

BALTIMORE METROPOLITAN COUNCIL, INC.

**Schedule of Calculation of Fiscal Year 2010
Fringe and Indirect Cost Rates**

For the Year Ended June 30, 2010



SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

October 8, 2010

Larry Klimovitz
Executive Director
Baltimore Metropolitan Council, Inc.
2700 Lighthouse Point East, Suite 310
Baltimore, MD 21224-4774

We have audited the statement of net assets of the Baltimore Metropolitan Council, Inc. (BMC) as of June 30, 2010, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of BMC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BMC as of June 30, 2010, and the respective changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of calculation of fiscal year 2010 fringe and indirect cost rates for the year ended June 30, 2010, is presented for purposes of additional analysis and is not a required part of the financial statements of BMC. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SB & Company, LLC

Hunt Valley, Maryland
October 8, 2010

BALTIMORE METROPOLITAN COUNCIL, INC.

**Schedule of Calculation of Fiscal Year 2010 Fringe and Indirect Cost Rates
For the Year Ended June 30, 2010**

	<u>Total</u>	<u>Direct Cost and Non-allocable Indirect Cost</u>	<u>Allocable Indirect Cost</u>
Salaries	\$ 2,229,719	\$ 1,886,512 (a)	\$ 343,207
Leave	360,591	274,815 (b)	85,776
Retirement costs	191,476	159,766 (c)	31,710
Payroll taxes	180,164	150,327 (d)	29,837
Other benefits	247,021	206,112 (e)	40,909
Total salaries and benefits	<u>3,208,971</u>	<u>2,677,532</u>	<u>531,439</u>
Consulting services	666,270	666,270	-
Transfers	1,126,426	1,126,426	-
Ride Share	68,500	68,500	-
Depreciation	6,149	4,857	1,292
Other grants	58,711	58,711	-
Ready, Set, Good	85,864	85,864	-
Disaster debris	37,390	37,390	-
Evacuation table top	14,082	14,082	-
Moving	44,000	-	44,000
General expenses	738,027	158,938	579,089
Total general expenses	<u>2,845,419</u>	<u>2,221,038</u>	<u>624,381</u>
Total expenses	<u>\$ 6,054,390</u>	<u>\$ 4,898,570</u>	<u>\$ 1,155,820 (f)</u>

Fringe Cost Rate

$$\frac{(\text{Direct leave}) + (\text{Direct retirement costs}) + (\text{Direct payroll taxes}) + (\text{Direct other benefits})}{(\text{Direct total salaries})}$$

$$\frac{\$274,815(b) + \$159,766(c) + \$150,327(d) + \$206,112(e)}{\$ 1,886,512(a)} = \frac{\$791,020}{\$1,886,512} = 42\%$$

Indirect Cost Rate

$$\frac{(\text{Total indirect cost to be allocated})}{(\text{Direct total salaries})} = \frac{\$1,155,820(f)}{\$1,886,512(a)} = 61\%$$

BMC's indirect cost allocation plan is based on the actual indirect cost to the direct salary, a method previously approved by the Maryland Department of Transportation and Federal Highway Administration as being in accordance with OMB Circular A-87, *Cost Principles for State and Local Governments*.