



CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Franklin Township, Erie County, Pennsylvania

We have audited the accompanying financial statements of the general fund, special revenue funds, capital projects funds, debt service funds, enterprise funds, internal service funds, trust and agency funds, and the general fixed assets and general long term debt account groups, included in the Department of Community and Economic Development's (DCED) prescribed form, of Franklin Township, Erie County, Pennsylvania, as of and for the year ended December 31, 2005, which collectively comprise the financial statements as shown in the DCED prescribed form. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Township prepared these financial statements included in the DCED prescribed form using the cash basis of accounting which is permitted by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the significant differences between the cash basis of accounting and accounting principles generally accepted in the United States of America are that revenues are recorded when received rather than earned and expenditures are recognized when paid rather than when incurred. Only related organizations' receivables are recognized as assets while no fixed assets nor infrastructure assets are capitalized and depreciated; and, payroll taxes payable and non-capital related loans payable to third parties are recognized as liabilities while other long-term obligations, such as compensated absences, are not recognized.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2005, or changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective assets, liabilities and fund balances of the general fund, special revenue funds, capital projects funds debt service funds, enterprise funds, internal service funds, trust and agency funds, and the general fixed assets and general long term debt account groups of the Township as of December 31, 2005, and its revenues and expenditures for the year then ended, on the basis of accounting described in the third paragraph above.

This report is intended solely for the information and use of the governing body and management of Franklin Township, Erie County, Pennsylvania, and for filing with the Pennsylvania Department of Community and Economic Development and the Erie County Prothonotary and is not intended to be and should not be used by anyone other than these specified parties.

Monahan & Monahan

Monahan & Monahan
Certified Public Accountants

January 17, 2006

Commonwealth of Pennsylvania



Annual Audit and Financial Report

TOWNSHIP of FRANKLIN, ERIE County

**for the year
2005**

Balance Sheet December 31st, 2005

Assets and Other Debits		Governmental Funds				Proprietary Funds		Fiduciary Funds	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Funds)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	Gen. Long Term Debt	Memorandum Only
100-120	Cash and Investments	\$ 118,172	\$ 49,222	\$ 5,848				\$ 36,092			\$ 209,334
140-144	Tax Receivable										\$ -
121-147	Accounts Receivable (excluding taxes)										\$ -
148-159	Other Current Assets	\$ 1,760									\$ 1,760
160-169	Fixed Assets								\$ 577,707		\$ 577,707
180-199	Other Debits									\$ 151,346	\$ 151,346
Total Assets and Other Debits		\$ 119,932	\$ 49,222	\$ 5,848	\$ -	\$ -	\$ -	\$ 36,092	\$ 577,707	\$ 151,346	\$ 940,147

Total Assets \$ 940,147

Liabilities and Other Credits											
210-229	Payroll Taxes & Other Payroll Withholdings							\$ 446			\$ 446
200-259	All other Current Liabilities	\$ 27						\$ 35,646			\$ 35,673
260-269	Long-Term Liabilities	\$ 1,566								\$ 151,346	\$ 152,912
	Other Credits										\$ -
Total Liabilities and Other Credits		\$ 1,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,092	\$ -	\$ 151,346	\$ 189,031

Total Liabilities \$ 189,031

Fund and Account Group Equity											
281-284	Contributed Capital										\$ -
-290	Investments in General Fixed Assets								\$ 577,707		\$ 577,707
271-289	Fund Balance/Retained Earnings 12/31	\$ 118,339	\$ 49,222	\$ 5,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,409
Total Fund and Account Group Equity		\$ 118,339	\$ 49,222	\$ 5,848	\$ -	\$ -	\$ -	\$ -	\$ 577,707	\$ -	\$ 751,116

Total Liabilities and Fund and Account Group Equity \$ 940,147

Statement of Revenues and Expenditures

		Governmental Funds				Proprietary Funds		Fiduciary Fund Type	Total
Revenues		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
354.03	Highway and Streets		\$ 78,854						\$ 78,854
354.09	Community Development	\$ 600							\$ 600
355.01	Public Utility Realty Tax	\$ 370							\$ 370
355.02	Motor Vehicle Fuel Tax								\$ -
355.06	General Municipal Pension System State Aid								\$ -
355.08	Alcoholic Beverages Taxes/Beverage Licenses	\$ 200							\$ 200
355.09	Recycling/Act 101								\$ -
355.99	All Other Shared Revenues and Entitlements	\$ 10,459							\$ 10,459
356.00	State Payments in Lieu of Taxes								\$ -
Total State ⇨		\$ 11,629	\$ 78,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,483
Local Governmental Units									
357.03	Highway and Streets	\$ 34,950							\$ 34,950
357.99	All Other Local Governmental Unit Grants								\$ -
359.00	Local Governmental Unit Payments in Lieu of Taxes								\$ -
Total Local Governmental Units ⇨		\$ 34,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,950

Total Intergovernmental Revenues \$ 125,433

Charges for Service									
361.00	General Government	\$ 390							\$ 390
362.00	Public Safety	\$ 8,175							\$ 8,175
363.20	Parking/Parking Meters, Permits								\$ -
363.99	All Other Charges for Highway & Street Services								\$ -
364.10	Wastewater/Sewage								\$ -
364.30	Solid Waste Collection/Trash	\$ 4,711							\$ 4,711
364.60	Host Municipality Fee for Solid Waste Facility								\$ -
364.99	Other Charges for Sanitation Services								\$ -
365.00	Health								\$ -
367.00	Culture and Recreation								\$ -
378.00	Water System								\$ -
379.00	Other Charges for Service								\$ -
Total Charges for Services ⇨		\$ 13,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,276

Miscellaneous Revenues									
383.00	Special Assessments		\$ 20,642						\$ 20,642
387.00	Contributions and Donations from Private Sectors								\$ -
389.00	All Other Miscellaneous Revenues								\$ -
Total Miscellaneous Revenues ⇨		\$ -	\$ 20,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,642

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Distribution	\$ 20,371							\$ 20,371
392.00	Interfund Operating Transfers	\$ 2,200							\$ 2,200
393.00	Proceeds of General Long Term Debt								\$ -
394.00	Proceeds of Tax and Revenue Anticipation Notes	\$ 50,000							\$ 50,000
395.00	Refunds of Prior Year Expenditures								\$ -
Total Other Financing Sources ⇨		\$ 72,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,571

Total Revenues		\$ 391,280	\$ 103,011	\$ 33,871	\$ -	\$ -	\$ -	\$ -	\$ 528,162
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Statement of Revenues and Expenditures

Revenues	Governmental Funds				Proprietary Funds		Fiduciary Fund Type	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

Expenditures								
General Government								
400.00	Legislative/Governing Body	\$ 32,534						\$ 32,534
401.00	Executive/Manager or Mayor							\$ -
402.00	Auditing Services/Bookkeeping Services	\$ 2,175						\$ 2,175
403.00	Tax Collection	\$ 12,855						\$ 12,855
404.00	Solicitor/Legal Services	\$ 4,799						\$ 4,799
405.00	Secretary/Clerk	\$ 21,549						\$ 21,549
406.00	Other General Government Administration	\$ 2,477						\$ 2,477
408.00	Engineering Services	\$ 9,686						\$ 9,686
409.00	General Government Buildings and Plant	\$ 18,411						\$ 18,411
Total General Government ☞		\$ 104,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,486

Public Safety								
410.00	Police							\$ -
411.00	Fire	\$ 12,275		\$ 9,793				\$ 22,068
412.00	Ambulance/Rescue							\$ -
413.00	Protective Inspection							\$ -
414.00	Planning and Zoning	\$ 6,428						\$ 6,428
415.00	Emergency Management	\$ 196						\$ 196
419.00	Other Public Safety							\$ -
Total Public Safety ☞		\$ 18,899	\$ -	\$ 9,793	\$ -	\$ -	\$ -	\$ 28,692

Health and Human Services								
420.00	Health and Human Services							\$ -

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							\$ -
427.00	Solid Waste Collection and Disposal	\$ 2,434						\$ 2,434
429.00	Wastewater/Sewage Collection and Treatment							\$ -
Total Public Works - Sanitation ☞		\$ 2,434	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,434

Public Works - Highways and Streets								
430.00	General Services	\$ 26,325	\$ 8,397	\$ 20,239				\$ 54,961
431.00	Cleaning of Streets	\$ 3,954	\$ 18					\$ 3,972
432.00	Winter Maintenance	\$ 7,590	\$ 8,615					\$ 16,205
433.00	Traffic Control Devices	\$ 2,467	\$ 1,287					\$ 3,754
434.00	Street Lighting							\$ -
435.00	Sidewalks and Crosswalks	\$ 300						\$ 300
436.00	Storm Sewers and Drains	\$ 16,529	\$ 15,921					\$ 32,450
437.00	Repairs of Tools and Machinery	\$ 27,102	\$ 8,097					\$ 35,199
438.00	Road and Bridge Maintenance	\$ 24,672	\$ 12,541					\$ 37,213
439.00	Construction and Rebuilding Projects							\$ -

Statement of Revenues and Expenditures

Revenues	Governmental Funds				Proprietary Funds		Fiduciary Fund Type	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
Total Public Works - Highways and Streets ⇨	\$ 108,939	\$ 54,876	\$ 20,239	\$ -	\$ -	\$ -	\$ -	\$ 184,054

Other Public Works Enterprises								
440.00	Airports							\$ -
441.00	Cemeteries							\$ -
442.00	Electric System							\$ -
443.00	Gas System							\$ -
444.00	Markets							\$ -
445.00	Parking Facilities							\$ -
446.00	Storm Water and Flood Control							\$ -
447.00	Transit System							\$ -
448.00	Water System							\$ -
449.00	Water Transport and Terminals							\$ -
	Other Public Works and Enterprises							\$ -
Total Other Public Works Enterprises ⇨		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Culture and Recreation								
451.00	Recreation							\$ -
454.00	Parks							\$ -
455.00	Shade Trees							\$ -
456.00	Libraries							\$ -
458.00	Senior Citizen Centers							\$ -
459.00	Other Culture and Recreation							\$ -
Total Culture and Recreation ⇨		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Community Development								
461.00	Conservation of Natural Resources							\$ -
462.00	Community Development and Housing							\$ -
465.00	Economic Development and Assistance							\$ -
466.00	Economic Opportunity							\$ -
468.00	Other Community Development							\$ -
Total Community Development ⇨		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Debt Service								
471.00	Debt Principal	\$ 32,898	\$ 20,096	\$ 6,885				\$ 59,879
472.00	Debt Interest	\$ 3,897	\$ 2,681	\$ 984				\$ 7,562
473.00	Tax Anticipation Note/Principal	\$ 50,000						\$ 50,000
474.00	Tax Anticipation Note/Interest	\$ 1,634						\$ 1,634
475.00	Fiscal Agent Fees							\$ -
Total Debt Service ⇨		\$ 88,429	\$ 22,777	\$ 7,869	\$ -	\$ -	\$ -	\$ 119,075

Miscellaneous Expenditures								
481.00	Intergovernmental Expenditures							\$ -
482.00	Judgments and Losses							\$ -
483.00	Pension/Retirement Fund Contributions							\$ -

Statement of Revenues and Expenditures

		Governmental Funds				Proprietary Funds		Fiduciary Fund Type	Total
Revenues		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
484.00	Workers Compensation								\$ -
485.00	Unemployment Compensation	\$ 2,388							\$ 2,388
486.00	Insurance Premiums								\$ -
487.00	Employee Benefits Not Allocated to Specific Functions	\$ 20,554							\$ 20,554
489.00	Other Miscellaneous Expenditures								\$ -
Total Miscellaneous Expenditures ⇨		\$ 22,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,942
Other Financing Uses									
491.00	Refunds of Prior Year Revenues								\$ -
492.00	Interfund Operating Transfers			\$ 2,200					\$ 2,200
493.00	Other Financing Uses								\$ -
Total Other Financing Uses ⇨		\$ -	\$ -	\$ 2,200	\$ -	\$ -	\$ -	\$ -	\$ 2,200
Total Expenditures		\$ 346,129	\$ 77,653	\$ 40,101	\$ -	\$ -	\$ -	\$ -	\$ 463,883
Excess/Deficit of Revenues Over Expenditures		\$ 45,151	\$ 25,358	\$ (6,230)	\$ -	\$ -	\$ -	\$ -	\$ 64,279

Debt Statement

↓ List Each Issue or Loan ↓	Year of Issue	Original Amount Of Issue	Outstanding January 1 st or Issued During Year	Principal Paid During Year	Principal Outstanding December 31 st
General Obligation Bonds and Notes					
	1996	\$ 23,940	\$ 2,615	\$ 2,615	\$ -
	2000	\$ 68,000	\$ 31,852	\$ 10,234	\$ 21,618
	2002	\$ 125,322	\$ 54,161	\$ 20,096	\$ 34,065
	2003	\$ 70,000	\$ 52,595	\$ 13,636	\$ 38,959
	2004	\$ 70,000	\$ 70,000	\$ 13,298	\$ 56,702
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Revenue Bonds and Notes					
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Lease Rental Debt					
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Tax and Revenue Anticipation Notes					
	2005	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Other					
					\$ -
					\$ -
					\$ -
					\$ -
					\$ -
Total Debt and Revenue Anticipation Notes					\$ 151,344

