

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

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

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 financial statements of Barrier Free Living Holding, Inc. and Subsidiaries, which comprise the statements of financial position at June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2019 and 2018 consolidating statements of financial position, consolidating statements of activities, and consolidating statements 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 audits 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, Barrier Free Living Holding, Inc. and Subsidiaries adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. Our opinion is not modified with respect to this matter.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
November 26, 2019

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,068,407	\$ 1,791,208
Contracts and grants receivable	2,243,130	2,591,253
Prepaid expenses	220,737	198,225
Other current assets	<u>29,632</u>	<u>30,627</u>
Total Current Assets	<u>3,561,906</u>	<u>4,611,313</u>
DEFERRED CHARGE	<u>4,732,339</u>	<u>4,434,799</u>
PROPERTY AND EQUIPMENT, NET	<u>4,791,694</u>	<u>4,242,628</u>
TOTAL ASSETS	<u>\$ 13,085,939</u>	<u>\$ 13,288,740</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 352,748	\$ 280,174
Accrued salary and vacation payable	467,225	438,036
Advances from government agencies	<u>107,247</u>	<u>324,795</u>
Total Current Liabilities	927,220	1,043,005
NON-CURRENT LIABILITIES:		
Loan payable	120,000	80,000
Note payable	<u>8,326,039</u>	<u>8,326,039</u>
Total Liabilities	<u>9,373,259</u>	<u>9,449,044</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions - operating	3,186,732	2,692,774
Without donor restrictions - board designated	<u>483,682</u>	<u>1,048,000</u>
Total without donor restrictions	<u>3,670,414</u>	<u>3,740,774</u>
With donor restrictions - purpose restricted	<u>42,266</u>	<u>98,922</u>
Total Net Assets	<u>3,712,680</u>	<u>3,839,696</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 13,085,939</u>	<u>\$ 13,288,740</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, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Government contracts and grants	\$ 7,290,102	\$ -	\$ 7,290,102	\$ 8,285,631	\$ -	\$ 8,285,631
In-kind contributions	532,857	-	532,857	813,088	-	813,088
Program service fees	36,300	-	36,300	36,300	-	36,300
Contributions	115,435	22,054	137,489	104,936	83,320	188,256
Interest	1,216	-	1,216	3,043	-	3,043
Miscellaneous	17,188	-	17,188	9,381	-	9,381
Net assets released from restrictions	78,710	(78,710)	-	34,398	(34,398)	-
 Total Revenues	 <u>8,071,808</u>	 <u>(56,656)</u>	 <u>8,015,152</u>	 <u>9,286,777</u>	 <u>48,922</u>	 <u>9,335,699</u>
EXPENSES:						
Program services	6,958,928	-	6,958,928	7,823,561	-	7,823,561
Supporting Service: Management and general	<u>1,183,240</u>	<u>-</u>	<u>1,183,240</u>	<u>1,080,058</u>	<u>-</u>	<u>1,080,058</u>
 Total Expenses	 <u>8,142,168</u>	 <u>-</u>	 <u>8,142,168</u>	 <u>8,903,619</u>	 <u>-</u>	 <u>8,903,619</u>
CHANGE IN NET ASSETS	(70,360)	(56,656)	(127,016)	383,158	48,922	432,080
NET ASSETS, BEGINNING OF YEAR	<u>3,740,774</u>	<u>98,922</u>	<u>3,839,696</u>	<u>3,357,616</u>	<u>50,000</u>	<u>3,407,616</u>
NET ASSETS, END OF YEAR	<u>\$ 3,670,414</u>	<u>\$ 42,266</u>	<u>\$ 3,712,680</u>	<u>\$ 3,740,774</u>	<u>\$ 98,922</u>	<u>\$ 3,839,696</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, 2019 AND 2018

	2019			2018		
	Program Services	Supporting Service Management and General		Program Services	Supporting Service Management and General	
		Total			Total	
Salaries and wages	\$ 3,543,850	\$ 676,235	\$ 4,220,085	\$ 3,967,287	\$ 640,322	\$ 4,607,609
Employee benefits	666,355	133,583	799,938	643,442	104,794	748,236
Payroll taxes	428,143	22,970	451,113	480,217	16,687	496,904
In-kind contributions: home care services, social work, occupational therapy, food, supplies and legal	368,998	163,859	532,857	641,293	171,795	813,088
Consultants and professional fees	550,506	98,973	649,479	615,589	39,402	654,991
Depreciation and amortization	355,142	-	355,142	312,438	-	312,438
Repairs and maintenance	132,158	-	132,158	193,181	8,900	202,081
Office supplies	108,551	23,434	131,985	169,327	43,023	212,350
Utilities	165,159	-	165,159	156,983	-	156,983
Event expense	26,179	-	26,179	-	-	-
Rent	164,418	-	164,418	137,772	1	137,773
Insurance	132,141	36,312	168,453	139,235	24,667	163,902
Program supplies	107,687	-	107,687	88,717	-	88,717
Telephone	70,865	3,785	74,650	73,714	7,195	80,909
Food	18,693	3,858	22,551	45,512	5,782	51,294
Transportation	32,212	4,653	36,865	26,430	1,970	28,400
Residents'/children's activities	39,779	-	39,779	39,608	-	39,608
Miscellaneous	48,052	15,423	63,475	92,589	13,946	106,535
Bank charges and fees	40	155	195	227	1,574	1,801
Total Expenses	\$ 6,958,928	\$ 1,183,240	\$ 8,142,168	\$ 7,823,561	\$ 1,080,058	\$ 8,903,619

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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (127,016)	\$ 432,080
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	355,142	312,438
Deferred charge	(297,540)	(297,539)
Changes in assets (increase) decrease:		
Contracts and grants receivable	348,123	336,774
Prepaid expenses	(22,512)	(74,460)
Other current assets	995	8,339
Changes in liabilities increase (decrease):		
Accounts payable and accrued expenses	72,574	(111,731)
Accrued salary and vacation payable	29,189	(75,447)
Advances from government agencies	(217,548)	(788,572)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>141,407</u>	<u>(258,118)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(904,208)</u>	<u>(21,050)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(904,208)</u>	<u>(21,050)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loan	<u>40,000</u>	<u>40,000</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>40,000</u>	<u>40,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(722,801)	(239,168)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,791,208</u>	<u>2,030,376</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,068,407</u>	<u>\$ 1,791,208</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, 2019 AND 2018

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. On January 1, 2015, Barrier Free Living, Inc. began a contract to provide support services to 50 families with a head of household having a disabling medical condition and 70 individuals with disabling mental health issues. This initial contract constituted a start-up period for the purchase of furniture and equipment and for the hiring of core staff members for the development of the program. The 70-unit studio building began operations at the beginning of May 2015. The family building began operations on July 1, 2015.

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. operated a transitional housing facility for homeless, physically disabled adults through April 30, 2018, and currently operates a non-residential domestic violence counseling program.

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

Through April 30, 2018, the Organization provided transitional housing and case management to disabled homeless adults and provided emergency shelter and case management to domestic violence survivors with disabilities and their children. The Organization currently provides supportive housing services (counseling, case management and advocacy) to 50 families and 70 adults in permanent housing developed in partnership with Barrier Free Living, Inc.

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.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

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.

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 Health and Mental Hygiene. 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

Adoption of FASB ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*

Effective July 1, 2018, the Organization adopted the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. The ASU provided for changes in financial statement presentation that affect classification of net assets and presentation of expenses. It also provided for enhanced disclosures of net assets, methods used to allocate costs among functions, as well as available resources and liquidity.

The adoption of ASU 2016-14 did not impact the Organization's June 30, 2018 net asset balances.

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 ("U.S. GAAP").

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP 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 consolidated 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.

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, 2019 and 2018, the fair value of the Organization's financial instruments, including cash and cash equivalents, contracts and grants receivable, accounts payable and accrued expenses, accrued salary and vacation payable, and advances from government agencies, approximated book value due to the short maturity of these instruments.

At June 30, 2019 and 2018, 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 Measurement*.

Cash and Cash Equivalents

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

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

Property and Equipment

Property and equipment is recorded at cost. The Organization's policy is to capitalize property and equipment acquisitions over \$5,000, as well as expenditures that increase the life of existing assets. 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 without donor restrictions 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.

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, 2019 and 2018.

Deferred Charges

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 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 consolidated balance sheet. The deferred charge is a timing difference, which will accumulate in earlier years and be reversed during later periods.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

Net Assets

Net assets without donor restrictions are assets 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. Included in net assets without donor restrictions are funds designated by the Organization's Board of Directors. At June 30, 2019 and 2018, board designated net assets of \$483,682 and \$1,048,000, respectively, were available for program expansion and capital reserves. Net assets with donor restrictions include purpose restricted net assets whose use has been restricted by donors to a specific purpose. At June 30, 2019 and 2018, purpose restricted net assets of \$42,266 and \$98,922, respectively, are available to reimburse expenses for educational related training for residents.

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 without donor restrictions, if they are received without any donor stipulations. Gifts are reported as with donor restrictions, 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, purpose restricted net assets are reclassified as without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Purpose restricted contributions and government contract revenues received and expended in the same fiscal year are reflected as without donor restriction revenues.

In-Kind Contributions

For the years ended June 30, 2019 and 2018, revenues and expenses reflect \$0 and \$255,284, 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, 2019 and 2018, revenues and expenses reflect \$245,385 and \$382,108, 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, 2019 and 2018, revenues and expenses reflect \$0 and \$3,900, respectively, of donated food and supplies provided by various sources.

For the years ended June 30, 2019 and 2018, revenue and expenses reflect \$287,472 and \$171,796, respectively, of donated legal services from two law firms.

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. GAAP, they are not reflected in the accompanying consolidated financial statements.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

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. Expenses such as utilities, event expense, rent, program supplies and residents'/children's activities are directly charged to program expenses. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques including square footage and time and effort.

Accounting for Uncertainty in Income Taxes

The Organization applies 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 consolidated 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 prior to 2016.

Income Taxes

Barrier Free Living Holding, Inc. and its subsidiaries 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.

New Accounting Pronouncements

ASU No. 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU is the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements for U.S. GAAP and International Financial Reporting Standards ("IFRS"). The guidance in this ASU affects any entity that enters into a lease (as that term is defined in this ASU), with some specified scope exemptions. The guidance in this ASU will supersede FASB ASC Topic 840, *Leases*.

The ASU provides that lessees should recognize lease assets and lease liabilities on the balance sheet for leases previously classified as operating leases that exceed 12 months, including leases existing prior to the effective date of this ASU. It also calls for enhanced leasing arrangement disclosures.

For nonpublic entities, the amendments of ASU No. 2016-02 are effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021, based on the FASB's vote at its October 16, 2019 meeting to defer the implementation dates by one year. Early application is permitted for all entities.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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

New Accounting Pronouncements (cont'd.)

ASU No. 2014-09

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU is the result of a joint project of the FASB and the IASB to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS. The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

- Step 1: Identify the contract with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

For nonpublic entities, the amendments of ASU No. 2014-09 are effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early application is permitted under certain circumstances.

The Organization has not yet determined if these ASUs will have a material effect on the consolidated financial statements.

Note 3 - Concentration of Credit Risk

The Organization maintains cash balances in various financial institutions, which balances 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 this limit.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 4 - Property and Equipment

Property and equipment, net, consists of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 292,500	\$ 292,500
Buildings and improvements	11,445,549	11,197,549
Furniture and equipment	284,649	284,649
Construction in progress	207,377	-
Leasehold improvements	493,571	44,741
	12,723,646	11,819,439
Less: Accumulated depreciation and amortization	7,931,952	7,576,811
	\$ 4,791,694	\$ 4,242,628

Note 5 - Note and Loan Payable

Note Payable

Freedom House Housing Development Fund Company, Inc. has entered into 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.

Loan Payable

In December 2016, Barrier Free Living, Inc. entered into a multi-year noninterest-bearing recoverable grant agreement with a foundation in the amount of \$120,000 with disbursements to Barrier Free Living, Inc. of \$40,000 per year. Barrier Free Living, Inc. is to repay each \$40,000 installment in November 2019, 2020, and 2021, respectively.

Note 6 - Pension Plan

The Organization has a 401(k) profit sharing plan effective February 15, 2017 covering all employees who are automatically enrolled upon date of hire with a 5% elective deferral contribution unless the employee opts out of the plan. Employees are eligible to receive discretionary matching and employer profit sharing contributions after completing one year of service.

For the years ended June 30, 2019 and 2018, pension expense amounted to \$151,446 and \$173,208, respectively.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 7 - Functional Expenses

	<u>2019</u>	<u>2018</u>
Transitional housing program	\$ -	\$ 1,846,891
Supportive housing	1,912,658	1,811,510
Outreach	195,587	176,818
Domestic violence - non-residential program	1,176,437	938,748
Freedom House Housing Development Fund	327,868	311,760
Emergency domestic violence shelter	3,346,378	2,737,834
Total program expenses	<u>6,958,928</u>	<u>7,823,561</u>
Management and general	<u>1,183,240</u>	<u>1,080,058</u>
Total expenses*	<u>\$ 8,142,168</u>	<u>\$ 8,903,619</u>

* Included in the above functional expenses are in-kind services, as follows:

Program services	\$ 368,998	\$ 641,292
Management and general	<u>163,859</u>	<u>171,796</u>
Total expenses	<u>\$ 532,857</u>	<u>\$ 813,088</u>

Note 8 - 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. The Organization pays rent for tenants based on rental subsidy agreements, which are not subject to long-term lease/rent commitments.

Note 9 - Transaction with Affiliated Organization

In 2016, Barrier Free Living Housing Development Fund Corporation, Inc. ("BFL HDFC") was formed as part of an overall limited liability company structure which was awarded Federal Low Income Housing Tax Credits for two supportive housing projects located in Bronx, New York consisting of 50 family units and 70 individual units for families and individuals. The structure was organized as a limited liability corporation and was awarded Federal Low Income Housing Tax Credits. Barrier Free Living Holding, Inc. is the sole member of BFL HDFC. BFL HDFC is a 51% owner of East 138th Street GP, LLC who has a .01% ownership interest in East 138th Street Owners LLC. No transactions have taken place between Barrier Free Living Holding, Inc. and BFL HDFC. Barrier Free Living, Inc. and other parties to this structure have provided guarantees required by the Equity Investors and Construction Lenders. As part of the creation of this structure, Barrier Free Living, Inc. entered into a supportive housing agreement with Alembic Development Company, LLC ("ADC") to develop this project.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

Note 10 - Available Resources and Liquidity

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions; or internal designations as of June 30, 2019.

Cash and cash equivalents	\$	1,068,407
Contracts and grants receivable		2,243,130
Total		3,311,537
Contractual or donor-imposed restrictions:		
Purpose restricted		(42,266)
Internal designations by board of directors		(483,682)
		(525,948)
Financial assets available to meet cash needs for general expenditures within one year	\$	2,785,589

The Organization typically received reimbursement from contracts on a monthly and quarterly basis, thereby providing a steady inflow of funds during the year. The Organization's expenditures are not subject to significant seasonal fluctuations.

The Organization manages its liquidity and reserves following three guiding principles: operating with a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that capital expenditures can be accommodated. To achieve these targets, the entity forecasts its future cash flows, monitors its liquidity quarterly, and monitors its reserves annually. During the year ended June 30, 2019, the level of liquidity and reserves was managed within the policy requirements.

Note 11 - Subsequent Events

The Organization has evaluated all events or transactions that occurred after June 30, 2019 through November 26, 2019, 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, 2019

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
CURRENT ASSETS:							
Cash and cash equivalents	\$ -	\$ 313,530	\$ 2,225	\$ 725,809	\$ 26,843	\$ -	\$ 1,068,407
Contracts and grants receivable	-	1,138,317	-	-	1,104,813	-	2,243,130
Prepaid expenses	-	220,737	-	-	-	-	220,737
Intercompany receivable/payable	-	946,253	-	611,804	-	(1,558,057)	-
Other current assets	-	21,122	-	-	8,510	-	29,632
Total Current Assets	-	2,639,959	2,225	1,337,613	1,140,166	(1,558,057)	3,561,906
DEFERRED CHARGE	-	-	-	4,732,339	-	-	4,732,339
PROPERTY AND EQUIPMENT, NET	-	456,215	478,185	3,857,294	-	-	4,791,694
TOTAL ASSETS	\$ -	\$ 3,096,174	\$ 480,410	\$ 9,927,246	\$ 1,140,166	\$ (1,558,057)	\$ 13,085,939

LIABILITIES AND NET ASSETS (DEFICIT)

CURRENT LIABILITIES:							
Accounts payable and accrued expenses	\$ -	\$ 300,130	\$ 18,114	\$ 11,950	\$ 22,554	\$ -	\$ 352,748
Accrued salary and vacation payable	-	385,901	-	-	81,324	-	467,225
Advances from government agencies	-	107,247	-	-	-	-	107,247
Intercompany receivable/payable	-	-	-	-	1,558,057	(1,558,057)	-
Total Current Liabilities	-	793,278	18,114	11,950	1,661,935	(1,558,057)	927,220
NON-CURRENT LIABILITIES:							
Loan payable	-	120,000	-	-	-	-	120,000
Note payable	-	-	-	8,326,039	-	-	8,326,039
Total Liabilities	-	913,278	18,114	8,337,989	1,661,935	(1,558,057)	9,373,259
COMMITMENTS AND CONTINGENCIES							
NET ASSETS (DEFICIT):							
Without donor restrictions - operating	-	2,140,630	461,386	1,106,485	(521,769)	-	3,186,732
Without donor restrictions - board designated	-	-	910	482,772	-	-	483,682
Total without donor restrictions	-	2,140,630	462,296	1,589,257	(521,769)	-	3,670,414
With donor restrictions - purpose restricted	-	42,266	-	-	-	-	42,266
Total Net Assets (Deficit)	-	2,182,896	462,296	1,589,257	(521,769)	-	3,712,680
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ -	\$ 3,096,174	\$ 480,410	\$ 9,927,246	\$ 1,140,166	\$ (1,558,057)	\$ 13,085,939

See independent auditors' report.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

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
CURRENT ASSETS:							
Cash and cash equivalents	\$ -	\$ 434,660	\$ 108,670	\$ 873,166	\$ 374,712	\$ -	\$ 1,791,208
Contracts and grants receivable	-	1,490,976	-	-	1,100,277	-	2,591,253
Prepaid expenses	-	198,225	-	-	-	-	198,225
Intercompany receivable/payable	-	974,664	-	927,821	-	(1,902,485)	-
Other assets	-	28,972	-	-	1,655	-	30,627
Total Current Assets	-	3,127,497	108,670	1,800,987	1,476,644	(1,902,485)	4,611,313
DEFERRED CHARGE	-	-	-	4,434,799	-	-	4,434,799
PROPERTY AND EQUIPMENT, NET	-	-	305,467	3,937,161	-	-	4,242,628
TOTAL ASSETS	\$ -	\$ 3,127,497	\$ 414,137	\$ 10,172,947	\$ 1,476,644	\$ (1,902,485)	\$ 13,288,740
LIABILITIES AND NET ASSETS (DEFICIT)							
CURRENT LIABILITIES:							
Accounts payable and accrued expenses	\$ -	\$ 245,145	\$ 18,114	\$ -	\$ 16,915	\$ -	\$ 280,174
Accrued salary and vacation payable	-	362,300	-	-	75,736	-	438,036
Advances from government agencies	-	321,517	-	-	3,278	-	324,795
Intercompany receivable/payable	-	-	-	-	1,902,485	(1,902,485)	-
Total Current Liabilities	-	928,962	18,114	-	1,998,414	(1,902,485)	1,043,005
NON-CURRENT LIABILITIES:							
Loan payable	-	80,000	-	-	-	-	80,000
Note payable	-	-	-	8,326,039	-	-	8,326,039
Total Liabilities	-	1,008,962	18,114	8,326,039	1,998,414	(1,902,485)	9,449,044
COMMITMENTS AND CONTINGENCIES							
NET ASSETS (DEFICIT):							
Without donor restrictions - operating	-	2,019,613	306,755	888,176	(521,770)	-	2,692,774
Without donor restrictions - board designated	-	-	89,268	958,732	-	-	1,048,000
Total without donor restrictions	-	2,019,613	396,023	1,846,908	(521,770)	-	3,740,774
With donor restrictions - purpose restricted	-	98,922	-	-	-	-	98,922
Total Net Assets (Deficit)	-	2,118,535	396,023	1,846,908	(521,770)	-	3,839,696
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ -	\$ 3,127,497	\$ 414,137	\$ 10,172,947	\$ 1,476,644	\$ (1,902,485)	\$ 13,288,740

See independent auditors' report.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	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			
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions		Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:											
Government contracts and grants	\$ -	\$ 3,624,342	\$ -	\$ 3,624,342	\$ -	\$ 297,562	\$ 3,368,198	\$ -	\$ 7,290,102	\$ -	\$ 7,290,102
In-kind contributions	-	427,712	-	427,712	-	-	105,145	-	532,857	-	532,857
Program service fees	-	36,300	-	36,300	-	-	-	-	36,300	-	36,300
Contributions	-	103,728	22,054	125,782	-	-	11,707	-	115,435	22,054	137,489
Management fee	-	503,495	-	503,495	-	-	-	(503,495)	-	-	-
Rental income	-	-	-	-	79,527	136,561	-	(216,088)	-	-	-
Interest	-	-	-	-	28	884	304	-	1,216	-	1,216
Miscellaneous	-	17,188	-	17,188	-	-	-	-	17,188	-	17,188
Net assets released from restrictions	-	78,710	(78,710)	-	-	-	-	-	78,710	(78,710)	-
Total Revenues	-	4,791,475	(56,656)	4,734,819	79,555	435,007	3,485,354	(719,583)	8,071,808	(56,656)	8,015,152
EXPENSES:											
Program services	-	3,487,488	-	3,487,488	13,282	327,868	3,346,378	(216,088)	6,958,928	-	6,958,928
Supporting service: Management and general	-	1,182,970	-	1,182,970	-	270	503,495	(503,495)	1,183,240	-	1,183,240
Total Expenses	-	4,670,458	-	4,670,458	13,282	328,138	3,849,873	(719,583)	8,142,168	-	8,142,168
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	-	121,017	(56,656)	64,361	66,273	106,869	(364,519)	-	(70,360)	(56,656)	(127,016)
Transfer of reserve fund	-	-	-	-	-	(364,520)	364,520	-	-	-	-
CHANGE IN NET ASSETS	-	121,017	(56,656)	64,361	66,273	(257,651)	1	-	(70,360)	(56,656)	(127,016)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	-	2,019,613	98,922	2,118,535	396,023	1,846,908	(521,770)	-	3,740,774	98,922	3,839,696
NET ASSETS (DEFICIT), END OF YEAR	\$ -	\$ 2,140,630	\$ 42,266	\$ 2,182,896	\$ 462,296	\$ 1,589,257	\$ (521,769)	\$ -	\$ 3,670,414	\$ 42,266	\$ 3,712,680

See independent auditors' report.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	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		
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Without Donor Restrictions	Without Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:											
Government contracts and grants	\$ -	\$ 4,834,899	\$ -	\$ 4,834,899	\$ -	\$ 297,540	\$ 3,153,192	\$ -	\$ 8,285,631	\$ -	\$ 8,285,631
In-kind contributions	-	677,724	-	677,724	-	-	135,364	-	813,088	-	813,088
Program service fees	-	36,300	-	36,300	-	-	-	-	36,300	-	36,300
Contributions	-	101,694	83,320	185,014	-	-	3,242	-	104,936	83,320	188,256
Management fee	-	470,612	-	470,612	-	-	-	(470,612)	-	-	-
Rental income	-	-	-	-	24,242	133,809	-	(158,051)	-	-	-
Interest	-	349	-	349	73	1,946	675	-	3,043	-	3,043
Miscellaneous	-	9,350	-	9,350	-	-	31	-	9,381	-	9,381
Net assets released from restrictions	-	34,398	(34,398)	-	-	-	-	-	34,398	(34,398)	-
Total Revenues	-	6,165,326	48,922	6,214,248	24,315	433,295	3,292,504	(628,663)	9,286,777	48,922	9,335,699
EXPENSES:											
Program services	-	4,925,412	-	4,925,412	6,608	311,755	2,737,837	(158,051)	7,823,561	-	7,823,561
Supporting service: Management and general	-	1,070,769	-	1,070,769	-	9,289	470,612	(470,612)	1,080,058	-	1,080,058
Total Expenses	-	5,996,181	-	5,996,181	6,608	321,044	3,208,449	(628,663)	8,903,619	-	8,903,619
CHANGE IN NET ASSETS	-	169,145	48,922	218,067	17,707	112,251	84,055	-	383,158	48,922	432,080
NET ASSETS (DEFICIT), BEGINNING OF YEAR	-	1,850,468	50,000	1,900,468	378,316	1,734,657	(605,825)	-	3,357,616	50,000	3,407,616
NET ASSETS (DEFICIT), END OF YEAR	\$ -	\$ 2,019,613	\$ 98,922	\$ 2,118,535	\$ 396,023	\$ 1,846,908	\$ (521,770)	\$ -	\$ 3,740,774	\$ 98,922	\$ 3,839,696

See independent auditors' report.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	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	\$ 1,774,438	\$ 676,235	\$ 2,450,673	\$ -	\$ -	\$ -	\$ 1,769,412	\$ 503,495	\$ 2,272,907	\$ (503,495)	\$ 4,220,085
Employee benefits	301,105	133,583	434,688	-	-	-	365,250	-	365,250	-	799,938
Payroll taxes	213,273	22,970	236,243	-	-	-	214,870	-	214,870	-	451,113
In-kind contributions: home care services, social work, occupational therapy, food, supplies and legal	263,853	163,859	427,712	-	-	-	105,145	-	105,145	-	532,857
Consultants and professional fees	374,517	98,973	473,490	-	-	-	175,989	-	175,989	-	649,479
Depreciation and amortization	27,274	-	27,274	327,868	-	327,868	-	-	-	-	355,142
Repairs and maintenance	17,497	-	17,497	-	-	-	114,661	-	114,661	-	132,158
Office supplies	57,354	23,434	80,788	-	-	-	51,197	-	51,197	-	131,985
Utilities	-	-	-	-	-	-	165,159	-	165,159	-	165,159
Event expense	23,315	-	23,315	-	-	-	2,864	-	2,864	-	26,179
Rent	243,945	-	243,945	-	-	-	136,561	-	136,561	(216,088)	164,418
Insurance	48,390	36,312	84,702	-	-	-	83,751	-	83,751	-	168,453
Program supplies	53,177	-	53,177	-	-	-	54,510	-	54,510	-	107,687
Telephone	36,379	3,785	40,164	-	-	-	34,486	-	34,486	-	74,650
Food	6,604	3,858	10,462	-	-	-	12,089	-	12,089	-	22,551
Transportation	11,914	4,653	16,567	-	-	-	20,298	-	20,298	-	36,865
Residents'/children's activities	-	-	-	-	-	-	39,779	-	39,779	-	39,779
Miscellaneous	47,735	15,173	62,908	-	250	250	317	-	317	-	63,475
Bank charges and fees	-	135	135	-	20	20	40	-	40	-	195
Total Expenses	\$ 3,500,770	\$ 1,182,970	\$ 4,683,740	\$ 327,868	\$ 270	\$ 328,138	\$ 3,346,378	\$ 503,495	\$ 3,849,873	\$ (719,583)	\$ 8,142,168

See independent auditors' report.

BARRIER FREE LIVING HOLDING, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 2,571,104	\$ 640,322	\$ 3,211,426	\$ -	\$ -	\$ -	\$ 1,396,183	\$ 470,612	\$ 1,866,795	\$ (470,612)	\$ 4,607,609
Employee benefits	412,517	104,794	517,311	-	-	-	230,925	-	230,925	-	748,236
Payroll taxes	308,864	16,687	325,551	-	-	-	171,353	-	171,353	-	496,904
In-kind contributions: home care services, social work, occupational therapy, food and supplies and legal	505,929	171,795	677,724	-	-	-	135,364	-	135,364	-	813,088
Consultants and professional fees	447,656	39,402	487,058	-	-	-	167,933	-	167,933	-	654,991
Depreciation and amortization	683	-	683	311,755	-	311,755	-	-	-	-	312,438
Repairs and maintenance	101,175	-	101,175	-	8,900	8,900	92,006	-	92,006	-	202,081
Office supplies	127,056	43,023	170,079	-	-	-	42,271	-	42,271	-	212,350
Utilities	-	-	-	-	-	-	156,983	-	156,983	-	156,983
Rent	162,014	1	162,015	-	-	-	133,809	-	133,809	(158,051)	137,773
Insurance	61,815	24,667	86,482	-	-	-	77,420	-	77,420	-	163,902
Program supplies	55,548	-	55,548	-	-	-	33,169	-	33,169	-	88,717
Telephone	42,877	7,195	50,072	-	-	-	30,837	-	30,837	-	80,909
Food	35,445	5,782	41,227	-	-	-	10,067	-	10,067	-	51,294
Transportation	7,130	1,970	9,100	-	-	-	19,300	-	19,300	-	28,400
Residents'/children's activities	-	-	-	-	-	-	39,608	-	39,608	-	39,608
Miscellaneous	92,207	13,668	105,875	-	278	278	382	-	382	-	106,535
Bank charges and fees	-	1,463	1,463	-	111	111	227	-	227	-	1,801
Total Expenses	\$ 4,932,020	\$ 1,070,769	\$ 6,002,789	\$ 311,755	\$ 9,289	\$ 321,044	\$ 2,737,837	\$ 470,612	\$ 3,208,449	\$ (628,663)	\$ 8,903,619

See independent auditors' report.