SCHAFER GROUP, LTD

NOLA ECONOMIC BEVELOPMENT CORFORATION

AUDIT REPORT:

ERCEMBER 31, 2065

Under provisions of state law this sense is a public focument. A says of the record tax bases subvector hereinty and other septement public of submonth synthesis for public regulation at the laber Nexter office of the Legislation Auditor and, where interpreted at the officient termination and under micromotes. If the officient termination and under the presentation of the Legislation and the state of an ut-

Petron Days 7-28-04

CERTIFIED PUBLIC ACCOUNTANTS A LIMITED LIABILITY COMPANY

NOLA ECONOMIC DEVELOPMENT CORPORATION TABLE OF CONTENTS DECEMBER 31, 2003

Independent Auditor's Report

ENANCIAL STATEMENTS

- II. Statement of Net Assets in Liquidation
- III. Staturaest of Changes in Not Assets in Liquidation
- IV. Statement of Cash Flows
- V. Notes to the Financial Statements

SUPPLEMENTARY INFORMATION

- Bapert on Compliance and on Internal Control Over Floureial Reporting Based on an Audit of Floureial Statements Performed in Accordance with Conversion Auditing Standards
- VII. Schedule of Findings and Questioned Costs
- VIII Measement Letter
- Corrective Acties Flats
- Summary of Prior Year Findmen

SCHAFER GROUP, LTD.

Ensuin T. Schebe, UPA, 2021 Lunit J. Welle, CPA Journe R. Kernwarde, Soc. CPA Paul A. Huarn, CPA Daurite H. Miserot, CPA Nathor H. Hada, CPA Code J. Exam, CPA 701 Assure Ass Suite A Manimi, LA 79001 104-827-6271 FAX 804.837.6279

> 707 St. Charles Au-N. O. LA NEXLAUR

> > .

Independent Acaditor's Report

To Ms. Shevy Landry, Liquidator NOLA Economic Development Corporation.

We were engaged to under the internets of net assets in liquidation of NOLA liconomic Development Corporation is Londona non parks suggestation) is of Developer 31, 2003, and the related statement of sharping in net storus in liquidation (or the year their ended). These financial internets are the responsibility of the suggestation's management. Our responsibility is to represe as residence on these financial internets have for a state of the suggestation's management. Our responsibility is to represe as residence on these financial internets have for a state of the suggestation's management. Our responsibility of

We embedded our and its incordence with radius minimized generally accupied in the United Stream of Avention and the standards application in Frankent action control is to converse clustered basedon instandards applications in Frankent action control is to the standard instance of the output and a perferent the shall be under a stream theore where the frankent interaction action of the output action in the stream action interaction in the frankent interaction action of the output action in the stream action in the stream interaction of the stream action of the stream action of the stream action in the management, as well as a varianting the cream Exactly interaction prostanties. We believe and and the strengts are supported by the stream action of the str

In our options, the financial statements referred to show present fairly, in all material expects, the respective financial positions of the New Oclaum Economic Development Corporation as of December 31, 2003 and the respective change in net assets for the yare than ended, its conformity with accounting enrichednes constantly accepted in the United States of America.

In accordance with Government shafting Shoulands, we have also issued our report databilities 50, 2014 on our coundenties of PADA Environce Development Compensities' internal outsoft over financial reporting and our toris of its compliance with centits providence of laws, regulations, contents and gunts. The report is an integral part of the undit performed in accordance with Government shafting finandined and should be read to conjunction with this resort is non-inform the ready of our and d. As described in Note 1 to the financial statements, the Board of Directors approved a plan of liquidation effective August 20, 2002 and councel operations on that date. As a result, the expansion has changed in basis of accounting for particle subsequent to August 20, 2002 from the pathogeneous basis to a liquidation basis.

Schafer Group, LTD., LLC

11

Kemion T. Sehafer, CPA Manazine Member

June 33, 2004

NOLA ECONOMIC DEVELOPMENT CORPORATION STATEMENT OF NET ASSETS IN LIQUIDATION DECEMBER 31, 2003

ASSETS

Cook \$ 22,558 Total Anness \$ 22,558 LANELTIES AND AVEL ASSETS LANELTIES AND AVEL ASSETS LANELTIES AND AVEL \$ 7,500 Not Annes Useewriced \$ 1,828 Total Lanelties and Net Annes \$ 22,538

The accommentation notes are an integral part of these statements:

NOLA ECONOMIC DEVELOPMENT CORPORATION STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION YEAR ENDED DECEMBER 31, 3043

	Unserviced	Personally Restricted	Total
EIVENUES			s
EXPENSES			
Accounting Fees Bank Charges Onaria Insurance	9.251 40 30,000 _1.158		9,251 40 33,900 1,150
Dournasse in Net Assute	(48,441)		(BAHD
Net Assets at Beginning of Your	\$ 55.529	\$	\$ 55.539
Not Assats at End of Year	\$ 15.098	1	\$ 15,028

The accompanying notes are on integral part of these statements.

SCRAPER OROUP LTD. CERTIFIED PUBLIC ACCOUNTANTS A SIMILAR MARGINE COMPANY ш. -

NOLA ECONOMIC DEVELOPMENT CORPORATION STATEMENT OF CASH FLOWS YEAR ENDING DECEMBER 31, 2003

	Danstriand	Persisted Restricted	Tatel
CASH PLOWS USED BY OPERATING ACTIVITIES			
Decrement in Nat Assess Adjustments to research Decreme in net sorets To cash used for Operating Astrivities (Decrement) in Assesses	\$(40,441)	s -	\$(40,441
Receivable	4,267		
(Decrosse) in Prepaid Insurance Inserance (Decrosse) in Lab(Elses	1,159		1,150
Accents Payable	1.586		.1.996
Net Cash Used by Openning Antivities	(28,938)		(28,528)
Net Decrease in Cash	(28,938)		(28,859)
Cash. Beginning of Your	\$1,736		21.726
Cash, End of Year	\$ 22,798	s	\$ 22,208

The accompanying notes are an integral part of these statements.

CERTIFIED FURLIC ACCOUNTANTS

IV.

NOLA ECONOMIC DEVELOPMENT CORPORATION NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2003

Organisation and Significant Accounting Policies

A. Organization

NOCA Economic Development Corporation (NOCA) is a magnetific aspontation detection in New Yorkson, Lonziana, The comparison in subcorporated in ity of 1994 for the program of allocitating commission of antephysness, underrengelopment and other frame of commonly distance allocitating the Toomenia Development Area (deta)gated in the "City of New Obtates). NULA was developed to gatedigate in the investment of the Australia Theme Park program and to activity promote the Toremeric Development Area as as near for the colliditions of the Nacionary of the Australia Instruments.

Jazzland Agreement

On July 10, 1999 NGLA resteed into an agreement with Justimin Jin. Under the supremark. Justimi downlet iron protein of land comparing the hits of the future Justimi Theore Fuki in excluding to the accounts of a Lows agreement. The the NOLA approx to provide Architect Into Comparison Endown Agreement Works NOLA approx to provide Architect Into which the proceeds of a 100 relians frame downleaves the Architect Into Architect Into Architect Into Architect Architecture Protein Architect Into Architect Into Architecture Into Architecture Protein Architecture Prot.

The agreement provided that the transfer would be automatically resetted and the property would rever to faculated, free, without any consideration to NCLA, upon the transferred of the Lease Agreement or the occurrence my of several refere consideration.

On February 38, 2002, the owners of Jacobied, Inc. filed a petition for baskraphy in foldent court. The final order issued by the Baskraphy Cost iterational field issue hereone. NGLA and Latobian, Issc. and ordered the return of the First Property by NGLA. The thema park was randomized to a unitalized of Six Plags, Ion, and no amounts were paid or possible to NGLA.

C. Liquidation

Following the turnination of the innse with Janzinsd, Inc., the Bosel of Directors appreced a plan of liquidation affactive August 20, 2002 and NOLA censed convertience on that data.

> CERTIFIED PUBLIC ACCOUNTANTS A LIMITED LIAMLITY COMPARY

Data of Accounting

The expaniantion changed its basis of accounting for periods subsequent to August 20, 2000 from the geing-concern basis to the liquidation basis. Under the fundation method, access and liabilities are adjusted to their net realizable value.

E. Ecsperet

Far periods prior to August 21, 2002, equipment was recorded at cost. Depociation was calculated using the antight-line mathed to relate the cost of depociable assets to operations over their antisenad saufil lines of its years. As of Decomber 31, 2003, NOLA had liquidated all of its fixed assets. Depociation Experts for the over ended Decomber 31, 2003 to 5-0.

Alaxones fer Doubthi Accents

NOLA, onlines the allowance mathed for bad dets. All amounts due from Jantonio lower writes of against the allowance associate. All other accenters and claims cerestrable were cellented subsequent to Desenter 31, 2000. There were as accents receivable and as othergo to provide for bad dette for the prore ending Discarbier 31, 2000. As such, the Allowance for Doubtful Accenters for the verse methel Desenter 31, 2000. In 50-0.

Cesh and Cash Denivalents

NOLA considers all short-term debt securities purchased with maturity all three manuface less to be cash ecsivalents.

H. Estimatet.

The preparation of financial statements in conformity with U. S. generally accupated accounting principles requires management to make obligation and annapplants that affect certain reported networks and disclosures. Accordingly, accual works could differ three those enterates.

1 Income Taxes

NOLA is exempt from federal income taxos under Section 501 (a) of the Internal. Revenue Code.

2. Reissment Flag

NOLA established a Simplified Employee Possion IRA (SEP-IRA) covering all of its employers. All employees were terminated effective August 20,1002 and this plan was also terminated. There were no expresses associated with this plan for the year ended December 31, 2003.

SUPPLEMENTARY INFORMATION

SCHAFTR GROTF, LTB. CENTURED PUBLIC ACCOUNTANTS A LINETED LIABLETY COORST

SCHAFER GROUP, LTD.

Konine T. Schuler, CEA, MS Lunie J. Walls, CDA James W. Karrannak, Su. CPA Paul A. Hanne, CPA District H. Marcut, CPA Phile M. Hola, CPA Phile M. Hola, CPA 201 Aumer An-Neits A Network, LA 7000 104,852,4523 PAX 804,852,4520 oth tecs/d/belafogeney.act

> 717 St. Chados Are. N. O. LA 28156-3786

> > vi.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING RAMED ON AN AUBIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH COVERNMENT AUDITING STANDARDS

To Ms. Sheny Lundry, Liquidator NOLA Economic Development Comoniform

We have analysis the basis framewind statements of POLA Forearchic Development Comparison as of Developed 31, 200 on all have insome our report theorem which and have 10, 2000, which contained as anguable field optices. We constrain for a stall its accordance with an adding simulation by perceiption accordance in the Development and the analysis reporting the transmit methan contained in Government Auditing Standards, issued by the Comparative Development of the United Network.

Compliance

As part of obtaining maximalle assumes about needers NOLA foremassic Development of Constrainty Constraints assumes an two two of maximal assumess, we preferred these of the completions with constant providences of three, angulations, constraints and grands, mesoarchitectures assumess. There exercises a strainty of the constraints and the constraints and the second straints of the constraints and the constraints with the constraints and the second straints of the constraints with a straint and assume and second straints of the constraints with a straint and second straints of the constraints with a straint and second straints of the constraints with a straint and second straints of the straints with a straint and the straints of the second straints of the straints with a straint and the straints of the second straints of the straints with a straint and the straints of the second straints of the straints with a straint and the straints of the straints of the straints of the straints with a straint and the straints of the straints of the straints with a straint and the straints of the straints of the straints with a straint and the straints of the straints of the straints with a straint and the straints of the straints of the straints with a straint and the straints of the straints of the straints with a straint and the straints of the straints of the straints of the straints with a straint and the straints of the straints of

Internal Cantrol Over Financial Reporting.

In planning and performing our andit, we considered NOLA Economic Development, Corporation's internal control over financial repering in order to determine our auditing procedures for the purpose of expressing our option on the financial intervents and not to avoid a automatic on the internal county over financial reporting. One complements of the Internal control our flanacial spectrality world for tenestaty flactions of natures in the internal control function (in tenestic) spectrality and control of the internal repetitive evolutions that are also sensitives it to be material workstreams. A material workstream and an evolution is which the design or spectration of non-control of the design of the design of the design of the spectra of the design and design of the design of the design of the design and design occurs of the the design design of the design of the design of the design and design occurs of the the design of the design of the design of the design of the design and design occurs of the the design of the design of the design of the design of the design and design occurs of the the design of the design of the design of the design of the design and design occurs of the the design of the design of the design of the design of the design and design occurs of the the design of the design of the design of the design of the design and design occurs of the design and design occurs of the the design of the design of the design of the design of the design and design occurs of the the design of the design of the design of the design of the design and design occurs of the the design of the design occurs of the design occurs of the design of

This report is intended setely for the information and use of Mis. Sherry Landry, Liquidator, the City of New Orleans and the Lagitative Auditors and in nor intended to be and should not be used by argore other than these specific parties. Under Louisians Brevies Statuse 24:513, this report is distributed by the Laquidative Auditors on public document.

Sincerely,

Schafer Group, LTD., LLC

U.S.

Kention T. Sahafer, CPA Managing Member

3cau 16, 2034

NOLA ECONOMIC DEVELOPMENT CORPORATION SCHEDULE OF FINDINGS AND QUESTIONED COSTS DECEMBER 51, 2005

None.

I

SCHAFER GROTE UPR. CENTIFIED PUBLIC ACCOUNTANTS A LIMITEDIAMOUT COMPANY vii.

SCHAFER GROUP, LTD.

Xannia T. Shidou, CEA, MS Lance F. Walt, CPA James W. Karanaraji, No. CFA Paul A. Hunov, CFA Banetti H. Muscar, CFM Hide M. Hada, CFA Code J. Bacon, CFA 781 Ausers Ann Suite A Historie, LA 79005 644,857,4670 PAX 544-877-4670 with taxiel/Phab/commerce

> 717 St. Chades Am. N.O., LA 78158-3780

> > vm.

To Ms. Sherry Landry, Liquidator NOLA Economic Development Corporation

MANAGEMENT LETTER

We have audited the financial intersection of POOLA Economic Development Corporations as if Describer 31, 2023, and for the year the model, and how insured our coperation framework and the 34, 2024, valueb, constants on unpartified optime. We conducted our and its accordinate with applicing transient, generally according in the Valueb Status of Asterios and the standards applicing to distancial adults occutized in Concension: Analysis, Standards, insued by the Constructive Generate of the Valueb Status.

As a part of our examination, we have issued rare report on the financial statements, dated here 38, 2004, which contained an unqualified opinion, and use report or internal control and compliance with incore, requisitions, and contracts, dated Jare 20, 2004.

During the course of our constitution, we became aware of no mattern, which would represent instantarial desirations of countlinnar or measurings for inserved internal controls.

Sincerely,

Schafer Group, LTD, LLC

Kenton T. Schaler, CPV Monoring Member

Jane 30, 2004

A LEATIFIED PERLIC ACCOUNTANTS A LEATED LIAMUITY COMPANY NOLA ECONOMIC DEVELOPMENT CORPORATION CORRECTIVE ACTION PLAN DECEMBER 31, 2003

MANAGEMENT'S RESPONSE

Nane Required

I

IX.

SCHAPER GROUP LED. CENTIFIED PUBLIC ACCOUNTANTS

NOLA ECONOMIC DEVELOPMENT CORPORATION SUMMARY OF PRIOR YEAR FINDINGS DECEMBER 51, 2002

Findings and Questioned Ceeb 02-1: Lost Equipment

Whan NGLA caused operations and semiinteel its corplopers, City personnel responsible for the liquidation ware not involved in moving the various (flux and documents to storage and were not aware of the mission of any optigeness requiring adoptanting.

There is no other equipment owned by NOLA and cases will be parchased. The mining computer was located by personnel involved in the logislation of NOLA is another service of the Economic Development DHEse of the City of New Orlenss and has subsequently been maniformed to this service.

02-2 Documentation Net on File

Although no documents were on file relative to this grant, it was our understanding that the expandings was preperly autoctual by in inclusion in the final disorbition budget of NCLA or "Other Quanting Expresse". Since NCLA is constatly in Equilation and on other expenditores within trues are undistand, or effect action can or will be taken or for motion.

Management Letter Suggestion 3002-1: Cash management

The liquidation of NOLA is separated to be completed in a short period of fisse and the assumed of potential interest searching was not considered algorithms. The storemet of only or dispersion to the true is not synthesized messagi, to warrant the catabilitations of any type of invertingent account and the catabilitations of any type of investigation of the type of investigation account and the catabilitations of any type of the catability of the storemet backing detecting account social run to one arthorne because the constructed but is seeness of the interest stored account and the catabilitations of the constructed but is seeness of the interest stored account and the constructions are accounted by the constructed but is seeness of the interest stored account and account one affective because and the constructed but the stored account interest stored account account of the store account accou

x.