

SAMUEL W. STEVENS, III
Certified Public Accountant

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SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.
ALEXANDRIA, LOUISIANA

Financial Statements

And

Independent Accountant's Reports

December 31, 1999

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 09-20-00

**SICKLE CELL ANEMIA RESEARCH FOUNDATION INC.
ALEXANDRIA, LOUISIANA**

Financial Statements

And

Independent Accountant's Reports

December 31, 1999

**SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.
ALEXANDRIA, LOUISIANA**

Financial Statements and Independent Accountant's Reports

For the Year ended December 31, 1999

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SAMUEL W. STEVENS, III CPA

P.O. Box 52631 · Shreveport, LA 71135 · (318) 458-0930

Independent Accountant's Compilation Report

Board of Directors
Sickle Cell Anemia Research Foundation, Inc.
Alexandria, Louisiana

I have compiled the accompanying general purpose financial statements of the Sickle Cell Anemia Research Foundation, Inc. as of and for the year ended December 31, 1999, in accordance with 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 other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report, dated August 28, 2000, on the results of our agreed-upon procedures.



Samuel W. Stevens, III
Certified Public Accountant

August 28, 2000

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Statement of Financial Position

December 31, 1999

Assets

Current Assets:

Cash	\$	15,403
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Property and Equipment:

Land		5,000
Building & Improvements		80,700
Furniture and Fixtures		4,725
Office Equipment		18,937
		<u>109,362</u>
Less: Accumulated Depreciation		<u>(40,048)</u>
Total Property and Equipment:		69,314

Total Assets	\$	<u><u>84,717</u></u>
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Liabilities and Net Assets

Current Liabilities:

Accounts Payable & Accrued Expenses	\$	1,227
Payroll Taxes Payable		4,461
Overdraft Protection		4,727
		<u>10,415</u>

Total Liabilities		<u>10,415</u>
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Net Assets:

Unrestricted Net Assets		<u>74,302</u>
Total Net Assets		<u>74,302</u>

Total Liabilities and Net Assets	\$	<u><u>84,717</u></u>
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See Accompanying Notes to Financial Statements

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Statement of Activities For the Year Ended December 31, 1999

	<u>Unrestricted</u>
<i>Revenue and Support</i>	
Grants:	
State of Louisiana	\$ 56,250
Rapides Foundation, Inc.	20,000
Fundraising and Contributions	<u>38,762</u>
Total Revenue and Support	115,012
 <i>Expenses</i>	
Program Services	66,335
Supporting Services:	
Management and general	<u>48,115</u>
Total Expenses	114,449
 <i>Change in Net Assets</i>	 563
 <i>Net Assets</i>	
Beginning of Year	<u>73,739</u>
End of Year	<u><u>\$ 74,302</u></u>

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Statement of Functional Expenses For the Year Ended December 31, 1999

	<i>Management and General</i>	<i>Program Services</i>	<i>Total</i>
Salaries	\$ 21,202	\$ 36,742	\$ 57,944
Payroll Taxes and Benefits	2,424	2,811	5,235
Telephone	2,206	1,471	3,677
Utilities	847	282	1,129
Equipment Rent	1,093	1,184	2,277
Auto Lease	1,540	4,620	6,160
Transportation	137	1,819	1,956
Postage and Shipping	930	894	1,824
Education	163	439	602
Insurance	2,180	269	2,449
Patient Assistance	517	3,789	4,306
Repairs and Maintenance	2,039	85	2,124
Supplies	1,834	2,334	4,168
Security	80		80
Advertising	166	62	228
Printing	97	123	220
Testing		50	50
Professional Services	55		55
Physician		1,125	1,125
Case Management	19	443	462
Lab/X-Ray		16	16
Seminars & Meetings	2,876	7,777	10,653
Interest	987		987
Bank Charges	104		104
Storage Building	550		550
Dues and Subscriptions	665		665
Total Expenses before Depreciation	42,712	66,335	109,046
Depreciation	5,403		5,403
Total Expenses	\$ 48,115	\$ 66,335	\$ 114,449

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Statement of Cash Flows December 31, 1999

Cash Flows from Operating Activities:

Change in Net Assets \$ 563

Adjustments to Reconcile Change in Net Assets to Net Cash Provided from Operations:

Depreciation 5,403

Increase/(Decrease) in Accounts Payable 3,063

Total Adjustments 8,466

Net Cash Provided/(Used) by Operating Activities 9,029

Cash Flow from Financing Activities:

Net borrowings on Line of Credit 4,727

Net Cash Provided/(Used) by Financing Activities 4,727

Net Increase/(Decrease) in Cash and Cash Equivalents 13,756

Cash and Cash Equivalents, Beginning of Year 1,647

Cash and Cash Equivalents, End of Year \$ 15,403

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest expense \$ 987

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Notes to Financial Statements December 31, 1999

NOTE 1 - ORGANIZATION

Sickle Cell Anemia Research Foundation, Inc. (SCARF) is a nonprofit organization incorporated in the state of Louisiana in 1973. SCARF provides comprehensive screening programs for sickle cell anemia affected persons that include education, testing, genetic counseling, patient assistance and information concerning the accessibility and availability of medical care and other supportive services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements are presented on the accrual basis of accounting and are prepared in accordance with current recommendations of the American Institute of Certified Public Accountants for Not-for-Profit Organizations. The significant accounting policies are described below:

Revenue and Support

All contributions, including long-lived assets, are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Federal Income Tax

The Internal Revenue Service has determined that SCARF qualifies for exemption from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and is not a private foundation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, SCARF, considers all unrestricted checking and savings accounts, and restricted accounts available for restricted operations, to be cash and cash equivalents.

Functional Allocation of Expenses

The cost of providing programs and other activities have been summarized on a functional basis in the statement of activity and changes in fund balance. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Notes to Financial Statements (Continued) December 31, 1999

NOTE 3 - PROPERTY AND EQUIPMENT

Capitalization and Depreciation Policy

Property and equipment exceeding \$500 are capitalized. The basis of valuation of depreciable assets is cost, if purchased, or fair market value at the date of donation. Maintenance and repairs which do not substantially increase the life of the asset are reflected as expenses in the period incurred. Depreciation is computed using the straight-line method over estimated useful lives as follows

Buildings and improvements	33 years
Furniture and Equipment	8 years

NOTE 4 - LEASES

SCARF concluded its lease of an automobile during 1999. Lease payments are \$414 per month. The minimum rental payments are \$4,161 for the year ended December 31, 1999. The lease is accounted for as an operating lease.

During 1999 SCARF initiated its lease of an automobile on a 36 month lease. Lease payments are \$400 per month. The minimum rental payments are \$2,000 for the year ended December 31, 1999. The lease is accounted for as an operating lease.

SCARF leases office equipment on a 60 month lease. Lease payments are \$155 per month. The minimum rental payments are \$1,858 for the year ended December 31, 1999. The lease is accounted for as an operating lease.

NOTE 5 -- OVERDRAFT PROTECTION

At December 31, 1999 SCARF had a \$5,000 unsecured business overdraft protection agreement with Bank One, with an interest rate of 15%.

SAMUEL W. STEVENS, III CPA

P.O. Box 52631 · Shreveport, LA 71135 · (318) 458-0930

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Sickle Cell Anemia Research Foundation, Inc.

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the Board of Directors of Sickle Cell Anemia Research Foundation, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about the Sickle Cell Anemia Research Foundation, Inc.'s compliance with certain laws and regulations during the year ended December 31, 1999, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Federal Name	Grant Year	CFDA No.	Amount
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No Federal Award Expenditures

2. For each Federal, state, and local award, I randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements were selected.
3. For the items selected in procedure 2., I traced the six disbursements to supporting documentation as to proper amount and payee.

I examined the supporting documentation for each of the six disbursements and found that the payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2., I determined if the six disbursements were properly coded to the correct fund and general ledger account.

All six payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2., I determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the Executive Director

6. For the items selected in procedure 2.: For federal awards, I determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards. I determined the disbursements complied with the grant agreements, relating to:

Activities allowed or not allowed: N/A

Eligibility: N/A

Reporting: N/A

7. For the programs selected for testing in item 2., that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree

For the programs selected for testing in item 2., there were no programs closed out during the period under review.

Meetings

8. I examined evidence indicating that agendas for meeting recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Sickle Cell Anemia Research Foundation, Inc. is not a "Public body" as defined by LSA-RS 42:2 and is not subject to the open meetings law.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, I determined that each applicable federal, state or local grantor agency/agencies was provided with a comprehensive budget to those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

The Sickle Cell Anemia Research Foundation, Inc. provided a comprehensive budget, including purpose and duration, to the applicable state grantor agency mentioned previously. The budget provided to the state agency included specific goals and objectives and measures of performance.

Prior Comments and Recommendations

10. I reviewed any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There are no 1999 suggestions, recommendations, and/or comments. However, please refer to the management letter dated August 28, 2000.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of The Sickle Cell Anemia Research Foundation, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.



Samuel W. Stevens, III
Certified Public Accountant

August 28, 2000



Sickle Cell Anemia Research Foundation, Inc.
 2625 Third Street - P.O. Box 206 - Alexandria, Louisiana 71309
 Telephone (318) 487-8019 / 1-877-722-7370
 Fax (318) 487-9990



Break the Sickle Cycle



**LOUISIANA ATTESTATION QUESTIONNAIRE
 (For Attestation Engagements of Quasi-public Entities)**

Board of Directors

- Jarrell Scott
President
- Ronnie Jones
Vice President
- Kim Grayson
Recording Secretary
- O'Bern Davis
Corres. Secretary
- Garfield Stewart
Treasurer
- Thelma Baker
- Sibyl Choyce
- Vonda Clark
- Delores Gates
- Barbara Gill
- Linda Green-Price
- Annie Kelly
- Myron Lawson
- Vincent Mallory, M.D.
- Delores Perry
- Alfred Rachal
- O'Lee Washington
- Susie Washington
- Ronnel Wrenn, M.D.

August 18, 2000

Samuel W. Stevens, III, CPA
 P.O. Box 52631
 Shreveport, LA 71135

In connection with your compilation of our financial statements as of December 31, 1999 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of August 18, 2000.

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes [] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes [] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Rosia G. Metoyer, Executive Director

Yes [] No []

MEMBER OF THE LOUISIANA ASSOCIATION FOR SICKLE CELL ANEMIA/COMMUNITY HEALTH CHARITIES/SICKLE CELL DISEASE ASSOCIATION OF AMERICA, INC.

**Honorary Board
Members**

- Thomas Antoon
- Martin W. Johnson
- Haywood Joiner, ED.D.
- Samuel McKay
- Tanner Messina
- Chet Nash
- Ethma Odum
- Chris Roy
- Rev. Cullen Washington
- Wanda Williams

Samuel W. Stevens, III, CPA

Page 2

August 18, 2000

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Kim A. Grayson Secretary 8-22-00 Date

G. R. Stewart Jr. Treasurer 8-18-00 Date

Janell Scott Jr. President 8-21-00 Date

SAMUEL W. STEVENS, III CPA

P.O. Box 52631 · Shreveport, LA 71135 · (318) 458-0930

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Letter to Management By Independent Accountant

Board of Directors
Sickle Cell Anemia Research Foundation, Inc.
Alexandria, Louisiana

Dear Members:

This is a revision to my letter dated August 28, 2000. The revision includes Management's Corrective Action Plan in response to the comments and recommendations noted below and in the letter dated August 28, 2000.

I have compiled the accompanying general purpose financial statements of the Sickle Cell Anemia Research Foundation, Inc. (SCARF) for the year ended December 31, 1999, and have issued my report dated August 28, 2000. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. A compilation does not include examining the effectiveness of internal control and does not provide assurance on internal control.

During my compilation, I noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

GENERAL LEDGER

The general ledger was not completed within a reasonable time after December 31, 1999. Without the completed general ledger, the general purpose financial statements could not be compiled and issued by the June 30, 2000 due date as required by the Louisiana Legislative Auditor.

I recommend preparation of the general ledger, bank reconciliations and financial statements on a monthly and timely basis. SCARF should establish an appropriate date each month to have these items complete and ready for presentation.

Management's Corrective Action Plan -- The Foundation will secure help in the preparation of the general ledger, bank reconciliations and financial statements on a monthly basis. The items will be completed by the 15th of each month.

DISBURSEMENTS

The Executive Director may prepare and approve check requests and sign checks. This finding was also communicated in a management letter dated March 28, 1997 from the predecessor independent accountant.

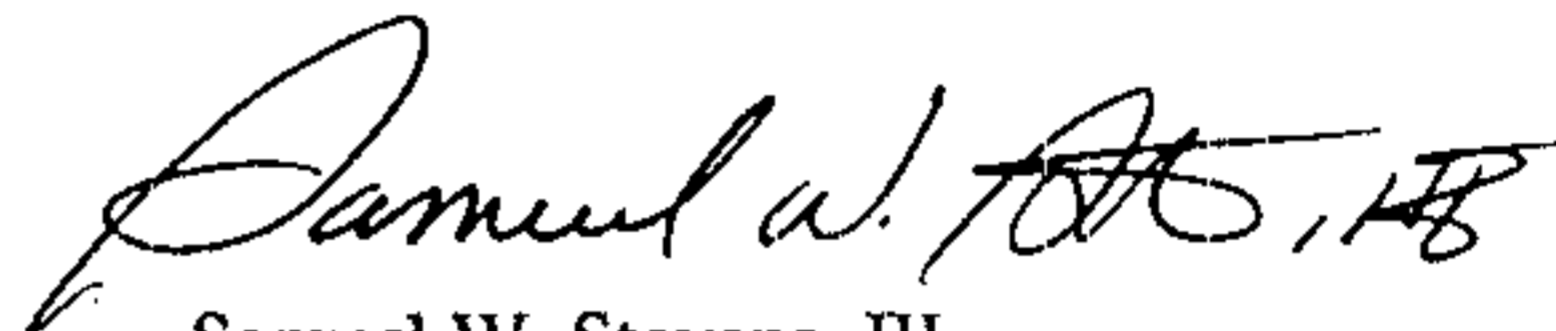
Board of Directors
Sickle Cell Anemia Research Foundation, Inc.

I recommend the separation, among appropriate staff, the duties of check request preparation, check request approval and check signing.

Management's Corrective Action Plan -- The Foundation will implement procedures which separates duties as follows: Disbursements are approved by the Treasurer or President. The Secretary prepares the check. The Executive Director signs checks and check vouchers.

I would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the Board of Directors, management, and the State of Louisiana Legislative Auditor and is not intended to be used by anyone other than these specified parties.



Samuel W. Stevens, III
Certified Public Accountant

September 12, 2000