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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)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 08-01-2009 and ending 07-31-2010

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization
FRANKLIN UNIVERSITY
Doing Business As
Number and street (or P O box if mail is not delivered to street address)
201 South Grant Avenue
Room/suite
City or town, state or country, and ZIP + 4
Columbus, OH 432155399

D Employer identification number
31-0707369
E Telephone number
(614) 947-6002
G Gross receipts \$ 78,181,975

F Name and address of principal officer
Dr David Decker
201 S Grant Avenue
Columbus, OH 432155399

H(a) Is this a group return for affiliates?
☐ Yes ☒ No
H(b) Are all affiliates included?
☐ Yes ☐ No
If "No," attach a list (see instructions)
H(c) Group exemption number

I Tax-exempt status
☒ 501(c) (3) ☐ (Insert no)
☐ 4947(a)(1) or ☐ 527

J Website: www.franklin.edu

K Form of organization
☒ Corporation ☐ Trust ☐ Association ☐ 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 ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets
3 Number of voting members of the governing body (Part VI, line 1a) 3 2
4 Number of independent voting members of the governing body (Part VI, line 1b) 4 2
5 Total number of employees (Part V, line 2a) 5 1,17
6 Total number of volunteers (estimate if necessary) 6 2
7a Total gross unrelated business revenue from Part VIII, column (C), line 12 7a
7b Net unrelated business taxable income from Form 990-T, line 34 7b

Revenue
8 Contributions and grants (Part VIII, line 1h) 876,779 939,427
9 Program service revenue (Part VIII, line 2g) 52,755,394 58,913,638
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) -2,504,520 1,250,088
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 969,961 904,003
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) 52,097,614 62,007,156

Expenses
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) 1,591,257 1,580,573
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) 34,448,778 39,424,503
16a Professional fundraising fees (Part IX, column (A), line 11e) 0 0
16b Total fundraising expenses (Part IX, column (D), line 25) 835,124
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f) 21,579,296 20,388,355
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25) 57,619,331 61,393,431
19 Revenue less expenses Subtract line 18 from line 12 -5,521,717 613,725

Net Assets or Fund Balances
20 Total assets (Part X, line 16) 84,086,587 93,563,261
21 Total liabilities (Part X, line 26) 12,736,555 17,045,332
22 Net assets or fund balances Subtract line 21 from line 20 71,350,032 76,517,929

Part II Signature Block

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
Signature of officer Date 2010-12-09
Marv Briskey Treasurer/CFO Type or print name and title

Paid Preparer's Use Only
Preparer's signature Date Check if self-employed Preparer's identifying number (see instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 EIN Phone no

1 Briefly describe the organization's mission

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 501(c)(4) organizations and section 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 \$ 52,294,735 including grants of \$ 1,580,573) (Revenue \$ 59,416,524)
	The University reported serving 11,292 unique students in its 2010 filing with the National Center for Education Statistics, granting 1,574 undergraduate degrees and 431 graduate degrees. Four new academic programs were introduced during the year bringing the total number of academic program offerings to thirty. The first new domestic location outside of central Ohio opened in Indianapolis, IN and the University's MBA program partnership with the Wroclaw School of Banking of Poland started its first cohort. Plans are underway to start new MBA cohorts at numerous other international sites over the next three years.









[illegible][illegible]

4d	Other program services (Describe in Schedule O)				
	(Expenses \$	0	including grants of \$	0) (Revenue \$	0)

4e	Total program service expenses	\$ 52,294,735
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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 similar funds or 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, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.		
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.		
	• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.		
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	Yes
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 	12A	No
13	Is the organization a school 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 United States?	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 United States? If "Yes," complete Schedule F, Part I 	14b	Yes
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 U S ? 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 U S ? If "Yes," complete Schedule F, Part III	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities 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

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	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? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	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? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</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? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
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>	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		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>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		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>	34		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>	35		No
36	Section 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>	36		No
37	Did the organization conduct more than 5% 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>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

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	12,197		
		1b	0		
b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable			1c	Yes	
2a	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?				
	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	1,170		
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			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 ▶ CJ 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 line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and 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 receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a		No
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
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 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		
9 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

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body . . .	1a	23	
b	Enter the number of voting members that are independent . . .	1b	23	
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
b	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			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, 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	9		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	Yes	
b	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?	10b	Yes	
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	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?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
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
b	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▶
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. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> 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

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

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

[illegible]

1b	Total	2,964,664	0	413,371
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2

Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶49

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1

Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
ARMADA LTD 23 Clairedan Road Powell, OH 43065	Security services and systems	449,579
Thomas & Thomas LLC 2323 Park Avenue Cincinnati, OH 45206	Collection services	345,483
Lean Management Group 10225 Oak Leaf Court Littleton, CO 80129	Technology consulting	281,485
Professional Maintenance Inc 541 Stimmel Road Columbus, OH 43223	Custodial services	245,940
Vorys Sater Seymour and Pease LLP PO Box 73487 Cleveland, OH 44193	Legal counsel	209,108

2

Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶12

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a	0					
	b	Membership dues	1b	0					
	c	Fundraising events	1c	0					
	d	Related organizations	1d	0					
	e	Government grants (contributions)	1e	575,806					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	363,621					
	g	Noncash contributions included in lines 1a-1f \$ 45,153							
	h	Total. Add lines 1a-1f		939,427					
Program Service Revenue			Business Code						
	2a	Tuition and fees	611,310	58,913,638	58,913,638	0	0		
	b								
	c								
	d								
	e								
	f	All other program service revenue		0	0	0	0		
	g	Total. Add lines 2a-2f		58,913,638					
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		597,682	0	0	597,682		
	4	Income from investment of tax-exempt bond proceeds . . .		7,331	0	0	7,331		
	5	Royalties		0	0	0	0		
	6a	(i) Real		(ii) Personal					
		0		0					
		0		0					
		0		0					
	b	Less rental expenses							
	c	Rental income or (loss)							
	d	Net rental income or (loss)		0	0	0	0		
	7a	(i) Securities		(ii) Other					
		16,801,794		18,100					
		16,143,111		31,708					
		658,683		-13,608					
	b	Less cost or other basis and sales expenses							
	c	Gain or (loss)							
	d	Net gain or (loss)		645,075	-13,608	0	658,683		
	8a	Gross income from fundraising events (not including \$ 0 of contributions reported on line 1c) See Part IV, line 18							
		a							0
		b							0
	b	Less direct expenses							
	c	Net income or (loss) from fundraising events . . .		0	0	0	0		
	9a	Gross income from gaming activities See Part IV, line 19							
a		0							
b		0							
b	Less direct expenses								
c	Net income or (loss) from gaming activities . . .		0	0	0	0			
10a	Gross sales of inventory, less returns and allowances								
	a							0	
	b							0	
b	Less cost of goods sold								
c	Net income or (loss) from sales of inventory . . .		0	0	0	0			
Miscellaneous Revenue		Business Code							
11a	Finance charges on student accts		611,310	344,488	344,488	0	0		
	b Rental income-noninv property		531,120	387,509	0	0	387,509		
	c								
	d All other revenue			172,006	172,006	0	0		
	e Total. Add lines 11a-11d			904,003					
12	Total revenue. See Instructions			62,007,156	59,416,524	0	1,651,205		

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	1,580,573	1,580,573		
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	2,422,325	1,432,588	835,347	154,390
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	29,583,171	26,040,942	3,126,457	415,772
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,056,375	1,810,149	217,325	28,901
9	Other employee benefits	3,023,716	2,661,663	319,557	42,496
10	Payroll taxes	2,338,916	2,058,859	247,185	32,872
11	Fees for services (non-employees)				
a	Management	0	0	0	0
b	Legal	204,141	0	204,141	0
c	Accounting	79,135	0	79,135	0
d	Lobbying	0	0	0	0
e	Professional fundraising See Part IV, line 17	0			0
f	Investment management fees	168,662	0	168,662	0
g	Other	2,651,026	2,333,598	280,170	37,258
12	Advertising and promotion	2,293,069	2,293,069	0	0
13	Office expenses	1,932,809	1,701,379	204,266	27,164
14	Information technology	2,538,322	2,234,389	268,259	35,674
15	Royalties	2,342	2,342	0	0
16	Occupancy	3,260,483	2,381,941	860,484	18,058
17	Travel	749,273	659,556	79,186	10,531
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	387,600	341,190	40,768	5,642
20	Interest	403,663	0	403,663	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	2,293,575	1,675,568	605,304	12,703
23	Insurance	374,025	329,240	39,528	5,257
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	1,100,000	1,100,000	0	0
b	Community college revenue sharing	753,095	753,095	0	0
c	Library	378,122	378,122	0	0
d	Miscellaneous expenses	358,524	315,595	37,890	5,039
e	Swap valuation	203,015	0	203,015	0
f	All other expenses	257,474	210,877	43,230	3,367
25	Total functional expenses. Add lines 1 through 24f	61,393,431	52,294,735	8,263,572	835,124
26	Joint costs. Check here <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			36,016	1	107,175
	2	Savings and temporary cash investments			4,058,538	2	4,640,983
	3	Pledges and grants receivable, net			107,233	3	352,599
	4	Accounts receivable, net			3,708,233	4	3,644,889
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			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) Complete Part II of Schedule L			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			688,945	9	1,177,865
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	44,441,195			
	b	Less accumulated depreciation	10b	21,831,048	20,255,265	10c	22,610,147
	11	Investments—publicly traded securities			36,295,113	11	40,399,731
	12	Investments—other securities See Part IV, line 11			18,740,267	12	20,405,695
	13	Investments—program-related See Part IV, line 11			0	13	
	14	Intangible assets			0	14	0
	15	Other assets See Part IV, line 11			196,977	15	224,177
	16	Total assets. Add lines 1 through 15 (must equal line 34)			84,086,587	16	93,563,261
Liabilities	17	Accounts payable and accrued expenses			7,723,986	17	7,409,121
	18	Grants payable			0	18	0
	19	Deferred revenue			262,569	19	264,306
	20	Tax-exempt bond liabilities			4,750,000	20	9,371,905
	21	Escrow or custodial account liability Complete Part IV of Schedule D			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties			0	23	0
	24	Unsecured notes and loans payable to unrelated third parties			0	24	0
	25	Other liabilities Complete Part X of Schedule D			0	25	0
	26	Total liabilities. Add lines 17 through 25			12,736,555	26	17,045,332
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			68,099,910	27	73,032,769
	28	Temporarily restricted net assets			227,470	28	444,476
	29	Permanently restricted net assets			3,022,652	29	3,040,684
	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			71,350,032	33	76,517,929
	34	Total liabilities and net assets/fund balances			84,086,587	34	93,563,261

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 _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . .		No
b Were the organization's financial statements audited by an independent accountant? 	Yes	
c If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . .	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
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? 	Yes	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

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

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☒

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

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

☐

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

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

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

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

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

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(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?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)
- | (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 | | | | | | | | | |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2009

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.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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						

Section C. Computation of Public Support Percentage						
14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))		14				
15 Public Support Percentage for 2008 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2009. 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						
b 33 1/3% support test—2008. 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						
17a 10%-facts-and-circumstances test—2009. 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						
b 10%-facts-and-circumstances test—2008. 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						
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions						

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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 through 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 \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 June 30, 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						

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	
16Public support percentage from 2008 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	
19a33 1/3% support tests—2009. 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		
b33 1/3% support tests—2008. 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		
20Private 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. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Additional Data

Software ID:

Software Version:

EIN: 31-0707369

Name: FRANKLIN UNIVERSITY

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(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	2	X						0	0	0
Gary W James Vice Chairman	2	X						0	0	0
Sue A Doody Secretary	2	X						0	0	0
Gregory S Lashutka Immediate Past Chairman	2	X						0	0	0
Jack O Cartner Trustee	2	X						0	0	0
Jo Ann Davidson Trustee	2	X						0	0	0
Mary Laird Duchi Trustee	2	X						0	0	0
Philip G Fankhauser Trustee	2	X						0	0	0
Gary L Flynn Trustee	2	X						0	0	0
Anthony S Gonsalves Trustee	2	X						0	0	0
Eugene Griffin Trustee	2	X						0	0	0
Bruce Hagen Trustee	2	X						0	0	0
Judy Huang Trustee	2	X						0	0	0
Matthew Jauchius Trustee	2	X						0	0	0
Carl E Johnson Trustee	2	X						0	0	0
Floyd V Jones Trustee	2	X						0	0	0
James E Kunk Trustee	2	X						0	0	0
Peter E Roche Trustee	2	X						0	0	0
John B Ruhlin Jr Trustee	2	X						0	0	0
Ralph Sanese Jr Trustee	2	X						0	0	0
Thomas E Shoupe Trustee	2	X						0	0	0
Donald R Smith Trustee	2	X						0	0	0
Scott N Whitlock Trustee	2	X						0	0	0
The Honorable Thomas J Moyer Trustee - partial year	0	X						0	0	0
Dr David R Decker President	40			X				445,216	0	34,803

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(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			
Marv Briskey Treasurer/Chief Financial Officer	40			X				156,093	0	17,677
Jeffrey Brotherton Chief Information Officer	40			X				128,009	0	37,138
Christi Cabungcal VP-Human Resources	40			X				119,656	0	18,823
Klaus Haberich SVP-Planning and Global Programs	40			X				201,401	0	19,272
Evelyn Levino VP-Institutional Compliance	40			X				147,884	0	24,191
Bonnie Smith Quist VP-Advancement and Strategic Relations	40			X				119,492	0	18,868
Jane Robinson SVP-Administration and Chief of Staff	40			X				199,604	0	26,895
Dr Pamela Shay VP-Accreditation & Inst Effectiveness	40			X				156,505	0	22,579
Linda Steele VP-Marketing & Domestic Expansion	40			X				140,063	0	23,187
Dr Christopher Washington Provost and SVP-Academic Affairs	40			X				196,540	0	32,678
Dr Godfrey Mendes Dean-Global Programs	40					X		146,734	0	22,687
Ron Morgan Dean-Academic Tech and Innovation	40					X		146,303	0	25,455
Dr Keith Groff Dean-College of Arts, Sciences and Tech	40					X		145,066	0	21,312
Dr Ronald L Hartung Chair-Div of Computer & Info Sciences	40					X		141,078	0	20,892
Dr Terry Boyd Associate Dean-Academic Projects	40					X		128,249	0	18,173
Dr Paul Otte President Emeritus, ED-Leadership Ctr	40						X	246,771	0	28,741

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Bad debt provision	1,100,000	1,100,000	0	0
Community college revenue sharing	753,095	753,095	0	0
Library	378,122	378,122	0	0
Miscellaneous expenses	358,524	315,595	37,890	5,039
Swap valuation	203,015	0	203,015	0

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

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 | 2a | || b |

 Total acreage restricted by conservation easements | 2b | || c |

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▶ \$

For Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2008

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	3,906,975				
b Contributions	23,929				
c Investment earnings or losses	373,863				
d Grants or scholarships	10,000				
e Other expenditures for facilities and programs	0				
f Administrative expenses	0				
g End of year balance	4,294,767				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

20 6 %

b

Permanent endowment ▶

70 8 %

c

Term endowment ▶

8 6 %

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

No

(ii) related organizations

3a(ii)

No

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	27,231,765	13,096,835	14,134,930
c Leasehold improvements	0	883,420	230,953	652,467
d Equipment	0	12,439,678	8,142,244	4,297,434
e Other	0	747,565	361,016	386,549
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				22,610,147

Schedule D (Form 990) 2008

(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	0	
Closely-held equity interests	0	
Other		
Hedge funds - fund of funds	19,016,906	F
Limited partnerships/private equity funds	1,388,789	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ▶	20,405,695	

(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) ▶		

(a) Description	(b) Book value
Other assets	224,177
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	224,177

(a) Description of Liability	(b) Amount
Federal Income Taxes	0
See Additional Data Table	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	0

Schedule D (Form 990) 2008

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	62,007,156
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	61,393,431
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	613,725
4	Net unrealized gains (losses) on investments	4	4,554,172
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net) Add lines 4 - 8	9	4,554,172
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	5,167,897

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	65,335,928
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	4,554,172
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV)	2d	-1,239,008
e	Add lines 2a through 2d	2e	3,315,164
3	Subtract line 2e from line 1	3	62,020,764
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	4a	0
b	Other (Describe in Part XIV)	4b	-13,608
c	Add lines 4a and 4b	4c	-13,608
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	62,007,156

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	60,168,031
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Losses reported on Form 990, Part IX, line 25	2c	0
d	Other (Describe in Part XIV)	2d	13,608
e	Add lines 2a through 2d	2e	13,608
3	Subtract line 2e from line 1	3	60,154,423
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	4a	168,662
b	Other (Describe in Part XIV)	4b	1,070,346
c	Add lines 4a and 4b	4c	1,239,008
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	61,393,431

Part XIVSupplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, 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_P05_S00_L01a	Schedule D, Part V, Line 1a	The beginning balance for the prior year originally reported as \$4,811,768 included certain non-endowed quasi and temporarily restricted net assets totaling \$299,608 in error The beginning balance has been corrected
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_P10_S00_L00	Schedule D, Part X	Generally accepted accounting principles prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return Tax benefits will be recognized only if a tax position is more-likely-than-not sustained in a tax examination, with a tax examination being presumed to occur The amount recognized will be the largest amount of tax benefit that is greater than 50% likely being realized on examination For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at July 31, 2010 The University would recognize interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively The University has no amounts accrued for interest or penalties for the year ended July 31, 2010 The University is no longer subject to examination by taxing authorities for years before 2007 The University does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months
SchD_P12_S00_L02d	Schedule D, Part XII, Line 2d	(\$1,070,346) in scholarships netted against tuition and fees for the audited financial statements, (\$168,662) in investment management fees netted against investment income in the audited financial statements
SchD_P12_S00_L04b	Schedule D, Part XII, Line 4b	Loss on sale of non-investment assets reflected in expenses in the audited financial statements
SchD_P13_S00_L02d	Schedule D, Part XIII, Line 2d	Loss on sale of non-investment assets reflected in expenses in the audited financial statements
SchD_P13_S00_L04b	Schedule D, Part XIII, Line 4b	Scholarships netted against tuition and fees for the audited financial statements

SCHEDULE E

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

►Complete if the organization answered "Yes" to Form 990, Part IV, line 13,
or Form 990-EZ, Part VI, line 48.

► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2009

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Name of the organization FRANKLIN UNIVERSITY	Employer identification number 31-0707369
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	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? b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? 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, use Schedule O (Form 990)	Yes	
5 Does the organization discriminate by race in any way with respect to a Students' rights or privileges? b Admissions policies? c Employment of faculty or administrative staff? d Scholarships or other financial assistance? e Educational policies? f Use of facilities? g Athletic programs? h Other extracurricular activities? If you answered "Yes" to any of the above, please explain If you need more space, use Schedule O (Form 990)		No
6a Does the organization receive any financial aid or assistance from a governmental agency?	Yes	
6b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, explain on Schedule O (Form 990)		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," explain on Schedule O (Form 990)	Yes	

SCHEDULE F
(Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 14b, 15, or 16.
▶ Attach to Form 990. ▶ See separate instructions.

The image shows a white rectangular label with a black border. At the top, it reads "OMB No 1545-0047". In the center, the year "2009" is printed in a large, bold, black font. At the bottom, the text "Open to Public Inspection" is written in a bold, black font.

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

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. 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 For grant makers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States

3 Activites per Region (Use Schedule F-1 (Form 990) if additional space is needed)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
Europe (including Iceland and Greenland)	0	0	Program Services	Franklin University offers and delivers the Master's of Business Administration in Wroclaw, Poland in partnership with the Wroclaw School of Banking This degree program is identical in outcomes and instruction as the U.S.-based MBA program The program began on 11/09/2009 with the initial cohort and a second cohort began on 9/18/2010	21,563
Totals ►	0	0			21,563

[illegible]**Schedule F (Form 990) 2009**

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Use Schedule F-1 (Form 990) if additional space is needed.

[illegible]

Complete this part to provide the information required in Part I, line 2, and any additional information.

[illegible]

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

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

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
FRANKLIN UNIVERSITY

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" to 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 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code 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

▶

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

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

Questions Regarding Compensation

		Yes	No
1a	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><input type="checkbox"/> First-class or charter travel</div><div><input checked="" type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are 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	1b	Yes
2	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?	2	Yes
3	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><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	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		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	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		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	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	7	Yes
8	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	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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) Retirement and other 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 reportable compensation				
Dr David R Decker	(i)	298,253	124,488	22,475	24,500	10,303	480,019	0
	(ii)	0	0	0	0	0	0	0
Marv Briskey	(i)	130,546	24,822	725	15,537	2,140	173,770	0
	(ii)	0	0	0	0	0	0	0
Jeffrey Brotherton	(i)	110,112	17,044	853	13,230	23,908	165,147	0
	(ii)	0	0	0	0	0	0	0
Klaus Haberich	(i)	166,122	34,944	335	10,171	9,101	220,673	0
	(ii)	0	0	0	0	0	0	0
Evelyn Levino	(i)	124,855	22,532	497	15,209	8,982	172,075	0
	(ii)	0	0	0	0	0	0	0
Jane Robinson	(i)	164,857	31,588	3,159	19,859	7,036	226,499	0
	(ii)	0	0	0	0	0	0	0
Dr Pamela Shay	(i)	128,937	27,300	268	15,811	6,768	179,084	0
	(ii)	0	0	0	0	0	0	0
Linda Steele	(i)	116,849	22,947	267	14,290	8,897	163,250	0
	(ii)	0	0	0	0	0	0	0
Dr Christopher Washington	(i)	164,716	31,588	236	19,859	12,819	229,218	0
	(ii)	0	0	0	0	0	0	0
Dr Godfrey Mendes	(i)	129,208	14,700	2,826	14,655	8,032	169,421	0
	(ii)	0	0	0	0	0	0	0
Ron Morgan	(i)	124,560	21,508	235	16,521	8,934	171,758	0
	(ii)	0	0	0	0	0	0	0
Dr Keith Groff	(i)	125,532	19,534	0	16,344	4,968	166,378	0
	(ii)	0	0	0	0	0	0	0
Dr Ronald L Hartung	(i)	123,443	17,635	0	15,960	4,932	161,970	0
	(ii)	0	0	0	0	0	0	0
Dr Paul Otte	(i)	209,630	31,297	5,844	24,093	4,648	275,512	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							

Part III

Supplemental Information

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.

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	Pursuant to his employment agreement, Dr. David Decker receives a monthly housing allowance, treated as taxable compensation, and membership in a dinner/fitness club, not treated as taxable compensation.
SchJ_P01_S00_L07	Schedule J, Part I, Line 7	Bonuses are paid depending on the achievement of various performance criteria. The Board of Trustees determines the bonus of the President.

Schedule K
(Form 990)

Supplemental Information on Tax Exempt Bonds

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
FRANKLIN UNIVERSITY

Employer identification number
31-0707369

Part I

Bond Issues

	(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
B	Ohio Higher Educational Facility Commission	34-6849674	000000000	01-01-2010	5,000,000	Renovation of various buildings and purchase of tech equip		X		X

Part II

Proceeds

		A	B	C	D	E			
1	Total proceeds of issue	5,000,000	5,000,000						
2	Gross proceeds in reserve funds	0	0						
3	Proceeds in refunding or defeasance escrows	0	0						
4	Other unspent proceeds	0	1,694,189						
5	Issuance costs from proceeds	87,716	78,573						
6	Working capital expenditures from proceeds	0	0						
7	Capital expenditures from proceeds	4,912,284	3,227,238						
8	Year of substantial completion	2008							
		Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?		X		X				
10	Were the bonds issued as part of an advance refunding issue?		X		X				
11	Has the final allocation of proceeds been made?	X			X				
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X					

Part III

Private Business Use

		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?		X		X						
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

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?		X		X						
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
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 section 501(c)(3) organization or a state or local government		0 %		0 %						
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 section 501(c)(3) organization, or a state or local government		0 %		0 %						
6	Total of lines 4 and 5		0 %		0 %						
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2	Is the bond issue a variable rate issue?	X			X						
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X						
b	Name of provider										
c	Term of hedge										
4a	Were gross proceeds invested in a GIC?		X		X						
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?		X		X						
6	Did the bond issue qualify for an exception to rebate?	X		X							

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
FRANKLIN UNIVERSITY

Employer identification number
31-0707369

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art	X	1	4,000	Opinion of expert
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	2	15,517	Market quote
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
Server used in computer				
25 Other ► (class lab)	X	1	25,636	Selling price by vendor
26 Other ►()				
27 Other ►()				
28 Other ►()				

29

Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

0

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

No

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

32a

No

b

If "Yes," describe in Part II

33

If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
FRANKLIN UNIVERSITY

Employer identification number
31-0707369

Identifier	Return Reference	Explanation
F990_P01_S00_L17	Form 990, Part I, Line 17	During the year ended July 31, 2010, the University elected to change its method of accounting for costs to develop course modules for in-person and online education courses from capitalizing and amortizing the costs to expensing the costs To comply with accounting principles generally accepted in the United States, the 2009 financial statements were restated for this change in accounting principle to reflect expensing the costs This restatement had the effect of increasing Other expenses as reflected on Line 17 for 2009 by \$416,971 to \$21,579,296 from \$21,162,325 as previously reported See also the note to Part X, Line 14, for additional comments
F990_P06_S0B_L11	Form 990, Part VI, Section B, Line 11	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 and the University President, with consultation of tax experts where considered necessary The return was then provided to the Chairman and Vice Chairman of the Board of Trustees and the Fiscal Affairs Committee for their review Questions arising from this review were addressed as appropriate, with any necessary changes made to the 990 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 approximately one week prior to filing of the return
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
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 fiscal year 2008-2009 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 These reviews, although conducted in the previous fiscal year, were fully vetted by the Compensation Committee and full board in fiscal year 2009-2010 All such actions were reflected in the minutes of both the Compensation Committee and the Board of Trustees Any compensation changes made were relative to the independent market review
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
F990_P10_S00_L14	Form 990, Part X, Line 14	During the year ended July 31, 2010, the University elected to change its method of accounting for costs to develop course modules for in-person and online education courses from capitalizing and amortizing the costs to expensing the costs To comply with accounting principles generally accepted in the United States, the 2009 financial statements were restated for this change in accounting principle to reflect expensing the costs This restatement had the effect of reducing intangible assets from \$1,698,620 to \$0 As a result, unrestricted net assets (line 27) were adjusted by a similar amount, from \$69,798,530 to \$68,099,910
F990_P10_S00_L27	Form 990, Part X, Line 27	See comment on line 14