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**FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS**

FINANCIAL STATEMENTS

June 30, 2004 and 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-15-04

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS

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Wegmann•Dazet & Co.

*A Professional Corporation
Certified Public Accountants*

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AICPA Private Companies Practice Section
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors

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

We have audited the accompanying balance sheets of Fore!Kids Foundation, Inc. d/b/a HP Classic of New Orleans (the "Foundation," a Louisiana non-profit organization) as of June 30, 2004 and 2003, and the related statements of activities and cash flows for the years then ended. These financial statements and the schedules referred to below are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2004, on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules on pages 10-14 are presented for the purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Metairie, Louisiana
July 29, 2004

Wegmann-Dazet & Co.

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS
BALANCE SHEETS

June 30, 2004 and 2003

	2004	2003
ASSETS		
Current assets		
Cash and cash equivalents	\$ 415,880	\$ 287,553
Accounts receivable	383,067	316,046
Other receivables	2,851	819
Prepaid expenses	16,667	25,000
Investments	1,069,624	945,224
Total current assets	<u>1,888,089</u>	<u>1,574,642</u>
 Property and equipment, at cost less accumulated depreciation	 <u>376,630</u>	 <u>94,821</u>
Total assets	<u><u>\$ 2,264,719</u></u>	<u><u>\$ 1,669,463</u></u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 754,582	\$ 812,325
Accrued expenses	51,414	81,800
Short - term debt	635,000	450,000
Accrued retirement benefits	-	684
Total current liabilities	<u>1,440,996</u>	<u>1,344,809</u>
NET ASSETS		
Net assets - unrestricted	<u>823,723</u>	<u>324,654</u>
Total liabilities and net assets	<u><u>\$ 2,264,719</u></u>	<u><u>\$ 1,669,463</u></u>

See accompanying Notes to Financial Statements.

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS
STATEMENTS OF ACTIVITIES

Years Ended June 30, 2004 and 2003

	2004	%	2003	%
Tournament revenues	\$ 9,212,856	100.0	\$ 9,255,794	100.0
Direct tournament expenses	8,078,852	87.7	8,340,655	90.1
Indirect tournament expenses	<u>1,091,634</u>	11.8	<u>1,291,566</u>	14.0
Tournament net income (loss)	<u>42,370</u>	0.5	<u>(376,427)</u>	(4.1)
Other income (expense)				
Investment income	35,520	0.4	40,728	0.4
Interest expense	(11,605)	(0.1)	(7,663)	(0.1)
Other income	397,107	4.3	607,149	6.6
Loss on sale of securities	<u>(25,635)</u>	(0.3)	<u>(119,074)</u>	(1.3)
Total other income	<u>395,387</u>	4.3	<u>521,140</u>	5.6
Excess of revenue over expenses before donations	437,757	4.8	144,713	1.6
Donations to charitable organizations	<u>152,201</u>	1.7	<u>555,630</u>	6.0
Change in net assets before unrealized gain on investments	<u>285,556</u>	3.1	<u>(410,917)</u>	(4.4)
Unrealized gain on investments	<u>213,513</u>	2.3	<u>103,032</u>	1.1
Change in net assets	<u>\$ 499,069</u>	5.4	<u>\$ (307,885)</u>	(3.3)
Net assets				
Beginning of year	\$ 324,654		\$ 632,539	
Change in net assets	<u>499,069</u>		<u>(307,885)</u>	
End of year	<u>\$ 823,723</u>		<u>\$ 324,654</u>	

See accompanying Notes to Financial Statements.

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2004 and 2003

	2004	2003
Cash flows from operating activities:		
Changes in net assets	\$ 499,069	\$ (307,885)
Adjustments to reconcile to net cash from operating activities:		
Depreciation	46,750	51,606
Loss on the disposal of assets	1,541	-
(Increase) decrease in operating assets:		
Accounts receivable	(67,021)	(250,344)
Other receivables	(2,032)	9
Prepaid expenses	8,333	(25,000)
Increase (decrease) in operating liabilities:		
Accounts payable	(57,745)	734,862
Accrued expenses	(30,384)	81,800
Accrued retirement benefits	(684)	(10,234)
Net cash provided by operating activities	<u>397,827</u>	<u>274,814</u>
Cash flows from investing activities:		
Purchase of property and equipment	(45,100)	(111,813)
Purchase of investments, net	(124,400)	(23,399)
Net cash used by investing activities	<u>(169,500)</u>	<u>(135,212)</u>
Cash flows from financing activities:		
Borrowings under short-term debt	850,000	450,000
Repayments under short-term debt	(950,000)	(450,000)
Net cash used by financing activities	<u>(100,000)</u>	<u>-</u>
Net increase in cash	128,327	139,602
Cash at beginning of year	<u>287,553</u>	<u>147,951</u>
Cash at end of year	<u>\$ 415,880</u>	<u>\$ 287,553</u>

See accompanying Notes to Financial Statements.

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2004 and 2003

1) Nature of operations

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 HP Classic of New Orleans. The primary purpose of the Foundation is the promotion of social welfare for the community of New Orleans by promoting, managing and sponsoring an annual PGA TOUR golf tournament. The tournament is sponsored under a written agreement with PGA TOUR, which details the terms and conditions of the tournament, prizes to professionals, the financial obligations and general division of duties of the parties.

2) Summary of significant accounting policies

The significant accounting policies followed by the Foundation are summarized as follows:

a) Accrual basis

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of 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.

c) Classification of net assets

Financial Accounting Standards Board Statement No. 117 entitled Financial Statements for Not-for-Profit Organizations requires that net assets and changes in net assets be reported for three classifications - permanently restricted, temporarily restricted and unrestricted - based on the existence or absence of donor imposed restrictions of these assets to a particular purpose. As the Foundation has a single purpose - the operation of the annual golf tournament and the donation of the proceeds thereof to charitable organizations - all net assets are classified as unrestricted.

d) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid marketable securities with original maturities of 90 days or less.

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2004 and 2003

2) Summary of significant accounting policies (continued)

e) Accounts receivable

Trade accounts receivable are stated at the amount the Foundation expects to collect. The Foundation maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Foundation's customers were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. The Foundation's estimate for the allowance for doubtful accounts is based on a review of the current status of accounts receivable. The Foundation believes all trade receivables are fully collectible, therefore no allowance exists at June 30, 2004 and 2003.

f) Depreciation

The depreciation methods used by the Foundation are as follows:

Leasehold improvements	Straight-line	10 years
Equipment	Straight-line, accelerated methods	5-7 years

Property and equipment are stated at cost, less accumulated depreciation. Additions, improvements and expenditures for maintenance that add materially to productive capacity or extend the life of an asset are capitalized. Other expenditures for maintenance are charged to operations in the year incurred.

g) Contributed services

Members of the tournament's executive committee and other volunteers have made significant contributions of their time to assist in the tournament's operation and related charitable programs. The value of this contributed time is not recorded in these financial statements because it is not susceptible to objective measurement or valuation.

The Foundation also offers various rights and services during the tournament to several of its suppliers in return for services and products provided by these suppliers such as use of rental cars, rental of equipment, airplane tickets, catering services, and other services and products. These non-cash trades are recorded at the value of the service given up by the Foundation and totaled approximately \$315,400 and \$347,700 during 2004 and 2003, respectively.

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2004 and 2003

2) Summary of significant accounting policies (continued)

h) Investments

FASB Statement No. 124 entitled *Accounting for Certain Investments Held by Not-for-Profit Organizations* requires investments to be carried at fair value. At June 30, 2004 and 2003, \$1,069,624 and \$945,224 was invested in various equity securities and long-term certificates of deposit, respectively.

i) Agency funds payable

In accordance with Statement of Financial Accounting Standards No.136, funds that are designated to the Foundation's charities are recorded as funds payable to charities. At June 30, 2004 and 2003, the Foundation had \$94,525 and \$163,021 in funds payable to charities. Funds payable to charities is included in accounts payable at June 30, 2004 and 2003, respectively.

j) Reclassification

Certain amounts in the 2003 financial statements have been reclassified to conform to the 2004 presentation.

3) Property and equipment

Property and equipment consist of the following:

Cost		
Equipment	\$ 202,375	\$ 326,001
Leasehold improvements	<u>330,101</u>	<u>280,043</u>
Total cost	532,476	606,044
Less accumulated depreciation	<u>155,846</u>	<u>511,223</u>
Property and equipment	<u>\$ 376,630</u>	<u>\$ 94,821</u>

4) Concentration of credit risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and investments. The Foundation at times has cash on deposit at financial institutions that is in excess of federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

The Foundation has invested investment accounts that contain cash and securities. Balances are insured up to \$500,000 with a limit of \$100,000 for cash, by the Securities Investor Protection Corporation (SPIC).

The Foundation has not experienced any losses in such accounts. The Foundation has no policy requiring collateral or other security to support its deposits.

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2004 and 2003

4) Concentration of credit risk (continued)

The Foundation has no policy requiring collateral or other security to support its accounts receivable.

As of June 30, 2004, the Foundation had two customers that comprised approximately 78% of total accounts receivable. As of June 30, 2003, the Foundation had two customers that comprised approximately 75% of total accounts receivable.

5) Tournament income

The Foundation's primary source of revenue is the sale of tournament sponsorships and other rights. The sponsorship agreement with HP 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 HP name included in the tournament name. Payments on behalf of HP were made to the Foundation totaling \$2,800,000 and \$2,600,000 for the years ended June 30, 2004 and 2003, respectively. HP has elected not to sponsor the 2005 tournament. The Foundation is in the process of finding a sponsor for the 2005 tournament.

6) Donations

The Foundation makes donations to local and children's charities based on requests received during the year. During 2004, the Foundation donated \$152,201 to these charities, of which \$24,675 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, a sponsor of the Foundation contributed \$50,000 directly to the World Golf Foundation on behalf of the Foundation.

7) Agency transactions

The Foundation, serving as an agent capacity, receives funds from various charity golf tournaments and other events throughout the year. Those funds are then distributed to the appropriate charity. The total amount received during 2004 was approximately \$307,500 of which \$251,300 was distributed to the various charities.

8) Statements of cash flows supplementary disclosures

Cash paid for interest expense was as follows:

Interest expense	<u>\$ 5,405</u>	<u>\$ 5,863</u>
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Supplemental disclosure of non-cash transactions:

Acquisition of leasehold improvements	<u>\$285,000</u>	<u>\$ -</u>
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FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2004 and 2003

9) Short-term debt

Short-term debt consists of the following at June 30, 2004:

	2004	2003
Note payable to a bank. Interest at prime plus ½%. Payable with accrued interest at maturity on August 2, 2003.	\$ -	\$450,000
Note payable to a bank. Interest at 5%. Payable with accrued interest at maturity on October 20, 2004.	<u>635,000</u>	<u>-</u>
	<u>\$635,000</u>	<u>\$450,000</u>

10) Leases

The Foundation leases office space under a noncancellable operating lease which expires in June 2014.

The following is a schedule of future aggregate minimum lease payments for all noncancellable operating leases payable over the remaining lives of the leases:

<u>Year ending June 30,</u>	<u>Amount</u>
2005	\$200,000
2006	200,000
2007	180,000
2008	80,000
2009	80,000
Subsequent years	386,600

11) Accrued retirement benefits

The Foundation has granted a former employee a retirement package which includes an obligation to pay a monthly sum of \$1,801 until death. This obligation has been estimated based on the life expectancy of the retiree. Discounted at 8% to the present value of the estimated stream of payments. Interest is being accredited over the expected life of the retiree.

12) Income taxes

No provision for federal and state income taxes has been reflected in the accompanying financial statements because the Foundation is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code.

13) Advertising

The Foundation expenses advertising as incurred. Advertising expense was \$511,611 and \$537,191 for the years ended June 30, 2004 and 2003.

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS
SUPPLEMENTARY INFORMATION - STATEMENTS OF INCOME

Years Ended June 30, 2004 and 2003

	2004	%	2003	%
Tournament revenue				
Television rights	\$ 3,162,000	34.3	\$ 3,100,000	33.5
Sponsorship sales	1,206,613	13.1	1,260,851	13.6
Sales of other rights	2,507,505	27.2	2,268,000	24.5
Skybox sales	877,685	9.5	940,910	10.2
Peninsula villa	158,850	1.7	150,180	1.6
Birdies for kids	-	-	13,802	0.1
Charity series	56,677	0.6	111,233	1.2
Monday - pro am	138,000	1.5	136,430	1.5
Ticket sales	131,580	1.4	205,388	2.2
PGA tour charity income	150,000	1.6	150,445	1.6
Corporate tent sponsors	24,500	0.3	24,500	0.3
Program/pairing sheet advertising	196,643	2.1	198,070	2.1
Sponsor pavilion sales and rights	136,871	1.5	71,697	0.8
Corporate expo income	46,600	0.5	59,000	0.6
Outside concessions	21,719	0.2	33,856	0.4
Parking income	40,040	0.4	64,546	0.7
Special events income	76,192	0.8	190,060	2.1
Junior golf income	50,455	0.5	27,970	0.3
Uniform income	37,384	0.4	40,881	0.4
Bobby Jones Saturday series	71,700	0.8	72,000	0.8
Aquarium event income	-	-	17,000	0.2
Holiday package income	49,852	0.5	10,325	0.1
Entry fee for professionals	640	0.0	-	-
Tour club	-	-	88,600	1.0
Eagle sponsor	-	-	20,050	0.2
Celebrity kids class	54,500	0.6	-	-
Par 3 and 4	16,850	0.2	-	-
	<u>\$ 9,212,856</u>	100.0	<u>\$ 9,255,794</u>	100.0
Total tournament revenue				

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS
SUPPLEMENTARY INFORMATION - STATEMENTS OF INCOME

Years Ended June 30, 2004 and 2003

	2004	%	2003	%
Direct tournament expenses				
Prizes to professionals	\$ 5,100,000	55.4	\$ 5,000,000	54.0
Publicity and advertising	511,611	5.6	537,191	5.8
Skybox expense	456,080	5.0	495,386	5.4
Professional players expense	128,852	1.4	157,544	1.7
Champion club expense	76,507	0.8	87,474	0.9
Golf course rental	135,000	1.5	130,000	1.4
Course improvements	95,537	1.0	146,536	1.6
Sponsorship pavilion expense	96,971	1.1	108,638	1.2
Equipment rental and storage	228,561	2.5	235,369	2.5
Sponsorship sales expense	12,285	0.1	24,010	0.3
Peninsula villa expense	105,057	1.1	90,983	1.0
Badges/ticket sales expense	64,357	0.7	76,468	0.8
Civic patron expense	45,000	0.5	52,628	0.6
Parking	122,683	1.3	107,728	1.2
Pro-amateur expense:				
Wednesday tournament	93,168	1.0	130,397	1.4
Monday tournament	55,484	0.6	56,396	0.6
City police and security	96,982	1.1	92,340	1.0
Tournament signs	27,033	0.3	-	-
Junior clinic	-	-	700	0.0
Temporary electrical service	50,691	0.6	49,392	0.5
Supplies - golf course	19,626	0.2	18,711	0.2
Sanitation expense	27,604	0.3	41,050	0.4
Tournament office expense	572	0.0	22,308	0.2
Grounds and clubhouse expense	74,091	0.8	70,990	0.8
Corporate sponsor tents	8,477	0.1	8,731	0.1
Special events expense	36,114	0.4	37,607	0.4
Title sponsor expense	-	-	5,864	0.1
Charity series expense	55,805	0.6	114,493	1.2
Birdies for kids expense	-	-	2,680	0.0
Junior golf expense	77,244	0.8	45,721	0.5
Island club expense	51,773	0.6	53,962	0.6
Corporate expo expense	14,214	0.2	33,537	0.4
Volunteer expense	21,141	0.2	23,417	0.3
Caddy expense	3,217	0.0	7,373	0.1
Courtesy cars	5,789	0.1	5,645	0.1
Scoring expense	6,895	0.1	13,467	0.1
Nursery expense	2,252	0.0	2,684	0.0
Bobby Jones Saturday series expense	14,047	0.2	54,830	0.6
Communications expense	5,000	0.1	7,846	0.1
Uniform expense	57,595	0.6	69,534	0.8
Entry fee paid to PGA tour	640	0.0	445	0.0
Tour Club	-	-	62,761	0.7
HP	54,064	0.6	57,819	0.6
Celebrity kids classic	39,181	0.4	-	-
TPC expense	1,652	0.0	-	-
	<u>\$ 8,078,852</u>	87.7	<u>\$ 8,340,655</u>	90.1
Total direct tournament expenses				

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS
 SUPPLEMENTARY INFORMATION - STATEMENTS OF INCOME

Years Ended June 30, 2004 and 2003

	2004	%	2003	%
Indirect tournament expenses				
Salaries and benefits	532,943	5.8	651,875	7.0
Office expenses	39,716	0.4	44,527	0.5
Professional fees	44,485	0.5	108,281	1.2
Insurance	114,451	1.2	118,423	1.3
Miscellaneous	29,237	0.3	15,052	0.2
Other travel and entertainment	10,316	0.1	14,928	0.2
Taxes	35,571	0.4	39,908	0.4
Executive committee expense	27,993	0.3	22,989	0.2
Executive director travel and promotion	13,305	0.1	16,870	0.2
Depreciation and amortization	46,750	0.5	51,606	0.6
Dues and subscriptions	4,150	0.0	5,545	0.1
Postage	18,684	0.2	14,369	0.2
Printing	3,836	0.0	15,743	0.2
Rent	85,314	0.9	73,269	0.8
Telephone	54,543	0.6	49,954	0.5
Bad debts	6,000	0.1	26,656	0.3
Bank service charges	24,340	0.3	21,571	0.2
	<u> </u>		<u> </u>	
Total indirect tournament expenses	<u>\$ 1,091,634</u>	11.8	<u>\$ 1,291,566</u>	14.0

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS
SUPPLEMENTARY INFORMATION - STATEMENTS OF INCOME

Year Ended June 30, 2004

	2004
Charitable contributions	
A Child's Wish/St. Michael's tournament	350
Adoption Option golf tournament	350
Algiers Invitational Holiday golf tournament	350
Am. Heart Association's heart gala	450
Archbishop Blenk HS gala	200
Archbishop Chapelle emerald gala	200
Atonement Lutheran auction	200
Belle Chasse High School	3,000
Bishop Sullivan School	350
Boys Hope Girls Hope golf tournament	350
Bridge House's Cochon Cotillion	200
Brother Martin HS extravaganza	200
Bullseye Golf Foundation's raffle	200
Cabrini High School's fun day	200
Campfire USA	720
Catholic Charities	450
Charity Hospital - Trauma Rama fundraiser	350
Children's Hospital	10,000
Christian Brothers fundraiser	200
Christian Brothers golf tournament	200
Citizen's for Pain Relief	300
Coast Guard MSO/Marine golf tournament	350
CrimeStoppers Carnivale	300
Cypress Heights Christmas gala	350
David Toms' Foundation	20,000
Easter Seals auction	700
Epilepsy Foundation's gala	200
Ezra Golf Tournament	900
Fairgrounds	350
Greater New Orleans Regional Breakfast	300
Hahnville HS band	200
Hammond High School	575
Huntington Disease Society of America fundraiser	200
Jefferson Chamber annual gala	200
Jefferson Community School auction	200
Jefferson Dollars for Scholars	240
John Brady tournament	450
Junior League annual spring fundraiser	200
Kids Kicking Cancer fundraiser	200
Little Sister's gala	450
Little Sisters of the Poor	525

FORE!KIDS FOUNDATION, INC. D/B/A HP CLASSIC OF NEW ORLEANS
 SUPPLEMENTARY INFORMATION - STATEMENTS OF INCOME

Year Ended June 30, 2004

	2004
Charitable contributions (continued)	
Little Sister's tournament	800
Louisiana Restaurant Association	65,200
Loyola fundraiser	200
LSUHSC golf classic	350
Lutheran H.S. gala	200
March of Dimes auction	800
Medical Center of LA's kids fair	200
Michael J. Moran Foundation	450
Mount Carmel Academy's annual golf classic	200
Munholland United Methodist auction	200
Nevus Outreach's gala	200
Our Lady of Wisdom Summer gala	350
Preservation Resource's Julia Jump	200
Raintree silent auction	200
Saint Dominic School auction	350
Sav-A-Center LA Children's Museum tournament	350
Silver, Blue & Black Tie, Too!	200
Sisters of St. Joseph's spring gala	200
St. Andrews Golf Tournament	350
St. Ann School	200
St. Charles Wolfpack 94	200
St. Dominic's auction	4,140
St. Edward's golf tournament	200
St. Elizabeth's Guild	300
St. George's Episcopal auction	200
St. Tammany Home Builders	300
Stuart Hall's annual auction	200
Urban League	151
Ursuline Academy gala	200
Victory Christian Acadmey auction	200
Welcome Neighbors benefit	200
West Jefferson Medical Center	100
Westbank Italian Open	400
Young Life	28,500
	28,500
Total charitable contributions	152,201

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Wegmann•Dazet & Co.

*A Professional Corporation
Certified Public Accountants*

Members:
AICPA Private Companies Practice Section
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements for Fore!Kids Foundation, Inc. d/b/a HP Classic of New Orleans (the "Foundation"), a Louisiana nonprofit organization as of and for the year ended June 30, 2004, and have issued our report thereon dated July 29, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and the Louisiana Legislative Auditor Office and is not intended to be and should not be used by anyone other than these specified parties.

Metairie, Louisiana
July 29, 2004

Wegmann-Dazet & Co.

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
SCHEDULE OF FINDINGS

June 30, 2004

Section I Summary of Auditors' Report

A) Financial Statements

Type of auditors' report issued: Unqualified

Internal Control over financial reporting:

- Material weakness(es) identified _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses _____ Yes X No
- Noncompliance material to financial statements noted _____ Yes X No

B) Federal Awards

For the year ended June 30, 2004, Fore!Kids Foundation, Inc. d/b/a HP Classic of New Orleans was not subject to OMB Circular A-133 Audits of States, Local Government and Non-Profit Organizations.

Section II Financial Statement Findings

There were no financial statement findings required to be reported for the year ended June 30, 2004.

Section III Federal Aware Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
SCHEDULE OF PRIOR YEAR FINDINGS

June 30, 2004

Section I Internal Control and Compliance Materials to the General Purpose Financial Statements

For the year ended June 30, 2003, there were no internal control or compliance issues reported or noted.

Section II Internal Control and Compliance Material to Federal Awards

For the year ended June 30, 2003 Fore!Kids Foundation, Inc. d/b/a HP Classic of New Orleans was not subject to OMB Circular A-133, Audits of States, Local Government and Non-Profit Organizations.

Section III Management Letter

A management letter was not issued in connection with the audit of the year ended June 30, 2003.

FORE!KIDS FOUNDATION, INC.
d/b/a HP CLASSIC OF NEW ORLEANS
MANAGEMENT'S CORRECTIVE ACTION PLAN

June 30, 2004

Section I Internal Control and Compliance Material to the General Purpose Financial Statements.

For the year ended June 30, 2004, there were no internal control or compliance issues reported or noted.

Section II Internal Control and Compliance Material to Federal Awards.

For the year ended June 30, 2004, Fore!Kids Foundation, Inc., d/b/a HP Classic of New Orleans was not subject to OMB Circular A-133, Audits of States, Local Government and Non-Profit Organizations.

Section III Management Letter

A management letter was not issued in connection with the audit of the year ended June 30, 2004.