

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

**FINANCIAL REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

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 SEP 21 2011

EMY-LOU BIEDENHARN FOUNDATION

FINANCIAL REPORT
DECEMBER 31, 2010 AND 2009

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Independent Auditors' Report

June 30, 2011

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, 2010 and 2009, 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, 2010 and 2009, 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 July 14, 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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To the Executive Board
Emy-Lou Biedenharn Foundation
June 30, 2011
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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	
	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 57,198	\$ 302,358
Receivables	63,551	-
Inventory	46,870	47,431
Investments	2,601,077	3,788,555
Prepaid expenses	82,230	89,020
Total Current Assets	<u>2,850,926</u>	<u>4,227,364</u>
Restricted Cash	188,958	284,731
Property and Equipment, net	5,389,155	3,845,227
Other Assets	-	<u>1,782,121</u>
TOTAL ASSETS	<u>\$ 8,429,039</u>	<u>\$ 10,139,443</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable	\$ 9,513	\$ 50,046
Accrued payroll liabilities	424	49
Accrued interest payable	50,166	55,777
Compensated absences	5,017	28,394
Reserve for fire loss	-	314,474
Current portion of long-term debt	415,000	405,000
Total Current Liabilities	<u>480,120</u>	<u>853,740</u>
Long-term Debt	<u>2,930,000</u>	<u>3,345,000</u>
Total Liabilities	3,410,120	4,198,740
Net Assets		
Unrestricted	4,829,961	5,655,972
Temporarily restricted	188,958	284,731
Total Net Assets	<u>5,018,919</u>	<u>5,940,703</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,429,039</u>	<u>\$ 10,139,443</u>

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

EMY-LOU BIEDENHARN FOUNDATION

STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31	
	2010	2009
UNRESTRICTED NET ASSETS		
Unrestricted Support, Revenues, and Gains		
Contributions	14,445	8,196
Program service fees	140,267	106,284
Investment return	173,489	177,504
Trust	61,158	1,000,000
Other	11,032	10,960
Total Unrestricted Revenues and Gains	400,391	1,302,944
Net Assets Released from Restrictions		
Funds expended on property expansions and renovations	95,773	709,221
Total Unrestricted Revenues, Gains and Other Support	496,164	2,012,165
Expenses		
Program Services		
Charitable contributions	-	1,500
Conservator	3,077	10,017
Education	21,028	59,153
Exhibits and programs	4,817	6,279
Marketing	23,441	22,042
Store and vending	70,818	86,226
Personnel	443,921	603,548
Support Services		
Maintenance	82,198	66,111
Depreciation	255,611	180,475
Insurance	129,528	113,322
Federal excise and income taxes	(11,634)	(283)
Office	8,703	16,094
Professional services	55,535	50,217
Security	4,181	3,406
Telephone	16,076	18,947
Utilities	58,061	53,669
Interest on long-term debt	156,814	174,053
Total Expenses	1,322,175	1,464,776
Increase (Decrease) in Unrestricted Net Assets	(826,011)	547,389

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

EMY-LOU BIEDENHARN FOUNDATION

STATEMENTS OF ACTIVITIES

	YEAR ENDED DECEMBER 31	
	2010	2009
TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Released from Restrictions		
Funds expended on property expansions and renovations	<u>(95,773)</u>	<u>(709,221)</u>
Decrease in Temporarily Restricted Net Assets	<u>(95,773)</u>	<u>(709,221)</u>
DECREASE IN NET ASSETS	(921,784)	(161,832)
NET ASSETS - BEGINNING OF YEAR	<u>5,940,703</u>	<u>6,102,535</u>
NET ASSETS - END OF YEAR	<u>\$ 5,018,919</u>	<u>\$ 5,940,703</u>

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

EMY-LOU BIEDENHARN FOUNDATION

STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets	\$ (921,784)	\$ (161,832)
Adjustments to reconcile net decrease in net assets to net cash provided by operating activities:		
Depreciation	255,611	180,475
(Increase) decrease in operating assets		
Accounts receivable	(63,551)	2,779
Inventory	561	1,585
Prepaid expenses	6,790	(18,463)
Other assets	1,782,121	2,098,168
Increase (decrease) in operating liabilities		
Accounts payable	(40,533)	13,163
Accrued payroll taxes	375	(2,643)
Accrued interest payable	(5,611)	(5,727)
Accrued compensated absences	(23,377)	(11,500)
Reserve for fire loss	(314,474)	(27,083)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>676,128</u>	<u>2,068,922</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and liquidation of investments	2,237,269	1,092,706
Purchases of investments	(1,049,791)	(860,709)
Purchases of fixed assets	(1,799,539)	(2,989,556)
Decrease in restricted cash	95,773	709,221
NET CASH USED BY INVESTING ACTIVITIES	<u>(516,288)</u>	<u>(2,048,338)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in current portion of long-term debt	10,000	20,000
Decrease in long-term debt	(415,000)	(405,000)
NET CASH USED BY FINANCING ACTIVITIES	<u>(405,000)</u>	<u>(385,000)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(245,159)	(364,416)
BEGINNING CASH AND CASH EQUIVALENTS	<u>302,358</u>	<u>666,774</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 57,199</u>	<u>\$ 302,358</u>

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

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESNature of Operations

The Emy-Lou Biedenharn Foundation (a private foundation) was incorporated under the laws of Louisiana on December 20, 1967. The purpose of the Foundation is to support benevolent, charitable and educational undertakings, which are aesthetic, biblical, educational, or musical in purpose. The Foundation primarily supports the operations of The Biedenharn Museum and Gardens which are comprised of a historic home, the formal gardens, Bible Museum and Coke Museum. The Foundation is supported primarily through admissions, grants, donor contributions and the Emy-Lou Biedenharn Foundation Endowment Trust. Approximately 15% and 77% of the Foundation's support for the years ended December 31, 2010 and 2009, respectively, came from the Emy-Lou Biedenharn Foundation Endowment Trust.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the calendar year in which the contributions are received. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, either by passage of time or by use, temporarily restricted net assets are reclassified to unrestricted net assets.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change of net assets. Investment income and net realized gains and losses are reported as increases in unrestricted net assets in the reporting period in which the income and net realized gains and losses are recognized. Both investment income and net realized and unrealized gains and losses are reported on the Statements of Activities.

Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out (FIFO) method. The Foundation began the sale of books in March, 1994. A Museum Store was added in 2008.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010 AND 2009

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

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

Advertising Costs

The Foundation 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:

	<u>2010</u>	<u>2009</u>
Cash paid during the year for:		
Interest	<u>\$ 162,425</u>	<u>\$ 179,780</u>

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010 AND 2009

NOTE 3 – CASH & CASH EQUIVALENTS

	<u>2010</u>	<u>2009</u>
Cash balances consist of the following:		
Petty cash	\$ 800	\$ 800
JPMorgan Chase Bank, N.A. – checking	61,995	82,120
JPMorgan Chase Bank, N.A. – savings	<u>-</u>	<u>249,871</u>
Total	62,795	332,791
Amount insured by the FDIC	<u>62,795</u>	<u>250,000</u>
Uninsured balance	<u>\$ -</u>	<u>\$ 82,791</u>

Restricted Cash and Temporarily Restricted Net Assets were \$188,958 and \$284,731 at December 31, 2010 and 2009, 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:

	<u>2010</u>	
	<u>Cost</u>	<u>Market</u>
JPMorgan U.S. Treasury Money Market Fund	\$ 73,212	\$ 73,212
70,226 Opportunity Fund LP	73,885	91,076
750 Global Access Hedge Fund Strategies	750,000	770,001
47,540 JP Morgan Mortgage Backed	487,565	535,298
80,000 U.S. Treasury Notes 4% due 2/15/2015	85,797	87,644
65,000 U.S. Treasury Notes 5.125% due 5/15/2016	72,769	74,887
75,000 U.S. Treasury Notes 4.5% due 5/15/2017	79,551	83,918
80,000 U.S. Treasury Notes 3.375% due 11/15/2019	77,372	81,669
55,000 U.S. Treasury Notes 3.5% due 5/15/2020	58,700	56,341
50,000 U.S. Treasury Notes 5.0% due 8/15/2011	49,086	51,469
60,000 FHLM 5.5% due 9/15/2011	59,297	62,147
75,000 U.S. Treasury Notes 1.125% due 1/15/2012	74,654	75,601
75,000 U.S. Treasury Notes 4.375% due 8/15/2012	77,236	79,746
10,000 Pitney Bowes 4.625% due 10/1/2012	9,945	10,493

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010 AND 2009NOTE 4 – INVESTMENTS (Continued)

	<u>2010</u>	
	<u>Cost</u>	<u>Market</u>
75,000 Fannie Mae Notes 4.75% due 11/19/2012	82,147	80,701
30,000 FNMA 4.75% due 2/21/2013	29,985	32,492
65,000 US Treasury Notes 4.25% due 11/15/2013	65,721	71,119
50,000 U.S. Treasury Notes 4.0% due 2/15/2014	51,799	54,469
60,000 FHLB 5.5% due 8/13/2014	67,519	68,636
70,000 FNMA 5.375% due 7/15/2016	77,028	80,382
75,000 U.S. Treasury Notes 3.75% due 11/15/2018	80,997	79,776
	<u>\$ 2,484,265</u>	<u>\$ 2,601,077</u>
	<u>2009</u>	
	<u>Cost</u>	<u>Market</u>
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
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
	<u>\$ 3,687,834</u>	<u>\$ 3,788,555</u>

Unrealized appreciation was \$116,812 and \$100,721 at December 31, 2010 and 2009, respectively.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010 AND 2009

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:

	<u>2010</u>	<u>2009</u>
Interest income	\$ 50,787	\$ 51,503
Dividend income	37,124	41,068
Net realized and unrealized gains and losses	<u>85,578</u>	<u>84,933</u>
Total investment return	<u>\$ 173,489</u>	<u>\$ 177,504</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

The Foundation adopted FASB ASC 820-10-50-1 which requires disclosures that stratify Statement of Financial Position 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, 2010 AND 2009NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets and liabilities measured on a recurring basis at December 31, 2010 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
JPMorgan Money Market Fund	\$ 73,212	\$ -	\$ -	\$ 73,212
Opportunity Fund LP	-	91,076	-	91,076
Global Access Hedge Fund	-	770,001	-	770,001
U.S. Government Bonds	-	1,120,997	-	1,120,997
Corporate Bonds	-	545,791	-	545,791
Totals	<u>\$ 73,212</u>	<u>\$2,527,865</u>	<u>\$ -</u>	<u>\$2,601,077</u>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
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	<u>\$1,274,802</u>	<u>\$2,513,753</u>	<u>\$ -</u>	<u>\$3,788,555</u>

NOTE 6 - RECEIVABLES

The Foundation's receivables consist of \$2,393 in dividend receivables and \$61,158 due from the Emy-Lou Biedenharn Foundation Endowment Trust as the 2010 required minimum distribution at December 31, 2010. 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, 2010 AND 2009NOTE 8 – OTHER ASSETS

The Foundation completed an expansion and renovation of the Bible Research Center, White House, Maintenance Building, Education Building and Warehouse Building. Those expenditures were capitalized into the total cost of each project upon completion. The expansion and renovations of the Bible Research Center was completed in 2010 at a total cost of \$1,505,938. The construction of the Warehouse Building was completed in 2010 at a total cost of \$285,830. The expansion and renovations of the White House, Maintenance Building and Education Building were completed in 2009 at a total cost of \$2,974,650. Expansion and renovation costs that had not been capitalized totaled \$1,782,121 as of December 31, 2009 and are shown as an Other Asset on the Statements of Financial Position.

NOTE 9 – INCOME TAXES

The Foundation is a not-for-profit organization exempt from federal income taxes under Internal Revenue Service Code Section 501 (c) (3) and is classified by the Internal Revenue Service as a private foundation. However, any unrelated business taxable income of the Foundation is subject to ordinary corporate income tax rates ranging from 15% to 39%. Since the Foundation is classified as a private foundation it is subject to Federal excise tax on net investment income at a rates up to 2%. Federal excise and unrelated business income taxes are reported on the Statements of Activities net of prior year overpayments.

The Foundation, as required by accounting standards, reviewed its various tax positions taken or expected to be taken in its tax returns and has determined it does not have unrecognized tax benefits and the Foundation does not expect that position to change significantly over the next twelve months. The Foundation will recognize interest and penalties on any unrecognized tax benefits as a component of Federal excise and income taxes expense. As of December 31, 2010 and 2009, the Foundation has not accrued interest or penalties related to uncertain tax positions.

The Foundation is no longer subject to income tax examinations by tax authorities for years before 2007.

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. The accrual for compensated absences totaled \$5,017 and \$28,394 for the years ended December 31, 2010 and 2009, respectively.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010 AND 2009

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 has 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>
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>\$ 585,731</u>	<u>\$ 3,345,000</u>	<u>\$ 3,930,731</u>

NOTE 12 – LEASES

The Foundation had a commercial operating lease with Rhymes Family, LLC and Fremont Corporation for \$1,500 per month. Either party to the lease had the right to renew on a month-to-month basis and could be terminated by either party by giving sixty days written notice. The lease was cancelled during 2010. The lease was a direct result of the fire that occurred in September, 2004. Rent expenses relating to the lease were \$9,000 and \$18,000 for the years ended December 31, 2010 and 2009, 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 \$7,112 and \$12,351 for the years ended December 31, 2010 and 2009, respectively.

EMY-LOU BIEDENHARN FOUNDATION

NOTES TO FINANCIAL STATEMENTS (Continued)
DECEMBER 31, 2010 AND 2009NOTE 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 \$22,369 and \$43,586 for the years ended December 31, 2010 and 2009, 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 made 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 for the year ended December 31, 2009. 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. There were no distributions from the Trust to the Foundation in 2010. The Trust is allowed to deduct prior year excess distributions from current year distributions in calculating each year's required minimum distribution. Excess distributions totaling \$737,794 as of December 31, 2010 reduced the 2010 required minimum distribution to be distributed by the Trust to the Foundation to \$61,158. A receivable has been recorded to reflect the amount due from the Trust and is included in Receivables on the Statements of Financial Position.

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 policies written by St. Paul Fire and Marine Insurance Company. A reserve account had 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. In 2010 the remaining balance in the account of \$305,474 was utilized to off-set costs related to the Bible Research Center renovations.

NOTE 17 – 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, 2010 AND 2009NOTE 18 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through July 14, 2011, 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	
	2010	2009
PROGRAM SERVICES		
Conservator:		
Conservation supplies	\$ 55	\$ 7,559
Conservator services	2,750	1,489
Miscellaneous	272	610
Photo processing	-	359
Total Conservator Expenses	<u>\$ 3,077</u>	<u>\$ 10,017</u>
Education:		
Christmas	\$ 6,005	\$ 9,903
Postage	936	4,039
Professional library	25	15
Publication and print	1,255	6,425
Receptions	142	489
School programs	1,874	6,573
Special events	2,714	22,646
Supplies	65	508
Symposium	8,012	8,555
Total Education Expenses	<u>\$ 21,028</u>	<u>\$ 59,153</u>
Exhibits and Programs:		
Exhibit design	\$ 3,699	\$ 6,279
Program planning	1,118	-
Total Exhibits and Programs Expenses	<u>\$ 4,817</u>	<u>\$ 6,279</u>

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULES OF SELECTED PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31	
	2010	2009
PROGRAM SERVICES (Continued)		
Marketing:		
Billboards	\$ (410)	\$ 6,261
General brochure	6,012	-
Newspapers	14,352	10,370
Other media and photo	3,487	5,411
Total Marketing Expenses	<u>\$ 23,441</u>	<u>\$ 22,042</u>
Store and Vending:		
Supplies	\$ 994	\$ 6,766
Offsite Storage Rent	4,012	3,888
Travel	2,305	4,014
Fixtures and Displays	309	249
Cost of sales - Vending	11,350	20,331
Cost of sales - Store	51,893	51,128
Sales tax	(45)	(150)
Total Store and Vending	<u>\$ 70,818</u>	<u>\$ 86,226</u>
Personnel:		
Salaries	\$ 379,271	\$ 497,624
Payroll taxes	33,128	38,590
Fringe benefits	29,481	64,045
Staff development	870	2,182
Temporary labor	836	333
Miscellaneous - mileage	335	774
Total Personnel Expenses	<u>\$ 443,921</u>	<u>\$ 603,548</u>

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULES OF SELECTED PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

	YEAR ENDED DECEMBER 31	
	2010	2009
SUPPORT SERVICES		
Maintenance		
<i>Building inside repairs</i>	\$ 12,498	\$ 15,101
<i>Facilities maintenance</i>	8,686	3,486
<i>Garden equipment</i>	1,283	1,033
<i>Garden equipment repair</i>	1,638	480
<i>Garden repairs</i>	2,456	2,992
<i>Garden supplies</i>	5,368	2,540
<i>Gardens</i>	2,851	2,628
<i>Heating/AC</i>	4,934	4,577
<i>Janitorial</i>	9,687	1,567
<i>Light bulbs</i>	980	611
<i>Miscellaneous facilities</i>	609	690
<i>Pest control</i>	4,968	2,263
<i>Plants and bulbs</i>	11,089	11,953
<i>Sprinkler system</i>	4,040	2,660
<i>Supplies</i>	6,096	7,970
<i>Vehicle</i>	1,026	1,543
<i>Weed control</i>	3,989	4,017
Total Maintenance Expenses	<u>\$ 82,198</u>	<u>\$ 66,111</u>
Insurance:		
<i>Business auto</i>	\$ 2,129	\$ 2,048
<i>Directors and officers liability</i>	6,776	6,692
<i>General liability</i>	3,197	3,787
<i>Property</i>	92,211	71,691
<i>Umbrella</i>	17,776	20,100
<i>Worker's compensation</i>	7,439	9,004
Total Insurance Expenses	<u>\$ 129,528</u>	<u>\$ 113,322</u>

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULES OF SELECTED PROGRAM AND SUPPORT SERVICES EXPENSES (Continued)

SUPPORT SERVICES (Continued)	YEAR ENDED DECEMBER 31	
	2010	2009
Office:		
Bank service charges and bond fees	\$ 5,335	\$ 5,567
Dues and subscriptions	1,037	2,604
Miscellaneous	1,395	5,887
Printing and postage	936	2,036
Total Office Expenses	<u>\$ 8,703</u>	<u>\$ 16,094</u>
Professional services:		
Consultant fees - Hilliard	\$ 4,000	\$ -
Executive board	-	67
Fees and audit	21,305	18,736
Legal fees	6,500	5,040
Odenwald	8,175	11,626
Portfolio fees - agency	15,555	14,748
Total Professional Services Expenses	<u>\$ 55,535</u>	<u>\$ 50,217</u>
Telephone:		
A,T & T	\$ 934	\$ 936
Cellular	-	1,105
CenturyLink	10,477	12,094
Internet fees	4,665	4,812
Total Telephone Expenses	<u>\$ 16,076</u>	<u>\$ 18,947</u>
Utilities:		
Cable	\$ 180	\$ 255
Electricity	42,797	38,166
Garbage pickup	-	64
Gas	4,940	6,735
Water	10,144	8,449
Total Utilities Expenses	<u>\$ 58,061</u>	<u>\$ 53,669</u>

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 30, 2011

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, 2010 and 2009, and have issued our report thereon dated June 30, 2011. 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.

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To the Executive Board
Emy-Lou Biedenharn Foundation
June 30, 2011
Page 2 of 2

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 30, 2011.

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.

Harold M. Crox & Vestal, LHP

EMY-LOU BIEDENHARN FOUNDATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

We have audited the financial statements of Emy-Lou Biedenharn Foundation (a private foundation) as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. We conducted our audit 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. Our audit of the financial statements as of December 31, 2010 resulted in an unqualified opinion.

Section I – Summary of Auditor’s Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control – No material weaknesses were noted; a management letter was issued.

Compliance – No material noncompliance was noted.

b. Federal Awards – Emy-Lou Biedenharn Foundation was not subject to a federal single audit for the year ended December 31, 2010

Section II – Financial Statement Findings

No matters were reported.

EMY-LOU BIEDENHARN FOUNDATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010

No significant deficiencies, material weaknesses, or instances of material noncompliance were noted in the prior year.

HEARD, McELROY, & VESTAL

LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Auditors' Required Communications With Those Charged With Governance

June 30, 2011

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, 2010, and have issued our report thereon dated June 30, 2011. 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 2010. 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.

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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 30, 2011.

Management Consultations with Other Independent Accountants

Management, in some cases, may 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
Certified Public Accountant
Heard, McElroy and Vestal, L.L.C.