

TO: Members, North Walke Housing Corp.

FROM: John Igeneri, Chairman

DATE: December 7, 2022

RE: Regular Meeting Notice

\*\*\*\*\*

**DECEMBER 13, 2022**  
**5:30 P.M.**  
**REGULAR MEETING AGENDA**

The next meeting of the North Walke Housing Corporation Commissioners will be held on **TUESDAY, DECEMBER 13, 2022 at 5:30 p.m.** The meeting will be held as a virtual meeting via the Zoom link provided below. The meeting will also be broadcast on the Norwalk Redevelopment Agency YouTube channel: [https://www.youtube.com/channel/UCHMiAZt32k6BnjaKdnUalug?view\\_as=subscriber](https://www.youtube.com/channel/UCHMiAZt32k6BnjaKdnUalug?view_as=subscriber).

**ZOOM Meeting Link:**

<https://us06web.zoom.us/j/87819590706?pwd=c2dMWnRGcEV2Q0h0Vm5USDdWRjNmQT09>

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. PUBLIC PARTICIPATION**

**IV. ADMINISTRATION**

- a) Approval of Minutes
  - i.) Approve the minutes of the November 8, 2022 meeting.
- b) Financials
  - i.) Approve North Walke Housing Corporation Audited Financial Statements for Fiscal Year Ended June 30, 2022 to be presented by Auditor, Michael Solakian

**V. BUSINESS**

**VI. NEW BUSINESS**

**VII. OLD BUSINESS**

**VIII. EXECUTIVE SESSION**

**IX. ADJOURNMENT**

**CITY OF NORWALK  
NORTH WALKE HOUSING CORPORATION  
REGULAR MEETING  
NOVEMBER 8, 2022**

**ATTENDANCE:** John Igneri, Chair; Kelly Bloom, Lisa Cooper, Mary Peniston, David Westmoreland

**OTHERS:** Brian Bidolli, Redevelopment Agency Executive Director; Katie O’Leary, Communication Director, Eugenia Lupinski, Director of Finance.

This meeting was held via teleconference.

**CALL TO ORDER**

Mr. Igneri called the meeting to order at 5:30 p.m.

**ROLL CALL**

Mr. Igneri called the roll. A quorum was present.

**PUBLIC PARTICIPATION**

There was no one present from the public who wished to speak to the Board at this time.

**ADMINISTRATION**

**a. Approval of Minutes**

i. Approve the minutes of the September 13, 2022 meeting.

**\*\* MS. COOPER MOVED THE MINUTES OF THE SEPTEMBER 13, 2022 MEETING.**

**\*\* MR. IGNERI SECONDED.**

**\*\* THE MOTION TO APPROVE THE MINUTES OF THE SEPTEMBER 13, 2022 MEETING PASSED AS SUBMITTED PASSED UNANIMOUSLY.**

**b. Financials**

i. Approve North Walke Housing Corporation Statement of Revenues and Expenditures and Balance Sheets for all funds for year-to-date September 30, 2022

Ms. Lupinski stated that Fund 400 had \$1,857 in revenue and \$305 in expenses which resulted in a net operating surplus of \$1,553 for the quarter ending September 30, 2022. The balance sheet for this fund had assets and of \$785,000 and liabilities and net assets of \$785,000.

The Norwalk Revolving Loan Fund had \$672 in a net operating surplus, which is mostly income interest from notes. This fund had \$130,000 in assets, and \$130,000 in liabilities and net assets.

**\*\* MS. BLOOM MOVED TO APPROVE THE NORTH WALKE HOUSING CORPORATION STATEMENT OF REVENUES AND EXPENDITURES AND BALANCE SHEETS FOR ALL FUNDS FOR YEAR-TO-DATE SEPTEMBER 30, 2022.**

**\*\* MS. COOPER SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **BUSINESS**

#### **New Business**

There was no new business to consider at this time.

#### **Old Business**

There was no old business to consider at this time.

#### **Executive Session**

There was no need for an Executive Session at this time.

### **ADJOURNMENT**

**\*\* MR. IGNERI MOVED TO ADJOURN.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 5:33 p.m.

Respectfully submitted

S. L. Soltes  
Telesco Secretarial Services

City of Norwalk  
North Walke Housing Corporation  
Regular Meeting  
November 8, 2022

# North Walke Housing Corporation

## **Financial Statements and Supplementary Information**

**Years ended June 30, 2022 and 2021**

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**NORTH WALKE HOUSING CORPORATION**

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## Independent Auditor's Report

To the Board of Commissioners  
North Walke Housing Corporation

### Opinion

We have audited the accompanying financial statements of *North Walke Housing Corporation* (a non-profit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of *North Walke Housing Corporation* and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about *North Walke Housing Corporation's* ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of *North Walke Housing Corporation's* internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about *North Walke Housing Corporation's* ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Solution + Company, LLC*

November 30, 2022

**NORTH WALKE HOUSING CORPORATION**

**Statements of Financial Position**

**June 30, 2022 and 2021**

<i>Assets</i>	<u><b>2022</b></u>	<u><b>2021</b></u>
Cash	\$ 299,513	45,036
Investments	154,591	154,471
Accounts and loans receivable	<u>459,622</u>	<u>355,671</u>
<b>Total assets</b>	<u><u>\$ 913,726</u></u>	<u><u>555,178</u></u>
 <i>Liabilities and Net Assets</i> 		
Accounts payable	\$ 639	145
Other liabilities	471,809	122,420
Loans payable	<u>50,722</u>	<u>50,722</u>
<b>Total liabilities</b>	523,170	173,287
Net assets without restrictions	<u>390,556</u>	<u>381,891</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 913,726</u></u>	<u><u>555,178</u></u>

See accompanying notes to financial statements.

# NORTH WALKE HOUSING CORPORATION

## Statements of Activities

Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>		
Program income	\$ 13,650	7,650
Interest income	7,998	3,784
	<u>21,648</u>	<u>11,434</u>
<b>Total revenues</b>		
	<u>21,648</u>	<u>11,434</u>
<b>Expenses:</b>		
Program:		
Project expenses	-	-
Management and general:		
Professional fees	11,591	6,500
Office and miscellaneous expenses	1,392	1,251
	<u>12,983</u>	<u>7,751</u>
<b>Total expenses</b>		
	<u>12,983</u>	<u>7,751</u>
<b>Change in net assets</b>	8,665	3,683
<b>Net assets - beginning of year</b>	<u>381,891</u>	<u>378,208</u>
<b>Net assets - end of year</b>	<u>\$ 390,556</u>	<u>381,891</u>

See accompanying notes to financial statements.

**NORTH WALKE HOUSING CORPORATION**

**Statements of Cash Flows**

**Years ended June 30, 2022 and 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 8,665	3,683
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts and loans receivable	(103,951)	(242,479)
Increase (decrease) in:		
Accounts payable	494	-
Other liabilities	<u>349,389</u>	<u>(160,000)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>254,597</u>	<u>(398,796)</u>
<b>Cash flows from investing activities:</b>		
Redemption (purchase) of investments	<u>(120)</u>	<u>399,404</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(120)</u>	<u>399,404</u>
<b>Net increase in cash</b>	254,477	608
<b>Cash - beginning of year</b>	<u>45,036</u>	<u>44,428</u>
<b>Cash - end of year</b>	<u>\$ 299,513</u>	<u>45,036</u>

See accompanying notes to financial statements.

# NORTH WALKE HOUSING CORPORATION

## Notes to Financial Statements

June 30, 2022 and 2021

(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 those 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 November 30, 2022, 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, 2022 and 2021 was approximately \$454,100 and \$199,500, respectively, as shown in the accompanying statement of financial position. The bank balances of these funds totaled approximately \$454,100 and \$199,500 as of June 30, 2022 and 2021, 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, 2022, 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 2019.

### (3) Related Party Transactions

Norwalk Redevelopment Corporation (NRA) owed NWHC approximately \$363,800 and \$3,000 as of June 30, 2022 and 2021, respectively, which is included in accounts receivable and due from other funds.

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

### (4) 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, 2022 and 2021.

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# NORTH WALKE HOUSING CORPORATION

## Notes to Financial Statements

### (5) Adoption and Future Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. generally accepted accounting principles. The Corporation adopted the new standard effective July 1, 2020 using the full retrospective method. The adoption of this ASU did not have a significant impact on the Corporation's financial statements, and no changes were required to previously reported revenues.

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 Corporation adopted the standard effective July 1, 2020 and it did not have a significant impact on the financial statements, and no changes were required to previously reported revenues.

In February 2016, the FASB issued 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 periods beginning after December 15, 2021. Management of the Corporation does not believe this standard will have a significant impact on the financial statements.

### (6) Liquidity and Availability of Resources

The Corporation has approximately \$914,000 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 \$454,000 and accounts and loans receivable of \$460,000. 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.