

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, 2008, 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, 2008, 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, 2008, 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, P.C.
Certified Public Accountants

January 13, 2009

**2008 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

250425 FRANKLIN TWP, ERIE COUNTY

FRANKLIN TWP, ERIE County

BALANCE SHEET

December 31, 2008

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities								200,041		200,041
240-259	Current Portion of Long-Term Debt and Other Credits								57,143		57,143
Total Liabilities and Other Credits		9,976						19,201	257,184		286,361

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								794,507		794,507
270-289	Fund Balance / Retained Earnings on 12/31	119,188	20,199	49,193					-257,184	257,184	188,580
291-299	Other Equity										
Total Fund and Account Group Equity		119,188	20,199	49,193					537,323	257,184	983,087

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,269,448
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FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

REVENUES

Taxes

301.00	Real Estate Taxes	49,954	99,982	53,318				203,254
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	9,025						9,025
310.20	Earned Income Taxes / Wage Taxes	148,799						148,799
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	3,692						3,692
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		211,470	99,982	53,318				364,770

Licenses and Permits

320-322	All Other Licenses and Permits	2,058						2,058
321.80	Cable Television Franchise Fees	5,558						5,558
Total Licenses and Permits		7,616						7,616

Fines and Forfeits

330-332	Fines and Forfeits	4,143						4,143
Total Fines and Forfeits		4,143						4,143

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	2,658	2,600	717				5,975
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		2,658	2,600	717				5,975

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	26,675						26,675
355.01	Public Utility Realty Tax (PURTA)	384						384
355.02	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		95,890					95,890
355.04	Alcoholic Beverage Licenses	600						600
355.05	General Municipal Pension System State Aid							
355.00	All Other State Shared Revenues and Entitlements	11,207						11,207

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

REVENUES

State								
356.00	State Payments in Lieu of Taxes							
Total State		38,866	95,890					134,756

Local Government Units								
357.03	Highways and Streets	16,208						16,208
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		16,208						16,208

Charges for Service								
361.00	General Government	480						480
362.00	Public Safety	7,847						7,847
363.20	Parking							
363.00	All Other Charges for Highway & Streets Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	4,187						4,187
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							
369.00	Bars							

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

REVENUES

Charges for Service								
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		12,514						12,514

Unclassified Operating Revenues								
383.00	Special Assessments		3,897					3,897
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues			3,897					3,897

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers			22,229				22,229
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures							
Total Other Financing Sources				22,229				22,229

TOTAL REVENUES	293,475	202,369	76,264					572,108
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	32,625						32,625
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	2,325						2,325
403.00	Tax Collection	14,996						14,996
404.00	Solicitor / Legal Services	4,311						4,311
405.00	Secretary / Clerk	23,557						23,557
406.00	Other General Government Administration	1,672						1,672
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	4,520	5,000					9,520
409.00	General Government Buildings and Plant	16,482						16,482
Total General Government		100,488	5,000					105,488

Public Safety								
410.00	Police							
411.00	Fire	39,899	8,813					48,712
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							
414.00	Planning and Zoning	14,138						14,138
415.00	Emergency Management and Communications	836						836

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

EXPENDITURES

Public Safety								
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		54,873	8,813					63,686

Health and Human Services								
420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	5,280						5,280
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		5,280						5,280

Public Works - Highways and Streets								
430.00	General Services - Administration	26,404	14,347	571				41,322
431.00	Cleaning of Streets and Gutters	1,180	6,866					8,046
432.00	Winter Maintenance – Snow Removal	16,301	6,720					23,021
433.00	Traffic Control Devices	1,044	2,814					3,858
434.00	Street Lighting							
435.00	Sidewalks and Crosswalks	456						456
436.00	Storm Sewers and Drains	7,326	71,376					78,702

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

EXPENDITURES

Public Works - Highways and Streets								
437.00	Repairs of Tools and Machinery	6,177	26,471					32,648
438.00	Maintenance and Repairs of Roads and Bridges	20,490	34,558					55,048
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		79,378	163,152	571				243,101

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

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks							
455.00	Shade Trees							
456.00	Libraries							

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

EXPENDITURES

Culture and Recreation								
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation								

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)		3,350	43,578				46,928
472.00	Debt Interest (short-term and long-term)		1,143	9,866				11,009
475.00	Fiscal Agent Fees							
Total Debt Service			4,493	53,444				57,937

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	11,633						11,633
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							
484.00	Worker Compensation Insurance							

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2008

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

EXPENDITURES

Employer Paid Benefits and Withholding Items								
487.00	Other Group Insurance Benefits	20,269						20,269
Total Employer Paid Benefits and Withholding Items		31,902						31,902

Insurance								
486.00	Insurance, Casualty, and Surety							
Total Insurance								

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures							
Total Unclassified Operating Expenditures								

Other Financing Uses								
491.00	Refund of Prior Year Revenues	66						66
492.00	Interfund Operating Transfers	16,468	5,761					22,229
493.00	All Other Financing Uses							
Total Other Financing Uses		16,534	5,761					22,295

TOTAL EXPENDITURES	288,455	187,219	54,015					529,689
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	5,020	15,150	22,249					42,419
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FRANKLIN TWP
December 31, 2008

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Note	Note	2004	2009	70,000	28,988		8,245		20,743		20,743
Note	Note	2003	2008	70,000	10,108		10,108		0		0
Note	Note	2006	2015	135,000	122,732		12,859		109,873		109,873
Note	Note	2002	2012	125,322	24,093		9,436		14,657		14,657
Note	Note	2006	2026	50,000	47,754		1,625		46,129		46,129
Note	Note	2006	2015	25,000	25,000		0		25,000		25,000
Note	Note	2006	2016	50,000	45,437		4,655		40,782		40,782
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	257,184
Capitalized lease obligations	0
Net debt	257,184

FRANKLIN TWP, ERIE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2008

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	2,404		2,404
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	2,404		2,404

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

116,066

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the: Governing Body of the Municipality
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the FRANKLIN TWP have audited, adjusted and settled the various funds and account groups of the FRANKLIN TWP for the year ended December 31, 2008. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of FRANKLIN TWP for the year ended December 31, 2008, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed: Monahan & Monahan CPA's P.C. Elected Auditor

Subscribed and sworn to before me this 21 day of January, 2009.



Signed: _____

Witness (Controller)/Auditor (Auditors)