

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
GALILEO CHARTER SCHOOL  
WAYNE COUNTY, INDIANA  
July 1, 2007 to June 30, 2009



**FILED**  
05/21/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Paul H. Runyon	07-01-07 to 06-30-10
Chief Academic Officer	Kevin L. Handley	07-01-07 to 06-30-10
President of the School Board	Kenneth A. Christmon	07-01-07 to 06-30-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GALILEO CHARTER SCHOOL, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of the Galileo Charter School (School Corporation), for the period of July 1, 2007 to June 30, 2009. The School Corporation's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the School Corporation for the years ended June 30, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 8, 2010

GALILEO CHARTER SCHOOL  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 854,948	\$ -	\$ 36,740	\$ (818,208)
Support services	527,996	2,608	120,369	(405,019)
Noninstructional services	150,744	-	-	(150,744)
Facilities acquisition and construction	77,944	-	-	(77,944)
Debt service	185,272	-	-	(185,272)
<u>Total governmental activities</u>	<u>\$ 1,796,904</u>	<u>\$ 2,608</u>	<u>\$ 157,109</u>	<u>(1,637,187)</u>
General receipts:				
Property taxes				315,391
Other local sources				26,263
State aid				830,829
Bonds and loans				302,489
Grants and contributions not restricted to specific programs				117,252
Investment earnings				2,431
<u>Total general receipts</u>				<u>1,594,655</u>
Change in net assets				(42,532)
Net assets - beginning				88,829
Net assets - ending				<u>\$ 46,297</u>
<u>Assets</u>				
Cash and investments				<u>\$ 46,297</u>
<u>Net Assets</u>				
Unrestricted				<u>\$ 46,297</u>

The notes are an integral part of this financial information.

GALILEO CHARTER SCHOOL  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 991,771	\$ -	\$ 60,480	\$ (931,291)
Support services	679,665	4,201	164,847	(510,617)
Noninstructional services	197,647	-	-	(197,647)
Facilities acquisition and construction	99,846	-	-	(99,846)
Debt service	358,780	-	-	(358,780)
	<u>358,780</u>	<u>-</u>	<u>-</u>	<u>(358,780)</u>
Total governmental activities	<u>\$ 2,327,709</u>	<u>\$ 4,201</u>	<u>\$ 225,327</u>	<u>(2,098,181)</u>
General receipts:				
Property taxes				386,672
Other local sources				8,250
State aid				1,218,152
Bonds and loans				331,135
Grants and contributions not restricted to specific programs				291,583
Investment earnings				3,391
Other				14,022
				<u>2,253,205</u>
Total general receipts				<u>2,253,205</u>
Change in net assets				155,024
Net assets - beginning				<u>46,297</u>
Net assets - ending				<u>\$ 201,321</u>
<u>Assets</u>				
Cash and investments				\$ 171,689
Restricted assets:				
Cash and investments				<u>29,632</u>
Total assets				<u>\$ 201,321</u>
<u>Net Assets</u>				
Restricted for:				
Other purposes				\$ 29,632
Unrestricted				<u>171,689</u>
Total net assets				<u>\$ 201,321</u>

The notes are an integral part of this financial information.

GALILEO CHARTER SCHOOL  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2008

	General	Charter School Grant	Other	Totals
Receipts:				
Local sources	\$ 345,134	\$ -	\$ 1,559	\$ 346,693
State sources	867,569	-	31,517	899,086
Federal sources	-	30,375	175,729	206,104
Temporary loans	302,489	-	-	302,489
	<u>1,515,192</u>	<u>30,375</u>	<u>208,805</u>	<u>1,754,372</u>
Total receipts				
Disbursements:				
Current:				
Instruction	732,988	-	121,960	854,948
Support services	507,866	-	20,130	527,996
Noninstructional services	59,981	-	90,763	150,744
Facilities acquisition and construction	57,007	20,937	-	77,944
Debt services	185,272	-	-	185,272
	<u>1,543,114</u>	<u>20,937</u>	<u>232,853</u>	<u>1,796,904</u>
Total disbursements				
Excess (deficiency) of receipts over disbursements	<u>(27,922)</u>	<u>9,438</u>	<u>(24,048)</u>	<u>(42,532)</u>
Other financing sources (uses):				
Transfers in	26,125	-	439	26,564
Transfers out	<u>(26,125)</u>	<u>-</u>	<u>(439)</u>	<u>(26,564)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(27,922)</u>	<u>9,438</u>	<u>(24,048)</u>	<u>(42,532)</u>
Cash and investments - beginning	<u>44,656</u>	<u>20,125</u>	<u>24,048</u>	<u>88,829</u>
Cash and investments - ending	<u>\$ 16,734</u>	<u>\$ 29,563</u>	<u>\$ -</u>	<u>\$ 46,297</u>
<u>Cash and Investment Assets - Ending</u>				
Cash and investments	<u>\$ 16,734</u>	<u>\$ 29,563</u>	<u>\$ -</u>	<u>\$ 46,297</u>
<u>Cash and Investment Fund Balance - Ending</u>				
Unrestricted	<u>\$ 16,734</u>	<u>\$ 29,563</u>	<u>\$ -</u>	<u>\$ 46,297</u>

The notes are an integral part of this financial information.

GALILEO CHARTER SCHOOL  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2009

	General	Charter School Grant	Other	Totals
Receipts:				
Local sources	\$ 399,207	\$ -	\$ 3,307	\$ 402,514
State sources	1,278,632	-	45,988	1,324,620
Federal sources	-	-	410,442	410,442
Temporary loans	331,135	-	-	331,135
Other	14,022	-	-	14,022
	<u>2,022,996</u>	<u>-</u>	<u>459,737</u>	<u>2,482,733</u>
Total receipts				
Disbursements:				
Current:				
Instruction	756,668	6,983	228,120	991,771
Support services	629,926	(21,256)	70,995	679,665
Noninstructional services	73,104	351	124,192	197,647
Facilities acquisition and construction	52,332	43,485	4,029	99,846
Debt services	356,011	-	2,769	358,780
	<u>1,868,041</u>	<u>29,563</u>	<u>430,105</u>	<u>2,327,709</u>
Total disbursements				
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	154,955	(29,563)	29,632	155,024
Cash and investments - beginning	16,734	29,563	-	46,297
Cash and investments - ending	<u>\$ 171,689</u>	<u>\$ -</u>	<u>\$ 29,632</u>	<u>\$ 201,321</u>
<u>Cash and Investment Assets - Ending</u>				
Cash and investments	\$ 171,689	\$ -	\$ -	\$ 171,689
Restricted assets:				
Cash and investments	-	-	29,632	29,632
Total cash and investment assets - ending	<u>\$ 171,689</u>	<u>\$ -</u>	<u>\$ 29,632</u>	<u>\$ 201,321</u>
<u>Cash and Investment Fund Balance - Ending</u>				
Restricted for:				
Other purposes	\$ -	\$ -	\$ 29,632	\$ 29,632
Unrestricted	171,689	-	-	171,689
Total cash and investment fund balance - ending	<u>\$ 171,689</u>	<u>\$ -</u>	<u>\$ 29,632</u>	<u>\$ 201,321</u>

The notes are an integral part of this financial information.

GALILEO CHARTER SCHOOL  
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2008

	Private-Purpose Trust Funds
Additions	\$ -
Deductions:	
Benefits	15,000
Administrative and general	6,500
Total deductions	21,500
Deficiency of total additions under total deductions	(21,500)
Cash and investment fund balance - beginning	21,500
Cash and investment fund balance - ending	\$ -
Net assets:	
Cash and investments	\$ -
Total net assets - cash and investment basis held in trust	\$ -

The notes are an integral part of this financial information.

GALILEO CHARTER SCHOOL  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2009

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Other	\$ 1,341
Total additions	1,341
Deductions:	
Administrative and general	1,170
Total deductions	1,170
Excess of total additions over total deductions	171
Cash and investment fund balance - beginning	-
Cash and investment fund balance - ending	\$ 171
Net assets:	
Cash and investments	\$ 171
Total net assets - cash and investment basis held in trust	\$ 171

The notes are an integral part of this financial information.

GALILEO CHARTER SCHOOL  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

Note 2. Fund Accounting

A. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets - Cash and Investment Basis displays information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The charter school grant fund is used to account for receipts and disbursements of a grant to fund charter school startup costs.

Additionally, the School Corporation reports the following fund type:

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students.

GALILEO CHARTER SCHOOL  
NOTES TO FINANCIAL INFORMATION  
(Continued)

B. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The School Corporation has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the charter school in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

GALILEO CHARTER SCHOOL  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Pension Plans

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

GALILEO CHARTER SCHOOL  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Teacher's Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teacher's Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teacher's Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

GALILEO CHARTER SCHOOL  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

	Special Education Preschool	School Lunch	Textbook Rental	2006-07 Title I	2007-08 Title I	Federal Programs	Totals
<b>Receipts:</b>							
Local sources	\$ -	\$ 1,341	\$ 218	\$ -	\$ -	\$ -	\$ 1,559
State sources	-	204	31,313	-	-	-	31,517
Federal sources	-	88,852	-	-	74,981	11,896	175,729
<b>Total receipts</b>	<b>-</b>	<b>90,397</b>	<b>31,531</b>	<b>-</b>	<b>74,981</b>	<b>11,896</b>	<b>208,805</b>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	3,076	-	41,580	149	55,290	21,865	121,960
Support services	-	-	-	-	20,130	-	20,130
Noninstructional services	-	90,763	-	-	-	-	90,763
<b>Total disbursements</b>	<b>3,076</b>	<b>90,763</b>	<b>41,580</b>	<b>149</b>	<b>75,420</b>	<b>21,865</b>	<b>232,853</b>
Deficiency of receipts over disbursements	(3,076)	(366)	(10,049)	(149)	(439)	(9,969)	(24,048)
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	439	-	439
Transfers out	-	-	-	(439)	-	-	(439)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(439)</b>	<b>439</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,076)	(366)	(10,049)	(588)	-	(9,969)	(24,048)
Cash and investments - beginning	3,076	366	10,049	588	-	9,969	24,048
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash and Investment Assets - Ending</b>							
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash and Investment Fund Balance - Ending</b>							
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GALILEO CHARTER SCHOOL  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,  
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2009

	School Lunch	Textbook Rental	2008-09 Title I	IDEA P.L. 101-476	Federal Programs	ARRA Stimulus	Totals
<b>Receipts:</b>							
Local sources	\$ 3,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,307
State sources	246	45,742	-	-	-	-	45,988
Federal sources	118,859	-	103,040	35,624	5,000	147,919	410,442
<b>Total receipts</b>	<u>122,412</u>	<u>45,742</u>	<u>103,040</u>	<u>35,624</u>	<u>5,000</u>	<u>147,919</u>	<u>459,737</u>
<b>Disbursements:</b>							
<b>Current:</b>							
Instruction	-	45,742	79,430	6,298	1,889	94,761	228,120
Support services	-	-	5,269	18,035	3,111	44,580	70,995
Noninstructional services	122,412	-	-	-	-	1,780	124,192
Facilities acquisition and construction	-	-	-	-	-	4,029	4,029
Debt services	-	-	-	-	-	2,769	2,769
<b>Total disbursements</b>	<u>122,412</u>	<u>45,742</u>	<u>84,699</u>	<u>24,333</u>	<u>5,000</u>	<u>147,919</u>	<u>430,105</u>
Excess of receipts over disbursements	-	-	18,341	11,291	-	-	29,632
Cash and investments - beginning	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,341</u>	<u>\$ 11,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,632</u>
<b>Cash and Investment Assets - Ending</b>							
<b>Restricted assets:</b>							
Cash and investments	\$ -	\$ -	\$ 18,341	\$ 11,291	\$ -	\$ -	\$ 29,632
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,341</u>	<u>\$ 11,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,632</u>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Other purposes	\$ -	\$ -	\$ 18,341	\$ 11,291	\$ -	\$ -	\$ 29,632
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,341</u>	<u>\$ 11,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,632</u>

GALILEO CHARTER SCHOOL  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For the Year Ended June 30, 2008

	Wayne County Foundation Donation	Donations Gifts and Trusts	Totals
Additions:			
Contributions:			
Other	\$ -	\$ -	\$ -
Total additions	-	-	-
Deductions:			
Benefits	-	15,000	15,000
Administrative and general	6,500	-	6,500
Total deductions	6,500	15,000	21,500
Excess (deficiency) of total additions over total deductions	(6,500)	(15,000)	(21,500)
Cash and investment fund balance - beginning	6,500	15,000	21,500
Cash and investments - June 30	\$ -	\$ -	\$ -
Net assets:			
Cash and investments	\$ -	\$ -	\$ -
Total net assets - cash and investment basis held in trust	\$ -	\$ -	\$ -

GALILEO CHARTER SCHOOL  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended June 30, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 644,220
Improvements other than buildings	21,494
Machinery and equipment	<u>235,070</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 900,784</u>

GALILEO CHARTER SCHOOL  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2009

The Charter School has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable	\$ 1,424,051	\$ 234,789

GALILEO CHARTER SCHOOL  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2010, with Paul H. Runyon, Treasurer; Kevin L. Handley, Chief Academic Officer; and Sabrina Pennington, Board member. Our examination disclosed no material items that warrant comment at this time.