

September 16, 2019

To the Board of Directors
Nevada Affordable Housing Assistance Corporation
Las Vegas, Nevada

We have audited the financial statements of the business-type activities of Nevada Affordable Housing Assistance Corporation (the Organization) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, 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 June 28, 2019. 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 Nevada Affordable Housing Assistance Corporation 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 2019. 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.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the collectability of accounts receivable is based on expected payments on the accounts receivable. The expected payments are determined by management based on communications with customers and historical experience over collectability. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

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 clearly trivial, and communicate them to the appropriate level of management. We proposed no adjustments during our audit.

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.

Certified Public Accountants
20 YEARS & COUNTING

HOULDSWORTH, RUSSO & COMPANY

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Management Representation

We have requested certain representations from management that are included in the management representation letter dated September 16, 2019.

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.

During our audit, we became aware of an opportunity to strengthen internal control that is not considered a significant deficiency or a material weakness. The following is recommendation that we have made to management in order to strengthen the Organization’s internal controls:

Payroll Register Review

During our audit, we noted that the third-party payroll provider, ADP, went to a paperless system in mid-May 2019. Currently, the Payroll Manager, who has administrative access to the ADP website, logs into the website to download and print the final payroll register. The Payroll Manager then provides this copy to the Office Administrator to review. The Office Administrator compares the final payroll register to the pre-payroll register, which has been approved and signed by the COO/CEO, in order to verify that no changes were made after approval. Because the Payroll Manager has administrative access rights and is the person responsible for providing the final payroll register to the Office Administrator, there is a risk that the final payroll register could be manipulated before being given to the Office Administrator. To reduce this risk, we recommend that the Office Administrator be granted view-only access to the ADP system so that the final payroll register can be independently obtained.

Other Matters

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 of the RSI.

This information is intended solely for the use of the Board of Directors and management of Nevada Affordable Housing Assistance Corporation 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.

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Las Vegas, Nevada