

**NORTH WALKE HOUSING
CORPORATION**

TO: MEMBERS, NORTH WALKE HOUSING CORPORATION
FROM: FELIX R. SERRANO, CHAIRMAN
DATE: NOVEMBER 5, 2019
RE: MEETING NOTICE

.....

The Regular Meeting of the North Walke Housing Corporation will be held at 5:30 PM on Tuesday, November 12, 2019, in the Carnegie Room at the Norwalk Public Library, 1 Belden Avenue.

**NORTH WALKE HOUSING
CORPORATION
REGULAR MEETING
NOVEMBER 12, 2019
5:30 P.M.**

A G E N D A

CALL TO ORDER

ROLL CALL

PUBLIC PARTICIPATION

I. ADMINISTRATION

A. APPROVAL OF MINUTES

1. Approve Minutes of August 13, 2019 Regular Meeting.

B. FINANCE

1. Quarterly North Walke Statement of Revenues and Expenditures and Balance Sheets for all funds for Year-To- Date October 31, 2019.
2. Review North Walke Audited Certified Financial Statements for Fiscal Year Ending June 30, 2019.

II. NEW BUSINESS

III. OLD BUSINESS

ADJOURNMENT

**NORTH WALKE HOUSING
CORPORATION
REGULAR MEETING
AUGUST 13, 2019**

ATTENDANCE: Felix R. Serrano, Chairman, Commissioners Lisa Cooper, Tom Devine, William Speirs and David Westmoreland

AGENCY COUNSEL: Marc Grenier, Esq.

STAFF: Tami Strauss, Acting Executive Director, John Slovak, Comptroller, Susan Sweitzer, Senior Project Manager

CALL TO ORDER

Chairman Serrano called the Regular Meeting of the North Walke Housing Corporation of August 13, 2019 to order at 7:12 PM.

ROLL CALL

Chairman Serrano noted that a quorum was present.

PUBLIC PARTICIPATION

There was no one present from the public that wished to comment at this time.

I – A. APPROVAL OF MINUTES

1. Minutes of July 9, 2019 Regular Meeting.

**** MS. COOPER MOVED TO APPROVE THE MINUTES OF THE JULY 9, 2019 MEETING OF THE NORTH WALKE HOUSING CORPORATION.
** MR. DEVINE SECONDED.
** THE MOTION PASSED UNANIMOUSLY.**

B. FINANCE

1. North Walke Housing Corporation Explanation of Statements of Revenues & Expenditures And Balance Sheets For All North Walke Housing Corporation Funds For Fiscal Year Ending June 30, 2019

Mr. Slovak reported on the North Walke Housing Corporation Financial Statements for fiscal year ending June 30, 2019, and asked if there were any questions.

- North Walke Housing Corporation Operating Fund 400 Statement of Revenues and Expenditures had \$12,653 in revenue, \$11,652 in expenditures, and an operating surplus of \$1,001. The Balance Sheet for North Walke Housing Corporation Operating Fund 400 has \$1,113,933 total assets, \$764,622 liabilities, and \$349,311 net assets.

- The North Walke Housing Corporation Fund 450 Statement of Revenues and Expenditures has a \$3,396 net operating surplus from interest on notes. The North Walke RLF Balance Sheet has total assets of \$160,543 and liabilities and net assets of \$160,543.

**** MS. COOPER MOVED TO APPROVE THE FINANCIAL STATEMENTS FOR JUNE 30, 2019 AS PRESENTED.**

**** MR. DEVINE SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

I. NEW BUSINESS

None.

II. OLD BUSINESS

None.

III. ADJOURNMENT

There being no further Old or New Business, upon motion of Ms. Cooper and second of Mr. Devine, the North Walke Housing Corporation meeting was adjourned at 7:15 PM.

Respectfully submitted,

Karen Pacchiana

North Walke Housing Corporation
Explanation of Statements of Revenues & Expenditures
And Balance Sheets For All North Walke Housing Corporation Funds
Year-To-Date September 30, 2019

- North Walke Housing Corporation Operating Fund 400 Statement of Revenues and Expenditures had \$2,016 in revenue, \$261 in expenditures, and an operating surplus of \$1,755. The Balance Sheet for North Walke Housing Corporation Operating Fund 400 has \$1,115,688 total assets, \$764,622 liabilities, and \$351,066 net assets.

- The North Walke Housing Corporation Fund 450 Statement of Revenues and Expenditures has an \$820 net operating surplus from interest on notes. The North Walke RLF Balance Sheet has total assets of \$161,363 and liabilities and net assets of \$161,363.

Norwalk Redevelopment Agency Inc.
 Statement of Revenues and Expenditures - Board Qtrly - 1st Quarter YTD Comparative
 400 - NorthWalke Operating - Fund 400
 From 7/1/2019 Through 9/30/2019
 (In Whole Numbers)

	Year-To-Date Actual	Prior Year-To-Date Actual
REVENUES		
Grant Revenues		
Grants - State CHFA	0	3,491
Total Grant Revenues	0	3,491
Other Revenues		
Interest Income - Other	216	209
Rental Income	1,800	1,875
Total Other Revenues	2,016	2,084
Total REVENUES	2,016	5,575
EXPENDITURES		
Administrative Expenses		
Miscellaneous	261	290
Total Administrative Expenses	261	290
Total EXPENDITURES	261	290
NET OPERATING SURPLUS/(DEFICIT)	1,755	5,285

Norwalk Redevelopment Agency Inc.
Balance Sheet - Board Qtrly - 1st Quarter YTD Comparative
400 - NorthWalke Operating - Fund 400
As of 9/30/2019
(In Whole Numbers)

	Current Year	Prior Year
ASSETS		
Current Assets		
Cash	776,525	1,315,910
Investments	336,160	335,316
Total Current Assets	1,112,685	1,651,225
Other Assets		
Due from (to) Other Funds	3,003	(331,962)
Total Other Assets	3,003	(331,962)
Total ASSETS	1,115,688	1,319,263
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	145	145
Other Liabilities	713,755	914,802
Notes Payable	50,722	50,722
Total Liabilities	764,622	965,668
Net Assets		
Beginning Fund Balances	349,311	348,310
YTD Activities	1,755	5,285
Total Net Assets	351,066	353,595
Total LIABILITIES AND NET ASSETS	1,115,688	1,319,263

Norwalk Redevelopment Agency Inc.
 Statement of Revenues and Expenditures - Board Qtrly - 1st Quarter YTD Comparative
 450 - North Walke RLF - Fund 450
 From 7/1/2019 Through 9/30/2019
 (In Whole Numbers)

	Year-To-Date Actual	Prior Year-To-Date Actual
REVENUES		
Other Revenues		
Interest Income from Notes	860	906
Interest Income - Other	4	3
Total Other Revenues	864	909
Total REVENUES	864	909
EXPENDITURES		
Administrative Expenses		
Miscellaneous	44	44
Total Administrative Expenses	44	44
Total EXPENDITURES	44	44
NET OPERATING SURPLUS/(DEFICIT)	820	866

Norwalk Redevelopment Agency Inc.
 Balance Sheet - Board Qtrly - 1st Quarter YTD Comparative
 450 - North Walke RLF - Fund 450
 As of 9/30/2019
 (In Whole Numbers)

	Current Year	Prior Year
ASSETS		
Current Assets		
Cash	27,129	21,517
Investments	15,879	11,855
Total Current Assets	43,008	33,372
Other Assets		
Due from (to) Other Funds	4,810	4,810
Loans Receivable	113,545	119,831
Total Other Assets	118,355	124,641
Total ASSETS	161,363	158,013
LIABILITIES AND NET ASSETS		
Liabilities		
Other Liabilities	138,665	138,665
Total Liabilities	138,665	138,665
Net Assets		
Beginning Fund Balances	21,878	18,482
YTD Activities	820	866
Total Net Assets	22,698	19,348
Total LIABILITIES AND NET ASSETS	161,363	158,013

Norwalk Redevelopment Agency Inc.
Statement of Revenues and Expenditures - Board Qtrly - 1st Qtr All North Walke Combined
From 7/1/2019 Through 9/30/2019
(In Whole Numbers)

	North Walke Operating - Fund 400	North Walke RLF - Fund 450	Total
REVENUES			
Other Revenues			
Interest Income from Notes	0	860	860
Interest Income - Other	216	4	220
Rental Income	1,800	0	1,800
Total Other Revenues	2,016	864	2,880
Total REVENUES	2,016	864	2,880
EXPENDITURES			
Administrative Expenses			
Miscellaneous	261	44	305
Total Administrative Expenses	261	44	305
Total EXPENDITURES	261	44	305
NET OPERATING SURPLUS/(DEFICIT)	1,755	820	2,575

Norwalk Redevelopment Agency Inc.
 Balance Sheet - Board Qtrly - 1st Qtr All North Walke Combined
 As of 9/30/2019
 (In Whole Numbers)

	NorthWalke Operating - Fund 400	North Walke RLF - Fund 450	Total
ASSETS			
Current Assets			
Cash	776,525	27,129	803,654
Investments	336,160	15,879	352,039
Accounts Receivable	0	0	0
Total Current Assets	1,112,685	43,008	1,155,693
Other Assets			
Due from (to) Other Funds	3,003	4,810	7,813
Property & Equipment	0	0	0
Loans Receivable	0	113,545	113,545
Less: Bad Debt Reserve	0	0	0
Other Assets	0	0	0
Total Other Assets	3,003	118,355	121,358
Total ASSETS	1,115,688	161,363	1,277,051
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	145	0	145
Other Liabilities	713,755	138,665	852,420
Notes Payable	50,722	0	50,722
Total Liabilities	764,622	138,665	903,286
Net Assets			
Beginning Fund Balances	349,311	21,878	371,189
YTD Activities	1,755	820	2,575
Total Net Assets	351,066	22,698	373,765
Total LIABILITIES AND NET ASSETS	1,115,688	161,363	1,277,051

North Walke Housing Corporation

Financial Statements and Supplementary Information

Years ended June 30, 2019 and 2018

NORTH WALKE HOUSING CORPORATION

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Independent Auditor's Report

To the Board of Commissioners
North Walke Housing Corporation

We have audited the accompanying financial statements of *North Walke Housing Corporation* (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of *North Walke Housing Corporation* as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Solakian & Company, LLC

October 31, 2019

NORTH WALKE HOUSING CORPORATION

Statements of Financial Position

June 30, 2019 and 2018

<i>Assets</i>	<u>2019</u>	<u>2018</u>
Cash	\$ 803,654	723,362
Investments	351,818	346,959
Accounts and loans receivable	<u>119,003</u>	<u>125,274</u>
Total assets	<u>\$ 1,274,475</u>	<u>1,195,595</u>
 <i>Liabilities and Net Assets</i>		
Accounts payable	\$ 145	145
Other liabilities	852,420	774,445
Loans payable	50,722	50,722
Deferred revenue	<u>-</u>	<u>3,491</u>
Total liabilities	903,287	828,803
Net assets without restrictions	<u>371,188</u>	<u>366,792</u>
Total liabilities and net assets	<u>\$ 1,274,475</u>	<u>1,195,595</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Statements of Activities

Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues:		
Other income	\$ 8,325	13,050
Interest income	4,407	4,587
Grants	<u>3,491</u>	<u>28,758</u>
Total revenues	<u>16,223</u>	<u>46,395</u>
Expenses:		
Program:		
Project expenses	3,141	22,967
Management and general:		
Professional fees	7,053	7,913
Office and miscellaneous expenses	<u>1,633</u>	<u>6,706</u>
Total expenses	<u>11,827</u>	<u>37,586</u>
Change in net assets	4,396	8,809
Net assets - beginning of year	<u>366,792</u>	<u>357,983</u>
Net assets - end of year	<u>\$ 371,188</u>	<u>366,792</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Statements of Cash Flows

Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,396	8,809
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts and loans receivable	6,271	13,155
Increase (decrease) in:		
Other liabilities	77,975	290,611
Deferred revenue	<u>(3,491)</u>	<u>-</u>
Net cash provided by operating activities	<u>85,151</u>	<u>312,575</u>
Cash flows from investing activities:		
Redemption (purchase) of investments	<u>(4,859)</u>	<u>(846)</u>
Net cash used in investing activities	<u>(4,859)</u>	<u>(846)</u>
Net increase in cash	80,292	311,729
Cash - beginning of year	<u>723,362</u>	<u>411,633</u>
Cash - end of year	<u>\$ 803,654</u>	<u>723,362</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Notes to Financial Statements

June 30, 2019 and 2018

(1) **Reporting Entity**

The North Walke Housing Corporation (NWHC or Corporation) is a non-stock, nonprofit corporation established in 1987 to act as a community development housing corporation to provide housing opportunities for low-and-moderate income individuals and families in Norwalk, Connecticut.

(2) **Summary of Significant Accounting Policies**

Financial Statement Presentation

NWHC follows accounting for not-for-profit organizations as outlined in professional standards. Accordingly, it is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Grants and Contracts

Grants and contracts are generally considered to be exchange transactions in which the grantor or contractor requires the performance of specified activities.

Entitlement to cost reimbursement grants and contracts is based on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance-based grants and contracts are based on the attainment of specific performance goals and, therefore, revenue is recognized to the extent of performance achieved.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

NORTH WALKE HOUSING CORPORATION

Notes to Financial Statements

(2) Summary of Significant Accounting Policies (continued)

Subsequent Events

Subsequent events have been evaluated through October 31, 2019, which is the date the financial statements were available to be issued.

Cash and Investments

The carrying amount of cash and money market investments at June 30, 2019 and 2018 was approximately \$1,155,500 and \$1,070,000, respectively, as shown in the accompanying statement of financial position. The bank balances of these funds totaled approximately \$1,155,500 and \$1,070,000 as of June 30, 2019 and 2018, respectively, of which \$250,000 was covered through the Federal Deposit Insurance Corporation.

Income Tax Status

NWHC is exempt from federal income taxes pursuant to provisions of Section 501(c) (3) of the Internal Revenue Code and has been classified as "other than a private foundation."

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by NWHC and recognize a tax liability (or asset) if it has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the applicable taxing authorities. Management has analyzed the tax positions, and has concluded that as of June 30, 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

NWHC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2016.

(3) Related Party Transactions

Norwalk Redevelopment Corporation (NRA) owed NWHC approximately \$3,900 as of June 30, 2019, which is included in accounts and loans receivable.

Certain management and commissioners of the NRA function in the same capacity at the NWHC.

(4) Grant Revenue

Grant revenue includes approximately \$3,500 and \$28,800 received from various state agencies, foundations and other non-profits in 2019 and 2018, respectively.

(Continued)

NORTH WALKE HOUSING CORPORATION

Notes to Financial Statements

(5) Loan Payable

During the year ended June 30, 2006, the Corporation obtained approximately \$51,000 of loan proceeds payable to Federal Home Loan Bank. The outstanding balance was approximately \$51,000 as of June 30, 2019 and 2018.

(6) Implementation of New Accounting Pronouncement

The Financial Accounting Standards Board issued Accounting Standards Codification 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), effective for periods beginning after December 15, 2017. Several changes to nonprofit financial reporting include:

- Improvements to the presentation and disclosures for net assets classes from the previous three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) to two classes (without donor restrictions and with donor restrictions).
- Allowing free choice between the direct and indirect methods in presenting cash flows.
- Providing better information about functional expenses and disclosures about how expenses are allocated to management and general.
- Augmenting disclosures on underwater endowment funds.
- Unifying the reporting of investment returns.
- Enhancements to information provided about the liquidity and availability of financial resources.

The new standard aims to improve reporting the liquidity and availability of resources. Qualitative information will be required to be disclosed on how the Corporation manages its liquid available resources and its liquidity risk to meet cash needs for general expenditures within one year of the year-end date.

Early application of the above changes is permitted and the Corporation implemented them during the year ended June 30, 2018.

(7) Liquidity and Availability of Resources

The Corporation has approximately \$1,274,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and equivalents of \$1,155,000 and accounts and loans receivable of \$119,000. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

The Corporation has a goal to maintain financial assets, which consist of cash and equivalents and pledges and other receivables, on hand to meet one year of annual operating expenses, which are, on average, approximately \$25,000. The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Corporation invests cash in excess of daily requirements in various short-term investments.