
LOUISIANA HEALTH CARE QUALITY FORUM

FINANCIAL STATEMENTS

DECEMBER 31, 2021

RICHARD  CPAS

LOUISIANA HEALTH CARE QUALITY FORUM

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

LOUISIANA HEALTH CARE QUALITY FORUM

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RICHARD CPAS

Independent Auditors' Report

To the Board of Directors
Louisiana Health Care Quality Forum:

Opinion

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, 2021, and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Quality Forum as of December 31, 2021, and 2020, and the changes in its net assets and its cash flows for the years then ended in conformity with auditing standards generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in 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 opinion.

Management's Responsibility for the Financial Statements

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

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 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, 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.

Report on Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022, 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 24, 2022

LOUISIANA HEALTH CARE QUALITY FORUM
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,389,445	\$ 566,760
Investment securities	203,904	200,168
Accounts receivable, net	442,723	1,142,586
Prepaid expenses	411,395	365,916
Total current assets	<u>2,447,467</u>	<u>2,275,430</u>
 <u>PROPERTY & EQUIPMENT, NET</u>	 <u>171,544</u>	 <u>203,203</u>
 <u>TOTAL ASSETS</u>	 <u>\$ 2,619,011</u>	 <u>\$ 2,478,633</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 811,993	\$ 892,280
Payroll liabilities	28,257	30,192
Other liabilities	19,023	17,640
Deferred revenue	339,729	263,086
Note payable - SBA	-	156,902
Current portion of note payable	199,614	148,075
Total current liabilities	<u>1,398,616</u>	<u>1,508,175</u>
 <u>NOTE PAYABLE, LONG TERM</u>	 <u>337,728</u>	 <u>537,342</u>
 <u>TOTAL LIABILITIES</u>	 <u>1,736,344</u>	 <u>2,045,517</u>
 <u>NET ASSETS</u>		
Without donor restrictions	882,667	433,116
With donor restrictions	<u>-</u>	<u>-</u>
 <u>TOTAL NET ASSETS</u>	 <u>882,667</u>	 <u>433,116</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 2,619,011</u>	 <u>\$ 2,478,633</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, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	<u>REVENUES AND SUPPORT</u>					
Cooperative endeavor agreements	\$ 3,813,874	\$ -	\$ 3,813,874	\$ 3,472,139	\$ -	\$ 3,472,139
Program income	1,061,022	-	1,061,022	1,301,384	-	1,301,384
SBA Loan forgiveness	375,772	-	375,772	-	-	-
Other income	4,104	-	4,104	18,395	-	18,395
Net assets released from restrictions	-	-	-	95,647	(95,647)	-
Total revenues and support	<u>5,254,772</u>	<u>-</u>	<u>5,254,772</u>	<u>4,887,565</u>	<u>(95,647)</u>	<u>4,791,918</u>
<u>EXPENSES</u>						
Program Services:						
DHH	1,083,434	-	1,083,434	999,234	-	999,234
HIE	1,460,579	-	1,460,579	1,537,841	-	1,537,841
LAPD	897,825	-	897,825	981,501	-	981,501
LaPOST	568	-	568	20,390	-	20,390
DPSC	375,597	-	375,597	160,738	-	160,738
Other	-	-	-	1,935	-	1,935
Supporting Services:						
General and administrative	987,218	-	987,218	787,212	-	787,212
Total expenses	<u>4,805,221</u>	<u>-</u>	<u>4,805,221</u>	<u>4,488,851</u>	<u>-</u>	<u>4,488,851</u>
Change in net assets	449,551	-	449,551	398,714	(95,647)	303,067
Beginning of year net assets	433,116	-	433,116	34,402	95,647	130,049
End of year net assets	<u>\$ 882,667</u>	<u>\$ -</u>	<u>\$ 882,667</u>	<u>\$ 433,116</u>	<u>\$ -</u>	<u>\$ 433,116</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, 2021

	Program Services					Supporting Services		
	DHH	HIE	IAPD	LaPOST	DPSC	Total Program Services	Management and General	Total
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,628	\$ 1,628
Bad Debt Expense	-	21,000	-	-	-	21,000	-	21,000
Business Registration Fees	-	-	-	-	-	-	15	15
Participation Costs - Analytics	-	520,708	-	-	363,203	883,911	-	883,911
Participation Costs - LaHIE	-	246,010	-	-	-	246,010	-	246,010
Accounting Fees	-	-	-	-	-	-	95,156	95,156
Communication / Media	-	-	-	-	-	-	8,443	8,443
Legal Fees	-	-	-	-	-	-	12,047	12,047
Outside Contract Services	1,044,081	24,876	209,329	86	-	1,278,372	34,208	1,312,580
Professional Consultants	-	136,350	2,750	-	-	139,100	45,000	184,100
Depreciation	-	877	-	-	-	877	39,429	40,306
Equipment Rental	-	-	-	-	-	-	8,898	8,898
Rent	-	-	-	-	-	-	140,609	140,609
Dues & Subscriptions	162	9,454	20,460	-	10,837	40,913	51,799	92,712
Insurance	51	12,758	2,076	-	-	14,885	46,425	61,310
Meals	-	-	-	139	-	139	5,595	5,734
Other Costs - Operations	-	2,015	1,011	-	-	3,026	15,895	18,921
Postage	-	-	50	239	-	289	594	883
Printing & Copying	-	1,432	-	-	-	1,432	1,159	2,591
Supplies	-	1,368	1,781	-	-	3,149	3,982	7,131
Telephone	-	-	1,968	-	1,557	3,525	14,509	18,034
Travel	1,284	10,558	14,365	-	-	26,207	2,475	28,682
HRA Expenses	67	19,088	14,476	-	-	33,631	7,462	41,093
401K Match	942	10,630	12,669	-	-	24,241	11,268	35,509
Health Insurance	3,233	48,909	75,172	-	-	127,314	36,344	163,658
Payroll Processing Fees	56	820	1,202	-	-	2,078	981	3,059
Payroll Tax Expense	1,553	22,567	33,982	9	-	58,111	22,877	80,988
Salaries	32,005	350,171	506,534	95	-	888,805	379,267	1,268,072
Interest	-	20,988	-	-	-	20,988	1,153	22,141
Total	\$ 1,083,434	\$ 1,460,579	\$ 897,825	\$ 568	\$ 375,597	\$ 3,818,003	\$ 987,218	\$ 4,805,221

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, 2020

	Program Services						Supporting	Total
	DHH	HIE	IAPD	LaPOST	DPSC	Other	Management and General	
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,702	\$ 1,702
Bad Debt Expense	-	45,813	-	-	-	750	-	46,563
Business Registration Fees	-	274	75	-	-	-	1,185	1,534
Participation Costs - Analytics	-	489,500	-	-	112,427	-	-	601,927
Participation Costs - LaHIE	-	279,283	-	-	-	-	-	279,283
Accounting Fees	-	-	-	-	-	-	94,633	94,633
Communication / Media	-	-	-	-	-	-	200	200
Legal Fees	-	60	18,573	-	44,279	-	480	63,392
Outside Contract Services	986,108	28,575	270,551	75	-	-	27,884	1,313,193
Professional Consultants	-	110,000	-	-	-	575	60,000	170,575
Depreciation	-	877	-	-	-	-	37,031	37,908
Equipment Rental	-	-	-	-	-	-	7,771	7,771
Rent	-	-	-	-	-	-	145,643	145,643
Dues & Subscriptions	-	5,226	1,219	-	-	-	36,123	42,568
Insurance	9	19,718	2,078	-	-	3	48,760	70,568
Meals	-	663	48	-	-	-	4,797	5,508
Other Costs - Operations	972	2,324	7,082	-	2,583	-	18,227	31,188
Postage	-	-	-	133	-	-	871	1,004
Printing & Copying	-	-	-	-	-	-	1,668	1,668
Supplies	-	263	-	-	-	-	6,401	6,664
Telephone	-	221	1,659	-	1,449	3	13,789	17,121
Travel	-	4,060	-	-	-	-	1,239	5,299
HRA Expenses	274	11,501	21,372	-	-	174	6,281	39,602
401K Match	89	9,471	15,188	-	-	15	7,985	32,748
Health Insurance	855	65,699	72,418	857	-	295	17,469	157,593
Payroll Processing Fees	5	1,043	1,394	-	-	3	657	3,102
Payroll Tax Expense	153	26,808	34,362	-	-	29	16,623	77,975
Salaries	10,769	411,674	535,482	19,325	-	88	228,336	1,205,674
Interest	-	24,788	-	-	-	-	1,457	26,245
Total	\$ 999,234	\$ 1,537,841	\$ 981,501	\$ 20,390	\$ 160,738	\$ 1,935	\$ 787,212	\$ 4,488,851

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 449,551	\$ 303,067
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debts	21,000	46,563
Depreciation and amortization	40,306	37,908
SBA loan forgiveness	(375,772)	-
Unrealized gain on investments	(3,736)	(17,391)
Changes in operating assets and liabilities:		
Accounts receivable	678,863	545,328
Prepaid expenses	(45,479)	791
Accounts payable	(80,287)	(776,450)
Payroll liabilities	(1,935)	5,709
Other liabilities	1,383	504
Deferred revenue	76,643	(25,514)
Net cash provided by operating activities	<u>760,537</u>	<u>120,515</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment	<u>(8,647)</u>	<u>(13,625)</u>
Net cash used in investing activities	<u>(8,647)</u>	<u>(13,625)</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from SBA Loan	218,870	156,902
Payments on note payable	(148,075)	(88,961)
Net cash provided by financing activities	<u>70,795</u>	<u>67,941</u>
 Net change in cash	822,685	174,831
 Cash, beginning of year	<u>566,760</u>	<u>391,929</u>
 Cash, end of year	<u>\$ 1,389,445</u>	<u>\$ 566,760</u>

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

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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.

Accounts Receivable

Accounts receivable is stated at the amount management expects to collect. Management provides for probably uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2021 and 2020, the amounts for allowance for doubtful accounts were \$101,062 and \$155,551, respectively.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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 \$1,000 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 11 and other contracts as described in Note 10. 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 considered to be 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 has been 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, 2021 AND 2020

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.

Reclassification

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

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.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements - Adopted

The FASB has issued ASU No. 2014-09, Revenue from Contracts with Customers, to update its revenue recognition standard to clarify the principles of recognizing revenue and eliminate industry-specific guidance as well as help financial statement users better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The standard may be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Quality Forum has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented, except as provided for in the ASU.

2. Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</u>
Operating account	\$1,388,120	\$ 565,397
Savings account	1,129	1,127
Petty cash	196	236
Total Cash	<u>\$1,389,445</u>	<u>\$ 566,760</u>

3. Investments

Investments at December 31, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</u>
Fidelity Government Cash Reserves	\$ 21,738	\$ 15,681
iShares TIPS Bond ETF	99,484	98,290
iShares TR Intermediate TR CRP ETF	82,682	86,197
Total Investments	<u>\$ 203,904</u>	<u>\$ 200,168</u>

For the years ended December 31, 2021 and 2020, the Quality Forum had \$3,736 and \$17,391, respectively, in investment return, net. Investment return, net is included in other income on the statements of activities.

	<u>2021</u>	<u>2020</u>
Dividends	\$ 6,159	\$ 1,183
Realized gains	181	-
Unrealized gains/(loss)	(2,321)	16,208
Fees	(283)	-
Total investment return, net	<u>\$ 3,736</u>	<u>\$ 17,391</u>

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

4. Accounts Receivable

Accounts receivable at December 31, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</u>
Louisiana Department of Health & Hospitals	\$ 78,670	\$ 694,006
Louisiana Department of Public Safety and Corrections	157,539	205,807
Ochsner Health	150,000	150,000
Other	157,576	248,324
Less: allowance for doubtful accounts	<u>(101,062)</u>	<u>(155,551)</u>
Total	<u>\$ 442,723</u>	<u>\$1,142,586</u>

Management has evaluated all receivables at December 31, 2021 and 2020, to determine their collectability. As of December 31, 2021, and 2020, the amount for allowance for doubtful accounts was based on an evaluation of past-due fees due from Louisiana hospitals and providers.

5. Property and Equipment

Property and equipment at December 31, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</u>
Facility construction	\$ 3,216	\$ 3,216
Furniture and equipment	323,019	325,505
Software	<u>652,773</u>	<u>652,773</u>
	979,008	981,494
Less: accumulated depreciation	<u>(807,464)</u>	<u>(778,291)</u>
Total	<u>\$ 171,544</u>	<u>\$ 203,203</u>

Depreciation expense for the years ended December 31, 2021, and 2020, amounted to \$40,306 and \$37,908, respectively.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

6. Note Payable

An accounts payable vendor was converted to a note payable in May 2018 in the amount of \$920,000. The Quality Forum has the following note payable at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
3.4% note payable to Orion Health due in varying monthly installments through May 2024	<u>\$ 537,342</u>	<u>\$ 685,417</u>
Total	537,342	685,417
Less current portion	<u>(199,614)</u>	<u>(148,075)</u>
Non-current portion	<u>\$ 337,728</u>	<u>\$ 537,342</u>

Principal payments required in future years as of December 31, 2021, are as follows:

<u>Year</u>	
2022	\$ 199,614
2023	232,133
2024	<u>105,595</u>
Total	<u>\$ 537,342</u>

7. Note Payable -SBA

On May 8, 2020 and March 24, 2021, the Quality Forum received a U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loan in the amount of \$156,902 and \$218,870, respectively. The loan is forgivable if the Quality Forum met certain criteria. The loans provided for an interest rate of 1% and were due five years from the date of origination. The PPP loans did not require any collateral or personal guarantees associated with the loans. The Quality Forum asserts the funds were used in accordance with the SBA requirements, and thus the Quality Forum has met certain criteria for loan forgiveness. The Quality Forum has received notice of forgiveness from the SBA for each of these loans in 2021 and recognized \$375,772 in PPP Loan Forgiveness in the Statement of Activities during the year ended December 31, 2021.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

8. Availability and Liquidity

The following represents the Quality Forum's financial assets at December 31, 2021:

Financial assets at year end:

Cash and cash equivalents	\$1,389,445
Investment securities	203,904
Accounts receivable, net	<u>442,723</u>

Total financial assets	<u><u>\$2,036,072</u></u>
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Less amounts not available to be used within one year
or unavailable for general expenditures:

Assets with donor restrictions, programs	<u>-</u>
	<u>\$ -</u>

Financial assets available to meet general expenditures over the next twelve months	<u><u>\$2,036,072</u></u>
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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.

9. Retirement Plans

Effective on May 16, 2013, the Quality Forum enrolled in the Louisiana Health Care Quality Forum 401(k) Plan. This 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 a 4% employer contribution rate.

The Quality Forum's contributions to the plans for the years ended December 31, 2021 and 2020, amounted to \$35,509 and \$32,748, respectively

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

10. Contract Revenue

LaPOST

The Louisiana Physician Orders for Scope of Treatment (“LaPOST”) is an initiative of the Quality Forum focused on providing consumers and health care professionals with the information, education, and resources necessary to make educated decisions about end-of-life care. The Quality Forum receives funding from multiple sources to support outreach and education efforts throughout the state for this initiative.

11. Cooperative Endeavor Agreement Income

TX/LA Telehealth Agreement

On October 1, 2014, the Quality Forum entered into a subcontract agreement with Texas Tech University Health Sciences Center. The Quality Forum’s role is to provide a Project Coordinator to assist in developing the TX/LA Telehealth Resource Center. The agreement has been renewed annually with the latest extension granted September 1, 2019. The agreement ended May 2020.

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 will implement and / or provide support for the following initiatives: Medicaid Provider Outreach, Patient-Centered Medical Home Transformation, HIE Integration Assistance, LA Emergency Department Information Exchange, development of a LaPOST Registry, and implementation of an electronic health records (“EHR”) system in Louisiana’s correctional facilities. 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.

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

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

11. Cooperative Endeavor Agreement Income (continued)

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, 2024.

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, 2023.

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

	2021	2020
Deferred revenue, beginning of year	\$ 240,315	\$ 279,378
Revenue recognized that was included in deferred revenue	(240,315)	(279,378)
Increases in deferred revenue due to cash received during the year	326,701	240,315
Deferred revenue, end of year	\$ 326,701	\$ 240,315

Prepaid expenses include amounts paid related to the performance of future obligations on the Quality Forum’s contracts as of December 31, 2021 and 2020 amounting to \$334,283 and \$296,410, respectively.

The remaining amount in performance obligations for contracts in progress as of December 31, 2021, was \$2,297,000, \$1,715,000 and \$415,000 for the years ended December 31, 2022, 2023, and 2024, respectively, totaling \$4,427,000.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

12. Fair Value Measurements

Generally accepted accounting principles (GAAP) provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to adjusted quoted prices in active markets for identical assets or liabilities (level 1 investments) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under the framework are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Quality Forum has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing model, discounted cash flow models, and similar techniques.

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

Following is a description of the valuation methodologies used for assets measured at fair value.

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

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

12. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Quality Forum's investment assets at fair value as of December 31, 2021 and 2020. There have been no changes in the methodologies used at December 31, 2021.

<u>2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government Money Market Fund	\$ 21,738	\$ -	\$ -	\$ 21,738
Exchange Traded Funds	182,166	-	-	182,166
Total	<u>\$ 203,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,904</u>

<u>2020</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Government Money Market Fund	\$ 15,681	\$ -	\$ -	\$ 15,681
Exchange Traded Funds	184,487	-	-	184,487
Total	<u>\$ 200,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,168</u>

13. Leases

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 an additional year. On February 7, 2020, the third amendment to lease extended the lease through January 11, 2023.

Future minimum lease payments related to these leases are \$147,844 during the year ended December 31, 2022. The Quality Forum's lease expense for the years ended December 31, 2021, and 2020, amounted to \$140,609 and \$145,643 respectively.

LOUISIANA HEALTHCARE QUALITY FORUM

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

14. Concentrations of Credit Risk

The Quality Forum maintains its cash and cash equivalent balances 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. At December 31, 2021 and 2020, the Quality Forum's cash exceed federally insured limits by \$1,117,502 and \$299,463, respectively.

The Quality Forum receives the majority of its support from cooperative endeavor agreements with the Louisiana Department of Health and Hospitals (DHH). During the years ended December 31, 2021, and 2020, approximately 62% and 66%, respectively, of the total support of the Quality Forum was received from DHH.

15. Subsequent Events

The Quality Forum has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2022, and determined that no subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

LOUISIANA HEALTH CARE QUALITY FORUM

Supplementary Information

December 31, 2021

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, 2021

Agency Head Name: Cindy Munn, Chief Executive Officer

<u>Purpose</u>	<u>Amount</u>
Salary (Salary, Bonus, PTO)	\$ 242,666
Benefits - insurance	21,847
Benefits - retirement	-
Deferred compensation (contributions made by the agency)	8,437
Benefits - other (Disability Ins., Life Ins., HRA)	5,967
Car allowance	-
Vehicle provided by government	-
Cell phone	2,300
Dues	200
Vehicle rental	-
Per diem	-
Reimbursements (Meals reimbursed directly to Cindy)	-
Travel (reimbursed directly to Cindy)	206
Conference travel (Travel paid directly by LHCQF)	1,423
Housing	-
Unvouchered expenses	-
Special Meals (Networking, strategic planning meals)	1,368
Other	-
	<u>\$ 264,413</u>

See independent auditors' 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, as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2022.

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.

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 24, 2022

LOUISIANA HEALTH CARE QUALITY FORUM
BATON ROUGE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2021

RICHARD  CPAS

LOUISIANA HEALTH CARE QUALITY FORUM
BATON ROUGE, LOUISIANA

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2021

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, 2021 through December 31, 2021. 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, 2021 through December 31, 2021. 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 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 24 , 2022

JUVENILE COURT FOR THE PARISH OF JEFFERSON

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

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.

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.

Not applicable – The Quality Forum is not required to prepare a budget.

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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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).

No exceptions were found as a result of this procedure.

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

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, 2021

- 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.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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.

Not applicable – The Quality Forum is not subject to this requirement.

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

Not applicable – The Quality Forum did not issue any debt in 2021.

- 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.

No exceptions were found as a result of this procedure.

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

Not applicable – The Quality Forum is not subject to this requirement.

LOUISIANA HEALTH CARE QUALITY FORUM

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

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

Not applicable – This procedure does not apply to the Quality Forum.

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

Not applicable – This procedure does not apply to the Quality Forum.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

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, 2021

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Collections (excluding electronic funds transfers)

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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, 2021

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

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, 2021

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the 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.

LOUISIANA HEALTH CARE QUALITY FORUM

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2021

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Contracts

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

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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Payroll and Personnel

16. 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.

No exceptions were found as a result of this procedure.

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

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Not applicable – The Quality Forum is not subject to this requirement.

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

Not applicable – The Quality Forum is not subject to this requirement.

Debt Service

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

Not applicable – The Quality Forum did not issue any debt in 2021.

22. 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).

Not applicable – The Quality Forum provided us a list that included one note payable to a vendor that has no debt covenants or reserve balance requirements.

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Fraud Notice

23. 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.

No exceptions were found as a result of this procedure.

24. Observe 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.

Exception noted - Fraud notice was not on the website.

Information Technology Disaster Recovery/Business Continuity

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

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backup critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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Sexual Harassment

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

Not applicable – The Quality Forum is not subject to this requirement.

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

Not applicable – The Quality Forum is not subject to this requirement.

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

a) Number and percentage of public servants in the agency who have completed the training requirements;

Not applicable – The Quality Forum is not subject to this requirement.

b) Number of sexual harassment complaints received by the agency;

Not applicable – The Quality Forum is not subject to this requirement.

c) Number of complaints which resulted in a finding that sexual harassment occurred;

Not applicable – The Quality Forum is not subject to this requirement.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;

Not applicable – The Quality Forum is not subject to this requirement.

e) Amount of time it took to resolve each complaint.

Not applicable – The Quality Forum is not subject to this requirement.