

TO: Members, North Walke Housing Corp.
FROM: John Igneri, Chairman
DATE: January 5, 2022
RE: Regular Meeting Notice

NORTH WALKE HOUSING COPORATION

**JANUARY 11, 2022
5:30 P.M.
REGULAR MEETING AGENDA**

The next meeting will be held on **TUESDAY, JANUARY 11, 2022 at 5:30 p.m.** Due to the ongoing public health situation the meeting will be held as a Zoom virtual meeting via the 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.

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 minutes of the November 9, 2021 regular meeting
 - b. Financials
 - i) Audit
 - (1) Approve North Walke Housing Corporation Audited Financial Statements for Fiscal Year Ended June 30, 2021 to be presented by Auditor, Michael Solakian
- I. BUSINESS**
- II. NEW BUSINESS**
- III. OLD BUSINESS**
- IV. ADJOURNMENT**

**CITY OF NORWALK
NORTH WALKE HOUSING CORPORATION
REGULAR MEETING
NOVEMBER 9, 2021**

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

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

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 address the Board Members at this time.

I. ADMINISTRATION

1. APPROVAL OF MINUTES

a. Approve Minutes of the September 21, 2021 Regular Meeting.

**** MR. WESTMORELAND MOVED THE MINUTES OF THE SEPTEMBER 21, 2021
REGULAR MEETING.**

**** MS. BLOOM SECONDED.**

**** THE MOTION TO APPROVE THE MINUTES OF THE SEPTEMBER 21, 2021 REGULAR
MEETING AS SUBMITTED PASSED UNANIMOUSLY.**

2. FINANCIALS

**a. Approve North Walke Housing Corporation Statement of Revenues and Expenditures and
Balance Sheets for all funds for quarter ending September 30, 2021.**

Ms. Lupinski stated that for the quarter ending September 30, 2021, the North Walke Fund 400 had \$2,885 in revenue and \$305 of expenses which resulted in a net surplus of \$2,580. The Balance Sheet for this fund had assets of \$421,000, and liabilities and net assets of \$421,000.

The North Walke Revolving Loan Fund 450 had \$723 of a net operating surplus which is interest income from notes. This fund has \$137,000 in assets, and \$137,000 in liabilities and net assets.

**** MR. WESTMORELAND MOTIONED TO APPROVE THE NORTH WALKE HOUSING CORPORATION STATEMENT OF REVENUES AND EXPENDITURES AND BALANCE SHEETS FOR ALL FUNDS FOR QUARTER ENDING SEPTEMBER 30, 2021, AS PRESENTED**

**** MS. BLOOM SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

II. BUSINESS

III. NEW BUSINESS

There was no new business to consider at this time.

IV. OLD BUSINESS

There was no old business to consider at this time.

ADJOURNMENT

**** MR. WESTMORELAND MOVED TO ADJOURN.**

**** MS. COOPER SECONDED.**

**** THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 5:33 p.m.

Respectfully submitted

S. L. Soltes
Telesco Secretarial Services

North Walke Housing Corporation

Financial Statements and Supplementary Information

Years ended June 30, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020, 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

November 30, 2021

NORTH WALKE HOUSING CORPORATION

Statements of Financial Position

June 30, 2021 and 2020

<i>Assets</i>	<u>2021</u>	<u>2020</u>
Cash	\$ 45,036	44,428
Investments	154,471	553,875
Accounts and loans receivable	<u>355,671</u>	<u>113,192</u>
Total assets	\$ <u>555,178</u>	<u>711,495</u>
 <i>Liabilities and Net Assets</i>		
Accounts payable	\$ 145	145
Other liabilities	122,420	282,420
Loans payable	<u>50,722</u>	<u>50,722</u>
Total liabilities	173,287	333,287
Net assets without restrictions	<u>381,891</u>	<u>378,208</u>
Total liabilities and net assets	\$ <u>555,178</u>	<u>711,495</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Statements of Activities

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues:		
Program income	\$ 7,650	9,600
Interest income	<u>3,784</u>	<u>5,150</u>
Total revenues	<u>11,434</u>	<u>14,750</u>
Expenses:		
Program:		
Project expenses	-	-
Management and general:		
Professional fees	6,500	6,500
Office and miscellaneous expenses	<u>1,251</u>	<u>1,230</u>
Total expenses	<u>7,751</u>	<u>7,730</u>
Change in net assets	3,683	7,020
Net assets - beginning of year	<u>378,208</u>	<u>371,188</u>
Net assets - end of year	<u>\$ 381,891</u>	<u>378,208</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Statements of Cash Flows

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 3,683	7,020
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Decrease (increase) in:		
Accounts and loans receivable	(242,479)	5,811
Increase (decrease) in:		
Other liabilities	<u>(160,000)</u>	<u>(570,000)</u>
Net cash used in operating activities	<u>(398,796)</u>	<u>(557,169)</u>
Cash flows from investing activities:		
Redemption (purchase) of investments	<u>399,404</u>	<u>(202,057)</u>
Net cash provided by (used in) investing activities	<u>399,404</u>	<u>(202,057)</u>
Net increase (decrease) in cash	608	(759,226)
Cash - beginning of year	<u>44,428</u>	<u>803,654</u>
Cash - end of year	<u>\$ 45,036</u>	<u>44,428</u>

See accompanying notes to financial statements.

NORTH WALKE HOUSING CORPORATION

Notes to Financial Statements

June 30, 2021 and 2020

(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, 2021, 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, 2021 and 2020 was approximately \$199,500 and \$598,300, respectively, as shown in the accompanying statement of financial position. The bank balances of these funds totaled approximately \$199,500 and \$598,300 as of June 30, 2021 and 2020, 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, 2021, 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 2018.

(3) Related Party Transactions

Norwalk Redevelopment Corporation (NRA) owed NWHC approximately \$3,000 and \$3,900 as of June 30, 2021 and 2020, respectively, which is included in accounts and loans receivable.

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, 2021 and 2020.

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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. The Corporation has not yet evaluated the impact of this statement.

(6) Liquidity and Availability of Resources

The Corporation has approximately \$555,000 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 \$199,000 and accounts and loans receivable of \$356,000. 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.

(7) 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 2022.