
LOUISIANA HEALTH CARE QUALITY FORUM

FINANCIAL STATEMENTS

DECEMBER 31, 2024



LOUISIANA HEALTH CARE QUALITY FORUM
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

LOUISIANA HEALTH CARE QUALITY FORUM

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Louisiana Health Care Quality Forum:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Louisiana Health Care Quality Forum (a nonprofit organization) (the Quality Forum), which comprise the statements of financial position as of December 31, 2024, and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Quality Forum as of December 31, 2024, and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Quality Forum and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Quality Forum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 and *Government 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, including omissions, 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 and *Government 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 Quality Forum'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 Quality Forum'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefit, and Other Payments to Agency Head or Chief Executive Officer 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 June 20, 2025, on our consideration of the Quality Forum's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Quality Forum's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 20, 2025

LOUISIANA HEALTH CARE QUALITY FORUM
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

ASSETS

	<u>2024</u>	<u>2023</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,389,234	\$ 1,142,801
Accounts receivable, net	1,336,849	756,495
Prepaid expenses	121,072	158,503
Total current assets	<u>2,847,155</u>	<u>2,057,799</u>
<u>NON CURRENT ASSETS</u>		
Right of use asset- lease	389,754	521,062
Property and equipment, net	52,834	110,675
Total non current assets	<u>442,588</u>	<u>631,737</u>
<u>TOTAL ASSETS</u>	<u>\$ 3,289,743</u>	<u>\$ 2,689,536</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 409,592	\$ 353,050
Payroll liabilities	27,863	23,692
Other liabilities	40,812	42,208
Deferred revenue	481,638	385,320
Current portion of lease liability	129,494	127,904
Current portion of note payable	-	105,596
Total current liabilities	<u>1,089,399</u>	<u>1,037,770</u>
<u>NON CURRENT LIABILITIES</u>		
Lease liability	266,787	396,281
Note payable	280,000	280,000
Total non current liabilities	<u>546,787</u>	<u>676,281</u>
<u>TOTAL LIABILITIES</u>	<u>1,636,186</u>	<u>1,714,051</u>
<u>NET ASSETS</u>		
Without donor restrictions	1,337,619	681,750
With donor restrictions	315,938	293,735
<u>TOTAL NET ASSETS</u>	<u>1,653,557</u>	<u>975,485</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 3,289,743</u>	<u>\$ 2,689,536</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA HEALTH CARE QUALITY FORUM
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT</u>						
Cooperative endeavor agreements	\$ 4,388,929	\$ -	\$ 4,388,929	\$ 4,250,534	\$ -	\$ 4,250,534
Program income	1,027,826	-	1,027,826	945,458	-	945,458
Contributions	5,025	88,076	93,101	-	75,777	75,777
Investment return, net	-	-	-	5,869	-	5,869
Other income	57	-	57	20	-	20
Net assets released from restrictions	65,873	(65,873)	-	94,758	(94,758)	-
Total revenues and support	<u>5,487,710</u>	<u>22,203</u>	<u>5,509,913</u>	<u>5,296,639</u>	<u>(18,981)</u>	<u>5,277,658</u>
<u>EXPENSES</u>						
Program Services:						
HIE	1,252,093	-	1,252,093	1,309,558	-	1,309,558
DHH	898,663	-	898,663	925,092	-	925,092
IAPD	904,203	-	904,203	674,913	-	674,913
DPSC	536,551	-	536,551	593,810	-	593,810
LaPOST	220,673	-	220,673	201,745	-	201,745
EC	275,048	-	275,048	173,005	-	173,005
POLST	44,041	-	44,041	85,846	-	85,846
Texas Talks	21,832	-	21,832	8,912	-	8,912
Supporting Services:						
General and administrative	678,737	-	678,737	719,904	-	719,904
Total expenses	<u>4,831,841</u>	<u>-</u>	<u>4,831,841</u>	<u>4,692,785</u>	<u>-</u>	<u>4,692,785</u>
Change in net assets	655,869	22,203	678,072	603,854	(18,981)	584,873
Beginning of year net assets	<u>681,750</u>	<u>293,735</u>	<u>975,485</u>	<u>77,896</u>	<u>312,716</u>	<u>390,612</u>
End of year net assets	<u>\$ 1,337,619</u>	<u>\$ 315,938</u>	<u>\$ 1,653,557</u>	<u>\$ 681,750</u>	<u>\$ 293,735</u>	<u>\$ 975,485</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA HEALTH CARE QUALITY FORUM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services									Supporting Services	
	DHH	HIE	IAPD	LaPOST	DPSC	EC	National POLST	Texas Talks	Total Program Services	Management and General	Total
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204	\$ -	\$ 204	\$ 2,008	\$ 2,212
Bad Debt Expense	-	23,625	-	-	-	-	-	-	23,625	-	23,625
Business Registration Fees	-	6,497	875	-	-	-	1,500	-	8,872	15	8,887
Participation Costs - Analytics	-	-	-	-	457,704	-	-	-	457,704	5,508	463,212
Participation Costs - LaHIE	-	274,837	-	-	-	-	-	-	274,837	-	274,837
Accounting Fees	23,428	27,750	31,356	5,178	13,724	5,416	-	-	106,852	21,258	128,110
Legal Fees	-	-	-	1,841	-	-	3,353	-	5,194	-	5,194
Outside Contract Services	871,337	57,750	3,693	202,021	235	22,269	5,994	2,563	1,165,862	20,715	1,186,577
Professional Consultants	-	262,163	-	-	-	66,017	30,000	2,700	360,880	60,000	420,880
Grants Awarded	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	1,014	814	-	-	-	-	-	1,828	45,180	47,008
Equipment Rental	-	-	-	-	-	-	-	-	-	2,348	2,348
Dues and Subscriptions	-	-	38,687	917	-	538	552	4,703	45,397	30,716	76,113
Insurance	1,116	42,227	8,437	630	16,700	6,722	-	-	75,832	8,606	84,438
Amortization- right of use asset	-	43,984	19,123	956	40,159	14,343	-	-	118,565	19,123	137,688
Meals	-	948	200	-	-	3,190	-	-	4,338	1,092	5,430
Other Costs - Operations	-	3,432	1,894	-	-	-	599	10,136	16,061	18,418	34,479
Postage	-	-	-	388	-	-	-	-	388	1,238	1,626
Printing and Copying	-	-	-	-	-	-	-	-	-	81	81
Supplies	-	454	-	-	-	66	-	-	520	5,107	5,627
Telephone	2,782	4,963	2,158	108	7,927	1,618	167	-	19,723	2,158	21,881
Travel	-	20,809	4,554	-	-	-	1,672	1,730	28,765	1,593	30,358
HRA Expenses	-	8,418	17,387	369	-	6,147	-	-	32,321	6,782	39,103
401K Match	-	21,377	31,221	256	-	9,401	-	-	62,255	35,668	97,923
Health Insurance	-	64,253	89,356	1,193	-	14,058	-	-	168,860	33,501	202,361
Payroll Processing Fees	-	148	5,224	43	102	2,587	-	-	8,104	1,100	9,204
Payroll Tax Expense	-	25,340	38,704	211	-	6,775	-	-	71,030	17,512	88,542
Salaries	-	357,809	610,520	6,562	-	115,901	-	-	1,090,792	262,837	1,353,629
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-	47,619	47,619
Interest	-	4,295	-	-	-	-	-	-	4,295	28,554	32,849
Total	\$ 898,663	\$ 1,252,093	\$ 904,203	\$ 220,673	\$ 536,551	\$ 275,048	\$ 44,041	\$ 21,832	\$ 4,153,104	\$ 678,737	\$ 4,831,841

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

LOUISIANA HEALTH CARE QUALITY FORUM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services									Supporting Services	
	DHH	HIE	IAPD	LaPOST	DPSC	EC	National POLST	Texas Talks	Total Program Services	Management and General	Total
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ -	\$ 119	\$ 6,559	\$ 6,678
Bad Debt Expense	-	36,750	-	-	-	-	-	-	36,750	-	36,750
Business Registration Fees	-	6,675	2,225	-	-	-	945	1,688	11,533	2,470	14,003
Participation Costs - Analytics	-	-	-	-	472,147	-	-	-	472,147	-	472,147
Participation Costs - LaHIE	-	282,666	-	-	-	-	-	-	282,666	-	282,666
Accounting Fees	20,298	21,585	23,273	3,764	11,667	2,237	4,136	-	86,960	22,680	109,640
Legal Fees	-	240	-	-	-	-	70	-	310	7,534	7,844
Outside Contract Services	897,733	45,290	(707)	184,330	53	1,103	5,647	3,844	1,137,293	27,884	1,165,177
Professional Consultants	-	159,000	-	-	-	-	30,445	1,275	190,720	76,700	267,420
Grants Awarded	-	-	-	-	-	-	40,221	-	40,221	-	40,221
Depreciation	-	1,014	-	-	-	-	-	-	1,014	46,275	47,289
Equipment Rental	-	-	-	-	-	-	-	-	-	2,348	2,348
Amortization- right of use asset	307	56,243	7,376	615	29,505	7,991	-	-	102,037	61,259	163,296
Dues and Subscriptions	-	10,590	38,559	1,000	87	-	1,896	844	52,976	56,967	109,943
Insurance	185	36,169	5,571	366	16,564	4,853	-	-	63,708	20,749	84,457
Meals	-	-	79	-	-	850	-	-	929	2,085	3,014
Other Costs - Operations	-	1,602	1,624	-	129	-	-	-	3,355	20,403	23,758
Postage	-	-	-	478	-	-	10	39	527	1,285	1,812
Printing and Copying	-	-	-	-	-	-	656	-	656	1,886	2,542
Supplies	-	2,346	197	-	-	-	-	-	2,543	4,399	6,942
Telephone	32	5,804	3,206	63	5,719	825	-	-	15,649	3,679	19,328
Travel	-	19,160	6,921	-	5,436	-	1,701	1,222	34,440	7,910	42,350
HRA Expenses	392	12,291	24,684	768	-	2,784	-	-	40,919	3,829	44,748
401K Match	269	23,600	19,707	452	-	8,250	-	-	52,278	22,951	75,229
Health Insurance	773	61,903	70,479	2,421	-	12,278	-	-	147,854	36,948	184,802
Payroll Processing Fees	12	1,096	1,141	17	-	292	-	-	2,558	835	3,393
Payroll Tax Expense	248	30,312	28,111	400	-	6,593	-	-	65,664	22,086	87,750
Salaries	4,843	486,367	442,467	7,071	52,503	124,949	-	-	1,118,200	248,624	1,366,824
Interest	-	8,855	-	-	-	-	-	-	8,855	11,559	20,414
Total	\$ 925,092	\$ 1,309,558	\$ 674,913	\$ 201,745	\$ 593,810	\$ 173,005	\$ 85,846	\$ 8,912	\$ 3,972,881	\$ 719,904	\$ 4,692,785

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

LOUISIANA HEALTH CARE QUALITY FORUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 678,072	\$ 584,873
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debt expense	23,011	36,750
Depreciation	47,009	47,289
Amortization- right of use leased assets	131,308	129,589
Realized (gain) loss on investments	-	9,679
Unrealized (gain) loss on investments	-	(14,757)
Loss on disposal of fixed assets	47,619	-
Changes in operating assets and liabilities:		
Accounts receivable	(603,365)	55,380
Prepaid expenses	37,431	412,859
Accounts payable	56,542	(320,102)
Payroll liabilities	4,171	(6,326)
Other liabilities	(1,396)	(7,487)
Deferred revenue	96,318	(69,088)
Net cash provided by operating activities	<u>516,720</u>	<u>858,659</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment	(36,787)	(3,133)
Proceeds from sale of investments	-	185,529
Net cash used in investing activities	<u>(36,787)</u>	<u>182,396</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Principal payments on lease payable	(127,904)	(123,395)
Proceeds from notes payable	-	280,000
Payments on notes payable	(105,596)	(232,133)
Net cash provided by (used in) financing activities	<u>(233,500)</u>	<u>(75,528)</u>
Net change in cash	246,433	965,527
Cash, beginning of year	<u>1,142,801</u>	<u>177,274</u>
Cash, end of year	<u><u>\$ 1,389,234</u></u>	<u><u>\$ 1,142,801</u></u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies

Organization

The Louisiana Health Care Quality Forum (“the Quality Forum”) is a non-profit corporation established in 2007 and organized under Internal Revenue Service Section 501 (c) (3). The Quality Forum serves as a neutral convener, bringing providers, purchasers, payers, and consumers together to drive improvements in health care quality, safety, and value for Louisiana residents.

Basis of Accounting

In accordance with generally accepted accounting principles, the accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The financial statements of the Quality Forum have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP). The operations of the Quality Forum are accounted for as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Quality Forum and/or the passage of time.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Quality Forum considers all highly liquid investments with a maturity date of three months or less to be cash equivalents.

Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. As of December 31, 2024, and 2023, the amounts for allowance for credit losses were \$164,062 and \$174,562, respectively.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

Fixed assets are recorded at historical cost and depreciated over the estimated useful lives of the assets using the straight line and method. Contributed property and equipment are recorded at fair value at the date of donation. The following is a summary of the estimated useful lives used:

Furniture	7 years
Equipment	5 Years
Computers	3 Years
Software	3 Years

The Quality Forum capitalizes all assets that cost in excess of \$2,500 with a useful life exceeding one year. Routine repairs and maintenance are expensed as incurred.

Revenues from Cooperative Endeavor Agreements and Other Contracts

The Quality Forum earns revenue under Cooperative Endeavor Agreements (“CEA’s”) as performance obligations are met as described in Note 13 and other contracts as described in Note 11. Under the terms of these CEA’s and other contracts, the Quality Forum recognition of revenue occurs when milestones within these agreements are met. Milestones are generally either time-based or task based. The Quality Forum defers revenue recognition on invoices included in the accounts receivable until milestones are met.

Contributions

The Quality Forum follows ASC 958-605 for accounting for contributions received. All contributions are available for unrestricted use unless specifically restricted by the donor. All other donor-restricted support is reported as an increase in net assets with donor restrictions 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 are reported in the statements of activities and changes in net assets as net assets released from restrictions.

Functional Expenses

The costs of program and supporting services activities are summarized on a functional basis in the statements of activities and statements of functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs, primarily salaries, benefit and related expenses for certain individuals have been allocated among the programs and supporting services benefited. The allocation between functions is based on time spent by specific employees as estimated by management. All other costs are charged directly to the appropriate functional category.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Compensated Absences

Employees of the Quality Forum are entitled to general paid time (GPT) for purposes of vacation, holidays, personal business, illness, and other factors. The liability for GPT is accrued monthly and adjusted annually to reflect each employees' maximum number of hours carried over to the next fiscal year.

Income Taxes

The Quality Forum is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and from Louisiana income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. The Quality Forum is classified by the Internal Revenue Service as a public charity. Accordingly, no provision for income taxes has been included in the financial statements. However, income from certain activities not directly related to the Quality Forum's tax-exempt purpose is subject to taxation as unrelated business income.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Quality Forum may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Quality Forum and various positions related to the potential sources of unrelated business taxable income (UBIT).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that could affect 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 expense during the reporting period. Actual results and the results of future periods could differ from those estimates, and these differences may be material.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (continued)

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year's financial statements.

2. Cash and Cash Equivalents

Cash and cash equivalents as of December 31, 2024, and 2023, consists of the following:

	<u>2024</u>	<u>2023</u>
Operating account	1,388,980	1,142,488
Petty cash	254	313
Total cash and cash equivalents	<u>\$ 1,389,234</u>	<u>\$ 1,142,801</u>

3. Accounts Receivable

Accounts receivable as of December 31, 2024, and 2023, consists of the following:

	<u>2024</u>	<u>2023</u>
Louisiana Department of Health & Hospitals	\$ 712,437	\$ 587,385
Louisiana Department of Public Safety and Corrections	559,821	92,994
Other hospitals and providers	228,653	250,678
Total accounts receivable	1,500,911	931,057
Less: allowance for doubtful accounts	(164,062)	(174,562)
Accounts receivable, net	<u>\$ 1,336,849</u>	<u>\$ 756,495</u>

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

4. Property and Equipment

Property and equipment as of December 31, 2024, and 2023, consists of the following:

	<u>2024</u>	<u>2023</u>
Facility construction	\$ 3,216	\$ 3,216
Furniture and equipment	163,853	127,963
Software	<u>24,276</u>	<u>274,276</u>
	191,345	405,455
Less: accumulated depreciation	<u>(138,511)</u>	<u>(294,780)</u>
Total	<u>\$ 52,834</u>	<u>\$ 110,675</u>

Depreciation expenses for the years ended December 31, 2024, and 2023, amounted to \$47,008 and \$47,289, respectively. During the year ended December 31, 2024, the Quality Forum disposed of \$250,897 in furniture and software no longer in use that was recorded as a loss in the amount of \$47,619.

5. Note Payable

An accounts payable vendor was converted to a note payable in May 2018 in the amount of \$920,000. The loan matured in May 2024 and the interest rate is 3.4%. During the year ended December 31, 2023, the loan balance of \$105,596 was paid in full.

6. Line of Credit

On September 28, 2022, the Quality Forum was approved for a line of credit in the amount of \$300,000 for a term of 1 year with a variable interest rate equal to the prime rate of interest as published by the Wall Street Journal plus 2.0%. At the time the letter of credit was signed, the benchmark rate was 4.50% and the variable rate charged would be 2.0% higher or 6.50% and this rate is subject to change each day and calculated daily using the 365/360 basis. As of December 31, 2024 and 2023, the Quality Forum's line of credit balance is \$280,000 and \$280,000, respectively.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

7. Right to Use Asset and Lease Liability

On October 1, 2014, the Quality Forum signed a 7-year lease for office space. The lease was amended in May 2017 returning a portion of the space to the landlord and reducing annual rent. The lease was amended in April 2019 to reflect the relocation of the Quality Forum to a smaller space. The terms of the second amendment begin in 2020 and end on January 11, 2022, with the option to extend for an additional year. On February 7, 2020, the third amendment to lease extended the lease through January 11, 2023, and the fourth amendment extended the lease through January 11, 2028. Additionally, the Quality Forum leases copier equipment with terms ending on December 31, 2025. The Quality Forum implemented the new lease accounting standard during the year ended December 31, 2022, and recognized a right of use lease asset and a lease liability as of December 31, 2024 and 2023, as presented in the following table.

	2024	2023
Operating lease right of use asset	<u>\$ 389,754</u>	<u>\$ 521,062</u>
Lease liability, current portion	\$ 129,494	\$ 127,904
Lease liability, less current portion	<u>266,787</u>	<u>396,281</u>
Total lease liability	<u>\$ 396,281</u>	<u>\$ 524,185</u>

Lease costs include interest on the lease payable calculated at the blended risk free interest rate of return calculated as 1.37% over the expected life of the leases and are reported as amortization- right of use assets on the Statement of Functional Expenses and comprised of the following for the years ended December 31, 2024 and 2023, as presented in the following table:

	2024	2023
Lease payments	\$ 134,284	\$ 131,494
Less: reduction in lease liability	<u>(127,904)</u>	<u>(123,395)</u>
Interest expense on leases	6,380	8,099
Amortization of right of use assets	<u>131,308</u>	<u>129,589</u>
Amortization- right of use assets in the Statement of Activities	<u>\$ 137,688</u>	<u>\$ 137,688</u>

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

7. Right to Use Asset and Lease Liability (continued)

The maturity of lease the lease liability over the terms of the leases, as of December 31, 2024, are presented in the following table.

2025	\$ 134,102
2026	133,920
2027	<u>136,710</u>
Total lease payments	404,732
Less: Interest	<u>(8,451)</u>
Present value of lease liability	<u>\$ 396,281</u>

8. Availability and Liquidity

The following represents the Quality Forum's financial assets as of December 31, 2024:

Financial assets at year end:	2024	2023
Cash and cash equivalents	\$ 1,389,234	\$ 1,142,801
Accounts receivable, net	<u>1,336,849</u>	<u>756,495</u>
Total financial assets	<u>\$ 2,726,083</u>	<u>\$ 1,899,296</u>
Less amounts not available to be used within one year or unavailable for general expenditures:		
Assets with donor restrictions, programs	<u>(315,938)</u>	<u>(293,735)</u>
	<u>\$ (315,938)</u>	<u>\$ (293,735)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,410,145</u>	<u>\$ 1,605,561</u>

As part of the Quality Forum's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage liquidity needs, the Quality Forum has a committed non-revolving line of credit (Note 6) in the amount of \$300,000 of which \$20,000 is available as of December 31, 2024.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

9. Retirement Plans

Effective on May 16, 2013, the Quality Forum enrolled in the Louisiana Health Care Quality Forum 401(k) Plan. This qualified defined contribution plan is for the exclusive benefit of all eligible employees and their beneficiaries with the intention to provide a measure of retirement security for the future. To be eligible to participate, an employee must have completed one year of service or worked 1000 hours. The amount an employee can contribute to the plan is limited by the Internal Revenue Service in the amount that can be contributed as Salary Deferral. The amount of the Quality Forum's contribution to the plan is at the discretion of the Board of Directors; the Board of Directors has established an 8% employer contribution rate for the years ending December 31, 2024 and 2023, respectively.

The Quality Forum's contributions to the plans for the years ended December 31, 2024, and 2023, amounted to \$98,423 and \$75,229, respectively.

10. Contribution Revenue

National POLST

National POLST is a program that provides best practice guidance about the POLST process and the form and education throughout the U.S. The Quality Forum assumed fiscal sponsorship of National POLST from another organization in June 2022. Grant dollars for National POLST were transferred to the Quality Forum as restricted funds for National POLST to complete grant milestones.

Texas Talks

Texas Talks is a small statewide 501(c)3 charitable organization that advocates for and educates about meaningful conversations between patients, the people that matter to them, and their caregivers documented by advance care plans and, when appropriate, POLST, a portable medical order set. Texas Talks requested the Quality Forum apply for a St. David's Foundation grant to support their Austin Serious Illness Conversation Project. The Quality Forum is the grantee, with Texas Talks as the subgrantee. The Quality Forum receives an administrative fee for this service.

Employer Coalition of Louisiana

The Employer Coalition of Louisiana is an employer-led health care coalition founded in 2022. Membership includes employers, providers, hospitals, health plans, benefit consultants, and other interested parties. The Coalition is dedicated to collaboratively increasing the value of health care by lowering costs and improving safety, quality, and consumer experience. The Coalition is committed to providing quality, price, and cost transparency across the health care ecosystem and collaborating with stakeholders to align payment with high-value medical care.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

11. Cooperative Endeavor Agreement Revenue

LDH Bureau of Health Services Financing

On April 1, 2017, the Quality Forum entered into a cooperative endeavor agreement with the LDH, Bureau of Health Services Financing. Under this agreement, the Quality Forum is contracted to provide technical and consultative support as described in detail in the Implementation-Advance Planning Document Update for Health Information Technology.

The Quality Forum implements and/or provides support and services for several initiatives based on the strategic needs of the Bureau. These have included Medicaid Provider Outreach, Patient-Centered Medical Home, and HIE Integration Assistance, LA Emergency Department Information Exchange, development of the LaPOST Registry. The term of this agreement was extended to September 30, 2019. The Quality Forum entered into a new cooperative endeavor agreement dated October 1, 2019, through September 30, 2020. The Quality Forum entered into a new cooperative endeavor agreement dated October 1, 2020, through September 30, 2021. The Quality Forum entered into a new cooperative endeavor agreement dated April 1, 2022, through March 31, 2025. The Quality Forum is in discussions with the Secretary of the Louisiana Department of Health and the Medicaid Director regarding the continuation of the Cooperative Endeavor Agreement.

LDH Office of Public Health

On July 1, 2017, the Quality Forum entered into a cooperative endeavor agreement with the LDH, Office of Public Health to provide a certified EHR system for use at all parish health units along with ongoing support for EHR adoption and meaningful use assistance. The term of this agreement expired on June 20, 2018. The Quality Forum entered into a second cooperative endeavor agreement beginning on July 1, 2019, for a period of three months. The Quality Forum entered into a third cooperative endeavor agreement beginning on October 1, 2018, for a period of six months. The Quality Forum entered into a fourth cooperative endeavor agreement beginning April 1, 2019, through September 30, 2019; the Quality Forum entered into a fifth cooperative endeavor agreement dated October 1, 2019, through November 30, 2019; the sixth cooperative endeavor agreement dated December 1, 2019, through June 30, 2021; the seventh cooperative endeavor agreement expires June 30, 2023; the eighth cooperative endeavor agreement expires November 30, 2024. The agreement has been amended and will be executed through June 30, 2027.

Department of Public Safety and Corrections

On December 1, 2016, the Quality Forum entered into a cooperative endeavor agreement with the Department of Public Safety and Corrections to provide a certified EHR system to Louisiana's correctional facilities that will be integrated with the LA Health Information Exchange ("LaHIE"). Per the cooperative endeavor agreement, deliverables include software and support, subscription to LaHIE, ongoing support for EHR adoption and meaningful use support. The term of this agreement expires on June 30, 2024. The agreement has been amended and is expected to be executed through June 30, 2030.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

12. Revenues from Contracts with Customers

Deferred revenues related to contracts are included in deferred revenue on the statements of financial position and include the following amounts as of December 31:

	<u>2024</u>	<u>2023</u>
Deferred revenue, beginning of year	\$ 385,320	\$ 454,408
Revenue recognized that was included in deferred revenue	(385,320)	(454,408)
Increases in deferred revenue due to cash received during the year	<u>481,638</u>	<u>385,320</u>
Deferred revenue, end of year	<u><u>\$ 481,638</u></u>	<u><u>\$ 385,320</u></u>

The remaining amount in performance obligations for contracts in progress as of December 31, 2024, was:

2025	\$ 3,079,801
2026	2,296,956
2027	1,700,901
2028	1,045,673
2029	1,069,961
2030	<u>802,793</u>
	<u><u>\$ 9,996,085</u></u>

13. Concentrations of Credit Risk

The Quality Forum maintains its cash and cash equivalents balance in several financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Quality Forum's deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2024 and 2023, the Quality Forum's cash exceeds federally insured limits by \$1,125,891 and \$878,317, respectively.

During the years ended December 31, 2024 and 2023, the total support of the Quality Forum was received from cooperative endeavor agreements with the Louisiana Department of Health and Hospitals (DHH), approximately 46% and 46%, respectively and with the Office of Public Health (OPH) approximately 19% and 21%, respectively.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

14. Net Assets with Donor Restrictions

The Quality Forum was awarded grants in 2024 and 2023 that were restricted by donors; uses of funds and ending balance of net assets with donor restrictions is depicted in the following table:

	<u>2024</u>	<u>2023</u>
Grants restricted by donors for		
JAHF Cambia Grant	\$ 56,554	\$ 54,406
National POLST	<u>31,522</u>	<u>21,371</u>
Total donor restricted contributions	88,076	75,777
Satisfaction of purpose restrictions		
Texas Talks	(21,832)	(8,911)
JAHF Cambia Grant	(27,956)	(25,787)
National POLST	<u>(16,085)</u>	<u>(60,060)</u>
Change in net assets with donor restrictions	22,203	(18,981)
Net assets with donor restrictions, beginning	<u>293,735</u>	<u>312,716</u>
Net assets with donor restrictions, ending	<u><u>\$ 315,938</u></u>	<u><u>\$ 293,735</u></u>

15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 20, 2025, and determined the following item requires disclosure. No events after this date have been evaluated for inclusion in these financial statements.

Supplementary Information

LOUISIANA HEALTH CARE QUALITY FORUM
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency Head Name: Cindy Munn, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary (Salary, Bonus, PTO)	\$ 239,002
Benefits - insurance	14,422
Benefits - retirement	-
Deferred compensation (contributions made by the agency)	16,963
Benefits - other (Disability Ins., Life Ins., HRA)	5,890
Car allowance	-
Vehicle provided by government	-
Cell phone	2,400
Dues	5,081
Vehicle rental	-
Per diem	-
Reimbursements (Meals reimbursed directly to Cindy)	66
Travel (reimbursed directly to Cindy)	-
Conference travel (Travel paid directly by LHCQF)	1,480
Housing	-
Unvouchered expenses	-
Special Meals (Networking, strategic planning meals)	137
Other	43
	<u>\$ 285,484</u>

See independent aditors' report.



**INDEPENDENT AUDITOR’S 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
Louisiana Health Care Quality Forum

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 Louisiana Health Care Quality Forum (the Quality Forum), an nonprofit entity, which comprise the statement of financial position, as of and for the year ended December 31, 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 20, 2025

LOUISIANA HEALTH CARE QUALITY FORUM
BATON ROUGE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024



LOUISIANA HEALTH CARE QUALITY FORUM
BATON ROUGE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2024

LOUISIANA HEALTH CARE QUALITY FORUM

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Louisiana Health Care Quality Forum 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 January 1, 2024, through December 31, 2024. Louisiana Health Care Quality Forum's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Health Care Quality Forum 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 January 1, 2024, through December 31, 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 we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Louisiana Health Care Quality Forum 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 Louisiana Health Care Quality Forum 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.

Richard CPAS

Metairie, Louisiana
June 20, 2025

LOUISIANA HEALTH CARE QUALITY FORUM

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 25 “*we performed the procedure and discussed the results with management*”. If not, then a description of the exception ensues.

1) Written Policies and Procedures

1. 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.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- 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.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- 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).

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

LOUISIANA HEALTH CARE QUALITY FORUM

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

- 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 rates of pay or approval and maintenance of pay rate schedules.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- 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.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- h) **Credit Cards (and debit cards, fuel cards, purchase 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).

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- 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.

LOUISIANA HEALTH CARE QUALITY FORUM

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- 1) ***Prevention of 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

2) Board or Finance Committee

- A. 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
 - i. 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.

No exceptions were found as a result of this procedure.

- ii. 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. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The above procedure is not applicable, as the Forum is a nonprofit organization.

- iii. 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.

The above procedure is not applicable, as the Forum is a nonprofit organization.

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

No exceptions were found as a result of this procedure.

LOUISIANA HEALTH CARE QUALITY FORUM

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2024

3) Bank Reconciliations

A. 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:

- i. 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);

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- ii. Bank reconciliations include written evidence that a member of management or a 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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iii. 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.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

4) Collections (excluding electronic funds transfers)

A. 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).

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

B. 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 there are no written policies or procedures, then 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

- i. Employees responsible for cash collections do not share cash drawers/registers;

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

LOUISIANA HEALTH CARE QUALITY FORUM

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iii. Each employee responsible for collecting cash is not also 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; and

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- C. 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 in force during the fiscal period.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iv. 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).

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

- A. 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).

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- ii. At least two employees are involved in processing and approving payments to vendors;

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iii. 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;

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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- iv. 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; and

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- C. For each location selected under procedure #5A 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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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 (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

No exceptions were found as a result of this procedure.

- B. 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

- i. 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 (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions were found as a result of this procedure.

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

A. 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 and 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

- i. 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iii. 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 Policies and Procedures procedure #1A(vii); and

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

8) Contracts

A. 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

- i. 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iii. 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, the documented approval); and

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iv. 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.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

9) Payroll and Personnel

- A. 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- C. 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 and 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's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- D. 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA

- ii. 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

11) Debt Service

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- B. 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

12) Fraud Notice

- A. 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 as required by R.S. 24:523.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

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13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then 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.

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then 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.

- iii. 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.

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

We performed the procedure and discussed the results with management.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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. The requirements are as follows:

- 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.

We performed the procedure and discussed the results with management.

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14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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 as required by R.S. 42:343.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- B. 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 – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- C. 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 that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- ii. Number of sexual harassment complaints received by the agency;

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.

- v. Amount of time it took to resolve each complaint.

N/A – procedure was not tested due to 2 year-testing cycle, approved by the LLA.