

HOME MEANS NEVADA, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2024

The logo consists of a dark blue square with a white border. Inside the square, the letters "HRC" are written in a white, bold, sans-serif font.

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HOME MEANS NEVADA, INC.

JUNE 30, 2024

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HOME MEANS NEVADA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

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, 2024. 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 \$740 while assets total \$170,642 and consist primarily of cash and equivalents held for the Foreclosure Mediation Program.
- Revenues total \$441,087 with direct program expenses totaling \$111,370.

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
JUNE 30, 2024

Condensed Statements of Net Position

	2024	2023	Increase (Decrease)	Percentage Increase (Decrease)
Current assets	\$ 166,898	\$ 32,092	\$ 134,806	420%
Capital assets, net	3,744	2,146	1,598	74%
Total assets	<u>170,642</u>	<u>34,238</u>	<u>136,404</u>	398%
Current liabilities	<u>169,902</u>	<u>32,961</u>	<u>136,941</u>	415%
Total liabilities	<u>169,902</u>	<u>32,961</u>	<u>136,941</u>	415%
Net position	<u>\$ 740</u>	<u>\$ 1,277</u>	<u>\$ (537)</u>	(42%)

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). 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 2024, the increase in these balances is primarily attributed to payments during the fiscal year received for administration of the FMP in excess of expenses incurred for administration of the FMP.

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

	2024	2023	Increase (Decrease)	Percentage Increase (Decrease)
Total revenues	\$ 441,087	\$ 1,720,464	\$ (1,279,377)	(74%)
Total expenses	<u>441,624</u>	<u>1,721,498</u>	<u>(1,279,874)</u>	(74%)
Change in net position	<u>\$ (537)</u>	<u>\$ (1,034)</u>	<u>\$ 497</u>	(48%)

During the years ended June 30, 2024 and 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. During the year ended June 30, 2023, the Organization also received grant revenue from 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 decreases in revenues recognized and expenses incurred are primarily attributed to the sunset of the Organization's duty to administer the Rental Eviction Mediation Program (REMP) during December 2022.

HOME MEANS NEVADA, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

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 the REMP during 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.

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, 2024, 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, 2024, 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. 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.

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 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 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Howdsworth, Russo & Company, P.C.

Las Vegas, Nevada
September 3, 2024

HOME MEANS NEVADA, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash and equivalents, held for Foreclosure Mediation Program	\$ 154,538
Prepaid expenses	<u>12,360</u>

166,898

NONCURRENT ASSETS

Capital assets, net	<u>3,744</u>
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\$ 170,642

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 650
Accrued expenses	28,860
Refundable advance	<u>140,392</u>

169,902

NET POSITION

Unrestricted	<u>740</u>
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\$ 170,642

See notes to financial statements

HOME MEANS NEVADA, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

OPERATING REVENUES	
Program-specific grant revenue	\$ 440,118
General revenue	<u>969</u>
Total revenues	441,087
OPERATING EXPENSES	
Foreclosure Mediation Program	111,370
Administrative expenses	<u>330,254</u>
Total expenses	<u>441,624</u>
CHANGE IN NET POSITION	(537)
NET POSITION, BEGINNING OF YEAR	<u>1,277</u>
NET POSITION, END OF YEAR	<u><u>\$ 740</u></u>

See notes to financial statements

HOME MEANS NEVADA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from program activities	\$ 570,234
Receipts from bank interest	968
Payments for employee compensation	(181,144)
Payments for program expenses	(111,370)
Payments for administrative expenses	<u>(146,686)</u>
Net cash provided by operating activities	132,002
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of capital assets	<u>(3,150)</u>
Net cash used in investing activities	<u>(3,150)</u>
NET CHANGE IN CASH	128,852
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>25,686</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 154,538</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO	
NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net position	\$ (537)
Adjustments to reconcile change in net position to net cash used in operating activities:	
Depreciation	1,552
Change in operating assets and liabilities:	
Increase in prepaid expenses	(5,954)
Increase in accounts payable	650
Increase in accrued expenses	6,176
Increase in refundable advance	<u>130,115</u>
Net cash provided by operating activities	<u><u>\$ 132,002</u></u>

See notes to financial statements

HOME MEANS NEVADA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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. Senate Bill 490 continued the Nevada State Foreclosure Mediation Program but transferred responsibility for its implementation from the Nevada Supreme Court to the Nevada District Courts (District Courts) and the Organization.

Individuals who receive a notice of default on owner-occupied housing petition the District Courts when they want to participate in mediation. The District Courts assign a mediator to conduct the mediation. The Organization provides a supporting technological and communication role in the Foreclosure Mediation Program (FMP) process and works closely with the District Courts and mediators to ensure a successful program.

Historically, the nature of this industry indicates that homeowner assistance programs are generally expected to be temporary. Continued funding for the Organization is dependent on a need in the community for the program currently administered. Although no sunset of the FMP or the Organization's assignment to administer it was scheduled with passage of Senate Bill 490, the Organization understands that there is a potential for the FMP along with any other past, present, or future programs to head toward sunset. As of the date these financial statements were available to be issued, the Organization has not received any indication of a scheduled sunset for the FMP or changes to the Organization's role in the 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
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 the Organization’s Program. The advance is recognized as program-specific grant revenue 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 3, 2024, 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, 2024, all balances were fully insured.

NOTE 3. CAPITAL ASSETS

	<u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>2024</u>
Capital assets, being depreciated:				
Furniture and equipment	\$ 10,160	\$ 3,150	\$ -	\$ 13,310
Less: accumulated depreciation	<u>(8,014)</u>	<u>(1,552)</u>	<u>-</u>	<u>(9,566)</u>
Capital assets, net	<u>\$ 2,146</u>	<u>\$ 1,598</u>	<u>\$ -</u>	<u>\$ 3,744</u>