

ARTHUR ANDERSEN LLP

PREPARED
BY ARTHUR ANDERSEN LLP
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SERINE, INCORPORATED
FORMERLY KNOWN AS SOPHIE L. GUMBEL GUILD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1996
TOGETHER WITH AUDITORS' REPORT

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 26 1996

ARTHUR ANDERSON LLP

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors
of Strive Incorporated

We have audited the accompanying financial statements of Strive Incorporated ("Strive", a Louisiana not-for-profit corporation), as of and for the year ended June 30, 1996. These financial statements are the responsibility of management of Strive. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards (1996 Revision), issued by the Comptroller General of the United States. 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 audit provides 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 Strive as of June 30, 1996, and the results of its operations, changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued herewith a report on our consideration of Strive's internal control structure and a report on its compliance with laws and regulations, both dated September 6, 1996.

Arthur Anderson LLP

New Orleans, Louisiana
September 6, 1996

NISSAN INCORPORATED

BALANCE SHEET

AS OF DECEMBER 31, 1996

ASSETS

	Unrestricted Fund	Temporarily Restricted Fund	Total
CURRENT ASSETS:			
Cash	\$ 268,750	\$ 112,900	\$ 381,650
Short-term investments, net of unamortized discount of \$18,567	388,450	-	388,450
Accounts receivable	173,546	-	173,546
Inventory	5,648	-	5,648
Prepaid expenses	78,462	-	78,462
Total current assets	796,856	112,900	909,756
PROPERTY AND EQUIPMENT:			
Land	112,900	-	112,900
Buildings and improvements	892,428	-	892,428
Furniture, fixtures and equipment	356,788	-	356,788
Automotive equipment	62,444	-	62,444
	1,364,560	-	1,364,560
Less: Accumulated depreciation	(682,730)	-	(682,730)
Net property and equipment	681,830	-	681,830
INVESTMENTS			
	-	81,906	81,906
OTHER ASSETS			
	922	-	922
Total assets	\$1,423,508	\$84,806	\$1,508,314

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:			
Accounts payable	\$ 36,302	\$ 362	\$ 36,664
Accrued salaries and losses	42,821	-	42,821
Other liabilities	250	-	250
Total current liabilities	79,373	362	79,735
NET ASSETS:			
Temporarily restricted	-	84,268	84,268
Unrestricted	1,342,896	-	1,342,896
Total net assets	1,342,896	84,268	1,427,164
Total liabilities and net assets	\$1,423,508	\$84,806	\$1,508,314

The accompanying notes are an integral part of this financial statement.

FINANCIAL STATEMENTS

STATEMENTS OF FINANCE

STATEMENTS OF ASSETS

STATEMENTS OF LIABILITIES

ESTIMATES AND CONTINGENCIES:
 Contingent
 Construction
 Bond reserve
 Bond
 Contingencies
 Debt
 Other
 Total reserves and other support

	Fiscal Years				Fiscal Years	Fiscal Years
	2004-05	2005-06	2006-07	2007-08		
Contingency Reserve	100,000	100,000	100,000	100,000	100,000	100,000
Construction Reserve	-	-	27,000	17,000	44,000	100,000
Bond Reserve	100,000	100,000	100,000	100,000	100,000	100,000
Contingencies	-	1,000	-	700	1,000	1,000
Debt	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total reserves and other support	200,000	201,000	207,000	207,000	205,000	201,000
Estimates	200,000	201,000	207,000	207,000	205,000	201,000
Contingencies	-	-	-	-	-	-
Debt	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total estimates and other support	200,000	201,000	207,000	207,000	205,000	201,000

For a complete view of the financial statements, please visit our website at www.ci.milwaukee.gov

SIRSI INCORPORATED
TEMPORARILY RESTRICTED FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1999

	<u>1999</u>
REVENUE	\$ 3,106
EXPENSES	<u>(2,028)</u>
Change in net assets	1,078
NET ASSETS AT BEGINNING OF YEAR	<u>34,089</u>
NET ASSETS AT END OF YEAR	<u>\$35,167</u>

The accompanying notes are an integral part of this financial statement.

WIND INCORPORATED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 31,699
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:	
Depreciation	56,707
Accretion of discount on investments	(5,883)
Changes in assets and liabilities:	
Accounts receivable	(20,838)
Inventory	(208)
Prepaid expenses	(18,836)
Other assets	238
Accounts payable and accrued liabilities	25,680
Net cash provided by (used for) operating activities	48,699
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of property and equipment	(19,249)
Purchase of investment securities	(703,000)
Maturity of investment securities	705,000
Net cash provided by (used for) investing activities	(17,249)
NET INCREASE (DECREASE) IN CASH	31,450
CASH, at beginning of year	282,211
CASH, at end of year	<u>\$ 313,661</u>

The accompanying notes are an integral part of this financial statement.

STATE ACCOUNTS
SUBJECTS FILE
STATEMENT OF OPERATIONAL EXPENSES
FOR THE YEAR ENDED 1956-57

	Type of Expense			Total	Administrative and General	Total
	Charitable (100%)	Public (100%)	Local (100%)			
Station	9,000.00	5,000.00	5,000.00	9,000.00	0	9,000.00
Typing room	500.00	500.00	500.00	500.00	0	500.00
Publication and communication expenses in direct relation to state	500.00	500.00	500.00	500.00	0	500.00
Printing equipment	1,000.00	0	0	1,000.00	0	1,000.00
Mail and express	1,000.00	0	0	1,000.00	0	1,000.00
Telephone	1,000.00	0	0	1,000.00	0	1,000.00
Transportation	1,000.00	0	0	1,000.00	0	1,000.00
Travel of staff	1,000.00	0	0	1,000.00	0	1,000.00
Equipment	1,000.00	0	0	1,000.00	0	1,000.00
Administrative supplies	1,000.00	0	0	1,000.00	0	1,000.00
Books	1,000.00	0	0	1,000.00	0	1,000.00
Printing and expenses	1,000.00	0	0	1,000.00	0	1,000.00
Printing cost	1,000.00	0	0	1,000.00	0	1,000.00
Printing and supplies	1,000.00	0	0	1,000.00	0	1,000.00
Other expenses	1,000.00	0	0	1,000.00	0	1,000.00
Total operations expenditure	14,000.00	6,000.00	6,000.00	14,000.00	0	14,000.00
Operation of paper and equipment	1,000.00	1,000.00	1,000.00	1,000.00	0	1,000.00
Total expenses	15,000.00	7,000.00	7,000.00	15,000.00	0	15,000.00

The accompanying items are an integral part of this financial statement.

STRIVE INCORPORATED

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1999

1. ORGANIZATION AND OPERATIONS

Strive Incorporated ("Strive"), formerly Sophie L. Gumbel Guild, is a voluntary health and welfare organization providing housing, training and recreational services to adults with developmental disabilities. Strive provides housing for adults in Miller Manor, day care and training for adults through Project Strive, and social training and recreation for adults at Miller Activity Center. The majority of Strive's revenue is derived from the State of Louisiana and private contracts with businesses in the New Orleans metropolitan area.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation/Use of Estimates

The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Generally accepted accounting principles require management to make estimates and assumptions that affect 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 these estimates.

Description of Net Assets Classification

Financial Accounting Standards Board Statement No. 117 entitled "Financial Statements of Not-for-Profit Organizations" was issued by the Financial Accounting Standards Board in June 1993. This Statement, adopted by Strive effective July 1, 1993, requires that net assets and changes in net assets be reported for three classifications - permanently restricted, temporarily restricted and unrestricted - based on the existence or absence of donor-imposed restrictions.

Fund accounting is used to recognize restrictions and limitations which donors place on grants and other gifts as well as designations made by Strive's governing board. Contributions are considered to be restricted funds unless restricted by the donor. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to unrestricted net assets or permanently restricted net assets and reported as net assets released from restriction in the statement of activities. The funds presented in the financial statements are as follows:

Unrestricted Fund - The Unrestricted Fund is the general operating fund of Strive. It is used to account for all financial resources and assets except those required to be accounted for in another fund. Donor restricted contributions on which restrictions are met in the time reporting period are reported as unrestricted support.

Temporarily Restricted Fund - The Temporarily Restricted Fund consists of a bequest made to Strive during the year ended June 30, 1991. In accordance with the terms of the bequest, the principal amount will be maintained by the trustee until expended for medical and psychological evaluations, physical and occupational therapy, special adaptive equipment and prosthetic devices for retarded children in need of financial help.

Permanently Restricted Fund - This fund is not used as Strive has not received any permanently restricted contributions and does not own any permanently restricted assets.

Income Tax Status

Strive is exempt from the payment of Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provisions for Federal income taxes.

Inventory

Inventory is stated at the lower of cost, determined principally by the first-in, first-out method, or market.

Investments

Investments are presented in the financial statements at the lower of cost or market value. At June 30, 1990, the market values of the investments in the Unrestricted Fund and Temporarily Restricted Fund were \$568,948 and \$96,127, respectively.

Fair Value of Financial Instruments

Strive believes the fair value of its financial instruments, including cash, investments, accounts receivable, accounts payable and accrued liabilities does not differ materially from their book value.

3. PROPERTY AND EQUIPMENT

At June 30, 1990, the cost, accumulated depreciation and estimated useful lives of property and equipment were as follows:

	Estimated Useful Life	Cost	Accumulated Depreciation	Book Value
Land	-	\$ 112,800	\$ -	\$112,800
Buildings and improvements	10 - 21.5 yrs.	952,424	494,779	457,645
Furniture, fixtures and equipment	5 - 10 yrs.	126,788	127,963	28,825
Automotive equipment	5 yrs.	52,440	27,832	24,608
Total		\$1,244,452	\$,649,574	\$,594,878

Strive's property and equipment is being depreciated utilizing the straight-line method over their estimated useful lives.

4. RELATED PARTIES

Strive obtains its health insurance from a company which also employs a board member of Strive. Premiums totaling \$24,720 were paid to this company during the year ended June 30, 1990.

8. MEMORIAL CONTRACTS:

For the year ended June 30, 1996, approximately \$270,000 of contract revenue was received from the State of Louisiana Department of Health and Hospitals, and \$90,000 of contract revenue was received from the State of Louisiana Department of Social Services. The State provides annual contracts to Strive which grant the State the right to audit program accounts and activities. Management believes that Strive is in compliance with the provisions of these contracts and that the findings of an audit, if any, would not have a material impact on the financial statements.

Strive has several private contracts under a Supported Employment program to provide vocational services for local businesses. In addition, Strive has individually placed several clients at various job sites in the community. For the year ended June 30, 1996, approximately \$150,000 of contract revenue was received from Supported Employment contracts.

INDEPENDENT AUDITORS' REPORT ON THE
INTERNAL CONTROL STRUCTURE OF STIVE AS AN ENTITY

To the Board of Directors
of Stive Incorporated

We have audited the financial statements of Stive Incorporated ("Stive") as of and for the year ended June 30, 1996, and have issued our report thereon dated September 6, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Management of Stive 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 recorded 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, however, certain misstatements 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 our audit of the financial statements of Stive for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control system 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 of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, board members and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana
September 6, 1996

ARTHUR ANDERSEN LLP

STYRE INCORPORATED
FORMERLY KNOWN AS SOPHIE L. CLARKE CHILD

MEMORANDUM OF SUGGESTIONS FOR IMPROVEMENT
BY INTERNAL CONTROL STRUCTURE

JUNE 20, 1996

ARTHUR ANDERSEN LLP

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE OF SERVE AS AN ENTITY

To the Board of Directors
of Serve Incorporated

We have audited the financial statements of Serve Incorporated ("Serve"), as of and for the year ended June 30, 1996, and have issued our report thereon dated September 6, 1996.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations and contracts applicable to Serve is the responsibility of Serve's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the entity's compliance with certain provisions of laws, regulations and contracts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions and, accordingly, we do not express such an opinion.

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

This report is intended for the information of management, board members and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Arthur Andersen LLP

New Orleans, Louisiana
September 6, 1996

September 6, 1998

Arthur Andersen LLP

Suite 4000
707 St. Charles Avenue
New Orleans, LA 70112-1000
(504) 581-5000

To the Board of Directors
of Strive Incorporated
1139 Napoleon Avenue
New Orleans, LA 70115

Ladies and Gentlemen:

As part of our audit of the financial statements of Strive Incorporated ("Strive") for the year ended June 30, 1998, we considered Strive's internal control structure to the extent we felt necessary for the purpose of providing a basis for reliance thereon in determining the nature, timing and extent of the audit tests applied in connection with our audit of Strive's 1998 statements. Our consideration of the internal control structure did not entail a detailed study and evaluation of any of its elements and was not made for the purpose of making detailed recommendations or evaluating the adequacy of Strive's internal control structure to prevent or detect errors and irregularities. Because of inherent limitations in any internal control structure, errors and irregularities may occur and not be detected. Furthermore, projections of any evaluation of the internal control structure to future periods is subject to the risk that it may become inadequate because of changes in conditions or deterioration in its operating effectiveness.

No new matters were noted as a result of our audit, however, we would like to report on the implementation of prior year suggestions.

Strive has improved its controls during the current year and has implemented all prior year suggestions.

1994/1995 Suggestions	Implemented	Partially Implemented	Not Implemented
1. Approval of bills/monitoring of billing process	X		
2. Monthly monitoring and follow-up on uncollected receivable balances	X		



Arthur Andersen LLP

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This letter is intended solely for the use of management, the Board of Directors, the Legislative Auditor of the State of Louisiana, and grantor agencies. This restriction is not intended to limit the distribution of this letter which is a matter of public record.

To the extent that the Legislative Auditor of the State of Louisiana and grantor agencies intend to rely upon this letter, such reliance should take into account the limited basis on which our recommendations were developed, as described above, and the limitations inherent in the internal control structure. In addition, the Legislative Auditor of the State of Louisiana and grantor agencies should understand that the criteria used by us in considering the internal control structure could differ significantly from the criteria which may be used for their purposes.

We appreciate the attention and cooperation extended to our representatives during the course of their work.

Very truly yours,

ARTHUR ANDERSEN LLP

by 
Toby Montreuil