

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana

Financial Statements
As of and for the Year Ended
December 31, 2005

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 5-24-06

SCHEPIS FOUNDATION, INC.

Columbia, Louisiana

Financial Statements

As of and for the Year Ended

December 31, 2005

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

BOARD OF DIRECTORS
SCHEPIS FOUNDATION, INC.
Columbia, Louisiana

I have compiled the accompanying financial statements, as listed in the foregoing table of contents, of the Schepis Foundation, Inc., as of December 31, 2005, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any form of assurance on them.



Calhoun, Louisiana
March 30, 2006

SCHEPIS FOUNDATION, INC.
Columbia, LouisianaStatement of Financial Position
December 31, 2005**ASSETS**

Current assets:

Cash	\$89,284
Investments	<u>10,267</u>
Total current assets	99,551

Property and equipment (net of accumulated depreciation)	<u>288,551</u>
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TOTAL ASSETS \$388,102

LIABILITIES AND NET ASSETS

Liabilities:

Current liabilities:

Accounts payable	\$266
Payroll taxes payable	<u>2,244</u>
Total current liabilities	2,510

Net assets - unrestricted	<u>385,592</u>
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TOTAL LIABILITIES AND NET ASSETS \$388,102

See accompanying notes and accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana

Statement of Activities
For the Year Ended December 31, 2005

UNRESTRICTED NET ASSETS

Support, Revenues and Reclassifications:	
Contributions	\$10,578
Special events	5,551
Operating grants	112,500
Gift shop sales	1,085
Interest income	171
Insurance proceeds	<u>10,096</u>
Total unrestricted support and revenue	139,981
Net Assets Released From Restrictions:	
Restrictions satisfied by payments	<u>23,520</u>
Total unrestricted support, revenue, and reclassifications	<u>163,501</u>
Program Expenses:	
Contract labor	311
Salaries	29,962
Payroll taxes	2,311
Legal/accounting	1,315
Dues and subscriptions	5
Telephone	2,718
Utilities	4,428
Repairs	2,988
Rent	342
Materials and supplies	4,554
Advertising	2,333
Depreciation	6,154
Insurance	4,653
Gift shop purchases	802
Exhibits	20,249
Special event expenses	2,450
Other expenses	<u>1,383</u>
Total expenses	<u>86,958</u>
Increase in unrestricted net assets	<u>76,543</u>
TEMPORARILY RESTRICTED NET ASSETS	
Support, Revenues and Reclassifications:	
State of Louisiana - capital outlay grant	23,520
Net Assets Released From Restrictions:	
Restrictions satisfied by payments	<u>(23,520)</u>
Change in temporarily restricted net assets	<u>NONE</u>
INCREASE IN NET ASSETS	76,543
NET ASSETS AT BEGINNING OF YEAR	<u>309,049</u>
NET ASSETS AT END OF YEAR	<u>\$385,592</u>

See accompanying notes and accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana

Statement of Cash Flows
For the Year Ended December 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$76,543
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	6,154
Increase (decrease) in:	
Due from grantor	5,480
Accounts and payroll taxes payable	<u>(4,770)</u>
Net cash provided by operating activities	<u>83,407</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in construction in progress	(25,877)
Purchase of fixed assets	<u>(2,590)</u>
Net cash used by financing activities	<u>(28,467)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in investments	<u>(10,267)</u>
NET INCREASE IN CASH	44,673
CASH AT BEGINNING OF YEAR	<u>44,611</u>
CASH AT END OF YEAR	<u><u>\$89,284</u></u>

See accompanying notes and accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schepis Foundation, Inc., is a nonprofit corporation domiciled in Columbia, Louisiana. The Foundation is governed by a fifteen member board of directors consisting of the Columbia Historic District Preservation Committee, the Main Street Manager, the President, Vice-President, Secretary, Treasurer and Exhibit Chairman of the Friends of the Schepis. The purpose of the Foundation is to operate and maintain the Schepis Museum located in Columbia, Louisiana.

A. FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Schepis Foundation, Inc., 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 based upon the existence or absence of donor-imposed restrictions. In addition, the Schepis Foundation, Inc., is required to present a statement of cash flows.

B. BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

C. ESTIMATES

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

See accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana
Notes to the Financial Statements (Continued)

D. PROPERTY AND EQUIPMENT

Property and equipment consists of buildings, construction in progress, art exhibits, and equipment with a cost of \$500 or more. Property and equipment are capitalized at cost. Depreciation is computed on the straight-line basis over estimated useful lives of 40 years for buildings and 5 to 10 years for equipment. No depreciation expense has been provided on construction in progress or art exhibits.

E. CONTRIBUTIONS

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

F. CASH

At December 31, 2005, the Schepis Foundation, Inc., has cash in demand deposits (book balances) totaling \$89,284.

G. INVESTMENTS

The Schepis Foundation, Inc., has adopted Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. At December 31, 2005, the Foundation's investments consisted of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost.

H. FUNCTIONAL ALLOCATION OF EXPENSES

The Schepis Foundation, Inc.'s only activity is to maintain and operate the Schepis Museum. All costs incurred by the Foundation are incurred for this purpose; therefore, it is not feasible to allocate expenses between program services and support services.

2. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2005, is as follows:

See accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana
Notes to the Financial Statements (Continued)

Building	\$286,400
Equipment	4,884
Art Exhibits	11,279
Construction in progress - building renovation	2,358
Less accumulated depreciation	<u>(16,370)</u>
Total	<u>\$288,551</u>

3. INCOME TAX STATUS

The Schepis Foundation, Inc., is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

4. CONCENTRATION OF REVENUE

The Schepis Foundation Inc., received approximately 83% of its funding from the State of Louisiana for the year ended December 31, 2005.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION SCHEDULES

See accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For the Year Ended December 31, 2005

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 1).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 2.

See accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, LouisianaSummary Schedule of Prior Year Findings
For the Year Ended December 31, 2005

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Additional Explanation</u>
Procedure 2(a)	2004	Disbursements were not adequately supported.	Yes	N/A
Procedure 2(b)	2004	Disbursements were not properly posted to the accounting records.	Yes	N/A

See accountant's compilation report.

SCHEPIS FOUNDATION, INC.
Columbia, Louisiana

Corrective Action Plan
For Current Year Findings
For the Year Ended December 31, 2005

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There are no current year findings.

See accountant's compilation report.