

BOULDER COUNTY AIDS PROJECT

Financial Statements As Of December 31, 2017
(With Summarized Comparative Financial Information
As Of December 31, 2016)

Together With Independent Auditors' Report

JDS professional
group
certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Boulder County AIDS Project:

We have audited the accompanying financial statements of Boulder County AIDS Project, (“BCAP”), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Members:

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Independent Auditors' Report, Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Boulder County AIDS Project as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Reporting on Summarized Comparative Information

We have previously audited BCAP's December 31, 2016, financial statements, and we expressed an unmodified audit on those audited financial statements in our report dated June 26, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

June 25, 2018

BOULDER COUNTY AIDS PROJECT

Statement Of Financial Position

As Of December 31, 2017

(With Summarized Financial Information As Of December 31, 2016)

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ASSETS	<u>2017</u>	<u>2016</u>
Current Assets		
Cash and cash equivalents	\$ 294,931	\$ 271,659
Grants receivable	93,985	156,747
Other receivables		2,750
Prepaid expenses	9,810	12,310
Total Current Assets	<u>398,726</u>	<u>443,466</u>
Property and Equipment		
Equipment, vehicles, and furnishings	100,463	101,211
Lands and buildings	549,444	549,444
Leasehold improvements	334,134	335,134
	<u>984,041</u>	<u>985,789</u>
Less: Accumulated depreciation	<u>(514,753)</u>	<u>(490,257)</u>
Total Property and Equipment	<u>469,288</u>	<u>495,532</u>
Other Assets		
Beneficial interest in asset held by The Community		
Foundation Serving Boulder County Endowment Fund	19,967	24,657
Deposits	600	600
Total Other Assets	<u>20,567</u>	<u>25,257</u>
TOTAL ASSETS	<u>\$ 888,581</u>	<u>\$ 964,255</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 16,086	\$ 61,875
Accrued paid time off	27,424	27,050
Accrued payroll	16,884	11,390
Total Current Liabilities	<u>60,394</u>	<u>100,315</u>
Net Assets:		
Unrestricted -		
Board designated	459,117	347,293
Undesignated	309,147	443,846
Total Unrestricted	<u>768,264</u>	<u>791,139</u>
Temporarily restricted	39,956	48,144
Permanently restricted	19,967	24,657
Total Net Assets	<u>828,187</u>	<u>863,940</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 888,581</u>	<u>\$ 964,255</u>

The accompanying notes are an integral part of the financial statements.

BOULDER COUNTY AIDS PROJECT

Statement Of Activities

For The Year Ended December 31, 2017

(With Summarized Financial Information For The Year Ended December 31, 2016)

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	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
Support And Revenue:					
Federal, state and local government grants	\$ 755,099		\$	\$ 755,099	\$ 672,635
Other grants	155,169			155,169	176,854
Contributions	158,668	39,956		198,624	197,298
Contributions in-kind	253,588			253,588	232,817
Special events, net of direct expenses of \$23,679	76,583			76,583	67,931
Interest and dividend income	(2,107)			(2,107)	(750)
Rent income	17,800			17,800	16,222
Income distributed by, beneficial interest in trust	7,000			7,000	1,864
Other income	9,430			9,430	2,665
Unrealized gain(loss) on investments	1,221			1,221	(3,585)
Realized gain in investments	886			886	574
Change in beneficial interest in trust			(4,690)	(4,690)	(1,011)
Net assets released from restrictions- Satisfaction of program restrictions	48,144	(48,144)			
Total Revenue And Support	<u>1,481,481</u>	<u>(8,188)</u>	<u>(4,690)</u>	<u>1,468,603</u>	<u>1,363,514</u>
Expenses:					
Program Services	<u>1,236,332</u>			<u>1,236,332</u>	<u>1,185,201</u>
Supporting Services-					
Management and general	131,886			131,886	141,150
Fundraising	136,138			136,138	104,412
Total Supporting Services	<u>268,024</u>			<u>268,024</u>	<u>245,562</u>
Total Expenses	<u>1,504,356</u>			<u>1,504,356</u>	<u>1,430,763</u>
CHANGE IN NET ASSETS	(22,875)	(8,188)	(4,690)	(35,753)	(67,249)
Net Assets, Beginning Of Year,	791,139	48,144	24,657	863,940	931,189
NET ASSETS, END OF YEAR	<u>\$ 768,264</u>	<u>\$ 39,956</u>	<u>\$ 19,967</u>	<u>\$ 828,187</u>	<u>\$ 863,940</u>

The accompanying notes are an integral part of the financial statements.

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Statement Of Functional Expenses

For The Year Ended December 31, 2017

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(With Summarized Financial Information For The Year Ended December 31, 2016)

	Program Services	Management and General	Fundraising	2017 Total Expenses	2016 Total Expenses
Direct client assistance	\$ 137,587	\$	\$	\$ 137,587	\$ 120,898
Indirect assistance	69,500			69,500	53,250
Eaton house	9,227			9,227	4,705
Longmont service center	11,175			11,175	12,097
Food assistance	16,392			16,392	20,111
Education/outreach/testing	7,385			7,385	6,603
Community outreach	6,720			6,720	5,437
Accounting/audit		33,156		33,156	32,975
Advertising/marketing	239	5,265	274	5,778	1,345
Agency vehicle	1,291	137	196	1,624	321
Bank service charges		819		819	1,724
Building maintenance	2,679	284	407	3,370	1,480
Contract labor/consulting	18,869	1,716	2,462	23,047	4,295
Credit card fees		1,037		1,037	3,664
Donor/volunteer relations	995	105	151	1,252	1,348
Employee benefits and payroll taxes	120,754	12,783	18,341	151,878	150,916
Governance		7,846		7,846	3,157
Insurance	10,390	3,404	1,578	15,372	14,560
IT/computers	11,615	1,230	1,764	14,608	14,140
Leases - equipment	6,183	654	939	7,776	6,359
Leases - facilities	9,676	1,024	1,470	12,170	12,059
Membership/dues/fees	5,141	495	711	6,347	8,875
Office/other supplies	7,203	301	432	7,936	14,819
Postage	881	93	852	1,827	3,930
Printing	812	86	3,703	4,601	7,063
Program evaluation	10,144			10,144	3,940
Repairs and maintenance	732	78	111	921	1,021
Salaries/wages	486,549	51,505	73,900	611,954	627,079
Special events			14,688	14,688	-
Telephone/internet	5,565	453	649	6,666	7,374
Training/conferences	4,278	216	309	4,803	5,242
Travel/mileage	4,555	43	61	4,659	4,638
Utilities	4,351	461	661	5,473	5,612
Website maintenance	777	83	118	978	765
Work-study interns	3,627			3,627	6,096
Total before depreciation and in-kind expenses	975,290	123,272	123,779	1,222,341	1,167,898
Depreciation	22,602	2,393	3,433	28,428	30,049
In-kind expenses	238,440	6,222	8,926	253,587	232,816
Total expenses	<u>\$ 1,236,332</u>	<u>\$ 131,886</u>	<u>\$ 136,138</u>	<u>\$ 1,504,356</u>	<u>\$ 1,430,763</u>

The accompanying notes are an integral part of the financial statements.

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Statement Of Cash Flows

For The Year Ended December 31, 2017

(With Summarized Financial Information For The Year Ended December 31, 2016)

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	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Changes in net assets	\$ (35,753)	\$ (67,249)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	28,428	30,049
Realized and unrealized loss on investments	4,690	3,011
Changes in assets and liabilities -		
Grants receivable	62,762	(102,185)
Other receivables	2,750	(459)
Prepaid expenses	2,500	1,447
Accounts payable and current liabilities	(39,921)	56,562
Net cash provided by (used in) operating activities	<u>25,456</u>	<u>(78,824)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(2,184)	(1,894)
Sale of investments		98,100
Net cash provided by (used by) investing activities	<u>(2,184)</u>	<u>96,206</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,272	17,382
Cash And Cash Equivalents, Beginning Of Year	<u>271,659</u>	<u>254,277</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 294,931</u>	<u>\$ 271,659</u>

The accompanying notes are an integral part of the financial statements.

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Notes To Financial Statements
For The Year Ended December 31, 2017

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(1) Organization And Summary Of Significant Accounting Policies

Organization and Summary

Boulder County Health Network, Inc. was incorporated as a Colorado not-for-profit corporation in 1985, and changed its name to Boulder County AIDS Project (“BCAP”) in 1991. The mission of BCAP is to provide support, advocacy and education to individuals in the Boulder County community living with or affected by the Human Immunodeficiency Virus (HIV), and to serve as an outreach and information center to prevent further transmission of HIV and the resulting Acquired Immune Deficiency Syndrome (AIDS). To support its mission and programs, BCAP relies upon grants from federal, state, municipal, and private sources, and upon support from individuals, businesses, and organizations in the Boulder, Broomfield, Gilpin and Clear Creek counties in Colorado.

Basis Of Presentation

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit Organizations*. Under this standard, BCAP is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted or permanently restricted net assets. As of December 31, 2017, BCAP has unrestricted, temporarily restricted, and permanently restricted net assets.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash And Cash Equivalents

All highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents. Cash equivalents include cash on hand and money market funds at current market value as of year end.

Contributions And Grants

Contributions and grants received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted

net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Investments

Investments consist of mutual funds that are carried at fair market value. Changes in fair market value are reported in the Statement of Activities as unrealized gains or losses.

Promise To Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. As of December 31, 2017, there was no promises to give.

Property And Equipment

Property and equipment is recorded at cost if purchased, or fair market value if donated. BCAP capitalizes property and equipment additions greater than \$500. Donated property and equipment are reported as unrestricted support unless the donor has restricted use of the donated asset to a specific purpose. Office equipment and furnishings are depreciated using the straight-line method over estimated useful lives of three to ten years. Leasehold improvements are depreciated using the straight-line basis over the term of the underlying lease. Buildings are depreciated using the straight-line basis over forty years.

Fair Value Measurements

BCAP follows *Fair Value Measurements*, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Beneficial interest in trust: Valued as reported by the Organization holding the endowment.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the BCAP believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the balance sheets.

The carrying amount reported in the statement of financial position for cash and cash equivalents, grants receivable, accounts payable, and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Contributed Services

Contributed services are recognized when the services create or enhance non-financial assets, or require specialized skills provided by individuals possessing those skills that would otherwise need to be purchased if not donated.

BCAP received 12,914 hours of donated services in 2017 from many unpaid volunteers who assist BCAP with its programs, fund raising and administration. No amounts have been recognized in the accompanying financial statements since these services do not meet the criteria for recognition.

Subsequent Events

BCAP has evaluated subsequent events through June 25, 2018, the date which the financial statements were available to be issued.

(2) Tax Exempt Status

BCAP is a nonprofit organization that is exempt from income taxes under 501(c)(3) of the Internal Revenue Code. BCAP has also been classified as an entity that is not a private foundation within the meaning of section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). BCAP has no unrelated business income subject to income tax.

BCAP follows *Accounting for Uncertainty in Income Taxes* accounting standard which clarifies the accounting and reporting for uncertainties in income tax law and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in an impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming the tax position is examined by the appropriate taxing authority that has knowledge of all relevant information. During the year ended December 31, 2017, BCAP performed an evaluation of uncertain tax positions and did not note any matters that would require recognition or which may have an effect on its tax-exempt status.

BCAP is no longer subject to U.S. federal income tax audits on its Form 990 by taxing authorities for years prior to 2014. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as it relates to the amount and/or timing of income, deductions, and tax credits. Although the outcome of tax audits is uncertain, BCAP believes no issues would arise.

(3) Investments

Investments consist of BCAP’s beneficial interest in the Community Foundation Serving Boulder County (“Community Foundation”) which is considered as Level 3 investments.

The changes in the investments for which BCAP has used Level 3 inputs to determine the fair values during the year ended December 31, 2017, are as follows:

Balance, January 1, 2017	\$ 24,657
Distributions	(7,000)
Total gains or losses (realized and unrealized)	2,499
Investment fees	(189)
Balance, December 31, 2017	<u>\$ 19,967</u>

The fair value is based on the value of BCAP’s portion of the underlying investments in the beneficial interest using valuation methods that are appropriate for those investments as determined by the Community Foundation.

Quantitative information related to valuation inputs is not available since the value of which provided by the Community Foundation was used without adjustment. On an annual basis, BCAP’s management evaluates the return received from the beneficial interest against the value of its portion of the beneficial interest for reasonableness as compared with current market returns. Management believes that the sensitivity in the fair value measurement of the beneficial interest is related to market fluctuations, as the investments held in the beneficial interest are primarily marketable securities.

(4) Concentrations Of Credit Risk

BCAP’s cash demand deposits are held with one institution at which deposits are insured up to \$250,000 by the FDIC. As of December 31, 2017, such deposits exceeded the FDIC insurance limit by \$31,145.

BCAP received approximately 51% in 2017, of its support from the Federal and State government under the Ryan White Care Act, Housing Opportunities for People Living with AIDS, and the Colorado HIV/AIDS Prevention Program. If the programs were to be modified, reduced or eliminated, BCAP’s finances could be materially adversely affected.

(5) Beneficial Interest In Assets Held By Community Foundation Endowment Fund

The Board of Directors established an agency endowment fund with the Community Foundation. The endowment is managed by the Community Foundation and is subject to the policies of the Community Foundation. It is BCAP's intention to build up the fund to provide a source of revenue in the future.

BCAP granted variance power to the Community Foundation which allows the Community Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgement of The Foundation's Board of Directors such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of BCAP. In accordance with the requirements of the Transfers of Assets to a Nonprofit Organization or Charitable Trust That Raises or Holds Contributions for Others accounting standard, the transfer was not considered to be a contribution from BCAP to the Endowment Fund, but rather was accounted for as reciprocal transfer between BCAP and the Endowment Fund. Therefore, the transfers are reflected collectively in the Statement of Financial Position as Beneficial interest in assets held by Community Foundation Endowment Fund.

The Endowment Fund is held and invested by the Community Foundation for the benefit of BCAP. BCAP receives annual distributions of the lesser of five percent of the monthly average balance of the Fund during the preceding year, or the net investment income of the Fund, reduced by fees and investment management expense. Excess earnings, if any, are reinvested in the Fund. As of December 31, 2017, the fair value of the assets of the Endowment Fund was \$19,967. Distributions from the endowment fund are available to BCAP for its unrestricted use. A distribution of \$7,000 was received during the year ended December 31, 2017.

(6) Endowment**General**

BCAP's endowment fund was established by action of the Board of Directors (the "Board") to be maintained in perpetuity. The endowment fund may include both donor-restricted endowment funds as well as funds designated by the Board to function as endowments. Endowment funds may be established for either specific purposes or general operating use. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted

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endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, BCAP classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by BCAP in a manner consistent with the standard of prudence prescribed by UPMIFA. The beneficial interest in trust amount reflected in permanently restricted net assets is adjusted for the annual appreciation or depreciation and distribution of the funds held by Community Foundation. In accordance with UPMIFA, BCAP considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of BCAP and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of BCAP
- (7) The investment policies of BCAP

Changes in endowment net assets during the year ended December 31, 2017

Endowment net assets, beginning of year	\$ 24,657
Investment return -	
Interest and dividends, net of fees	393
Net realized and unrealized gain (loss)	1,917
Total investment return	2,310
Appropriation of endowment assets for expenditures	(7,000)
Endowment net assets, end of year	\$ 19,967

Return Objectives and Risk Parameters

BCAP follows the investment and spending policies adopted by Community Foundation for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. Beneficial

interest in trust include those assets of donor-restricted funds that the Foundation must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, BCAP relies on the Community Foundation's investment policy and strategy which strive to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The funds are held in a pooled investment portfolio which are invested with a long-term strategy with a balanced portfolio of equity, fixed-income, alternative assets, and cash.

Spending Policy and How the Investment Objectives Relate to Spending Policy

BCAP can receive annual distributions of the lessor of five percent of the monthly average balance of the Community Foundation Endowment Fund during the preceding year, or the net investment income of the Fund, reduced by fees and investment management expense, as discussed in Note 5.

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following purposes as of December 31, 2017:

Care	\$	19,956
Prevention		20,000
Total	<u>\$</u>	<u>39,956</u>

(8) Operating Leases

BCAP rents office space at 2118 14th Street, Boulder, CO under a non-cancelable lease expiring in 2017. Rent payments totaled \$12,170 in 2017. The accompanying financial statements include an additional in-kind contribution of \$53,880 for 2017, representing donated market value of rent over actual rent charged. BCAP is responsible for specified insurance coverage, routine repairs and maintenance, and certain utilities. The lease provides for annual percentage rate increases bases upon the Consumer Price Index.

BCAP also rents office space at 515 Kimbark, Longmont, CO under a non-cancelable lease which expires September 30, 2018. Rent payments totaled \$8,700 for 2017.

Office equipment leases include a postage meter lease which expires in 2018 and two photocopier leases. Related lease payments for this equipment totaled \$7,776 for 2017.

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Notes To Financial Statements (Continued)

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Minimum annual payments required in monthly installments under these leases at current rates are as follows:

Year ending December 31,	
2018	\$ 17,296
2019	1,688
	<u>\$ 18,984</u>

(9) Employee Benefit Plans

In 1997, BCAP established a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. Eligible employees may make contributions to the plan up to a maximum amount allowed under the Internal Revenue Code. BCAP does not make employer contributions to this plan.

(10) In Kind Contributions

In-kind goods and services consisted of the following as of December 31, 2017:

Materials	\$ 71,656
Services	128,052
Facilities rental	53,880
Total	<u>\$ 253,588</u>

Contributed services were used for program services.

(11) Expenses

Total expenses incurred during the year ended December 31, 2017, are as follows:

Total expenses reported by function	\$ 1,504,356
Cost of direct benefit to donors	23,679
Total expenses	<u>\$ 1,528,035</u>