

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

FINANCIAL REPORT

September 30, 2023 and 2022

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, 2023 and 2022, 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, 2023 and 2022, 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 19, 2024, 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 19, 2024

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

<i>September 30,</i>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 6,019,233	\$ 5,963,471
Investments	5,326,877	4,466,765
Accounts receivable	1,199,554	689,705
Other assets	-	8,440
Total current assets	12,545,664	11,128,381
Total assets	\$ 12,545,664	\$ 11,128,381
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 190,306	\$ 381,180
Accrued expenses	223,242	142,342
Donations payable	1,810,972	1,750,472
Deferred revenue	2,606,745	2,550,925
Total liabilities	4,831,265	4,824,919
Net assets		
Without donor restrictions	7,714,399	6,303,462
Total liabilities and net assets	\$ 12,545,664	\$ 11,128,381

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
Fundraising	-	-	-
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 this financial statement.

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

<i>For the year ended September 30, 2022</i>	Without Donor Restriction	With Donor Restriction	Total
Revenue and Support			
Tournament	\$ 14,811,042	\$ -	\$ 14,811,042
Cooperative endeavor agreements	669,290	-	669,290
Contributions of cash and other financial assets	491,460	-	491,460
Contributions of non-financial assets	228,155	-	228,155
Membership dues	116,970	-	116,970
Fundraising	7,500	-	7,500
Other	80,001	-	80,001
Total revenue and support	16,404,418	-	16,404,418
Expenses			
Tournament	12,882,289	-	12,882,289
Donations	2,164,739	-	2,164,739
General and administrative	578,636	-	578,636
Total expenses	15,625,664	-	15,625,664
Change in net assets before other expenses	778,754	-	778,754
Other Revenues (Expenses)			
Dividends and interest income	120,127	-	120,127
Realized gains on investments	133,428	-	133,428
Unrealized losses on investments	(1,191,886)	-	(1,191,886)
Total other expenses	(938,331)	-	(938,331)
Change in net assets	(159,577)	-	(159,577)
Net assets at beginning of year	6,463,039	-	6,463,039
Net assets at end of year	\$ 6,303,462	\$ -	\$ 6,303,462

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

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

<i>For the year ended September 30, 2023</i>	Program Services		Supporting Services		Total
	Tournament	Donations	General and Administration		
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 this financial statement.

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

<i>For the year ended September 30, 2022</i>	Program Services		Supporting Services		Total
	Tournament	Donations	General and Administration		
Purse	\$ 8,300,000	\$ -	\$ -	\$ -	\$ 8,300,000
Tournament buildout and equipment	3,523,400	-	-	-	3,523,400
Grants	-	2,164,739	-	-	2,164,739
Salaries and benefits	774,967	-	342,000	-	1,116,967
Other tournament expenses	198,898	-	-	-	198,898
Insurance	71,056	-	32,593	-	103,649
Rent	-	-	80,001	-	80,001
Membership	-	-	65,062	-	65,062
Office expense	-	-	58,980	-	58,980
Travel	13,968	-	-	-	13,968
Total expenses	\$ 12,882,289	\$ 2,164,739	\$ 578,636	\$ -	\$ 15,625,664

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

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

<i>For the years ended September 30,</i>	2023	2022
Operating Activities		
Changes in net assets	\$ 1,410,937	\$ (159,577)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Unrealized losses (gains) on investments	(421,256)	1,191,886
Realized gains on investments	(71,904)	(133,428)
Changes in operating assets and liabilities:		
Accounts receivable	(509,849)	(435,140)
Other assets	8,440	(5,940)
Accounts payable	(190,874)	193,341
Accrued expenses	80,900	142,342
Donations payable	60,500	42,232
Deferred revenue	55,820	(87,841)
 Net cash provided by operating activities	 422,714	 747,875
Investing Activities		
Purchases of investments	(1,928,861)	(1,413,215)
Sales of investments	1,561,909	933,393
 Net cash used in investing activities	 (366,952)	 (479,822)
 Net change in cash and cash equivalents	 55,762	 268,053
Cash and cash equivalents at beginning of year	5,963,471	5,695,418
Cash and cash equivalents at end of year	\$ 6,019,233	\$ 5,963,471

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, 2023 and 2022

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 \$2.8 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, 2023 and 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at the amount the Foundation expects to collect. As of September 30, 2023, the primary receivables are from the PGA Tour and Jefferson Parish. As of September 30, 2022, the primary receivables are from the PGA Tour, Jefferson Parish, 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 as of September 30, 2023 and 2022.

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, 2023 and 2022, 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, 2023 and 2022

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, 2023 and 2022.

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 92% and 90% of the revenue earned comes from ticket sales and television and sponsorship rights associated with the Tournament during the years ended September 30, 2023 and 2022, 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, 2023 and 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions of Non-Financial Assets

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, rental of office space, 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.

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 \$179,488 and \$207,033 for the years ended September 30, 2023 and 2022, 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, 2023 and 2022, 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, February 19, 2024. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (the “FASB”) issued ASU 2016-02, Leases (Topic 842). Under this accounting standard, lessees are required to recognize a right of use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability is equal to the present value of lease payments. The asset is based on the liability, subject to certain adjustments, such as for initial direct costs. For statement of activities purposes, a dual model was retained, requiring leases to be classified as either operating or financing leases. Operating leases result in straight-line expense (similar to operating leases under the prior accounting standard), while financing leases result in a front-loaded expense pattern (similar to capital leases under the prior accounting standard).

The Foundation adopted this standard on October 1, 2022 on a modified retrospective basis and applied the standard to all leases. The Foundation elected the package of practical expedients permitted under the transition guidance within the new standard, which includes, among other things, the ability to carry forward the existing lease classification. No adjustment to beginning net assets was required upon implementation. The new standard did not have a material impact to the Foundation’s 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, 2023 and 2022.

<i>As of September 30,</i>	2023	2022
Financial assets, at year-end	\$ 12,545,664	\$ 11,119,941
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	\$ 12,545,664	\$ 11,119,941

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, 2023 and 2022

NOTE 4: PROPERTY AND EQUIPMENT

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

	2023	2022
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:

	2023	2022
Net assets without donor restrictions:		
Undesignated	\$ 4,339,599	\$ 2,928,662
Board-designated for future tournament expenses	3,374,800	3,374,800
Total net assets without donor restrictions	\$ 7,714,399	\$ 6,303,462

There were no net assets with donor restrictions as of September 30, 2023 and 2022.

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, 2023 and 2022, was \$328,480 and \$365,740, 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 \$5,120,000 and \$4,620,000 for the years ended September 30, 2023 and 2022, respectively. The term of the agreement is effective through the 2026 Tournament. Included in deferred revenue in the statements of financial position was \$2,565,000 and \$2,477,500 at September 30, 2023 and 2022, 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, 2023 and 2022

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	2023	2022
Equipment	Facilities, traffic safety products, vehicles, copiers, and golf carts	Third-party estimates using billing rates in like circumstances	\$ 93,885	\$ 85,595
Meals	Food and drinks	Prices of identical or similar products	86,934	75,630
Events / Trips	Golf trips and various social events	Prices of identical or similar products	22,830	24,030
Professional Services	Pest control, dry cleaning, and bus transportation	Third-party estimates using billing rates in like circumstances	18,105	13,970
Fundraising	Diamond Raffle	Prices of identical or similar products	10,000	10,000
Merchandise	Uniforms, sunglasses, and towels	Prices of identical or similar products	7,180	9,000
Gift Cards	Various gift cards	Prices of identical or similar products	2,300	9,930
Utilities	Various utilities	Third-party estimates using billing rates in like circumstances	1,100	-
Total contributions of non-financial assets			\$ 242,334	\$ 228,155

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 9: DONATIONS

The Foundation makes donations to local and children's charities based on requests received during the year. During 2023 and 2022, the Foundation donated \$2,423,600 and \$2,164,739, respectively, to these charities, of which \$34,830 and \$20,010, 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 \$75,000 and \$70,000 directly to charities on behalf of the Foundation for the years ended September 30, 2023 and 2022, respectively.

NOTE 10: LEASE

The Foundation previously leased office space under a non-cancellable operating lease, which expired in June 2014. Subsequent to this expiration, and contingent upon the PGA Tour's continued utilization of the current tournament site, the Foundation has the option to renew its lease annually for a nominal fee of \$1 per year. The Foundation recognizes this arrangement as an in-kind lease transaction. For the years ended September 30, 2023, and 2022, the Foundation recorded in-kind rent income and expense reflecting the fair value of the office space as per the original terms of the agreement, amounting to \$80,001 annually. These amounts are included in other income and general and administration expense in 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, 2023 and 2022

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, 2023 and 2022.

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, 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

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 11: FAIR VALUE MEASUREMENTS (Continued)

Assets measured at fair value on a recurring basis are summarized at September 30, 2022:

	Level 1	Level 2	Level 3	Total
Fixed income	\$ 1,297,513	\$ -	\$ -	\$ 1,297,513
Equities	1,842,632	-	-	1,842,632
Mutual funds	1,326,620	-	-	1,326,620
Total investments at fair value	\$ 4,466,765	\$ -	\$ -	\$ 4,466,765

Investment related expenses for the years ended September 30, 2023 and 2022 were \$50,080 and \$49,337, 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, 2023 and 2022, 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, 2023 and 2022, the Foundation had cash in banks in excess of this amount totaling \$5,358,820 and \$5,556,607, 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, 2023 and 2022, the Foundation had balances in excess of these amounts totaling \$5,304,912 and \$3,969,293, respectively. The Foundation has no policy requiring collateral or other security to support its deposits.

As of September 30, 2023, the Foundation had relationships with two (2) entities that made up approximately 76% of all receivables. As of September 30, 2022, the Foundation had relationships with three (3) entities that made up approximately 82% of all receivables.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 12: CONCENTRATION OF CREDIT RISK (CONTINUED)

For the year ended September 30, 2023, the Foundation had one (1) entity that comprised 57% of total revenue. For the year ended September 30, 2022, the Foundation had one (1) entity that comprised 55% 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.

For the year ended September 30, 2023, the Foundation provided a 401(k) plan for employees with over one month of service who are over the age of 18. The Foundation will make contributions at a rate of 3% of an employee's gross salary per year. The Foundation may also make discretionary contributions. No employee contribution is necessary to participate.

For the year ended September 30, 2022, the Foundation provided 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, 2023 and 2022 were \$34,147 and \$30,781, 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, 2023 and 2022. As of both September 30, 2023 and 2022, the amount was accrued and included in contributions payable.

The Foundation and the Bayou District Foundation had common board members for the year ended September 30, 2022. The Foundation contributed \$17,971 to the Bayou District Foundation during the year ended September 30, 2022.

The Foundation and First Tee Greater New Orleans had common board members for the year ended September 30, 2022. The Foundation contributed \$25,000 to First Tee Greater New Orleans during the year ended September 30, 2022. As of September 30, 2022, the amount was accrued and included in contributions payable.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 14: RELATED PARTY TRANSACTIONS (Continued)

The Foundation and the Louisiana Hospitality Foundation had common board members for the year ended September 30, 2022. The Foundation contributed \$565,000 and \$295,000 to the Louisiana Hospitality Foundation for the year ended September 30, 2023 and 2022, respectively.

The Foundation and Louisiana Restaurant Association Education Foundation had common board members for the year ended September 30, 2022. The Foundation contributed \$7,500 to Louisiana Restaurant Association Education Foundation for the year ended September 30, 2022. As of September 30, 2022, the amount was accrued and included in contributions payable.

The Foundation and Catholic Charities had common board members for the year ended September 30, 2022. The Foundation contributed \$10,000 to Catholic Charities for the year ended September 30, 2022. As of September 30, 2022, 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, 2023

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, 2023.

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,

2023

Pass-through Contributions

Zurich's Contribution		
St. Michael's	\$	100,000
Blessing in a Backpack		46,000
Junior Achievement New Orleans		30,000
Total Zurich's Contributions		176,000
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
VOA Golf Tournament		102,480
Total Pass-Through Contributions		328,480

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

PGA TOUR - World Golf Foundation	50,000
Café Reconcile - PGA TOUR Charity Pool	25,000
Total Donations Made on Behalf of Fore!Kids Foundation, Inc.	75,000

Fore!Kids Foundation, Inc. Donations

Louisiana Hospitality Foundation - ZCNO	565,000
Young Life - Westbank	50,000
The Mackel Foundation	14,670
The First Tee of Greater New Orleans - WPA Purse	10,000
Phoenix Police Foundation - Celeb Shootout	10,000
Boys & Girls Clubs of SE LA - Celeb Shootout	10,000
Charity Golf Tournament/Events - under \$10,000	6,800
Miscellaneous Donations - under \$10,000	54,800
In-Kind Donations	34,830
Accrued donations approved in FY 2023	1,667,500
Total Fore!Kids Foundation, Inc. Donations	2,423,600

Total Charitable Giving	\$	2,827,080
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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 2023

For the year ended September 30,

2023

	\$	
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 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
Caps for Kids		2,500
CASA Jefferson		5,000
CASA New Orleans		5,000
Children's Advocacy Center		20,000
Children's Bureau of New Orleans		10,000
Children's Hospital		300,000
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
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		15,000
Good Shepard School		15,000
Greater New Orleans Foundation		329,000
Grow Dat Youth Farm		10,000
HeartGift Louisiana		25,000
James Samaritan (Formerly James Storehouse Louisiana)		7,500
Jewish Children's Regional Service		7,500
JoJo's Hope		5,000
Junior Achievement New Orleans		7,500
Kelly Gibson Foundation		18,000
Kenner Boxing Club		10,000

(Continued)

See independent auditors' report.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Donations Paid in 2023

Lighthouse Louisiana	25,000
Louisiana Pulmonary Disease Camp - Camp Pelican	10,000
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	2,500
Muscular Dystrophy Association of Southeast Louisiana	10,000
New Orleans Speech and Hearing Center	10,000
Our Lady of the Lake Children's Hospital	35,000
Plaquemines Care Center	20,000
Prescription Joy	7,500
Raintree Children and Family Services	15,000
Raphael Academy	12,500
Second Harvest Food Bank	10,000
Son of Saint	15,000
Special Olympics Louisiana	10,000
St. Lillian Academy	20,000
St. Mary's Residential Training School	12,500
St. Therese Academy	10,000
STAIR	17,000
Stem Nola	25,000
Sunshine Kids	10,000
The 18th Ward	10,000
The Bright School for the Deaf	10,000
The Chartwell Center	13,000
The Emerge School for Autism	25,000
The Roots of Music	10,000
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 2023	\$ 1,607,000

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, 2023, 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 19, 2024.

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 19, 2024

**Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Schedule of Findings and Responses
For the year ended September 30, 2023**

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
b. Significant deficiencies identified not considered to be material weaknesses?	None noted
c. Noncompliance material to the financial statements noted?	None

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.

Fore!Kids Foundation, Inc.
d/b/a Zurich Classic of New Orleans
Summary Schedule of Prior Audit Findings
For the year ended September 30, 2023

II – FINDINGS RELATED TO FINANCIAL STATEMENTS COMPLIANCE

No findings material to the financial statements were noted during the year ended September 30, 2022.

III – OTHER MATTERS

No management letter was issued for the year ended September 30, 2022.