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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 2008
	The organization may have to use a copy of this return to satisfy state reporting requirements	Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 08-01-2008 and ending 07-31-2009		C Name of organization FRANKLIN UNIVERSITY		D Employer identification number 31-0707369	
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending		Doing Business As		E Telephone number (614) 947-6002	
Please use IRS label or print or type. See Specific Instructions.		Number and street (or P O box if mail is not delivered to street address) Room/suite 201 South Grant Avenue		G Gross receipts \$ 75,822,584	
		City or town, state or country, and ZIP + 4 Columbus, OH 432155399			
F Name and address of Principal Officer Dr David Decker 201 South Grant Avenue Columbus, OH 432155399		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list See instructions)			
J Web site: www.franklin.edu		H(c) Group Exemption Number			
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> trust <input type="checkbox"/> association <input type="checkbox"/> other			L Year of Formation 1964		M State of legal domicile OH

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities The mission of Franklin University is carried out through activities related directly to its four cornerstones - Ensuring Academic Quality, Providing Access to Educational Opportunities, Adapting to the Needs of Students and Responding to Changes in Society		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	21
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	21
	5	Total number of employees (Part V, line 2a)	5	1,103
	6	Total number of volunteers (estimate if necessary)	6	26
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C) . . .	7a	0
	b	Net unrelated business taxable income from Form 990-T, line 34 . . .	7b	0
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	812,242	876,779
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	48,115,779	52,755,394
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,559,563	-2,504,520
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,000,852	969,961
			52,488,436	52,097,614
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,277,422	1,591,257
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	29,317,521	34,448,778
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	(Total fundraising expenses, Part IX, column (D), line 25 420,934)		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	18,087,458	21,162,325
	18	Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	48,682,401	57,202,360
	19	Revenue less expenses Subtract line 18 from line 12	3,806,035	-5,104,746
Net Assets or Fund Balances			Beginning of Year	End of Year
	20	Total assets (Part X, line 16)	96,363,249	85,785,207
	21	Total liabilities (Part X, line 26)	9,292,073	12,736,555
	22	Net assets or fund balances Subtract line 21 from line 20	87,071,176	73,048,652

Part II Signature Block

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge			
	<div> <div></div> <div>Signature of officer</div> </div>			<div> <div>2010-03-11</div> <div>Date</div> </div>
	<div> <div></div> <div>Marv Brnskey Treasurer/CFO</div> <div>Type or print name and title</div> </div>			
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN
				Phone no

May the IRS discuss this return with the preparer shown above? (See instructions) ☐ Yes ☐ No

Part III

Statement of Program Service Accomplishments (See the instructions.)

1

Briefly describe the organization’s mission

Franklin University - The University of Opportunity Franklin University is a student-centered, non-profit, independent institution Franklin University provides high quality, relevant education enabling the broadest possible community of learners to achieve their goals and enrich the world

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting or make significant changes in how it conducts any program services? ☐ Yes ☒ No
If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses
Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 48,794,905 including grants of \$ 1,591,257) (Revenue \$ 53,392,514)
The University reported serving 11,974 unique students in its 2009 filing with the National Center for Education Statistics, granting 1,467 undergraduate degrees and 444 graduate degrees Two new academic programs were introduced during the year with a three-year goal of twelve new programs The first new domestic location outside of central Ohio was approved in Indianapolis, IN (opened in October 2009) The University completed plans for offering its MBA degree in Poland in partnership with the Wroclaw School of Banking - the first of seven planned international sites over the next three years

4b

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4c

(Code) (Expenses \$ including grants of \$) (Revenue \$)

4d











Other program services (Describe in Schedule O)
(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e

Total program service expenses \$ 48,794,905 Must equal Part IX, Line 25, column (B).

Form 990 (2008)

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4	Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	No
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	No
10	Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable 	11	Yes
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	Yes
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E 	13	Yes
14a	Did the organization maintain an office, employees, or agents outside of the U S?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S? If "Yes," complete Schedule F, Part I	14b	No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16	No
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17	No
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18	Yes
19	Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	No
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	No
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III 	22	Yes
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J 	23	Yes
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25 	24a	Yes
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	No
25a	Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	No
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b	No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	No

Part IV **Checklist of Required Schedules** *(Continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		No
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		No
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		No

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	12,584	
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	1,103	
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? . . . Note: <i>If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.</i>	2b	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a		No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	Yes	
b	If "Yes," enter the name of the foreign country <u>CJ</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5a		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?	7a	Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7f		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? . . .	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

Part VI

Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

1a

Enter the number of voting members of the governing body . . .

1a

21

1b

Enter the number of voting members that are independent . . .

1b

21

2

Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?

2

No

3

Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .

3

No

4

Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? . . .

4

No

5

Did the organization become aware during the year of a material diversion of the organization's assets? . . .

5

No

6

Does the organization have members or stockholders?

6

No

7a

Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?

7a

No

7b

Are any decisions of the governing body subject to approval by members, stockholders, or other persons? . . .

7b

No

8

Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

8a

the governing body?

8a

Yes

8b

each committee with authority to act on behalf of the governing body?

8b

Yes

9a

Does the organization have local chapters, branches, or affiliates?

9a

No

9b

If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?

9b

10

Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990

10

Yes

11

Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O

11

No

Section B. Policies

12a

Does the organization have a written conflict of interest policy? If "No", go to line 13 . . .

12a

Yes

12b

Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

12b

Yes

12c

Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done

12c

Yes

13

Does the organization have a written whistleblower policy?

13

Yes

14

Does the organization have a written document retention and destruction policy?

14

Yes

15

Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision

15a

The organization's CEO, Executive Director, or top management official?

15a

Yes

15b

Other officers or key employees of the organization?

15b

Yes

Describe the process in Schedule O

16a

Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?

16a

No

16b

If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

16b

Section C. Disclosure

17

List the States with which a copy of this Form 990 is required to be filed IN

18

Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ own website ☐ another's website ☒ upon request

19

Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.

20

State the name, physical address, and telephone number of the person who possesses the books and records of the organization.
Marv Briskey
201 South Grant Avenue
Columbus, OH 432155399
(614) 947-6002

Section A Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

☐ Check this box if the organization did not compensate any officer, director, trustee or key employee

Form 990 (2008)

Part VIII

Statement of Revenue

				(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514				
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a0	876,779							
	b	Membership dues	0								
		1b									
	c	Fundraising events	22,593								
		1c									
	d	Related organizations . . .	1d0								
	e	Government grants (contributions)	1e471,982								
	f	All other contributions, gifts, grants, and similar amounts not included above	382,204								
		1f									
g	Noncash contributions included in lines 1a-1f \$ 16,397										
h	Total (Add lines 1a-1f)										
Program Service Revenue			Business Code								
	2a	Tuition and fees	900,099	52,755,394	52,755,394	0	0				
	b										
	c										
	d										
	e										
	f	All other program service revenue		0	0	0	0				
	g	Total. Add lines 2a-2f									
		P \$ 52,755,394									
Other Revenue	3	Investment income (including dividends, interest other similar amounts)		809,408	0	0	809,408				
	4	Income from investment of tax-exempt bond proceeds		0	0	0	0				
	5	Royalties		0	0	0	0				
	6a	Gross Rents	(i) Real	(ii) Personal	0	0	0	0			
			0	0							
			0	0							
			0	0							
	b	Less rental expenses	0	0	0	0	0	0			
	c	Rental income or (loss)	0	0							
	d	Net rental income or (loss)		0					0	0	0
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other	-3,313,928	0	0	-3,313,928			
			20,393,807	0							
			23,707,735	0							
			-3,313,928	0							
	b	Less cost or other basis and sales expenses			0	0	0	-3,730			
	c	Gain or (loss)	-3,313,928	0							
	d	Net gain or (loss)									
	8a	Gross income from fundraising events (not including \$ 13,505 of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000	a	22,593	-3,730	0	0	-3,730			
				b					Less direct expenses	17,235	
				c					Net income or (loss) from fundraising events		
	9a	Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000	a	0	0	0	0	0			
				b					Less direct expenses	0	
				c					Net income or (loss) from gaming activities		
	10a	Gross sales of inventory, less returns and allowances	a	0	0	0	0	0			
				b					Less cost of goods sold	0	
				c					Net income or (loss) from sales of inventory		0
Miscellaneous Revenue		Business Code									
11a	Finance charges	900,099	494,794	494,794	0	0					
b	Rental income - noninv prop	531,120	336,571	0	0	336,571					
c											
d	All other revenue		142,326	142,326	0	0					
e	Total. Add lines 11a-11d										
	\$ 973,691										
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			52,097,614	53,392,514	0	-2,171,679				

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).					
Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	1,591,257	1,591,257		
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	2,087,097	1,171,922	784,957	130,218
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	26,124,982	23,034,103	0	177,255
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,735,452	1,530,128	193,549	11,775
9	Other employee benefits	2,452,096	2,161,986	273,473	16,637
10	Payroll taxes	2,049,151	1,806,714	228,534	13,903
11	Fees for services (non-employees)				
a	Management	0	0	0	0
b	Legal	209,152	0	209,152	0
c	Accounting	36,848	0	36,848	0
d	Lobbying	0	0	0	0
e	Professional fundraising See Part IV, line 17	0			0
f	Investment management fees	183,019	0	183,019	0
g	Other	2,151,140	1,896,636	239,909	14,595
12	Advertising and promotion	2,740,931	2,740,931	0	0
13	Office expenses	1,723,856	1,519,905	192,255	11,696
14	Information technology	2,671,926	2,355,807	297,990	18,129
15	Royalties	4,764	4,764	0	0
16	Occupancy	3,178,367	2,269,618	900,750	7,999
17	Travel	583,438	514,410	65,069	3,959
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0	0	0	0
19	Conferences, conventions and meetings	492,765	434,466	54,761	3,538
20	Interest	289,167	0	289,167	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	3,013,345	2,474,920	533,686	4,739
23	Insurance	416,869	367,549	46,492	2,828
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Bad debt provision	1,542,711	1,542,711	0	0
b	Community college revenue sharing	657,185	657,185	0	0
c	Miscellaneous expenses	295,188	260,264	32,921	2,003
d	Correction of errors in prior period	287,241	0	287,241	0
e	Library	243,861	243,861	0	0
f	All other expenses	440,552	215,768	223,124	1,660
25	Total functional expenses. Add lines 1 through 24f	57,202,360	48,794,905	7,986,521	420,934
26	Joint Costs. Check <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X **Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	1,047,873	1	36,016
	2 Savings and temporary cash investments	2,499,374	2	4,058,538
	3 Pledges and grants receivable, net	176,984	3	107,233
	4 Accounts receivable, net	4,991,167	4	3,708,233
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>	0	5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	527,097	9	688,945
	10a Land, buildings, and equipment—cost basis			
		10a	40,261,417	
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>			
		10b	20,006,152	
			19,160,979	10c 20,255,265
	11 Investments—publicly traded securities	42,826,345	11	36,295,113
	12 Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>	23,645,518	12	18,740,267
13 Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>	0	13		
14 Intangible assets	1,281,649	14	1,698,620	
15 Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	206,263	15	196,977	
16 Total assets. Add lines 1 through 15 (must equal line 34)	96,363,249	16	85,785,207	
Liabilities	17 Accounts payable and accrued expenses	4,099,983	17	7,723,986
	18 Grants payable	0	18	0
	19 Deferred revenue	272,090	19	262,569
	20 Tax-exempt bond liabilities	4,920,000	20	4,750,000
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>	0	21	0
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable	0	24	0
	25 Other liabilities <i>Complete Part X of Schedule D</i>	0	25	
	26 Total liabilities. Add lines 17 through 25	9,292,073	26	12,736,555
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	83,246,852	27	69,798,530
	28 Temporarily restricted net assets	864,664	28	227,470
	29 Permanently restricted net assets	2,959,660	29	3,022,652
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	87,071,176	33	73,048,652
	34 Total liabilities and net assets/fund balances	96,363,249	34	85,785,207

Part XI **Financial Statements and Reporting**

			Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> cash <input checked="" type="checkbox"/> accrual <input type="checkbox"/> other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits?	3b	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization FRANKLIN UNIVERSITY	Employer identification number 31-0707369
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Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

1	<input type="checkbox"/>	A church, convention of churches, or association of churches described in Section 170(b)(1)(A)(i).
2	<input checked="" type="checkbox"/>	A school described in Section 170(b)(1)(A)(ii). (Attach Schedule E)
3	<input type="checkbox"/>	A hospital or a cooperative hospital service organization described in Section 170(b)(1)(A)(iii). (Attach Schedule H)
4	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital described in Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
5	<input type="checkbox"/>	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170(b)(1)(A)(iv). (Complete Part II)
6	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in Section 170(b)(1)(A)(v).
7	<input type="checkbox"/>	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in Section 170(b)(1)(A)(vi) (Complete Part II)
8	<input type="checkbox"/>	A community trust described in Section 170(b)(1)(A)(vi) (Complete Part II)
9	<input type="checkbox"/>	An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See Section 509(a)(2). (Complete Part III)
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See Section 509(a)(4). (See instructions)
11	<input type="checkbox"/>	An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See Section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h <div><div>a <input type="checkbox"/> Type I</div><div>b <input type="checkbox"/> Type II</div><div>c <input type="checkbox"/> Type III - Functionally Integrated</div><div>d <input type="checkbox"/> Type III - Other</div></div>
e	<input type="checkbox"/>	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
f	<input type="checkbox"/>	If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
g	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? <div><div>(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?</div><div>(ii) a family member of a person described in (i) above?</div><div>(iii) a 35% controlled entity of a person described in (i) or (ii) above?</div></div>
h	<input type="checkbox"/>	Provide the following information about the organizations the organization supports

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (See Instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Public Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 Public Support subtract line 5 from line 4						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total Support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Computation of Public Support Percentage		
14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f	15	
16a 33 1/3% Test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% Test - 2007. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% Facts and Circumstances Test - 2008. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% Facts and Circumstances Test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private Foundation. If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		<input type="checkbox"/>

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total Add lines 1-5						
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
cTotal of lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Total Support						
Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9Amounts from line 6						
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
cAdd lines 10a and 10b						
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13Total Support (Add lines 9, 10c, 11 and 12)						
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Computation of Public Support Percentage			
15	Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15	
16	Public Support Percentage for 2007 Schedule A, Part IV -A, line 27g	16	

Computation of Investment Income Percentage			
17	Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17	
18	Investment Income Percentage from 2007 Schedule A, Part IV -A, line 27h	18	
19a	33 1/3% Tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b	33 1/3% Tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

Supplemental Information. Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

Additional Data

Software ID:
Software Version:
EIN: 31-0707369
Name: FRANKLIN UNIVERSITY

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Melissa P Ingwersen , Chairman	1	X		X				0	0	0
Gary W James , Vice Chairman	1	X		X				0	0	0
Sue A Doody , Secretary	1	X		X				0	0	0
Gregory S Lashutka , Immediate Past Chairman	1	X						0	0	0
Jack O Cartner , Trustee	1	X						0	0	0
Jo Ann Davidson , Trustee	1	X						0	0	0
Mary Laird Duchi , Trustee	1	X						0	0	0
Philip G Fankhauser , Trustee	1	X						0	0	0
Gary L Flynn , Trustee	1	X						0	0	0
Anthony S Gonsalves , Trustee	1	X						0	0	0
Eugene Griffin , Trustee	1	X						0	0	0
Carl E Johnson , Trustee	1	X						0	0	0
Floyd V Jones , Trustee	1	X						0	0	0
James E Kunk , Trustee	1	X						0	0	0
The Honorable Thomas J Moyer , Trustee	1	X						0	0	0
Peter E Roche , Trustee	1	X						0	0	0
John B Ruhlin Jr , Trustee	1	X						0	0	0
Ralph Sanese Jr , Trustee	1	X						0	0	0
Thomas E Shoupe , Trustee	1	X						0	0	0
Donald R Smith , Trustee	1	X						0	0	0
Scott N Whitlock , Trustee	1	X						0	0	0
J Richard Emens , Trustee - partial year	1	X						0	0	0
Gregory L Frank , Trustee - partial year	1	X						0	0	0
Joe Harden , Trustee - partial year	1	X						0	0	0
Jay Jordan , Trustee - partial year	1	X						0	0	0
Dr Harold Oh , Trustee - partial year	1	X						0	0	0
Dr David R Decker , President	40			X				435,078	0	31,810
Marv Briskey , Treasurer/Chief Financial Officer	40			X				138,919	0	14,722
Jeffrey Brotherton , Chief Information Officer	40			X				107,095	0	37,856
Christi Cabungcal , Vice President, Human Resources	40			X				98,504	0	15,991

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Klaus Haberich , Senior Vice President for Planning and Global Programs	40			X				90,857	0	15,216
Evelyn Levino , Vice President for Students	40			X				146,603	0	23,001
Bonnie Smith Quist , Vice President, University Advancement and Strategic Relations	40			X				97,167	0	15,885
Jane Robinson , Senior Vice President for Administration and Chief of Staff	40			X				183,971	0	25,129
Linda Steele , Vice President of Marketing	40			X				134,781	0	21,721
Dr Christopher Washington , Provost and Senior Vice President for Academic Affairs	40			X				175,175	0	23,703
Dr Paul Otte , President Emeritus, Executive Director Leadership Center	40			X			X	305,049	0	28,323
Dr Pamela Shay , Associate Provost, Academic Quality	40					X		143,233	0	20,937
Dr Ronald L Hartung , Division Chair, Division of Computer & Information Services	40					X		140,119	0	20,645
Ron Morgan , Dean of Academic Technology and Innovation	40					X		139,832	0	21,818
Dr Terry Boyd , Associate Dean, College of Business	40					X		122,428	0	17,248
Dr Thomas G Seiler , Chair, Accounting Program, Chair, Accounting and Finance Division	40					X		120,231	0	16,856

SCHEDULE D
(Form 990)

Supplemental Financial Statements

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
FRANKLIN UNIVERSITY

Employer identification number
31-0707369

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate Contributions to (during year)	
3	Aggregate Grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year

4

Number of states where property subject to conservation easement is located

5

Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year

7

Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year \$

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization’s financial statements that describes the organization’s accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 \$

(ii) Assets included in Form 990, Part X \$

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1 \$

b

Assets included in Form 990, Part X \$

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Trust, Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain why in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	4,811,768			
b	Contributions	161,977			
c	Investment earnings or losses	-254,484			
d	Grants or scholarships	512,678			
e	Other expenditures for facilities and programs	0			
f	Administrative expenses	0			
g	End of year balance	4,206,583			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 23 %

b

Permanent endowment ▶ 72 %

c

Term endowment ▶ 5 %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations

3a(i)

Yes

(ii)

related organizations

3a(ii)

Yes

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	0	3,138,767		3,138,767
b Buildings	0	24,879,370	12,217,562	12,661,808
c Leasehold improvements	0	524,072	76,104	447,968
d Equipment	0	10,727,088	7,092,891	3,634,197
e Other	0	992,120	619,595	372,525
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				20,255,265

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other Hedge funds - fund of funds	17,809,048	F
Other Limited partnerships/private equity funds	931,219	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	18,740,267	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Other assets	196,977
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	196,977

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	152,097,614
2	Total expenses (Form 990, Part IX, column (A), line 25)	257,202,360
3	Excess or (deficit) for the year Subtract line 2 from line 1	3-5,104,746
4	Net unrealized gains (losses) on investments	4-8,917,776
5	Donated services and use of facilities	50
6	Investment expenses	60
7	Prior period adjustments	70
8	Other (Describe in Part XIV)	80
9	Total adjustments (net) Add lines 4 - 8	9-8,917,776
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10-14,022,522

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	141,656,788
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments	2a-8,917,776
b	Donated services and use of facilities	2b0
c	Recoveries of prior year grants	2c0
d	Other (Describe in Part XIV)	2d-1,540,285
e	Add lines 2a through 2d	2e-10,458,061
3	Subtract line 2e from line 1	352,114,849
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a0
b	Other (Describe in Part XIV)	4b-17,235
c	Add lines 4a and 4b	4c-17,235
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	552,097,614

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	155,679,310
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities	2a0
b	Prior year adjustments	2b0
c	Losses reported on Form 990, Part IX, line 25	2c0
d	Other (Describe in Part XIV)	2d17,235
e	Add lines 2a through 2d	2e17,235
3	Subtract line 2e from line 1	355,662,075
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a183,019
b	Other (Describe in Part XIV)	4b1,357,266
c	Add lines 4a and 4b	4c1,540,285
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	557,202,360

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
SchD_P12_S00_L02d	Schedule D, Part XII, Line 2d	(\$1,070,025) in scholarships netted against tuition and fees for the audited financial statements, (\$287,241) correction of prior period errors included as a reduction of other revenue in the audited financial statements, (\$183,019) in investment management fees netted against investment income in the audited financial statements
SchD_P13_S00_L04b	Schedule D, Part XIII, Line 4b	\$1,070,025 in scholarships netted against tuition and fees for the audited financial statements, \$287,241 correction of prior period errors netted against other revenue in the audited financial statements
SchD_P05_S00_L04	Schedule D, Part V, Line 4	Virtually all endowment funds are either for the support of scholarships or the University's Leadership Center
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Fundraising event direct expenses netted against gross income for the related event
SchD_P13_S00_L02d	Schedule D, Part XIII, Line 2d	Fundraising event direct expenses netted against the related event gross income in Part VIII

SCHEDULE E

(Form 990 or 990-EZ)

Schools

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury

Internal Revenue Service

Attach to Form 990 or Form 990-EZ. To be completed by organizations that answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.

Name of the organization

FRANKLIN UNIVERSITY

Employer identification number

31-0707369

		YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	Yes	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	Yes	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. As the University draws students from across the country, we satisfy the requirement through including a statement of our racially nondiscriminatory policy in our brochures, catalogues and other written communications and our website	Yes	
4	Does the organization maintain the following?		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	Yes	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	Yes	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	Yes	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	Yes	
5	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		No
b	Admissions policies?		No
c	Employment of faculty or administrative staff?		No
d	Scholarships or other financial assistance?		No
e	Educational policies?		No
f	Use of facilities?		No
g	Athletic programs?		No
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		No
6a	Does the organization receive any financial aid or assistance from a governmental agency?	Yes	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 6a or b, please explain using an attached statement.		No
7	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation.	Yes	

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

▶ **Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
FRANKLIN UNIVERSITY

Employer identification number
31-0707369

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a

☐

Mail solicitations

b

☐

Email solicitations

c

☐

Phone solicitations

d

☐

In-person solicitations

e

☐

Solicitation of non-government grants

f

☐

Solicitation of government grants

g

☐

Special fundraising events

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities?

☐ Yes

☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total		▶				

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
			Golf Tournament			(Add col (a) through col (c))
			(event type)	(event type)	(total number)	
	1	Gross receipts	36,098			36,098
Direct Expenses	2	Less Charitable contributions	22,593			22,593
	3	Gross revenue (line 1 minus line 2)	13,505			13,505
	4	Cash Prizes	0			0
	5	Non-cash Prizes	3,000			3,000
	6	Rent/Facility costs	5,120			5,120
	7	Other direct expenses	9,115			9,115
	8	Direct expense summary Add lines 4 through 7 in column (d)				17,235
	9	Net income summary Combine lines 3 and 8 in column (d).				-3,730

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

Revenue			(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
	1	Gross revenue				
Direct Expenses	2	Cash prizes				
	3	Non-cash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	<div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	<div><input type="checkbox"/> Yes _____ % <input type="checkbox"/> No</div>	
	7	Direct expense summary Add lines 2 through 5 in column (d)				
	8	Net gaming income summary Combine lines 1 and 7 in column (d)				

		Yes	No
9	Enter the state(s) in which the organization operates gaming activities _____		
a	Is the organization licensed to operate gaming activities in each of these states?	9a	
b	If "No," Explain _____ _____		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain _____ _____		
11	Does the organization operate gaming activities with nonmembers?	11	
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

	Yes	No
13 Indicate the percentage of gaming activity operated in		
a The organization's facility 13a		
b An outside facility 13b		
14 Provide the name and address of the person who prepares the organization's gaming/special events books and records		
Name ►		
Address ►		
15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? 15a		
b If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____		
c If "Yes," enter name and address		
Name ►		
Address ►		
16 Gaming manager information		
Name ►		
Gaming manager compensation ► \$ _____		
Description of services provided ►		
<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor		
17 Mandatory distributions		
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? 17a		
b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____		

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
FRANKLIN UNIVERSITY

Grants and Other Assistance to Organizations,
Governments and Individuals in the U.S.

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

OMB No 1545-0047

2008

Open to Public
Inspection

Employer identification number
31-0707369

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 if additional space is needed.

1(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

- 2

Enter total number of section 501(c)(3) and government organizations
- 3

Enter total number of other organizations

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e) Method of valuation (book, FMV , appraisal, other)	(f)Description of non-cash assistance
Scholarships	554	553,985	0		
Work Study	52	271,010	0		
Tuition discount and exchange programs	310	248,707	0		
Military students book allowance	840	222,508	0		
Student Educational Opportunity Grants	439	175,497	0		
SMART/ACG grants	77	119,550	0		

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.
See Additional Data Table

[illegible]

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization
FRANKLIN UNIVERSITY

Employer identification number
31-0707369

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items</div><div><div><div><input type="checkbox"/> First class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain</div></div>	<div><div>1b</div><div>Yes</div></div>	
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</div></div>	<div><div>2</div><div>Yes</div></div>	
<div><div>3</div><div>Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply</div><div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div></div><div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div></div></div>		
<div><div>4</div><div>During the year, did any person listed in Form 990, Part VII, Section A, line 1a</div></div>		
<div><div>a</div><div>Receive a severance payment or change of control payment?</div></div>	<div><div>4a</div></div>	<div>No</div>
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	<div><div>4b</div></div>	<div>No</div>
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	<div><div>4c</div></div>	<div>No</div>
<div><div>501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.</div></div>		
<div><div>5</div><div>For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of</div></div>		
<div><div>a</div><div>The organization?</div></div>	<div><div>5a</div></div>	<div>No</div>
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	<div><div>5b</div></div>	<div>No</div>
<div><div>6</div><div>For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of</div></div>		
<div><div>a</div><div>The organization?</div></div>	<div><div>6a</div></div>	<div>No</div>
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	<div><div>6b</div></div>	<div>No</div>
<div><div>7</div><div>For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III</div></div>	<div><div>7</div><div>Yes</div></div>	
<div><div>8</div><div>Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div>		<div>No</div>

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Dr David R Decker	(i)	289,750	119,700	25,628	23,000	8,810	466,888	0
	(ii)	0	0	0	0	0	0	0
Marv Briskey	(i)	118,331	19,856	732	13,819	903	153,641	0
	(ii)	0	0	0	0	0	0	0
Evelyn Levino	(i)	121,900	24,045	658	14,923	8,078	169,604	0
	(ii)	0	0	0	0	0	0	0
Jane Robinson	(i)	150,052	32,844	1,074	18,532	6,598	209,100	0
	(ii)	0	0	0	0	0	0	0
Linda Steele	(i)	113,924	19,915	942	13,716	8,005	156,502	0
	(ii)	0	0	0	0	0	0	0
Dr Christopher Washington	(i)	148,557	26,094	524	17,482	6,221	198,878	0
	(ii)	0	0	0	0	0	0	0
Dr Pamela Shay	(i)	119,859	22,969	405	14,558	6,379	164,170	0
	(ii)	0	0	0	0	0	0	0
Ron Morgan	(i)	116,589	21,425	1,818	16,061	5,757	161,650	0
	(ii)	0	0	0	0	0	0	0
Dr Ronald L Hartung	(i)	119,301	19,021	1,798	15,692	4,953	160,765	0
	(ii)	0	0	0	0	0	0	0
Dr Paul Otte	(i)	253,637	42,925	8,487	23,000	5,323	333,372	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information

Schedule J (Form 990) 2008

Software ID: 08000095
Software Version: v1.00
EIN: 31-0707369
Name: FRANKLIN UNIVERSITY

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Dr David R Decker	(i)	289,750	119,700	25,628	23,000	8,810	466,888	0
	(ii)	0	0	0	0	0	0	0
Marv Briskey	(i)	118,331	19,856	732	13,819	903	153,641	0
	(ii)	0	0	0	0	0	0	0
Evelyn Levino	(i)	121,900	24,045	658	14,923	8,078	169,604	0
	(ii)	0	0	0	0	0	0	0
Jane Robinson	(i)	150,052	32,844	1,074	18,532	6,598	209,100	0
	(ii)	0	0	0	0	0	0	0
Linda Steele	(i)	113,924	19,915	942	13,716	8,005	156,502	0
	(ii)	0	0	0	0	0	0	0
Dr Christopher Washington	(i)	148,557	26,094	524	17,482	6,221	198,878	0
	(ii)	0	0	0	0	0	0	0
Dr Pamela Shay	(i)	119,859	22,969	405	14,558	6,379	164,170	0
	(ii)	0	0	0	0	0	0	0
Ron Morgan	(i)	116,589	21,425	1,818	16,061	5,757	161,650	0
	(ii)	0	0	0	0	0	0	0
Dr Ronald L Hartung	(i)	119,301	19,021	1,798	15,692	4,953	160,765	0
	(ii)	0	0	0	0	0	0	0
Dr Paul Otte	(i)	253,637	42,925	8,487	23,000	5,323	333,372	0
	(ii)	0	0	0	0	0	0	0

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds	OMB No 1545-0047
		2008
		Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

Name of the organization FRANKLIN UNIVERSITY	Employer identification number 31-0707369
---	--

Part I

Bond Issues (Required for 2008)

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
						Yes	No	Yes	No
A Ohio Higher Educational Facility Commission	34-6849674	67756AA93	12-20-2007	5,000,000	Purchase and renovation of building		X		X

Part II

Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total Proceeds of Issue										
2 Gross Proceeds in Reserve Funds										
3 Proceeds in Refunding or Defeasance Escrows										
4 Other Unspent Proceeds										
5 Issuance Costs from Proceeds										
6 Working Capital Expenditures from Proceeds										
7 Capital Expenditures from Proceeds										
8 Year of Substantial Completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III

Private Business Use (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

Part III Private Business Use *(Continued)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b Are there any research agreements with respect to the financed property which may result in private business use?										
3c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4 Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6 Total of lines 4 and 5										
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage *(Optional for 2008)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T been filed wth respect to the bond issue?										
2 Is the bond issue a variable rate issue?										
3a Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?										
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?										
6 Did the bond issue qualify for an exception to rebate?										

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

► **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

2008

Open to Public Inspection

Name of the organization FRANKLIN UNIVERSITY	Employer identification number 31-0707369
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Identifier	Return Reference	Explanation
F990_P01_S00_L19	Form 990, Part I, Line 19	Current year revenue less expenses of (\$5,104,746) reflects certain non-operating activity that is not indicative of the University's core operating results First, due to the unusual market conditions that existed during the year, net investment losses of \$2,714,000 were realized on the University's investment portfolio (including the related investment management fees) Second, significant expansion activities were undertaken during the year both domestically and internationally These activities, which will result in the expansion of the University's educational offerings, will generate significant revenues in future periods Net expenses related to these expansion activities during the current fiscal year approximated \$2,969,000 Third, current year results also reflect the corrections of various errors that arose in prior periods, reducing current year operating results by \$229,000 Adjusted for these three items, revenues exceeded expenses by approximately \$807,000

Identifier	Return Reference	Explanation
F990_P06_S0A_L10	Form 990, Part VI, Section A, Line 10	Upon completion of the Form 990 and all supporting schedules (the "return") by the Director of Accounting, the return was first reviewed by the Chief Financial Officer, the University President and by tax experts with the University's external auditors The return was then presented to the Chairman and Vice Chairman for their review and subsequently to the chair of the Fiscal Affairs Committee The return was then provided via e-mail to the other members of the Fiscal Affairs Committee for their review At the completion of their review, a meeting was held with the members of the Fiscal Affairs Committee, University President, Chief Financial Officer and Director of Accounting participating to address any questions the Fiscal Affairs Committee had A copy of the final return, reflecting all changes arising from the review process described above, was provided to the full Board of Trustees via e-mail one week prior to filing of the return

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	Each year a copy of the University's Employee Ethics (Conflict of Interest) Policy is provided to each Trustee, the President and other officers of the University, along with a questionnaire related to the policy Responses to the questionnaire, which are summarized for review by the president of the university, will identify any potential conflicts of interest Should business come before the board or committee thereof that presents a potential conflict, the affected board member would be asked to abstain from any board action on that business

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	Reviews, as prepared by an independent compensation consulting firm (the "consultants"), were conducted in the current fiscal year on all University officers, including the president, via a thorough examination of external documented pay data (published surveys and 990 filings) for comparable positions at peer institutions (as mutually agreed upon by Franklin University and the consultants) Compensation levels were reviewed for market competitiveness and reasonableness and were compared for all components of pay including cash compensation, benefits and perquisites In preparation for such reviews, the consultants interviewed a number of University officers and members of the Board of Trustees to gain perspective on the University's work environment, mission, pay philosophies and pay program effectiveness The results included individual market reports as well as an aggregate perspective The Compensation Committee of the Board of Trustees approved the resulting reviews and compensation levels of the president and his direct reports and proposed the adoption of a related executive compensation philosophy which was ultimately approved in January of 2010 by the full board The compensation reviews covered all senior employees (earning over \$100,000), including individuals not reporting directly to the president While these reviews were conducted in the current fiscal year, they were not fully vetted by the Compensation Committee and full board until fiscal year 2009-2010 All such actions were reflected in the minutes of both the Compensation Committee and the Board of Trustees

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	Financial statements, governing documents, and conflict of interest policies are not required disclosures pursuant to Internal Revenue Code (IRC) Section 6104 These documents are not available to the public at this time

Identifier	Return Reference	Explanation
F990_P10_S00_L02	Form 990, Part X, Line 2	For consistency with current year reporting, reclassified \$719,043 from line 2 to line 11 (\$512,780 - primarily representing cash held in investment accounts) and line 15 (\$206,263 - representing pledged certificates of deposit for the Ohio state unemployment fund) in the beginning of year balance

Identifier	Return Reference	Explanation
F990_P10_S00_L11	Form 990, Part X, Line 11	For consistency with current year reporting, reclassified \$512,780 from line 2 primarily representing cash held in investment accounts in the beginning of year balance to this line Also reclassified \$23,085,518 from this line to line 12 in the beginning of year balance, representing additional investments that are not publicly traded

Identifier	Return Reference	Explanation
F990_P10_S00_L12	Form 990, Part X, Line 12	For consistency with current year reporting, reclassified \$23,085,518 from line 11 to line 12 in the beginning of year balance

Identifier	Return Reference	Explanation
F990_P10_S00_L15	Form 990, Part X, Line 15	For consistency with current year reporting, reclassified \$206,263 from line 2 representing certificates of deposit pledged for the Ohio state unemployment fund in the beginning of year balance

Identifier	Return Reference	Explanation
SchK_P01_S00_L00	Schedule K, Part I	The amount reported in Schedule K, Part I, Line A(e) of \$5,000,000 is different from the total issue price amount of \$43,215,000 as reflected on the related Form 8038. This bond issue was a pooled financing with two other universities. Franklin's share of the proceeds was \$5,000,000.