



SINGLE AUDIT ADDENDUM LETTER #2 – JUNE 30, 2011

May 9, 2012

To the Honorable Mayor and Council Members
of the City of Reno
Reno, Nevada

Members of the Council:

We have audited the financial statements of the City of Reno as of and for the year ended June 30, 2011 and have issued our report thereon dated December 29, 2011. Subsequent to the issuance of our report, we received notice from the City of Reno that the federal expenditures for two U.S. Department of Housing and Urban Development grants were not properly identified in the City of Reno's Single Audit Report for the fiscal year ended June 30, 2011.

The following federal expenditures for the U.S. Department of Housing and Urban Development grants should have been reported on the Schedule of Expenditures of Federal Awards as being direct awards rather than awards passed through the Nevada State Housing Division.

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Programs:			
Neighborhood Stabilization Program No. 2	14.264	--	\$ 47,042
Neighborhood Stabilization Program No. 3	14.264	--	1,092

Sincerely,

GALLINA LLP
Roseville, California