

February 9, 2023

To the Board of Directors
Home Means Nevada, Inc.
Las Vegas, Nevada

In planning and performing our audit of the financial statements of the business-type activities of Home Means Nevada, Inc. (Organization) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the Organization's internal control to be a material weakness:

Material Adjustments to the Financial Statements

During our audit, we discovered material adjustments that needed to be posted to the accounting records in order for the financial statements to be fairly stated in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These adjustments had not been discovered in the normal review processes that the Organization has implemented. This resulted in financial statements that were materially different from the ones used by management and the Board of Directors to review the results of operations during the year. These adjustments are detailed in the attached Exhibit A.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiency:

Identification of Federally Sourced Grant Awards

During our audit, we identified the Emergency Rental Assistance Program grant, passed through the Nevada Housing Division, as a federally sourced grant. As expenditures of this grant exceeded \$750,000 during the year under audit, a Uniform Guidance audit was required. In accordance with 2 CFR 200.508, the auditee is responsible for identifying and tracking expenditures of federally sourced grant awards in order to prepare financial statements, to include a schedule of expenditures of federal awards (SEFA).

Without complete and accurate identification and tracking of federally sourced funds, there is a risk that the Organization will not meet auditee requirements under 2 CFR 200.508. We recommend that management design and implement a system whereby all federal funding is identified, tracked, and presented in accordance with 2 CFR 200.508.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, and, as applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 10, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The material misstatements detected as a result of audit procedures and corrected by management are detailed in the attached Exhibit A.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 9, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Required Supplementary Information

We applied certain limited procedures to the management’s discussion and analysis, which is required supplementary information (RSI) accompanying the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Home Means Nevada, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Houldsworth, Russo & Company, P.C.

Houldsworth, Russo & Company, P.C.
Las Vegas, Nevada

Home Means Nevada, Inc.
Year End: June 30, 2022
Corrected Misstatements
Date: 7/1/2021 To 6/30/2022

Exhibit A

Number	Date	Name	Number	Debit	Credit
AJE-1	6/30/2022	Accounts Payable (A/P)	2000	16,500.00	
AJE-1	6/30/2022	Funds Payable to State of NV	2100		16,500.00
AJE-1	6/30/2022	Roll Forward of Reserves	4000	16,500.00	
AJE-1	6/30/2022	Operations:Audit	6106		16,500.00
To reduce accrued expenses and reduce revenues in alignment with expenses recognized in the current period					
AJE-2	6/30/2022	Prepaid expenses	E		12,273.78
AJE-2	6/30/2022	Accounts payable	N	12,273.78	
To correct overstatement of prepaid expenses and accounts payable					
AJE-3	6/30/2022	Grants receivable	CA	231,773.00	
AJE-3	6/30/2022	Deferred revenue	R		231,773.00
To recognize grants receivable and to correct balance presented as refundable advance					
				277,046.78	277,046.78