

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, 2009, 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 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, 2009, 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, 2009, 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 12, 2010

**2009 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

250425 FRANKLIN TWP, ERIE COUNTY

FRANKLIN TWP, ERIE County

BALANCE SHEET

December 31, 2009

		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									171,810	171,810
240-259	Current Portion of Long-Term Debt and Other Credits									30,001	30,001
Total Liabilities and Other Credits		8,717						2,122		201,811	212,650

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								779,507		779,507
270-289	Fund Balance / Retained Earnings on 12/31	148,326	57,065	55,520							260,911
291-299	Other Equity										
Total Fund and Account Group Equity		148,326	57,065	55,520					779,507		1,040,418

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,253,068
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FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

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	48,186	105,100	67,738				221,024
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	6,244						6,244
310.20	Earned Income Taxes / Wage Taxes	175,286						175,286
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	5,395						5,395
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		235,111	105,100	67,738				407,949

Licenses and Permits

320-322	All Other Licenses and Permits	2,210						2,210
321.80	Cable Television Franchise Fees	6,541						6,541
Total Licenses and Permits		8,751						8,751

Fines and Forfeits

330-332	Fines and Forfeits	4,303						4,303
Total Fines and Forfeits		4,303						4,303

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

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	545	1,164	277				1,986
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		545	1,164	277				1,986

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	2,000						2,000
355.01	Public Utility Realty Tax (PURTA)	513						513
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		132,257					132,257
355.04	Alcoholic Beverage Licenses	200						200
355.05	General Municipal Pension System State Aid							
355.00	All Other State Shared Revenues and Entitlements	9,956						9,956

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

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		12,669	132,257					144,926

Local Government Units								
357.03	Highways and Streets	12,918						12,918
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		12,918						12,918

Charges for Service								
361.00	General Government	110						110
362.00	Public Safety	6,904						6,904
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)	2,442						2,442
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, 2009

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		9,456						9,456

Unclassified Operating Revenues								
383.00	Special Assessments		4,396					4,396
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			4,396					4,396

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	1,529						1,529
392.00	Interfund Operating Transfers	16,000	19,906	1,529				37,435
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, 2009

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		17,529	19,906	1,529				38,964

TOTAL REVENUES	301,282	262,823	69,544					633,649
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	44,512						44,512
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	2,325						2,325
403.00	Tax Collection	15,647						15,647
404.00	Solicitor / Legal Services	8,384						8,384
405.00	Secretary / Clerk	29,387						29,387
406.00	Other General Government Administration	2,273						2,273
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services							
409.00	General Government Buildings and Plant	17,283						17,283
Total General Government		119,811						119,811

Public Safety								
410.00	Police							
411.00	Fire	10,520	11,271					21,791
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							
414.00	Planning and Zoning	11,812						11,812
415.00	Emergency Management and Communications	240						240

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

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		22,572	11,271					33,843

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)	5,380						5,380
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		5,380						5,380

Public Works - Highways and Streets								
430.00	General Services - Administration	22,580	2,303					24,883
431.00	Cleaning of Streets and Gutters	2,643	7,128					9,771
432.00	Winter Maintenance – Snow Removal	11,101	5,616					16,717
433.00	Traffic Control Devices	2,190	946					3,136
434.00	Street Lighting							
435.00	Sidewalks and Crosswalks	456						456
436.00	Storm Sewers and Drains	7,099	357					7,456

FRANKLIN TWP, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

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	13,907	20,848					34,755
438.00	Maintenance and Repairs of Roads and Bridges	21,676	139,981					161,657
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		81,652	177,179					258,831

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, 2009

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	6,000						6,000
Total Community Development		6,000						6,000

Debt Service								
471.00	Debt Principal (short-term and long-term)		20,743	34,630				55,373
472.00	Debt Interest (short-term and long-term)		764	8,681				9,445
475.00	Fiscal Agent Fees							
Total Debt Service			21,507	43,311				64,818

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	12,662						12,662
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, 2009

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	22,538						22,538
Total Employer Paid Benefits and Withholding Items		35,200						35,200

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							
492.00	Interfund Operating Transfers	1,529	16,000	19,906				37,435
493.00	All Other Financing Uses							
Total Other Financing Uses		1,529	16,000	19,906				37,435

TOTAL EXPENDITURES	272,144	225,957	63,217					561,318
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	29,138	36,866	6,327					72,331
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FRANKLIN TWP
December 31, 2009

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	20,743		20,743		0		0
Note	Note	2006	2015	135,000	109,873		13,513		96,360		96,360
Note	Note	2002	2012	125,322	14,657		14,657		0		0
Note	Note	2006	2026	50,000	46,129		1,711		44,418		44,418
Note	Note	2006	2015	25,000	25,000		0		25,000		25,000
Note	Note	2006	2016	50,000	40,782		4,749		36,033		36,033
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	201,811
Capitalized lease obligations	0
Net debt	201,811

FRANKLIN TWP, ERIE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2009

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

EMPLOYEE COMPENSATION

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

116,461

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, 2009. 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, 2009, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed: Monahan & Monahan CPA's P.C. Appointed Auditor/CPA

Subscribed and sworn to before me this 28 day of January, 2010.



Signed: _____

Witness (Controller)/Auditor (Auditors)

FRANKLIN TWP, ERIE County

December 31, 2009

NOTES / COMMENTS