



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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March 14, 2013

Charter School Board
Challenge Foundation Academy, Inc.
3980 Meadows Drive
Indianapolis, IN 46205

We have reviewed the Supplemental Audit Report prepared by Sikich, LLP, Independent Public Accountants, for the period July 1, 2011 to June 30, 2012. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 5 contains one audit result and comment.

In addition to the report presented herein, a Financial Statements and Independent Auditors' Report for Challenge Foundation Academy, Inc. was prepared in accordance with the guidelines established by the State Board of Accounts.

The Supplemental Audit Report and the Financial Statements and Independent Auditors' Report are filed in our office as a matter of public record.

State Board of Accounts

SUPPLEMENTAL AUDIT REPORT
OF
CHALLENGE FOUNDATION ACADEMY, INC.
MARION COUNTY, INDIANA
JULY 1, 2011 TO JUNE 30, 2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Evan S. Hawkins Luanne Brown	07-01-09 to 12-14-11 12-15-11 to 06-30-12
Superintendent of Schools	Charlie Schlegel	07-01-09 to 06-30-12
President of the School Board	Rose Mays	09-01-09 to 06-30-12
Treasurer of the School Board	Owen B. Melton	07-01-09 to 06-30-12



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

TO: THE OFFICIALS OF CHALLENGE FOUNDATION ACADEMY, INC.

We have audited the records of the Challenge Foundation Academy, Inc. for the period from July 1, 2011 to June 30, 2012, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Challenge Foundation Academy, Inc. for the year ended June 30, 2012.

A handwritten signature in black ink that reads 'Sikich, LLP' in a cursive, script font.

Sikich LLP

January 23, 2013

CHALLENGE FOUNDATION ACADEMY, INC.
AUDIT RESULTS AND COMMENTS

DEPOSITS

The internal controls established by the School Corporation required that receipts be deposited weekly or daily, if a large amount of money was on hand. For the receipts and deposits tested, we noted that some receipts were not deposited daily.

All charter school money must be deposited in the designated depository not later than the business day following the receipt of funds on business days of the depository in the same form in which the funds were received. Timely receipts and deposits are required to provide the organizer and charter school administration with current information necessary for all financial decisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools, Chapter 8)

**CHALLENGE FOUNDATION ACADEMY, INC.
MARION COUNTY
EXIT CONFERENCE**

The contents of this report were discussed on February 25, 2013, with Charlie Schlegel, Superintendent of Schools, Luanne Brown, Treasurer, Rose Mays, President of the School Board, and Kyle Rouse, Director of Operations. The officials concurred with our audit findings.