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EMY-LOU BIEDENHARN FOUNDATION
MONROE, LOUISIANA

FINANCIAL REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

EMY-LOU BIEDENHARN FOUNDATION

FINANCIAL REPORT
DECEMBER 31, 2009 AND 2008

CONTENTS

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Independent Auditors' Report

June 22, 2010

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, 2009 and 2008, 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, 2009 and 2008, 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 June 22, 2010, 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.

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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 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.

Heard, McElroy & Vestal, LLP

EMY-LOU BIEDENHARN FOUNDATION

STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31 2009	DECEMBER 31 2008
ASSETS		
Current Assets		
Cash and cash equivalents	$ 302,358	$ 666,774
Receivables	-	2,779
Inventory	47,431	49,016
Investments	3,788,555	4,020,552
Prepaid expenses	89,020	70,557
Total Current Assets	4,227,364	4,809,678
Restricted Cash	284,731	993,952
Property and Equipment, net	3,845,227	1,036,146
Other Assets	1,782,121	3,880,289
TOTAL ASSETS	$ 10,139,443	$ 10,720,065
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable	$ 50,046	$ 36,883
Accrued payroll liabilities	49	2,692
Accrued interest payable	55,777	61,504
Compensated absences	28,394	39,894
Reserve for fire loss	314,474	341,557
Current portion of long-term debt	405,000	385,000
Total Current Liabilities	853,740	867,530
Long-term Debt	3,345,000	3,750,000
Total Liabilities	4,198,740	4,617,530
Net Assets		
Unrestricted	5,655,972	5,108,583
Temporarily restricted	284,731	993,952
Total Net Assets	5,940,703	6,102,535
TOTAL LIABILITIES AND NET ASSETS	$ 10,139,443	$ 10,720,065

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

EMY-LOU BIEDENHARN FOUNDATION

STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31 2009	2008
UNRESTRICTED NET ASSETS		
Unrestricted Support, Revenues, and Gains		
Contributions	$ 8,196	$ 5,438
Program service fees	106,281	42,670
Investment return	177,504	(378,256)
Trust	1,000,000	1,000,000
Other	10,960	15,640
Total Unrestricted Revenues and Gains	1,302,941	685,492
Net Assets Released from Restrictions		
Funds expended on property expansions and renovations	709,221	2,409,462
Total Unrestricted Revenues, Gains and Other Support	2,012,162	3,094,954
Expenses		
Program Services		
Charitable contributions	1,500	18,000
Conservator	10,017	16,189
Education	59,153	66,619
Exhibits and programs	6,279	2,490
Marketing	22,042	91,113
Store and vending	86,227	63,280
Personnel	603,548	588,302
Support Services		
Maintenance	66,110	112,623
Depreciation	180,475	118,142
Insurance	113,322	87,208
Federal excise tax	(283)	18,200
Office	16,091	23,837
Professional services	50,218	50,314
Security	3,406	3,686
Telephone	18,947	11,297
Utilities	53,668	38,139
Interest on long-term debt	174,053	190,633
Total Expenses	1,464,773	1,500,072
Increase (Decrease) in Unrestricted Net Assets	547,389	1,594,882

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

EMY-LOU BIEDENHARN FOUNDATION

STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31 2009	2008
TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Released from Restrictions		
Funds expended on property expansions and renovations	(709,221)	(2,409,462)
Increase (Decrease) in Temporarily Restriced Net Assets	(709,221)	(2,409,462)
INCREASE (DECREASE) IN NET ASSETS	(161,832)	(814,580)
NET ASSETS - BEGINNING OF YEAR	6,102,535	6,924,758
PRIOR PERIOD ADJUSTMENT	-	(7,643)
NET ASSETS - END OF YEAR	$ 5,940,703	$ 6,102,535

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

EMY-LOU BIEDENHARN FOUNDATION

STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31 2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ (161,832)	$ (814,580)
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	180,475	118,142
(Increase) decrease in operating assets		
Accounts receivable	2,779	(2,779)
Inventory	1,585	(30,451)
Prepaid expenses	(18,463)	(24,579)
Other assets	2,098,168	(2,508,120)
Increase (decrease) in operating liabilities		
Accounts payable	13,163	25,878
Accrued payroll taxes	(2,643)	1,562
Accrued interest payable	(5,727)	7,738
Accrued compensated absences	(11,500)	5,130
Reserve for fire loss	(27,083)	(3,344)
Prior period adjustment	-	(7,643)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,068,922	(3,233,046)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments, net	231,997	1,291,311
Purchases of fixed assets	(2,989,556)	(57,532)
(Increase) decrease in restricted cash	709,221	2,409,462
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(2,048,338)	3,643,241
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in Long-term Debt	(385,000)	(365,000)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(385,000)	(365,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(364,416)	45,195
BEGINNING CASH AND CASH EQUIVALENTS	666,774	621,579
ENDING CASH AND CASH EQUIVALENTS	$ 302,358	$ 666,774

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

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Accounting Pronouncements

In accordance with FASB ASC 958, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the nature and/or existence of any donor-imposed restrictions. Such contributions are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the related time restriction. 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 Statements of Financial Position 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 Statements of Financial Position as a part of net assets and in the Statements of Activities as a component of investment return.

Property and Equipment

Property and Equipment are stated at cost or fair value at date of donation. Additions and betterments of $500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Property and Equipment are depreciated using 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

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

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

Inventory
Inventory is stated at cost. The Foundation began the sale of books in March, 1994. A Museum Store was added in 2008.

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

Cash and Cash Equivalents
For the purposes of the Statements of Cash Flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Use of Accounting Estimates
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 2 – CASH FLOW INFORMATION

Supplemental disclosures of cash flow information:

	2009	2008
Cash paid during the year for:		
Interest	$ 174,053	$190,633
Excise tax	$ -	$ 18,200

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 3 – CASH & CASH EQUIVALENTS

	2009	2008
Cash balances consist of the following:		
Petty cash	$ 800	$ 700
JPMorgan Chase Bank, N.A. – checking	51,687	188,626
JPMorgan Chase Bank, N.A. – savings	249,871	462,595
JPMorgan Chase Bank, N.A. – construction account	-	14,853
Total	302,358	666,774
Amount insured by the FDIC	250,000	250,000
Uninsured balance	$ 52,358	$ 416,774

Restricted Cash and Temporarily Restricted Net Assets were $284,731 and $993,952 at December 31, 2009 and 2008, respectively. Restricted Cash consists of funds required to pay long-term debt and the unused bond proceeds that will pay for renovations and improvements to the Emy-Lou Biedenharn Museum and Gardens. The Foundation is required to deposit into separate accounts on a monthly basis 1/6th of the semi-annual amount due for interest and principal on their long-term debt.

NOTE 4 – INVESTMENTS

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

	2009	
	Cost	Market
JPMorgan U.S. Treasury Money Market Fund	$ 1,274,802	$1,274,802
420,442 Opportunity Fund LP	442,349	491,553
47,540 JP Morgan Mortgage Backed	487,565	518,183
3,627 Ishares Barclays Tips Bond Fund	363,825	376,845
75,000 FHLB 3.875% due 1/15/2010	76,949	75,094
100,000 U.S. Treasury Notes 6.5% due 2/15/2010	104,738	100,727
75,000 FHLM 7% due 3/15/2010	79,869	76,008
40,000 FNMA 6.625% due 11/15/2010	42,863	42,112
15,000 Target Corp 6.35% due 1/5/2011	15,061	15,839
50,000 U.S. Treasury Notes 5.0% due 8/15/2011	49,086	53,313
60,000 FHLM 5.5% due 9/15/2011	59,297	64,425
75,000 U.S. Treasury Notes 1.125% due 1/15/2012	74,654	74,930
75,000 U.S. Treasury Notes 4.375% due 8/15/2012	77,236	80,689

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 4 – INVESTMENTS (Continued)

	2009	
	Cost	Market
10,000 Pitney Bowes 4.625% due 10/1/2012	9,945	10,637
75,000 Fannie Mae Notes 4.75% due 11/19/2012	82,147	81,188
30,000 FNMA 4.75% due 2/21/2013	29,985	32,522
65,000 US Treasury Notes 4.25% due 11/15/2013	65,721	70,220
50,000 U.S. Treasury Notes 4.0% due 2/15/2014	51,799	53,465
60,000 FHLB 5.5% due 8/13/2014	67,519	67,313
20,000 U.S. Treasury Notes 5.125% due 5/15/2016	22,007	22,306
70,000 FNMA 5.375% due 7/15/2016	77,028	77,941
50,000 U.S. Treasury Notes 4.5% due 5/15/2017	52,391	53,449
75,000 U.S. Treasury Notes 3.75% due 11/15/2018	80,998	74,994
	$ 3,687,834	$ 3,788,555

	2008	
	Cost	Market
JPMorgan U.S. Treasury Money Market Fund	$ 1,196,541	$1,196,541
47,540 JP Morgan Mortgage Backed	487,564	486,807
1,816,720 Opportunity Fund LP	1,700,000	1,637,368
25,000 Int. Bus. Machines Corp 5.375% due 2/1/2009	23,468	25,059
100,000 U.S. Treasury Notes 6.5% due 2/15/2010	104,738	106,664
40,000 FNMA 6.625% due 11/15/2010	42,863	44,062
15,000 Target Corp 6.35% due 1/5/2011	15,061	15,337
50,000 U.S. Treasury Notes 5.0% due 8/15/2011	49,086	55,668
60,000 FHLM 5.5% due 9/15/2011	59,297	66,506
75,000 U.S. Treasury Notes 4.375% due 8/15/2012	77,236	84,059
10,000 Pitney Bowes 4.625% due 10/1/2012	9,945	9,791
30,000 FNMA 4.75% due 2/21/2013	29,985	32,616
65,000 US Treasury Notes 4.25% due 11/15/2013	65,721	74,181
50,000 U.S. Treasury Notes 4.0% due 2/15/2014	51,799	56,672
20,000 FHLB 5.5% due 8/13/2014	21,932	23,063
20,000 U.S Treasury Notes 5.125% due 5/15/2016	22,007	24,217
20,000 FNMA 5.375% due 7/15/2016	20,346	23,269
50,000 U.S. Treasury Notes 4.5% due 05/15/2017	52,391	58,672
	$ 4,029,980	$ 4,020,552

Unrealized appreciation (loss) was $100,721 and ($9,428) at December 31, 2009 and 2008, respectively.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 4 – INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the Statements of Activities for the years ended December 31:

	2009	2008
Interest income	$ 51,503	$ 58,583
Dividend income	41,068	97,739
Net realized and unrealized gains and losses	84,933	(534,578)
Total investment return	$ 177,504	$ (378,256)

NOTE 5 – FAIR VALUE MEASUREMENTS

The Foundation adopted FASB ASC 820-10-50-1 which requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),

- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and

- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets and liabilities measured on a recurring basis at December 31, 2009 are as follows:

	Level 1	Level 2	Level 3	Fair Value
JPMorgan Money Market Fund	$1,274,802	$ -	$ -	$1,274,802
Opportunity Fund LP	-	491,553	-	491,553
U.S. Government Bonds	-	1,100,696	-	1,100,696
Corporate Bonds	-	921,504	-	921,504
Totals	$1,274,802	$2,513,753	$ -	$3,788,555

Fair values of assets and liabilities measured on a recurring basis at December 31, 2008 are as follows:

	Level 1	Level 2	Level 3	Fair Value
JPMorgan Money Market Fund	$1,196,541	$ -	$ -	$1,196,541
Opportunity Fund LP	-	1,637,368	-	1,637,368
U.S. Government Bonds	-	649,649	-	649,649
Corporate Bonds	-	536,944	-	536,944
Totals	$1,196,541	$2,824,011	$ -	$4,020,552

NOTE 6 - RECEIVABLES

The Foundation's receivables consist of $279 in trade receivables and $2,500 in grant receivables at December 31, 2008. There were no receivables at December 31, 2009. The Foundation's accounts receivable are stated at the amount management expects to collect from outstanding balances. If necessary, management provides for probable uncollectible amounts through a provision of bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has concluded that a valuation allowance is unnecessary due to the stability of the client base, and the monitoring of outstanding balances.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 7 – PROPERTY AND EQUIPMENT

	2009		
	Cost	Accumulated Depreciation	Net
Assets:			
Land	$ 85,567	$ -	$ 85,567
Buildings	358,078	318,245	39,833
Building improvements	279,485	228,452	51,033
Autos and trucks	7,522	7,089	433
Equipment	159,697	88,747	70,950
Renovations	4,684,974	1,307,669	3,337,305
Landscaping renovations	147,422	111,648	35,774
Furniture and fixtures	233,372	166,650	66,722
Books	94,974	76,940	18,034
Portraits and pictures	123,490	23,914	99,576
Total	$ 6,174,581	$ 2,329,354	$ 3,845,227

	2008		
	Cost	Accumulated Depreciation	Net
Assets:			
Land	$ 85,567	$ -	$ 85,567
Buildings	358,078	314,245	43,833
Building improvements	264,577	214,344	50,233
Autos and trucks	7,522	6,222	1,300
Equipment	134,824	77,612	57,212
Renovations	1,886,537	1,182,038	704,499
Landscaping renovations	147,422	103,806	43,616
Furniture and fixtures	172,033	158,009	14,024
Books	94,974	74,411	20,563
Portraits and pictures	33,490	18,191	15,299
Total	$ 3,185,024	$ 2,148,878	$ 1,036,146

Depreciation expense totaled $180,475 and $118,142 for the years ended December 31, 2009 and 2008, respectively.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 8 – OTHER ASSETS

The foundation is in the process of an expansion and renovation of the Bible Research Center, White House, Maintenance Building, Education Building and Warehouse Building. These expenditures will be capitalized into the total cost of each project upon completion. The expansion and renovations of the White House, Maintenance Building and Education Building were completed in 2009. The total costs associated with those projects of $2,974,650 were capitalized in 2009. Expansion and renovation costs that have not been capitalized totaled $1,782,121 and $3,880,289, as of December 31, 2009 and 2008, respectively, and are shown as an Other Asset on the Statements of Financial Position.

NOTE 9 – INCOME TAXES

The Internal Revenue Service has determined that the Foundation meets the requirements of the Internal Revenue Code to be exempt from federal income tax under Code Section 501 (c) (3). The Foundation is taxed at a rate of up to 2% for Federal Excise Tax on net investment income. Under FASB ASC 450, "Loss Contingencies", the Foundation has not adopted any uncertain tax positions with respect to those amounts reported in its 2009 and 2008 financial statements. The Foundation is no longer subject to income tax examinations by tax authorities for years before 2006.

NOTE 10 – COMPENSATED ABSENCES

Full-time employees of the Foundation are entitled to both vacation and sick pay. Effective July 1, 2009, vacation pay is accrued at a rate of 40 hours per year for the first 2 years of service. Between 3 and 10 years of service, the rate increases to 80 hours per year. After 10 years of service, the rate increases to 120 hours per year. Vacation time must be used within 12 months of its accrual. Unused vacation time is paid upon termination. Sick pay is accrued at a rate of 2 hours per month upon completion of 6 months service. Sick pay cannot be carried over with the exception of sick pay accrued and unused prior to the effective date of the new policy. The accrual for compensated absences totaled $28,394 and $39,894 for the years ended December 31, 2009 and 2008, respectively.

NOTE 11 – 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
2010	162,425	405,000	567,425
2011	144,292	415,000	559,292
2012	125,601	435,000	560,601
2013	106,021	455,000	561,021
2014	85,551	475,000	560,551
2015	64,191	495,000	559,191
2016	41,830	525,000	566,830
2017	18,245	545,000	563,245
	$ 748,156	$3,750,000	$4,498,156

NOTE 12 – LEASES

The Foundation currently has a commercial operating lease with Rhymes Family, LLC and Fremont Corporation for $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. In 2008, the Foundation also had an operating lease with Foster Homes, LLC in the amount of $850 per month. This lease was cancelled during 2008. These leases are a direct result of the fire that occurred in September, 2004. Rent expenses relating to these leases were $18,000 and $25,255 for the years ended December 31, 2009 and 2008, respectively, and were netted against the Reserve for fire loss on the Statements of Financial Position.

NOTE 13 – PENSION PLAN

The Foundation has a 403(b) defined contribution salary deferral plan covering substantially all full-time employees. Under the plan, the Foundation contributes six percent (changing to three percent in 2010) of each eligible employee's salary. Plan expenses incurred by the Foundation were $12,351 and $12,042 for the years ended December 31, 2009 and 2008, respectively.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 14 – EMPLOYEE BENEFITS

The Foundation pays 70% of the hospitalization premium for all full-time employees and 25% of participating employees' family premium. Hospitalization expenses incurred by the Foundation were $43,586 and $46,028 for the years ended December 31, 2009 and 2008, respectively. 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 were $7,426 and $10,879 for the years ended December 31, 2009 and 2008, respectively. The health savings account benefit was discontinued on July 1, 2009.

NOTE 15 – 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 in possession of nor under control of the Foundation. The Trust provides the Foundation's major source of income.

NOTE 16 – 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 expenses incurred as a result of the fire as well as the insurance proceeds collected. This account appears in the liability section of the Statements of Financial Position and will be utilized until a final determination can be made regarding the actual loss caused by the fire.

NOTE 17 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made due to the Foundation paying a prior year's excise tax of $7,643 during the year ended December 31, 2008. This expense had not been recorded as a payable for the year ended December 31, 2007.

NOTE 18 – RISK OF LOSS

The Foundation is exposed to a variety of risks that may result in losses. The risks may include, but are not limited to, possible losses from acts of God, injury to employees, property damage or breach of contract. The Foundation mitigates these potential losses through the purchase of property and liability insurance with the level of coverage being constant. There are no known claims against the Foundation.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2009 AND 2008

NOTE 19 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through June 22, 2010, the date which the financial statements were available to be issued. Management is not aware of any significant subsequent events as of this date.

SUPPLEMENTARY INFORMATION

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULES OF SELECTED PROGRAM AND SUPPORT SERVICES EXPENSES

	YEAR ENDED DECEMBER 31	
	2009	2008
PROGRAM SERVICES		
Conservator:		
Photo processing	$ 359	$ 121
Conservation supplies	7,559	5,408
Conservator services	1,489	7,506
Acquisitions	-	193
Miscellaneous	610	2,961
Total Conservator Expenses	$ 10,017	$ 16,189
Education:		
School programs	$ 6,573	$ 5,585
Christmas	9,903	16,048
Special events	22,646	16,990
Publication and print	6,425	7,434
Educational planning	-	824
Professional library	15	804
Postage	4,039	6,226
Supplies	508	158
Receptions	489	52
Symposium	8,555	12,498
Total Education Expenses	$ 59,153	$ 66,619
Exhibits and Programs:		
Exhibit design	$ 6,279	$ 2,490
Total Exhibits and Programs Expenses	$ 6,279	$ 2,490

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

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULES OF SELECTED PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31	
	2009	2008
PROGRAM SERVICES (Continued)		
Marketing:		
Billboards	$ 6,262	$ 27,813
CVB Grant Expense - Web Site	-	13,679
Newspapers	10,369	22,195
Other media and photo	5,411	27,426
Total Marketing Expenses	$ 22,042	$ 91,113
Store and Vending:		
Supplies	$ 6,767	$ 10,313
Offsite Storage Rent	3,888	7,290
Travel	4,014	6,185
Fixtures and Displays	249	6,743
Cost of sales - Vending	20,331	20,337
Cost of sales - Store	51,128	11,826
Sales tax	(150)	586
Total Store and Vending	$ 86,227	$ 63,280
Personnel:		
Salaries	$ 497,624	$ 458,107
Payroll taxes	38,590	34,950
Fringe benefits	64,045	68,859
Staff development	2,182	9,516
Temporary labor	333	15,455
Miscellaneous - mileage	774	1,415
Total Personnel Expenses	$ 603,548	$ 588,302

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

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULES OF SELECTED PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31	
	2009	2008
SUPPORT SERVICES		
Maintenance		
Janitorial	$ 1,567	$ 776
Supplies	7,970	8,933
Facilities maintenance	3,486	8,771
Light bulbs	611	1,200
Building inside repairs	15,101	5,284
Heating/AC	4,577	2,923
Miscellaneous facilities	690	472
Gardens	2,627	33,355
Garden repairs	2,992	6,892
Garden supplies	2,540	5,539
Plants and bulbs	11,953	23,288
Pest control	2,263	1,678
Sprinkler system	2,660	5,639
Weed control	4,017	3,477
Garden equipment	1,033	1,479
Garden equipment repair	480	1,515
Vehicle	1,543	1,402
Total Maintenance Expenses	$ 66,110	$ 112,623
Insurance:		
General liability	$ 3,787	$ 3,522
Business auto	2,048	2,001
Umbrella	20,100	21,114
Directors and officers liability	6,692	6,692
Insurance Expense	71,691	45,621
Worker's compensation	9,004	8,258
Total Insurance Expenses	$ 113,322	$ 87,208

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

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULES OF SELECTED PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31	
	2009	2008
SUPPORT SERVICES (Continued)		
Office:		
Bank service charges and bond fees	$ 5,567	$ 8,617
Dues and subscriptions	2,604	5,914
Miscellaneous	5,884	7,750
Printing and postage	2,036	1,556
Total Office Expenses	$ 16,091	$ 23,837
Professional services:		
Fees and audit	$ 18,736	$ 21,337
Odenwald	11,626	9,343
Legal fees	5,040	3,300
Executive board	67	3,900
Portfolio fees - agency	14,749	12,434
Total Professional Services Expenses	$ 50,218	$ 50,314
Telephone:		
CenturyLink	$ 12,094	$ 7,425
BellSouth	936	774
Cellular	1,105	1,931
Internet fees	4,812	1,167
Total Telephone Expenses	$ 18,947	$ 11,297
Utilities:		
Gas	$ 6,734	$ 3,745
Garbage pickup	64	628
Cable	255	64
Water	8,449	7,459
Electricity	38,166	26,243
Total Utilities Expenses	$ 53,668	$ 38,139

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

OTHER INDEPENDENT AUDITORS' REPORT

HEARD, MCELROY, & VESTAL
LLP

CERTIFIED PUBLIC ACCOUNTANTS

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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

June 22, 2010

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, 2009 and 2008, and have issued our report thereon dated June 22, 2010. 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 Emy-Lou Biedenharn Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Emy-Lou Biedenharn Foundation's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the Emy-Lou Biedenharn Foundation in a separate letter dated June 22, 2010.

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.

Heard, McElroy & Vestal, LLP

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Auditors' Required Communications With Those Charged With Governance

June 22, 2010

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 December 31, 2009, and have issued our report thereon dated June 22, 2010. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and if applicable, Government Auditing Standards and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Findings from the Audit

Qualitative Aspects of Accounting Practices

Management of Emy-Lou Biedenharn Foundation, with the executive board's oversight, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, changes in net assets, and cash flows in conformity with U.S. generally accepted accounting principles. The significant policies used by the Emy-Lou Biedenharn Foundation are described in Note 1 to the financial statements. There were no new accounting policies adopted, and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Emy-Lou Biedenharn Foundation during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We did not encounter significant difficulties in dealing with management in performing and completing our audit.

Significant Findings from the Audit (Continued)

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are immaterial, and communicate them to the appropriate level of management. All misstatements found during the audit have been corrected. There are no known misstatements that have not been corrected in the financial statements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

Our professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements occurred during the course of our audit that remained unresolved.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 21, 2010.

Management Consultations with Other Independent Accountants

Management, in some cases, my decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves applications of an accounting principle to the Emy-Lou Biedenharn Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

Any discussions that were had with the Emy-Lou Biedenharn Foundation occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Executive Board and management of the Emy-Lou Biedenharn Foundation, and is not intended to be and should not be used by anyone other than these specified parties.

Mike Martin

Mike Martin
Certified Public Accountant
Heard, McElroy and Vestal, LLP