



**Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans**

FINANCIAL STATEMENTS

September 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Avondale, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Fore!Kids Foundation, Inc. d/b/a Zurich Classic of New Orleans (a nonprofit organization) (the Foundation), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer, Schedule of Charitable Giving, and Schedule of Donations Paid in 2021 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Metairie, Louisiana
March 31, 2022

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Statements of Financial Position

<i>September 30,</i>	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 5,695,418	\$ 4,968,962
Investments	5,045,401	4,316,777
Accounts receivable	254,565	201,095
Other assets	2,500	185,625
<hr/>		
Total assets	\$ 10,997,884	\$ 9,672,459
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Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 187,839	\$ 375,740
Donations payable	1,708,240	1,162,500
Deferred revenue	2,638,766	2,874,250
<hr/>		
Total current liabilities	4,534,845	4,412,490
Net assets		
Without donor restriction	6,463,039	5,259,969
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Total liabilities and net assets	\$ 10,997,884	\$ 9,672,459
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The accompanying notes are an integral part of these financial statements

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Statements of Activities

<i>For the year ended September 30, 2021</i>	2021	2020
Revenue and Support		
Tournament	\$ 11,772,744	\$ 2,251,186
Fundraising	18,900	77,000
Membership dues	120,021	120,834
Contributions	437,988	494,208
Cooperative endeavor agreements	478,728	54,662
PPP loan revenue	-	129,400
Other	80,001	130,400
<hr/>		
Total revenue and other support without donor restriction	12,908,382	3,257,690
Expenses		
Tournament	9,962,923	1,223,625
Donations	1,947,784	1,218,922
General and administrative	582,995	551,260
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Total expenses	12,493,702	2,993,807
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Change in net assets without donor restriction before other revenues	414,680	263,883
<hr/>		
Other Revenues		
Dividends and interest income	112,889	121,538
Realized gains on investments	308,582	99,092
Unrealized gains on investments	366,919	307,351
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Total other revenues without donor restriction	788,390	527,981
<hr/>		
Change in net assets without donor restriction	1,203,070	791,864
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Net assets at beginning of year	5,259,969	4,468,105
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Net assets at end of year	\$ 6,463,039	\$ 5,259,969
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The accompanying notes are an integral part of these financial statements

**Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Statement of Functional Expense**

<i>For the year ended September 30, 2021</i>	Program Services		Supporting Services		Total
	Tournament	Donations	General and Administration		
Purse	\$ 6,360,000	\$ -	\$ -	\$ -	6,360,000
Tournament buildout and equipment	2,838,814	-	-	-	2,838,814
Grants	-	1,947,784	-	-	1,947,784
Salaries and benefits	577,570	-	358,624	-	936,194
Other tournament expenses	141,969	-	-	-	141,969
Rent	-	-	80,001	-	80,001
Insurance	41,840	-	32,881	-	74,721
Office expense	-	-	58,857	-	58,857
Membership	-	-	52,632	-	52,632
Travel	2,730	-	-	-	2,730
Total expenses	\$ 9,962,923	\$ 1,947,784	\$ 582,995	\$ -	12,493,702

The accompanying notes are an integral part of these financial statements

**Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Statement of Functional Expense**

<i>For the year ended September 30, 2020</i>	Program Services		Supporting Services		Total
	Tournament	Donations	General and Administration		
Purse	\$ -	\$ -	\$ -	\$ -	-
Tournament buildout & equipment	406,897	-	-	-	406,897
Grants	-	1,218,922	-	-	1,218,922
Salaries and benefits	713,939	-	311,234	-	1,025,173
Other tournament expenses	94,606	-	-	-	94,606
Rent	-	-	80,001	-	80,001
Office expense	-	-	60,128	-	60,128
Membership	-	-	51,711	-	51,711
Bad Debt	-	-	48,186	-	48,186
Travel	8,183	-	-	-	8,183
Total expenses	\$ 1,223,625	\$ 1,218,922	\$ 551,260	\$ -	2,993,807

The accompanying notes are an integral part of these financial statements

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Statements of Cash Flows

<i>For the years ended September 30,</i>	2021	2020
Operating Activities		
Changes in net assets	\$ 1,203,070	\$ 791,864
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Unrealized gains on investments	(366,919)	(307,351)
Realized gains on investments	(308,582)	(99,092)
Changes in operating assets and liabilities:		
Accounts receivable	(53,470)	953,236
Other assets	183,125	(170,803)
Accounts payable	(187,901)	134,570
Donations payable	545,740	(382,500)
Deferred revenue	(235,484)	2,796,725
Net cash provided by (used in) operating activities	779,579	3,716,649
Investing Activities		
Purchases of investments	(1,159,749)	(891,370)
Sales of investments	1,106,626	890,734
Net cash provided by (used in) investing activities	(53,123)	(636)
Net change in cash and cash equivalents	726,456	3,716,013
Cash and cash equivalents at beginning of year	4,968,962	1,252,949
Cash and cash equivalents at end of year	\$ 5,695,418	\$ 4,968,962

The accompanying notes are an integral part of these financial statements

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The Fore!Kids Foundation, Inc. (the Foundation) was incorporated on September 20, 1990 under the laws of the State of Louisiana as a non-profit corporation and does business as the Zurich Classic of New Orleans. The primary purpose of the Foundation is the promotion and support of children's charities for the community of New Orleans by promoting, managing and sponsoring an annual Professional Golfers' Association (PGA) Tour golf tournament (Tournament). The Tournament is sponsored under a written agreement with the PGA Tour, which details the terms and conditions of the Tournament, prizes to professionals, financial obligations and general division of duties of the parties. The Foundation has an annual charitable impact of approximately \$2.3 million dollars on the New Orleans metropolitan area and Southeast Louisiana.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures 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 those estimates.

Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Investments

The Foundation's investments are stated at fair value. Investment income is recognized when earned. The change in unrealized gains and losses is included in the changes in net assets without donor restriction in the accompanying statements of activities. Investments consist of mutual funds, equity securities and bonds.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable are stated at the amount the Foundation expects to collect. At September 30, 2021, the primary receivables are from the PGA Tour. At September 30, 2020, the primary receivables are from the PGA Tour and Volunteers of America. Money pledged from the PGA Tour is withheld until the annual financial statement audit is submitted. The Foundation believes all receivables are collectible; therefore no allowance existed at September 30, 2021 and 2020.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,500 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are as follows:

Equipment	5-7 years
Leasehold improvements	7-10 years

There was no depreciation expense for the years ended September 30, 2021 and 2020, respectively, as all property and equipment has been fully depreciated.

Deferred Revenue

The Foundation receives part of its annual sponsorship rights with Zurich in June of each year. This revenue is part of the next year's sponsorship agreement and must be deferred at the time of receipt because it is not earned until the following year. Additional amounts in deferred revenues are from membership fees or suite fees for the upcoming tournament.

Net Assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of its operations. The governing board has designated, from net assets without donor restrictions, net assets for future tournament expenses. Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity. There were no assets with donor restrictions at September 30, 2021 and 2020.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

The Foundation's primary source of revenue is from the staging of its annual PGA-sponsored Tournament. Approximately 91% and 69%, respectively, of the revenue earned during the years ended September 30, 2021 and 2020 comes from ticket sales and television and sponsorship rights associated with the Tournament. The current contract with the PGA and Zurich, the title sponsor, runs through the 2026 golf tournament.

As a result of the COVID-19 pandemic, the tournament revenue in 2020 was limited primarily to sponsorship fees from Zurich in its role as the lead sponsor of the tournament.

Donations that are restricted by the donor are reported as increases in revenue without donor restriction if the restrictions expire (that is, a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted donations are reported as increases in revenue with donor restriction, depending on the nature of the restriction.

When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction. As of September 30, 2021 and 2020, there are no net assets with donor restriction.

The Foundation has three cooperative endeavor agreements with the State of Louisiana (the State). The purpose of each of the cooperative endeavor agreements is to defray the costs (1) associated with the production of the PGA Tour event and (2) associated with advertising. The cooperative endeavor agreements are based on the State's availability of funds and must be renewed on an annual basis.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

The Foundation also offers various rights and services during the Tournament to several of its suppliers and vendors in return for services and products provided by these suppliers such as use of rental cars, rental of equipment, airplane tickets, catering services, media, and other services and products. These non-cash transactions are recorded at the value of the service given up by the Foundation and totaled approximately \$535,460 and \$0 in tournament revenue and expense for the years ended September 30, 2021 and 2020, respectively.

Refundable Advance – PPP Loan Revenue

On July 27, 2020 the Foundation received a loan in the amount of \$129,400 under the Paycheck Protection Program (PPP) pursuant to the CARES Act and administered by the U.S. Small Business Administration (SBA) (See Note 14). The Foundation is recognizing revenue from the PPP loan following the guidance under FASB ASC 958-605. PPP loan funds are considered a conditional contribution and recorded as a refundable advance on the statement of financial position until the barriers to entitlement are met. The Foundation considers the barriers to entitlement to include the incurrence of qualifying expenses and maintaining specified levels of payroll and employment. Revenue is recognized once conditions have been substantially met or explicitly waived. The Foundation does not consider the administrative process of filing for forgiveness to be a condition to recognize the PPP loan as revenue. The PPP loan was fully forgiven on January 8, 2021.

Functional Expense

The financial statements of the Foundation report certain categories of expenses that are attributable to more than one program or supporting function. The Foundation has two primary programs which make up a majority of the functional expense: the promotion of a PGA Tournament (Tournament) and Donations to Children’s Charities throughout the Gulf Coast Region (Donations). Expenses are allocated based on functional use or actual time and effort.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

The Foundation expenses advertising as incurred. Advertising expense was \$111,866 and \$0 for the years ended September 30, 2021 and 2020, respectively, and is recorded in tournament expenses in the statements of activities.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from taxes on income other than unrelated business income. Unrelated business income results from rent, administration of self-insurance activities, and commissions. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2021 and 2020, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 31, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recently Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments superseded the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance and requires expanded disclosures about revenue recognition to enable financial statement users to understand the nature, timing, amount, and uncertainty of revenue and cash flows arising from contracts with customers.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncements (Continued)

Effective October 1, 2020, the Foundation adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to net assets recognized upon adoption. Therefore, the net assets at the beginning of the year have not been restated and continue to be reported under the accounting standards in effect for that year. The effects of ASC 606 on the financial statements were not material and, as such, no adjustment has been recorded.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. On June 3, 2020, FASB issued ASU 2020-05 effectively delaying required implementation of the new revenue recognition standard to annual period beginning after December 31, 2021. The Foundation elected not to early adopt the provisions of ASU 2016-02 for the year ended June 30, 2021. The Foundation is currently evaluating the impact of the guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update apply to Not-for-Profit entities that receive contributed nonfinancial assets. Under the guidance, entities are required to (1) present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and (2) disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statements of activities by category that depict the type of contributed nonfinancial assets and certain qualitative information. This new guidance is required to be applied on a retrospective basis and is effective for annual period beginning after June 15, 2021. Early adoption is permitted. The Foundation is currently evaluating the impact of the guidance on its financial statements.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

NOTE 3: FINANCIAL ASSET AVAILABILITY

The Foundation maintains its financial assets primarily in cash, cash equivalents, and liquid investments to provide liquidity to ensure funds are available as the Foundation's expenditures come due. The following reflects the Foundation's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions. The Foundation has a goal to maintain financial assets, consisting of cash on hand, accounts receivable, and investments to meet tournament operating expenses for at least one tournament, and believes it has appropriate available financial resources as of September 30, 2021.

<i>September 30,</i>	2021	2020
Financial assets, at year-end	\$ 10,995,384	\$ 9,486,834
Less those not available for general expenditures within one year, due to donor imposed restrictions	-	-
Financial assets available to meet cash needs for general expenditures	\$ 10,995,384	\$ 9,486,834

Financial assets at year-end as noted in the above schedule exclude property and equipment and other assets.

Note 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of September 30:

	2021	2020
Equipment	\$ 253,367	\$ 253,367
Leasehold improvements	687,768	687,768
Total cost	941,135	941,135
Less accumulated depreciation	(941,135)	(941,135)
Property and equipment, net	\$ -	\$ -

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 5: NET ASSETS

A summary of net assets without donor restrictions is as follows:

	2021	2020
Net assets without donor restrictions:		
Undesignated	\$ 3,088,239	\$ 1,885,169
Board-designated for future tournament expenses	3,374,800	3,374,800
Total net assets without donor restrictions	\$ 6,463,039	\$ 5,259,969

There were no net assets with donor restrictions at September 30, 2021 and 2020.

Note 6: AGENCY TRANSACTIONS

The Foundation, serving in an agency capacity, receives funds from various charity golf tournaments and other events throughout the year. Those funds are then distributed to the designated charity. The total amount received during the years ended September 30, 2021 and 2020, was approximately \$302,976 and \$394,313, respectively, which was distributed to the various charities.

Note 7: TOURNAMENT SPONSORSHIP AGREEMENT

The Foundation's primary source of revenue is the sale of tournament sponsorships and other rights. The sponsorship agreement with Zurich calls for, among other things, an annual sponsorship fee, guarantee of the purchase of a specified number of advertising units from the networks broadcasting the Tournament, and the right to have the Zurich name included in the Tournament name. Payments on behalf of Zurich were made to the Foundation totaling \$4,605,000 and \$4,480,000 for the years ended September 30, 2021 and 2020, respectively. The term of the agreement is effective through the 2026 Tournament. In May 2020, Zurich notified the Foundation that \$2,215,000 of sponsorship payments made in fiscal 2020 are to be applied to the 2020 tournament and the remaining \$2,215,000 is to be used to offset the sponsorship fee for the 2021 tournament. Included in deferred revenue in the statements of financial position was \$2,390,000 and \$2,215,000 at September 30, 2021 and 2020, respectively, related to Zurich sponsorship amounts for the subsequent year's tournament.

Note 8: DONATIONS

The Foundation makes donations to local and children's charities based on requests received during the year. During 2021 and 2020, the Foundation donated \$1,947,784 and \$1,218,922, respectively, to these charities, of which \$16,740 and \$8,516, respectively, were donations of tickets and other tournament packages which were raffled by the requesting organizations. The proceeds of the raffles were donated to charitable organizations. In addition to these donations, the PGA Tour contributed \$50,000 directly to charities on behalf of the Foundation for each of the years ended September 30, 2021 and 2020.

Note 9: LEASE

The Foundation leases office space under a noncancellable operating lease which expired in June 2014. After June 2014, as long as the PGA Tour utilizes the current tournament site, the Foundation can renew its lease annually at the term of \$1 per year. The Foundation recorded in-kind rent income and expense in the amount of the original terms of the agreement of \$80,001 for each of the years ended September 30, 2021 and 2020 and is included in other income and rent expense on the statement of activities.

Note 10: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 10: FAIR VALUE MEASUREMENTS (Continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

Fixed Income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets measured at fair value on a recurring basis are summarized at September 30, 2021:

	Level 1	Level 2	Level 3	Total
Fixed income	\$ 1,347,990	\$ -	\$ -	\$ 1,347,990
Equities	2,163,850	-	-	2,163,850
Mutual funds	1,533,561	-	-	1,533,561
Total investments at fair value	\$ 5,045,401	\$ -	\$ -	\$ 5,045,401

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 10: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis are summarized at September 30, 2020:

	Level 1	Level 2	Level 3	Total
Fixed income	\$ 1,064,507	\$ -	\$ -	\$ 1,064,507
Equities	1,900,203	-	-	1,900,203
Mutual funds	1,352,067	-	-	1,352,067
Total investments at fair value	\$ 4,316,777	\$ -	\$ -	\$ 4,316,777

Investment related expenses for the years ended September 30, 2021 and 2020 was \$46,985 and \$39,873, respectively.

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended September 30, 2021 and 2020, there were no significant transfers in or out of Levels 1, 2, or 3.

Note 11: CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and investments. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2021 and 2020, the Foundation had cash in banks in excess of this amount totaling \$5,361,441 and \$4,508,175, respectively. The Foundation has no policy requiring collateral or other security to support its deposits.

The Foundation has investment accounts that contain cash and securities. Balances are insured up to \$500,000 which includes a limit of \$250,000 for cash, by the Securities Investors Protection Corporation (SIPC). The Foundation had balances in excess of these amounts totaling \$4,545,401 and \$3,966,777 as of September 30, 2021 and 2020, respectively. The Foundation has no policy requiring collateral or other security to support its deposits.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 11: CONCENTRATION OF CREDIT RISK (Continued)

As of September 30, 2021, the Foundation had relationships with two entities that made up approximately 97% of all receivables. As of September 30, 2020, the Foundation had relationships with two entities that made up approximately 96% of all receivables.

For the year ended September 30, 2021, the Foundation had one entity that comprised 56% of total revenue. For the year ended September 30, 2020, the Foundation had one entity that comprised 68% of total revenue.

Note 12: RETIREMENT PLANS

The Foundation provides an elective deferral 403(b) retirement plan (the Plan). Upon hire, all full-time employees of the Foundation are eligible to make elective deferrals to the Plan. The Foundation does not provide any matching contributions to the Plan.

The Foundation also provides a Simplified Employee Pension Discretionary Retirement Plan (SEP) for full-time employees with over one year of service who are over the age of 21. The Foundation makes contributions to the SEP at a rate of 4% of an employee's gross salary per year and is limited to the first \$205,000 of income for each employee. No employee contribution is necessary to participate. Contributions related to the retirement plan for the years ended September 30, 2021 and 2020 were \$27,053 and \$26,376, respectively.

Note 13: RELATED PARTY TRANSACTIONS

The Foundation and the Bayou District Foundation have common board members. The Foundation contributed \$73,295 and \$57,000 to the Bayou District Foundation during the years ended September 30, 2021 and 2020, respectively.

The Foundation and Educare New Orleans have common board members. The Foundation contributed \$200,000 to Educare New Orleans for each of the years ended September 30, 2021 and 2020. As of both September 30, 2021 and 2020, the amount was accrued and included in contributions payable.

The Foundation and First Tee Greater New Orleans have common board members. The Foundation contributed \$75,000 to First Tee Greater New Orleans for each of the years ended September 30, 2021 and 2020. As of both September 30, 2021 and 2020, the \$75,000 was accrued and included in contributions payable.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to Financial Statements

Note 13: RELATED PARTY TRANSACTIONS (Continued)

The Foundation and the Louisiana Hospitality Foundation have common board members. The Foundation contributed \$160,000 and \$65,000 to the Louisiana Hospitality Foundation for the years ended September 30, 2021 and 2020.

The Foundation and Louisiana Restaurant Association Education Foundation have common board members. The Foundation contributed \$7,500 to Louisiana Restaurant Association Education Foundation for each of the years ended September 30, 2021 and 2020. As of both September 30, 2021 and 2020, the amount was accrued and included in contributions payable.

The Foundation and Catholic Charities have common board members. The Foundation contributed \$10,000 to Catholic Charities for both the years ended September 30, 2021 and 2020. As of both September 30, 2021 and 2020, the amount was accrued and included in contributions payable.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended September 30, 2021

Agency Head Name: Steve Worthy, CEO

Purpose	Amount
Salary	\$ -
Benefits-health insurance	-
Benefits-retirement	-
Deferred compensation	-
Workers comp	-
Benefits-life insurance	-
Benefits-long term disability	-
Benefits-Fica & Medicare	-
Car allowance	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	-
Total	\$ -

There were no public funds used to compensate the agency head during the year ended September 30, 2021.

See independent auditors' report.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Charitable Giving

For the year ended September 30,

2021

Pass-Through Contributions

Zurich's Contribution	
Blessings in a Backpack	46,000
St. Michael's	100,000
Holiday Event (Barnes & Noble)	20,900
Total Zurich's Contributions	166,900
VOA Golf Tournament	105,076
Els for Autism	20,000
Angel's Place Rivertown Theater	10,000
First Tee (Walmart)	1,000
Total Pass-Through Contributions	302,976

Donations Made on Behalf of Fore!Kids Foundation, Inc.

PGA TOUR - World Golf Foundation	50,000
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Fore!Kids Foundation, Inc. Donations

Miscellaneous Donations	
Bayou District Foundation - Acme Venue	\$ 73,295
Louisiana Hospitality Foundation - Champions Club	160,000
Young Life - Westbank	49,000
PGA Tour WPA Purse	10,000
St. Lillian's - Callandro's	10,000
Payton's Play It Forward Foundation - Celeb Shootout	10,000
Team Gleason Foundation - Celeb Shootout	10,000
The Mackel Foundation	15,492
Miscellaneous Donations - under \$10,000	32,482
Charity Golf Tournament/Events - under \$10,000	6,775
In-Kind Donations	16,740
Accrued Donations Approved in FY 2021	1,554,000
Total Fore!Kids Foundation, Inc. Donations	1,947,784

Total Charitable Giving	\$ 2,300,760
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See independent auditors' report.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Donations Paid in 2021

<i>For the year ended September 30,</i>	2021
50 Legs in 50 Days	\$ 10,000
826 New Orleans - Formerly Big Class	5,000
A's and Aces	7,500
Boys and Girls Clubs of Greater Baton Rouge	5,000
Boys and Girls Clubs of Southeast Louisiana	5,000
Boys Hope Girls Hope of Greater New Orleans	15,000
Boys Town Louisiana	5,000
Brave Heart - Children in Need	10,000
Breakthrough New Orleans	7,500
CASA Jefferson	5,000
CASA New Orleans	5,000
Catholic Charities - Cornerstone Kids	10,000
Children's Advocacy Center - Hope House	10,000
Children's Bureau of New Orleans	10,000
Children's Hospital	100,000
Communities in Schools Gulf South	5,000
Covenant House New Orleans	7,500
Educare New Orleans	200,000
Electric Girls	5,000
Elevate New Orleans	5,000
Excite All Stars	10,000
First Tee of Baton Rouge	25,000
First Tee of Greater New Orleans	75,000
Foundation for Woman's	7,500
Friends Helping Kids	10,000
Golden Meadow Lions Club	10,000
Greater New Orleans Foundation	150,000
James Samaritan (Formerly James Storehouse Louisiana)	7,500
Jewish Children's Regional Service	7,500
Lighthouse Louisiana	25,000
Live Oak Camp	5,000
Louisiana Pulmonary Disease Camp - Camp Pelican	10,000
Louisiana Restaurant Association Education Foundation	7,500
McMain's Children's Development Center	5,000
	(Continued)

See independent auditors' report.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Donations Paid in 2021

For the year ended September 30,

2021

Muscular Dystrophy Association of Southeast Louisiana	\$	10,000
New Orleans Speech and Hearing Center		10,000
Our Lady of the Lake Children's Hospital		25,000
Plaquemines Care Center		10,000
Play Build Nola		5,000
Prescription Joy		5,000
Raintree Children and Family Services		15,000
Raphael Academy		10,000
Son of Saint		10,000
St. Lillian Academy		10,000
St. Mary's Residential Training School		12,500
St. Therese Academy		5,000
STAIR		15,000
Sunshine Kids		10,000
The Bright School for the Deaf		10,000
The Chartwell Center		15,000
The Emerge Center		15,000
The Roots of Music		10,000
Volunteers of America Greater New Orleans		10,000
WRBH		2,500
YMCA of Greater New Orleans		5,000
Youth Empowerment Project		10,000
Youth Service Bureau of St. Tammany		7,500
Total Donations Paid in 2021		\$ 1,025,000

(Concluded)

See independent auditors' report.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Avondale, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Fore!Kids Foundation, Inc. d/b/a Zurich Classic of New Orleans (a nonprofit organization) (the Foundation), which comprise the statement of financial position as of September 30, 2021, and the related statements of functional expense, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Rigg & Ingram, L.L.C.

Metairie, Louisiana
March 31, 2022

See independent auditors' report.

**Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Findings and Responses
For the year ended September 30, 2021**

I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

1. Type of auditors’ report issued	Unmodified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	None noted
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	None noted

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

No findings material to the financial statements were noted during the year ended September 30, 2021.

III – OTHER MATTERS

No management letter was issued for the year ended September 30, 2021.

**Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2020**

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

No findings material to the financial statements were noted during the year ended September 30, 2020.

III – OTHER MATTERS

No management letter was issued for the year ended September 30, 2020.