



Hebrew Language Academy 2
CHARTER SCHOOL

Page #/BM	Renewal Site Visit Report Text	HLA2 Response
<p>P. 21/ BM 5 - Summary of Findings - <i>Designation moved from Meets to Approaches</i></p>	<p>A deficiency in internal controls over compliance with this reporting did not allow the school to detect and correct the error in a timely fashion. The auditor recommended that the school review the amounts of reimbursement received during each ESSER reporting period and ensure that the amounts reported are equivalent to the amounts of reimbursement received. The school's Hebrew Language Academy Charter School 2 – 2024-2025 RENEWAL SITE VISIT REPORT 22 management agreed with the recommendation and stated it would implement a new internal control regarding secondary reviews of federal grant reporting.</p> <p>Previous years' audited financial statements and auditor's reports had no findings of a deficiency in internal controls other than those relative to enrollment, which are addressed in benchmark 9, during this charter term.</p>	<p>Thank you for meeting with our team two weeks ago to discuss HLA2's designation downgrade from Meets to Approaches in Benchmark 5 - Financial Management. We appreciate your revisions to the site visit report narrative, including the removal of the reference to the calculation of ASC 842 assets and liabilities—since it was not identified as a deficiency in internal control—and the inclusion of a note confirming no other findings during the charter term.</p> <p>However, we are formally objecting to the downgrade from Meets to Approaches for Benchmark 5. Since its inception, HLA2 has maintained an exceptional financial record and has consistently received a Meets designation for Benchmark 5, over 7 years. As outlined by our auditors, the noted deficiency relates solely to compliance over reporting for a specific federal funding report required for ESSER funding.</p> <p>Our auditors emphasize that this reporting compliance finding did not impact the expenditure of federal funds. All funds were expended appropriately, with no questioned costs. The issue arose because NYSED required this report to be prepared using a method different from the standard accrual basis of accounting. This reporting error, which affected many charters in the sector, had no material impact on the school's finances.</p> <p>We believe that one isolated immaterial reporting issue should not overshadow HLA2's strong financial management practices, which have consistently met all financial metrics over the last 7 years. We respectfully request a reconsideration of our designation for Benchmark 5.</p>