

**BARRIER FREE LIVING HOLDING, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2014 AND 2013**

BARRIER FREE LIVING HOLDING, INC.  
AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
Barrier Free Living Holding, Inc.  
and Subsidiaries

**Report on the Financial Statements**

We have audited the accompanying consolidated statement of financial position of Barrier Free Living Holding, Inc. and Subsidiaries at June 30, 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Barrier Free Living Holding, Inc. and Subsidiaries at June 30, 2014, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Prior Year Financial Statements

The 2013 consolidated financial statements and supplementary information of Barrier Free Living Holding, Inc. and Subsidiaries have been audited by other auditors whose report dated November 4, 2013, expressed an unmodified opinion on those audited consolidated financial statements and supplementary information.

## Other Matters

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2014 supplementary consolidating statement of financial position, consolidating statement of activities, and consolidating statement of functional expenses, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### Emphasis of Matter

As discussed in Note 2 to the consolidated financial statements, in prior years the Organization improperly amortized the note payable and as a result, the Organization has restated its consolidated financial statements at June 30, 2012. Our opinion is not modified with respect to that matter.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

Jericho, New York  
March 20, 2015

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013

	<u>ASSETS</u>	
	<u>2014</u>	<u>2013</u> (Restated)
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,500,136	\$ 1,632,724
Contracts and grants receivable	626,039	709,501
Prepaid expenses	25,198	42,739
Other assets	<u>24,278</u>	<u>500</u>
Total Current Assets	<u>2,175,651</u>	<u>2,385,464</u>
<b>DEFERRED CHARGE</b>	<u>3,244,643</u>	<u>2,911,602</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>5,367,534</u>	<u>5,648,841</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,787,828</u>	<u>\$ 10,945,907</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 144,854	\$ 135,185
Accrued salary and vacation payable	311,829	391,806
Advances from government agencies	<u>135,266</u>	<u>270,074</u>
Total Current Liabilities	591,949	797,065
<b>NOTES PAYABLE</b>	<u>8,326,039</u>	<u>8,326,039</u>
Total Liabilities	<u>8,917,988</u>	<u>9,123,104</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted - board designated	881,968	813,940
Unrestricted	<u>987,872</u>	<u>1,008,863</u>
Total Net Assets	<u>1,869,840</u>	<u>1,822,803</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 10,787,828</u>	<u>\$ 10,945,907</u>

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

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES:		
Government contracts and grants	\$ 5,418,060	\$ 5,365,311
In-kind contributions	944,884	941,988
Contributions	14,625	41,449
Rental income	-	1,832
Residence fees	12,571	24,587
Interest	2,465	4,425
Miscellaneous	<u>46,530</u>	<u>53,587</u>
 Total Revenues	 <u>6,439,135</u>	 <u>6,433,179</u>
EXPENSES:		
Program services	5,626,884	5,407,908
Management and general	<u>765,214</u>	<u>885,972</u>
 Total Expenses	 <u>6,392,098</u>	 <u>6,293,880</u>
 CHANGE IN NET ASSETS	 47,037	 139,299
 NET ASSETS, BEGINNING OF YEAR (RESTATED)	 <u>1,822,803</u>	 <u>1,683,504</u>
 NET ASSETS, END OF YEAR	 <u>\$ 1,869,840</u>	 <u>\$ 1,822,803</u>

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

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014			2013		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries and wages	\$ 2,516,138	\$ 456,546	\$ 2,972,684	\$ 2,374,509	\$ 539,395	\$ 2,913,904
Employee benefits	410,230	101,022	511,252	333,666	116,065	449,731
Payroll taxes	342,592	39,549	382,141	304,608	33,848	338,456
In-kind contributions: home care services, social work, occupational therapy, food and supplies	944,885	-	944,885	941,988	-	941,988
Consultants and professional fees	276,553	75,959	352,512	230,039	52,398	282,437
Depreciation and amortization	298,785	-	298,785	408,741	41,130	449,871
Repairs and maintenance	215,326	4,283	219,609	184,560	11,857	196,417
Office supplies	127,122	32,094	159,216	92,833	16,647	109,480
Utilities	153,892	-	153,892	147,030	-	147,030
Rent	-	-	-	23,536	-	23,536
Insurance	115,163	24,153	139,316	114,413	24,153	138,566
Program supplies	51,115	-	51,115	65,241	-	65,241
Telephone	47,943	7,393	55,336	53,712	8,348	62,060
Food	55,415	-	55,415	29,768	15,655	45,423
Transportation	36,827	7,238	44,065	29,397	2,457	31,854
Residents'/children's activities	20,052	-	20,052	40,868	-	40,868
Miscellaneous	2,275	16,451	18,726	2,213	16,641	18,854
Residence expenses	12,571	-	12,571	24,586	-	24,586
Proposal writing	-	-	-	-	7,275	7,275
FPWA Hurricane Sandy expenses	-	-	-	6,200	-	6,200
Bank charges and fees	-	526	526	-	103	103
<b>Total Expenses</b>	<b><u>\$ 5,626,884</u></b>	<b><u>\$ 765,214</u></b>	<b><u>\$ 6,392,098</u></b>	<b><u>\$ 5,407,908</u></b>	<b><u>\$ 885,972</u></b>	<b><u>\$ 6,293,880</u></b>

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

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 47,037	\$ 139,299
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	298,785	449,871
Deferred charge	(333,041)	(459,356)
Changes in assets (increase) decrease:		
Contracts and grants receivable	83,462	(32,401)
Other accounts receivable	-	740
Prepaid expenses	17,541	(433)
Other assets	(23,778)	-
Changes in liabilities increase (decrease):		
Accounts payable and accrued expenses	9,669	22,348
Accrued salary and vacation payable	(79,977)	99,310
Advances from government agencies	<u>(134,808)</u>	<u>267,598</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(115,110)</u>	<u>486,976</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(17,478)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(17,478)</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(132,588)	486,976
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,632,724</u>	<u>1,145,748</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,500,136</u>	<u>\$ 1,632,724</u>

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



BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Note 1 - Nature of Organization

The accompanying consolidated financial statements reflect the activities of Barrier Free Living Holding, Inc. and its subsidiaries, Barrier Free Living, Inc., Freedom House for People with Disabilities, Inc., The New York Center for the Disabled Housing Development Fund Company, and Freedom House Housing Development Fund Company, Inc. (collectively referred to as the "Organization").

Barrier Free Living, Inc. is a nonprofit agency dedicated to helping people with disabilities live independently and securely in the community. Barrier Free Living, Inc. provides a comprehensive range of case management and counseling services to homeless disabled adults and to domestic violence survivors with disabilities that enable them to overcome the systemic barriers to independent living.

Freedom House for People with Disabilities, Inc. is a nonprofit agency dedicated to providing fully accessible emergency shelter and social services to domestic violence survivors with disabilities and their children, with every part of the shelter constructed to accommodate individuals who are mobility impaired, deaf or hard of hearing, blind or visually impaired.

The New York Center for the Disabled Housing Development Fund Company is a nonprofit agency which owns the building where Barrier Free Living, Inc. operates a transitional housing facility for homeless, physically disabled adults.

Freedom House Housing Development Fund Company, Inc. is a nonprofit agency which owns the building that serves as a fully accessible emergency shelter for domestic violence survivors with disabilities and their children.

The following program and supporting services of the Organization are included in the accompanying financial statements:

Residential Services

Provides transitional housing and case management to disabled homeless adults and provides emergency shelter and case management to domestic violence survivors with disabilities and their children.

Outreach

Provides information/referrals and case management to homeless, physically disabled adults with co-existing mental health or substance abuse conditions, in order to assist in achieving integration or reintegration within the community through successful treatment program participation, enhanced independent living skills, and permanent housing placements.

Domestic Violence

Provides nonresidential services to domestic violence survivors with disabilities, offering case management, safety planning, occupational therapy, short and long-term counseling, housing assistance, advocacy within the medical, mental health, child welfare, law and criminal justice systems, and operation of a domestic violence crisis hotline.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Note 1 - Nature of Organization (cont'd.)

Administration

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

The Organization receives substantial support from the New York City Department of Homeless Services and the New York City Human Resources Administration. The Organization is obligated under the terms of contracts to comply with specified conditions and program requirements set forth by the grantor.

Note 2 - Summary of Significant Accounting Policies

Principles of Consolidation

All intercompany transactions and balances have been eliminated in these consolidated financial statements.

Basis of Accounting

The accompanying consolidated financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Fair Value of Financial Instruments (cont'd.)

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

At June 30, 2014 and 2013, the fair value of the Organization's financial instruments including cash and cash equivalents, contracts and grants receivable, accounts payable and accrued expenses, and accrued salary and vacation payable approximated book value due to the short maturity of these instruments.

At June 30, 2014 and 2013, the Organization does not have assets or liabilities required to be measured at fair value in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements*.

Cash and Cash Equivalents

Cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

Property and Equipment

Property and equipment is recorded at cost. Depreciation and amortization of property and equipment is recorded on a straight-line basis over the estimated useful lives of the assets, which range from 5 to 30 years. Leasehold improvements are amortized on a straight-line basis over the estimated useful life of the improvement or the term of the lease, whichever is less.

Receivables, Advances and Revenue

The Organization records receivables and revenue when earned based on established rates multiplied by the number of units of service provided. Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, the Organization defers the amounts as advances from government agencies.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 JUNE 30, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Allowance for Doubtful Accounts

The allowance for doubtful accounts estimate is based on management's assessment of the creditworthiness of its funders, the aged basis of its receivables, as well as current economic conditions and historical information. Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year-end. Interest income is not accrued or recorded on accounts receivable. The Organization has determined that an allowance for doubtful accounts for receivables was not necessary at June 30, 2014 and 2013.

Deferred Charges/Restatement

Deferred charges arise based on the difference between revenue recognized and the expenses reimbursed from the New York State Homeless Housing and Assistance Corporation and the Department of Housing Preservation and Development for the property relating to the Freedom House Housing Development Fund Company, Inc. Depreciation is currently recognized annually while reimbursement will not be recognized until future periods. The difference is reflected as a deferred charge on the balance sheet. The deferred charge is a timing difference, which will accumulate in earlier years and be reversed during later periods. The nature of the restatement was the result of improper amortization of the note payable in prior years. On June 30, 2012, the financial statements have been restated to reflect an increase in notes payable of \$1,998,249, an increase in unrestricted net assets of \$580,311 and the creation of a deferred charge of \$2,578,560. The impact of these restatements on opening net assets is as follows:

	<u>Opening balances</u>	<u>Adjustments</u>	<u>Ending balances</u>	<u>Effect on net assets</u>
Deferred charge	\$ -	\$ 2,578,560	\$ 2,578,560	\$ 2,578,560
Notes payable	6,327,790	1,998,249	8,326,039	(1,998,249)
Net assets	1,103,193	580,311	1,683,504	(580,311)

Net Assets

Unrestricted net assets of the Organization which have not been restricted by an outside donor or by law are therefore available for use in carrying out the operations of the Organization.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions and government contract revenues received and expended in the same fiscal year are reflected as unrestricted revenues.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including fixed assets and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. At June 30, 2014 and 2013, there have been no such losses.

Donated Services

For the years ended June 30, 2014 and 2013, revenues and expenses reflect \$621,556 and \$655,571, respectively, of donated home health services provided to the Organization's homeless disabled adults residing at the transitional housing facility. The licensed home care agency provides personal care attendants to serve the residents' home care needs. The care attendants are managed by on-site supervisors from the home care agency.

For the years ended June 30, 2014 and 2013, revenues and expenses reflect \$301,025 and \$274,535, respectively, of donated services provided by various social workers and occupational therapists, whose services include providing individual and group counseling, crisis intervention, full cognitive and mental status evaluations, and many other valuable services.

For the years ended June 30, 2014 and 2013, revenues and expenses reflect \$22,304 and \$11,882, respectively, of donated food and supplies provided by various sources.

A number of volunteers have donated significant amounts of their time to the Organization's program and supporting services. However, since these services do not meet the criteria for recognition under U.S. generally accepted accounting principles, they are not reflected in the accompanying consolidated financial statements.

Functional Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Accounting for Uncertainty in Income Taxes

The Organization has adopted the provisions pertaining to uncertain tax provisions (FASB ASC Topic 740) and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2011.

Income Taxes

The component corporations of the Organization were incorporated as not-for-profit corporations under the laws of the State of New York and are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable New York State tax laws.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation. These reclassifications have no effect on the change in net assets previously reported.

Note 3 - Concentration of Credit Risk

The Organization maintains cash balances in several financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, the Organization's balances may exceed these limits.

Note 4 - Property and Equipment

Property and equipment, net, consists of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Land	\$ 292,500	\$ 292,500
Buildings and improvements	11,108,110	11,090,632
Furniture and equipment	284,649	284,649
Leasehold improvements	<u>31,091</u>	<u>31,091</u>
	11,716,350	11,698,872
Less: Accumulated depreciation and amortization	<u>6,348,816</u>	<u>6,050,031</u>
	<u>\$ 5,367,534</u>	<u>\$ 5,648,841</u>

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Note 5 - Loan Payable

On June 2, 1988, the Organization obtained land and a building in Manhattan from the City of New York (the "City") for \$1. Concurrent with the receipt of the land and building, the Organization incurred a 25-year mortgage loan, secured by the land and building, in the original amount of \$3,157,853. The loan was completely forgiven as of June 30, 2013, as the Organization complied with the terms and conditions of the loan agreement.

Note 6 - Notes Payable

Freedom House Housing Development Fund Company, Inc. has a grant enforcement note with the New York State Homeless Housing and Assistance Corporation and the Department of Housing Preservation and Development. The note is secured by a mortgage on the building, building improvements and all other property items related to the facility constructed with the proceeds of an original loan in the amount of \$8,326,039. The note will be deemed of no further force and effect on October 8, 2031, and Freedom House Housing Development Fund Company, Inc. will automatically be discharged from this obligation, provided it complies with the terms and conditions of the note agreement.

Note 7 - Pension Plan

The Organization has a defined contribution pension plan covering all employees with one full year of service with at least 1,000 hours. The Organization contributed 2% of an employee's gross pay each period. In addition, the Organization matches the first 3% of the employees' contribution. For the years ended June 30, 2014 and 2013, pension expense amounted to \$108,090 and \$105,464, respectively.

Note 8 - Functional Expenses

	<u>2014</u>	<u>2013</u>
Residential services	\$ 2,541,692	\$ 2,513,669
Outreach	86,380	77,055
Domestic violence	<u>2,998,812</u>	<u>2,817,184</u>
Total program expenses	5,626,884	5,407,908
Management and general	<u>765,214</u>	<u>885,972</u>
Total expenses	<u><u>\$ 6,392,098</u></u>	<u><u>\$ 6,293,880</u></u>

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

Note 9 - Commitments and Contingencies

The Organization has contracted with various funding agencies to perform certain counseling services. Reimbursements received under these contracts are subject to audit by federal and state governments and other agencies. Upon audit, if discrepancies are discovered, the Organization could be held responsible for refunding the amounts in question.

On April 29, 2011, the Organization entered into a Supportive Housing Agreement (“SHA”) with Alembic Development Company, LLC (“ADC”), the purpose of which is to construct two supportive housing projects of approximately 50 and 72 unit sizes located in New York City. As of November 9, 2011, a limited liability corporation has been formed for the SHA, named BFL/ADC LLC; however, as of June 30, 2014, operations have yet to commence.

Note 10 - Subsequent Events

The Organization has evaluated all events or transactions that occurred after June 30, 2014 through the date of these consolidated financial statements, which is the date that the consolidated financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.



SUPPLEMENTARY INFORMATION

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2014

ASSETS

	Barrier Free Living Holding, Inc.	Barrier Free Living, Inc.	The New York Center for the Disabled Housing Development Company	Freedom House Housing Development Fund Company, Inc.	Freedom House for People with Disabilities, Inc.	Eliminations	Consolidated
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	\$ -	\$ 617,483	\$ 73,040	\$ 542,350	\$ 267,263	\$ -	\$ 1,500,136
Contracts and grants receivable	-	119,796	-	-	506,243	-	626,039
Prepaid expenses	-	25,198	-	-	-	-	25,198
Intercompany receivable/payable	-	435,343	-	908,044	70,842	(1,414,229)	-
Other assets	-	22,769	-	-	1,509	-	24,278
<b>Total Current Assets</b>	<b>-</b>	<b>1,220,589</b>	<b>73,040</b>	<b>1,450,394</b>	<b>845,857</b>	<b>(1,414,229)</b>	<b>2,175,651</b>
<b>DEFERRED CHARGE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,244,643</b>	<b>-</b>	<b>-</b>	<b>3,244,643</b>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>-</b>	<b>-</b>	<b>293,971</b>	<b>5,073,563</b>	<b>-</b>	<b>-</b>	<b>5,367,534</b>
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 1,220,589</b>	<b>\$ 367,011</b>	<b>\$ 9,768,600</b>	<b>\$ 845,857</b>	<b>\$ (1,414,229)</b>	<b>\$ 10,787,828</b>
<u>LIABILITIES AND NET ASSETS (DEFICIT)</u>							
<b>CURRENT LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ -	\$ 128,146	\$ -	\$ 5,210	\$ 11,498.00	\$ -	\$ 144,854
Accrued salary and vacation payable	-	198,440	-	-	113,389	-	311,829
Advances from government agencies	-	131,398	-	-	3,868	-	135,266
Intercompany receivable/payable	-	-	-	70,842	1,343,387	(1,414,229)	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>457,984</b>	<b>-</b>	<b>76,052</b>	<b>1,472,142</b>	<b>(1,414,229)</b>	<b>591,949</b>
<b>NOTES PAYABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,326,039</b>	<b>-</b>	<b>-</b>	<b>8,326,039</b>
<b>Total Liabilities</b>	<b>-</b>	<b>457,984</b>	<b>-</b>	<b>8,402,091</b>	<b>1,472,142</b>	<b>(1,414,229)</b>	<b>8,917,988</b>
<b>COMMITMENTS AND CONTINGENCIES</b>							
<b>NET ASSETS (DEFICIT):</b>							
Unrestricted - board designated	-	-	367,011	514,957	-	-	881,968
Unrestricted	-	762,605	-	851,552	(626,285)	-	987,872
<b>Total Net Assets (Deficit)</b>	<b>-</b>	<b>762,605</b>	<b>367,011</b>	<b>1,366,509</b>	<b>(626,285)</b>	<b>-</b>	<b>1,869,840</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 1,220,589</b>	<b>\$ 367,011</b>	<b>\$ 9,768,600</b>	<b>\$ 845,857</b>	<b>\$ (1,414,229)</b>	<b>\$ 10,787,828</b>

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BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
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ASSETS

	Barrier Free Living Holding, Inc.	Barrier Free Living, Inc.	The New York Center for the Disabled Housing Development Company	Freedom House Housing Development Fund Company, Inc.	Freedom House for People with Disabilities, Inc.	Eliminations	Consolidated (Restated)
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	\$ -	\$ 691,819	\$ 38,848	\$ 538,671	\$ 363,386	\$ -	\$ 1,632,724
Contracts and grants receivable	-	263,479	-	-	446,022	-	709,501
Prepaid expenses	-	42,739	-	-	-	-	42,739
Intercompany receivable/payable	-	464,806	12,999	908,044	-	(1,385,849)	-
Other assets	-	-	-	-	500	-	500
<b>Total Current Assets</b>	<b>-</b>	<b>1,462,843</b>	<b>51,847</b>	<b>1,446,715</b>	<b>809,908</b>	<b>(1,385,849)</b>	<b>2,385,464</b>
<b>DEFERRED CHARGE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,911,602</b>	<b>-</b>	<b>-</b>	<b>2,911,602</b>
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>-</b>	<b>-</b>	<b>293,970</b>	<b>5,354,871</b>	<b>-</b>	<b>-</b>	<b>5,648,841</b>
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 1,462,843</b>	<b>\$ 345,817</b>	<b>\$ 9,713,188</b>	<b>\$ 809,908</b>	<b>\$ (1,385,849)</b>	<b>\$ 10,945,907</b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>							
<b>CURRENT LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ -	\$ 126,155	\$ 2,000	\$ -	\$ 7,030	\$ -	\$ 135,185
Accrued salary and vacation payable	-	290,352	-	-	101,454	-	391,806
Advances from government agencies	-	225,241	44,833	-	-	-	270,074
Intercompany receivable/payable	-	-	-	58,140	1,327,709	(1,385,849)	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>641,748</b>	<b>46,833</b>	<b>58,140</b>	<b>1,436,193</b>	<b>(1,385,849)</b>	<b>797,065</b>
<b>NOTES PAYABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,326,039</b>	<b>-</b>	<b>-</b>	<b>8,326,039</b>
<b>Total Liabilities</b>	<b>-</b>	<b>641,748</b>	<b>46,833</b>	<b>8,384,179</b>	<b>1,436,193</b>	<b>(1,385,849)</b>	<b>9,123,104</b>
<b>COMMITMENTS AND CONTINGENCIES</b>							
<b>NET ASSETS (DEFICIT):</b>							
Unrestricted - board designated	-	-	298,984	514,956	-	-	813,940
Unrestricted	-	821,095	-	814,053	(626,285)	-	1,008,863
<b>Total Net Assets (Deficit)</b>	<b>-</b>	<b>821,095</b>	<b>298,984</b>	<b>1,329,009</b>	<b>(626,285)</b>	<b>-</b>	<b>1,822,803</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 1,462,843</b>	<b>\$ 345,817</b>	<b>\$ 9,713,188</b>	<b>\$ 809,908</b>	<b>\$ (1,385,849)</b>	<b>\$ 10,945,907</b>

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BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
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CONSOLIDATING STATEMENT OF ACTIVITIES  
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	Barrier Free Living Holding, Inc.	Barrier Free Living, Inc.	The New York Center for the Disabled Housing Development Company	Freedom House Housing Development Fund Company, Inc.	Freedom House for People with Disabilities, Inc.	Eliminations	Consolidated
<b>REVENUES:</b>							
Government contracts and grants	\$ -	\$ 2,029,711	\$ -	\$ 333,042	\$ 3,055,307	\$ -	\$ 5,418,060
In-kind contributions	-	811,415	-	-	133,469	-	944,884
Contributions	-	11,888	-	-	2,737	-	14,625
Management fee	-	725,384	-	-	-	(725,384)	-
Rental income	-	-	23,536	52,653	70,843	(147,032)	-
Residence fees	-	5,218	-	-	7,353	-	12,571
Interest	-	802	75	1,013	575	-	2,465
Miscellaneous	-	625	44,833	-	1,072	-	46,530
	<u>-</u>	<u>3,585,043</u>	<u>68,444</u>	<u>386,708</u>	<u>3,271,356</u>	<u>(872,416)</u>	<u>6,439,135</u>
<b>EXPENSES:</b>							
Program services	-	2,878,402	417	349,188	2,545,909	(147,032)	5,626,884
Management and general	-	765,131	-	20	725,447	(725,384)	765,214
	<u>-</u>	<u>3,643,533</u>	<u>417</u>	<u>349,208</u>	<u>3,271,356</u>	<u>(872,416)</u>	<u>6,392,098</u>
CHANGE IN NET ASSETS	-	(58,490)	68,027	37,500	-	-	47,037
NET ASSETS (DEFICIT), BEGINNING OF YEAR	<u>-</u>	<u>821,095</u>	<u>298,984</u>	<u>1,329,009</u>	<u>(626,285)</u>	<u>-</u>	<u>1,822,803</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ -</u>	<u>\$ 762,605</u>	<u>\$ 367,011</u>	<u>\$ 1,366,509</u>	<u>\$ (626,285)</u>	<u>\$ -</u>	<u>\$ 1,869,840</u>

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	Barrier Free Living Holding, Inc.	Barrier Free Living, Inc.	The New York Center for the Disabled Housing Development Company	Freedom House Housing Development Fund Company, Inc.	Freedom House for People with Disabilities, Inc.	Eliminations	Consolidated
<b>REVENUES:</b>							
Government contracts and grants	\$ -	\$ 2,045,138	\$ 126,314	\$ 333,042	\$ 2,860,817	\$ -	\$ 5,365,311
In-kind contributions	-	830,618	-	-	111,370	-	941,988
Contributions	-	36,419	-	-	5,030	-	41,449
Management fee	-	712,467	-	-	-	(712,467)	-
Rental income	-	-	31,381	123,496	-	(153,045)	1,832
Residence fees	-	12,534	-	-	12,053	-	24,587
Interest	-	1,358	110	1,693	1,264	-	4,425
Miscellaneous	-	16,608	101	-	36,878	-	53,587
<b>Total Revenues</b>	<b>-</b>	<b>3,655,142</b>	<b>157,906</b>	<b>458,231</b>	<b>3,027,412</b>	<b>(865,512)</b>	<b>6,433,179</b>
<b>EXPENSES:</b>							
Program services	-	2,781,016	137,781	327,212	2,314,944	(153,045)	5,407,908
Management and general	-	844,817	41,130	25	712,467	(712,467)	885,972
<b>Total Expenses</b>	<b>-</b>	<b>3,625,833</b>	<b>178,911</b>	<b>327,237</b>	<b>3,027,411</b>	<b>(865,512)</b>	<b>6,293,880</b>
<b>CHANGE IN NET ASSETS</b>	<b>-</b>	<b>29,309</b>	<b>(21,005)</b>	<b>130,994</b>	<b>1</b>	<b>-</b>	<b>139,299</b>
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR (RESTATED)</b>	<b>-</b>	<b>791,786</b>	<b>319,989</b>	<b>1,198,015</b>	<b>(626,286)</b>	<b>-</b>	<b>1,683,504</b>
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ -</b>	<b>\$ 821,095</b>	<b>\$ 298,984</b>	<b>\$ 1,329,009</b>	<b>\$ (626,285)</b>	<b>\$ -</b>	<b>\$ 1,822,803</b>

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BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
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	Barrier Free Living, Inc. and The New York Center for the Disabled Housing Development Company			Freedom House Housing Development Fund Company, Inc.			Freedom House for People with Disabilities, Inc.			Eliminations	Consolidated
	Program Services	Management and General	Total	Program Services	Management and General	Total	Program Services	Management and General	Total		
Salaries and wages	\$ 1,220,472	\$ 456,546	\$ 1,677,018	\$ -	\$ -	\$ -	\$ 1,295,666	\$ 725,384	\$ 2,021,050	\$ (725,384)	\$ 2,972,684
Employee benefits	219,112	101,022	320,134	-	-	-	191,118	-	191,118	-	511,252
Payroll taxes	167,341	39,549	206,890	-	-	-	175,251	-	175,251	-	382,141
In-kind contributions: home care services, social work, occupational therapy, food and supplies	811,415	-	811,415	-	-	-	133,470	-	133,470	-	944,885
Consultants and professional fees	148,823	75,959	224,782	-	-	-	127,730	-	127,730	-	352,512
Depreciation and amortization	-	-	-	298,785	-	298,785	-	-	-	-	298,785
Repairs and maintenance	88,574	4,283	92,857	50,278	-	50,278	76,474	-	76,474	-	219,609
Office supplies	66,545	32,094	98,639	-	-	-	60,577	-	60,577	-	159,216
Utilities	-	-	-	-	-	-	153,892	-	153,892	-	153,892
Rent	23,536	-	23,536	-	-	-	123,496	-	123,496	(147,032)	-
Insurance	41,232	24,153	65,385	-	-	-	73,931	-	73,931	-	139,316
Program supplies	13,576	-	13,576	-	-	-	37,539	-	37,539	-	51,115
Telephone	19,185	7,393	26,578	-	-	-	28,758	-	28,758	-	55,336
Food	43,092	-	43,092	-	-	-	12,323	-	12,323	-	55,415
Transportation	10,290	7,238	17,528	-	-	-	26,537	-	26,537	-	44,065
Residents'/children's activities	-	-	-	-	-	-	20,052	-	20,052	-	20,052
Miscellaneous	408	16,451	16,859	125	-	125	1,742	-	1,742	-	18,726
Residence expenses	5,218	-	5,218	-	-	-	7,353	-	7,353	-	12,571
Bank charges and fees	-	443	443	-	20	20	-	63	63	-	526
<b>Total Expenses</b>	<b>\$ 2,878,819</b>	<b>\$ 765,131</b>	<b>\$ 3,643,950</b>	<b>\$ 349,188</b>	<b>\$ 20</b>	<b>\$ 349,208</b>	<b>\$ 2,545,909</b>	<b>\$ 725,447</b>	<b>\$ 3,271,356</b>	<b>\$ (872,416)</b>	<b>\$ 6,392,098</b>

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BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES  
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	Barrier Free Living, Inc. and The New York Center for the Disabled Housing Development Company			Freedom House Housing Development Fund Company, Inc.			Freedom House for People with Disabilities, Inc.			Eliminations	Consolidated
	Program Services	Management and General	Total	Program Services	Management and General	Total	Program Services	Management and General	Total		
Salaries and wages	\$ 1,170,555	\$ 539,395	\$ 1,709,950	\$ -	\$ -	\$ -	\$ 1,203,954	\$ 712,467	\$ 1,916,421	\$ (712,467)	\$ 2,913,904
Employee benefits	178,074	116,065	294,139	-	-	-	155,592	-	155,592	-	449,731
Payroll taxes	150,717	33,848	184,565	-	-	-	153,891	-	153,891	-	338,456
In-kind contributions: home care services, social work, occupational therapy, food and supplies	830,618	-	830,618	-	-	-	111,370	-	111,370	-	941,988
Consultants and professional fees	137,620	52,398	190,018	-	-	-	92,419	-	92,419	-	282,437
Depreciation and amortization	111,203	41,130	152,333	297,538	-	297,538	-	-	-	-	449,871
Repairs and maintenance	119,836	11,857	131,693	-	-	-	64,724	-	64,724	-	196,417
Office supplies	31,587	16,647	48,234	-	-	-	61,246	-	61,246	-	109,480
Utilities	-	-	-	-	-	-	147,030	-	147,030	-	147,030
Rent	23,536	-	23,536	29,549	-	29,549	123,496	-	123,496	(153,045)	23,536
Insurance	41,232	24,153	65,385	-	-	-	73,181	-	73,181	-	138,566
Program supplies	31,994	-	31,994	-	-	-	33,247	-	33,247	-	65,241
Telephone	26,242	8,348	34,590	-	-	-	27,470	-	27,470	-	62,060
Food	29,768	15,655	45,423	-	-	-	-	-	-	-	45,423
Transportation	12,917	2,457	15,374	-	-	-	16,480	-	16,480	-	31,854
Residence expense	12,534	-	12,534	-	-	-	12,052	-	12,052	-	24,586
Residents'/children's activities	4,022	-	4,022	-	-	-	36,846	-	36,846	-	40,868
Miscellaneous	142	16,641	16,783	125	-	125	1,946	-	1,946	-	18,854
Proposal writing	-	7,275	7,275	-	-	-	-	-	-	-	7,275
FPWA Hurricane Sandy expenses	6,200	-	6,200	-	-	-	-	-	-	-	6,200
Bank charges and fees	-	78	78	-	25	25	-	-	-	-	103
<b>Total Expenses</b>	<b>\$ 2,918,797</b>	<b>\$ 885,947</b>	<b>\$ 3,804,744</b>	<b>\$ 327,212</b>	<b>\$ 25</b>	<b>\$ 327,237</b>	<b>\$ 2,314,944</b>	<b>\$ 712,467</b>	<b>\$ 3,027,411</b>	<b>\$ (865,512)</b>	<b>\$ 6,293,880</b>

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