

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

**SCHEDULE OF BUDGET-TO-ACTUAL COST BREAKDOWN  
FOR URBAN AFFAIRS & DEVELOPMENT GRANT PROGRAM  
DECEMBER 31, 1996**

<u>Cost Category</u>	<u>Budgeted Expenditure</u>	<u>Actual Expenditure</u>	<u>Variance Cost (Under)</u>
Administrative	\$ 1,878	\$ 1,460	\$ 3,418
Education	700	227	473
Screening/Counseling	1,000	391	609
Patient Assistance	3,822	1,146	2,413
<b>TOTALS</b>	<b>\$2,400</b>	<b>\$2,224</b>	<b>\$6,626</b>

*See accountant's report on Schedule of Budget-to-Actual Breakdown for the Urban Affairs Grant.*

#### Office Equipment

Computers, copiers, typewriters and office machines comprise items in this account. The depreciation policy for this account is exactly as furniture and fixtures, above. At the end of the past year, \$3,000 worth of equipment of a capital nature was purchased (and added-to equipment) but not depreciated as conventional generally accepted accounting principles, but rather identified as per the program, in case of possible return to the Grantor.

#### **NOTE 3 - ACCOUNTS PAYABLE**

Since SCARF does not distinguish between current assets and liabilities, the interest of the classification of payables is within the fiscal year, or immediately in the next year.

The current portion of the building, indebtedness is accrued in this account as well as asset obligations not yet paid.

#### **NOTE 4 - OTHER LIABILITIES**

This account has two (2) sections, 1) the restricted (see above) assets from the Operations Fund, 2) a residual in the Commercial Loan Account. Previously, this account accounted for the Deferred (Unearned) Contribution from any Grant Fund. During the current fiscal year, all amounts have been earned and recognized and no amount is currently deferred.

#### **NOTE 5 - GRANT REVENUES**

Even though several Federal and Louisiana State Grants have been received and earned by SCARF, over the past years, the only ones reported on in these financial statements are those that have been earned during the current operating period.

For the Urban Affairs Grant of \$22,000 in the past year (1995), \$9,400 represents the balance of the fiscal year (1996)

**Donald L. Allen**  
Certified Public Accountant

Member:  
AICPA

Post Office Box 6776  
Alexandria, LA 71306-6776  
Phone: (504) 885-7000  
Fax: (504) 885-8897

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH LAWS  
AND REGULATIONS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

Board of Directors  
SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.  
Alexandria, Louisiana

I have audited the financial statements of Sickle Cell Anemia Research Foundation, Inc. (a nonprofit organization) as of and for the year ended December 31, 1996 and have issued my report thereon dated March 28, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Sickle Cell Anemia Research Foundation, Inc. (SCARF), is the responsibility of SCARF's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of SCARF's compliance with certain provisions of laws, regulations, contracts and grants. However the objective of the audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the audit committee, management, and the grantor agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Alexandria, LA  
March 28, 1997

#### Specific Requirements

- \* Types of services
- \* Eligibility
- \* Matching, level of effort, or cost-sharing if appropriate
- \* Reporting
- \* Cost allocation
- \* Special requirements

#### Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

However, I noted a certain matter involving the internal control structure and its operation that I have reported to the management of Stickle Cell Anemia Research Foundation, Inc. in a separate letter dated March 28, 1997.

This report is intended for the information of the audit committee, management, and the grantors. However, this report is a matter of public record and its distribution is not limited.



Alexander, L.A.  
March 28, 1997

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs into the following categories:

Activity Cycles

- \* Treasury or Banking
- \* Contributions/Receipts
- \* Purchases/Disbursements
- \* External/financial reporting
- \* Payroll/personnel

Financial Statement Categories

- \* Cash
- \* Receivables
- \* Building and Improvements
- \* Furniture Fixtures and Equipment
- \* Accrued Liabilities
- \* Net Assets

Accounting Applications

- \* Receivables
- \* Cash (Donor's) Contributions
- \* Accounts payable
- \* Cash disbursements
- \* Payroll
- \* Assets
- \* General ledger

General Requirements

- \* Political activity
- \* Davis-Bacon Act
- \* Civil rights
- \* Cash management
- \* Allocation assistance and real property management
- \* Allowable costs/cost principles
- \* Drug free workplace
- \* Administrative requirements

**Donald L. Allen**  
Certified Public Accountant

Member:  
AICPA

Post Office Box 4770  
Alexandria, Louisiana 71304-4770  
Phonofax (504) 836-2000  
Fax (504) 836-2000

**INDEPENDENT ACCOUNTANT'S REPORT ON INTERNAL CONTROL  
STRUCTURE IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

To the Board of Directors  
SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.  
Alexandria, LA

I have audited the financial statements of Sickle Cell Anemia Research Foundation, Inc. in nonprofit organization as of and for the year ended December 31, 1996 and have issued my report thereon dated March 28, 1997.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Institutions. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Sickle Cell Research Foundation, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit for the general-purpose financial statements of SCAARF, for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

**Donald L. Allen**  
Certified Public Accountant

Member:  
AICPA.

Post Office Box 1470  
Alexandria, LA 71301-1470  
Phone (504) 442-0990  
Fax # (504) 442-0883

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors  
SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.  
Alexandria, LA

I have audited the accompanying general-purpose financial statements of the Sickle Cell Anemia Research Foundation, Inc. as of and for the year ended December 31, 1996. These general-purpose financial statements are the responsibility of Sickle Cell Anemia Research Foundation, Inc. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Sickle Cell Anemia Research Foundation Inc. as of December 31, 1996, and the results of its operations and cash flows of its funds and activities for the year then ended in conformity with generally accepted accounting principles.

*Donald L. Allen*

Alexandria, LA  
March 28, 1997

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

As of the year ended December 31, 1996

Assets		Combined Funds & Accounts
Cash and Equivalents		\$ 29,000
Contributions Receivable		3,277
Land		5,000
Building and Improvements	80,700	
Less: (Accumulated Depreciation)	<u>(9,881)</u>	70,819
Furniture and Fixtures	4,725	
Less: (Accumulated Depreciation)	<u>(2,503)</u>	2,222
Office Equipment	18,987	
Less: (Accumulated Depreciation)	<u>(12,020)</u>	6,967
<b>TOTAL ASSETS</b>		<b>\$ 116,443</b>

**LIABILITIES AND NET ASSETS**

Accounts Payable		19,500
Other Liabilities		8,416
Notes Payable		<u>1,433</u>
<b>Total Liabilities</b>		<b>29,488</b>
Net Assets		
Restricted	1,000	
Unrestricted	<u>81,203</u>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$116,443</b>

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



SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Statement of Cash Flows  
(Indirect)

For the year ended December 31, 1996

<b>Cash Resources Generated from Operating Activities:</b>	
	<u><b>For 1996</b></u>
Excess of Contributions Over Expenditures	\$ 4,265
Adjustments to Reconcile Excess of Contributions over Expenditures provided by Operations:	
Depreciation	5,828
Increase in Liabilities	5,636
Increase in Receivables	<u>1,997</u>
Total Adjustments	<u>13,461</u>
Resources Provided by Operating Activities	16,454
Investing type Activities	
Cash and Resources committed to Assets	(2,794)
<b>Net Cash Provided</b>	<b>13,662</b>
Cash Balance, beginning of year	<u>12,328</u>
Cash Balance, end of year	<b>\$ 26,010</b>

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

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

**CONTENTS**

	<b>Page</b>
Independent Accountant's Report	1
General-Purpose Financial Statements:	
Statement of Financial Position	2
Statement of Support/Changes in Net Assets	3
Statement of Cash Flows	4
Statement of Functional Expenditures	5
Notes to Financial Statements	6

**SUPPLEMENTARY INFORMATION**

Independent Accountant's Report on Internal Control Structure in Accordance with Government Auditing Standards	11
Independent Accountant's Report on Compliance with Laws and Regulations based on an audit of Financial Statements performed in Accordance with Government Auditing Standards	14
Independent Accountant's Report on Budget-to-Actual Breakdown	15
Schedule of Budget-to-Actual Grant	16
Letter to Management of Finding & Recommendation	17

An additional Grant Contribution in the amount of \$47,000 by the Rapides Foundation Inc. was made in March of 1996 when added to the amount above, accounts for total Grant Contributions.

#### **NOTE 6 - OTHER CONTRIBUTIONS AND SUPPORT**

Gifts and Donations include general donations by Alexandria, City employees and others in large.

Contributions are those made by the Rapides Parish School Employees, on a yearly basis, this year totaling pledges of \$3,250 and CPC gifts of \$1,760.

Other Sources consists of Parent Group donations of \$10,000 and membership dues of \$228.

Fundraising amounted to \$34,530 with excellent, good internal accounting controls before any ordinary and necessary . expenditure deductions.

#### **NOTE 7 - SALARIES/PATIENT ASSISTANCE**

The Foundation paid a Salary to its Executive Director (also a board member), who for all intents and purposes works on a volunteer basis. It authorizes a stipend to her to assist her duty costs incurred to assist patients in the mission of the Foundation. This stipend amounts to \$100 a month. During 1996, only \$3,600 of the total category PAYROLL ASSISTANCE (from a possible \$3,600) was disbursed to the Executive Director.

**Donald L. Allen**  
Certified Public Accountant

Member:  
AICPA

Post Office Box 4716  
Alexandria, LA 71304-4716  
Phone (504) 844-2444  
Fax # (504) 844-2444

**LETTER TO MANAGEMENT BY INDEPENDENT ACCOUNTANT  
OF FINDING AND RECOMMENDATION**

To the Board of Directors  
SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.  
Alexandria, Louisiana

I am extremely proud, as I was privileged to observe, the corrections you made with regard to your operations. This finding below, is not material weakness, but a general recommendation (not requiring a response from you). Please make note of this and be vigilant as to its implementation.

**FINDING**

Since there is apparently a lack of levels of participation in segregate duties in expenditure payments, board level permission (ascending of by-laws, etc.) and participation by review of check requests, reimbursing ordinary and acquired expenses, or a stated policy of same would enhance the control of disponent funds.

This observation is made to better assist you in your operations. Please accept it in good faith and implement it as best possible.

Sincerely,

*Donald L. Allen*

Alexandria, LA  
March 28, 1993

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

Statement of Functional Expenditures  
For the year ended December 31, 1994

<u>Account Description</u>	<u>Operating Expenditures</u>	<u>Program Services</u>	<u>Total</u>
Salaries	\$10,000	\$ 3,400	\$13,400
Office Space	342	6,238	6,580
Taxes	1,140	760	1,900
Telephone	1,202	609	1,811
Utilities	554	369	923
Equipment	490		490
Transportation	175	4,450	4,625
Postage	950	891	1,841
Education	1,960	1,403	3,363
Insurance	1,313		1,313
Patient Assistance	2,500	10,712	13,212
Building Maintenance	1,533	20	1,553
Supplies	1,484	1,935	3,419
Security	334	34	368
Publicity	335	70	405
Testing	398	2,602	3,000
Professional Services	1,102	1,248	2,350
Fundraising	2,628		2,628
Physician	200	4,730	4,930
Case Management	300	14,437	14,737
Lab/X-Ray	120	3,263	3,383
Research	1,800	1,800	3,600
<b>TOTALS</b>	<b>\$28,918</b>	<b>\$28,182</b>	<b>\$57,100</b>

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

## SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Notes to Financial Statements  
As of the year ended December 31, 1996

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### History and background of the Organization

Sickle Cell Anemia is a hereditary blood disorder that was first pronounced and medically explained by J. B. Herrick. The Alexandria, Louisiana chapter of the Sickle Cell Anemia Research Foundation, Inc. (SCARF) resulted from a city-wide fund raising effort initiated by the Alexandria Chapter of *Arch and AY of America, Incorporated*.

#### Purpose and Operations

SCARF provides comprehensive accounting 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.

#### Summary of Significant Accounting Policies

The financial statements of SCARF have been prepared on the accrual basis of accounting. The significant accounting policies are disclosed below to enhance the usefulness of the financial statements to the reader.

#### Cash and Equivalents

Refer to any monetary instrument drawn-subject to ultimate negotiation and acceptance by the United States Treasury as tender of legal payment and redemption thereof. As stated in these financial statements, the \$29,018 consists of residual cash in all funds and account groups, further defined as:

Commercial Account	\$ 5,238.47
Operations Account	10,837.53
Urban Affairs	5,949.00
Fundative Account	7,594.00
<b>TOTAL CASH AVAILABLE</b>	<b>\$29,017.99</b>

SCARP is a tax exempt organization as described in section 501 (c)(3) of the Internal Revenue Service Code.

## **NOTE 2- BUILDING IMPROVEMENTS, FIXTURES AND OTHER ASSETS**

### Building and Improvements

The building and improvements at SCARP were completed by a subrecipient grant that is a pass-through from the City of Alexandria, Louisiana's Community Development Block Grant of \$30,000. A matching portion by SCARP in the amount of \$31,000 through contributions and obligations of debt was required to bring the building to its state of usefulness. Additional amounts in the form of improvements have been added to reach the total of \$80,700. Included in this total are amounts from donations of services by artists, building work at the time of the gift and other various amounts.

Land consists of two (2) adjacent lots purchased for \$0,500 each.

The building is being depreciated over a period of thirty-three (33) years, beginning in the year, 1990, on a straight-line basis, and is appraised subject to other improvements, over the remaining years of its estimated duration as applicable for the entire allocation period.

All assets are accounted for in the Operations Fund. However, through transfers, the building obligation to its lender is paid out of the Commercial Loans Account group. When the obligation is liquidated, this account group will be closed.

### Fixtures and Interiors

This group of assets represent all movable furnishings that are not considered office (see below) equipment. Many of the items have been purchased with earned revenues by SCARP while others have been donated by members of the community-at-large. Still, as in the case of office equipment, other assets have been loaned to SCARP and are restricted by charities and are subject to Owner's direction. This category is small in dollar amount (\$398) and can possibly result in a subsequent realignment to SCARP. Depreciation takes place, uniformly over a period of eight (8) years.

**SUPPLEMENTARY INFORMATION**



SI 878-3 M1 9-03

OFFICIAL  
FILE COPY

**DO NOT SEND OUT**

Please carefully  
compare this  
copy with the  
FRS - 1111

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

**FINANCIAL STATEMENTS  
AND  
SINGLE AUDIT REPORTS**

for the year ended December 31, 1996

*Donald L. Allen,  
Certified Public Accountant*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewing, 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.

**Donald L. Allen**  
Certified Public Accountant

Member  
AICPA

Post-Office Box 1079  
Alexandria, LA 71301-1079  
Phone (504) 441-3900  
Fax: (504) 441-3900

**INDEPENDENT ACCOUNTANT'S REPORT ON  
BUDGET-TO-ACTUAL COST BREAKDOWN  
FOR URBAN AFFAIRS GRANT PROGRAM**

To the Board of Directors  
SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.  
Alexandria, Louisiana

I have audited the Sickle Cell Anemia Research Foundation, Inc., a nonprofit organization, as of December 31, 1996 and issued my report thereon dated March 28, 1997, as well as this report of Budget-to-Actual Cost Breakdown Schedule for the Client, attached here to its provider. These representations are the responsibility of the Organization's Management. My responsibility is to express an opinion on this Schedule based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the Budgeted and Actual expenditures are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the Schedule of Budget-to-Actual Cost Breakdown for the Urban Affairs Program referred to above presents fairly, in all material respects, Expenditures made by Sickle Cell Anemia Research Foundation, Inc., as audited and reported as of December 31, 1996.

Nothing came to my attention that any part of this Schedule had to be altered to be in conformity with generally accepted accounting principles.



Alexandria, LA  
March 28, 1997