

**HEBREW LANGUAGE ACADEMY CHARTER SCHOOL**

**ADVISORY COMMENT LETTER**

**JUNE 30, 2017**



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

October 9, 2017

To the Board of Trustees  
Hebrew Language Academy Charter School

In planning and performing our audit of the financial statements of Hebrew Language Academy Charter School (the “Charter School”) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Charter School’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School’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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this letter and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During the course of our audit of the financial statements of Hebrew Language Academy Charter School as of June 30, 2017 and for the year then ended, we observed the Charter School's significant accounting policies and procedures and certain business, financial and administrative practices. As a result of our observations, we suggest you consider the following comment which we do not consider to be a significant deficiency or material weakness:

**Employee Reimbursement Approval**

During our audit, we noted the Head of School's employee reimbursement forms were not being properly approved as documented in the Financial Policies and Procedures Manual. The Director of Operations was approving the Head of School's reimbursement forms.

**Recommendation**

We recommend the Charter School follow the procedures listed in its Financial Policies and Procedures Manual. A member from Hebrew Public must approve the Head of School's employee reimbursement forms before payment is made.

**Incentive Bonus Approval**

During our audit, we noted the incentive bonus was paid out in July 2017. We reviewed the board minutes from the school year and did not see any mention of bonuses throughout the minutes.

**Recommendation**

We recommend the Charter School follows the procedures listed in their Financial Procedures and Polices Manual. The Board must approve the bonus calculation and document their approval explicitly in the meeting minutes.

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We will review the status of this comment during our next audit engagement. We have already discussed this comment with the Charter School's management, and will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

This communication is intended solely for the information and use of Management, Finance Committee Members and Board Members and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the outstanding cooperation from your staff that our personnel received during the audit of the Charter School's financial statements. Should you have any questions or comments, please contact Michelle Cain or Kate Welc.

Very truly yours,

*Mengel, Metzger, Barr & Co. LLP*

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