

**City of Hyattsville, Maryland**

**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***

**June 30, 2020**

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To the Mayor and City Council  
City of Hyattsville, Maryland

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 the governmental activities, each major fund, and the aggregate remaining fund information of the City of Hyattsville, Maryland (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Hyattsville, Maryland's basic financial statements, and have issued our report thereon dated June 12, 2023.

#### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the City of Hyattsville, Maryland'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001, that we consider to be a material weakness.

#### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the City'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2020-001.

City of Hyattsville, Maryland's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

*CohnReznick LLP*

Baltimore, Maryland  
June 12, 2023

**City of Hyattsville, Maryland**  
**Schedule of Findings and Responses**  
**Year Ended June 30, 2020**

**2020-001 Timely and Accurate Financial Reporting**

**Statement of Condition:** During the course of our audit, we noted that the City's June 30, 2020 financial statements were not filed timely with the State government. The City was unable to prepare, in a timely manner, closing entries, account reconciliations and analysis, and supporting documentation needed to ensure timely filings.

**Criteria:** Accounting policies and procedures should be designed and implemented in a fashion that ensures timely and accurate financial reporting.

**Cause:** Limited resources within the City's Finance Department has resulted in the inability to adhere to the documented accounting policies and procedures in a timely manner.

**Effect:** The lack of resources does not allow for certain documented procedures, such as monthly reconciliations or preparation and review of journal entries, to be performed in a timely manner. This has resulted in financial reporting that is not performed timely, leading to the City not being able to meet its financial reporting requirements as designated in its Charter. Additionally, the City's ability to provide reliable interim financial reports is inhibited by current accounting practices.

***This is a repeat finding from the prior audit.***

**Recommendation:** We recommend that the City consider adding additional resources to assist with the preparation of monthly reconciliation and other duties to ensure the City's books and records are accurate and prepared for the audit and annual financial statement reporting in a timely manner.

**View of Responsible Officials:** The City will continue to use a third-party firm to assist with the fiscal year 2021, 2022 and 2023 audits and to assist with reconciliations and preparation of financial information needed to provide timely and accurate financial reporting to the Mayor and Council and the residents of Hyattsville.