LOUISIANA CHILDREN'S MEDICAL CENTER

Independent Auditor's Report
Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

LAPORTE
CPAs & BUSINESS ADVISORS

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LaPorte, APAC
111 Veterans Blvd. | Suite 600
Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

Independent Auditor's Report

To the Governing Board of Trustees
Louisiana Children's Medical Center

Opinion

We have audited the accompanying consolidated financial statements of Louisiana Children's Medical Center (the System) which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the System as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS 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 consolidated 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 System'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated April 22, 2025, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Metairie, LA
April 22, 2025

LOUISIANA CHILDREN'S MEDICAL CENTER
Consolidated Balance Sheets
December 31, 2024 and 2023 (in Thousands)

	2024	2023
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 135,374**	$ 149,185
Assets Limited as to Use	**23**	115
Patient Accounts Receivable	**405,185**	383,140
Other Receivables	**325,119**	257,550
Inventories	**76,515**	71,290
Prepaid Expenses and Other	**60,432**	56,091
Total Current Assets	**1,002,648**	917,371
Assets Limited as to Use		
Investments Designated for Capital Projects and Specific Programs	**947,702**	1,046,608
Restricted by Bond Indenture, Debt Service Reserve	**1,748**	20,830
Donor-Restricted Long-Term Investments	**22,049**	15,928
Restricted Other	**22**	19
Less: Amount Required for Current Obligations	**(23)**	(115)
Assets Limited as to Use, Net	**971,498**	1,083,270
Investments in Joint Ventures	**47,687**	44,857
Long-Term Portion of Prepaid Leases	**329,930**	344,424
Property, Plant, and Equipment, Net	**1,368,439**	1,345,623
Goodwill	**80,767**	80,767
Other Assets	**101,861**	110,679
Total Assets	**$ 3,902,830**	$ 3,926,991

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

LOUISIANA CHILDREN'S MEDICAL CENTER
Consolidated Balance Sheets (Continued)
December 31, 2024 and 2023 (in Thousands)

	2024	2023
Liabilities and Net Assets		
Current Liabilities		
Trade Accounts Payable	**$ 283,559**	$ 245,544
Accrued Salaries and Benefits	**118,803**	101,331
Estimated Third-Party Payor Settlements	**12,279**	19,533
Deferred Revenue	**26,533**	17,929
Line of Credit	**100,000**	100,000
Notes Payable	**50,000**	100,000
Other Current Liabilities	**84,798**	76,532
Total Current Liabilities	**675,972**	660,869
Bonds Payable, Net of Current Portion	**1,098,560**	1,105,382
Notes Payable, Net of Current Portion	**28,000**	78,000
Deferred Revenue, Net of Current Portion	**167,345**	179,456
Other Long-Term Liabilities	**141,234**	136,799
Total Liabilities	**2,111,111**	2,160,506
Noncontrolling Interest	**512**	448
Net Assets		
Without Donor Restrictions	**1,769,074**	1,746,122
With Donor Restrictions		
Purpose Restrictions	**16,168**	13,956
Perpetual in Nature	**5,965**	5,959
Total Net Assets	**1,791,207**	1,766,037
Total Liabilities and Net Assets	**$ 3,902,830**	$ 3,926,991

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

LOUISIANA CHILDREN'S MEDICAL CENTER
Consolidated Statements of Operations
For the Years Ended December 31, 2024 and 2023 (in Thousands)

	2024	2023
Revenues, Gains, and Other Support Without Donor Restrictions		
Net Patient Service Revenues	**$ 3,175,112**	$ 3,101,674
Other Operating Revenues	**300,542**	220,356
Total Operating Revenues	**3,475,654**	3,322,030
Operating Expenses		
Employee Compensation and Benefits	**1,386,958**	1,371,067
Purchased Services	**428,396**	451,589
Professional Fees	**327,028**	326,844
Supplies and Other Expenses	**1,070,791**	975,701
Depreciation and Amortization	**173,071**	163,590
Interest Expense	**65,335**	64,271
Total Operating Expenses	**3,451,579**	3,353,062
Income (Loss) from Operations	**24,075**	(31,032)
Investment Income	**75,396**	138,143
Other Nonoperating (Expense) Income	**(4,167)**	984
Community Support, Net	**(73,709)**	(46,475)
Excess of Revenues over Expenses	**$ 21,595**	$ 61,620

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

LOUISIANA CHILDREN'S MEDICAL CENTER
Consolidated Statements of Changes in Net Assets
For the Years Ended December 31, 2024 and 2023 (in Thousands)

	2024	2023
Changes in Net Assets Without Donor Restrictions		
Excess of Revenues over Expenses	**$ 21,595**	$ 61,620
Excess of Revenues over Expenses Attributable to Noncontrolling Interests	**126**	205
Adjustment to Additional Minimum Pension Liability	**1,554**	1,536
Ownership Revisions	**(323)**	(20)
Increase in Net Assets Without Donor Restrictions	**22,952**	63,341
Changes in Net Assets With Donor Restrictions		
Contributions and Grants	**6,182**	6,346
Investment Income	**824**	1,321
Net Assets Released from Restrictions	**(4,788)**	(1,737)
Increase in Net Assets With Donor Restrictions	**2,218**	5,930
Increase in Net Assets	**25,170**	69,271
Net Assets, Beginning of Year	**1,766,037**	1,696,766
Net Assets, End of Year	**$ 1,791,207**	$ 1,766,037

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

LOUISIANA CHILDREN'S MEDICAL CENTER
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023 (in Thousands)

	2024	2023
Cash Flows from Operating Activities		
Increase in Net Assets	**$ 25,170**	$ 69,271
Adjustments to Reconcile Increase in Net Assets to		
Net Cash Provided by (Used in) Operating Activities		
Noncontrolling Interest in Income of Consolidated		
Subsidiaries	**(126)**	(205)
Depreciation and Amortization	**174,212**	161,282
Equity in Earnings of Investments in Joint Ventures	**(2,278)**	(1,836)
Net Realized and Unrealized Investment Income	**(75,396)**	(138,143)
(Increase) Decrease in:		
Patient Accounts Receivable	**(22,045)**	(133,631)
Other Receivables	**(67,569)**	(105,415)
Inventories	**(5,225)**	(3,781)
Prepaid Expenses and Other Assets	**25,135**	15,835
Increase (Decrease) in:		
Trade Accounts Payable	**38,015**	(1,276)
Accrued Salaries and Benefits	**17,472**	11,888
Third-Party Payor Settlements	**(7,254)**	(22,219)
Deferred Revenue	**(3,507)**	13,920
Other Liabilities	**(6,003)**	(2,962)
Net Cash Provided by (Used in) Operating Activities	**90,601**	(137,272)
Cash Flows from Investing Activities		
Acquisition of Businesses, Net of Cash Acquired	**-**	(177,651)
Capital Expenditures, Net	**(183,741)**	(238,876)
Purchases of Investments	**(52,677)**	(314,544)
Proceeds from Sales of Investments	**223,352**	490,227
Other Investing Activity	**(256)**	2,105
Net Cash Used in Investing Activities	**(13,322)**	(238,739)
Cash Flows from Financing Activities		
Proceeds from Issuance of Bonds	**-**	130,500
Repayments of Bonds Payable	**(5,405)**	(30,325)
Proceeds from Note Payable	**-**	150,000
Repayments of Note Payable	**(100,000)**	-
Payments of Debt Issuance Cost	**-**	(1,421)
Finance Lease Payments	**(2,268)**	(2,910)
Net Cash (Used in) Provided by Financing Activities	**(107,673)**	245,844
Net Decrease in Cash, Cash Equivalents, and Cash Limited as to Use	**(30,394)**	(130,167)
Cash, Cash Equivalents, and Cash Limited as to Use, Beginning of Year	**167,480**	297,647
Cash, Cash Equivalents, and Cash Limited as to Use, End of Year	**$ 137,086**	$ 167,480

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

Note 1. Organization

Louisiana Children's Medical Center (LCMC Health or the System) is a Louisiana not-for-profit corporation headquartered in New Orleans, Louisiana. LCMC Health operates an integrated network of healthcare providers, including hospitals providing acute, pediatric, psychiatric and rehabilitation services, outpatient services, pharmacies, and physician networks. The System provides a continuum of care to patients living and working in the Gulf South region. All corporate powers of the System are vested in the Board of Trustees (the Board) of LCMC Health.

Significant operating units of the System include the following legal entities:

Children's Hospital and subsidiaries (Children's)
Located in New Orleans, Louisiana, Children's operates a 228 licensed bed medical center providing acute, rehabilitation and psychiatric inpatient and outpatient care for infants, children, and adolescents.

Touro Infirmary and subsidiaries (Touro)
Touro operates an acute care hospital, with 341 licensed beds, continuing care retirement homes, and physician networks in the New Orleans area.

University Medical Center Management Corporation (UMC)
UMC operates a campus in downtown New Orleans with a 446 licensed bed hospital, outpatient clinics and treatment facilities. UMC supports programs, facilities and research and educational opportunities offered by Louisiana State University (LSU), and supporting research and educational opportunities, offered by the Administrators of the Tulane Educational Fund (Tulane). LCMC Health is operating UMC's facility under provisions of the Amended and Restated Cooperative Endeavor Agreement (UMC CEA).

West Jefferson Medical Center and subsidiaries (WJMC)
WJMC operates a 324 licensed bed hospital located in Marrero, Louisiana providing general acute care along with outpatient health care services at locations in the New Orleans metropolitan area. WJMC operates assets under the terms of a Cooperative Endeavor Agreement (WJMC CEA) and a Master Hospital Lease with Jefferson Parish.

University Healthcare System (UHS)
UHS operates East Jefferson General Hospital (EJGH), Tulane Medical Center (TMC), Lakeside Hospital and Lakeview Hospital providing acute, psychiatric and rehabilitation services, outpatient services, pharmacies, and physician networks. UHS supports programs, facilities and research, and educational opportunities offered by Tulane and LSU. The combined licensed bed count is 665.

LCMC Health and Children's Hospital are members of an obligated group that are jointly and severally obligated for the debt issued and guaranteed under Master Trust Indentures.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements of the System include the activities of LCMC Health along with the five operating units defined in Note 1. The consolidated financial statements of the System incorporate both tax-exempt and taxable entities. All significant intercompany transactions have been eliminated in consolidation.

Financial statement preparation follows accounting principles generally accepted in the United States of America (U.S. GAAP), which requires the System to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates

The consolidated financial statements are prepared on the accrual basis of accounting. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated balance sheets. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with a remaining maturity of three months or less when purchased. Cash and cash equivalents held in investment trading accounts for reinvesting are classified as investments. For purposes of the consolidated statements of cash flows, cash and cash equivalents includes cash limited as to use, from bond indentures, of approximately $1,710 and $18,295 at December 31, 2024 and 2023, respectively.

Inventories

Inventories are stated at the lower of first-in, first-out cost (pharmacy), and weighted average (supplies), or at its market value at the date of the consolidated balance sheets.

Assets Limited As to Use

Assets whose use is limited primarily include assets designated for capital projects and specific programs, restricted under indenture agreements, and those with donor restrictions.

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value on the consolidated balance sheets. Alternative investments that do not have readily determinable fair values are recorded at net asset value (NAV) as a practical expedient. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities could occur and such changes could materially affect the value of investments.

Notes to Financial Statements (All amounts in Thousands)

Note 2. Summary of Significant Accounting Policies (Continued)

Leases

The System leases various facilities and equipment under noncancelable operating leases expiring at various dates through 2060 and records the corresponding right-of-use (ROU) assets and operating lease liabilities on the consolidated balance sheets. ROU assets are calculated as lease liabilities plus any prepaid lease payments and initial direct costs, less any lease incentives. Renewal options to extend the lease term that are reasonably certain to be exercised are included in the measurement of leases. Operating lease liabilities are calculated as the present value of the remaining lease payments and reported within current portion of other liabilities and operating leases on the consolidated balance sheets. The System does not separate lease and non-lease components of contracts. Generally, the estimated incremental borrowing rate is used to discount the lease payments, as most of the leases do not provide implicit interest rates.

Right-of-use assets and prepaid operating leases related to the UMC CEA and the WJMC CEA, are amortized over the contractual lease term.

Property and Equipment

Property and equipment are stated at cost, except for assets donated to the System. Donated assets are recorded at their estimated fair value at the date of donation.

Depreciation is computed on a straight-line basis over the estimated useful life of the asset, as follows:

	Years
Land Improvements	10 - 20
Buildings	15 - 40
Leasehold Improvements	3 - 5
Fixed Equipment	10 - 20
Major Moveable Equipment	3 - 10

Goodwill

Goodwill at December 31, 2024 and 2023 is measured as the excess of the acquisition price over the estimated fair value of net assets acquired as detailed in Note 21. The System performs an impairment test annually on October 1, or more frequently, if events or changes in circumstances indicate a potential impairment. No impairment was identified for the years ended December 31, 2024 and 2023, respectively.

Impairment of Long-Lived Assets

The System reviews its long-lived asset groups, including property and equipment, and intangibles, for impairment, at least annually, or more frequently, if indicators exist that the carrying amount of an asset group may not be recoverable. No impairment was identified for the years ended December 31, 2024 and 2023, respectively.

Note 2. Summary of Significant Accounting Policies (Continued)

Prepaid Expenses and Other Assets

Other assets (current and non-current) consist of prepaid payments, including current portion of prepaid leases, which are amortized over their benefit period on a straight-line basis.

Deferred Financing Costs and Original Issue Premium

Deferred financing costs, original issue premiums, and original issue discounts are netted with the related debt and are amortized over the period the obligation is outstanding using a method that approximates the interest method.

Workers' Compensation, Professional Liability, and Employee Health Claims

The System records the provisions for estimated medical, professional, and general liability, and workers' compensation claims based upon claims incurred, combined with an estimate of claims incurred but not reported. Claims expense is reduced by amounts recoverable through stop-loss insurance purchased by the System. Estimates recorded for these self-insured liabilities are based on past experience, as well as other considerations, including the nature of claims, industry data, relevant trends, and/or the use of actuarial information.

Pension and Other Postretirement Plans

The System recognizes the underfunded status of its pension and other postretirement plans as a liability in its consolidated balance sheets. Changes in the funded status of the pension and other postretirement plans are reported as a change in unrestricted net assets presented below the excess of revenues over expenses financial statement line item in the consolidated statements of changes in net assets in the year in which the change occurs.

Deferred Revenue

When the System receives payments before all performance obligations are satisfied, recognition of the related revenue is deferred until the period in which the System has satisfied such obligations.

Other Current and Non-Current Liabilities

Other liabilities include operating and finance liabilities; patient credit balances; estimated health, workers compensation and professional and general claims; and pension benefits.

Fair Value of Financial Instruments

The System accounts for certain assets and liabilities at fair value or on a basis that approximates fair value. A fair value hierarchy for valuation prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels and is determined by the lowest level input that is significant to the fair value measurement in its entirety.

Note 2. Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

These levels are:

Level 1 Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. Financial assets in this category primarily include listed equities.

Level 2 Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and for which all significant inputs are observable, either directly or indirectly, as of the measurement date. Financial assets and liabilities in this category generally include asset-backed securities, corporate bonds and loans, municipal bonds, and interest rate swaps.

Level 3 Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. Financial assets in this category generally include alternative investments.

Alternative investments consist of those investments that do not trade in secondary markets. Such funds are reported at fair value as estimated by their net asset value as reported by fund managers. That amount represents the System's proportionate interest in the capital of the invested funds. Using net asset values per share is a practical expedient and not classified in the fair value hierarchy.

Derivatives and Financial Instruments

The System uses interest rate swap and basis swap agreements to manage interest costs and the risk associated with changing interest rates. The fair value of these instruments is recorded in other receivables or other liabilities on an instrument-by-instrument basis depending on their current net values and maturities in the consolidated balance sheets.

The System's primary objective for the use of these instruments is to manage its cash flow requirements. Realized gains or losses are reflected within interest expense. Unrealized gains and losses in the fair value of such instruments are reflected in investment income or loss in the consolidated statements of operations.

Patient Service Revenue

Patient service revenue is recognized as the System satisfies performance obligations under its contracts with patients. These amounts are due from patients, third-party payors (including health insurers and government programs), and others, and include variable consideration for retroactive revenue adjustments. Patient care service revenue is reported at the estimated transaction price or amount that reflects the consideration to which the System expects to be entitled in exchange for providing patient care.

Note 2. Summary of Significant Accounting Policies (Continued)

Patient Service Revenue (Continued)

The System determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments, discounts in accordance with the System's policies, and implicit price concessions provided for uncollectable amounts. In accordance with the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326-20 *Financial Instruments - Credit Losses*, management determines the implicit pricing concessions using an estimate of expected credit losses, applied to customer groupings with similar risk characteristics, based on historical experience, current economic conditions, and certain forward-looking information. The System records implicit pricing concessions for estimated losses resulting from a payors inability to make payments on accounts. Accounts are written off when collection efforts have been exhausted. Management continually monitors and adjusts its allowances associated with its receivables.

Generally, the System bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility, and patient accounts receivable are due in full when billed. Revenue is recognized as performance obligations are satisfied. Generally, performance obligations satisfied over time relate to patients in the System receiving inpatient acute care services or patients receiving services in its outpatient centers.

Agreements with third-party payors typically provide for payments at amounts less than standard charges. Following is a summary of the payment arrangements with major third-party payors:

Medicare - Inpatient and outpatient services, including physician services, are paid at prospectively determined rates based on clinical, diagnostic, and other factors. Certain services are paid based on cost-reimbursement methodologies, subject to certain limits.

Medicaid - Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service, or per covered member.

Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Note 2. Summary of Significant Accounting Policies (Continued)

Patient Service Revenue (Continued)
Settlements with third-party payors for retroactive adjustments due to review and audits are variable consideration and are included in the determination of the estimated transaction price for providing patient care in the period the related services are provided using the most likely outcome method. The System records retroactive Medicare and Medicaid settlements based upon estimates of amounts that are ultimately determined through annual cost reports filed with and audited by the fiscal intermediary. Estimated settlements are adjusted in future periods as adjustments become known or as years are settled or are no longer subject to such reviews and audits. Adjustments from a change in estimated settlements increased patient service revenue by approximately $9,878 and $37,400 in 2024 and 2023, respectively.

Patient Accounts Receivables
Patient Accounts Receivables are carried at a net amount determined by the original charge for the services provided, less an estimate made for implicit and explicit pricing concessions provided. The System had net patient accounts receivables of approximately $405,185, $383,140, and $249,509, on December 31, 2024, 2023, and 2022, respectively.

Financial Assistance Program
The System provides medical care without charge or at reduced costs to residents of its community through the provision of financial assistance. The System has established and follows its policies for financial assistance, emergency medical care, and billing and collections. Costs for medical care provided under this program are generally estimated based on direct costs incurred or through estimation of an overall cost to charge ratio to the uncompensated charges associated with care provided under this program.

During the years ended December 31, 2024 and 2023, estimated costs associated with providing financial assistance, throughout the System, were approximately $125,050 and $107,510, respectively. These amounts are not reported within net patient revenue, since the System does not pursue collection of these amounts.

Grants, Contributions, and Gifts With Donor Restrictions
Revenues from grants from individuals, private, and public entities, including contributions of capital assets, are recognized when the eligibility requirements, including time requirements, are met, and when there is reasonable assurance that the grants will be received. Grants may be restricted for either specific operating purposes or for capital purposes. Amounts are recorded as either operating or non-operating revenue based upon their nature.

Note 2. Summary of Significant Accounting Policies (Continued)

Grants, Contributions, and Gifts With Donor Restrictions (Continued)

Unconditional promises to give cash and other assets which are expected to be collected within one year are reported at fair value at the date the promise is received. Contributions that are expected to be collected in future years are recorded at fair value when the promise is made based on a discounted cash flow model. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Conditional promises to give and indications of intentions to give are reported at fair value at the date the condition is met, or the gift is received. Gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When an externally-imposed restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of operations as net assets released from restrictions.

Contributions for which the restrictions are met in the same period in which the unconditional promise to give is received are recorded as revenue without donor restrictions in the accompanying consolidated financial statements.

Operating and Nonoperating Activities

The System's primary mission is to meet the healthcare needs in its market area through a broad range of general and specialized healthcare services. Activities directly associated with the furtherance of this purpose are considered to be operating activities. Other activities that are peripheral to the System's primary mission are considered to be non-operating.

Excess of Revenues over Expenses

Excess of revenues over expenses includes all changes in net assets without donor restrictions except for the effect of changes in accounting principles, net assets released from restrictions used for purchase of property and equipment, change in funded status of pension obligations, change in the non-controlling interests, funds donated from unconsolidated sources for purchases of property and equipment, and the donation of property and equipment from unconsolidated sources.

Income Taxes

Certain of the System's subsidiaries are not-for-profit entities under Section 501(c)(3) of Internal Revenue Code and are exempt from federal income taxation. WJMC and UHS are considered disregarded entities for federal and state income tax purposes, with profits and losses presented together with LCMC Health.

Through the year ended December 31, 2024, the operations of certain for-profit-entities have resulted in estimated cumulative net operating losses for federal income tax purposes of approximately $107,639, of which approximately $62,810 have no expiration as to their use while approximately $44,829 expire in varying amounts through 2036. No tax benefits related to these operating losses have been recognized in the accompanying consolidated financial statements.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting for Uncertainty in Income Taxes

Accounting principles generally accepted the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

The System believes that it has appropriate support for any tax positions taken, and there are no uncertain tax positions that are material to the consolidated financial statements.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified in order to be comparable with the current year presentation. These reclassifications had no effect on the reported results of operations.

Note 3. Supplemental Cash Flow Information

During the year ended December 31, 2024 and 2023, the System paid cash for interest totaling $64,905 and $59,947, respectively.

Noncash activities for the years ended December 31, 2024 and 2023 included ROU assets in exchange for finance lease liabilities of $2,925 and $5,516; ROU assets in exchange for operating lease liabilities of $17,839 and $12,550; property, plant and equipment purchases included in accounts payables of $20,504 and $4,419; and property, plant, and equipment acquisitions through deferred revenue of $-0- and $2,057, respectively.

During the years ended December 31, 2024 and 2023, operating cash flows include cash paid for finance lease liabilities of $333 and $463, and cash paid for operating lease liabilities of $10,112 and $11,947, respectively. These amounts are included in changes in other liabilities in the consolidated statements of cash flows.

Notes to Financial Statements (All amounts in Thousands)

Note 4. Patient Service Revenues

Patient service revenues are generated from services provided to inpatients and outpatients receiving medical care. Inpatient revenues account for approximately 37% and 34% of total net patient service revenue for the years ended December 31, 2024 and 2023, respectively. The table below shows the sources of net patient service revenue for the years ended December 31:

	2024	2023
Medicaid	**$ 1,431,419**	$ 1,441,429
Medicare	**886,794**	900,820
Other Third-Party	**811,174**	691,033
Guarantor/Patient/Other	**45,725**	68,392
Net Patient Service Revenue	**$ 3,175,112**	$ 3,101,674

Supplemental Payment Programs
The System has collaborated with the State and units of local government in Louisiana to more fully fund the Medicaid program and to ensure the availability of quality healthcare services for the low income residents in the community population. The provision of this care directly to low income and needy patients was supported through the State's plan by the Centers for Medicare and Medicaid Services (CMS).

Through the State's Full Directed Payment program (Money-Follows- the-Patient or MFP), revenue is recognized based on an amount estimated by the Louisiana Department of Health for the State's fiscal year. Further, the System is eligible to participate in disproportionate share revenue under the State's plan for funding Medicaid. All amounts remitted under the MFP are subject to reconciliation based on volume of eligible Medicaid patients.

In addition, the System entered into agreements to receive or qualify for payments under the State's Medicaid Managed Care Quality Incentive Program (MCIP) where revenue is recognized on the accomplishment of defined performance measures.

For the years ended December 31, 2024 and 2023, the System recognized revenue from both sources totaling $850,923 and $884,633, respectively, which is included within net patient service revenue on the consolidated statement of operations.

Notes to Financial Statements (All amounts in Thousands)

Note 5. Other Receivables

Amounts reflected in other current receivables on the consolidated balance sheets consist of the following amounts as of December 31:

	2024	2023
Supplemental Payments	$ 247,692	$ 186,949
Due from Managed Entities	46,459	33,491
Other Receivables	24,484	31,679
Drug Pricing Program Receivables (340B)	6,484	5,431
	$ 325,119	$ 257,550

Note 6. Assets Limited as to Use

At December 31, 2024 and 2023, assets limited as to use are invested as allowed and consist of the following investment categories:

	2024	2023
Marketable Equity Securities	$ 527,005	$ 545,550
Other Fixed Income Securities	417,520	464,628
Money Market Funds, Certificates of Deposit, and Commercial Paper	14,981	27,358
Cash	11,467	44,589
U.S. Government Securities	548	35
Corporate Bonds	-	1,225
Total	$ 971,521	$ 1,083,385

Notes to Financial Statements (All amounts in Thousands)

Note 7. Derivative Instruments

The System entered into derivative instruments consisting of interest rate swap agreements. At December 31, 2024 and 2023, the instruments consist of the following:

Trade Date	Maturity	Notional Amount 12/31/2024	Notional Amount 12/31/2023	Hedged Rate	Derivative Rate	Counterparty
April 24, 2015 (amended 9/29/2023)	September 29, 2025	$ 28,685	$ 34,090	3.900%	USPSA	Touro
June 9, 2021	June 9, 2026	$ 79,610	$ 79,610	6.35%	SOFR	Children's
June 9, 2021	June 9, 2026	$ 31,000	$ 31,000	6.85%	SORF	Children's
June 9, 2021	June 9, 2026	$ 53,585	$ 53,585	6.85%	SOFR	Children's
June 9, 2021	June 9, 2026	$ 90,210	$ 90,210	7.00%	SOFR	Children's
June 23, 2023	June 23, 2028	$ 50,000	$ 50,000	5.25%	USPSA	Children's
June 23, 2023	June 23, 2028	$ 43,605	$ 43,605	5.60%	USPSA	Children's
June 23, 2023	June 23, 2028	$ 76,605	$ 76,605	5.70%	USPSA	Children's
June 23, 2023	June 23, 2028	$ 79,790	$ 79,790	5.80%	USPSA	Children's

Interest expense on the related debt was reduced by the realized gains and interest earnings from the interest rate swap agreements of $2,423 and $2,351 in 2024 and 2023, respectively. At December 31, 2024 and 2023, these agreements had a net carrying liability, approximating fair value, of approximately $3,421 and $290, respectively.

Management estimates exposure to credit-related losses to be low based on counter-party credit ratings.

All derivative instruments are subject to market risk and may make an instrument less valuable. Exposure to market risk is subject to risk limits set by the LCMC Health Investment Committee.

Notes to Financial Statements (All amounts in Thousands)

Note 8. Leases

The following table presents the components of the System's ROU assets and liabilities related to leases and their classification in the consolidated balance sheets at December 31:

Component	Classification		2024		2023
Assets					
Finance Lease Assets	Other Assets	**$**	**14,431**	$	16,300
Operating Lease Assets	Other Assets		**58,643**		51,137
Total Lease Assets		**$**	**73,074**	$	67,437
Liabilities					
Finance Lease Liabilities					
Current	Other Current Liabilities	**$**	**2,570**	$	3,272
Long-Term	Other Long-Term Liabilities		**13,127**		12,101
Operating Lease Liabilities					
Current	Other Current Liabilities		**10,148**		10,553
Long-Term	Other Long-Term Liabilities		**51,497**		43,365
Total Lease Liabilities		**$**	**77,342**	$	69,291

In 2024, the weighted average remaining lease terms for operating leases is 6 years and 7 years for finance leases. The weighted average discount rate for operating leases is 3.0% and 2.5% for finance leases.

In 2023, the weighted average remaining lease term for operating leases was 7 years and 8 years for finance leases. The weighted average discount rate for operating leases was 3.1% and 2.6% for finance leases.

The following table presents the components of the System's lease costs and other information related to leases and their classification in the consolidated statements of operations for the years ending December 31:

		2024		2023
Finance Lease Cost				
Amortization of Right-of-Use Assets Recorded in Depreciation and Amortization	**$**	**1,919**	$	2,667
Interest on Lease Liabilities Recorded in Interest Expense		**333**		463
Operating Lease Cost Recorded in Supplies and Other Expenses		**13,151**		12,650
Short-Term Lease Cost Recorded in Supplies and Other Expenses		**33,102**		16,869
Total Lease Cost	**$**	**48,505**	$	32,649

Notes to Financial Statements (All amounts in Thousands)

Note 8. Leases (Continued)

Future maturities of lease liabilities at December 31, 2024 are presented in the following table:

Year Ending	Operating Leases	Finance Leases
2025	$ 11,852	$ 2,926
2026	10,788	3,009
2027	9,970	2,167
2028	9,099	1,992
2029	7,677	1,437
Thereafter	18,977	5,707
Total Lease Payments	68,363	17,238
Less: Imputed Interest	(6,718)	(1,541)
Total Lease Obligations	61,645	15,697
Less: Current Obligations	(10,148)	(2,570)
Long-Term Lease Obligations	$ 51,497	$ 13,127

Note 9. Property, Plant, and Equipment

At December 31, property, plant, and equipment consisted of the following:

	2024	2023
Land and Land Improvements	**$ 117,364**	$ 72,604
Leasehold Improvements	**21,906**	36,243
Buildings	**1,311,505**	996,690
Fixed Equipment	**160,805**	163,042
Major Moveable Equipment	**799,173**	949,035
	2,410,754	2,217,614
Less: Accumulated Depreciation	**(1,127,141)**	(1,072,628)
Construction in Progress	**84,826**	200,637
Property, Plant, and Equipment, Net	**$ 1,368,439**	$ 1,345,623

Depreciation expense was approximately $159,073 and $149,963 for the years ended December 31, 2024 and 2023, respectively.

Note 10. Investments in Joint Ventures

Through its subsidiaries, the System has investments in Crescent City Surgical Center LLC and various other entities. Ownership percentages for these entities range between 49% and 50%. The System is using the equity method, which reflects the investments at cost, net of the System's share of earnings, losses and distributions. Net earning or losses are included within other operating revenues in the consolidated statements of operations.

Summarized financial information for the years ended December 31, 2024 and 2023, respectively, are as follows: Total assets of $48,183 and $51,210, total liabilities of $41,812 and $44,857; and net income of $2,982 and $3,907, respectively.

Note 11. Line of Credit

The System has a revolving line of credit note that provides borrowing up to $100,000; a $50,000 line of credit with a $50,000 accordion feature. At December 31, 2024 and 2023, the outstanding balance was $100,000. The note is renewable annually, and was renewed through February 11, 2026.

Interest is payable quarterly at SOFR plus 0.10% per annum. The interest rate at December 31, 2024 approximated 5.25%.

Note 12. Notes Payable

Fixed Note: Interest payable semi-annually at a fixed rate of 3.73%. Balance outstanding at December 31, 2024 and 2023 of $28,000. This note is secured on parity with the Series 2021A Obligation. This note was originally scheduled to mature March 20, 2025, but through an amendment the maturity is extended to March 19, 2027 with a fixed interest rate of 6.20% beginning in 2025.

Term Loan: Interest payable monthly at a rate of SOFR plus 0.10% per annum, with a maturity on March 12, 2025. The interest rate at December 31, 2024 was 5.38%. Balance of $50,000 and $150,000 at December 31, 2024 and 2023, respectively. This note is a Related Debt Obligation under the Master Trust Indenture dated April 1, 2014. The note matures on April 30, 2025.

Outstanding balances pertaining to these debt instruments of $50,000 and $100,000 are included within current liabilities and $28,000 and $78,000 are included in non-current liabilities in the consolidated balance sheets at December 31, 2024 and 2023, respectively.

Notes to Financial Statements (All amounts in Thousands)

Note 13. Bonds Payable

At December 31, bonds payable consisted of the following bonds issued by the Louisiana Public Facilities Authority on behalf of the System:

Bonds Payable	Interest Rates	Maturity Dates	**2024**	2023
Tax-Exempt				
Series 2015 Bonds	3.90% *	8/15/2029	**$ 28,685**	$ 34,090
Series 2015 A1 - Serial Bonds	5.00%	6/1/2039	**27,515**	27,515
Series 2015 A1 - Term Bonds	5.00%	6/1/2045	**27,320**	27,320
Series 2015 A1 - Term Bonds	4.00%	6/1/2045	**25,000**	25,000
Series 2015 A2 Bonds - Term Rate Mode	5.00%	6/1/2045	**75,140**	75,140
Series 2015 A3 Bonds - Term Rate Mode	5.00%	6/1/2045	**25,500**	25,500
Series 2017 A Bonds - Weekly Rate Mode	Variable **	9/1/2057	**62,500**	62,500
Series 2017 B Bonds - Weekly Rate Mode	Variable **	9/1/2057	**62,500**	62,500
Series 2020 A Bonds - Term Bonds	3.00%	6/1/2057	**55,000**	55,000
Series 2020 A Bonds - Term Bonds	4.00%	6/1/2057	**40,850**	40,850
Series 2022 A Bonds - Fixed Rate Mode	5.60% *	1/12/2052	**43,605**	43,605
Series 2022 A Bonds - Fixed Rate Mode	5.70% *	1/12/2052	**76,605**	76,605
Series 2022 A Bonds - Fixed Rate Mode	5.80% *	1/12/2052	**79,790**	79,790
Series 2023 A Bonds - Term Rate Mode	5.25% *	6/1/2052	**50,000**	50,000
Series 2023 B Bonds - Term Rate Mode	3.56%	12/1/2052	**55,000**	55,000
Taxable				
Series 2020B Bonds - Term Bonds	2.28%	6/1/2030	**102,280**	102,280
Series 2021 A1 Bonds - Fixed Rate Mode	6.85% *	4/1/2031	**79,610**	79,610
Series 2021-A1.2 Bonds - Fixed Rate Mode	6.85% *	4/1/2041	**31,000**	31,000
Series 2021-B1.1 - Fixed Rate Mode	6.85% *	4/1/2041	**53,585**	53,585
Series 2021-B1.2 - Fixed Rate Mode	7.00% *	4/1/2051	**90,210**	90,210
			1,091,695	1,097,100
Plus: Unamortized Original Issue Premium			**20,706**	22,564
Less: Debt Issuance Costs, Net of Amortization			**(8,226)**	(8,877)
			1,104,175	1,110,787
Less: Current Maturities of Bonds Payable			**(5,615)**	(5,405)
Bonds Payable - Long-Term			**$ 1,098,560**	$ 1,105,382

* Subject to interest rate SWAP agreements as further described in Note 7.

**On December 31, 2024 and 2023 variable interest rates ranged from 3.62% to 3.64% and 3.71% to 4.31%, respectively.

Notes to Financial Statements (All amounts in Thousands)

Note 13. Bonds Payable (Continued)

Payment of the principal of the Series 2017 A and B Note Obligations plus up to 43 days interest coverage calculated at 12%, are secured by two irrevocable direct payment letters of credit, issued by UBS AG, at the request of the Obligated Group. Draws on the letters of credit are due at the earlier of the expiration date of the letter or 91 days after the drawing date. The letters of credit expire August 16, 2026.

At December 31, 2024, scheduled repayments of principal and sinking fund installments are as follows:

2025	$ 5,615
2026	5,835
2027	6,060
2028	6,295
2029	4,880
Thereafter	1,063,010
Total	$ 1,091,695

Note 14. Employee Retirement Plans

Defined Contribution Plans

The Louisiana Children's Medical Center Retirement Savings Plan (LCMCRS Plan) was formed by LCMC Health as a Section 403(b) defined contribution employee benefit plan. The LCMCRS Plan is a single-employer defined contribution plan sponsored by LCMC Health covering all eligible employees of LCMC Health and its affiliates.

In general, employer contributions are comprised of a non-elective contribution of 2% of each eligible employee's compensation, a qualified matching contribution of 50% on an eligible employee's contribution up to 4% of the employee's eligible earnings, and an employer discretionary contribution up to 3% of each participant's compensation. Contributions for the years ended December 31, 2024 and 2023, were approximately $29,517 and $28,633, respectively.

Defined Benefit Pension Plan

Through December 31, 2015, Touro Infirmary's defined benefit pension plan (the Plan) covered substantially all full-time employees. The Plan is non-contributory and provides benefits that are based on the participants' years of service and level of compensation. Effective January 1, 2016, the Plan was amended to eliminate pay credits and to freeze participation.

Note 14. Employee Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

The funding policy is based on the minimum and maximum funding standards under the Employee Retirement Income Security Act of 1974, as amended by the Pension Protection Act of 2006, as well as the Highway and Transportation Funding Act, as determined by its consulting actuaries.

The System's consolidated financial statements include net periodic pension cost of approximately $343 and $727 for the years ended December 31, 2024 and 2023, respectively. Contributions of $1,197 and $1,000, respectively, were made during the years ended December 31, 2024 and 2023. As of December 31, 2024 and 2023, the System has a benefit obligation of $22,716 and $25,018, with corresponding plan asset fair values of $22,019 and $21,916, respectively. The resulting unfunded liabilities associated with this plan are totaling approximately $697 and $3,102, at December 31, 2024 and 2023, respectively.

Weighted-average assumptions used to determine projected benefit obligations include discount rates for obligations and periodic cost, expected return on plan assets and cash balance interest credit rates. These rates are management estimates and ranged between 3% and 7% in both years.

The Plan invests in a diversified mix of traditional asset classes, including equities, government and corporate fixed income debt securities, and cash and cash equivalents. The Plan's overall allocation is based on mean variance optimization modeling using certain assumptions regarding expected return, risk, and correlations among various asset classes. Asset allocation analysis considers various potential outcomes and probabilities of returns given current capital markets assumptions.

As discussed in Note 2, the System uses a fair value hierarchy for valuation inputs.

100% of the Plan's investments were considered level 1 investments at December 31, 2024.

Approximately 72.53% of the Plan's investments were considered level 1 investments and approximately 27.47% were considered level 2 investments at December 31, 2023.

In general, equity securities (both value and growth and active and passive) are utilized to provide expected returns above those of fixed income securities. Fixed income securities are utilized to provide a more stable and less volatile series of returns. The fixed income portfolio contains only securities considered investment grade by maintaining a rating of at least BAA/BBB by Moody's or Standard and Poor's rating agencies.

Notes to Financial Statements (All amounts in Thousands)

Note 14. Employee Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

Future benefit payments expected to be paid in each of the next five fiscal years and in the aggregate for the following five years as of December 31, 2024, are as follows:

2025	$ 4,362
2026	1,644
2027	1,714
2028	1,599
2029	1,602
Thereafter	7,130
Total	$ 18,051

Executive Benefit Plan

The System sponsors benefits for both current and former members of senior management through a 457(b)-deferred compensation plan. The System has a liability and related assets of approximately $25,910 and $20,836, at December 31, 2024 and 2023, respectively. The compensation liability is included in accrued salaries and benefits on the consolidated balance sheets and plan assets are recorded in other assets on the consolidated balance sheets.

Note 15. Concentrations of Credit Risk

Patient accounts receivable are stated at estimated net realizable value. The System grants credit without collateral to its patients whom are insured under third-party payor agreements.

The mix of receivables from patients and third-party payors at December 31, was as follows:

	2024	2023
Medicare	**34 %**	35 %
Medicaid	**21**	26
Other Third-Party	**44**	36
Guarantor/Patient/Other	**1**	3
Total	**100 %**	100 %

Periodically, cash in bank accounts exceeds insured limits. The System does not believe this creates significant risk.

Notes to Financial Statements (All amounts in Thousands)

Note 16. Functional Expenses

The System provides general health care services, both inpatient and outpatient, to patients in the Gulf South region. The statement of operations report expenses based on natural classifications. The costs of providing program and supportive activities on a functional basis for the years ended December 31, 2024 and 2023 were as follows:

2024	**Healthcare**	**Management and General**	**Fundraising**	**Total**
Operating Expenses				
Compensation and Benefits	**$ 1,141,962**	**$ 243,808**	**$ 1,188**	**$ 1,386,958**
Purchased Services	**219,254**	**202,988**	**6,154**	**428,396**
Professional Fees	**324,678**	**2,350**	**-**	**327,028**
Supplies and Other Expenses	**967,945**	**102,192**	**654**	**1,070,791**
Depreciation and Amortization	**140,041**	**33,030**	**-**	**173,071**
Interest	**-**	**65,335**	**-**	**65,335**
	$ 2,793,880	**$ 649,703**	**$ 7,996**	**$ 3,451,579**
Non-operating Expenses				
Community Support	**$ 73,709**	**$ -**	**$ -**	**$ 73,709**

2023	Healthcare	Management and General	Fundraising	Total
Operating Expenses				
Compensation and Benefits	$ 1,145,347	$ 224,490	$ 1,230	$ 1,371,067
Purchased Services	228,740	218,116	4,733	451,589
Professional Fees	325,487	1,357	-	326,844
Supplies and Other Expenses	861,028	113,851	822	975,701
Depreciation and Amortization	125,678	37,912	-	163,590
Interest	-	64,271	-	64,271
	$ 2,686,280	$ 659,997	$ 6,785	$ 3,353,062
Non-operating Expenses				
Community Support	$ 46,475	$ -	$ -	$ 46,475

Notes to Financial Statements (All amounts in Thousands)

Note 17. Fair Value of Financial Instruments

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value due to their short-term nature.

Assets and liabilities measured at fair value on a recurring basis at December 31, 2024 and 2023 are summarized below:

Assets	**Level 1**	**Level 2**	**Level 3**	**Fair Value**
Cash	**$ 11,467**	**$ -**	**$ -**	**$ 11,467**
Marketable Equity Securities	**416,748**	**-**	**110,257**	**527,005**
Other Fixed Income Securities	**245,121**	**1,344**	**171,603**	**418,068**
Money Market Funds	**14,981**	**-**	**-**	**14,981**
Investments Measured at Fair Value	**$ 688,317**	**$ 1,344**	**$ 281,860**	**$ 971,521**

Assets	Level 1	Level 2	Level 3	Total Fair Value
Cash	$ 44,589	$ -	$ -	$ 44,589
Marketable Equity Securities	448,264	-	97,288	545,552
Corporate Bonds	-	1,225	-	1,225
Other Fixed Income Securities	225,254	-	239,407	464,661
Money Market Funds	27,358	-	-	27,358
Investments Measured at Fair Value	$ 745,465	$ 1,225	$ 336,695	$ 1,083,385

Sales of investments measured at fair value for which the System has used Level 3 inputs to determine fair value for the years ended December 31, 2024 and 2023, were approximately $54,834 and $61,890, respectively.

The System's measurements of fair value are made on a recurring basis using the following:

Investments - The fair value of investment securities is market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the investment.

Interest Rate and Basis Swap Agreements - The fair values of these agreements represent estimated amounts the System would pay to terminate these agreements at the reporting date, taking into account current interest rates and counterparty risk. Refer to Note 7 for the fair value of the liability associated with the swaps.

Note 18. Commitments and Contingencies

The System has certain pending and threatened litigation and claims incurred in the ordinary course of business; management believes that the probable resolution will not exceed recorded reserves or insurance coverage.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, and reimbursement for patient services. Management believes that the System is in compliance with all applicable government laws and regulations.

Professional and General Liability Insurance

Professional liability claims are limited through the System's participation in the Louisiana Patient's Compensation Fund (the Fund). The Fund was established through state legislation and statutorily limits each medical professional liability claim to $500. The System is self-insured for the first $100 of each claim. The remaining $400 of each claim is covered by the Fund.

Additionally, the System has a per-occurrence retention of $1,000 for professional and general liability with a limit of $35,000.

The System has reflected its estimate of the ultimate liability for known and incurred but not reported claims in the accompanying consolidated financial statements. The estimated liability for professional liability claims, which was discounted at 3.5% at December 31, 2024 and 2023, respectively, was approximately $31,900 and $32,100. The current portion at December 31, 2024 and 2023 was approximately $14,800 and $15,200, respectively, and is included in other current liabilities.

Estimated Employee Health and Workers' Compensation Claims

The System has a risk management program that provides excess coverage for non-domestic employee health claims, domestic and non-domestic workers' compensation claims on an occurrence basis. Due to the short-term nature of the employee health claims liabilities, fair value approximates the carrying value.

The estimated liability for workers' compensation claims, discounted at 3.5% and employee health claims at December 31, 2024 and 2023, respectively, was approximately $23,350 and $21,200. The current portion of workers' compensation claims and employee health claims at December 31, 2024 and 2023 was approximately $16,600 and $13,800, respectively, and is included in other current liabilities.

Notes to Financial Statements (All amounts in Thousands)

Note 18. Commitments and Contingencies (Continued)

Operating UMC

LCMC Health has assumed responsibility for operating UMC under the terms of a CEA. The UMC CEA automatically renews for five year-terms, unless a two hundred seventy days' advance notice of termination of the CEA is provided.

UMC has multiple lease agreements, with annual rent payments subject to increase annually; however, that increase is limited to no more than 5% than the rent in the previous year. The annual lease payments for UMC will be reviewed and adjusted to fair market rental value, as defined, every twenty years.

Under the CEA, a prepayment of rent totaling $243,000 was made for a lease term of 40 years. At December 31, 2024 and 2023, the unamortized balance of both prepayments totaled approximately $185,535 and $195,585, respectively.

UMC also entered into an Equipment Lease for an initial term of ten years with two separate and successive options to renew for a period of five years. UMC has substantial reporting requirements to the Louisiana Property Assistance Agency and the State's Legislative Auditor under this equipment lease.

Rent expense under the above Amended and Restated Master Lease and Equipment Lease totaled approximately $78,156 and $77,900 for the years ended December 31, 2024 and 2023, respectively.

Estimated minimum annual rental payments, as of December 31, 2024 for the above mentioned leases, are as follows:

2025	$	72,017
2026		72,724
2027		73,438
2028		74,159
2029		74,887
Thereafter		425,132
Total	$	792,357

Note 18. Commitments and Contingencies (Continued)

Operating WJMC

Under the terms of a CEA and Master Hospital Lease, WJMC is operating an acute care hospital facility. The WJMC CEA will remain in effect for an initial term of 45 years, with an option to renew for up to two additional 15-year terms.

Under this CEA, $200,000 was prepaid for future rent payments, with amortization over the lease term of 45 years. At December 31, 2024 and 2023, the unamortized balance totaled approximately $158,889 and $163,333, respectively.

The CEA is subject to minimum capital expenditure requirements of $340,000 over a multi-year period, which requires annual reporting to Jefferson Parish Government. As of December 31, 2024, the System reported qualifying capital expenditures of approximately $262,000 towards the minimum capital expenditure requirement.

Operating EJGH

The System took ownership and began operating the acute care hospital facility under the terms of a CEA. The CEA is subject to minimum capital expenditure requirements of $100,000 over a multi-year period, which requires annual reporting to Jefferson Parish Government. As of December 31, 2024, the System reported qualifying capital expenditures of approximately $147,000 towards the minimum capital expenditure requirement.

New Orleans East Hospital (NOEH)

On April 1, 2014, a CEA (NOEH CEA) was entered into between Parish Hospital Service District for Parish of Orleans dba New Orleans East Hospital (NOEH), Louisiana Children's Medical Center and Touro Infirmary. Louisiana Children's Medical Center and Touro Infirmary are collectively referred to as the Joint Parties throughout the NOEH CEA.

The NOEH CEA provides that the Joint Parties will manage and be responsible for the day-to-day operations of a 50-bed public hospital and emergency department in exchange for a management fee paid to the System.

At December 31, 2024 and 2023, NOEH owes the System approximately $46,459 and $33,491, respectively, for both the revenue recognized as well as direct costs incurred by the System on behalf of NOEH. This amount is included within current other receivables on the System's consolidated balance sheets.

University Healthcare System

LCMC Health executed an unit purchase agreement in 2023 for the purchase of the issued and outstanding equity interests of UHS and certain of its affiliates.

The Agreement is subject to minimum capital expenditure requirements of $220,000 over a multi-year period, which requires annual reporting to Tulane. As of December 31, 2024, the System reported qualifying capital expenditures of approximately $269,000 towards the minimum capital expenditure requirement.

For more detail on this transaction, refer to Note 21.

Note 18. Commitments and Contingencies (Continued)

Energy Asset Commitments

LCMC Health, with Children's, Touro and certain of its affiliates (Participating Entities) executed agreements (collectively Agreements) with Bernhard Energy, LLC, together with its special purpose entity, Crescent City Energy Partners, LLC, (collectively, Bernhard) with detailed unconditional purchase obligations to Bernhard for energy optimization and design/build improvements, and also for thermal service charges comprised of capacity charges and both energy and non-energy asset operations and maintenance charges (Energy Service Charges). The terms of the Agreements are 15 years and expire in March 2036. In 2023, the System executed the Agreements for UHS entities with Bernhard for a term of 15 years, expiring in 2038.

In consideration for the Participating Entities entering into these agreements, Bernhard paid the Participating Entities a sum total of approximately $177,000. To UHS, Bernhard paid approximately $29,400. These payments were recognized as deferred revenue upon receipt, with revenue recognized ratably over the 15 year period of the Agreements. For the years ended December 31, 2024 and 2023, revenue of approximately $13,743 and $12,272, respectively, was recognized. At December 31, 2024, deferred revenue totaled approximately $159,515, with approximately $13,743 classified as current and approximately $145,772 classified as non-current. At December 31, 2023, deferred revenue totaled approximately $173,258, with approximately $13,743 classified as current and approximately $159,545 classified as non-current.

As prescribed by the Agreements, an approximate total of $72,100 was paid to Bernhard for Optimization Services, with Participating Entities paying approximately $59,600 and UHS paying approximately $12,500. Payments are capitalized into Property, Plant, and Equipment once Bernhard has expended these funds.

The Agreements specify responsibilities and obligations of Bernhard, LCMC Health, and the participating entities for the grant to Bernhard of rights over certain energy-related assets. In connection, Bernhard has guaranteed certain energy cost savings to LCMC Health.

For the years ended December 31, 2024 and 2023, the expenses associated with the Energy Service Charges totaled approximately $31,542 and $25,976, respectively.

Notes to Financial Statements (All amounts in Thousands)

Note 18. Commitments and Contingencies (Continued)

Energy Asset Commitments (Continued)
As of December 31, 2024, the total of the fixed and determinable payments to be paid to Bernhard are as follows:

Year Ending December 31,	Amount
2025	$ 27,483
2026	28,219
2027	28,947
2028	29,694
2029	30,461
Thereafter	210,594
Total	$ 355,398

Note 19. Community Support

In furtherance of its charitable purpose, the System provides a broad range of community programs that are designed to meet the health needs of the community and are funded and resourced by the System. The System's Governing Board and hospital management teams work closely with local civic leaders and other healthcare providers to address the health care needs of the community.

Certain community support programs' revenues and expenses are excluded from operations and are shown, net, as community support on the consolidated statements of operations.

Note 20. Liquidity and Availability

Financial assets available for general expenditure, without donor, or other, restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and Cash Equivalents	$ 135,374
Patient Accounts Receivable	405,185
Other Receivables	325,119
Board Designated Assets Limited as to Use	947,702
Total	$ 1,813,380

Note 21. Business Combinations

Effective January 1, 2023, LCMC Health acquired UHS through an agreement with HCA Healthcare (HCA) and Tulane. The purchase price related to the acquisition consisted of $150,000 in cash consideration. Also, as part of the transaction, the seller agreed to provide working capital of approximately $16,650 with a true-up of working capital within 45 days post-closing with amounts below or in excess of the targeted working capital reimbursable to seller or buyer. Management determined that the carrying value approximated fair value.

Further, the parties agreed on a contingent consideration payment of $40,500 over a four-year performance period, if certain measurables are met. The condition to payment is tied to a measure of state reimbursement policy and becomes due on the respective anniversary dates of the closing date. Also as part of the transaction, LCMC Health paid an expense reimbursement for physician entity interests of $1,500.

The excess of consideration paid (purchase price) and liabilities assumed over the fair value of assets acquired has been reflected as goodwill as of the opening balance sheet date. Adjustments to the purchase price and opening balance sheet allocation are permitted within one year from the acquisition date. In accordance with U.S. GAAP, the consideration paid has to be reflected at its acquisition date fair value.

Management determined that it is probable that the payment of contingent consideration in the amount of $40,500 will be required. Therefore, in addition to the $8,100 paid at the closing date, the remaining obligation has been recognized at its estimated acquisition date fair value. At December 31, 2024 and 2023, $16,200 and $8,100, respectively, is within other current accrued liabilities. Approximately $16,200 and $24,300 is within non-current accrued liabilities as of December 31, 2024 and 2023, respectively. Liabilities pertaining to pre-acquisition contingencies remain with HCA.

Assets Acquired in Excess of Liabilities Assumed on January 1, 2023 (in thousands):

	UHS
Prepaid and Other Assets	$ 3,405
Inventory	18,498
Property, Plant, and Equipment	115,539
Right-of-Use Assets - Operating and Financing	18,163
Other Liabilities	(6,743)
Lease Liabilities - Operating and Financing	(18,163)
Net Assets Acquired	130,700
Purchase Price	210,056
Goodwill	$ 79,356

Note 22. Subsequent Events

Management evaluated subsequent events through the date the consolidated financial statements were available to be issued, April 22, 2025, and determined that no events require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

LOUISIANA CHILDREN'S MEDICAL CENTER

Schedule of Compensation, Benefits, and Other Payments to Agency Hear For the Year Ended December 31, 2024

Agency Head
Greg Feirn, CEO

Purpose	Amount
Salary	$0
Benefits-Insurance	$0
Benefits-Retirement	$0
Deferred Compensation (CAA)	$0
Benefits-Executive Incentive	$0
Benefits-Administrative Retention	$0
Benefits-Vacation Payout	$0
Car Allowance	$0
Vehicle Provided by Government	$0
Cell Phone	$0
Dues	$0
Vehicle Rental	$0
Per Diem	$0
Reimbursements	$0
Travel	$0
Registration Fees	$0
Conference Travel	$0
Housing	$0
Unvouchered Expenses	$0
Special Meals	$0
Other	$0

LaPorte, APAC
111 Veterans Blvd. | Suite 600
Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

**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***

Independent Auditor's Report

To the Governing Board of Trustees
Louisiana Children's Medical Center
New Orleans, Louisiana

We have audited, 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, the consolidated financial statements of Louisiana Children's Medical Center (a nonprofit organization) (the System), which comprise the consolidated balance sheet as of December 31, 2024, the related consolidated statement of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 22, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System'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 consolidated 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 the 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 over financial reporting 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 System's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide and opinion on the effectiveness of the System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Metairie, LA
April 22, 2025

LOUISIANA CHILDREN'S MEDICAL CENTER

Schedule of Expenditures of Federal Awards
and Independent Auditor's Report

Year Ended December 31, 2024

LAPORTE
CPAs & BUSINESS ADVISORS

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LaPorte
CPAs & BUSINESS ADVISORS

LaPorte, APAC
111 Veterans Blvd. | Suite 600
Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM ON INTERNAL CONTROL OVER COMPLIANCE AND ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Governing Board of Trustees
Louisiana Children's Medical Center
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Louisiana Children's Medical Center's (the System) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the System's major federal programs for the year ended December 31, 2024. The System's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the System, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the System's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the System's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the System's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the System's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 System's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the System's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the System as of and for the year ended December 31, 2024, and have issued our report thereon dated April 22, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Metairie, LA
May 21, 2025

LOUISIANA CHILDREN'S MEDICAL CENTER
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Agency Program Title (per Assistance Listing Number)	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures Recognized: Children's	Touro	UMC	WJMC	EJGH	LCMC Health	Total	Passed Through to Subrecipients
U.S. Department of Justice										
Through: Louisiana Commission on Law Enforcement										
Crime Victim Assistance	16.575	2020-VA-03-6140 & 2020-VA-03 6149	$ 20,172	$ -	$ -	$ -	$ -	$ -	$ 20,172	$ -
Crime Victim Assistance	16.575	2021-VA-03 6726 & 2022-VA-03 7323	370,414	-	-	-	-	-	370,414	-
Crime Victim Assistance	16.575	2023-VA-03 7909	76,397	-	-	-	-	-	76,397	-
Through: State of Louisiana										
Children Exposed to Violence	16.818		5,319	-	-	-	-	-	5,319	-
Direct Award										
Domestic Trafficking Victim Program	16.834	15PJDP-21-GK-02760-DTVF	20,699	-	-	-	-	-	20,699	-
Total U.S. Department of Justice			$ 493,001	$ -	$ -	$ -	$ -	$ -	$ 493,001	$ -
U.S. Department of Transportation										
Highway Safety Cluster										
Through: Louisiana Highway Safety Commission										
State and Community Highway Safety	20.600	2024-55-10	$ -	$ -	$ 110,023	$ -	$ -	$ -	$ 110,023	$ -
State and Community Highway Safety	20.600	2025-55-10	-	-	28,116	-	-	-	28,116	-
National Priority Safety Programs	20.616	HLKECQTNPLG3	-	-	239,350	-	-	-	239,350	-
Total Highway Safety Cluster			-	-	377,489	-	-	-	377,489	-
Total U.S. Department of Transportation			$ -	$ -	$ 377,489	$ -	$ -	$ -	$ 377,489	$ -
Substance Abuse and Mental Health Services Administration										
Through: City of New Orleans										
COVID-19										
Coronavirus Relief Fund	21.019	SLT-1835 &SLT-7352	$ 2,268,800	$ -	$ -	$ -	$ -	$ -	$ 2,268,800	$ -
Total Substance Abuse and Mental Health Services Administration			$ 2,268,800	$ -	$ -	$ -	$ -	$ -	$ 2,268,800	$ -
U.S. Department of Education										
Through: Louisiana Department of Education										
Special Education Grants to States	84.027A	2000559762	$ 79,131	$ -	$ -	$ -	$ -	$ -	$ 79,131	$ -
Total U.S. Department of Education			$ 79,131	$ -	$ -	$ -	$ -	$ -	$ 79,131	$ -
U.S. Department of Health and Human Services										
Direct Award										
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	6 H76HA26800 10 01, 6 H76HA26800 12 C	$ -	$ -	$ 805,384	$ -	$ -	$ -	$ 805,384	$ -
Through: City of New Orleans										
HIV Emergency Relief Project Grants	93.914	H8900035/UT833948 K23-227 & K24-813	-	-	1,301,978	-	-	-	1,301,978	-
Ryan White HIV/AIDS Program Parts A and B	93.686	H8900035/UT833948	-	-	21,459	-	-	-	21,459	-
Healthy Start	93.926	K23-317 &K24-780	-	-	148,207	-	-	-	148,207	-
Through: State of Louisiana										
HIV Prevention Activities Health Dept Based	93.940	2000751186	-	-	10,482	-	-	-	10,482	-
Through: LA Hospital Association Research and Education Foundation										
National Bioterrorism Preparedness Program	93.889		34,286	31,074	31,074	31,310	31,310	-	159,054	-

LOUISIANA CHILDREN'S MEDICAL CENTER
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Agency Program Title (per Assistance Listing Number)	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures Recognized: Children's	Touro	UMC	WJMC	EJGH	LCMC Health	Total	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)										
Through: Baylor College of Medicine										
National Bioterrorism Preparedness Program	93.889	U3REP220671	45,814	-	-	-	-	-	45,814	-
Through: The University of Texas Health Science Center at Houston										
Blood Disorder Program: Prevention, Surveillance, and Research	93.080	NU27DD000020	17,126	-	-	-	-	-	17,126	-
Through: The Board of Supervisors of Louisiana State University on behalf of its LSU Health Science Center										
Advanced Nursing Education Workforce Grant Program	93.247	T96HP32497	-	-	5,454	-	-	-	5,454	-
Through: Washington University										
Sickle Cell Treatment Demonstration Program	93.365	U1EMC27865	66,061	-	-	-	-	-	66,061	-
Through: Louisiana State University Agricultural and										
Cancer Control	93.399	5UG1CA189854	146,205	-	-	-	-	-	146,205	-
Through: SE Louisiana Area Health Education Center										
Emergency Medical Services for Children	93.127	H34MC33242	12,736	-	-	-	-	-	12,736	-
Through: Olive View - UCLA Education & Research Institute										
Prevent II	93.860	U01CK000643	-	-	150,035	-	-	-	150,035	-
Through: LSU Health Science Center										
Food and Drug Administration Research	93.103	5R01FD005401-03	-	-	4,013	-	-	-	4,013	-
Research and Development Cluster										
Through: The University of Texas Health Science Center at Houston										
Maternal and Child Health Federal Consolidated Programs	93.110	H30MC24051	19,277	-	-	-	-	-	19,277	-
Through: The Rector and Visitors of the University of Virginia										
Cancer Biology Research	93.396	R01CA233749	4,311	-	-	-	-	-	4,311	-
Through: The Research Institute at Nationwide Children's Hospital										
Diabetes, Digestive, and Kidney Diseases Extramural	93.847	2U01DK100866	18,895	-	-	-	-	-	18,895	-
Through: Duke University										
Human Genome Research	93.172	5U01HG010231-05	-	-	2,031	-	-	-	2,031	-
National Center for Advancing Translational Sciences	93.350	3-U24TR001608-05S4	-	-	5,612	-	-	-	5,612	-
Allergy and Infectious Diseases Research	93.855	1R01-AI69641-01 & 5R01-AI169641-03	-	-	10,921	-	-	-	10,921	-
Through: New England Research Institutes										
Cardiovascular Diseases Research	93.837	U24HL135691	94,549	-	-	-	-	-	94,549	-
Through: Ann & Robert H. Lurie Children's Hospital of Chicago										
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	U01DK127995	2,500	-	-	-	-	-	2,500	-

LOUISIANA CHILDREN'S MEDICAL CENTER
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended December 31, 2024

Federal Grantor/Pass-Through Agency Program Title (per Assistance Listing Number)	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures Recognized: Children's	Touro	UMC	WJMC	EJGH	LCMC Health	Total	Passed Through to Subrecipients
U.S. Department of Health and Human Services (Continued)										
Research and Development Cluster (Continued)										
Through: Children's Hospital Los Angeles										
Blood Diseases and Resources Research	93.839	U01AI184132	2,126	-	-	-	-	-	2,126	-
Through: The Board of Trustees of Alabama for the University of Alabama at Birmingham										
Lung Disease Research	93.838	OT2HL161847	-	-	126,941	-	-	-	126,941	-
Through: Pennington Biomedical Research Center										
Biomedical Research and Research Training	93.859	U54GM104940	68,203	-	-	-	-	-	68,203	-
Through: The John Hopkins University										
Child Health and Human Development Extramural Research	93.865	1R01HD110414-01A1	67,173	-	-	-	-	-	67,173	-
Through: LSU Health Science Center										
Lung Disease Research	93.838	OT2HL161847	-	-	8,263	-	-	-	8,263	-
Through: Medical College of Cornell University										
Lung Disease Research	93.838	OT2HL161847	-	-	106,016	-	-	-	106,016	-
Cancer Research Manpower	93.398	1OT2HL156812	-	-	1,625	-	-	-	1,625	-
Maternal and Child Health Federal Consolidated Programs	93.110	5H17MC45457	3,269	-	-	-	-	-	3,269	-
Total Research and Development Cluster			280,303	-	261,409	-	-	-	541,712	-
Total U.S. Department of Health and Human Services			$ 602,531	$ 31,074	$ 2,739,495	$ 31,310	$ 31,310	$ -	$ 3,435,720	$ -
U.S. Department of Homeland Security:										
Through: State of Louisiana										
Disaster Grants - Public Assistance (Presidentially Declared Disaster	97.036		$ 556,076	$ 1,766,370	$ 514,381	$ 1,517,286	$ 4,988,578	$ 2,362,667	$ 11,705,358	$ -
Total U.S. Department of Homeland Security			$ 556,076	$ 1,766,370	$ 514,381	$ 1,517,286	$ 4,988,578	$ 2,362,667	$ 11,705,358	$ -
Total Expenditures of Federal Awards			$ 3,999,539	$ 1,797,444	$ 3,631,365	$ 1,548,596	$ 5,019,888	$ 2,362,667	$ 18,359,499	$ -

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Louisiana Children's Medical Center (LCMC Health), Children's Hospital and subsidiaries (Children's), Touro Infirmary and subsidiaries (Touro), University Medical Center Management Corporation (UMC), West Jefferson Medical Center and subsidiaries (WJMC), and University Healthcare System (UHS) under programs of the federal government for the year ended December 31, 2024, and is presented on the full accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the System.

Note 2. De Minimis Cost Rate

The System has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

LOUISIANA CHILDREN'S MEDICAL CENTER

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Part I - Summary of Auditor's Results

Financial Statement Section

Type of Auditor's Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified not Considered to be Material Weakness?	None Reported
Noncompliance Material to Financial Statements Noted?	No

Federal Awards Section

Internal Control Over Major Programs:	
Material weakness(es) identified?	No
Significant Deficiency(ies) Identified not Considered to be Material Weakness?	None Reported
Type of Auditor's Report Issued on Compliance for Major Federal Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs:

Title	Assistance Listing No.
Highway Safety Cluster	20.600/20.616
Coronavirus Relief Funds	21.019
Disaster Grants - Public Assistance	97.036

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$750,000
Auditee Qualified as Low-Risk Auditee?	No

Part II - Schedule of Financial Statement Findings Section

None.

Part III - Federal Awards Findings and Questioned Costs Section

None.

LOUISIANA CHILDREN'S MEDICAL CENTER

Summary Schedule of Prior Year Findings
For the Year Ended December 31, 2024

Part I - Financial Statement Findings

None.

Part II - Federal Award Findings and Questioned Costs

None.