

**EMY-LOU BIEDENHARN FOUNDATION  
MONROE, LOUISIANA**

**FINANCIAL REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2008 AND 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/29/09

EMY-LOU BIEDENHARN FOUNDATION  
MONROE, LOUISIANA  
FINANCIAL REPORT  
DECEMBER 31, 2008 AND 2007

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

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditors' Report

June 22, 2009

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, 2008 and 2007, 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, 2008 and 2007, 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, 2009, 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.

To the Executive Board  
Emy-Lou Biedenbarn Foundation  
June 22, 2009  
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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 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,	
	2008	2007
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 666,774	\$ 621,579
Receivables	2,779	-
Inventory	49,016	18,565
Investments	4,020,552	5,311,863
Prepaid expenses	70,557	45,978
Total Current Assets	<u>4,809,678</u>	<u>5,997,985</u>
Restricted Cash	993,952	3,403,414
Property and equipment, net	1,036,146	1,096,756
Other Assets	<u>3,880,289</u>	<u>1,372,169</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,720,065</u>	<u>\$ 11,870,324</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current Liabilities		
Accounts payable	\$ 36,883	\$ 11,005
Accrued payroll liabilities	2,692	1,130
Accrued interest payable	61,504	53,766
Compensated absences	39,894	34,764
Reserve for fire loss	341,557	344,901
Current portion of long-term debt	385,000	365,000
Total Current Liabilities	<u>867,530</u>	<u>810,566</u>
Long-term debt	<u>3,750,000</u>	<u>4,135,000</u>
Total Liabilities	4,617,530	4,945,566
Net Assets		
Unrestricted	5,108,583	3,521,344
Restricted - long term debt	993,952	3,403,414
Total Net Assets	<u>6,102,535</u>	<u>6,924,758</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 10,720,065</u>	<u>\$ 11,870,324</u>

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

EMY-LOU BIEDENHARN FOUNDATION  
MONROE, LOUISIANA  
STATEMENTS OF ACTIVITIES

	DECEMBER 31,	
	2008	2007
<b>UNRESTRICTED NET ASSETS</b>		
Unrestricted Support, Revenues, and Gains	.	
Contributions	\$ 5,438	\$ 4,541
Program service fees	42,670	22,148
Investment return	(378,256)	286,082
Trust	1,000,000	1,200,000
Other	15,640	7,150
Total Unrestricted Support, Revenues, and Gains	685,492	1,519,921
<b>Expenses</b>		
<b>Program Services</b>		
Charitable contributions	18,000	18,000
Conservator	16,189	9,859
Education	66,619	55,411
Exhibits and programs	2,490	708
Marketing	91,113	38,382
Store and vending	63,280	28,574
Personnel	588,302	579,176
<b>Support Services</b>		
Maintenance	112,623	79,901
Depreciation	118,142	125,701
Insurance	87,208	64,968
Federal excise tax	18,200	10,600
Office	23,837	18,943
Professional services	50,314	44,860
Security	3,686	3,529
Telephone	11,297	8,407
Utilities	38,139	33,074
Interest on long-term debt	190,633	53,766
Total Expenses	1,500,072	1,173,859
Increase (Decrease) in Unrestricted Net Assets	(814,580)	346,062
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(814,580)	346,062
<b>NET ASSETS - BEGINNING OF YEAR</b>	6,924,758	6,587,664
<b>PRIOR PERIOD ADJUSTMENT</b>	(7,643)	(8,968)
<b>NET ASSETS - END OF YEAR</b>	\$ 6,102,535	\$ 6,924,758

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

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

	DECEMBER 31,	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ (814,580)	\$ 346,062
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:		
Depreciation	118,142	125,701
(Increase) decrease in operating assets		
Accounts receivable	(2,779)	-
Inventory	(30,451)	(3,594)
Prepaid expenses	(24,579)	1,196
Other Assets	(2,508,120)	(1,196,215)
Increase (decrease) in operating liabilities		
Accounts payable	25,878	(14,926)
Accrued payroll taxes	1,562	50
Accrued interest payable	7,738	53,766
Accrued compensated absences	5,130	1,191
Reserve for fire loss	(3,344)	(26,170)
Prior period adjustment-excise tax	(7,643)	(8,968)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<u>(3,233,046)</u>	<u>(721,907)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments, net	1,291,311	(382,493)
Purchases of fixed assets	(57,532)	(9,245)
(Increase) Decrease in Restricted Cash	2,409,462	(3,403,414)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>3,643,241</u>	<u>(3,795,152)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (Decrease) in Long-term Debt	(365,000)	4,500,000
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>(365,000)</u>	<u>4,500,000</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	45,195	(17,059)
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>621,579</u>	<u>638,638</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 666,774</u>	<u>\$ 621,579</u>

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

EMY-LOU BIEDENHARN FOUNDATION  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007

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.

Property and Equipment

Property and equipment are state 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  
 MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2008 AND 2007

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 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:

	<u>2008</u>	<u>2007</u>
Cash paid during the year for:		
Interest	\$ 190,633	\$ 53,766
Excise tax	\$ 18,200	\$ 10,600

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, 2008 AND 2007

NOTE 4 – CASH & CASH EQUIVALENTS

	<u>2008</u>	<u>2007</u>
Bank balances consists of the following:		
Bank One – checking	\$ 188,626	\$ 115,256
Petty cash	700	500
Bank One- savings	462,595	490,999
JPMorgan – construction account	<u>14,853</u>	<u>14,824</u>
Total	<u>666,774</u>	<u>621,579</u>
Amount insured by FDIC	<u>250,000</u>	<u>100,000</u>
Under secured	<u>\$ 416,774</u>	<u>\$ 521,579</u>

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, 2008 and 2007 was \$ 993,952 and \$ 3,403,414, 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 1/6<sup>th</sup> 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:

	<u>2008</u>	
	<u>Cost</u>	<u>Market</u>
JPMorgan U.S. Treasury Money Market Fund	\$ 1,196,541	\$1,196,541
1,816,720 Opportunity Fund LP	1,700,000	1,637,368
10,000 Pitney Bowes 4.625% due 10/1/2012	9,945	9,791
75,000 U.S. Treasury Note 4.375% due 8/15/2012	77,236	84,059
25,000 Inter Bus Machs Corp 5.375% due 2/1/2009	23,468	25,059
20,000 FNMA 5.375% due 7/15/2016	20,346	23,269
15,000 Target Corp 6.35% due 1/5/2011	15,061	15,337
50,000 U.S. Treasury Note 4.5% due 5/15/2017	52,391	58,672
50,000 U.S. Treasury Note 4.0% due 2/15/2014	51,799	56,672
30,000 FNMA 4.75% due 2/21/2013	29,985	32,616
100,000 U.S. Treasury Note 6.5% due 2/15/2010	104,738	106,664

EMY-LOU BIEDENHARN FOUNDATION  
 MONROE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 DECEMBER 31, 2008 AND 2007

NOTE 5 – INVESTMENTS (Continued)

	2008	
	Cost	Market
50,000 U.S. Treasury Note 5.0% due 8/15/2011	49,086	55,668
20,000 FNMA 5.5% due 8/13/2014	21,932	23,063
65,000 US Treasury NTS 4.25% due 11/15/2013	65,721	74,181
40,000 FNMA 6.625% due 11/15/2010	42,863	44,062
60,000 FHLM 5.5% due 9/15/2011	59,297	66,506
20,000 U.S. Treasury Note 5.125% due 5/15/2016	22,007	24,217
47,540 JP Morgan Mtg Bkd	487,564	486,807
	\$ 4,029,980	\$ 4,020,552

	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
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

Unrealized appreciation (loss) at December 31, 2008 and 2007 was (\$9,428) and \$526,483.

EMY-LOU BIEDENHARN FOUNDATION  
MONROE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2008 AND 2007

NOTE 5 – INVESTMENTS (Continued)

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

	<u>2008</u>	<u>2007</u>
Interest Income	\$ 58,583	\$ 73,271
Dividend Income	97,739	88,955
Net Realized and Unrealized Gains and Losses	<u>(534,578)</u>	<u>123,856</u>
Total Investment Return	<u>\$ (378,256)</u>	<u>\$ 286,082</u>

NOTE 6 - RECEIVABLES

The Foundation's receivables consists of \$279 in trade receivables, and \$2,500 in grant receivables for the year ended December 31, 2008. 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.

NOTE 7 – PROPERTY AND EQUIPMENT

	<u>2008</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
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	<u>33,490</u>	<u>18,191</u>	<u>15,299</u>
Total	<u>\$ 3,185,024</u>	<u>\$ 2,148,878</u>	<u>\$ 1,036,146</u>

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

NOTE 7 – FIXED ASSETS (Continued)

	2007		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
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	<u>33,490</u>	<u>16,467</u>	<u>17,023</u>
Total	<u>\$ 3,127,491</u>	<u>\$ 2,030,736</u>	<u>\$ 1,096,756</u>

Depreciation expense totaled \$118,142 and \$125,701 for the years ended December 31, 2008 and 2007, respectively.

NOTE 8 – 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 \$ 3,880,289 and \$1,372,169, as of December 31, 2008 and 2007, respectively.

NOTE 9 – 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, 2008 AND 2007

NOTE 10 – 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 \$39,894 and \$34,764 for the years ended December 31, 2008 and 2007, 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:

<u>Year Ending December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
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
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
	<u>\$ 927,936</u>	<u>\$ 4,135,000</u>	<u>\$ 5,062,936</u>

NOTE 12 – 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, 2008 and 2007, was \$25,225 and \$ 28,200, 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, 2008 AND 2007

NOTE 13 – 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, 2008 and 2007, were \$12,042 and \$10,023.

NOTE 14 – 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, 2008 and 2007, were \$46,028 and \$49,224. 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, 2008 and 2007, were \$10,789 and \$12,870, respectively.

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 the possession of nor under the 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 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 17 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made due to the Foundation paying a prior year's excise tax during the year ended December 31, 2008 and 2007. The prior period adjustments were \$7,643 and 8,968 for the years 2008 and 2007, respectively. This expense had not been recorded as a payable for the year ended December 31, 2007 and 2006.

**SUPPLEMENTARY INFORMATION SCHEDULE**



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

	YEAR ENDED DECEMBER 31,	
	2008	2007
<b>PROGRAM SERVICES</b>		
Conservator:		
Photo processing	\$ 121	\$ 111
Conservation supplies	5,408	5,325
Conservator services	7,506	3,200
Acquisitions	193	75
Miscellaneous	2,961	1,148
Total Conservator Expenses	\$ 16,189	\$ 9,859
Education:		
School programs	\$ 5,585	\$ 54
Christmas	16,048	14,231
Special events	16,990	15,442
Publication and print	7,434	7,585
Educational planning	824	-
Professional library	804	583
Postage	6,226	4,532
Supplies	158	1,454
Receptions	52	224
Symposium	12,498	11,306
Total Education Expenses	\$ 66,619	\$ 55,411
Exhibits and Programs:		
Exhibit implementation	\$ -	\$ 116
Exhibit design	2,490	592
Total Exhibits and Programs Expenses	\$ 2,490	\$ 708

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,	
	2008	2007
PROGRAM SERVICES (Continued)		
Marketing:		
Billboards	\$ 27,813	\$ 1,845
CVB Grant Expense - Web Site	13,679	-
Newspapers	22,195	17,021
Other media and photo	27,426	19,516
Total Marketing Expenses	\$ 91,113	\$ 38,382
Store and Vending:		
Supplies	\$ 10,313	\$ 9,194
Supplies - Store	-	99
Offsite Storage Rent	7,290	-
Travel	6,185	-
Fixtures and Displays	6,743	-
Cost of sales - Vending	20,337	16,555
Cost of sales - Store	11,826	2,441
Sales tax	586	285
Total Store and Vending	\$ 63,280	\$ 28,574
Personnel:		
Salaries	\$ 458,107	\$ 432,319
Payroll taxes	34,950	33,361
Fringe benefits	68,859	72,117
Staff development	9,516	20,154
Temporary labor	15,455	20,248
Miscellaneous - mileage	1,415	977
Total personnel	\$ 588,302	\$ 579,176

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)

SUPPORT SERVICES	YEAR ENDED DECEMBER 31,	
	2008	2007
Maintenance		
Janitorial	\$ 776	\$ 866
Supplies	8,933	8,260
Facilities maintenance	8,771	3,560
Light bulbs	1,200	568
Building inside repairs	5,284	10,320
Heating/AC	2,923	3,122
Miscellaneous facilities	472	-
Gardens	33,355	1,785
Garden repairs	6,892	9,537
Garden supplies	5,539	6,746
Plants and bulbs	23,288	19,880
Lawn mowing	-	1,010
Pest control	1,678	2,678
Sprinkler system	5,639	4,140
Weed control	3,477	3,358
Garden equipment	1,479	972
Garden equipment repair	1,515	1,601
Equipment rental	-	210
Vehicle	1,402	931
Tree damage related expenses	-	357
Total Maintenance Expenses	\$ 112,623	\$ 79,901
Insurance:		
General liability	\$ 3,522	\$ -
Business auto	2,001	2,000
Umbrella	21,114	16,761
Directors and officers liability	6,692	6,313
Insurance Expense	45,621	34,159
Worker's compensation	8,258	5,735
Total Insurance Expenses	\$ 87,208	\$ 64,968

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,	
	2008	2007
SUPPORT SERVICES (Continued)		
Office:		
Bank service charges and bond fees	\$ 8,617	\$ 1,758
Dues and subscriptions	5,914	4,086
Miscellaneous	7,750	11,390
Postage	1,556	1,709
Total Office Expenses	\$ 23,837	\$ 18,943
Professional services:		
Fees and audit	\$ 21,337	\$ 14,651
Odenwald	9,343	7,152
Legal fees	3,300	4,579
Executive board	3,900	5,511
Strategic planning	-	400
Portfolio fees - agency	12,434	12,567
Total Professional Services Expenses	\$ 50,314	\$ 44,860
Telephone:		
CenturyTel	\$ 7,425	\$ 5,247
BellSouth	774	994
Cellular	1,931	1,579
Internet fees	1,167	587
Total Telephone Expenses	\$ 11,297	\$ 8,407
Utilities:		
Gas	\$ 3,745	\$ 4,656
Garbage pickup	628	1,177
Cable	64	-
Water	7,459	6,759
Electricity	26,243	20,482
Total Utilities Expenses	\$ 38,139	\$ 33,074

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

June 22, 2009

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, 2008 and 2007, and have issued our report thereon dated June 22, 2009. 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.

To the Executive Board  
Emy-Lou Biedenharn Foundation  
June 22, 2009  
Page Two

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 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, 2009.

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

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

June 22, 2009

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, 2008, and have issued our report thereon dated June 22, 2009. 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

During the examination of expenditures, we found instances of disbursements being made without the proper authorizations having been indicated on the disbursement approval forms.

## RECOMMENDATION

All authorizations should be completed before disbursements are made.

## FINDING #2

During the testing of inventory, we found charge sales that were not properly reflected in inventory and accounts receivable.

## RECOMMENDATION

All charge sales of inventory should be posted in a timely manner to inventory and accounts receivable.

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

June 23, 2009

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

Re: 2008 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, 2008.

Finding #1: Instances of disbursements being made without the proper authorizations having been indicated on the disbursement approval forms.

Management's Response:

All approvals will be made before disbursements are made.

Finding #2: Charge sales of inventory were not properly reflected in inventory and accounts receivable.

Management's Response:

All charge sales will be timely posted to inventory and accounts receivable.

Sincerely,

Ralph Calhoun  
Executive Director