Total indirect costs	\$ 1,197,712	\$ 1,329,834	\$ 132,122	
Total direct costs	\$ 2,728,641	\$ 2,728,641	\$ -	
Indirect cost rate ³	43.89%	48.74%	4.84%	

¹ See the Findings and Recommendations section.

² See Schedule 11 for carry-forward computation.

³ The indirect cost rate is calculated by dividing the total indirect costs by direct costs.

**Schedule 11—
Department of Surveyor
Summary of Carry-Forward,
Fiscal Year 2014-15 Actuals**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 1,973,192	\$ 1,973,192	\$ -	
Direct fringe benefits	755,449	755,449	-	
Total direct costs	<u>\$ 2,728,641</u>	<u>\$ 2,728,641</u>	<u>\$ -</u>	
Indirect costs:				
Indirect salaries	\$ 624,497	\$ 624,497	\$ -	
Indirect fringe benefits	239,093	239,093	-	
Protective gear	724	724	-	
Uniforms or replacement clothing	4,938	4,938	-	
Communications – Regular phones	-	-	-	
Communications – Equipment install	196	196	-	
County radio systems	-	-	-	
Cellular phones	4,944	4,944	-	
Computer lines	828	828	-	
County delivery service	-	-	-	
Microwave	-	-	-	
Telephone services	708	708	-	
Information technology core services	35,974	35,974	-	
Cleaning supplies	-	-	-	
Janitorial services	17,034	17,034	-	
Liability insurance	6,254	6,254	-	
Insurance – Property	2,550	2,550	-	
Maintenance – Communications equipment	4,141	4,141	-	
Maintenance – Computer equipment	25,642	25,642	-	
Maintenance – Field equipment	-	-	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	8,177	8,177	-	
Maintenance – Software	36,626	36,626	-	
Maintenance – Telephone	-	-	-	
Maintenance or building and improvements	20,215	20,215	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	-	-	-	
Bank charges	1,971	1,971	-	
Refunds	2,987	2,987	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	22,648	22,648	-	
Computer supplies	7,641	7,641	-	
Office equipment (non-fixed assets)	1,821	1,821	-	
Office supplies	3,888	3,888	-	

Schedule 11 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs:				
Photocopying or duplicating	-	-	-	
Postage or mailing	914	914	-	
Printing or binding	397	397	-	
Computer equipment – Software	-	-	-	
Consultants	-	-	-	
Engineering services	4,406	4,406	-	
Fire protection services	-	-	-	
Medical exams	1,584	1,584	-	
Temporary assist pool services	188	188	-	
Micrographic services	-	-	-	
Personnel services	-	-	-	
Pre-employment services	354	354	-	
Oasis processing – Financials	5,284	5,284	-	
Oasis processing – HRMS	7,201	7,201	-	
RMAP services	6,001	6,001	-	
Professional services	20,580	20,580	-	
Legally required notices	-	-	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	-	-	-	
Field equipment – Non-asseted	1,316	1,316	-	
Maintenance tools	2,990	2,990	-	
Small tools or instruments	13,437	13,437	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expenses	-	-	-	
Training – Education or tuition	3,264	3,264	-	
Training – Other	-	-	-	
Contracts	-	-	-	
Equipment usage non capitalize assets	-	-	-	
Materials	-	-	-	
Labor (garage staff – transportation projects)	-	-	-	
Conference or registration fees	2,275	2,275	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	-	-	-	
Car pool expense	-	-	-	
Lodging	1,950	1,950	-	
Meals	474	474	-	
Miscellaneous travel expenses	-	-	-	
Private mileage reimbursement	-	-	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	29,217	-	13,217	Finding 5
Interfund expense – Administration support indirect	271,104	-	122,622	Finding 5

Schedule 11 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs:				
Interfund expense – Audit and accounting	3,404	3,404	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	18,607	18,607	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Equipment rental	10,813	10,813	-	
Interfund expense – Leases	-	-	-	
Interfund expense – Legal services	7,601	7,601	-	
Interfund expense – Maintenance	-	-	-	
Interfund expense – Micrographics	384	384	-	
Interfund expense – Miscellaneous	20,301	20,301	-	
Interfund expense – Professional special services	-	-	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	5,298	5,298	-	
Interfund expense – GIS	54	54	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense – Miscellaneous	-	-	-	
Intrafund expense – Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund expense – Overhead allocation	-	-	-	
Intrafund expense – Administration support actual true-up	(148,302)	-	148,302	Finding 6
Subtotal – Indirect costs before carry-forward adjustment	\$ 1,364,593	\$ 1,212,574	\$ 284,141	
Carry-forward from fiscal year 2014-15	-	-	-	
Total indirect costs after carry-forward adjustment	\$ 1,364,593	\$ 1,212,574	\$ 284,141	
Direct cost base	\$ 2,728,641	\$ 2,728,641	\$ -	
Approved indirect cost rate from fiscal year 2014-15	58.19%	58.19%	0.00%	
Recovered indirect cost ²	\$ 1,587,796	\$ 1,587,796	\$ -	
Carry-forward used for fiscal year 2016-17 estimates	\$ (223,203)	\$ (375,222)	\$ (152,019)	

¹ See the Findings and Recommendations section.

² The recovered indirect cost is calculated by multiplying the direct cost base to the approved indirect cost rate from FY 2014-15.

**Schedule 12—
Department of Surveyor
Summary of Direct Costs, Indirect Costs, and Carry-Forward,
Fiscal Year 2017-18**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 1,862,499	\$ 1,862,499	\$ -	
Direct fringe benefits	700,167	700,167	-	
Total direct costs	<u>\$ 2,562,666</u>	<u>\$ 2,562,666</u>	<u>\$ -</u>	
Indirect costs:				
Indirect salaries	\$ 917,476	\$ 917,476	\$ -	
Indirect fringe benefits	344,906	344,906	-	
Protective gear	1,228	1,228	-	
Uniforms or replacement clothing	3,582	3,582	-	
Communications – Regular phones	-	-	-	
Communications – Equipment install	81	81	-	
County radio systems	-	-	-	
Cellular phones	6,871	6,871	-	
Computer lines	-	-	-	
County delivery service	-	-	-	
Microwave	-	-	-	
Telephone services	694	694	-	
Information technology – Core services	20,462	20,462	-	
Cleaning supplies	-	-	-	
Janitorial services	15,159	15,159	-	
Liability insurance	7,746	7,746	-	
Insurance – Property	3,015	3,015	-	
Maintenance – Communications equipment	6,884	6,884	-	
Maintenance – Computer equipment	26,736	26,736	-	
Maintenance – Field equipment	-	-	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	8,719	8,719	-	
Maintenance – Software	63,423	63,423	-	
Maintenance – Telephone	-	-	-	
Maintenance or building and improvements	16,821	16,821	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	-	-	-	
Bank charges	4,358	4,358	-	
Refunds	-	-	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	25,507	25,507	-	
Computer supplies	1,917	1,917	-	
Office equipment (non-fixed assets)	2,795	2,795	-	
Office supplies	9,504	9,504	-	

Schedule 12 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	-	-	-	
Postage or mailing	378	378	-	
Printing or binding	437	437	-	
Computer equipment – Software	-	-	-	
Consultants	-	-	-	
Engineering services	-	-	-	
Fire protection services	-	-	-	
Medical exams	560	560	-	
Temporary assist pool services	943	943	-	
Micrographic services	-	-	-	
Personnel services	-	-	-	
Pre-employment services	379	379	-	
Oasis processing – Financials	7,613	7,613	-	
Oasis processing – HRMS	10,408	10,408	-	
RMAP services	4,258	4,258	-	
Professional services	9,914	9,914	-	
Legally required notices	-	-	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	-	-	-	
Field equipment – Non-assetted	1,776	1,776	-	
Maintenance tools	3,149	3,149	-	
Small tools or instruments	673	673	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expenses	-	-	-	
Training – Education or tuition	655	655	-	
Training – Other	-	-	-	
Contracts	-	-	-	
Equipment usage – Non-capitalized assets	-	-	-	
Materials	-	-	-	
Labor (garage staff-transportation projects)	-	-	-	
Conference or registration fees	293	293	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	-	-	-	
Car pool expense	-	-	-	
Lodging	1,464	1,464	-	
Meals	488	488	-	
Miscellaneous travel expenses	36	36	-	
Private mileage reimbursement	338	338	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	7,383	21,065	13,682	Finding 5
Interfund expense – Administration support indirect	149,599	427,019	277,420	Finding 5

Schedule 12 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	3,262	3,262	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	35,715	35,715	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Equipment rental	7,314	7,314	-	
Interfund expense – Leases	-	-	-	
Interfund expense – Legal services	6,072	6,072	-	
Interfund expense – Maintenance	-	-	-	
Interfund expense – Micrographics	2,775	2,775	-	
Interfund expense – Miscellaneous	27,452	27,452	-	
Interfund expense – Professional special services	1,506	1,506	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	4,970	4,970	-	
Interfund expense – GIS	95,195	95,195	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense – Miscellaneous	-	-	-	
Intrafund expense – Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund expense – Overhead allocation	-	-	-	
Intrafund expense – Administration support actual trueup	(5,761)	-	5,761	Finding 6
Fiscal year 2017-18 Countywide Allocation Plan	36,969	36,969	-	
Less fiscal year 2015-16 ICAP amount included in indirect	(35,715)	(35,715)	-	
Subtotal – Indirect costs before carry-forward adjustment	\$ 1,868,382	\$ 2,165,245	\$ 296,863	
Carry-forward ²	308,054	151,918	(156,136)	
Total indirect costs after carry-forward adjustment	<u>\$ 2,176,436</u>	<u>\$ 2,317,163</u>	<u>\$ 140,727</u>	
Total indirect costs	\$ 2,176,436	\$ 2,317,163	\$ 140,727	
Total direct costs	\$ 2,562,666	\$ 2,562,666	\$ -	
Indirect cost rate ³	<u>84.93%</u>	<u>90.42%</u>	<u>5.49%</u>	

¹ See the Findings and Recommendations section.

² See Schedule 13 for carry-forward computation.

³ The indirect cost rate is calculated by dividing the total indirect costs by direct costs.

**Schedule 13—
Department of Surveyor
Summary of Carry-Forward,
Fiscal Year 2015-16 Actuals**

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Direct costs:				
Direct salaries	\$ 1,862,499	\$ 1,862,499	\$ -	
Direct fringe benefits	700,167	700,167	-	
Total direct costs	\$ 2,562,666	\$ 2,562,666	\$ -	
Indirect costs:				
Indirect salaries	\$ 917,476	\$ 917,476	\$ -	
Indirect fringe benefits	344,906	344,906	-	
Protective gear	1,228	1,228	-	
Uniforms or replacement clothing	3,582	3,582	-	
Communications – Regular phones	-	-	-	
Communications – Equipment install	81	81	-	
County radio systems	-	-	-	
Cellular phones	6,871	6,871	-	
Computer lines	-	-	-	
County delivery service	-	-	-	
Microwave	-	-	-	
Telephone services	694	694	-	
Information technology – Core services	20,462	20,462	-	
Cleaning supplies	-	-	-	
Janitorial services	15,159	15,159	-	
Liability insurance	7,746	7,746	-	
Insurance-property	3,015	3,015	-	
Maintenance – Communications equipment	6,884	6,884	-	
Maintenance – Computer equipment	26,736	26,736	-	
Maintenance – Field equipment	-	-	-	
Maintenance – Motor vehicles	-	-	-	
Maintenance – Office equipment	-	-	-	
Maintenance – Radio electronic equipment	-	-	-	
Maintenance – Service contracts	8,719	8,719	-	
Maintenance – Software	63,423	63,423	-	
Maintenance – Telephone	-	-	-	
Maintenance or building and improvements	16,821	16,821	-	
Maintenance – Signal supplies	-	-	-	
Road maintenance supplies	-	-	-	
Allocated direct cost	-	-	-	
Memberships	-	-	-	
Licenses and permits	-	-	-	
Miscellaneous expenses	-	-	-	
Bank charges	4,358	4,358	-	
Refunds	-	-	-	
Books or publications	-	-	-	
Computer equipment (non-fixed assets)	25,507	25,507	-	
Computer supplies	1,917	1,917	-	
Office equipment (non-fixed assets)	2,795	2,795	-	
Office supplies	9,504	9,504	-	

Schedule 13 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Photocopying or duplicating	-	-	-	
Postage or mailing	378	378	-	
Printing or binding	437	437	-	
Computer equipment – Software	-	-	-	
Consultants	-	-	-	
Engineering services	-	-	-	
Fire protection services	-	-	-	
Medical exams	560	560	-	
Temporary assist pool services	943	943	-	
Micrographic services	-	-	-	
Personnel services	-	-	-	
Pre-employment services	379	379	-	
Oasis processing – Financials	7,613	7,613	-	
Oasis processing – HRMS	10,408	10,408	-	
RMAP services	4,258	4,258	-	
Professional services	9,914	9,914	-	
Legally required notices	-	-	-	
Advertising	-	-	-	
Rent or lease – Equipment	-	-	-	
Rent or lease – Buildings	-	-	-	
Field equipment – Non-asseted	1,776	1,776	-	
Maintenance tools	3,149	3,149	-	
Small tools or instruments	673	673	-	
Operational supplies	-	-	-	
Awards or recognitions	-	-	-	
Special program expenses	-	-	-	
Training – Education or tuition	655	655	-	
Training – Other	-	-	-	
Contracts	-	-	-	
Equipment usage – Non-capitalized assets	-	-	-	
Materials	-	-	-	
Labor (garage staff – transportation projects)	-	-	-	
Conference or registration fees	293	293	-	
Field supplies	-	-	-	
Disposal fee	-	-	-	
Inventory – Stores	-	-	-	
Inventory – Road supplies	-	-	-	
Inventory – Signal supplies	-	-	-	
Air transportation	-	-	-	
Car pool expense	-	-	-	
Lodging	1,464	1,464	-	
Meals	488	488	-	
Miscellaneous travel expenses	36	36	-	
Private mileage reimbursement	338	338	-	
Internal Revenue Service settlement	-	-	-	
Interfund expense – Administration support direct	7,383	-	13,682	Finding 5
Interfund expense – Administration support indirect	149,599	-	277,420	Finding 5

Schedule 13 (continued)

	Proposed Amount	Audited Amount	Audit Adjustment	Reference ¹
Indirect costs (continued):				
Interfund expense – Audit and accounting	3,262	3,262	-	
Interfund expense – Capital project	-	-	-	
Interfund expense – Countywide allocation plan	35,715	35,715	-	
Interfund expense – Custodial	-	-	-	
Interfund expense – Distributions (Survey)	-	-	-	
Interfund expense – Equipment rental	7,314	7,314	-	
Interfund expense – Leases	-	-	-	
Interfund expense – Legal services	6,072	6,072	-	
Interfund expense – Maintenance	-	-	-	
Interfund expense – Micrographics	2,775	2,775	-	
Interfund expense – Miscellaneous	27,452	27,452	-	
Interfund expense – Professional special services	1,506	1,506	-	
Interfund expense – Right of way	-	-	-	
Interfund expense – Labor (planning, building & safety labor)	-	-	-	
Interfund expense – Utilities	4,970	4,970	-	
Interfund expense – GIS	95,195	95,195	-	
Interfund expense – Miscellaneous project expense	-	-	-	
Land	-	-	-	
Buildings	-	-	-	
Improvements – Building	-	-	-	
Equipment – Computer	-	-	-	
Equipment – Other	-	-	-	
Capitalized software	-	-	-	
Contribution to other county funds (Bermuda)	-	-	-	
Intrafund expense – Miscellaneous	-	-	-	
Intrafund expense – Salary and benefits	-	-	-	
Intrafund expense – Payroll distribution	-	-	-	
Intrafund expense – Overhead allocation	-	-	-	
Intrafund expense – Administration support actual true-up	(5,761)	-	5,761	Finding 6
Subtotal – Indirect costs before carry-forward adjustment	\$ 1,867,128	\$ 1,715,907	\$ 296,863	
Carry-forward from fiscal year 2015-16	(632,158)	(252,902)	379,256	
Total indirect costs after carry-forward adjustment	<u>\$ 1,234,970</u>	<u>\$ 1,463,005</u>	<u>\$ 676,119</u>	
Direct cost base	\$ 2,562,666	\$ 2,562,666	\$ -	
Approved indirect cost rate from fiscal year 2015-16	36.17%	51.16%	14.99%	
Recovered indirect cost ²	\$ 926,916	\$ 1,311,087	\$ -	
Carry-forward used for fiscal year 2015-16 estimates	\$ 308,054	\$ 151,918	\$ (156,136)	

¹ See the Findings and Recommendations section.

² The recovered indirect cost is calculated by multiplying the direct cost base to the approved indirect cost rate from FY 2015-16.

Findings and Recommendations

FINDING 1— Department of Transportation – Professional Services

The DOT overstated the professional services costs in FY 2015-16 by \$40,000 and in FY 2013-14 by \$4,025. The unallowable costs were for mediation services and a cost-share agreement with the county's Flood Control Department, which did not benefit the entire project cost objective and were not allocable to federal and state projects.

2 CFR 200 section 200.405(a) states:

Cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or other cost objective with relative benefits received.

2 CFR 200 section 200.405(a)(2) states:

Benefits both the federal award and other work of the non-federal entity and can be distributed in proportions that may be approximated using reasonable methods.

Recommendation

We recommend that the DOT implement policies and procedures to ensure that only allowable costs are included in its ICRP.

FINDING 2— Inter-fund Expense – Administrative Support, Direct and Indirect

The DOT understated both direct and indirect Inter-fund Administrative Support costs as follows:

- FY 2015-16 by \$457,737 (\$108,117 Direct + \$349,620 Indirect);
- FY 2016-17 by \$431,938 (\$100,339 Direct + \$331,599 Indirect); and
- FY 2017-18 by \$373,710 (\$71,640 Direct + \$302,070 Indirect).

The inter-fund costs were for administrative expenses incurred by the County's Transportation Land Management Agency and allocated to various county departments.

2 CFR 200, Appendix VII states:

Fixed rate means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

Recommendation

We recommend that the DOT implement policies and procedures to ensure that only allowable costs are included in the ICRP.

**FINDING 3—
Department of
Transportation –
Expense
Administrative
Support Actual
True-up**

The DOT included an Expense Administrative Support Actual True-up, which was unallowable because it did not reflect actual expenditures. The indirect costs were overstated in FY 2015-16 by \$308,157 and in FY 2016-17 by \$132,150. In addition, the indirect costs were understated in FY 2017-18 by \$386,500.

2 CFR 200, Appendix VII section D.2.a states:

The rates proposed, including subsidiary work sheets and other relevant data, cross referenced and reconciled to the financial data noted in subsection b.

2 CFR 200, Appendix VII section D.2.b states:

A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based.

Recommendation

We recommend that the DOT implement policies and procedures to ensure that only allowable costs are included in the ICRP.

**FINDING 4—
Department of
Transportation –
Countywide
Allocation Plan**

The DOT understated Countywide Allocation Plan (COWCAP) in FY 2016-17 by \$43,832 and overstated COWCAP in FY 2013-14 by \$199,557 and FY 2017-18 by \$16,470 because there were discrepancies between the ICRPs and the COWCAP issued by the SCO.

2 CFR 200, Appendix VII section B.5 states:

Fixed rate means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

Recommendation

We recommend that the DOT implement policies and procedures to ensure that only allowable costs are included in the ICRP.

**FINDING 5—
Department of
Surveyor – Inter-fund
Expense –
Administrative
Support, Direct and
Indirect**

The DOS understated both direct and indirect Inter-fund Administrative Support costs as follows:

- FY 2015-16 by \$379,256 (\$92,425 Direct + \$286,831 Indirect);
- FY 2016-17 by \$135,839 (\$13,217 Direct + \$122,622 Indirect); and
- FY 2017-18 by \$291,102 (\$13,682 Direct + \$277,420 Indirect).

The inter-fund costs were for administrative expenses incurred by the County’s TLMA and allocated to various county departments.

2 CFR 200, Appendix VII states:

Fixed rate means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

Recommendation

We recommend that the DOS implement policies and procedures to ensure that only allowable costs are included in the ICRP.

**FINDING 6—
Department of
Surveyor – Interfund
Expense –
Administrative
Support Actual
True-up**

The DOS included an Expense Administrative Support Actual True-up, which was unallowable because it did not reflect actual expenditures. The indirect costs were overstated in FY 2015-16 by \$326,829. In addition, the indirect costs were understated in FY 2016-17 by \$148,302 and in FY 2017-18 by \$5,761.

2 CFR 200, Appendix VII section D.2.a states:

The rates proposed, including subsidiary work sheets and other relevant data, cross referenced and reconciled to the financial data noted in subsection b.

2 CFR 200, Appendix VII section D.2.b states:

A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based.

Recommendation

We recommend that the DOS implement policies and procedures to ensure that only allowable costs are included in the ICRP.

**FINDING 7—
Department of
Surveyor –
Countywide
Allocation Plan**

The DOT understated COWCAP in FY 2015-16 by \$8,386 because there was discrepancy between the ICRPs and the COWCAP issued by the SCO.

Title 2 CFR 200, Appendix VII section B.5 states:

Fixed rate means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period.

Recommendation

We recommend that the DOS implement policies and procedures to ensure that only allowable costs are included in the ICRP.

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250**

<http://www.sco.ca.gov>