



# Commonwealth of Virginia

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

**Walter J. Kucharski, Auditor**

October 13, 2010

Kai Degner  
Mayor  
345 S. Main St.  
Harrisonburg, VA 22801

City of Harrisonburg

Dear Mr. Degner:

We have reviewed the Commonwealth collections and remittances of the Treasurer and Commissioner of the Revenue of the locality indicated for the year ended June 30, 2010. Our primary objectives were to determine that the officials have maintained accountability over Commonwealth collections, established internal controls, and complied with state laws and regulations.

The results of our tests found the Treasurer and Commissioner of the Revenue complied, in all material respects, with state laws, regulations and other procedures relating to the receipt, disbursement, and custody of state funds, except as follows.

The Treasurer did not comply with state laws and regulations as described below.

## Perform Monthly Reconciliations

The Treasurer did not perform timely and adequate monthly reconciliations of his accounting records to the Commonwealth Accounting and Reporting System (CARS) reports provided by the Department of Accounts. Timely monthly reconciliations are a significant internal control which is essential for determining the reliability of information. The Treasurer should reconcile assessments, collections, and uncollected balances to CARS on a monthly basis as required by Section 58.1-3168 of the Code of Virginia and submit correction requests timely. Proper procedures will ensure complete and accurate recording of tax assessments and collections.

Kai Degner, Mayor  
October 13, 2010  
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We discussed this comment with the Treasurer on October 14, 2010 and we acknowledge the cooperation extended to us during this review.

Sincerely,

Auditor of Public Accounts

WJK:clj

cc: Kurt Hodgen, City Manager  
Jeffrey L. Shafer, Treasurer  
June W. Hosaflook, Commissioner of the Revenue