

**NORTH WALKE HOUSING
CORPORATION**

TO: Members, North Walke Housing Corporation
FROM: William Speirs, Vice Chairman
DATE: December 4, 2020
RE: **MEETING NOTICE**

The Regular Meeting of the North Walke Housing Corporation will be held at 5:30 PM on Tuesday, December 8, 2020 as a virtual meeting.

**NORTH WALKE HOUSING
CORPORATION
REGULAR MEETING
DECEMBER 8, 2020
5:30 P.M.**

Zoom Link: <https://zoom.us/j/97494681719?pwd=NUxIdlNzR0hJOGRFc2VUSGZvMnBaQT09>

A G E N D A

CALL TO ORDER

ROLL CALL

PUBLIC PARTICIPATION

I. ADMINISTRATION

A. FINANCE

- 1) Approve North Walke Housing Corporation Statement of Revenues and Expenditures and Balance Sheet for Year-to-Date September 30, 2020
- 2) Approve Draft of North Walke Housing Corporation Audited Financial Statements for Fiscal Year Ended June 30, 2020 presented by the auditor

ADJOURNMENT

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, 2020

- North Walke Housing Corporation Operating Fund 400 Statement of Revenues and Expenditures has \$1,976 in revenue, \$270 in expenditures, and an operating surplus of \$1,706. The Balance Sheet for North Walke Housing Corporation Operating Fund 400 has total assets of \$819,730, liabilities of \$464,622, and net assets of \$355,108.

- The North Walke Housing Corporation Fund 450 Statement of Revenues and Expenditures has a \$765 net operating surplus from interest on notes. The North Walke RLF Balance Sheet has total assets of \$144,236 and liabilities and net assets of \$144,236.

Norwalk Redevelopment Agency Inc.
Statement of Revenues and Expenditures - Board Qtrly - 1st Quarter YTD Comparative
400 - NorthWalke Operating - Fund 400
From 7/1/2020 Through 9/30/2020
(In Whole Numbers)

	<u>Year-To-Date Actual</u>	<u>Prior Year-To-Date Actual</u>
REVENUES		
Other Revenues		
Interest Income - Other	176	216
Rental Income	<u>1,800</u>	<u>1,800</u>
Total Other Revenues	<u>1,976</u>	<u>2,016</u>
Total REVENUES	<u>1,976</u>	<u>2,016</u>
EXPENDITURES		
Administrative Expenses		
Miscellaneous	<u>270</u>	<u>261</u>
Total Administrative Expenses	<u>270</u>	<u>261</u>
Total EXPENDITURES	<u>270</u>	<u>261</u>
NET OPERATING SURPLUS/(DEFICIT)	<u>1,706</u>	<u>1,755</u>

Norwalk Redevelopment Agency Inc.
Balance Sheet - Board Qtrly - 1st Quarter YTD Comparative
400 - NorthWalke Operating - Fund 400
As of 9/30/2020
(In Whole Numbers)

	Current Year	Prior Year
ASSETS		
Current Assets		
Cash	278,491	776,525
Investments	538,161	336,160
Total Current Assets	816,652	1,112,685
Other Assets		
Due from (to) Other Funds	3,078	3,003
Total Other Assets	3,078	3,003
Total ASSETS	819,730	1,115,688
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	145	145
Other Liabilities	413,755	713,755
Notes Payable	50,722	50,722
Total Liabilities	464,622	764,622
Net Assets		
Beginning Fund Balances	353,402	349,311
YTD Activities	1,706	1,755
Total Net Assets	355,108	351,066
Total LIABILITIES AND NET ASSETS	819,730	1,115,688

Norwalk Redevelopment Agency Inc.
Statement of Revenues and Expenditures - Board Qtrly - 1st Quarter YTD Comparative
450 - North Walke RLF - Fund 450
From 7/1/2020 Through 9/30/2020
(In Whole Numbers)

	<u>Year-To-Date Actual</u>	<u>Prior Year-To-Date Actual</u>
REVENUES		
Other Revenues		
Interest Income from Notes	815	860
Interest Income - Other	<u>2</u>	<u>4</u>
Total Other Revenues	<u>817</u>	<u>864</u>
Total REVENUES	<u>817</u>	<u>864</u>
EXPENDITURES		
Administrative Expenses		
Miscellaneous	<u>53</u>	<u>44</u>
Total Administrative Expenses	<u>53</u>	<u>44</u>
Total EXPENDITURES	<u>53</u>	<u>44</u>
NET OPERATING SURPLUS/(DEFICIT)	<u>765</u>	<u>820</u>

Norwalk Redevelopment Agency Inc.
Balance Sheet - Board Qtrly - 1st Quarter YTD Comparative
450 - North Walke RLF - Fund 450
As of 9/30/2020
(In Whole Numbers)

	<u>Current Year</u>	<u>Prior Year</u>
ASSETS		
Current Assets		
Cash	15,918	27,129
Investments	<u>15,892</u>	<u>15,879</u>
Total Current Assets	31,810	43,008
Other Assets		
Due from (to) Other Funds	4,810	4,810
Loans Receivable	<u>107,615</u>	<u>113,545</u>
Total Other Assets	<u>112,425</u>	<u>118,355</u>
Total ASSETS	<u><u>144,236</u></u>	<u><u>161,363</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Other Liabilities	<u>118,665</u>	<u>138,665</u>
Total Liabilities	118,665	138,665
Net Assets		
Beginning Fund Balances	24,806	21,878
YTD Activities	<u>765</u>	<u>820</u>
Total Net Assets	<u>25,571</u>	<u>22,698</u>
Total LIABILITIES AND NET ASSETS	<u><u>144,236</u></u>	<u><u>161,363</u></u>

Norwalk Redevelopment Agency Inc.
Statement of Revenues and Expenditures - Board Qtrly - 1st Qtr All North Walke Combined
From 7/1/2020 Through 9/30/2020
(In Whole Numbers)

	North Walke Operating - Fund 400	North Walke RLF - Fund 450	Total
REVENUES			
Other Revenues			
Interest Income from Notes	0	815	815
Interest Income - Other	176	2	178
Rental Income	1,800	0	1,800
Total Other Revenues	1,976	817	2,793
Total REVENUES	1,976	817	2,793
EXPENDITURES			
Administrative Expenses			
Miscellaneous	270	53	323
Total Administrative Expenses	270	53	323
Total EXPENDITURES	270	53	323
NET OPERATING SURPLUS/(DEFICIT)	1,706	765	2,471

Norwalk Redevelopment Agency Inc.
Balance Sheet - Board Qtrly - 1st Qtr All North Walke Combined
 As of 9/30/2020
 (In Whole Numbers)

	NorthWalke Operating - Fund 400	North Walke RLF - Fund 450	Total
ASSETS			
Current Assets			
Cash	278,491	15,918	294,410
Investments	538,161	15,892	554,052
Accounts Receivable	0	0	0
Total Current Assets	816,652	31,810	848,462
Other Assets			
Due from (to) Other Funds	3,078	4,810	7,888
Property & Equipment	0	0	0
Loans Receivable	0	107,615	107,615
Less: Bad Debt Reserve	0	0	0
Other Assets	0	0	0
Total Other Assets	3,078	112,425	115,503
Total ASSETS	819,730	144,236	963,965
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	145	0	145
Other Liabilities	413,755	118,665	532,420
Notes Payable	50,722	0	50,722
Total Liabilities	464,622	118,665	583,286
Net Assets			
Beginning Fund Balances	353,402	24,806	378,209
YTD Activities	1,706	765	2,471
Total Net Assets	355,108	25,571	380,679
Total LIABILITIES AND NET ASSETS	819,730	144,236	963,965

North Walke Housing Corporation

Financial Statements and Supplementary Information

Years ended June 30, 2020 and 2019

DRAFT

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, 2020 and 2019, 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, 2020 and 2019, 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, 2020

NORTH WALKE HOUSING CORPORATION

Statements of Financial Position

June 30, 2020 and 2019

<i>Assets</i>	<u>2020</u>	<u>2019</u>
Cash	\$ 44,428	803,654
Investments	553,875	351,818
Accounts and loans receivable	<u>113,192</u>	<u>119,003</u>
Total assets	<u>\$ 711,495</u>	<u>1,274,475</u>
 <i>Liabilities and Net Assets</i> 		
Accounts payable	\$ 145	145
Other liabilities	282,420	852,420
Loans payable	<u>50,722</u>	<u>50,722</u>
Total liabilities	333,287	903,287
Net assets without restrictions	<u>378,208</u>	<u>371,188</u>
Total liabilities and net assets	<u>\$ 711,495</u>	<u>1,274,475</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Statements of Activities

Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Other income	\$ 9,600	8,325
Interest income	5,150	4,407
Grants	-	3,491
	<u> </u>	<u> </u>
Total revenues	<u>14,750</u>	<u>16,223</u>
Expenses:		
Program:		
Project expenses	-	3,141
Management and general:		
Professional fees	6,500	7,053
Office and miscellaneous expenses	1,230	1,633
	<u> </u>	<u> </u>
Total expenses	<u>7,730</u>	<u>11,827</u>
Change in net assets	7,020	4,396
Net assets - beginning of year	<u>371,188</u>	<u>366,792</u>
Net assets - end of year	<u>\$ 378,208</u>	<u>371,188</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Statements of Cash Flows

Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 7,020	4,396
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts and loans receivable	5,811	6,271
Increase (decrease) in:		
Other liabilities	(570,000)	77,975
Deferred revenue	-	(3,491)
	<u>(557,169)</u>	<u>85,151</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Redemption (purchase) of investments	<u>(202,057)</u>	<u>(4,859)</u>
	<u>(202,057)</u>	<u>(4,859)</u>
Net cash used in investing activities		
Net increase (decrease) in cash	(759,226)	80,292
Cash - beginning of year	<u>803,654</u>	<u>723,362</u>
Cash - end of year	<u>\$ 44,428</u>	<u>803,654</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Notes to Financial Statements

June 30, 2020 and 2019

(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, 2020, 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, 2020 and 2019 was approximately \$598,300 and \$1,155,500, respectively, as shown in the accompanying statement of financial position. The bank balances of these funds totaled approximately \$598,300 and \$1,155,500 as of June 30, 2020 and 2019, 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, 2020, 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 2017.

(3) Related Party Transactions

Norwalk Redevelopment Corporation (NRA) owed NWHC approximately \$3,900 as of June 30, 2020 and 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 received from a state of CT agency in 2019.

(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, 2020 and 2019.

(6) Future Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases*. ASU 2016-02 requires entities to recognize all leased assets as assets on the statement of financial position with a corresponding liability. Entities will also be required to present additional disclosures regarding the nature and extent of leasing activities. ASU 2016-02 is effective for nonpublic entities for the reporting period beginning after December 15, 2021. The Organization has not yet evaluated the impact of this statement.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The provisions of ASU 2018-08 are effective for years beginning after December 15, 2019. The Organization has not yet evaluated the impact of this statement.

(7) Liquidity and Availability of Resources

The Corporation has approximately \$711,000 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 \$598,000 and accounts and loans receivable of \$113,000. 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 \$10,000. 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.

(8) Subsequent Events relating to COVID-19

In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Corporation’s financial condition, liquidity, and future operations, and management is actively monitoring the situation. Given the continuance of the COVID-19 outbreak, the Corporation is not able to estimate the effects on its results of operations, financial condition, or liquidity for 2021.