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EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA

FINANCIAL REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2007 AND 2006

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
FINANCIAL REPORT
DECEMBER 31, 2007 AND 2006

CONTENTS

MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

September 23, 2008

To the Executive Board
Emy-Lou Biedenharn Foundation
Monroe, Louisiana

We have audited the accompanying statements of financial position of the Emy-Lou Biedenharn Foundation (a private foundation) as of December 31, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation'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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Government Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor. 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 Emy-Lou Biedenharn Foundation as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2008, on our consideration of Emy-Lou Biedenharn Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as Supplementary Information Schedule in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Foundation. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Martin, Harrison & Smallwood, LLP

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31, 2007	DECEMBER 31, 2006
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 621,579	$ 638,638
Inventory	18,565	14,971
Investments	5,311,863	4,929,370
Prepaid expenses	45,978	47,174
Total Current Assets	5,997,985	5,630,153
Restricted Cash	3,403,414	-
Property and equipment, net	1,096,756	1,213,212
Other Assets	1,372,169	175,954
TOTAL ASSETS	$ 11,870,324	$ 7,019,319
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable	$ 11,005	$ 25,931
Accrued payroll liabilities	1,130	1,080
Accrued interest payable	53,766	-
Compensated absences	34,764	33,573
Reserve for fire loss	344,901	371,071
Current portion of long-term debt	365,000	-
Total Current Liabilities	810,566	431,655
Long-term debt	4,135,000	-
Total Liabilities	4,945,566	431,655
Net Assets		
Unrestricted - operating	3,176,443	6,216,593
Unrestricted - reserved for fire loss	344,901	371,071
Restricted - long term debt	3,403,414	-
Total Net Assets	6,924,758	6,587,664
TOTAL LIABILITIES AND NET ASSETS	$ 11,870,324	$ 7,019,319

The accompanying notes are an integral part of these financial statements.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
STATEMENTS OF ACTIVITIES

	DECEMBER 31, 2007	DECEMBER 31, 2006
UNRESTRICTED NET ASSETS		
Unrestricted Support, Revenues, and Gains		
Contributions	$ 4,541	$ 2,729
Program service fees	22,148	13,254
Investment return	286,082	371,266
Trust	1,200,000	950,000
Other	7,150	20,540
Total Unrestricted Support, Revenues, and Gains	1,519,921	1,357,789
Expenses		
Program Services		
Charitable contributions	18,000	18,000
Conservator	9,859	16,394
Education	55,411	55,900
Exhibits and programs	708	4,639
Marketing	38,382	38,390
Store and vending	28,574	19,634
Personnel	579,176	518,137
Support Services		
Maintenance	79,901	86,484
Depreciation	125,701	129,719
Insurance	64,968	62,600
Interest and Penalties	-	192
Federal excise tax	10,600	4,783
Office	18,943	17,268
Professional services	44,860	48,004
Security	3,529	4,177
Telephone	8,407	6,772
Utilities	33,074	28,869
Interest on long-term debt	53,766	-
Total Expenses	1,173,859	1,059,962
Increase in Unrestricted Net Assets	346,062	297,827
INCREASE IN NET ASSETS	346,062	297,827
NET ASSETS - BEGINNING OF YEAR	6,587,664	6,289,837
PRIOR PERIOD ADJUSTMENT	(8,968)	-
NET ASSETS - END OF YEAR	$ 6,924,758	$ 6,587,664

The accompanying notes are an integral part of these financial statements.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
STATEMENTS OF CASH FLOWS

	DECEMBER 31, 2007	DECEMBER 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ 346,062	$ 297,827
Adjustments to reconcile net increase in net assets to net cash provided by operating activies:		
Depreciation	125,701	129,719
(Increase) decrease in operating assets		
Receivable - Due from St. Paul's Insurance Co.	-	171,819
Inventory	(3,594)	534
Prepaid expenses	1,196	(12,427)
Other Assets	(1,196,215)	(85,595)
Increase (decrease) in operating liabilities		
Accounts payable	(14,926)	(15,791)
Accrued payroll taxes	50	47
Accrued interest payable	53,766	-
Accrued compensated absences	1,191	(2,650)
Hospitalization payable	-	-
Reserve for fire loss	(26,170)	(264,791)
Prior period adjustment-excise tax	(8,968)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	(721,907)	218,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments, net	(382,493)	(177,316)
Purchases of fixed assets	(9,245)	(32,984)
Increase in Restricted Cash	(3,403,414)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(3,795,152)	(210,300)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Long-term Debt	4,500,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,500,000	-
NET INCREASE (DECREASE) IN CASH	(17,059)	8,392
BEGINNING CASH AND CASH EQUIVALENTS	638,638	630,246
ENDING CASH AND CASH EQUIVALENTS	$ 621,579	$ 638,638

The accompanying notes are an integral part of these financial statements.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

NATURE OF OPERATIONS

The Emy-Lou Biedenharn Foundation (a private foundation) was incorporated under the laws of Louisiana in 1971. The purpose of the Foundation is to support benevolent, charitable, educational undertakings, which are aesthetic, biblical, educational, or musical in purpose. All grants or other support must meet the requirements of the Internal Revenue Code. There are no restrictions, but there are some preferences. The Foundation prefers charities from the Ouachita Parish area. Other charities given special consideration are ones involved in the arts, particularly music.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Pronouncements

The Foundation adopted Statements of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, and No. 117, Financial Statements of Not-For-Profit Organizations effective January 1, 2004. In accordance with SFAS 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature and/or existence of any donor-imposed restrictions. SFAS 116 requires that such contributions be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restriction. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Investments

Investments are presented in the financial statements at fair market value.

Gains and losses on disposition of investments are considered elements of revenue and expense when realized. Unrealized gains and losses are included on the statement of financial position as a part of net assets.

Operating Assets

Operating assets are depreciated on the straight-line method using the following useful lives:

Buildings	30 years
Building improvements	10-18 years
Autos & trucks	3 years
Equipment	5-7 years
Renovations	19-31.5 years
Landscaping renovations	7-10 years
Furniture and fixtures	5-10 years
Books	10-20 years
Portraits and pictures	10-20 years

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2007 AND 2006

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventory
Inventory of books on hand for resale is stated at cost. The Foundation began the sale of books in March, 1994.

Advertising Costs

The company expenses non-direct response advertising costs as incurred.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

NOTE 2 – USE OF ACCOUNTING ESTIAMTES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3- CASH FLOW INFORMATION

Supplemental disclosures of cash flow information:

	2007	2006
Cash paid during the year for:		
Interest	$ 53,766	$ 192
Excise tax	$ 10,600	$ 4,783

Supplemental schedule of non-cash investing and financing activities for the year:

There were no non-cash investing and financing activities for the year.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2007 AND 2006

NOTE 4 – CASH & CASH EQUIVALENTS

	2007	2006
Bank balances consists of the following:		
Bank One – checking	$ 115,256	$ 86,005
Petty cash	500	500
Bank One – money market	-	67,527
Bank One- savings	490,999	474,680
JPMorgan – construction account	14,824	9,926
Total	621,579	638,638
Amount insured by FDIC	100,000	100,000
Under secured	$ 521,579	$ 538,638

In accordance with the SFAS No. 105, disclosure is required for concentrations of credit risk arising from cash deposits in excess of federally insured limits.

Restricted Cash at December 31, 2007 and 2007 was $ 3,403,414 and $ 0, respectively. Restricted cash is comprised of funds required to pay the long-term debt when it becomes due, and to pay for renovations and improvements to the Emy-Lou Biedenharn Museum and Gardens. The Foundation is required to deposit on a monthly basis 1/6th of the amount due in interest and principal for their long-term debt in separate accounts. One account is called the Interest Account, and the other is called the Principal Account.

NOTE 5 – INVESTMENTS

Investments are stated at fair value and consist of the following:

	2007	
	Cost	Market
JPMorgan U.S. Treasury Money Market Fund	$ 1,962,180	$1,962,180
1,816,720 Opportunity Fund LP	1,700,000	2,191,468
10,000 Pitney Bowes 4.625% due 10/1/2012	9,945	10,116
75,000 U.S. Treasury Note 4.375% due 8/15/2012	77,236	78,269
25,000 Inter Bus Machs Corp 5.375% due 2/1/2009	23,468	25,354
20,000 FNMA 5.375% due 7/15/2016	20,346	21,363
15,000 Target Corp 6.35% due 1/5/2011	15,061	15,714
20,000 FHLB 4.625% due 1/18/2008	19,861	20,000
100,000 U.S. Treasury Note 5.625% due 5/15/2008	98,668	100,805
30,000 FNMA 4.75% due 2/21/2013	29,985	31,059
100,000 U.S. Treasury Note 6.5% due 2/15/2010	104,738	106,930

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2007 AND 2006

NOTE 5 – INVESTMENTS (Continued)

	2007	
	Cost	Market
50,000 U.S. Treasury Note 5.0% due 8/15/2011	49,086	52,969
20,000 FNMA 3.25% due 8/15/2008	19,361	19,869
65,000 US Treasury NTS 4.25% due 11/15/2013	65,721	67,392
40,000 FNMA 6.625% due 11/15/2010	42,863	43,250
60,000 FHLM 5.5% due 9/15/2011	59,297	63,581
47,540 JP Morgan Mtg Bkd	487,564	501,544
	$ 4,785,380	$ 5,311,863

	2006	
	Cost	Market
JPMorgan U.S. Treasury Money Market Fund	$ 1,515,543	$1,515,543
1,816,720 Opportunity Fund LP	1,700,000	2,095,449
10,000 Pitney Bowes 4.625% due 10/1/2012	9,945	9,633
75,000 U.S. Treasury Note 4.375% due 8/15/2012	77,236	73,922
110,000 U.S. Treasury Note 4.375% due 5/15/2007	116,948	109,725
25,000 Inter Bus Machs Corp due 2/1/2009	23,468	25,089
20,000 FNMA 5.375% due 7/15/2016	20,346	20,556
15,000 Target Corp due 1/5/2011	15,061	15,609
20,000 FHLB 4.625% due 1/18/2008	19,861	19,881
100,000 U.S. Treasury Note 5.625% due 5/15/2008	98,668	100,914
115,000 U.S. Treasury Note 3.25% due 8/15/2007	116,532	113,756
30,000 FNMA 4.75% due 2/21/2013	29,985	29,634
100,000 U.S. Treasury Note 6.5% due 2/15/2010	104,738	105,051
50,000 U.S. Treasury Note 5.0% due 8/15/2011	49,086	50,699
20,000 FNMA 3.25% due 8/15/2008	19,361	19,438
65,000 US Treasury NTS 4.25% due 11/15/2013	65,721	63,283
40,000 FNMA 6.625% due 11/15/2010	42,863	42,362
80,000 FHLB 4.875% due 5/15/2007	85,272	79,925
60,000 FHLM 5.5% due 9/15/2011	59,297	61,350
36,268 JP Morgan Mtg Bkd	370,564	377,551
	$ 4,540,495	$ 4,929,370

Unrealized appreciation at December 31, 2007 and 2006 was $526,483 and $388,875.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2007 AND 2006

NOTE 5 – INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended:

	2007	2006
Interest Income	$ 73,271	$ 69,938
Dividend Income	88,955	63,675
Net Realized and Unrealized Gains and Losses	123,856	237,653
Total Investment Return	$ 286,082	$ 371,266

NOTE 6 – PROPERTY AND EQUIPMENT

	2007		
	Cost	Accumulated Depreciation	Net
Assets:			
Land	$ 85,567	$ -	$ 85,567
Buildings	358,078	310,245	47,833
Building improvements	264,577	200,856	63,721
Autos and trucks	7,522	5,356	2,166
Equipment	82,162	70,541	11,621
Renovations	1,886,537	1,105,991	780,546
Landscaping renovations	147,422	94,697	52,725
Furniture and fixtures	167,162	154,699	12,463
Books	94,974	71,883	23,091
Portraits and pictures	33,490	16,467	17,023
Total	$ 3,127,491	$ 2,030,736	$ 1,096,756

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2006 AND 2005

NOTE 6 –FIXED ASSETS (Continued)

	2006		
	Cost	Accumulated Depreciation	Net
Assets:			
Land	$ 85,567	$ -	$ 85,567
Buildings	358,078	306,245	51,833
Building improvements	264,577	187,223	77,354
Autos and trucks	7,522	3,911	3,611
Equipment	81,752	64,449	17,303
Renovations	1,886,537	1,023,645	862,892
Landscaping renovations	147,422	85,225	62,197
Furniture and fixtures	158,328	150,238	8,090
Books	94,974	69,354	25,620
Portraits and pictures	33,490	14,745	18,745
Total	$ 3,118,247	$ 1,905,035	$ 1,213,212

Depreciation expense totaled $125,701 and $129,719 for the years ended December 31, 2007 and 2006, respectively.

NOTE 7 – OTHER ASSETS

The foundation is doing strategic planning for the expansion and renovation of the Bible Research Center, the White House, Maintenance Building, and Education Building. The costs associated with this project are shown as an other asset on the balance sheet. These items will be capitalized into the total cost of the project upon completion. Expansion and renovation costs totaled $ 1,372,169 and $175,954, as of December 31, 2007 and 2006, respectively.

NOTE 8 – TAXES

The Internal Revenue Service has determined that the Foundation meets the requirements of the Internal Revenue Code and is exempt from federal income tax under Code Section 501 (c) (3). The Foundation is taxed a 2% Federal Excise Tax on interest and dividends.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2007 AND 2006

NOTE 9 – COMPENSATED ABSENCES

Full-time employees of the Foundation are entitled to both vacation and sick pay. Vacation pay is accrued at a rate of 8 hours per month during the first three years of employment. This rate increases to 10 hours during years four and five, 12 hours during years six thru ten, 14 hours during years eleven thru fifteen, and 16 hours for all years after fifteen. Carryover of vacation pay is allowed up to 150% of current annual allowance. Sick pay is accrued at a rate of 6.67 hours per month. Carryover of sick pay cannot exceed 480 hours. The accrual for compensated absences totaled $34,764 and $33,573 for the years ended December 31, 2007 and 2006, respectively.

NOTE 10 – LONG-TERM DEBT

The Foundation entered into a loan agreement with Monroe-West Monroe Convention and Visitors Bureau on September 1, 2007. The Foundation received a $4,500,000 loan to assist them in renovations, additions and improvements to the Biedenharn Museum & Gardens in Monroe, Louisiana. The Monroe-West Monroe Convention and Visitors Bureau received Revenue Bonds, Series 2007, to assist the Foundation in this matter. The Foundation pledges revenues until this loan agreement had been paid in full. Interest is charged at a rate of 4.45%, and interest and principal payments are due in semi-annual payments on March 1 and September 1 of each year. The maturity date of this loan is September 1, 2017. Annual payment requirements are as follows:

Year Ending December 31,	Interest	Principal	Total
2008	$ 196,245	$ 365,000	$ 561,245
2009	179,780	385,000	564,780
2010	162,425	405,000	567,425
2011	144,292	415,000	559,292
2012	125,601	435,000	560,601
Later	315,838	2,495,000	2,810,838
	$ 1,124,181	$ 4,500,000	$ 5,624,181

NOTE 11 – LEASES

The Foundation currently has two operating leases for office space and storage purposes. The Foundation has an operating lease with Foster Homes, LLC in the amount of $850 per month. This lease is cancelable by either party without notice. The Foundation has a commercial operating lease with Rhymes Family, LLC and Fremont Corporation for office space in the amount of $1,500 per month. Either party to the lease has the right to renew on a month-to-month basis, and can be terminated by either party by giving sixty days written notice. These leases are a direct result of the fire that occurred in September, 2004. Rent expense for the years ended December 31, 2007 and 2006, was $28,200 and $6,000, respectively. This expense has been netted against the Reserve for Fire Loss account on the Statement of Financial Position on page 2 of these financial statements.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2007 AND 2006

NOTE 12 – PENSION PLAN

The Foundation has a 403B defined contribution salary deferral plan covering substantially all full-time employees. Currently, four employees are participating in the plan. Under the plan, the Foundation contributes six percent of each eligible employee's salary. Plan expenses incurred by the Foundation for the twelve months ended December 31, 2007 and 2006, were $10,023 and $12,290.

NOTE 13 – EMPLOYEE BENEFITS

The Foundation incurs 70% of the expense of hospitalization coverage for all full-time employees. The employee is responsible for the other 30%. Hospitalization expenses incurred by the Foundation for the twelve months ended December 31, 2007 and 2006, were $49,224 and $30,641. The Foundation changed their health insurance plan during the year ended December 31, 2005, to a high deductible policy coupled with a health savings account for all full-time employees. The Foundation makes a contribution to the health savings accounts of employees in the amount of 70% of their annual deductible. Health savings account contributions for the twelve months ended December 31, 2007 and 2006, were $12,870 and $9,972, respectively.

NOTE 14 – EMY-LOU BIEDENHARN TRUST

Emma Louise Biedenharn created the Emy-Lou Biedenharn Foundation Endowment Trust on December 3, 1969. The Trust is held and administered by JP Morgan Chase Trust Company. This Trust is neither the possession of nor under the control of the Foundation. The Trust provides the Foundation's major source of income.

NOTE 15 – RESERVE FOR FIRE LOSS ACCOUNT

On September 26, 2004, the Bible Research Center and contents sustained fire damage. These assets were covered by insurance with St. Paul Fire and Marine Insurance Company. A reserve account has been established to account for the expenses incurred as a result of the fire as well as the insurance proceeds collected. This account appears in the liability section of the statement of financial position. It will be utilized until a final determination can be made regarding the actual loss caused by the fire.

NOTE 16 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made due to the Foundation paying a prior year's excise tax during the current year. This expense had not been recorded at a payable for the year ended December 31, 2006.

SUPPLEMENTARY INFORMATION SCHEDULE

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
SCHEDULES OF PROGRAM AND SUPPORT SERVICES EXPENSES

	YEAR ENDED DECEMBER 31, 2007	YEAR ENDED DECEMBER 31, 2006
PROGRAM SERVICES		
Conservator:		
Photo processing	$ 111	$ 125
Conservation supplies	5,325	14,379
Conservator services	3,200	320
Acquisitions	75	350
Miscellaneous	1,148	1,220
Total Conservator Expenses	$ 9,859	$ 16,394
Education:		
School programs	$ 54	$ 490
Christmas	14,231	10,182
Special events	15,442	13,632
Publication and print	7,585	11,889
Professional library	583	585
Postage	4,532	4,455
Supplies	1,454	307
Receptions	224	983
Symposium	11,306	13,377
Total Education Expenses	$ 55,411	$ 55,900
Exhibits and Programs:		
Exhibit implementation	$ 116	$ 11
Exhibit design	592	3,756
Miscellaneous	-	872
Total Exhibits and Programs Expenses	$ 708	$ 4,639

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
SCHEDULES OF PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31, 2007	2006
PROGRAM SERVICES (Continued)		
Marketing:		
Billboards	$ 1,845	$ 2,460
Newspapers	17,021	23,274
Other media and photo	19,516	12,056
Postage	-	600
Total Marketing Expenses	$ 38,382	$ 38,390
Store and Vending:		
Supplies	$ 9,194	$ 7,426
Supplies - Store	99	-
Cost of sales - Vending	16,555	11,479
Cost of sales - Store	2,441	596
Sales tax	285	133
Total Store and Vending	$ 28,574	$ 19,634
Personnel:		
Salaries	$ 432,319	$ 391,700
Payroll taxes	33,361	30,454
Fringe benefits	72,117	52,903
Staff development	20,154	19,310
Temporary labor	20,248	22,378
Miscellaneous - mileage	977	1,392
Total personnel	$ 579,176	$ 518,137

The accompanying notes are an integral part of these financial statements.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
SCHEDULES OF PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31, 2007	2006
SUPPORT SERVICES		
Maintenance		
Janitorial	$ 866	$ -
Supplies	8,260	5,015
Facilities maintenance	3,560	3,951
Light bulbs	568	157
Building inside repairs	10,320	16,050
Heating/AC	3,122	2,672
Miscellaneous facilities	-	317
Gardens	1,785	-
Garden repairs	9,537	12,463
Garden supplies	6,746	4,342
Plants and bulbs	19,880	20,455
Lawn mowing	1,010	2,465
Pest control	2,678	2,527
Sprinkler system	4,140	4,987
Weed control	3,358	2,623
Garden equipment	972	484
Garden equipment repair	1,601	-
Equipment rental	210	-
Vehicle	931	2,774
Tree damage related expenses	357	5,202
Total Maintenance Expenses	$ 79,901	$ 86,484
Insurance:		
General liability	$ -	$ 2,009
Business auto	2,000	4,373
Umbrella	16,761	13,904
Directors and officers liability	6,313	5,299
Insurance Expense	34,159	30,175
Worker's compensation	5,735	6,840
Total Insurance Expenses	$ 64,968	$ 62,600

The accompanying notes are an integral part of these financial statements.

EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA
SCHEDULES OF PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31, 2007	2006
SUPPORT SERVICES (Continued)		
Office:		
Bank service charges	$ 1,758	$ 794
Dues and subscriptions	4,086	4,534
Miscellaneous	11,390	9,886
Postage	1,709	2,054
Total Office Expenses	$ 18,943	$ 17,268
Professional services:		
Fees and audit	$ 14,651	$ 13,800
Odenwald	7,152	7,722
Legal fees	4,579	4,311
Executive board	5,511	4,663
Strategic planning	400	3,103
Portfolio fees - agency	12,567	14,405
Total Professional Services Expenses	$ 44,860	$ 48,004
Telephone:		
CenturyTel	$ 5,247	$ 3,622
BellSouth	994	712
Cellular	1,579	1,781
Internet fees	587	657
Total Telephone Expenses	$ 8,407	$ 6,772
Utilities:		
Gas	$ 4,656	$ 4,670
Garbage pickup	1,177	-
Water	6,759	6,452
Electricity	20,482	17,747
Total Utilities Expenses	$ 33,074	$ 28,869

Concluded

The accompanying notes are an integral part of these financial statements.

OTHER INDEPENDENT AUDITORS' REPORT

MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

2808 KILPATRICK BLVD., P.O. BOX 4044 – MONROE, LA 71211-4044 – (318) 388-0500
302 DEPOT STREET, SUITE A – DELHI, LA 71232 – (318) 878-5573

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

September 23, 2008

To the Executive Board
Emy-Lou Biedenharn Foundation
Monroe, Louisiana

We have audited the financial statements of Emy-Lou Biedenharn Foundation (a private foundation) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 23, 2008. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Emy-Lou Biedenharn Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Emy-Lou Biedenharn Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Emy-Lou Biedenharn Foundation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management and employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of the section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Emy-Lou Biedenharn Foundation's financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards which is described in the following paragraph.

The Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide require that all engagements are to be completed and transmitted to the legislative auditor within six months of the close of the entity's fiscal year. For the year ended December 31, 2007, the financial statements were not filed by the deadline of June 30, 2008. The Foundation's response to this finding is that they will make every effort to comply with the statute in the future.

We noted certain matters that we reported to management of the Emy-Lou Biedenharn Foundation in a separate letter dated September 23, 2008.

The Emy-Lou Biedenharn Foundation's response to the finding identified in our audit is described above. We did not audit the Foundation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the executive board, management, and the agencies granting funds to the Foundation, others within the entity, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Martin, Harrison & Smallwood, LLP

MARTIN, HARRISON & SMALLWOOD, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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302 DEPOT STREET, SUITE A – DELHI, LA 71232 – (318) 878-5573

September 23, 2008

The Board of Directors
Emy Lou Biedenharn Foundation
Monroe, Louisiana

We have audited the financial statements of The Emy Lou Biedenharn Foundation of and for the year ended December 31, 2007, and have issued our report thereon dated September 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

During the course of our examination, we became aware of the following matters and have included suggestions for improved internal controls.

FINDING #1
Credit cards are being issued to quite a few of your employees as compared to years past. Such a practice broadens the possibility of improper use of the company's funds.

RECOMMENDATION
All credit card statements should be scrutinized by management to assure that their use is in compliance with company policy. Additionally, all cards should be returned to safekeeping once the purchase is made and the supporting documentation is turned in to the accounting department. Employees should not be in possession of company credit cards after the purchase has been completed.

FINDING #2
Because of your limited storage space at this time, certain inventory and supplies, especially educational supplies (plants, crafts, etc.), are being stored at the homes of some of your employees.

RECOMMENDATION
All company assets should be maintained on the premises as much as possible. When this cannot be accomplished, inventory sheets should be prepared for all off site storage and should be signed by the person in possession of them. When these assets are returned to the premises, they should be checked against the original sheet to be sure they are all accounted for.

FINDING #3
During the course of the audit we had a discussion with members of management regarding the use of company cell phones.

RECOMMENDATION
Personal use of company cell phones, although it is sometimes unavoidable, should be kept at a minimum. Cell phone plans usually come with an allowable number of minutes for the plan you have. Once that allowance is exceeded, additional charges are incurred. All cell phone bills should be reviewed each month, especially when additional charges are incurred.

We are available to further explain the above findings, to help implement the recommendations or to answer any questions you may have. Please feel free to contact us at any time if we may be of assistance.

We appreciate the cooperation and courtesy extended to us during the course of the audit.

Respectfully,
MARTIN, HARRISON & SMALLWOOD, L.L.P.

Mike M. Martin
Certified Public Accountant

THE BIEDENHARN MUSEUM & GARDENS

September 30, 2008

Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Re: 2007 Audit Findings and Corrective Actions for Emy-Lou Biedenharn Foundation

Dear Sir:

This letter is to address the management letter findings that were discovered during our audit for the year ended December 31, 2007.

Finding #1: Credit cards are being issued to quite a few of your employees as compared to years past. Such a practice broadens the possibility of improper use of the company's funds.

Management's Response:
All credit cards will be kept under safekeeping when not in use. All charges will be pre-approved by management.

Finding #2: Because of your limited storage space at this time, certain inventory and supplies, especially educational supplies (plants, crafts, etc.), are being stored at the homes of your employees.

Management's Response:
When possible, all company assets will be maintained on premises. When it is not possible to store on premises, a detailed listing of off site storage items will be maintained by the one who is responsible for the items, and reviewed by management.

Finding #3: During the course of the audit we had a discussion with members of management regarding the use of company cell phones.

Management's Response:
All cell phone bills will be reviewed monthly to avoid misuse by personnel.

Sincerely,

Ralph Calhoun
Executive Director

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