

HOME MEANS NEVADA, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

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HOME MEANS NEVADA, INC.

JUNE 30, 2023

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HOME MEANS NEVADA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

The following discussion and analysis of Home Means Nevada, Inc. (Organization) provides an overview of the Organization's financial activities for the year ended June 30, 2023. As management of the Organization, we encourage readers to consider the information presented here in conjunction with the financial statements and related notes to the financial statements.

The financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Codification. The financial statements presented focus on the financial condition of the Organization and the results of operations and cash flows of the Organization as a whole.

Financial Highlights

- The Organization's net position totals \$1,277 while assets total \$34,238 and consist primarily of cash and equivalents held for the Mediation Programs.
- Revenues total \$1,720,464 with direct program expenses totaling \$1,397,347.

Overview of the Financial Statements

There are three financial statements presented: the statement of net position; the statement of revenues, expenses, and change in net position; and the statement of cash flows. They are prepared using the accrual basis of accounting.

The statement of net position presents information on all of the Organization's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the Organization is improving or deteriorating.

The statement of revenues, expenses, and change in net position presents information showing how the Organization's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of cash flows provides relevant information about the cash receipts and cash payments during the period.

The notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the financial statements and should be read with the financial statements.

The Organization as a Whole

One important question asked about the Organization's finances is: "Is the Organization better or worse off as a result of the year's activities?" The information in the accompanying financial statements helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is the basis of accounting used by most private-sector companies. The change in net position (the difference between total assets and total liabilities) over time is one indicator of whether the Organization's financial health is improving or deteriorating. However, consideration should be given to other non-financial factors in making an assessment of the Organization's health, such as, the ongoing demonstrated success of the programs in operations, changes in the economy, and changes in legislation that affect the program(s) administered by the Organization.

HOME MEANS NEVADA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

Condensed Statements of Net Position

	2023	2022	Increase (Decrease)	Percentage Increase (Decrease)
Current assets	\$ 32,092	\$ 476,614	\$ (444,522)	(93%)
Capital assets, net	2,146	3,881	(1,735)	(45%)
Total assets	<u>34,238</u>	<u>480,495</u>	<u>(446,257)</u>	<u>(93%)</u>
Current liabilities	32,961	478,184	(445,223)	(93%)
Total liabilities	<u>32,961</u>	<u>478,184</u>	<u>(445,223)</u>	<u>(93%)</u>
Net position	<u>\$ 1,277</u>	<u>\$ 2,311</u>	<u>\$ (1,034)</u>	<u>(45%)</u>

Funding received from the State of Nevada is considered a refundable advance to be utilized by the Organization in administering the Nevada State Foreclosure Mediation Program (FMP) and Rental Eviction Mediation Program (REMP) (collectively, Mediation Programs). Federal funding passed through from the Nevada Housing Division is also considered a refundable advance until related expenses are incurred. Due to the nature of this funding, the majority of revenues are recognized in conjunction with expenses incurred. As a result, the Organization's ending balances of assets and liabilities are largely driven by the amount of cash received versus the amount of expenses incurred. For 2023, the decrease in these balances is primarily attributed to the sunset of the Organization's duty to administer the REMP (by order of the Supreme Court of Nevada) during December 2022.

Condensed Statements of Revenues, Expenses, and Change in Net Position

	2023	2022	Increase (Decrease)	Percentage Increase (Decrease)
Total revenues	\$ 1,720,464	\$ 2,008,130	\$ (287,666)	(14%)
Total expenses	<u>1,721,498</u>	<u>2,008,446</u>	<u>(286,948)</u>	<u>(14%)</u>
Change in net position	<u>\$ (1,034)</u>	<u>\$ (316)</u>	<u>\$ (718)</u>	<u>227%</u>

During the year ended June 30, 2023, the Organization received funding from the Account for Foreclosure Mediation Assistance and Affordable Housing Trust Funds administered by the Interim Finance Committee of the State of Nevada as well as the Emergency Rental Assistance Program administered by the U.S. Department of Treasury and passed through the State of Nevada. The total program-specific, state, and federal grant revenues recognized are determined by actual expenses incurred. The decrease in revenues recognized and expenses incurred are primarily attributed to the sunset of the Organization's duty to administer the REMP during December 2022.

HOME MEANS NEVADA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2023

Other Financial and Program Related Information

During the year ended June 30, 2017, the Nevada Home Retention Program (NHRP), administered by Home Means Nevada, Inc., reached its scheduled sunset. At the close of NHRP, Home Means Nevada, Inc. returned all funds not utilized for the program to the State of Nevada in accordance with the terms and conditions under which the initial funding was provided.

During the year ended June 30, 2018, as established with the passage of Senate Bill 490 of the 2017 Legislative Session, Home Means Nevada, Inc. was selected to implement and monitor the FMP. Funds were transferred from the State of Nevada to Home Means Nevada, Inc. in accordance with the terms established by Senate Bill 490.

During the year ended June 30, 2021, as established with the passage of REMP of the 32nd Special Session of the Nevada Legislation, Home Means Nevada, Inc. was selected to implement and monitor the REMP. Funds were transferred from the State of Nevada to Home Means Nevada, Inc. in accordance with the terms established by the bill. By order of the Supreme Court of Nevada, the Organization's duties to administer this program ended during December 2022.

Request for Information

The financial report is designed to provide a general overview of the Organization's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Home Means Nevada, Inc. at 3300 W. Sahara Ave., Ste. 480, Las Vegas, NV 89102, and telephone number (702) 486-8180.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Home Means Nevada, Inc., a component unit of the Nevada Department of Business and Industry, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Home Means Nevada, Inc. as of June 30, 2023, and the changes in its financial position and cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Home Means Nevada, Inc., 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 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.

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 Home Means Nevada, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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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 and *Government 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 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 and *Government 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 Home Means Nevada, Inc.'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 Home Means Nevada, Inc.'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1–3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Home Means Nevada, Inc.'s basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2023 on our consideration of Home Means Nevada, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Home Means Nevada, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Home Means Nevada, Inc.'s internal control over financial reporting and compliance.

Las Vegas, Nevada
September 8, 2023

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HOME MEANS NEVADA, INC.
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash and equivalents, Mediation Programs	\$ 25,686
Prepaid expenses	<u>6,406</u>
	32,092

NONCURRENT ASSETS

Capital assets, net	<u>2,146</u>
	<u><u>\$ 34,238</u></u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accrued expenses	\$ 22,684
Refundable advance	<u>10,277</u>
	32,961

NET POSITION

Unrestricted	<u>1,277</u>
	<u><u>\$ 34,238</u></u>

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See notes to financial statements

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HOME MEANS NEVADA, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Program-specific grant revenue	\$ 782,789
Federal grant revenue	918,227
State grant revenue	19,228
General revenue	<u>220</u>
Total revenues	1,720,464
OPERATING EXPENSES	
Mediation Programs	1,397,347
Administrative expenses	<u>324,151</u>
Total expenses	<u>1,721,498</u>
CHANGE IN NET POSITION	(1,034)
NET POSITION, BEGINNING OF YEAR	<u>2,311</u>
NET POSITION, END OF YEAR	<u><u>\$ 1,277</u></u>

See notes to financial statements

**HOME MEANS NEVADA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from program activities	\$ 1,566,770
Receipts from bank interest	220
Payments for employee compensation	(165,504)
Payments for program expenses	(1,382,582)
Payments for administrative expenses	<u>(144,890)</u>
Net cash used in operating activities	<u>(125,986)</u>
NET CHANGE IN CASH	(125,986)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>151,672</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 25,686</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH USED IN OPERATING ACTIVITIES	
Change in net position	\$ (1,034)
Adjustments to reconcile change in net position to net cash used in operating activities:	
Depreciation	1,735
Change in operating assets and liabilities:	
Decrease in grants receivable	231,773
Decrease in prepaid expenses	86,763
Decrease in accounts payable	(63,082)
Increase in accrued expenses	3,106
Decrease in refundable advance	<u>(385,247)</u>
Net cash used in operating activities	<u><u>\$ (125,986)</u></u>

HOME MEANS NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Home Means Nevada, Inc. (Organization), a component unit of the Nevada Department of Business and Industry, is a nonprofit corporation. The Organization was established for the execution of homeowner assistance to address the challenges and needs of distressed homeowners.

Currently, the Organization's mission is to implement and monitor the Nevada State Foreclosure Mediation Program, as established with the passage of Senate Bill 490 of the 2017 Legislative Session. The Organization's duty to administer the Rental Eviction Mediation Program, passed in Senate Bill 1 during the 32nd Special Session of the Nevada Legislature (2020), ended during December 2022.

Foreclosure Mediation Program: Individuals who have received a notice of default on owner-occupied housing will petition the District Court when they want to participate in a mediation. The District Court will assign a mediator who will conduct the mediation.

Rental Eviction Mediation Program: Tenants who have received or landlords who have filed a complaint for eviction will petition the District Court when they want to participate in a mediation. The District Court will assign a mediator who will conduct the mediation.

The Organization provides a supporting technological and communication role in both the Foreclosure Mediation Program and the Rental Eviction Mediation Program (collectively the Mediation Programs) and works closely with the District Courts and mediators to ensure a successful program.

Income Tax Status

Home Means Nevada, Inc. is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally exempt from income taxes on related income pursuant to the appropriate section of the IRC. The Organization did not conduct any unrelated business activities and, consequently, has no provision for federal or state taxes in the accompanying financials statements.

Use of Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts, some of which may require revision in future periods.

HOME MEANS NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The Organization is considered to be a governmental not-for-profit because of its relationship with the State of Nevada. The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) Codification.

The financial statements of the Organization have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. The statement of net position and the statement of revenues, expenses, and change in net position display information about the Organization.

Financial Statement Presentation

The Organization classifies net position, revenues, gains, and other support and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net position of the Organization and changes therein are classified and reported as follows:

Restricted-nonexpendable - Net position subject to donor-imposed stipulations that must be maintained permanently by the Organization.

Restricted-expendable - Net position subject to donor-imposed stipulations that will be transferred to the Organization for direct use by a designated program.

Unrestricted - Net position not subject to donor-imposed stipulations or received with restrictions that were satisfied in the same period.

Net investment in capital assets – Net position consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Capital Assets

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000 and with a useful life of greater than one year. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. These assets are depreciated over useful lives of 3-5 years.

HOME MEANS NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advance

Refundable advance consists of funds directed by the passage of Senate Bill 490 to the Organization from the State of Nevada’s Foreclosure Mediation Program Account for Mediation Programs. The advance is recognized as program-specific grant revenue or federal grant revenue, depending on the source of the funding, by the Organization as qualified expenditures are incurred (see “Nature of Activities” above).

Restricted Activity

The Organization’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Subsequent Events

Subsequent events have been evaluated through September 8, 2023, which is the date the financial statements were available to be issued.

NOTE 2. CONCENTRATION OF RISK

The Organization maintains its balance of cash and equivalents in one financial institution in Nevada. The balance at the Nevada institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2023, all balances were fully insured.

NOTE 3. CAPITAL ASSETS

	<u>2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>2023</u>
Capital assets, being depreciated:				
Furniture and equipment	\$ 10,160	\$ -	\$ -	\$ 10,160
Less: accumulated depreciation	<u>(6,279)</u>	<u>(1,735)</u>	<u>-</u>	<u>(8,014)</u>
Capital assets, net	<u>\$ 3,881</u>	<u>\$ (1,735)</u>	<u>\$ -</u>	<u>\$ 2,146</u>

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Home Means Nevada, Inc. (Organization), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Organization’s basic financial statements and have issued our report thereon dated September 8, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinion 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.

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. 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.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Las Vegas, Nevada
September 8, 2023

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Home Means Nevada Inc.’s (Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2023. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

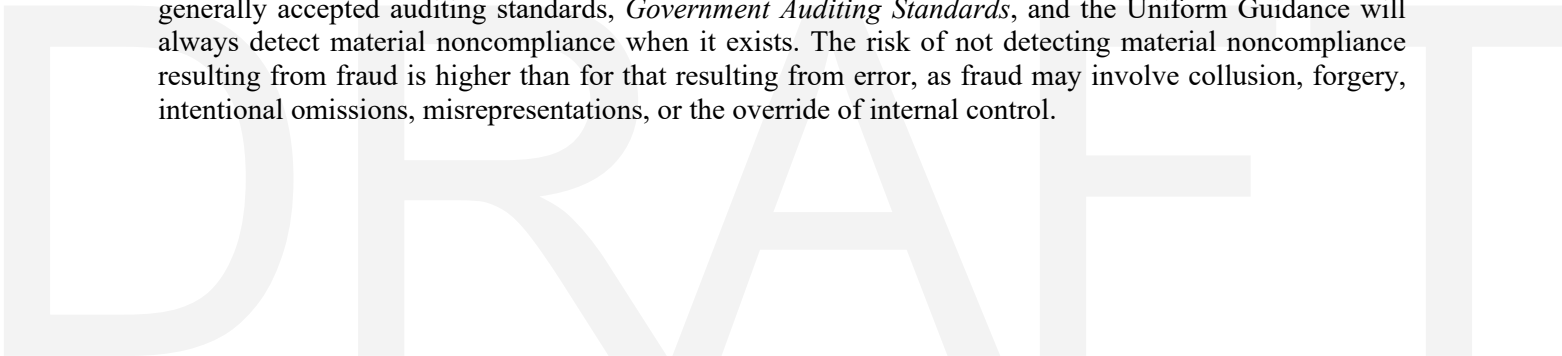
We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization’s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Las Vegas, Nevada
September 8, 2023

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HOME MEANS NEVADA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grantor and Program Title	Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures
<u>United States Department of the Treasury</u>			
<i>Passed through Nevada Housing Division:</i>			
COVID-19 Emergency Rental Assistance Program	21.023	T29039658A	<u>\$ 918,227</u>
Total federal expenditures			<u><u>\$ 918,227</u></u>

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See notes to schedule of expenditures of federal awards

HOME MEANS NEVADA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Home Means Nevada, Inc. under programs of the federal government for the year ended June 30, 2023, in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The schedule presents only a selected portion of the operations of Home Means Nevada, Inc. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Home Means Nevada, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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**HOME MEANS NEVADA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. The auditor's report expresses an unmodified opinion on the financial statements of Home Means Nevada, Inc. (Organization).
2. No material weaknesses or significant deficiencies related to the audit of the financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. No instances of noncompliance material to the financial statements of the Organization which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

Federal Awards

4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for each major federal program for the Organization expresses an unmodified opinion.
6. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
7. The program tested as a major program was the U.S. Department of the Treasury, Emergency Rental Assistance Program, Federal Assistance Listing Number 21.023.
8. The threshold used for distinguishing between Type A and Type B programs was \$750,000.
9. The Organization does not qualify as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

HOME MEANS NEVADA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2023

PRIOR YEAR FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENT AUDIT

2022-001 Material Adjustments to the Financial Statements

Criteria: Financial statements are required to be fairly stated in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition: Material adjustments were discovered that needed to be posted to the accounting records in order for the financial statements to be fairly stated in accordance with U.S. GAAP.

Effect: Material adjustments to reconciled general ledger balances were required.

Cause: Internal controls over account reconciliations were not consistently applied.

Recommendation: We recommend that management design and implement a system whereby all general ledger balances are reviewed prior to being submitted for audit to ensure all balances are recognized in accordance with U.S. GAAP.

Views of responsible officials and planned corrective action: Home Means Nevada, Inc. management and the contract bookkeeper have designed a system to review the financial statements prior to submission for audit. Contract bookkeeper prepares the financial statements and management reviews them on a regular and ongoing basis.

Current status: Corrective action has been implemented.

2022-002 Identification of Federally Sourced Grant Awards

Criteria: 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 appropriate financial statements, to include a schedule of expenditures of federal awards (SEFA).

Condition: Management did not identify a certain grant award as federally sourced.

Effect: Improper identification of federal expenditures resulted in an improper determination for the necessity of a Uniform Guidance audit.

Cause: The design and implementation of internal controls over identification of federal expenditures and, therefore, necessity of a Uniform Guidance audit were not appropriately designed or operating effectively.

Recommendation: We recommend that management design and implement a system whereby all federal award funding is identified, tracked, and presented in accordance with 2 CFR 200.508.

HOME MEANS NEVADA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS - FINANCIAL STATEMENT AUDIT
(CONTINUED)**

2022-002 Identification of Federally Sourced Grant Awards (Continued)

Views of responsible officials and planned corrective action: The Federal grant funding received was a new program in response to the COVID-19 public health emergency. The COVID-19 public health emergency created job loss and evictions. The Emergency Rental Assistance Program and Rental Eviction Mediation Program were developed to address those issues and create a program that could potentially find alternatives to eviction. Home Means Nevada, Inc. was named the administrator of the Rental Eviction Mediation Program in October 2020.

The funds provided to Home Means Nevada, Inc. to administer the Rental Eviction Mediation Program were new funds and a new grant funding source. There was no way for Home Means Nevada, Inc., to predict or foresee the number of eviction cases that would be filed and/or sent to Home Means Nevada, Inc. The Rental Eviction Mediation Program expired on December 31, 2022.

Current status: Corrective action has been implemented.

**PRIOR YEAR FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

None.

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