

CHOICES Association Inc.
Financial Statements
For the year ended March 31, 2019

Page 1 of 1

1

2

3

4

5

6

7

8

9

10

11

12

13

14

CHOICES Association Inc.
Financial Statements
For the year ended March 31, 2019

Contents

Independent Auditor's Report	2 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Revenue and Expenses	6
Schedule 1 - Revenue and Expenses - Day Programs	7
Schedule 2 - Revenue and Expenses - Family Home Program	8
Schedule 3 - Revenue and Expenses - Supported Independent Living Program	9
Schedule 4 - Revenue and Expenses - Group Living Support Program	10
Schedule 5 - Revenue and Expenses - Inclusion and Respite Support Program	11
Schedule 6 - Revenue and Expenses - Small Water Works Program	12
Schedule 7 - Revenue and Expenses - Partner Facility Renewal Program	13
Schedule 8 - Revenue and Expenses - Other Programs	14
Statement of Cash Flows	15
Notes to Financial Statements	16 - 21



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Independent Auditor's Report

To the Directors of CHOICES Association Inc.

Opinion

We have audited the financial statements of CHOICES Association Inc. (the "Association"), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, revenue and expenses and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions of the Program Guidelines of the Ministry of Community and Social Services as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Association to comply with the financial reporting provisions of the Ministry of Community and Social Services. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Association and the Ministry of Community and Social Services and should not be distributed to or used by parties other than the Association or the Ministry of Community and Social Services

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Program Guidelines of the Ministry of Community and Social Services as described in Note 1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Burlington, Ontario
July 25, 2019

CHOICES Association Inc.
Statement of Financial Position

March 31 **2019** **2018**

Assets

Current

Cash	\$ 973,708	\$ 958,005
Accounts receivable	91,240	98,142
Prepaid expenses	22,773	746
HST receivable	<u>182,955</u>	<u>174,971</u>

1,270,676 **1,231,864**

Capital assets (Note 2)

2,386,435 **2,486,739**

Cash - restricted (Note 3)

52,093 **49,345**

\$ 3,709,204 **\$ 3,767,948**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 6)	\$ 1,443,117	\$ 1,375,750
Current portion of long-term debt (Note 4)	509,287	81,672
Ministry of Housing capital reserve (Note 3)	<u>52,093</u>	<u>49,345</u>

2,004,497 **1,506,767**

Long-term debt (Note 4)

137,520 **640,259**

2,142,017 **2,147,026**


Net assets


Net assets in Nevada lottery fund	8,319	8,319
Net assets internally restricted reserve fund (Note 5)	123,000	123,000
Net assets in operating fund	<u>1,435,868</u>	<u>1,489,603</u>

1,567,187 **1,620,922**

\$ 3,709,204 **\$ 3,767,948**

On behalf of the Board:

 _____ Director

 _____ Director

**CHOICES Association Inc.
Statement of Changes in Net Assets**

For the year ended March 31	Nevada Lottery Fund	Internally Restricted Reserve Fund	Operating Fund	2019	2018
Net assets, beginning of year	\$ 8,319	\$ 123,000	\$ 1,489,603	\$ 1,620,922	\$ 1,722,359
Deficiency of revenue over expenses for the year	-	-	(53,735)	(53,735)	(101,437)
Net assets, end of year	\$ 8,319	\$ 123,000	\$ 1,435,868	\$ 1,567,187	\$ 1,620,922

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

CHOICES Association Inc.
Statement of Revenue and Expenses

For the year ended March 31	2019	2018
Revenue		
Provincial subsidy	\$ 8,556,644	\$ 8,451,512
Special needs funding	1,115,509	210,478
Ontario disability support program	555,702	570,822
Fee for service	456,113	465,651
Program revenue	87,100	677,227
Federal subsidy	79,286	79,286
Client support funding	-	572
Donations	30,117	-
Interest income	2,238	1,017
	10,882,709	10,456,565
Expenses		
Administration (Note 9)	941,468	894,632
Amortization	100,304	103,602
Employee benefits	1,077,195	1,087,256
Employee salaries	4,573,563	4,622,909
Expense	-	17
Food and supplies	237,476	182,985
Insurance	60,858	56,000
Interest expense	10,375	11,116
Miscellaneous	3,092	4,724
Purchased services	2,351,661	1,800,453
Purchased services - out paid resources	691,054	622,531
Rent	57,875	53,552
Repairs and maintenance	688,334	962,083
Staff training	9,171	35,156
Staff travel	35,966	19,729
Supplies	15,055	2,078
Utilities	80,249	96,431
	10,933,696	10,555,254
Capital reserve allowance	2,748	2,748
	10,936,444	10,558,002
Deficiency of revenue over expenses for the year	\$ (53,735)	\$ (101,437)

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

CHOICES Association Inc.
Schedule 1 - Revenue and Expenses
Day Programs

For the year ended March 31	2019	2018
Revenue		
Provincial subsidy	\$ 959,407	\$ 921,522
Special needs funding	4,113	-
Fee for service	25,041	60,786
	<u>988,561</u>	<u>982,308</u>
Expenses		
Administration (Note 9)	125,090	97,105
Amortization	6,192	6,192
Employee benefits	136,116	168,914
Employee salaries	483,404	512,802
Food and supplies	16,949	23,538
Insurance	14,023	-
Miscellaneous	1,036	235
Purchased services	90,455	75,675
Rent	11,655	13,465
Repairs and maintenance	83,850	36,317
Staff training	673	13,239
Staff travel	2,635	447
Utilities	20,679	28,041
	<u>992,757</u>	<u>975,970</u>
Excess (deficiency) of revenue over expenses	\$ (4,196)	\$ 6,338

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

CHOICES Association Inc.
Schedule 2 - Revenue and Expenses
Family Home Program

For the year ended March 31	2019	2018
Revenue		
Provincial subsidy	\$ 506,906	\$ 466,627
Ontario disability support program	114,662	141,864
	<u>621,568</u>	<u>608,491</u>
Expenses		
Administration (Note 9)	56,089	57,568
Employee benefits	25,424	37,475
Employee salaries	111,164	129,485
Miscellaneous	-	955
Purchased services	168,020	374,178
Repairs and maintenance	71	2,172
Staff training	-	1,116
Staff travel (recovery)	7,109	(126)
Supplies	178	450
	<u>368,055</u>	<u>603,273</u>
Excess of revenue over expenses	\$ 253,513	\$ 5,218

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

**CHOICES Association Inc.
Schedule 3 - Revenue and Expenses
Supported Independent Living Program**

For the year ended March 31	2019	2018
Revenue		
Provincial subsidy	\$ 433,649	\$ 327,025
Expenses		
Administration (Note 9)	62,604	39,553
Employee benefits	65,928	45,845
Employee salaries	179,820	150,493
Food and supplies	1,237	-
Insurance	300	-
Miscellaneous	1,579	73
Purchased services	149,500	63,353
Rent	4,650	4,650
Repairs and maintenance	176	4,650
Staff training	344	1,882
Staff travel	7,109	14,898
Supplies	6,338	1,628
	<u>479,585</u>	<u>327,025</u>
Deficiency of revenue over expenditures	\$ (45,936)	\$ -

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

CHOICES Association Inc.
Schedule 4 - Revenue and Expenses
Group Living Support Program

For the year ended March 31	2019	2018
Revenue		
Provincial subsidy	\$ 6,656,682	\$ 6,736,338
Special needs funding	1,086,399	210,478
Ontario disability support program	441,040	428,958
Client support funding	-	572
	<u>8,184,121</u>	<u>7,376,346</u>
Expenses		
Administration (Note 9)	697,685	700,406
Amortization	18,988	18,988
Employee benefits	832,587	820,231
Employee salaries	3,547,723	3,646,352
Food and supplies	217,838	157,704
Insurance	43,691	56,000
Miscellaneous	459	3,171
Purchased services	1,726,773	1,070,076
Purchased services - out paid resources	691,054	622,531
Rent	26,291	24,600
Repairs and maintenance	481,483	238,046
Staff training	7,888	18,619
Staff travel	15,047	1,916
Supplies	6,892	-
Utilities	52,897	60,730
	<u>8,367,296</u>	<u>7,439,370</u>
Deficiency of revenue over expenses	\$ (183,175)	\$ (63,024)

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

**CHOICES Association Inc.
Schedule 5 - Revenue and Expenses
Inclusion Program**

For the year ended March 31	2019	2018
Revenue		
Fee for service	\$ 431,072	\$ 404,865
Expenses		
Employee benefits	17,140	13,117
Employee salaries	165,492	170,060
Food and supplies	1,324	178
Miscellaneous	18	-
Purchased services	211,400	214,891
Staff training	266	216
Staff travel	4,066	2,447
Supplies	1,122	-
	400,828	400,909
Excess of revenue over expenses	\$ 30,244	\$ 3,956

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

CHOICES Association Inc.
Schedule 6 - Revenue and Expenses
Small Water Works Program

For the year ended March 31	2019	2018
Revenue		
Program revenue	\$ -	\$ 20,000
Expenses		
Employee benefits	-	1,689
Employee salaries	-	13,839
Repairs and maintenance	-	-
Staff training	-	85
Staff travel	-	146
Utilities	-	4,241
	-	20,000
Deficiency of revenue over expenses	\$ -	\$ -

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

CHOICES Association Inc.
Schedule 7 - Revenue and Expenses
Partner Facility Renewal Program

For the year ended March 31	2019	2018
Revenue		
Program revenue	\$ 87,100	\$ 657,227
Expenses		
Repairs and maintenance	<u>65,677</u>	<u>657,227</u>
Excess of revenue over expenses	\$ 21,423	\$ -

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

CHOICES Association Inc.
Schedule 8 - Revenue and Expenses
Other Programs

For the year ended March 31	2019	2018
Revenue		
Special needs funding	\$ 24,997	\$ -
Federal subsidy	79,286	79,286
Donations	30,117	-
Interest income	2,238	1,017
	<u>136,638</u>	<u>80,303</u>
Expenses		
Amortization	75,124	78,421
Employee salaries	85,960	-
Food and supplies	128	1,565
Insurance	2,844	-
Interest expense	10,375	11,116
Miscellaneous	-	171
Purchased services	5,513	2,279
Rent	15,279	10,838
Repairs and maintenance	57,077	23,671
Supplies	525	-
Utilities	6,673	3,419
	<u>259,498</u>	<u>131,480</u>
Capital reserve allowance	<u>2,748</u>	<u>2,748</u>
Deficiency of revenue over expenses	\$ (125,608)	\$ (53,925)

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

CHOICES Association Inc.
Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Deficiency of revenue over expenses for the year	\$ (53,735)	\$ (101,437)
Adjustments to reconcile deficiency of revenue over expenses to net cash provided by operating activities		
Amortization	100,304	103,602
Changes in non-cash working capital balances		
Accounts receivable	6,902	110,987
HST receivable	(7,984)	(39,530)
Prepaid expenses	(22,027)	47,470
Accounts payable and accrued liabilities	67,367	268,162
Ministry of Housing capital reserve	2,748	2,748
	93,575	392,002
Cash flows from investing activity		
Change in cash - restricted	(2,748)	(2,748)
Cash flows from financing activity		
Repayment of long-term debt	(75,124)	(78,298)
Increase in cash during the year	15,703	310,956
Cash, beginning of year	958,005	647,049
Cash, end of year	\$ 973,708	\$ 958,005

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

CHOICES Association Inc.

Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies

Purpose of the Association

CHOICES Association Inc. (the "Association") was incorporated without share capital on June 15, 1981 under the laws of the Province of Ontario and is a registered charity exempt from tax under the *Income Tax Act*.

The Association's mission is to actively pursue a continuum of service that will enhance the quality of life for individuals with developmental disabilities and to promote the worth and self-worth of the individuals they serve.

Basis of Presentation

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the funding agreement of the Ministry of Community and Social Services (the "MCSS"). The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations as follows:

- a) Allocations to the Ministry of Housing (the "MOH") capital reserve fund are made through the statement of revenue and expenses rather than the statement of funds;
- b) Amortization is provided on restricted capital assets in an amount equal to the reduction in the principal balance outstanding on mortgage funds in accordance with the Ministry of Housing guidelines. Similarly, amortization is provided on unrestricted capital assets equal to the reduction in principal balance on the outstanding mortgages;
- c) Major repairs, upgrades, expenditures and replacement of capital assets are either funded as an allocation from the MOH capital reserve fund, or expensed in the year of acquisition.

Capital Assets

Capital assets are stated at cost. Amortization is provided on restricted capital assets in an amount equal to the reduction in the principal balance outstanding on mortgage funds in accordance with the Ministry of Housing guidelines. Vehicles are amortized on a straight-line basis over five years.

Revenue Recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions, including subsidies and special needs funding are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Revenue from unrestricted donations is recognized as donation revenue as it is received and is receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

CHOICES Association Inc. Notes to Financial Statements

March 31, 2019

1. Significant Accounting Policies (Continued)

Revenue Recognition (continued)

Revenue from programs and services are recognized as revenue when the service is provided and if the amount to be received can be reasonably estimated and collection is reasonably assured.

Use of Estimates

The preparation of the financial statements in accordance with the financial reporting provisions established by the MCSS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the period in which they become known. Actual results could differ from management's best estimates as additional information becomes available in the future.

Allocation of Central Administration Expenses

The Association allocates central administration costs to programs in accordance with the MCSS financial policy directive. Central administration expenses (Note 9), which do not pertain specifically to a project, are allocated based on management's best estimate on the service or effort expended, the amount of revenue related to the project and are expected not to exceed 10% of total expenditures.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. Subsequently, all financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Contributed Goods and Services

The Association, from time to time, receives donations of goods. Additionally volunteers contribute extensive time each year to assist the Association in carrying out its activities. Because of the difficulty in determining their fair value, contributed goods and services are not recognized in the financial statements.

CHOICES Association Inc.
Notes to Financial Statements

March 31, 2019

2. Capital Assets

Capital assets (unrestricted):

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land and buildings				
Westfield Residence	\$ 780,420	\$ -	\$ 780,420	\$ -
Silver Court Residence	391,497	309,152	391,497	290,124
Mohawk Residence	745,074	643,311	745,074	622,012
Vehicles	125,898	57,417	125,898	32,238
	\$ 2,042,889	\$ 1,009,880	\$ 2,042,889	\$ 944,374

Capital assets (restricted):

Capital assets acquired through funds provided by the Government of Ontario consist of the following:

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land and buildings				
Orkney Road Residence	\$ 416,741	\$ -	\$ 416,741	\$ -
Harvest Road Residence	473,986	-	473,986	-
Carlisle Residence	462,522	212,358	462,522	194,588
Rockton Residence	554,301	341,766	554,301	324,738
	\$ 1,907,550	\$ 554,124	\$ 1,907,550	\$ 519,326
Total net book		\$ 2,386,435		\$ 2,486,739

The Association operates several group homes, the acquisition of which was funded by the Province of Ontario through its respective Ministries: the MCSS and the MOH. Accordingly, the Province of Ontario has registered its financial interest on title thereby restricting the disposition of these facilities. The Association is required under the Portfolio Operating Agreement, Section 7.1, to obtain written consent prior to the disposition of these residences, to which consent may be withheld. In the event of such disposition, the excess of proceeds less any encumbrances against the respective project would be payable to the Province of Ontario through the respective Ministries. Due to fluctuations in market values and the uncertainty regarding the timing of any disposition, the extent of such liability is not determinable and has not been recorded in the financial statements. During the year, there were no dispositions which would require a liability to be recorded to MCSS or the MOH.

CHOICES Association Inc.
Notes to Financial Statements

March 31, 2019

3. Ministry of Housing Capital Reserve

The Ministry of Housing Capital Reserve Fund has been established to provide for the future major expenditures of the residences. The Association increases this reserve each year by \$2,748.

4. Long-term Debt

	2019	2018
Mortgage - \$3,764 monthly payments of principal and interest at 2.16% semi-annually, secured by Carlisle and Rockton Residences, maturing November 2019	\$ 462,699	\$ 497,496
Mortgage - \$2,071 monthly payments of principal and interest, at 4.3%, annually, secured by Silver Court Residence, maturing February 2022	82,345	101,373
Mortgage - \$2,562 monthly payments of principal and interest at 4.3% annually, secured by Mohawk Residence, maturing January 2022	101,763	123,062
	646,807	721,931
Less: Current portion	509,287	81,672
	\$ 137,520	\$ 640,259

Principal repayments for the next three years are as follows:

2020	\$	509,287
2021		51,076
2022		86,444
	\$	646,807

5. Internally Restricted Reserve Fund

On April 24, 2012, the Board of Directors resolved to create an Internally Restricted Reserve Fund with proceeds from the sale of the Hildegard residence. Funds in the amount of \$123,000 are restricted for use for future real estate purchases or as directed by the Board of Directors.

CHOICES Association Inc. Notes to Financial Statements

March 31, 2019

6. CHOICES Foundation Inc.

The Association and CHOICES Foundation Inc. (the "Foundation"), have a common objective of providing services to enhance the quality of life on individuals with development disabilities. The Foundation was established to pursue fundraising activities, generally in the name of the Association, and to help the Association meet its organizational objects. As a result, the Association exercises significant influence over the Foundation. The Foundation was incorporated without share capital under the laws of the Province of Ontario and is a registered charity exempt from tax under the *Income Tax Act*.

During the year, the Association used vehicles and buildings that are owned by the Foundation in their operations of the Group Living Support Program. These transactions were a non-monetary, non-reciprocal transfer.

Amounts due to the Foundation, which are included in accounts payable are \$52,328 at March 31, 2019 (2018 - \$76,892) are non-interesting bearing, unsecured and due on demand.

7. Contingencies

There are certain legal claims outstanding that have arisen in the normal course of business. Due to the nature of these claims and the inability to estimate the outcome, no amounts have been recorded in these financial statements.

8. Financial Instrument Risks

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Association is subject to credit risk through its accounts receivable. This risk has not changed from the prior year.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the fair value of its long-term debt. This risk has not changed from the prior year.

Liquidity Risk

Liquidity risk is the risk that the Association encounters difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from the Association's accounts payable and accrued liabilities, contingencies and long-term debt. This risk has not changed from the prior year.

CHOICES Association Inc.
Notes to Financial Statements

March 31, 2019

9. Administrative Expenses

The Association's administrative expenses are allocated based on project costs, which are based on management's best estimate on the service or effort expended, as follows:

	<u>2019</u>	<u>2018</u>
Expenses		
Employee salaries	\$ 480,442	\$ 412,366
Employee benefits	110,695	115,570
Insurance	4,235	7,262
Miscellaneous	1,643	10,211
Purchased services	188,502	135,055
Rent	63,926	64,699
Repairs and maintenance	14,657	20,473
Staff training	36,697	60,289
Staff travel	1,745	5,925
Supplies	29,459	51,990
Utilities	9,467	10,792
	<u>\$ 941,468</u>	<u>\$ 894,632</u>
 Allocation to programs		
Day Programs	\$ 125,090	\$ 97,105
Family Home Program	56,089	57,568
Supported Independent Living Program	62,604	39,553
Group Living Support Program	697,685	700,406
	<u>\$ 941,468</u>	<u>\$ 894,632</u>

10. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.