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# SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

## REPORT ON FINANCIAL STATEMENTS

FOR THE PERIOD DECEMBER 31, 1967

UNDER provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or receiver, 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 JUL 22 1968

Donald L. Allen  
Comptroller Public Accountant  
Alexandria, Louisiana

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**INDEPENDENT ACCOUNTANT'S REPORT**

To the Board of Directors  
SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.  
Monroe, 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, 1997. 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. Those standards require that I 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 general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement 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 aspects, the financial position of Sickle Cell Anemia Research Foundation Inc. as of December 31, 1997, 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*

Monroe, LA  
June 26, 1998

SCIENCE CELL ANEMIA RESEARCH FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

As of the year ended December 31, 1997

	<u>Assets</u>	<u>Combined Funds &amp; Accounts</u>
Cash and Equivalents (Restricted)	\$ 1,815	
(Unrestricted)	<u>21,962</u>	23,777
Grant Receivable		2,000
Land		2,000
Building and Improvements	80,780	
Less (Accumulated Depreciation)	<u>(12,128)</u>	68,652
Furniture and Fixtures	4,725	
Less (Accumulated Depreciation)	<u>(2,954)</u>	1,771
Office Equipment	18,600	
Less (Accumulated Depreciation)	<u>(14,062)</u>	4,538
<b>TOTAL ASSETS</b>		<b><u>\$185,897</u></b>

**LIABILITIES AND NET ASSETS**

Accounts Payable		14,642
Other Liabilities		10,422
<b>Total Liabilities</b>		<b>25,064</b>
<b>Net Assets</b>		
Restricted	4,830	
Unrestricted	<u>75,033</u>	
<b>Total Net Assets</b>		<b><u>80,863</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b><u>\$185,897</u></b>

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

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Statement of Activities and Support and Changes in Net Assets  
For the year ended December 31, 1997

**Public Support**

**Public Support and Contributions Restricted and Unrestricted for Program Services**

**Combined Funds & Accounts**

Grant Contributions		\$ 44,000
Gifts and Donations		2,217
Contributions		7,500
Other Sources		1,172
Fundraising	78,247	
Less: Fundraising Expenditures	(2,827)	75,420
Memorial Gift (Restricted)		<u>1,010</u>
<b>Total Support and Revenues</b>		<b>79,312</b>

**Expenditures**

Nonrecurring Expenditures		5,000
Honorary Expenditures		<u>31,288</u>
<b>Total Expenditures</b>		<b><u>36,288</u></b>

**EXCESS OF EXPENDITURES OVER CONTRIBUTIONS AND SUPPORT** (7,004)

**Net Assets @ Beginning of Year** 87,817

**Net Assets @ End of Year** 80,813

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

SICKLE CELL ANEMIA RESEARCH FOUNDATION, INC.

Statement of Cash Flows

(Audited)

For the year ended December 31, 1997

<b>Cash Resources Used by Operating Activities</b>		<b><u>Year 1997</u></b>
Excess of Expenditures Over Contributions		<u>\$ (2,004)</u>
Adjustments to Reconcile Excess of Contributions over Expenditures provided by Operations:		
Add Back: Depreciation	5,028	
Deduct: Decrease in Liabilities	(4,342)	
Deduct: Decrease in Receivables	<u>( 213)</u>	
Total Adjustments		<u>400</u>
Resources Used by Operating Activities		<u>(1,604)</u>
Financing type Activities:		
Cash and Resources to Retire Debt		564
<b>Net Cash Used</b>		<b><u>(6,041)</u></b>
Cash Balance, beginning of year		<u>29,018</u>
Cash Balance, end of year		<u>\$ 22,977</u>

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

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

Statement of Functional Expenditures  
For the year ended December 31, 1997

<u>Account Description</u>	<u>Operating Expenditures</u>	<u>Program Services</u>	<u>Total</u>
Salaries	\$13,174	\$ 7,500	\$20,674
Taxes	2,130	1,200	3,330
Telephone	782	512	1,294
Utilities	940	312	1,252
Equipment	40	40	80
Transportation	537	6,600	7,137
Postage	224	209	433
Education	535	1,411	1,946
Insurance	1,544		1,544
Patient Assistance	1,849	12,971	14,820
Building Maintenance	717	25	742
Supplies	495	630	1,125
Security	290	70	360
Publicity	540	213	753
Testing	200	2,300	2,500
Professional Services	500	2,155	2,655
Physicians	166	14,204	14,370
Case Management	132	3,240	3,372
Lab/Out-Reg	28	639	667
Research	950	1,020	1,970
<b>TOTALS</b>	<b>\$25,244</b>	<b>\$25,522</b>	<b>\$50,766</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, 1997

**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 enlightened 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 Jack and Jill of America, Incorporated.

Purpose and Operations

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.

Summary of Significant Accounting Policies

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

Cash and Equivalents

Politic to any monetary instrument direct or subject to ultimate negotiation and acceptance by the United States Treasury as tender of legal payment and resolution thereof. As stated in these financial statements, the \$22,977 consists of residual cash in all funds and account groups, in four defined as:

Commercial Account	\$12,673.64
Operations Account	2,177.99
Fund Payables	2,891.46
Payables Account	6,333.18
<b>TOTAL CASH AVAILABLE</b>	<b>\$22,977.21</b>



SCARF 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**

### *Buildings and Improvements*

The building and improvements at SCARF were completed by a multi-cipient grant that is a pass-through from the City of Alexandria, Louisiana's Community Development Block Grant of \$20,000. A matching portion by SCARF in the amount of \$21,000 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 \$66,700. Included in this total are amounts from donations of service by artisans, building work at the time of the gift and other various amounts.

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

The building is being depreciated over a period of thirty-three (33) years, beginning in the year, 1968, 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 used to be paid out of the Commercial Loan Account group. That account is no longer necessary or used.

### *Furniture and Fixtures*

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 SCARF 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 SCARF and are restricted by duration and use subject to Donor's direction. This category is small in dollar amount (\$100) and can possibly result in a subsequent reimbursement to SCARF. Depreciation takes place, uniformly over a period of eight (8) years.

### SCAF 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. \$18,987 worth of equipment of a capital nature has been purchased to date and depreciated in accord with conventional generally accepted accounting principles.

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

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

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

This account has two (2) entries, 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 term, 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 fiscal Periods Grant of \$2,000 is received during the term and the balance carried as a Grant receivable is shown on the face of the statement for \$2,000 in accordance with the accounting principles, above.

An additional Grant Contribution in the amount of \$40,000 by the Rapides Foundation Inc. was made during the operation cycle. When added to the amount above, these total Grant Contributions.

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

*Gifts and Donations include general donations by Alexandria, City employees ( \$900) and others of large.*

*Contributions are those made by the Rapides Parish School Employees, on a yearly basis, this year totaling pledges of \$6,783 and CPC gifts of \$1,172.*

*Other Sources consist of Parent Group donations, membership dues, returns and other contributions to \$2,257.*

*Fundraising amounted to \$26,243.01 with associated, good interest accounting credits below any ordinary and necessary , expenditures (\$2,867) deductions.*

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

*The Foundation paid a Salary to its Executive Director (also a board member), who for all intents and purposes serves on a volunteer basis. It authorizes a stipend to her to assist her delay costs incurred to assist patients in the mission of the Foundation. This stipend amounts to \$2000 a month. During the fiscal year the stipend did not exceed \$24,000 and the Executive Director expended this total for personal PATIENT ASSISTANCE without complete recovery from her personal funds.*

## SUPPLEMENTARY INFORMATION

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**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. (a nonprofit organization) as of and for the year ended December 31, 1997 and have issued my report thereon dated June 26, 1998.

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, "Audit 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, initiation and judgment 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 SCARF, for the year ended December 31, 1997, 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.

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 financing
- Contributions/Receipts
- Purchases/Other assets
- Biennial/financial reporting
- Payroll/personnel

Financial Statement Categories

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

Accounting Applications

- Receivables
- Cash (Disburse) Contributions
- Accounts payable
- Cash disbursements
- Payroll
- Assets
- General ledger

General Requirements

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Felocation assistance and real property management
- Allowable cost/expense principles
- Drug free workplace
- Administrative requirements

### Specific Requirements

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

### Amounts Collected 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 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.

I noted a certain matter involving the internal control structure and its operation that I have reported to the management of Skillo Gill Anemia Research Foundation, Inc. in a separate letter dated June 26, 1998.

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.



Alexandria, LA

June 26, 1998

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**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 general-purpose financial statements of Sickle Cell Anemia Research Foundation, Inc. (a nonprofit organization) as of and for the year ended December 31, 1991 and have issued my report thereon dated June 26, 1992.

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.

*Donald L. Allen*

Alexandria, LA  
June 26, 1992



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

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

I am extremely proud, as I am honored to have witnessed the improvements you have made with regard to recordkeeping, reporting and accounting for transactions over the last five fiscal periods, by you. This finding below, is not a 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**

In your accounting records, you make "transfers in/out" without documentation as to effected amounts in the transfer. Having been your Independent Accountant for several periods, it was not difficult to follow the paper trail and consult with you, accordingly.

Notwithstanding the expertise of any Independent Accountant, your books of account should stand alone as thorough as possible, with all transactions.

Sincerely,

*Donald L. Allen, CPA*

Alexandria, LA  
June 26, 1998