

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

FINANCIAL REPORT

September 30, 2024 and 2023

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
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INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2024 and 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is 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 February 4, 2025, 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 the effectiveness of the Foundation's 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.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
February 4, 2025

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

<i>September 30,</i>	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 6,031,820	\$ 6,019,233
Investments	8,125,993	5,326,877
Accounts receivable	1,372,955	1,199,554
Total current assets	15,530,768	12,545,664
Total assets	\$ 15,530,768	\$ 12,545,664
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 573,442	\$ 190,306
Accrued expenses	-	223,242
Donations payable	2,093,982	1,810,972
Deferred revenue	2,748,000	2,606,745
Total liabilities	5,415,424	4,831,265
Net assets		
Without donor restrictions	10,115,344	7,714,399
Total liabilities and net assets	\$ 15,530,768	\$ 12,545,664

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 Activities

<i>For the year ended September 30, 2024</i>	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support			
Tournament	\$ 16,785,802	\$ -	\$ 16,785,802
Cooperative endeavor agreements	711,623	-	711,623
Contributions of cash and other financial assets	514,660	-	514,660
Contributions of non-financial assets	254,834	-	254,834
Membership dues	126,891	-	126,891
Other	133,901	-	133,901
Total revenue and support	18,527,711	-	18,527,711
Expenses			
Tournament	14,173,308	-	14,173,308
Donations	2,955,271	-	2,955,271
General and administrative	616,061	-	616,061
Total expenses	17,744,640	-	17,744,640
Change in net assets before other expenses	783,071	-	783,071
Other Revenues (Expenses)			
Dividends and interest income	273,839	-	273,839
Realized gains on investments	395,482	-	395,482
Unrealized gains on investments	948,553	-	948,553
Total other revenues	1,617,874	-	1,617,874
Change in net assets	2,400,945	-	2,400,945
Net assets at beginning of year	7,714,399	-	7,714,399
Net assets at end of year	\$ 10,115,344	\$ -	\$ 10,115,344

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 Activities

<i>For the year ended September 30, 2023</i>	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support			
Tournament	\$ 15,942,561	\$ -	\$ 15,942,561
Cooperative endeavor agreements	511,623	-	511,623
Contributions of cash and other financial assets	364,672	-	364,672
Contributions of non-financial assets	242,334	-	242,334
Membership dues	125,292	-	125,292
Other	139,300	-	139,300
Total revenue and support	17,325,782	-	17,325,782
Expenses			
Tournament	13,575,892	-	13,575,892
Donations	2,423,600	-	2,423,600
General and administrative	564,213	-	564,213
Total expenses	16,563,705	-	16,563,705
Change in net assets before other revenues	762,077	-	762,077
Other Revenues (Expenses)			
Dividends and interest income	155,700	-	155,700
Realized gains on investments	71,904	-	71,904
Unrealized gains on investments	421,256	-	421,256
Total other revenues	648,860	-	648,860
Change in net assets	1,410,937	-	1,410,937
Net assets at beginning of year	6,303,462	-	6,303,462
Net assets at end of year	\$ 7,714,399	\$ -	\$ 7,714,399

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

	Program Services		Supporting Services		
			General and		
<i>For the year ended September 30, 2024</i>	Tournament	Donations	Administration		Total
Purse	\$ 8,900,000	\$ -	\$ -	\$	8,900,000
Tournament buildout and equipment	4,074,086	-	-		4,074,086
Grants	-	2,955,271	-		2,955,271
Salaries and benefits	844,178	-	351,461		1,195,639
Other tournament expenses	263,634	-	-		263,634
Insurance	79,414	-	35,075		114,489
Rent	-	-	80,001		80,001
Membership	-	-	74,342		74,342
Office expense	-	-	75,182		75,182
Travel	11,996	-	-		11,996
Total expenses	\$ 14,173,308	\$ 2,955,271	\$ 616,061	\$	17,744,640

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

	Program Services		Supporting Services		
			General and Administration		
<i>For the year ended September 30, 2023</i>	Tournament	Donations			Total
Purse	\$ 8,600,000	\$ -	\$ -	\$ -	8,600,000
Tournament buildout and equipment	3,804,704	-	-	-	3,804,704
Grants	-	2,423,600	-	-	2,423,600
Salaries and benefits	872,457	-	304,965	-	1,177,422
Other tournament expenses	214,199	-	-	-	214,199
Insurance	75,251	-	32,691	-	107,942
Rent	-	-	80,001	-	80,001
Membership	-	-	75,013	-	75,013
Office expense	-	-	71,543	-	71,543
Travel	9,281	-	-	-	9,281
Total expenses	\$ 13,575,892	\$ 2,423,600	\$ 564,213	\$ -	16,563,705

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>	2024	2023
Operating Activities		
Changes in net assets	\$ 2,400,945	\$ 1,410,937
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Unrealized losses (gains) on investments	(948,553)	(421,256)
Realized gains on investments	(395,482)	(71,904)
Changes in operating assets and liabilities:		
Accounts receivable	(173,401)	(509,849)
Other assets	-	8,440
Accounts payable	383,136	(190,874)
Accrued expenses	(223,242)	80,900
Donations payable	283,010	60,500
Deferred revenue	141,255	55,820
Net cash provided by operating activities	1,467,668	422,714
Investing Activities		
Purchases of investments	(2,462,516)	(1,928,861)
Sales of investments	1,007,435	1,561,909
Net cash used in investing activities	(1,455,081)	(366,952)
Net change in cash and cash equivalents	12,587	55,762
Cash and cash equivalents at beginning of year	6,019,233	5,963,471
Cash and cash equivalents at end of year	\$ 6,031,820	\$ 6,019,233

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 the Financial Statements
September 30, 2024 and 2023

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 \$3.3 million dollars on the New Orleans metropolitan area and Southeast Louisiana.

NOTE 2: 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 the Financial Statements
September 30, 2024 and 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at the amount the Foundation expects to collect. As of September 30, 2024, the primary receivables are from the PGA Tour and Jefferson Parish. Money pledged from the PGA Tour is withheld until the annual financial statement audit is submitted and amendments to the tournament agreement are finalized. As of September 30, 2023, the primary receivables are from the PGA Tour and Jefferson Parish. The Foundation believes all receivables are collectible; therefore, no allowance existed as of September 30, 2024 and 2023. Accounts receivable as of October 1, 2022 were \$689,705.

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, 2024 and 2023 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 of its operations. The governing board has designated, from net assets without donor restrictions, net assets for future tournament expenses.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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, 2024 and 2023.

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 92% of the revenue earned comes from ticket sales and television and sponsorship rights associated with the Tournament during the years ended September 30, 2024 and 2023, respectively. The current contract with the PGA and Zurich, the title sponsor, runs through the 2026 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 restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

The Foundation has two (2) cooperative endeavor agreements with the State of Louisiana (the State) and one (1) with Jefferson Parish. 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.

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.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Non-Financial Assets

The Foundation provides various rights and services during the Tournament to several of its suppliers and vendors in return for services and products, including rental cars, rental equipment, office space, catering services, media, and other services and products. These non-cash transactions are recorded at their fair value which is determined based on market rates for similar goods and services. There are no donor-imposed restrictions on these contributions. The Foundation uses these contributions directly to support its operational needs during the Tournament.

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.

Advertising

The Foundation expenses advertising as incurred. Advertising expense was \$138,412 and \$179,488 for the years ended September 30, 2024 and 2023, 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, 2024 and 2023, the Foundation has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (the “FASB”) issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). Under this accounting standard, the incurred loss impairment methodology in current GAAP is replaced with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Foundation adopted this new accounting standard on October 1, 2023. Adoption of this standard did not have a significant impact on the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 4, 2025. No subsequent events occurring after this date have been evaluated for inclusion in these 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 dates, reduced by amounts not available for general use within one year of the statement of financial position dates 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, 2024 and 2023.

<i>As of September 30,</i>	2024	2023
Financial assets, at year-end	\$ 15,530,768	\$ 12,545,664
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	\$ 15,530,768	\$ 12,545,664

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

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 4: PROPERTY AND EQUIPMENT

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

	2024		2023
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	\$ -	\$	-

NOTE 5: NET ASSETS

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

	2024		2023
Net assets without donor restrictions:			
Undesignated	\$ 6,740,544	\$	4,339,599
Board-designated for future tournament expenses	3,374,800		3,374,800
Total net assets without donor restrictions	\$ 10,115,344	\$	7,714,399

There were no net assets with donor restrictions as of September 30, 2024 and 2023.

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, 2024 and 2023, was \$340,790 and \$328,480, 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 \$5,270,000 and \$5,120,000 for the years ended September 30, 2024 and 2023, respectively. The term of the agreement is effective through the 2026 Tournament. Included in deferred revenue in the statements of financial position was \$2,652,500 and \$2,565,000 at September 30, 2024 and 2023, respectively, related to Zurich sponsorship amounts for the subsequent year's tournament.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 8: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

A summary of contributions of non-financial assets is as follows:

Non-financial Contributions Category	Description of Contribution	Valuation	2024	2023
Equipment	Facilities, traffic safety products, vehicles, copiers, and golf carts	Third-party estimates using billing rates in like circumstances	\$ 104,860	\$ 93,885
Meals	Food and drinks	Prices of identical or similar products	71,364	86,934
Events / Trips	Golf trips and various social events	Prices of identical or similar products	29,150	22,830
Professional Services	Pest control, dry cleaning, and bus transportation	Third-party estimates using billing rates in like circumstances	21,735	18,105
Fundraising	Diamond Raffle	Prices of identical or similar products	10,000	10,000
Merchandise	Uniforms, sunglasses, and towels	Prices of identical or similar products	8,300	7,180
Gift Cards	Various gift cards	Prices of identical or similar products	4,425	2,300
Utilities	Various utilities	Third-party estimates using billing rates in like circumstances	5,000	1,100
Total contributions of non-financial assets			\$ 254,834	\$ 242,334

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 9: DONATIONS

The Foundation makes donations to local and children's charities based on requests received during the year. During 2024 and 2023, the Foundation donated \$2,955,271 and \$2,423,600, respectively, to these charities, of which \$38,220 and \$34,830 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 \$3,000 and \$75,000 directly to charities on behalf of the Foundation for the years ended September 30, 2024 and 2023, respectively.

NOTE 10: 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, 2024 and 2023 and is included in other income and rent expense on the statements of activities.

NOTE 11: 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 the Financial Statements
September 30, 2024 and 2023

NOTE 11: 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, 2024 and 2023.

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, 2024:

	Level 1	Level 2	Level 3	Total
Fixed income	\$ 2,242,542	\$ -	\$ -	\$ 2,242,542
Equities	3,307,801	-	-	3,307,801
Mutual funds	2,575,650	-	-	2,575,650
Total investments at fair value	\$ 8,125,993	\$ -	\$ -	\$ 8,125,993

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 11: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis are summarized at September 30, 2023:

	Level 1	Level 2	Level 3	Total
Fixed income	\$ 1,498,917	\$ -	\$ -	\$ 1,498,917
Equities	2,248,999	-	-	2,248,999
Mutual funds	1,578,961	-	-	1,578,961
Total investments at fair value	\$ 5,326,877	\$ -	\$ -	\$ 5,326,877

Investment related expenses for the years ended September 30, 2024 and 2023 were \$66,686 and \$50,080, 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 transfers 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, 2024 and 2023, there were no significant transfers in or out of Levels 1, 2, or 3.

NOTE 12: 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, 2024 and 2023, the Foundation had cash in banks in excess of this amount totaling \$5,615,226 and \$5,358,820, 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). As of September 30, 2024 and 2023, the Foundation had balances in excess of these amounts totaling \$7,625,993 and \$5,304,912, respectively. The Foundation has no policy requiring collateral or other security to support its deposits.

As of September 30, 2024, the Foundation had relationships with two (2) entities that made up approximately 83% of all receivables. As of September 30, 2023, the Foundation had relationships with two (2) entities that made up approximately 76% of all receivables.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2024 and 2023

NOTE 12: CONCENTRATION OF CREDIT RISK (CONTINUED)

For the year ended September 30, 2024, the Foundation had one (1) entity that comprised 59% of total revenue. For the year ended September 30, 2023, the Foundation had one (1) entity that comprised 57% of total revenue.

NOTE 13: 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 provides a 401(k) plan for employees with over one month of service who are over the age of 18. The Foundation makes contributions at a rate of 3% of an employee's gross salary per year. No employee contribution is necessary to participate. Contributions related to the retirement plan for the years ended September 30, 2024 and 2023 were \$34,671 and \$34,147, respectively.

NOTE 14: RELATED PARTY TRANSACTIONS

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, 2024 and 2023. As of both September 30, 2024 and 2023, the amount was accrued and included in contributions payable.

The Foundation and the Louisiana Hospitality Foundation have common board members. The Foundation contributed \$675,000 and \$565,000 to Louisiana Hospitality Foundation for the years ended September 30, 2024 and 2023, respectively. As of both September 30, 2024 and 2023, 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, 2024

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, 2024.

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,

2024

Pass-through Contributions

Zurich's Contribution		
St. Michael's	\$	100,000
Blessing in a Backpack		46,000
Dillard University General Scholarship Fund		20,000
Total Zurich's Contributions		166,000
PGA Tour's Contribution		
First Tee of Baton Rouge		25,000
First Tee of Greater New Orleans		25,000
Total PGA Tour's Contributions		50,000
Calandro's Contribution		
The Emerge Center		20,000
St. Lillian Academy		10,000
Total Calandro's Contributions		30,000
VOA Golf Tournament		94,790
Total Pass-Through Contributions		340,790

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

PGA TOUR - World Golf Foundation	3,000
Total Donations Made on Behalf of Fore!Kids Foundation, Inc.	3,000

Fore!Kids Foundation, Inc. Donations

Louisiana Hospitality Foundation - ZCNO	675,000
Young Life - Westbank	50,000
Café Reconcile - ZCNO	38,107
Bayou District Foundation	26,072
Boys & Girls Clubs of SE LA - Celeb Shootout	10,000
The First Tee of Greater New Orleans - WPA Purse	10,000
Charity Golf Tournament/Events - under \$10,000	13,212
Miscellaneous Donations - under \$10,000	20,450
In-Kind Donations	38,220
Accrued donations approved in FY 2024	2,074,210
Total Fore!Kids Foundation, Inc. Donations	2,955,271

Total Charitable Giving	\$ 3,299,061
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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 2024

For the year ended September 30,	2024
300 Forward	\$ 15,000
50 Legs in 50 Days	10,000
826 New Orleans - Formerly Big Class	5,000
A's & Aces	7,500
Baton Rouge General Foundation	65,000
Belle Chasse High School	2,700
Boys and Girls Clubs of Southeast Louisiana	50,000
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
Café Reconcile	10,000
Camp Pelican	10,000
Caps for Kids	6,500
CASA Jefferson, Inc.	5,000
CASA New Orleans	5,000
CASA Program	10,000
Children's Advocacy Center	18,000
Children's Bureau of New Orleans	10,000
Children's Hospital	655,000
Children's Museum of St. Tammany	10,000
Communities in Schools Gulf South	5,000
Community Sailing New Orleans	5,000
Covenant House New Orleans	7,500
Educare New Orleans	200,000
Ellis Marsalis Center for Music	5,000
Excite All Stars	10,000
Family Promise of St. Tammany	10,000
First Louisiana-Mississippi, Inc.	7,500
Foundation for Women	7,500
Friends Helping Kids	10,000
Golden Meadow Lions Club	14,000
Good Shepard School	15,000
Grow Dat Youth Farm	10,000
HeartGift Louisiana	50,000
James Samaritan (Formerly James Storehouse Louisiana)	7,500
Jewish Children's Regional Service	7,500
JoJo's Hope	5,000

(Continued)

See independent auditors' report.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Donations Paid in 2024

Junior Achievement New Orleans	7,500
Kelly Gibson Foundation	18,000
Kenner Boxing Club	10,000
Lighthouse Louisiana	25,000
Live Oak Camp	5,000
Louisiana Restaurant Association Education Foundation	15,000
Make Music NOLA	10,000
McMain's Children's Development Center	5,000
Miscellaneous Donations - Under \$5,000	12,000
Muscular Dystrophy Association of Southeast Louisiana	10,000
New Orleans Speech and Hearing Center	10,000
New Orleans Museum of Art	5,000
Prescription Joy	7,500
Raintree Children and Family Services	15,000
Raphael Academy	10,000
Rummel High School	2,000
Second Harvest Food Bank	10,000
Son of a Saint	15,000
Special Olympics Louisiana	10,000
St. Lillian Academy	20,000
St. Mary's Residential Training School	12,500
St. Michael Special School	25,000
St. Therese Academy	10,000
STAIR	15,000
Stem Nola	25,000
Suicide Prevention Services	10,000
Sunshine Kids	10,000
The 18th Ward	10,000
The Bright School for the Deaf	10,000
The Chartwell Center	10,500
The Emerge Center	25,000
The First Tee of Greater New Orleans	50,000
The Roots of Music	10,000
The Starting Block	5,000
Volunteers of America Greater New Orleans	10,000
YMCA of Greater New Orleans	7,500
Youth Empowerment Project	10,000
Youth Service Bureau of St. Tammany	15,000
Total Donations Paid in 2024	\$ 1,801,200

See independent auditors' report.

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. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 4, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fore!Kids Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Fore!Kids Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Fore!Kids Foundation, Inc.'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fore!Kids Foundation, Inc.'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 financial statements. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
February 4, 2025

**Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Findings and Responses
For the year ended September 30, 2024**

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, 2024.

III – OTHER MATTERS

No management letter was issued for the year ended September 30, 2024.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2024

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

No findings material to the financial statements were noted during the year ended September 30, 2023.

III – OTHER MATTERS

No management letter was issued for the year ended September 30, 2023.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2023 through September 30, 2024. The Fore!Kids Foundation's management is responsible for those C/C areas identified in the SAUPs.

The Fore!Kids Foundation's (the Foundation) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2023 through September 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

- I. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

We obtained the entity's policies on budgeting and noted no exceptions.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

We obtained the entity's policies on purchasing and noted no exceptions.

- c) **Disbursements**, including processing, reviewing, and approving.

We obtained the entity's policies on disbursements and noted no exceptions.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

We obtained the entity's policies on receipts/collections and noted no exceptions.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

We obtained the entity's policies on payroll/personnel and noted no exceptions.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

We obtained the entity's policies on contracting and noted no exceptions.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

We obtained the entity's policies on credit cards and noted no exceptions.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

We obtained the entity's policies on travel and expense reimbursement and noted no exceptions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

N/A – the Louisiana Code of Ethics is not applicable to not-for-profit entities.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

N/A – the entity holds no outstanding debt.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We obtained the entity's policies on information technology disaster recovery/business continuity and noted no exceptions.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

N/A – this section is not applicable to not-for-profit entities.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The Board of Directors met in accordance with their policies and procedures, without exception.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

Noted the minutes referenced or included the applicable financial statement comparisons, without exception.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

N/A – this section is not applicable to not-for-profit entities.

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings are considered fully resolved.

N/A – There were no audit findings in the prior year.

Bank Reconciliations

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Bank reconciliations included evidence that they were prepared within 2 months of the statement closing date, without exception.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Noted proper segregation of duties for the responsibilities listed above, without exception.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Obtained documentation from management that they have researched all reconciling items greater than 12 months old, without exception.

Collections (excluding electronic funds transfers)

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained listing of deposit sites for the fiscal period and management's representation that the listing is complete, without exception.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Noted proper segregation of duties for the responsibilities listed above, without exception.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Reviewed the entity's policy covering theft of cash by employees responsible for cash collections, without exception.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

N/A – due to the small volume of cash collections received, the entity does not utilize a system of sequentially pre-numbered receipts for their collections.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

For all deposits examined, traced each to the deposit slip, without exception.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

For all deposits examined, traced each to the bank statement, without exception.

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

For all deposits examined, we noted each was made in a timely manner, without exception.

- e) Trace the actual deposit per the bank statement to the general ledger.

For all deposits examined, traced deposit per the bank statement to recording in the general ledger, without exception.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing of locations that process payments for the fiscal period and management's representation that the listing is complete, without exception.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- b) At least two employees are involved in processing and approving payments to vendors.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

For all disbursements examined, noted each matched the original invoice, without exception.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For all disbursements examined, noted proper segregation of duties, without exception.

- 11. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

For all disbursements examined, noted proper segregation of duties, without exception.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

N/A – this section is not applicable as no state funds were used for credit card purchases.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

N/A – this section is not applicable as no state funds were used for credit card purchases.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

N/A – this section is not applicable as no state funds were used for credit card purchases.

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

N/A – this section is not applicable as no state funds were used for credit card purchases.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

N/A – no travel related expenses were reimbursed during the year.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

N/A – no travel related expenses were reimbursed during the year.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure # 1h).

N/A – no travel related expenses were reimbursed during the year.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

N/A – no travel related expenses were reimbursed during the year.

Contracts

- 16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

N/A – no agreements/contracts were required to be bid in accordance with the Louisiana Public Bid Law.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Observed all agreements/contracts were approved in accordance with the Foundation's policies and procedures, without exception.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

N/A – no contract amendments noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Noted all payments examined were in compliance with the terms of the agreement/contract, without exception.

Payroll and Personnel

- 17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

N/A – this section is not applicable as no state funds were used for payroll related expenses.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

N/A – this section is not applicable as no state funds were used for payroll related expenses.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

N/A – this section is not applicable as no state funds were used for payroll related expenses.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

N/A – this section is not applicable as no state funds were used for payroll related expenses.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

N/A – this section is not applicable as no state funds were used for payroll related expenses.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

N/A – this section is not applicable as no state funds were used for payroll related expenses.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

N/A – this section is not applicable as no state funds were used for payroll related expenses.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

N/A – this section is not applicable to not-for-profit entities.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

N/A – this section is not applicable to not-for-profit entities.

21. Inquire whether the agency has appointed an ethics designee as required by R.S. 42:1170.

N/A – this section is not applicable to not-for-profit entities.

Debt Service

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

N/A – the entity has no outstanding debt during the period.

23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

N/A – the entity had no outstanding debt during the period.

Fraud Notice

24. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

N/A – per management the entity had no misappropriation of public funds or assets during the period.

25. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.I concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We observed the notice posted on the Foundation's premises and website, without exception.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

27. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C above. Observe evidence that the selected terminated employees have been removed or disabled from the network.

N/A – No terminated employees during the period under testing.

28. Using the 5 randomly selected employees/officials from the Payroll and Personnel procedure #17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267.

- Hired before June 9, 2020 – completed the training; and
- Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment

N/A – this attribute is not applicable to not-for-profit entities.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

N/A – this section is not applicable to not-for-profit entities.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

N/A – this section is not applicable to not-for-profit entities.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

N/A – this section is not applicable to not-for-profit entities.

We were engaged by the Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
February 4, 2025