THE FRANKLIN INSTITUTE, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

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CONTENTS

BKW Berger, Katz, Weishaus
Nikosey & Lenza P.C.

Certified Public Accountants
& Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Directors of
The Franklin Institute, Inc.

We have audited the accompanying statements of financial position of The Franklin Institute, Inc. (a not-for-profit organization) as of June 30, 2009 and 2008, and the related statements of activity and changes in net assets, and statements of cash flows for the years then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Franklin Institute, Inc. as of June 30, 2009 and 2008 and the results of its activity and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Berger, Katz & Weishaus, Nikosey and Lenza P.C.

August 20, 2009

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THE FRANKLIN INSTITUTE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

	2009	2008
Assets:		
Cash	$ 41	$ 80,486
Net Assets – Unrestricted	41	80,486
Total Liabilities and Net Assets	$ 41	$ 80,486

See notes to financial statements

THE FRANKLIN INSTITUTE, INC.

STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
	Operations – Unrestricted	
Revenue:		
Interest income	$ 29	$ 39
Contributed support	196,860	132,255
Total revenue	196,889	132,294
Expenses:		
Program services	277,334	52,135
Increase (decrease) in net assets	(80,445)	80,159
Net assets, beginning of year	80,486	327
Net assets, end of year	$ 41	$ 80,486

See notes to financial statements

THE FRANKLIN INSTITUTE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
Cash flows from operating activities:		
(Decrease) Increase in net assets	$ (80,445)	$ 80,159
Cash, beginning of year	80,486	327
Cash, end of year	$ 41	$ 80,486

See notes to financial statements

THE FRANKLIN INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2009 AND 2008

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization:

In January 1990, The Franklin Institute, Inc. (The Institute) was formed as a nonprofit organization to receive private grants and render support for the charitable, educational and scientific programs of The Benjamin Franklin Institute of Technology.

The Institute has been ruled exempt from federal income taxes as a 501(c)(3) organization. Contributions to The Institute are tax deductible.

The significant accounting policies followed by The Institute are described below:

The financial statements of The Institute have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of The Institute and changes therein are classified and reported as follows:

Unrestricted net assets are those that are not subject to donor-imposed stipulations.

Temporarily restricted net assets include gifts for which donor imposed restrictions have not been met and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in temporarily restricted net assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. .

Permanently restricted net assets include gifts, trusts, and pledges which require by donor restriction that the assets be used in accordance with donor restrictions. There were no permanently restricted net assets at June 30, 2009 and 2008.

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. As all unconditional promises to give were deemed to be collectible by management, no provision for uncollectible promises has been established.

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. PROMISES TO GIVE:

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. When applicable, pledges are recorded after discounting to the present value of the future cash flows.

3. RELATED PARTIES:

The Institute was formed primarily to raise funds to support the ongoing educational programs of The Franklin Foundation and is related through certain common members/directors. The Institute reimburses The Benjamin Franklin Institute of Technology for costs associated with various programs in the form of grants.