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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☐ Amended return

☐ Application pending

C Name of organization
TOURO INFIRMARY

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
1401 FOUCHER STREET

Room/suite

City or town, state or country, and ZIP + 4
NEW ORLEANS, LA 70115

F Name and address of principal officer
Suzanne Haggard
1401 FOUCHER STREET
NEW ORLEANS, LA 70115

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.touro.com

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1852

M State of legal domicile LA

Part I	Summary																								
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities</div><div>provision of healthcare services</div></div>																								
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																								
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>3</td><td>16</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>4</td><td>11</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2011 (Part V, line 2a)</td><td>5</td><td>2,010</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>6</td><td>445</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>7a</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>7b</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	3	16	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	11	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	2,010	6	Total number of volunteers (estimate if necessary)	6	445	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0
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Part II

Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Suzanne Haggard CFO

Type or print name and title

2012-12-11

Date

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP + 4

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)

EIN

Phone no

May the IRS discuss this return with the preparer shown above? (see instructions)

☐ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1

Briefly describe the organization’s mission

TOURO INFIRMARY IS DEDICATED TO IMPROVING THE HEALTH STATUS AND WELL BEING OF THE PEOPLE IT SERVES THROUGH THE PROVISION OF EFFECTIVE, EFFICIENT AND COMPASSIONATE HEALTHCARE SERVICES

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If “Yes,” describe these changes on Schedule O

4

Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 168,875,266 including grants of \$ 0) (Revenue \$ 211,739,177)

The hospital provides inpatient, outpatient, emergency and critical care, home health and rehabilitation services The hospital has 261 adult and pediatric beds, 77 rehabilitation beds, 22 ICU beds, 16 NICU beds, and 20 nursery beds for a total of 360 licensed beds (excluding NICU and Nursery) The hospital treated 14,198 inpatients and 111,633 outpatients with a total of 243,373 outpatient visits in 2011 There were 6,215 surgeries (inpatient, outpatient and ambulatory surgery center), 30,903 emergency department visits and 2,938 babies delivered The total number of patients treated in 2011 was 125,831, 50 3% were Medicare patients, 17 7% were Medicaid, 4 1%uninsured or discounted patients, 27 9% had private insurance

4b

(Code) (Expenses \$ 6,997,857 including grants of \$ 0) (Revenue \$ 3,727,139)

Touro Infirmary is a teaching hospital offering medical student and post graduate medical training It has academic affiliations with Louisiana State University Health Sciences Center and Tulane University Health Science Center Tour offered training programs to 234 students in 2011 in the specialties of Cardiology, Gastroenterology, Infectious Disease, Internal Medicine, Medicine-Pediatrics, Neurology, OB/GYN, Otolaryngology, Pediatrics, Plastic Surgery, Oral Maxillary Surgery, PM&R, General-Surgery, Geriatrics, Medicine- Emergency Med, & Urology Touro is also a clinical training site for allied health programs for various metro New Orleans colleges, including Louisiana State University, Delgado Community College, Dillard University, Holy Cross College and William Carey University Touro currently offers training programs to students in respiratory, radiology and nursing Touro staff provided 3,128 hours of support to the 124 students in these programs Touro Rehabilitation Center provides clinical training to physical, occupational and speech therapy students from colleges around the country, including LSU Health Sciences (New Orleans, LA and Shreveport, LA), Delgado Community College (New Orleans, LA, NOVA Southeastern (Fort Lauderdale), Old Dominion University (Norfolk, VA), St Augustine University (Florida), University of Massachusetts, University of Mississippi , University of SE Louisiana (Hammond), University of South Alabama (Mobile), Texas Woman's University (Denton, TX), and Washington University (St Louis, MO)

4c

(Code) (Expenses \$ 979,862 including grants of \$ 0) (Revenue \$ 0)

Community health services and community benefit operations provide free health education programs and screenings to the community These programs are designed to focus on some of the most prevalent diseases in the New Orleans community, such as diabetes, heart disease and cancer These programs address prevention, early detection, treatment and maintaining healthy lifestyles In 2011, Touro participated in 203 outreach events that were attended by 3,037 people Touro provides meeting space free of charge to local non-profits and other organizations for the benefit of the community In 2011, Touro provided meeting space for 164 meetings Touro offers a Health Career Camp, a five-day program that allows high school students to gain hands-on experience in the medical field The program is an initiative that Touro hopes will encourage students to actively consider a career in medicine in New Orleans Participants come from across the metro area and emphasis is placed on recruiting students from underserved areas who may not otherwise have the opportunity and exposure to healthcare careers

(Code) (Expenses \$ 4,267,456 including grants of \$ 0) (Revenue \$ 0)

Touro elected to donate to Children's Hospital approximately \$4,231,167 during the year ended December 31, 2011 The donations relate to a sharing of Upper Payment Limit ("UPL") funds received by Touro, to assist Children's with its activities and programs to support the metropolitan community These activities are sponsored with the knowledge that they are not self-supporting or financially viable, and include financial assistance programs to increase health care to the indigent and uninsured for pediatric primary care services Additional programs include Mobile Dental Program, Inpatient Behavioral Health Program, the Parenting Center, Ventilator Assisted Care Program, Safe Kids Coalition, Greater New Orleans Immunization Network, Ambulatory Clinical and Nutritional Support Services and the Miracle League

4d

Other program services (Describe in Schedule O)


















(Expenses \$ 4,267,456 including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 181,120,441

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Part III and IV		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements 	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Check if Schedule O contains a response to any question in this Part V

Form **990** (2011)

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	Yes	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. The Organization 1401 FOUCHER STREET NEW ORLEANS, LA 70115 (504) 897-8344

Check if Schedule O contains a response to any question in this Part VII ☒

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

Form **990** (2011)

Part VIII Statement of Revenue

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	529,851				
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f			529,851			
Program Service Revenue			Business Code					
	2a	NET PATIENT SERVICE	621400	206,213,302	206,213,302			
	b	NON-PATIENT SERVICE	621400	2,103,002	2,103,002			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			208,316,304			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)			-111,426		-111,426	
	4	Income from investment of tax-exempt bond proceeds . .			237		237	
	5	Royalties						
	6a	(i) Real		(ii) Personal				
		2,483,028						
		b Less rental expenses		0				
		c Rental income or (loss)		2,483,028				
	d	Net rental income or (loss)			2,483,028	2,483,028		
	7a	(i) Securities		(ii) Other				
				328,917				
		b Less cost or other basis and sales expenses		563,614				
		c Gain or (loss)		-234,697				
	d	Net gain or (loss)			-234,697		-234,697	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
	b	Less direct expenses		b				
	c	Net income or (loss) from fundraising events . .						
	9a	Gross income from gaming activities See Part IV, line 19		a				
	b	Less direct expenses		b				
	c	Net income or (loss) from gaming activities . .						
	10a	Gross sales of inventory, less returns and allowances		a				
b	Less cost of goods sold		b					
c	Net income or (loss) from sales of inventory . .							
Miscellaneous Revenue		Business Code						
11a	parking income	812930	1,482,079	1,482,079				
b	cafeteria/catering	900099	1,299,745	1,299,745				
c								
d	All other revenue		1,885,160	1,885,160				
e	Total. Add lines 11a-11d			4,666,984				
12	Total revenue. See Instructions			215,650,281	215,466,316	0	-345,886	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	4,231,167	4,231,167		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	3,214,625	1,060,826	2,153,799	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	75,356,860	72,682,652	2,674,208	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,943,259	2,890,755	52,504	
9	Other employee benefits	6,268,474	6,051,528	216,946	
10	Payroll taxes	5,874,530	5,601,188	273,342	
11	Fees for services (non-employees)				
a	Management	689,320	689,320		
b	Legal	1,018,101	231,424	786,677	
c	Accounting	258,209		258,209	
d	Lobbying				
e	Professional fundraising See Part IV, line 17				
f	Investment management fees				
g	Other	36,652,152	33,337,776	3,314,376	
12	Advertising and promotion	1,124,233	21,100	1,103,133	
13	Office expenses	7,747,873	4,645,069	3,102,804	
14	Information technology	2,963,738	2,961,078	2,660	
15	Royalties				
16	Occupancy	4,679,893	4,370,447	309,446	
17	Travel	61,373	56,765	4,608	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	142,296	125,313	16,983	
20	Interest	3,920,360		3,920,360	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	14,706,215	78,072	14,628,143	
23	Insurance	2,303,060	2,303,060		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	MEDICAL SUPPLIES	35,904,133	35,904,133		
b	Capital lease expense	3,827,790	3,676,137	151,653	
c	dues & memberships	202,911	92,411	110,500	
d	Legal settlement	55,857	4,165	51,692	
e					
f	All other expenses	175,648	106,055	69,593	
25	Total functional expenses. Add lines 1 through 24f	214,322,077	181,120,441	33,201,636	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			5,143,185	1	1,894,110
	2	Savings and temporary cash investments				2	
	3	Pledges and grants receivable, net				3	
	4	Accounts receivable, net			37,553,954	4	42,676,547
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			9,494,634	7	8,427,977
	8	Inventories for sale or use			4,134,775	8	4,168,664
	9	Prepaid expenses and deferred charges			2,163,031	9	1,842,276
	10a	Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a	381,107,657			
	b	Less: accumulated depreciation	10b	267,325,672	107,471,296	10c	113,781,985
	11	Investments—publicly traded securities			26,992,449	11	12,308,861
	12	Investments—other securities. See Part IV, line 11				12	
	13	Investments—program-related. See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets. See Part IV, line 11			3,130,638	15	3,439,590
	16	Total assets. Add lines 1 through 15 (must equal line 34)			196,083,962	16	188,540,010
Liabilities	17	Accounts payable and accrued expenses			27,367,380	17	28,402,468
	18	Grants payable				18	
	19	Deferred revenue			3,507,970	19	22,239
	20	Tax-exempt bond liabilities			87,064,776	20	76,452,069
	21	Escrow or custodial account liability. Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties				23	
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D			42,297,812	25	49,599,135
	26	Total liabilities. Add lines 17 through 25			160,237,938	26	154,475,911
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			34,666,916	27	32,801,657
	28	Temporarily restricted net assets			1,179,108	28	1,262,442
	29	Permanently restricted net assets				29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			35,846,024	33	34,064,099
	34	Total liabilities and net assets/fund balances			196,083,962	34	188,540,010

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	215,650,281
2	Total expenses (must equal Part IX, column (A), line 25)	2	214,322,077
3	Revenue less expenses Subtract line 2 from line 1	3	1,328,204
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	35,846,024
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,110,130
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	34,064,099

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization TOURO INFIRMARY	Employer identification number 72-0423659
---	--

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety Se**section 509(a)(4).**

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization 	
b	33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization 	
17a	10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 	
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 	
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions 	

Part IIIPart III

Support Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6.)						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

Additional Data

Software ID:
Software Version:
EIN: 72-0423659
Name: TOURO INFIRMARY

Additional Data

Software ID:
Software Version:
EIN: 72-0423659
Name: TOURO INFIRMARY

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services
(Code) (Expenses \$ 4,267,456 including grants of \$ 0) (Revenue \$ 0) Touro elected to donate to Children's Hospital approximately \$4,231,167 during the year ended December 31, 2011. The donations relate to a sharing of Upper Payment Limit ("UPL") funds received by Touro, to assist Children's with its activities and programs to support the metropolitan community. These activities are sponsored with the knowledge that they are not self-supporting or financially viable, and include financial assistance programs to increase health care to the indigent and uninsured for pediatric primary care services. Additional programs include Mobile Dental Program, Inpatient Behavioral Health Program, the Parenting Center, Ventilator Assisted Care Program, Safe Kids Coalition, Greater New Orleans Immunization Network, Ambulatory Clinical and Nutritional Support Services and the Miracle League.

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
Allan BISSINGER CHAIRMAN	1 00	X						0	0	0	
STEPHEN HKUPPERMAN BOARD MEMBER	1 00	X						0	0	0	
STEPHEN L SONTHEIMER BOARD OFFICER	1 00	X						0	0	0	
MICHAEL ADINOLFI BOARD MEMBER	5 00	X						41,246	0	0	
RUTH KULLMAN BOARD OFFICER	1 00	X						0	0	0	
KIM BOYLE BOARD MEMBER	1 00	X						0	0	0	
PETER GLASER BOARD MEMBER	1 00	X						0	0	0	
JACK JACOBS BOARD MEMBER	1 00	X						0	283,853	13,561	
HUGH WLONG BOARD MEMBER	1 00	X						0	0	0	
KNIGHT WORLEY BOARD MEMBER	1 00	X						0	0	0	
ELLEN ZAKRISMD BOARD MEMBER	1 00	X						0	0	0	
JOAN BRAUN BOARD MEMBER	1 00	X						0	0	0	
STEVE WORLEY BOARD MEMBER	1 00	X						0	960,528	356,595	
FRANCIS VILLERE BOARD MEMBER	1 00	X						0	0	0	
LOUIS GOOD III BOARD MEMBER	1 00	X						0	0	0	
JAMES MONTGOMERY PRESIDENT	50 00	X		X				823,698	0	186,055	
SUSAN PITOSCIA VP - CNO & COO	50 00			X				430,146	0	23,289	
PENNY MENGE CNO, VP PATIENT CARE SERVICES	40 00			X				110,819	0	898	
SUZANNE HAGGARD CHIEF FINANCIAL OFFICER	50 00			X				288,592	0	24,459	
LAWRENCE BALYEAT SENIOR VP, CCPI	40 00			X				31,105	0	831	
SCOTT C LANDRY VP OF FACILITIES	43 00				X			210,345	0	14,331	
CHAD COURREGE VP OF HUMAN RESOURCES	40 00				X			254,160	0	27,544	
FRANCIS D MERTENS VP OF BUSINESS DEVELOPEMENT	40 00				X			243,392	0	22,933	
JEANETTE RAY VP - REHAB SERVICES	40 00				X			234,225	0	23,289	
LAWRENCE METEVIER PHYSICIST/DOSIMETRIST	40 00					X		175,410	0	16,803	

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
LEE HANKINS DIRECTOR PHARMACY	40 00					X		158,275	0	10,999	
NORMAN A STITELER DIR COMPLIANCE/INTERNAL A	40 00					X		154,074	0	16,717	
HENRY ALEXANDER PHARMACIST	51 00					X		154,837	0	10,518	
DANIEL TOBIN CONTROLLER	47 00					X		155,994	0	18,593	
GARY STEIN CEO/president - former	0 00						X	175,179	590,275	17,068	
ROBERT FICKEN CFO-FORMER	0 00						X	135,945	0	4,904	
WILLA DIXON CNO-FORMER	40 00						X	209,121	0	5,812	

SCHEDULE D

(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
TOURO INFIRMARY

Employer identification number

72-0423659

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	<div><input type="checkbox"/> Yes</div> <div><input type="checkbox"/> No</div>	

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4

Number of states where property subject to conservation easement is located ▶ _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes

☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes

☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii)

Assets included in Form 990, Part X

▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

d

☐ Loan or exchange programs

b

☐ Scholarly research

e

☐ Other

c

☐ Preservation for future generations

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	7,731,376	7,688,116	7,688,116	7,683,614
b	Contributions		43,260		4,502
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance	7,731,376	7,731,376	7,688,116	7,688,116

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

3a(i)

☐ Yes

☐ No

(ii) related organizations

3a(ii)

☐ Yes

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

☐ Yes

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	12,238,296			12,238,296
b Buildings	163,309,776		117,122,734	46,187,041
c Leasehold improvements				
d Equipment	201,773,459		149,620,421	52,153,038
e Other	3,786,126		582,517	3,203,610
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				113,781,985

Schedule D (Form 990) 2011

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	215,650,281
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	214,322,077
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	1,328,204
4	Net unrealized gains (losses) on investments	4	3,566,977
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-6,677,107
9	Total adjustments (net) Add lines 4 - 8	9	-3,110,130
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,781,926

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	228,832,142
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	3,566,977
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	197,554
e	Add lines 2a through 2d	2e	3,764,531
3	Subtract line 2e from line 1	3	225,067,611
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	-9,417,330
c	Add lines 4a and 4b	4c	-9,417,330
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	215,650,281

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	222,947,791
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	9,480,505
e	Add lines 2a through 2d	2e	9,480,505
3	Subtract line 2e from line 1	3	213,467,286
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	854,790
c	Add lines 4a and 4b	4c	854,790
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	214,322,076

Part XIVSupplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
Description of Intended Use of Endowment Funds	Part V, Line 4	These endowment funds are administered by Touro Infirmary Foundation and Woldenberg Village, which are controlled by Touro Infirmary. These funds are intended to be used for Touro Infirmary's and Woldenberg Village's exempt purposes.
Description of Uncertain Tax Positions Under FIN 48	Part X	FIN 48 FOOTNOTE For the year ended December 31, 2009, the System adopted the provisions of the Accounting for Uncertainty in Income Taxes Topic of the FASB ASC. The System recognizes a threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The System's tax filings are subject to audit by various taxing authorities. The System's open audit periods are 2006 through 2009. There are currently no returns under examination. Management evaluated the System's tax positions and considered that the System had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.
Part XI, Line 8 - Other Adjustments		TIJV, LLC -RENTAL -31,985 EARNINGS/(LOSSES) FROM SUBSIDIARIES -2,830,279 Restatement of Prior Year Income 670,455 Change in Restricted Net Assets 83,334 PENSION NET ASSET ADJUSTMENT -5,620,981 RETURN OF INVESTMENT ON AFFILIATED ENTITY Remove allocated rent to subsidiary 1,052,349 HCCI Form5147 Schedule F Income Affiliated Organization's Return of Investment Total to Schedule D, Part XI, Line 8 -6,677,107
Part XII, Line 2d - Other Adjustments		EXPENSE FOR INDIGENT CARE IN OTHER NON-OPERATING INCOME & LOSSES ON AFS -855,000 RENT ALLOCATED TO SUBSIDIARY 1,052,349 CASH OVER & SHORT 205
Part XII, Line 4b - Other Adjustments		TIJV K1 plus HCCI form5147 31,985 PROVISION FOR DOUBTFUL ACCOUNTS -9,580,720 Incoming Children's Hospital Donation for Charity Expenses 100,215 Donations not included in Company on Audited Financial Statement 31,190
Part XIII, Line 2d - Other Adjustments		PROVISION FOR DOUBTFUL ACCOUNTS 9,580,720 EXPENSES FOR SUBSIDIARY DISSOLUTION YEAR Incoming Children's Hospital Donation for Charity Expenses -100,215
Part XIII, Line 4b - Other Adjustments		CASH OVER & SHORT -210 Non-Opeating Expense for Indigent Care in Non-operating Rev & Expense 855,000

Additional Data

Software ID:
Software Version:
EIN: 72-0423659
Name: TOURO INFIRMARY

Form 990, Schedule D, Part X, - Other Liabilities

1	(a) Description of Liability	(b) Amount
	interest rate swap	3,077,463
	other liabilities	4,171,784
	pension liability	11,447,231
	utility deposits	23,825
	due from restricted funds	1,256,415
	worker's comp claims	2,008,806
	professional liability claims	6,517,358
	retirement payable long term	923,009
	lease obligations	999,325
	investment liability	19,173,919

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TOURO INFIRMARY

Employer identification number
72-0423659

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a	1a	Yes	
b	If "Yes," is it a written policy?	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%</div> <div><input type="checkbox"/> 150%</div> <div><input type="checkbox"/> 200%</div> <div><input checked="" type="checkbox"/> Other <u>250.000000000000 %</u></div>	3a	Yes	
b	Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care <div><input type="checkbox"/> 200%</div> <div><input type="checkbox"/> 250%</div> <div><input type="checkbox"/> 300%</div> <div><input type="checkbox"/> 350%</div> <div><input checked="" type="checkbox"/> 400%</div> <div><input type="checkbox"/> Other _____%</div>	3b	Yes	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care			
4	Did the organization's policy provide free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
6b	If "Yes," did the organization make it available to the public?	6b		No
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7 Charity Care and Certain Other Community Benefits at Cost						
Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1)			5,718,542	80,498	5,638,044	2 630 %
b Medicaid (from Worksheet 3, column a)			38,903,906	41,420,654	-2,516,748	0 %
c Costs of other means-tested government programs (from Worksheet 3, column b)			69,191	8,956	60,235	0 030 %
d Total Charity Care and Means-Tested Government Programs			44,691,639	41,510,108	3,181,531	2 660 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			979,862		979,862	0 460 %
f Health professions education (from Worksheet 5)			6,997,857	3,727,139	3,270,718	1 530 %
g Subsidized health services (from Worksheet 6)			855,000		855,000	0 400 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)			4,267,456	100,215	4,167,241	1 940 %
j Total Other Benefits			13,100,175	3,827,354	9,272,821	4 330 %
k Total. Add lines 7d and 7j			57,791,814	45,337,462	12,454,352	6 990 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members						
6Coalition building						
7Community health improvement advocacy						
8Workforce development						
9Other						
10Total						

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1		No
2Enter the amount of the organization's bad debt expense	2	1,930,091	
3Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3		
4Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.			

Section B. Medicare

5Enter total revenue received from Medicare (including DSH and IME)	5	47,671,569	
6Enter Medicare allowable costs of care relating to payments on line 5	6	54,515,321	
7Subtract line 6 from line 5. This is the surplus or (shortfall).	7	-6,843,752	
8Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other			

Section C. Collection Practices

9aDid the organization have a written debt collection policy during the tax year?	9a	Yes	
9bIf "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI.	9b	Yes	

Part IVManagement Companies and Joint Ventures (see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
11 TIV LLC	IMAGING CENTER RENTAL	66.000 %		34.000 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

Name and address

[illegible]

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Touro Infirmary

Name of Hospital Facility: _____

Line Number of Hospital Facility (from Schedule H, Part V, Section A): _____1_____

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? If "Yes," indicate the FPG family income limit for eligibility for free care <u>200 00000000000000</u> % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No
10	Used FPG to determine eligibility for providing discounted care? If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>400 0000000000000%</u> If "No," explain in Part VI the criteria the hospital facility used	10	Yes
11	Explained the basis for calculating amounts charged to patients? If "Yes," indicate the factors used in determining such amounts (check all that apply) a <input checked="" type="checkbox"/> Income level b <input checked="" type="checkbox"/> Asset level c <input checked="" type="checkbox"/> Medical indigency d <input checked="" type="checkbox"/> Insurance status e <input checked="" type="checkbox"/> Uninsured discount f <input checked="" type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes
12	Explained the method for applying for financial assistance?	12	Yes
13	Included measures to publicize the policy within the community served by the hospital facility? If "Yes," indicate how the hospital facility publicized the policy (check all that apply) a <input type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input type="checkbox"/> The policy was attached to all billing invoices c <input checked="" type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms d <input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices e <input type="checkbox"/> The policy was provided, in writing, to patients upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	14		No
15	Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP a <input type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? If "Yes," check all actions in which the hospital facility or a third party engaged a <input checked="" type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16	Yes	
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input checked="" type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? If "No," indicate why	Yes	
a	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
b	<input type="checkbox"/> The hospital facility's policy was not in writing		
c	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	<input type="checkbox"/> Other (describe in Part VI)		

Individuals Eligible for Financial Assistance

19	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? If "Yes," explain in Part VI		No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? If "Yes," explain in Part VI		No

Part V

Facility Information (continued)

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 2

Name and address		Type of Facility (Describe)
1	Woldenberg Village Inc 3701 Behrman Place New Orleans, LA 70114	Assisted living community & skilled nursing facility
2	Crescent City Physicians Inc 3600 Prytania St STE72 New Orleans, LA 70115	Physician Medical Practices
3		
4		
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10		

Part VI Supplemental Information

Complete this part to provide the following information

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health needs assessments reported in Part V, Section B
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
		Part I, Line 3c Part VI Line 1 for Part I line 3c Describe in Part VI the income based c riteria for determining eligibility for free or discounted care Include in the descriptio n whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care >>>>>>>>>>>>>>>Financial Assistance a nd discounted care include services provided to - Uninsured or underinsured low-income pat ients who do not have the ability to pay all or part of their bill as determined by the fi nancial guidelines - Insured patients whose coverage is inadequate to cover a catastrophic situation- Emergency patients, because the hospital does not assess a patient's financial situation before rendering services- Persons whose income is sufficient to pay for basic living costs but not medical care, and also those persons with generally adequate incomes who are suddenly faced with catastrophically large medical bills- Patients deemed medicall y indigent by virtue of their documented eligibility for Medicaid benefits There will be t wo ways that a patient may qualify for Financial Assistance Financial Assistance based on resourcesFinancial Assistance based on presumptive eligibility PROCEDURE for Financial Ass istance Based on Resources The following factors should be considered when determining the amount of financial assistance service for which a patient is eligible based on resources A patient must submit an application for Financial Assistance The patient should reside i n the United States If the patient is Homeless they will automatically qualify for financi al assistance If the patient is already deemed medically indigent and receives benefits f rom any Medicaid program they will automatically qualify for financial assistance Individu al or family net worth, utilizing the patients individual or family income, employment sta tus, family size, financial obligations including living expenses and other items of a rea sonable and necessary nature Medical hardship may also be determined for other patients If the total outstanding medical bills for the patient exceed \$100,000 00 and/or 50% of tot al assets, the medical indigent classification will apply and the patient will receive ch arity care All other resources must be applied first, including third-party payers, Victim s of Crime (ie , a state-level program for crime victims to recover some hospital costs), and Medicaid If a patient does not have Medicaid but would qualify, he or she must coope rate with the application process in order to receive financial assistance Elective proce dures are not covered under the financial assistance policy Methodology The Hospital uses the "Sliding Scale Method" to determine the dollar amount to be considered as financial a ssistance for eligible patients A sliding scale fee schedule will be used to determine fi nancial assistance percentages The minimum financial assistance approval begins with inco mes at 400% of the federal poverty level and continues to increase discounts as the family income reaches 200% of the federal poverty level As indicated above, any guarantor at or below 200% of the federal poverty level, as adjusted for family size will be entitled to financial assistance sponsorship for the full amount of hospital charges related to approp riate hospital-based medical services that are not covered by private or public third-part y sponsorship Income Below FPL Limit FA Percentage-Below 200% 100%-Between 201-250 % 90 %-Be tween 251-300% 80 %-Between 301-350 % 70 %-Between 351-400 % 68 %PROCEDURE for Financial Assist ance Based on Presumptive Eligibility Presumptive Charity- Touro realizes that there may b e circumstances where a patient does not seek financial assistance due to cultural barrier s, education barriers or a lack of understanding the process for applying for financial as sistance To meet the needs of this group of patients, Touro will apply a process of presu mptive charity based on the criteria in Procedure #1 To validate that the patient meets t he necessary criteria Touro will do the following On admission or as soon as reasonably po ssible the Admit staff or Patient Financial Services staff will calculate a Medical Credit Score using the Mede Analytical tool If a patients Medical Credit Score is below 599 the patient will be granted presumptive financial assistance A Medical Credit Score greater than 599 will be used to calculate a sliding scale based on the criteria below If the resp onse returned by the Mede Analytical tool shows coverage for any Medicaid program the pati ent will be granted 100% financial assistance should that program not cover the services p rovided by the hospital For supporting documentation for approval the Admit staff or Patie nt Financial Services representative will complete the first two lines of the Financial As sistance form and detail the previous accounts to be considered under this approval on pag e three The Admit or Patient Financial Services r

Identifier	ReturnReference	Explanation
		<p>representative should also print a copy of the information received from the Mede Analytica I tool. One attempt will be made to contact the patient or their representative to inform them that they have been approved for financial assistance. The call will be documented on the application then the account adjusted based on the medical credit score and the approved percentage. This process may be applied to any patient balance, even if the hospital has received a payment from another source such as Medicare or another third party payor. Charges for non-covered services provided to patients eligible for Medicaid or other indigent programs (including charges for days exceeding a length of stay limit) may be included for purposes of financial assistance. Based on the Medical credit score calculated by the Mede Analytical Tool listed a patient may receive financial assistance according to the following percentages - Medical Credit Score FA Percentage-Below 599 100%-Between 601-649 90%-Between 650-699 80%-Above 699 68%</p>

Identifier	ReturnReference	Explanation
		<p>Part I, Line 7 Touro is costing services using a Ratio of Cost to Charges (RCC) of Adjusted Total Expense as a ratio of Gross Patient Charges We apply the ratio to Gross Charges of the population being measured in order to estimate cost Adjusted Total Expense is Touro Hospital's Total Expense less non-patient revenue and Bad Debt Expense The Ratio of Adjusted Cost to Gross Patient Charges is 22.66% for 2011 7e Total community benefit expense \$979,862 Rehab Clinical Training and Community Outreach \$356,489 Community Outreach Program \$323,953 Healthcare Career Camp \$36,427 Respiratory, Radiology & Nursing Labor Expense \$262,993 7g In 2011, Touro Infirmary and Children's Hospital have collaborated with other healthcare providers to ensure the availability of, and to more cost effectively provide, quality healthcare services to low income and needy residents in the community In order to best address the needs in the community, the collaborative hospitals became members of four non-profit organizations, Louisiana Clinical Services, Inc (LCS), Southern Louisiana Clinical Services, Inc (SLCS), Eastern Louisiana Clinical Services, Inc (ELCS), and Natchitoches Clinical Services, Inc (NCS), collectively, the Non-Profits The hospitals contribute funds to the Non-Profits, which are then used to support the provisions of the hospital and clinical physicians services, specialty physician services and other healthcare services Touro contributed \$855,000 to these non-profit organizations in 2011 7i 7i(c) Touro elected to donate to Children's Hospital approximately \$4,231,167 during the year ended December 31, 2011 The donations relate to a sharing of Upper Payment Limit ("UPL") funds received by Touro, to assist Children's with its activities and programs to support the metropolitan community These activities are sponsored with the knowledge that they are not self-supporting or financially viable, and include financial assistance programs to increase health care to the indigent and uninsured for pediatric primary care services Additional programs include Mobile Dental Program, Inpatient Behavioral Health Program, the Parenting Center, Ventilator Assisted Care Program, Safe Kids Coalition, Greater New Orleans Immunization Network, Ambulatory Clinical and Nutritional Support Services and the Miracle League Cash and in-kind contributions to other community groups \$36,289 7i(d) Children's Hospital elected to donate to Touro approximately \$100,215 during the year ended December 31, 2011 The donation relates to a sharing of Upper Payment Limit ("UPL") funds received by Children's, to assist Touro with its activities and programs to support the metropolitan community including, but not limited to, financial assistance and discounted care to uninsured and underinsured low income patients and providing a multitude of community outreach programs and health screenings</p>

Identifier	ReturnReference	Explanation
		Part III, Line 4 Part VI Line 1 for Part III, line 4 The text of the footnote to the organization's financial statements that describes bad debts expense In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit >>>>>>>>>>>>>>>Note 8 Concentrations of Credit Risk "Touro maintains allowances for uncollectible accounts for estimated losses resulting from a payor's inability to make payments on accounts Touro uses a balance sheet approach to value the allowance account based on historical write-offs and the aging of the accounts Accounts are written off when collection efforts have been exhausted Management continually monitors and adjusts its allowances associated with its receivables "Costing methodology>>>>>>>>>>>>>>>Touro is costing services using a Ratio of Cost to Charges (RCC) of Adjusted Total Expense as a ratio of Gross Patient Charges We apply the ratio to Gross Charges of the population being measured in order to estimate cost Adjusted Total Expense is Touro Hospital's Total Expense less non-patient revenue and Bad Debt Expense The Ratio of Adjusted Cost to Gross Patient Charges is 22 66% for 2011 Rationale for including other bad debt amounts in community benefit >>>>>>>>>>>>>>>As one of the main hospitals in the heart of the City of New Orleans, Touro sustained devastating operating losses during the five years following Hurricane Katrina in 2005 These losses were due in part to significant bad debt losses in the years immediately following Katrina Prior to 2005, Touro was a large financially stable hospital serving the metropolitan New Orleans area The operating losses sustained following Hurricane Katrina were insurmountable and prevented ongoing investment in facilities and equipment to ensure a state of the art facility which could remain competitive in the healthcare market Additionally, the State of Louisiana Medicaid Program began imposing dramatic reimbursement reductions starting in February 2009 These have continued with five subsequent reductions resulting in a cumulative 19 7% reimbursement reductions by Fiscal Year 2011 The reductions have only partially been mitigated by the receipt of Medicaid Upper Payment Limit (UPL) funding, which is not guaranteed prospectively In the post-Katrina environment without the affiliation with Louisiana Childrens Medical Center to provide capital resources, the viability of Touro was in jeopardy Thus, controlling all sources of operational losses is a paramount concern for management in maintaining our financial viability Our mission as established by Judah Touro 160 years ago, when he created this non-profit institution, was to provide this community and its population with readily available, quality healthcare The increases in bad debt losses are of such a magnitude as to preclude Touro from voluntarily seeking out and creating other Touro branded community benefit programs An institution created for the public benefit cannot otherwise sustain it's financial viability to perform the mission if it cannot generate income and cash flows Cash resources are needed on an ongoing basis to provide for reinvestment into its facilities and clinical equipment infrastructure in order to ensure the delivery of quality clinical services We therefore, as a matter of our financial survival, have to manage our Bad Debt losses, a significant component of our operating performance, as one of the contributors to the total community benefit we are able to provide, this is based on the recognition that much of our population is unable to afford the care they need

Identifier	ReturnReference	Explanation
		Part III, Line 8 Part VI Line 1 for Part III, line 8 The extent to which any shortfall reported in line 7 should be treated as community benefit Also describe the costing methodology or source used to determine the amount reported on line 6 >>>>>>>>>>>>The reason the financial shortfall of treating Medicare patients should be treated as a community benefit >>>>>>>>>>>>Since Hurricane Katrina devastated the city of New Orleans in 2005 Touro has sustained dramatic cumulative net asset losses that have to be mitigated before the hospital can attain a sustainable level of financial stability These losses were in large part due to the shortfall in Medicare payments needed to cover our fully allocated cost Prior to 2005, Touro was a large financially stable hospital serving the metropolitan New Orleans area The operating losses sustained following Hurricane Katrina were insurmountable and prevented ongoing investment in facilities and equipment to ensure a state of the art facility which could remain competitive in the healthcare market Additionally, the State of Louisiana Medicaid Program began imposing dramatic reimbursement reductions starting in February 2009 These have continued with five subsequent reductions resulting in a cumulative 19.7% reimbursement reductions by Fiscal Year 2011 The reductions have only partially been mitigated by the receipt of Medicaid Upper Payment Limit (UPL) funding, which is not guaranteed prospectively The Medicare patient population has been doubly challenging to serve since Katrina devastated the healthcare system in 2005 Each year since then, as our community ages and the governmental budgetary challenges become more significant, Touro is faced with even greater financial challenges in serving them knowing that these services are being provided at an overall financial loss to Touro In the post-Katrina environment, without the affiliation with Louisiana Childrens Medical Center to provide capital resources, the viability of Touro was in jeopardy Thus, controlling all sources of operational losses is a paramount concern for management in maintaining our financial viability Our mission as established by Judah Touro 160 years ago, when he created this non-profit institution, was to provide this community and its needy population with readily available, quality healthcare The Medicare losses are of such a magnitude as to preclude Touro from voluntarily seeking out and creating other Touro branded community benefit programs An institution created for the public benefit cannot otherwise sustain it's financial viability to perform the mission if it cannot generate income and cash flows Cash resources are needed on an ongoing basis to provide for reinvestment into its facilities and clinical equipment infrastructure in order to ensure the delivery of quality clinical services We therefore, as a matter of our financial survival, have to manage our Medicare losses, a significant component of our operating performance, as one of the contributors to the total community benefit we are able to provide, this is based on the recognition that much of the service we provide are to the Medicare population Costing methodology>>>>>>>>>>>>Touro is costing services using a Ratio of Cost to Charges (RCC) of Adjusted Total Expense as a ratio of Gross Patient Charges We apply the ratio to Gross Charges of the population being measured in order to estimate cost Adjusted Total Expense is Touro Hospital's Total Expense less non-patient revenue and Bad Debt Expense The Ratio of Adjusted Cost to Gross Patient Charges is 22.66% for 2011

Schedule H (Form 990) 2011

Identifier	ReturnReference	Explanation
Touro Infirmary		Part V, Section B, Line 19d The hospital has a self pay discounting policy that provides patients whom have no insurance coverage to have the charges on their bills reduced by 68% which represents rates collected from some of our lower tiered managed care contracted partners

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 2 Part VI Line 2 Needs assessment Needs Assessment The New Orleans community is very diverse, from the Ninth Ward to New Orleans East and the Garden District. The health risks associated with chronic diseases like diabetes and obesity are particularly high among our growing, medically underserved African-American, Hispanic and Vietnamese populations. Touro performs community outreach to these groups through churches, local community organization and other grassroots efforts. Touro's goal is to help residents learn how to access the care they need and to help them learn to manage their health conditions and live healthier lives. Community Need: Louisiana consistently ranks among the worst states in the country for obesity, cancer, and infant mortality. Many health problems are concentrated in poor, urban neighborhoods such as New Orleans and can be traced to unhealthy diets and lack of physical activity. The 2011 America's health ranking (source: United Health) ranks Louisiana 49th in overall state rankings, 42nd for obesity, 44th for smoking, 48th for outcomes and 41st for diabetes. Touro conducts an internal community needs assessment regularly, collaborating with local agencies such as the Louisiana Public Health Initiative, the Louisiana Department of Health and Hospitals and various community groups. This information helps Touro determine the hospital's short and long-term priorities, as well as strategies for improving community health. The Hospital's needs assessment has shown that:</p> <ul style="list-style-type: none">- Addressing rates of diabetes and obesity, and the challenges associated with these conditions, are important in this community. In 2011, the Louisiana obesity rate exceeded 30%. Nearly 1.1 million adults in Louisiana are obese, 316,000 more individuals than 10 years ago.- Reducing health disparities among ethnicities and socioeconomic groups in the New Orleans area is also important. The latest U.S. Census data shows Orleans Parish (New Orleans) with 24% of its residents living below the poverty level compared to the state average of 18.1%. In Louisiana, obesity is more prevalent among non-Hispanic blacks at 39.5 percent than non-Hispanic whites at 28.4 percent and Hispanics at 29.3 percent (Source: United Health Foundation, America's Health Rankings 2011).- Diabetes also varies by race and ethnicity in the state, 13.4 percent of non-Hispanic blacks have diabetes compared to 9.4 percent of non-Hispanic whites and 9.5 percent of Hispanics (Source: State Health Department website).- Louisiana ranks 45th for cardiovascular deaths (Source: 2011 America's Health Ranking, United Healthcare).- Reducing deaths from circulatory-system diseases is another community need. Touro is working with New Orleans EMS to deliver critical cardiac care and stroke services to these patients.- Ensuring easier access to primary care physicians, particularly for those living in underserved areas of Orleans Parish without adequate healthcare. As New Orleans has recovered, the issue of health care access is critical, especially in neighborhoods far from the main uptown and downtown hospitals, like New Orleans East, Gentilly, and Lakeview, which have started to repopulate. Touro has addressed this need by establishing primary care clinics in these neighborhoods.- Addressing high cancer rates in "Cancer Alley." Louisiana ranks 47th in cancer deaths and has consistently had one of the highest cancer incidence rate and highest cancer mortality rate in the country (Source: 2011 America's Health Ranking, United Healthcare). To address this need, Touro has created a comprehensive cancer care program, including a supportive cancer care program providing free support groups and a nurse navigator to help cancer patients and their loved ones in the community free of charge.- Addressing infant mortality. The state of Louisiana currently ranks 48th in infant mortality. New Orleans has a 7.6% infant mortality rate compared to the U.S. rate of 6.6% (Source: 2011 America's Health Ranking, United Healthcare). New Orleans ranks 60th out of 64 Louisiana parishes in terms of health outcomes and 63rd in social and economic factors (Source: 2011 The Nielsen Company, 2012 Thomson Reuters).

Identifier	ReturnReference	Explanation
		Part VI, Line 3 Part VI Line 3 Patient education of eligibility for assistancePrior to receipt of services, patients are provided the Hospital's "Patient Rights and Responsibilities," which clearly outline the Hospital's payment expectations Touro Infirmary operates an application center that screens patients for possible coverage with Medicaid and Disability programs The application center also provides information regarding free program services within the metropolitan area Inhouse self pay patients are visited by a financial counselor to assist in screening for possible coverage, including financial assistance applications if the patient does not qualify for government sponsored or other third party programs The financial counselor works with the patient and determines his/her ability to pay and discusses the Hospital's Financial Assistance policy All emergency room patients are also screened for possible third party coverage and/or financial assistance All self pay patients who are not screened receive a notice that the Hospital, through its Medical Eligibility Assistance Program (M E A P), assists patients at Touro Infirmary to determine if they qualify for financial assistance programs, which may also pay for hospital and physician services This is a community service provided by the hospital at no charge to its patients Registration Staff, Financial Counselors and other hospital staff are provided ongoing training regarding the eligibility criteria and programs that are available through various local, state, and federal agencies to ensure that deserving patients are referred to appropriate third parties and/or provided financial assistance, depending on the patients' individual circumstances

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 4 Part VI Line 4 Community information-Geographic service areaTouro Infirmary and its subsidiaries are located in South East Louisiana, and serve the populations of Orleans, Jefferson, St Bernard, and Plaquemines Parishes Source for this information is The Nielsen Company and Thomson Reuters - Demographics of the communityo Population The total population of the following parishes for 2011 - Orleans Parish 376,005- Jefferson Parish 445,117- St Bernard Parish 43,576- Plaquemines Parish 21,139Source 2012 The Nielsen Company, 2012 Thomson ReutersPopulation of children by Parish for 2011 Orleans Parish= 79,582Jefferson Parish= 98,209St Bernard Parish= 10,722Plaquemines Parish= 6,686Source 2012 The Nielsen Company, 2012 Thomson ReutersAverage Household Income in 2011 Orleans Parish \$56,168Jefferson Parish \$61,561St Bernard Parish \$50,116Plaquemines Parish \$61,754Source 2012 The Nielsen CompanyMedian Household Income 2006-2010 New Orleans= \$37,468Jefferson= \$48,175St Bernard= \$39,200SOURCE U S Census Bureau, 2011 Quick FactsPoverty Level Percent of people living below the poverty level in 2011 New Orleans= 29%Jefferson= 18%Source American Community Survey 2011Child Poverty Rates in 2011 Orleans= 42%Jefferson= 29%Source American Community Survey 2011 Louisiana ranks 49th in the nation for the percent of children in poverty Source 2011 Kids Count Data BookUninsured by Parish Percent of Uninsured Adults in December 2010 Orleans= 20 7%Jefferson= 19 8%St Bernard= 23 5%Plaquemines= 21 0%Source DHH/Louisiana Health Insurance Report, June 2011Percent of Uninsured Children (Age 0 - 19) in December 2010 Orleans= 5 3%Jefferson= 4 0%St Bernard= 5 2%Plaquemines= 4 6%Source DHH/Louisiana Health Insurance Report, June 2011 Louisiana ranks 36th in the nation for the number of people without health insurance Source 2011 America's Health Ranking, United HealthcareHealth Outcomes Louisiana's ranking in the nation 49th for Overall Rank50th for Determinants Rank41st for Diabetes Rank44th for Smoking Rank42nd for prevalence of obesity49th for children in poverty48th for cases of infectious disease per 100,000 population45th for the number of cardiovascular deaths per 100,000 population48th for infant mortality (deaths per 1,000 live births)47th for cancer deaths per 100,000 populationSource 2011 America's Health Ranking, United Healthcare2011 Race/Ethnicity by Parish (Source 2012 The Nielsen Company, 2012 Thomson Reuters) Parish White Black/Non-Hispanic Hispanic Asian/Pac Islander OtherOrleans 112,487 227,426 18,467 11,181 6,444 Jefferson 254,382 119,452 45,099 16,130 10,054 St Bernard 30,405 7,038 3,881 906 1,301 Plaquemines 14,243 4,358 940 601 997 Touro Infirmary's patient population by payor category for 2011 In-Patient Out-Patient Total % Medicare 2,912 19,520 22,432 19 67%Medicare HMO 2,112 17,379 19,491 17 09%Medicaid 5,518 17,032 22,550 19 78%Private Insurance 3,313 35,358 38,671 33 91%Self Pay 219 6,276 6,495 5 70%Touro Employee 124 4,269 4,393 3 85%Total 14,198 99,834 114,032 100 00%- Number of other acute care hospitals serving the community Children's HospitalOchsner Foundation Hospital, Ochsner Baptist, Ochsner Kenner, Ochsner WestbankTulane Medical CenterLSU HospitalEast Jefferson General HospitalWest Jefferson General Hospital</p>

Identifier	ReturnReference	Explanation
		<p>Part VI, Line 5 Part VI Line 5 Information to describe how the hospital furthers its exempt purpose by promoting the health of the community- The hospital has a governing board composed of prominent civic leaders - Maintains an emergency room open to all persons requiring emergency care, without regard to ability to pay - Provides hospital care for all persons in the community otherwise unable to pay the cost of medical services either directly or through third party reimbursement - Maintains a board of directors drawn from the community - Uses surplus receipts over disbursements to improve the quality of patient care, expand and update hospital facilities and equipment, and advance medical training, and education programs - Maintains an open medical staff - Actively provides community health education & screening programs as noted below In the furtherance of its charitable purpose, Touro provides a wide variety of benefits to the community which it serves Benefits include social service programs, health screenings, in-home caregiver services, support counseling for patients and families, pastoral care, crisis intervention, the donation of space for use by community groups, health and wellness programs, classes about specific medical conditions, and telephone information services In 2011, Touro participated in 203 community outreach events, which were attended by 3,037 attendees Outreach events cover a wide variety of health topics that address the health information needs of the community Touro serves , including nutrition, diabetes management, prostate cancer, healthy aging, joint health, heart health, prostate health and fall prevention Touro's community outreach program offers a range of events including - Touro-led Seminars and Screenings Touro physicians, nurse s and other allied health professionals provide informative seminars and offer free screenings on a variety of topics These events are typically hosted on the hospital's campus and are coordinated by Touro Staff - Tour Rehabilitation Center staff from a variety of disciplines, including director of Inpatient Rehabilitation, occupation therapists, physical therapists and rehabilitation educator participated in free community events including Fall Prevention Seminars, Sudden Impact Training and brain injury specialty training - Non-Pro fit Events Touro regularly partners with non-profit organizations at community health events and screenings These events are hosted at locations throughout the community Touro provides free screenings, health information and clinical staff to administer the screenings and provide clinical consultations Examples of these events include the Jefferson Parish YMCA Silver Sneakers Health Fair, the National Safety Council Safety Fair, the Jefferson Parish Senior Expo, and the Get Healthy Hollygrove community health fair - Sponsorship Events Touro sponsors healthcare-related organizations and events in the greater New Orleans community, such as the American Heart Association, Susan G Komen Race For the Cure and the American Diabetes Association Participation in these events entails staffing the event, providing health education materials to attendees and offering free screenings (as requested) to attendees All events are open to the public - Employee Health Screenings Touro participates in local employer health fairs and provides health information, free screenings and consultations Examples of employer health events include the W New Orleans Hotel , the Sheraton New Orleans Hotel, and the Marriott New Orleans - Healthy Aging Programs Touro offers free events and programs designed to help the aging population in the community live healthy and independent lives The Touro Prime Years Program is a free program designed to help adults age 55 years of age and older lead a healthy and active lifestyle The Prime Years program includes a monthly educational health seminar or screening customized to meet the information needs of this population Topics have included Heart Health for Women, Foot Care and Diabetes, Women's Health in Your Prime Years, Sharpen Your Cognitive Skills, Prostate Health Seminar and Traveling with Diabetes - Touro is the only hospital in the community to offer a unique program called CarFit, in partnership with local AARP and AAA chapters Developed in collaboration with the American Society on Aging, AAA, AARP and the American Occupational Therapy Association, CarFit is the first program to offer older adults the opportunity to check how their personal car "fits" them People over age 65 are the fastest-growing population in the U S Because of their fragility, seniors have the highest crash death rate per mile of any age group except teenagers Trained professionals lead drivers through a 12 point checklist with their vehicle, recommend car adjustments and adaptations and offer resources and activities that could make their car "fit" better or enhance their safety An Occupational Therapist</p>

Identifier	ReturnReference	Explanation
		t provides information to older drivers on how to maintain and strengthen driving health Participants receive a one-on-one consultation with the OT and a summary of the checklist Touro offered two CarFit screenings in 2011 - Touro also offered a fall prevention progra m to the community One of the most common health threats to a senior's health is also one of the most overlooked-falls More than one third of adults 65 or older fall each year, a nd among older adults, falls are the leading cause of injury, hospital admissions, trauma and death Touro offered a fall prevention program to address this issue The free program pairs aging and healthcare experts with seniors to help them become more aware of fall ha zards and learn how to reduce the risk of falling This community-based workshop met once a week for five weeks and covered a variety of topics designed to help seniors prevent fal ls Topics included exercises for strength and balance, pedestrian safety, and medication interaction and falls Supportive Cancer Care Program Touro's supportive cancer care prog ram offers several support groups that are free and open to the community to meet the onco logy needs of the New Orleans community Support groups include - Girl Talk Gynecologic C ancer Support GroupA support group for women who have been diagnosed with one of the gynec ologic cancers Whether a person is newly diagnosed, actively being treated, or have compl eted treatment, this group can help The meetings promote education and discussion about r elevant topics - Support for Women with Cancer As the name implies, this group is open to any woman -- no matter what the diagnosis -- who is interested in receiving and giving sup port to other women with cancer The group meetings are designed to be informative and pro mote the sharing of thoughts and feelings Daytime and evening meeting times are offered - Look Good - Feel Better WorkshopAn American Cancer Society program that teaches beauty te chniques to women who are in active treatment "to help them combat the appearance-related side effects of cancer treatment " Free skin care products are supplied by well-known cosm etic manufacturers Additionally, information about wigs and other appearance issues are d iscussed - Caring for CaregiversCaring for a loved one with cancer can be challenging Thi s program provides caregivers with information, resources and support via one on one sessi ons with a support counselor - Peer Support Women Helping Women with Cancer For many wome n diagnosed with breast cancer, not knowing what to expect presents the biggest challenge This program provides one-on-one support from another woman who has survived breast cance r - Peer Support Men Helping Men with CancerFor men with cancer, coping can be difficult Men are taught to take care of their problems But a disease like cancer can be tough to handle This program provides one-on-one support from another man who has survived cancer - Kids Konnected Support Program When a parent has cancer, the whole family is affected Kids can feel sad, angry, alone, and disconnected Kids Konnected is a support program for children whose parents have cancer The program provides helpful information and a monthl y support group for kids, along with guided tours of the different cancer treatment center s at Touro Kids and parents can meet Touro staff, ask questions, and connect with other f amilies The program is free of charge and open to anyone in the community - Cancer Transi tions Program This is a free six-week LIVESTRONG program designed to help people make the transition from patient to survivor Experts from Touro's Supportive Cancer Care Center l ead conversations about nutrition, survivorship, emotional well-being and more

Identifier	ReturnReference	Explanation
		Part VI, Line 6 Part VI Line 6 the respective roles of the organization and its affiliates in promoting the health of the communities served Touro Infirmary has the following wholly owned subsidiaries - Metrolab, Inc operates a commercial clinical laboratory (Closed during 2011) - Crescent City Physicians, Inc operates physician medical practices Touro Infirmary is the sole member of the following not-for-profit entities - Touro Infirmary Foundation performs the fund-raising function for the hospital - Woldenberg Village, Inc operates a 120-bed nursing home, a 60-unit assisted living facility, and a 60-unit independent living facility Touro Infirmary and Woldenberg Village own a 66% interest in TIJV, LLC, which is a real estate joint venture Touro Infirmary leases a building from TIJV, LLC in which it operates an off-campus diagnostic imaging center Touro Infirmary is a subsidiary of Louisiana Children's Medical Center, which is also the parent organization for Children's Hospital

Schedule I (Form 990)

OMB No 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service
Name of the organization
TOURO INFIRMARY

Grants and Other Assistance to Organizations, Governments and Individuals in the United States
Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

Employer identification number
72-0423659

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II **Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed 

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- | | | |
|----------|---|----------|
| 2 | Enter total number of section 501(c)(3) and government organizations listed in the line 1 table | 1 |
| 3 | Enter total number of other organizations listed in the line 1 table | 0 |

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Members of Touro's Governing Board participate in the Louisiana Children's Medical Center (Touro's parent corporation,also a 501(c)(3) corporation) quarterly community benefit board committee meeting to review established community benefit programs, including patient volume, funding sources and net unreimbursed program cost Touro's donation to Children's Hospital(a sister 501(c)(3)organization)is intended to assist with Children's total unreimbursed community benefit costs

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
TOURO INFIRMARY

Employer identification number
72-0423659

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input checked="" type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input checked="" type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div></div> <div><div><input type="checkbox"/> Independent compensation consultant</div><div><input type="checkbox"/> Compensation survey or study</div></div> <div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	No
b	Any related organization?	6b	No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

[illegible]

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
	Part I, Line 1a	----- Three employees were reimbursed for moving expenses/housing expenses associated with relocation expenditures. One employee was reimbursed for accounting/tax consulting fees with taxes withheld.
	Part I, Line 1b	Part I, Line 3----- Touro's President Base compensation, incentive compensation and all other reportable and non-reportable compensation is reviewed annually by the Executive Committee of the Board of Trustees of Louisiana Children's Medical Center which is Touro's parent. The Executive Committee is a 10 voting-member subset of the Board of Trustees. Decisions made by the Executive committee are documented and reported in summary to the full Board of Trustees. In addition to board review, third-party consultants periodically review compensation and incentive amounts to ensure market reasonableness and competitiveness. Third-party prepared compensation and incentive review is presented to the Executive Committee. Incentive bonuses are based on 25% Revenue Growth, 30% Operating Income, and 45% Board discretion based on overall performance, quality initiatives, and accreditation, etc.
	Part I, Lines 4a-b	Part I, Lines 4a-b Severance Payment or Change of control Payment Kevin Jordan Severance Payment \$65,903 Robert A Ficken Severance Payment \$135,945 Part I, Line 4B Supplemental Nonqualified Retirement Plan Gary Stein - \$261,624 is the 2011 distribution from the Trust. In 1997 Crescent City Physician, Inc (CCPI) created a Trust under the Gary M Stein Deferred Compensation Agreement. The Trust is a grantor trust under the Internal Revenue Code. CCPI, as grantor, is deemed to own all items of Income and deduction on the Trust. Income from the Trust is to be reported by CCPI. The assets of the Trust are subject to any claims of CCPI creditors. CCPI receives monthly accountings of all Trust assets. The Deferred Compensation Agreement is a non-qualified deferred compensation plan under which Mr. Stein was allowed to defer a portion of his salary to be paid in the future. The Trust was funded by bonuses paid to Mr. Stein. Retirement benefits commenced on June 1, 2007 over a period of ten years (1/10 each year) based on the value of the fund as determined by Allegheny Investments. The payments are authorized by the Trustee and are disbursed by the Allegheny Financial Group. Crescent City Physician Inc 's (CCPI's) Supplemental Executive Retirement Plan (SERP) has a balance of \$102,144 on behalf of Mr. Francis Dale Mertens as of December 31, 2011. Effective April 1, 2008 CCPI adopted the SERP plan on Mr. Francis Dale Mertens behalf. The SERP is not maintained solely for the purpose of providing benefits in excess of the limits in Code Section 415 and the Plan is intended to be covered by ERISA. The plan is intended to comply with Internal Revenue Code Section 409A regulations. The assets of the SERP are subject to any claims of CCPI creditors. The Plan is intended to constitute an unfunded plan that is maintained by CCPI primarily for the purpose of providing deferred compensation for Mr. Francis Dale Mertens within the meaning of ERISA section 201(2). Mr. Francis Dale Mertens is an active employee. Therefore, benefits have not commenced. Benefits will commence when one of the following occurs, death, disability, change of control, or termination of employment.

Software ID:
Software Version:
EIN: 72-0423659
Name: TOURO INFIRMARY

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JACK JACOBS	(i)	0	0	0	0	0	0	0
	(ii)	185,591	96,722	1,540	1,500	12,061	297,414	0
STEVE WORLEY	(i)	0	0	0	0	0	0	0
	(ii)	683,411	216,203	60,914	294,076	62,519	1,317,123	0
JAMES MONTGOMERY	(i)	516,665	297,972	9,061	12,459	13,971	850,128	0
	(ii)	0	0	0	0	0	0	0
SUSAN PITOSCIA	(i)	332,165	91,763	6,218	12,118	11,171	453,435	0
	(ii)	0	0	0	0	0	0	0
SUZANNE HAGGARD	(i)	278,117	6,789	3,686	17,150	7,309	313,051	0
	(ii)	0	0	0	0	0	0	0
SCOTT C LANDRY	(i)	169,708	38,825	1,812	0	14,331	224,676	0
	(ii)	0	0	0	0	0	0	0
CHAD COURREGE	(i)	202,234	50,107	1,819	12,973	14,571	281,704	0
	(ii)	0	0	0	0	0	0	0
FRANCIS D MERTENS	(i)	194,140	43,915	5,337	17,911	5,022	266,325	0
	(ii)	0	0	0	0	0	0	0
JEANETTE RAY	(i)	188,807	42,893	2,525	12,118	11,171	257,514	0
	(ii)	0	0	0	0	0	0	0
LAWRENCE METEVIER	(i)	174,049	0	1,361	11,781	5,022	192,213	0
	(ii)	0	0	0	0	0	0	0
LEE HANKINS	(i)	151,398	0	6,877	7,399	3,600	169,274	0
	(ii)	0	0	0	0	0	0	0
NORMAN A STITELER	(i)	150,189	0	3,885	3,580	13,137	170,791	0
	(ii)	0	0	0	0	0	0	0
HENRY ALEXANDER	(i)	153,874	0	963	10,323	195	165,355	0
	(ii)	0	0	0	0	0	0	0
DANIEL TOBIN	(i)	152,949	0	3,045	10,891	7,702	174,587	0
	(ii)	0	0	0	0	0	0	0
GARY STEIN	(i)	0	171,987	3,192	17,068	0	192,247	0
	(ii)	0	590,275	0	0	0	590,275	0
ROBERT FICKEN	(i)	135,945	0	0	2,073	2,831	140,849	0
	(ii)	0	0	0	0	0	0	0
WILLA DIXON	(i)	180,456	27,256	1,409	3,832	1,980	214,933	0
	(ii)	0	0	0	0	0	0	0

efile GRAPHIC print - DO NOT PROCESS		As Filed Data -		DLN: 93493346006282		
<div>SCHEDULE O</div> <div>(Form 990 or 990-EZ)</div> <div>Department of the Treasury</div> <div>Internal Revenue Service</div>		<div>Supplemental Information to Form 990 or 990-EZ</div> <div>Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.</div> <div>► Attach to Form 990 or 990-EZ.</div>			OMB No 1545-0047	
					2011	
					Open to Public Inspection	
Name of the organization TOURO INFIRMARY				Employer identification number 72-0423659		

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	Louisiana Children's Medical Center (LCMC) will act as a System Parent and it is the sole member of Touro Infirmary and of Children's Hospital
	Form 990, Part VI, Section A, line 7a	Louisiana Children's Medical Center (LCMC) has the sole authority to appoint the board of Touro Infirmary
	Form 990, Part VI, Section A, line 7b	Louisiana Children's Medical Center (LCMC) reserved the power to approve the decisions of the board
	Form 990, Part VI, Section B, line 11	A draft of the Organization's Form 990 will be presented at a monthly board of directors meeting. During this meeting the tax return will be reviewed and discussed for accuracy and completeness.
	Form 990, Part VI, Section B, line 12c	At the time of hire, each employee reviews the conflict of interest form, has an opportunity to ask questions about the policy, and signs a document stating that they have reviewed and understand the policy. This is a part of the employees' permanent record, and applies to all employees. Senior management (directors, vice presidents, CEO) and members of the board of directors are required to review and sign a conflict of interest form on an annual basis.
	Form 990, Part VI, Section B, line 15	THE ORGANIZATION RELIES ON COMPARABLE DATA FROM unrelated entities TO DETERMINE THE AMOUNT OF COMPENSATION for its executives, AND DOCUMENTATION IS MAINTAINED REGARDING THE DETERMINATION OF THESE AMOUNTS. The final decision regarding the amount of compensation is subject to the approval of the board of directors. In 2007, the organization's compensation committee engaged an outside consultant to assist in the development, analysis and independent review of compensation for the organization's executives. The analysis consisted of a review of a third party compensation survey. Executive Benchmarks were established to positions of similar sized hospitals. After the review, recommendations were provided to the president/ceo and the vice president of human resources.
	Form 990, Part VI, Section C, line 19	all governing documents, the conflict of interest policy, and financial statements are made available to the public upon request.
HOURS WORKED FOR RELATED ORGANIZATIONS	Form 990, PART VII, Column B	James Montgomery is the President for Touro Infirmary. Additionally part of his duties include serving as a Board Member of the Touro Infirmary Foundation (1 hours/week), a Board Member of Woldenberg Village (1 hours/week), a Board Member of Crescent City Physicians (4 hours/week), a Board Member of TIJV (5 hours/week). Chad Courrage is the VP of Human Resources for Touro Infirmary. Additionally part of his duties include management and oversight of Woldenberg Village (5 hours/week), management and oversight of Crescent City Physicians (4.5 hours/week), management and oversight of the Touro Infirmary Foundation (0.5 hours/week). Francis D. Mertens is the President & COO of CCPI & Board Member of CCPI spending 31 hours per week in this role. Additionally part of his duties include serving as VP of Physician Services for Touro (21 hours/week), management and oversight of Metrolab (1 hours/week), management and oversight of TIJV (0.5 hours/week). Suzanne Haggard is the Chief Financial Officer (from Dec) for Touro Infirmary. Additionally part of her duties include serving as a financial manager of the Touro Infirmary Foundation (2 hours/week), management and oversight of Woldenberg Village (8 hours/week), management and oversight of Crescent City Physicians (5 hours/week), management and oversight of TIJV (5 hours/week), Board member of Prytania Medical Complex Owners Association (0.5 hours/week), Board member of Buckman Medical Office Building Condominium Association (0.25 hours/week). Scott C. Landry is the VP of Facilities for Touro Infirmary. Additionally part of his duties include management and oversight of Woldenberg Village (5 hours/week), management and oversight of Crescent City Physicians (1 hours/week), Board member of Prytania Medical Complex Owners Association (0.5 hours/week), Board member of Buckman Medical Office Building Condominium Association (0.5 hours/week). Jeanette Ray is the VP of Rehab/Post Acute Services for Touro Infirmary. Additionally part of her duties include Board Member of Woldenberg Village (10 hours/week). Jack Jacob, MD is the Physician with Crescent City Physicians, Inc where he practices in excess of 40 hours/week. Norman A. Stiteler is the Corporate Compliance Officer for Touro Infirmary. Additionally part of his duties include serving as management and oversight of the Touro Infirmary Foundation (0 hours/week), management and oversight of Woldenberg Village (1 hours/week), management and oversight of Crescent City Physicians (1 hours/week). Dan Tobin is the Controller for Touro Infirmary. Additionally part of his duties include accounting services to Metrolab (5 hours/week), accounting services to TIJV (1 hours/week). Steve Worley is the President and Chief Executive Officer for Louisiana Children's Medical Center and Children's Hospital where he splits his time 21 hours weekly for LCMC and 32 hours weekly devoted to Children's Hospital activities. Additionally part of his duties include serving as board member of the Touro Infirmary Foundation (1 hours/week).
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Net unrealized gains on investments 3,566,977. TIJV, LLC -RENTAL -31,985. EARNINGS/(LOSSES) FROM SUBSIDIARIES -2,830,279. Restatement of Prior Year Income 670,455. Change in Restricted Net Assets 83,334. PENSION NET ASSET ADJUSTMENT -5,620,981. RETURN OF INVESTMENT ON AFFILIATED ENTITY. Remove allocated rent to subsidiary 1,052,349. HCCI Form5147 Schedule F Income. Affiliated Organization's Return of Investment Total to Form 990, Part XI, Line 5 -3,110,130.
	FORM 990, PART XII, LINE 2C	The Organization's committee that assumes responsibility for the oversight of the audit of its financial statements and selection of an independent auditor has not changed from the prior year.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
TOURO INFIRMARY

Employer identification number
72-0423659

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Touro Infirmary Foundation 1401 Foucher Street new orleans, LA 70115 72-1169939	healthcare support	LA	501(c)(3)	509(a)(3)		Yes	
(2) Woldenberg Village 3701 Behrman place new orleans, LA 70114 72-0540671	healthcare delivery	LA	501(c)(3)	509(a)(2)		Yes	
(3) LOUISIANA CHILDREN'S MEDICAL CENTER (LCMC) 200 Henry Clav Ave new orleans, LA 70118 94-3480131	healthcare delivery	LA	501(c)(3)	509(a)(3)			No
(4) CHILDREN'S HOSPITAL 200 Henry Clav Ave New orleans, LA 70118 72-0467503	healthcare delivery	LA	501(c)(3)	170(B)(1)(A)(iii)			No

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Dispropportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) 1 TIJV llc 1401 Foucher St new orleans, LA 70115 26-1378361	Imaging Center Rental	LA	Touro Infirmary	related	31,985	2,453,960		No			No	66 000 %

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) metrolab inc 2633 napolean avenue new orleans, LA 70115 72-1184791	healthcare	LA		C			100 000 %
(2) crescent city physicians inc 3600 prytania street suite 72 new orleans, LA 70115 72-1269878	healthcare	LA		C	-2,830,279	4,523,210	100 000 %
(3) buckman medical office building condominium association 1401 foucher street new orleans, LA 70115 72-1226687	healthcare	LA		C		38,362	84 900 %
(4) prytania medical complex owners association 650 poydras street suite 1200 new orleans, LA 70130 72-0866121	healthcare	LA		C		78,940	82 460 %

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

Yes

Yes

No

No

No

No

No

No

Yes

No

No

No

Yes

Yes

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	
------------	------------------	-------------	--

Software ID:
Software Version:
EIN: 72-0423659
Name: TOURO INFIRMARY

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) TOURO INFIRMARY FOUNDATION	Q	993,002	
(2) metrolab inc	E	53,419	
(3) woldenberg village	D	1,642,087	
(4) crescent city physicians inc	D	2,822,557	
(5) crescent city physicians inc	A	1,052,349	
(6) CHILDREN'S HOSPITAL	B	4,231,167	
(7) LOUISIANA CHILDREN'S MEDICAL CENTER	L	672,373	
(8) TIJV LLC	A	120,672	
(9) TIJV LLC	A	59,871	
(10) CHILDREN'S HOSPITAL	C	100,215	

TY 2011 Category 3 filer statement

Name: TOURO INFIRMARY

EIN: 72-0423659

Amount Of Indebtedness	Type Of Indebtedness	Name	Address	Identifying Number	Number Of Shares
	none	Touro Infirmary	1401 Foucher st New Orleans, LA 70115	72-0423659	

TY 2011 Itemized Other Current Liabilities Schedule**Name:** TOURO INFIRMARY**EIN:** 72-0423659

Corporation Name	Corporation EIN	Description	Beginning Amount	Ending Amount
HEALTH CARE CASUALTY INSURANCE LIMITED	98-0606748		4,380,086	5,055,477

**TY 2011 Itemized Other Current Assets
Schedule****Name:** TOURO INFIRMARY**EIN:** 72-0423659

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
HEALTH CARE CASUALTY INSURANCE LIMITED	98-0606748		17,044,103	18,594,232

TY 2011 Other Deductions Schedule

Name: TOURO INFIRMARY

EIN: 72-0423659

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
		4,612,159

TY 2011 Itemized Other Investments Schedule**Name:** TOURO INFIRMARY**EIN:** 72-0423659

Corporation Name	Corporation EIN	Other Investments Description	Beginning Amount	Ending Amount
HEALTH CARE CASUALTY INSURANCE LIMITED	98-0606748		31,035,768	35,609,436

**TY 2011 Statement if return is required
because shareholders became US person**

Name: TOURO INFIRMARY

EIN: 72-0423659

Name	Date Became U.S. Person
NA	

TOURO INFIRMARY AND SUBSIDIARIES

Consolidated Financial Statements
and Supplementary Information

December 31, 2011 and 2010

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LaPorte, APAC
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Metairie, LA 70005
504.835.5522 | Fax 504.835.5535
LaPorte.com

Independent Auditor's Report

To the Governing Board of Trustees
Touro Infirmary and Subsidiaries

We have audited the accompanying consolidated balance sheets of Touro Infirmary and Subsidiaries (Touro) as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Touro's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Touro Infirmary and their subsidiaries as of December 31, 2011 and 2010, and the results of their operations, changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20 to the consolidated financial statements, Touro changed its method of accounting for payments received from the federal Medicaid Upper Payment Limits program in 2011.

An Independently Owned Member, McGladrey Alliance

The McGladrey Alliance is a group of affiliated independent accounting and consulting firms. The McGladrey Alliance does not have a master-client relationship with any client, and each partner firm in the alliance is responsible for its own client relationships and for maintaining its own client relationships.

Also, as described in Note 20 to the consolidated financial statements, certain errors resulting in the understatement of previously reported accounts payable and the overstatement of previously reported unrestricted net assets as of December 31, 2010, were discovered by management during the current year. Accordingly, an adjustment has been made to unrestricted net assets as of December 31, 2010, to correct the error.

A handwritten signature in cursive script, reading "LaPorte".

A Professional Accounting Corporation

March 26, 2012

TOURO INFIRMARY AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2011 and 2010

	2011	2010 (As Restated)
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 2,422,631	\$ 7,478,523
Assets Limited as to Use	2,333,583	2,107,894
Patient Accounts Receivable, Net of Allowance for Doubtful Accounts of \$9,364,165 and \$9,494,470 in 2011 and 2010, Respectively	24,683,172	23,092,734
Other Receivables	2,476,589	2,330,554
Inventories	4,220,183	4,166,743
Prepaid Expenses	2,216,198	2,591,553
Total Current Assets	38,352,356	41,768,001
Assets Limited as to Use		
Designated for Capital Projects and Specific Programs	37,866,116	51,770,152
Restricted by Bond Indenture, Debt Service Reserve	14,042,444	15,163,245
Donor-Restricted Long-Term Investments	9,408,375	9,758,854
Restricted Other	600,000	600,000
Less Amount Required for Current Obligations	(2,333,583)	(2,107,894)
Total Assets Limited as to Use	59,583,352	75,184,357
Property, Plant, and Equipment, Net	131,203,736	125,561,169
Other Assets	3,070,532	3,397,618
Total Assets	\$ 232,209,976	\$ 245,911,145

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

TOURO INFIRMARY AND SUBSIDIARIES
Consolidated Balance Sheets (Continued)
December 31, 2011 and 2010

	2011	2010 (As Restated)
Liabilities and Net Assets		
Current Liabilities		
Trade Accounts Payable	\$ 15,485,455	\$ 15,197,306
Accrued Salaries and Wages	8,717,995	8,733,652
Current Maturities of Bonds Payable	1,815,000	950,000
Current Portion of Capital Lease Obligations	1,138,574	1,406,718
Current Portion of Estimated Employee Health and Workers' Compensation Claims	2,601,003	2,370,899
Current Portion of Estimated Professional Liabilities Claims	2,112,788	2,779,385
Estimated Government Healthcare Program Settlements, Net	2,802,823	3,055,852
Other	10,406,333	12,943,678
Total Current Liabilities	45,079,971	47,437,490
 Bonds Payable, Net of Current Portion	 74,637,068	 86,114,776
Capital Lease Obligations, Net of Current Portion	-	1,138,574
Estimated Workers' Compensation Claims, Net of Current Portion	1,161,552	1,559,461
Estimated Professional Liability Claims, Net of Current Portion	4,404,570	3,587,199
Employee Benefits	14,639,855	9,695,702
Total Liabilities	139,923,016	149,533,202
 Noncontrolling Interest	 622,613	 760,394
 Net Assets		
Unrestricted	79,567,568	83,143,299
Temporarily Restricted	4,365,403	4,742,874
Permanently Restricted	7,731,376	7,731,376
Total Net Assets	91,664,347	95,617,549
 Total Liabilities and Net Assets	 \$ 232,209,976	 \$ 245,911,145

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

TOURO INFIRMARY AND SUBSIDIARIES
Consolidated Statements of Operations
For the Years Ended December 31, 2011 and 2010

	2011	2010 (As Restated)
Unrestricted Revenues, Gains and Other Support		
Net Patient Service Revenues	\$ 247,254,798	\$ 249,185,780
Other Operating Revenues	11,248,350	8,119,095
Net Assets Released from Restrictions, Operating	330,500	-
Total Operating Revenues	258,833,648	257,304,875
Operating Expenses		
Salaries and Wages	102,486,305	99,843,878
Employee Benefits	18,002,887	18,419,936
Purchased Services	64,812,252	61,496,331
Supplies	42,818,310	42,134,007
Provision for Doubtful Accounts	10,158,683	8,691,045
Depreciation and Amortization	16,166,136	15,440,595
Impairment Losses	43,517	214,053
Interest	3,920,356	4,825,491
Total Operating Expenses	258,408,446	251,065,336
Income from Operations	425,202	6,239,539
Investment Income	2,812,752	4,959,302
Other Nonoperating (Loss) Income	(811,947)	16,795,363
Community Support, Net	(855,000)	-
Net Assets Released from Restrictions, Nonoperating	452,783	295,747
Increase in Unrestricted Net Assets	2,023,790	28,289,951
Noncontrolling Interest in Income of Consolidated Subsidiaries	21,462	21,654
Increase in Unrestricted Net Assets Before Other Changes	2,045,252	28,311,605
Adjustment to Pension Liability	(5,620,981)	659,798
(Decrease) Increase in Unrestricted Net Assets	\$ (3,575,729)	\$ 28,971,403

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

TOURO INFIRMARY AND SUBSIDIARIES
Consolidated Statements of Changes in Net Assets
For the Years Ended December 31, 2011 and 2010

	2011	2010 (As Restated)
Unrestricted Net Assets		
(Decrease) Increase in Unrestricted Net Assets	\$ (3,575,729)	\$ 28,971,403
Temporarily Restricted Net Assets		
Contributions	343,433	504,950
Investment Income	62,377	1,264,412
Net Assets Released from Restrictions	(783,283)	(295,747)
(Decrease) Increase in Temporarily Restricted Restricted Net Assets	(377,473)	1,473,615
Change in Permanently Restricted Net Assets	-	43,260
(Decrease) Increase in Net Assets	(3,953,202)	30,488,278
Net Assets, Beginning of Year, as Previously Reported	95,617,549	65,944,892
Prior Period Adjustment - Correction of Error	-	(815,621)
Net Assets, Beginning of Year, as Restated	95,617,549	65,129,271
Net Assets, End of Year	\$ 91,664,347	\$ 95,617,549

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

TOURO INFIRMARY AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	2011	2010 (As Restated)
Cash Flows from Operating Activities		
(Decrease) Increase in Net Assets	\$ (3,953,202)	\$ 30,488,278
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Adjustment to Pension Liability	5,620,981	(659,798)
Noncontrolling Interest in Income of Consolidated Subsidiaries	(21,462)	(21,654)
Depreciation and Amortization	16,166,136	15,440,595
Loss (Gain) on Sale of Assets	181,278	(70,000)
Impairment Losses	43,517	214,053
Gain on Release of Asset Retirement	-	(1,421,371)
Provision for Doubtful Accounts	10,158,683	8,691,045
Change in Operating Assets and Liabilities		
Increase in Patient Accounts Receivable	(11,659,708)	(9,297,578)
(Increase) Decrease in Other Receivables	(146,035)	812,624
Increase in Inventories	(53,440)	(330,994)
Decrease in Prepaid Expenses	346,116	760,598
Decrease (Increase) in Assets Limited as to Use	15,375,316	(17,867,560)
Decrease in Other Assets	233,960	341,982
Increase in Trade Accounts Payable	312,772	975,836
(Decrease) Increase in Accrued Salaries and Wages	(15,657)	789,793
Decrease in Estimated Government Healthcare Program Settlements, Net	(253,029)	(2,002,727)
(Decrease) Increase in Other Liabilities	(3,061,917)	2,233,521
Net Cash Provided by Operating Activities	29,274,309	29,076,643
Cash Flows from Investing Activities		
Capital Expenditures	(22,446,080)	(20,765,319)
Proceeds from Sale of Asset	328,917	70,000
Net Cash Used in Investing Activities	(22,117,163)	(20,695,319)
Cash Flows from Financing Activities		
Payments on Capital Lease Obligations	(1,406,718)	(1,455,243)
Repayments of Bonds Payable	(10,690,000)	(4,115,000)
Distributions Paid to Noncontrolling Interests	(116,320)	(150,361)
Net Cash Used in Financing Activities	(12,213,038)	(5,720,604)
Net (Decrease) Increase in Cash and Cash Equivalents	(5,055,892)	2,660,720
Cash and Cash Equivalents, Beginning of Year	7,478,523	4,817,803
Cash and Cash Equivalents, End of Year	\$ 2,422,631	\$ 7,478,523
Supplemental Disclosures of Cash Flow Information		
Cash Paid for Interest	\$ 5,081,581	\$ 5,558,452
Property, Plant and Equipment Purchases in Accounts Payable	\$ 1,956,682	\$ 3,572,699

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

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization

The consolidated financial statements of Touro Infirmary (a not-for-profit corporation) and subsidiaries (Touro) include the accounts of Touro Infirmary (the Hospital), Touro Infirmary Foundation (Foundation), Woldenberg Village, Inc (Woldenberg), the Hospital's wholly owned for-profit subsidiary, Crescent City Physicians, Inc , and its 66% interest in TIJV, LLC (TIJV). All significant intercompany transactions have been eliminated in consolidation. Metrolab, Inc , a wholly owned for-profit subsidiary that was consolidated in 2010, was dissolved in 2011 and, therefore, was not included within the consolidation of the 2011 financial statements. The effect of this transaction is immaterial to the financial statements as a whole and is included within other nonoperating losses within the consolidated statement of operations. Touro is located in New Orleans, Louisiana, and has operations in the surrounding areas.

The Foundation and Woldenberg are nonstock, not-for-profit corporations whose sole member is the Hospital. The Foundation performs the fundraising function for the Hospital. Woldenberg operates a 120-bed nursing home, a 60-unit assisted living facility, and a 60-unit independent living facility. Crescent City Physicians, Inc operates physician medical practices. The Hospital also owns a majority of the Buckman Medical Office Building and Delachaise Street Garage (Buckman Complex), as well as condominium units and a parking garage in the Touro Medical Office Building that are adjacent to the Hospital. The Hospital also owns the building formerly known as St Charles General Hospital and parking garage, with a majority ownership of suites in the adjacent medical office building. The Hospital and Woldenberg own 66% of the outstanding units of TIJV, with physicians owning the 34% remainder.

All corporate powers of Touro are vested in the Board of Trustees of Louisiana Children's Medical Center (LCMC) (the System), the Hospital's nonprofit parent.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. 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, excluding assets whose use is limited.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets Limited as to Use

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets, based upon quoted market prices. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in unrestricted revenues, gains, and other support in unrestricted net assets unless the income or loss is restricted by donor or law.

Assets limited as to use primarily include assets held by trustees under indenture agreements, investments restricted by donors, and designated assets set aside by the Governing Board (the Board) for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes. Amounts required to meet current liabilities of the Hospital have been reclassified in the consolidated balance sheets at December 31, 2011 and 2010.

Restricted other assets consist of certificates of deposit held by the Workers' Compensation Fund as collateral against the self-insured portion of claims.

Inventories

Inventories are stated at the lower of first-in, first-out cost or market at the balance sheet date.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Depreciation and amortization, which includes amortization of assets under capital lease, are computed on the straight-line basis over the estimated useful lives, or the shorter of useful life or lease term for capital leases, as follows:

Land Improvements	10 - 20 Years
Buildings	15 - 40 Years
Leasehold Improvements	3 - 5 Years
Fixed Equipment	10 - 20 Years
Major Moveable Equipment	4 - 10 Years

Impairment of Long-Lived Assets

Touro reviews its long-lived assets, including property and equipment and other intangibles, for impairment and determines whether an event or change in facts and circumstances indicates that their carrying amount may not be recoverable.

Touro determines recoverability of the assets by comparing the carrying amount of the asset to net future undiscounted cash flows that the asset is expected to generate or estimated fair values in the case of nonrevenue generating assets. The impairment loss recognized is the amount by which the carrying amount exceeds the fair market value of the asset. See Note 15 for discussion of impairment losses on Woldenberg Village.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Estimated Workers' Compensation, Professional Liability, and Employee Health Claims

The provisions for estimated workers' compensation, professional liability, and employee health claims include estimates for the ultimate costs for both reported claims and claims incurred but not reported. These estimates incorporate Touro's past experience, as well as other considerations, including the nature of claims, industry data, relevant trends, and/or the use of actuarial information.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use is limited by donors to a specific time period or purpose. Temporarily restricted net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors. Permanently restricted net assets have been restricted by donors to be maintained by Touro in perpetuity.

Net Patient Service Revenues

Touro has agreements with third-party payors that provide for payments to Touro at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

Net patient service revenues are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Deferred Financing Costs

Deferred financing costs, which are included in other assets, are amortized over the period the obligation is outstanding, using a method that approximates the interest method. Deferred financing costs total approximately \$2,500,000 and \$2,300,000 at December 31, 2011 and 2010, and are presented net of accumulated amortization of approximately \$1,173,000 and \$1,057,000, respectively.

Advertising Expenses

Touro expenses advertising costs as incurred. Advertising expense was approximately \$1,256,000 and \$1,110,000, for the years ended December 31, 2011 and 2010, respectively.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Temporarily restricted gifts greater than \$100,000 used to purchase a depreciable asset are reclassified as unrestricted net assets over the same period of time that the related asset is being depreciated.

Grants and Contributions

From time to time, Touro receives grants and contributions from individuals or private and public hospitals. Revenues from grants and contributions (including contributions of capital assets) are recognized when all the eligibility requirements, including time requirements, are met, and when there is reasonable assurance that the grants or contributions will be received. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts are recorded as either operating revenue or nonoperating revenue dependent upon how the transaction is classified on the consolidated statement of cash flows. Cash flows that do not meet the reporting criteria for investing, capital financing or non-capital financing would be reported as operating activities, with their associated revenue reported as operating revenue within the consolidated statement of operations.

Community Benefit

In the furtherance of its charitable purpose, Touro provides a wide variety of benefits to the community which it serves. Such benefits include health screenings, in-home caregiver services, and seminars on a variety of health topics that are relevant to the health needs of the community, such as healthy eating, diabetes management, healthy aging and cancer support and survivorship programs. Touro also offers counseling for patients and families, a variety of cancer support groups and supportive cancer care services, pastoral care, the donation of space for use by community groups, health enhancement and wellness programs, classes on specific medical conditions, and telephone information services. Touro staff support area nonprofits and community groups to offer health information and health screenings at community events. The Hospital partners with other healthcare nonprofits to provide healthcare information and education resources to the community. Touro also provides a broad range of clinical services to economically disadvantaged patients, both inpatient and outpatient, through outpatient clinics. In addition, Touro's Governing Board and administration work closely with local civic leaders to address the health care needs of the community.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Community Benefit (Continued)

The Hospital also provides medical care without charge or at reduced costs to residents of its community through the provision of charity care. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as revenue. In addition, the Hospital waives collection of charges for patients who have demonstrated economic hardship and inability to pay. Furthermore, the Hospital provides services to public program enrollees (primarily Medicare and Medicaid). Payments for such services often do not cover all costs incurred.

During the years ended December 31, 2011 and 2010, estimated costs associated with charity care services provided were approximately \$5,179,000 and \$3,892,000, respectively. Estimated costs of charity care services provided are determined based on Touro's average cost to charge ratio and total charges for provided services determined to qualify as charity care.

Touro has collaborated with other healthcare providers (the Hospitals) to ensure the availability of, and to more cost effectively provide, quality healthcare services to low income and needy residents in the community. In order to best address the needs in the community, the collaborative Hospitals became members of four non-profit organizations, Louisiana Clinical Services, Inc (LCS), Southern Louisiana Clinical Services, Inc (SLCS), Eastern Louisiana Clinical Services, Inc (ELCS), and Natchitoches Clinical Services, Inc (NCS), collectively, the Non-Profits. The Hospitals contribute funds to the Non-Profits, which are then used to support the provisions of hospital and clinical physician services, physician in-training services, physician assistant/nurse practitioner services, specialty physician services and other healthcare services. For the years ended December 31, 2011 and 2010, Touro contributed approximately \$855,000 and \$0-, respectively, to these non-profit organizations. These expenses are included within the community support line item on the consolidated statements of operations.

Income Taxes

The Hospital, the Foundation, and Woldenberg are not-for-profit entities under Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxation. Crescent City Physicians, Inc is a for-profit entity. The operations of the for-profit subsidiary have resulted in cumulative net operating losses for federal income tax purposes at December 31, 2011, of approximately \$20,269,000. These net operating loss carryforwards expire in varying amounts through 2029. No tax benefits related to these operating losses have been recognized in the accompanying consolidated financial statements.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Derivatives and Financial Instruments

Touro uses interest rate swap and basis swap agreements to manage interest costs and the risk associated with changing interest rates. While Touro's primary objective for the use of these instruments is to manage its cash flow requirements, unrealized gains and losses in the fair value of such instruments are reflected in investment income or loss in the consolidated statement of operations in accordance with the *Accounting for Derivative Instruments and Hedging Activities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation. The reclassifications have no effect on the consolidated change in net assets.

Note 2. Net Patient Service Revenues

Touro has arrangements with third-party payors that provide for payments to Touro at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare and Medicaid

Touro is reimbursed under the Medicare Prospective Payment System (PPS) for acute care inpatient services provided to Medicare beneficiaries and is paid a predetermined amount for these services based, for the most part, on the Diagnosis Related Group (DRG) assigned to the patient. In addition, Touro is paid prospectively for Medicare inpatient capital costs based on the federal specific rate.

The Hospital qualifies as a disproportionate share provider and a teaching hospital under the Medicare regulations. As such, the Hospital receives an additional payment for Medicare inpatients served. Except for Medicare disproportionate share and medical education reimbursement and Medicare bad debts, there is no retroactive settlement for inpatient costs under the Medicare inpatient prospective payment methodology.

Touro is paid a prospective per diem rate for Medicaid inpatients. The per diem rate is based on a peer grouping methodology, which assigns a per diem rate to each hospital in the peer group. Medicaid outpatient services such as laboratory, outpatient surgery, and rehabilitation are reimbursed based on fee schedules, while other outpatient services are reimbursed based on cost.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Net Patient Service Revenues

Medicare and Medicaid (Continued)

Medicare inpatient rehabilitation services are paid through the Inpatient Rehabilitation Facility Prospective Payment. Home health services rendered to Medicare program beneficiaries are reimbursed under a per-episode prospective payment system. Outpatient services rendered to Medicare program beneficiaries are reimbursed by the Outpatient Prospective Payment System (OPPS), which establishes a number of Ambulatory Payment Classifications (APC) for outpatient procedures in which the Hospital is paid a predetermined amount for these procedures. Medicare and Medicaid outpatient clinical lab, physical rehab services, and Medicaid ambulatory surgery services are reimbursed based upon the respective fee schedules.

Retroactive cost settlements based upon annual cost reports are estimated for those programs subject to retroactive settlement and recorded in the consolidated financial statements. Final determination of retroactive cost settlements to be received under the Medicare and Medicaid regulations is subject to review by program representatives. The difference between a final settlement and an estimated settlement in any year is reported as an adjustment of net patient service revenue in the year the final settlement is made. Touro's Medicare cost reports have been audited by the Medicare fiscal intermediary through December 31, 2009. The Hospital's Medicaid cost reports have been audited by the Medicaid fiscal intermediary through December 31, 2006.

Net revenues from government health care programs included in net patient service revenues approximated \$96,000,000 and \$92,000,000, in the year ended December 31, 2011 and 2010, respectively.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is a possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased in 2011 and 2010 by approximately \$4,565,000 and \$3,736,000, respectively, due to changes in estimates resulting from the removal of allowances previously estimated that are no longer necessary as a result of final settlements, years that are no longer subject to audits, reviews, and investigations, revision of allowance estimates recorded in prior years relating to expected retroactive adjustments, and revisions based on updated information from the fiscal intermediary.

During 2011 and 2010, Touro received approximately \$399,000 and \$451,000, respectively, from the State of Louisiana through the Stabilization Grant Payment Program and from a Graduate Medical Education Supplement Payment.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 2. Net Patient Service Revenues

Medicare and Medicaid (Continued)

In 2009, House Bill No 879 (HB 879) was approved and became effective upon the signature of the Governor of Louisiana. HB 879 directed the Department of Health and Hospitals, Bureau of Health Services Financing, to issue supplemental payments to hospitals that demonstrated substantial financial and operational challenges in the aftermath of hurricanes Katrina, Rita, Gustav and Ike. One of the provisions of HB 879 made additional Medicaid funding available to hospitals, identified in the July 17, 2008 United States Government Accountability Office (GAO) report, that have demonstrated substantial financial and operational challenges in the aftermath of Hurricane Katrina. Touro is one of five hospitals identified in the GAO report.

As a result of the above, Touro is eligible to receive supplemental payments for Medicaid services rendered. During the years ended December 31, 2011 and 2010, Touro recognized and received as income approximately \$-0- and \$16,600,000, respectively, of these supplemental payments. These payments are included in net patient service revenue on the consolidated statements of operations.

Managed Care

Touro has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. Inpatient and outpatient services rendered to managed care subscribers are reimbursed at prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates. Net revenues derived from managed care contracts included in net patient service revenues approximated \$109,300,000 and \$99,300,000, in December 31, 2011 and 2010, respectively.

Note 3. Assets Limited as to Use

Assets limited as to use are investments that are accounted for in pooled asset and separately invested portfolios. Pooled assets represent funds that are invested in a commingled portfolio of assets, as opposed to the separately invested assets which have segregated investments.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 3. Assets Limited as to Use (Continued)

At December 31, 2011 and 2010, assets limited as to use consist of the following

	2011	2010
Pooled Asset Portfolio		
Marketable Equity Securities	\$ 23,594,277	\$ 34,882,550
U S Treasury Notes, Bonds, and Bills	9,603	14,391
Cash	320,380	-
Other Fixed Income Securities	14,911,090	18,727,790
Mortgage-Backed Securities	296,122	944,299
Alternative Investments	-	189,647
Money Market Funds	2,156,371	496,115
Other	2,912,626	2,944,046
Total Pooled Asset Portfolio	44,200,469	58,198,838
Separately Invested Portfolio		
Marketable Equity Securities	1,814,694	2,047,983
U S Treasury Notes, Bonds, and Bills	1,733,583	1,507,894
State of Israel Bonds	500,000	500,000
Mortgage-Backed Securities	731,411	695,641
Money Market Funds, Certificates of Deposit, and Commercial Paper	12,936,778	14,341,895
Total Separately Invested Portfolio	17,716,466	19,093,413
Total	\$ 61,916,935	\$ 77,292,251

At December 31, 2011 and 2010, Touro maintained \$600,000 of certificates of deposit held by the Workers' Compensation Fund as collateral against its self-insured portion of workers' compensation claims

Fair value estimates are made at a specific point in time, based on market conditions and information about the investments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The investments in marketable alternative investments are valued by management at their equity in the net assets of the investment, which approximates fair value, utilizing the net asset valuation provided by the underlying investment companies unless management determines some other valuation is more appropriate. Such fair value estimates do not reflect early redemption penalties or redemption restrictions as Touro does not intend to sell such investments before the expiration of the early redemption periods.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 3. Assets Limited as to Use (Continued)

Touro has no future commitments to current or additional marketable alternative (hedge fund) managers. Some marketable alternative managers have withdrawal restrictions established upon entering their funds which limit an investor's ability to withdraw amounts as a protection for their investments. There also may be fees associated with early withdrawal that generally lapse over defined time periods. These restrictions generally allow for quarterly withdrawals, however, in no case does the withdrawal limitation extend beyond one year.

Investment income at December 31, 2011 and 2010, comprises the following:

	2011	2010
Interest and Dividend Income	\$ 826,632	\$ 1,758,370
Net Gains		
Realized Gains on Securities	1,593,668	1,142,539
Unrealized Gains on Securities	454,829	3,322,805
Total	\$ 2,875,129	\$ 6,223,714

Investment income is reported net of investment fees. Investment fees were approximately \$83,000 and \$75,000, for the years ended December 31, 2011 and 2010, respectively.

Note 4. Derivative Instruments

At December 31, 2011, derivative instruments consist of the following interest rate and basis swap agreements:

Trade Date	Maturity	Notional Amount	Hedged Rate	Derivative Rate
August 15, 2005 (and amended September 29, 2011)	January 1, 2015	\$ 30,845,000	6.125%	Variable rate based on SIFMA Index
September 29, 2011	January 1, 2015	\$ 20,200,000	5.625%	Variable rate based on SIFMA Index
September 30, 2011	January 1, 2015	\$ 20,200,000	82% of LIBOR	0.692%
September 30, 2011	January 1, 2015	\$ 29,645,000	82% of LIBOR	0.625%

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 4. Derivative Instruments (Continued)

In relation to the swap agreements, Touro's investment income included a net unrealized gain of approximately \$3,514,000 and \$143,000 in 2011 and 2010, respectively. Interest expense associated with the debt instruments was reduced by the realized gains and interest earnings from the swaps' effectiveness by approximately \$1,264,000 and \$702,000 in 2011 and 2010, respectively. At December 31, 2011 and 2010, these agreements had a carrying value (which approximates fair value) of approximately \$3,077,000 and \$6,591,000, respectively, and are recorded in other current liabilities.

As mentioned in Note 18, Children's Hospital has assumed the role of guarantor of the above mentioned swap agreements. As guarantor, Children's Hospital unconditionally guarantees the prompt payment of all liabilities associated with those agreements. This guarantee shall remain in force until such time as Touro Infirmary has fully satisfied its obligations under the swap agreements.

Touro purchases and sells interest rate options to enhance the overall return on its investment portfolio. Interest rate options grant the purchaser, for a premium payment, the right to either purchase or sell to the writer a specified financial instrument under agreed-upon terms. The premium compensates the seller for bearing the risk of unfavorable interest rate changes. Touro's options on Eurodollar futures, U.S. Treasury bond futures and U.S. Treasury notes settle in cash and generally expire within one year of inception.

Futures contracts are sold or purchased to provide incremental value and to hedge or reduce market price risks. Interest rate futures contracts are commitments to either purchase or sell designated financial instruments at a future date for a specified price and may either be settled in cash or through delivery. Futures contracts have little credit risk due to daily cash settlement of the net change of open contracts.

Futures on U.S. Treasury notes, U.S. Treasury bonds, and Eurodollar deposits are used due to their liquidity and credit risk advantages. Investments held by Touro in the amount of \$1,000,000 are pledged as collateral to secure the initial margins on futures contracts purchased.

With respect to the derivative instruments held at December 31, 2011 and 2010, Touro's exposure to credit-related losses in the event of nonperformance by counterparties is minimized because investment managers for Touro deal almost exclusively in exchange-traded futures and options. These securities are extremely liquid, are subject to rigorous exchange and government regulation, involve limited counterparty risk, have no hidden embedded risks, and have daily available public prices.

All derivative instruments are subject to market risk, which is the risk that future changes in market conditions may make an instrument less valuable or more onerous. Exposure to market risk is managed in accordance with risk limits set by the finance committee of the LCMC Board of Trustees and by monitoring performance by investment managers in accordance with specified investment guidelines.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 5. Property, Plant, and Equipment

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

	2011	2010
Land and Land Improvements	\$ 18,304,630	\$ 18,235,949
Leasehold Improvements	97,843	85,383
Buildings	190,251,290	177,535,587
Fixed Equipment	85,232,871	82,900,732
Major Moveable Equipment	138,014,516	129,835,987
	431,901,150	408,593,638
Less Accumulated Depreciation	(303,538,208)	(289,046,232)
Construction in Progress	2,840,794	6,013,763
Property, Plant, and Equipment, Net	\$ 131,203,736	\$ 125,561,169

The net book value of assets under capital lease arrangements was approximately \$3,688,000 and \$5,059,000, at December 31, 2011 and 2010, respectively. Depreciation expense related to these assets was approximately \$736,000 and \$1,181,000, for the years ended December 31, 2011 and 2010, respectively.

Note 6. Long-Term Obligations

At December 31st, bonds payable consist of the following tax-exempt revenue and refunding bonds issued by the Louisiana Public Facilities Authority on behalf of the Hospital

	2011	2010
Series 1993, issued September 1993, due in sinking fund installments through 2023, annual interest rates ranging from 5 3/8% to 6 1/2%	\$ 30,845,000	\$ 30,845,000
Series 1999, issued May 1999, due serially 2001 - 2010, and in sinking fund installments 2011 - 2029, annual interest rates ranging from 4 1/8% to 5 3/8%	46,300,000	56,990,000
Less Current Maturities	(1,815,000)	(950,000)
Less Unamortized Original Issue Discount	(692,932)	(770,224)
Non-Current Portion of Bonds Payable	\$ 74,637,068	\$ 86,114,776

The Series 1993 bonds were issued in order to advance refund and redeem previously issued bonds, and to finance capital expenditures of the Hospital.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 6. Long-Term Obligations (Continued)

The Series 1999 bonds were issued in order to provide funds to finance the cost of the construction, furnishing, and equipping of a 120-bed nursing home and a 60-bed assisted living facility at Woldenberg, the addition of a private room floor at the existing campus, and for the funding of routine capital improvements and equipment

In July 2005, Touro distributed, to bondholders, notices of intent to engage in a Tender Offer and Redemption of \$35,245,000 of Series 1993 bonds, which was the long-term portion of the \$44,785,000 Series 1993 bonds outstanding. As interest rates declined significantly since the issuance of the bonds, this transaction was structured to reduce the borrowing cost of the existing fixed rate of approximately 6 1%. On August 15, 2005, there was a call for full redemption of the bonds (at 100%) remaining outstanding that were not tendered to Touro by August 1 (at 101%). This call for redemption resulted in \$1,190,000 of the bonds being redeemed with the balance of \$34,055,000 being tendered. The tendered bonds were concurrently placed with Merrill Lynch in exchange for interest rate swap agreements (see Note 4 for further details on the swap)

On September 28, 2011, Touro engaged in a tender offer of \$56,040,000 of Series 1999 bonds which resulted in \$3,385,000 of the bonds being tendered (at 100%). As discussed in Note 4, \$20,200,000 of the remaining Series 1999 bonds were placed with Merrill Lynch in exchange for various interest rate and basis swap agreements, maturing January 1, 2015. On November 5, 2011, Touro called and repurchased \$6,355,000 of these outstanding Series 1999 bonds.

Terms of the interest rate swap agreements obligate Touro to put aside collateral in favor of Merrill Lynch based on a predetermined formula. As of December 31, 2011 and 2010, the collateral account totaled approximately \$4,331,000 and \$5,678,000, respectively, and such amounts are included in assets limited as to use-restricted by bond indenture on the consolidated balance sheets. As mentioned in Notes 4 and 18, Children's Hospital is unconditionally guaranteeing the prompt payment of all liabilities associated with the interest rate swap agreements.

At December 31, 2011, scheduled repayments of principal and sinking fund installments to retire the bonds are as follows:

2012	\$ 1,815,000
2013	1,925,000
2014	2,045,000
2015	2,170,000
2016	2,305,000
Thereafter	<u>66,885,000</u>
Total	<u>\$ 77,145,000</u>

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 6. Long-Term Obligations (Continued)

The Series 1993 and 1999 bonds are general obligations of the Hospital, and future revenues are pledged to repayment of the bonds. Additionally, as mentioned above, under the terms of the indenture agreement, the Hospital is required to maintain certain deposits with a trustee. The related debt agreements also place limits on the incurrence of additional borrowings and require that the Hospital satisfy certain measures of financial performance as long as the bonds are outstanding. In 2011, the Hospital met all measures of financial performance as defined in the loan agreements.

The Hospital has entered into various capital leases for medical equipment and computer software, with terms ranging from two to five years with renewal options. Capital lease obligations of approximately \$1,139,000 as of December 31, 2011 are due within one year and include maintenance fees and imputed interest of approximately \$36,000 and \$214,000, respectively.

Rent expense, which relates primarily to operating leases for medical and office equipment, was approximately \$4,104,000 and \$4,278,000, in 2011 and 2010, respectively. The future minimum rent expense under these leases for the next five years range from approximately \$2,393,000 to \$3,901,000 per year.

Gross rental income earned in Touro's operation of medical office buildings in 2011 and 2010 was approximately \$3,523,000 and \$3,477,000, respectively. The future minimum rental payments to be received by the Hospital on non-cancelable operating lease agreements for the next five years range from approximately \$1,398,000 to \$4,353,000 per year.

Note 7. Employee Retirement Plans

Defined Contribution Plan

Certain Touro entities sponsor a Section 403(b) defined contribution employee benefit plan. For those entities, employees who are at least 21 years of age and have completed 1,000 hours of service during a 12-month period are eligible to participate. Participants may make matched tax-deferred contributions of up to 1% of eligible earnings, as defined. These contributions are then matched 1% by the employer up to \$1,000. Participants may also make unmatched tax-deferred contributions up to applicable Internal Revenue Service limitations. Participants fully vest in the employers' matched contributions after one year of service. During the years ended December 31, 2011 and 2010, Touro's matching contributions approximated \$610,000 and \$582,000, respectively.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 7. Employee Retirement Plans (Continued)

Defined Benefit Pension Plan

The Hospital's defined benefit pension plan covers substantially all full-time employees. The plan is noncontributory and provides benefits that are based on the participants' years of service and level of compensation. Each participant is entitled to an account balance that grows each year with pay, transition, employer match, and interest credits. The Hospital's funding policy is based on the minimum contributions required under the Employee Retirement Income Security Act of 1974 as determined by its consulting actuaries. Touro contributed approximately \$2,370,000 and \$2,640,000, to the plan in 2011 and 2010, respectively.

The following table sets forth the plan's components of net periodic pension cost, change in projected benefit obligation, change in plan assets, funded status, and pension expense recognized by the Hospital as of and for the years ended December 31, 2011 and 2010, using the projected unit credit method with salary progression.

	2011	2010
Change in Benefit Obligation		
Benefit Obligation at Beginning of Year	\$ 32,605,164	\$ 31,041,115
Service Cost	2,297,262	2,116,516
Interest Cost	1,707,016	1,762,727
Actuarial Loss (Gain)	4,376,980	(165,563)
Benefits Paid	(1,834,628)	(2,149,631)
Benefit Obligation at End of Year	39,151,794	32,605,164
Change in Plan Assets		
Fair Value of Plan Assets at Beginning of Year	26,837,726	24,616,004
Actual Return on Plan Assets	331,465	1,735,284
Benefits Paid	(1,834,628)	(2,149,631)
Employer Contributions	2,370,000	2,636,069
Fair Value of Plan Assets at End of Year	27,704,563	26,837,726
Funded Status (Underfunded)	\$ (11,447,231)	\$ (5,767,438)
Net Periodic Pension Cost		
Service Cost	\$ 2,297,262	\$ 2,116,516
Interest Cost	1,707,016	1,762,727
Actuarial Gain on Plan Assets	(331,465)	(1,735,284)
Net Amortization	(1,188,878)	449,112
Net Periodic Cost	\$ 2,483,935	\$ 2,593,071

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 7. Employee Retirement Plans (Continued)

Included in net assets at December 31st, are the following amounts that have not yet been recognized in net periodic postretirement benefit cost

	2011	2010
Unrecognized Net Actuarial Loss	\$ 14,129,810	\$ 8,715,421
Unrecognized Prior Service Cost	(522,570)	(674,039)
Total Accrued Benefit Cost	\$ 13,607,240	\$ 8,041,382

Amounts included in net assets at December 31, 2011, that are expected to be amortized into net periodic postretirement cost during 2012 are provided below

Unrecognized Net Actuarial Loss	\$ (5,414,389)
Unrecognized Prior Service Cost	(151,469)
Total	\$ (5,565,858)

Weighted-average assumptions used to determine projected benefit obligations at December 31st, were as follows

	2011	2010
Discount Rate, Obligation	4.30%	5.40%
Discount Rate, Periodic Cost	5.40%	5.90%
Expected Return on Plan Assets	7.00%	7.00%
Rate of Compensation Increase	3.00%	3.00%
Cash Balance Interest Credit Rate	4.00%	4.00%

The defined benefit pension plan asset allocation as of the measurement date (January 1st) and the target asset allocation, presented as a percentage of total plan assets, were as follows

	2011	2010	Target Allocation
Equity Securities	41%	53%	50% - 65%
Debt Securities	51%	43%	35% - 50%
Cash and Cash Equivalents	8%	4%	0% - 10%

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.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 7. Employee Retirement Plans (Continued)

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.

Professional money managers are delegated the day-to-day responsibility of managing individual portfolios within the context of certain diversification guidelines and to certain performance benchmark standards.

The plan's investment consultant provides quarterly performance reports to evaluate the achievement of overall return expectations of total investments as well as each manager's contribution, both on the basis of absolute and relative performance standards.

The plan's overall asset allocation is reviewed periodically to conform to current market conditions and expectations with regard to overall capital markets assumptions. Historical return patterns and correlations, expected return risk premium, and other multifactor considerations are utilized in the development of overall capital markets assumptions for the purpose of the plan's asset allocation determinations.

The Hospital expects to make contributions of approximately \$3,500,000 to the defined benefit pension plan in 2012.

For December 31, 2011 and 2010, the Hospital's plan had accumulated benefit obligations of approximately \$36,280,000 and \$30,470,000, respectively.

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, 2011, are as follows:

2012	\$ 1,090,000
2013	1,120,000
2014	1,150,000
2015	1,230,000
2016	1,350,000
2017 - 2021	8,650,000

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 7. Employee Retirement Plans (Continued)

Supplemental Executive Retirement Plan

Touro has a supplemental executive retirement plan with a former Chief Executive Officer (CEO) in which an annual payment is made over ten years and investment return is credited to the base amount due each year. In addition, Touro has a deferred compensation plan with this former CEO under an employment contract. Amounts payable under these plans totaled approximately \$2,269,000 and \$2,814,000, at December 31, 2011 and 2010, respectively. An additional deferred compensation trust exists, which has been recorded with an offsetting asset and liability in the amount of approximately \$1,164,000 and \$1,566,000, as of December 31, 2011 and 2010, respectively.

Note 8. Insurance Programs

The state of Louisiana enacted legislation that created a statutory limit of \$500,000 for each medical professional liability claim and established the Louisiana Patient Compensation Fund (State Insurance Fund) to provide professional liability insurance to participating health care providers. The Hospital participates in the State Insurance Fund, which provides up to \$400,000 coverage for settlement amounts in excess of \$100,000 per claim, excluding litigation fees and expense. The Hospital is self-insured with respect to the first \$100,000. The Hospital has excess insurance coverage with an annual aggregate limit of \$30,000,000 that covers any settlement amounts that are in excess of \$1,000,000 through July 31, 2010. Effective August 1, 2010, the Hospital fell under the System policy which is a claims-made policy with a \$20,000,000 annual aggregate limit. See Notes 1 and 18 for a further description of the System that the Hospital operates under. The Hospital's management believes that all asserted claims are covered and will be settled within the limits of the Hospital's coverage. Hospital accrues for self-insured claims, claims administration costs, and legal fees based on an actuarial study and an additional internal assessment. The estimated liability for professional and general liability claims in the consolidated balance sheets, which was discounted at 6%, was approximately \$6,517,000 and \$6,367,000, at December 31, 2011 and 2010, respectively.

Effective February 1, 2009, the Hospital became self-insured for workers' compensation claims up to \$750,000. The self-insured retention or loss limit for workers' compensation claims was \$250,000 for fiscal periods starting January 1, 2002 through December 31, 2002 and \$500,000 for periods starting January 1, 2003 through January 31, 2009. Insurance coverage exceeding these amounts is provided by a commercial carrier for claims up to a specific limit of \$25,000,000 per occurrence. The Hospital accrues for self-insured claims, claims administration costs, and legal fees based on an actuarial study. The estimated liability for workers' compensation claims in the consolidated balance sheets, which was discounted at 6%, was approximately \$2,009,000 and \$2,046,000, at December 31, 2011 and 2010, respectively.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 8. Insurance Programs (Continued)

The Hospital offers subsidized health insurance to its employees through an employer-sponsored health plan. The self-insured plan obligates the Hospital to pay the first \$250,000 per claim. Insurance coverage exceeding these amounts is provided by a commercial carrier for claims up to \$1,000,000 per occurrence. The health insurance reserves were approximately \$1,754,000 and \$1,884,000, at December 31, 2011 and 2010, respectively. The estimated reserve for employee health care claims is based on actual claims history and includes estimates for administrative costs.

The Hospital has reflected its estimate of the ultimate liability for known and incurred but not reported claims in the accompanying consolidated financial statements.

Note 9. Concentrations of Credit Risk

Patient accounts receivable are stated at estimated net realizable value. Touro grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements.

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

	2011		2010	
Medicare	16	%	17	%
Medicaid	12		16	
Blue Cross	13		12	
Other Third-Party Payors	48		45	
Patients	8		8	
Workers' Compensation	3		2	
	100	%	100	%

Receivables from government-related programs (i.e., Medicare and Medicaid) represent the only concentrated group of credit risk for Touro, and management does not believe that there are any credit risks associated with these government programs. Commercial and managed care receivables consist of receivables from various payors involved in diverse activities and subject to differing economic conditions and do not represent any concentrated credit risks to Touro.

Touro maintains allowances for uncollectible accounts for estimated losses resulting from a payor's inability to make payments on accounts. Touro uses a balance sheet approach to value the allowance account based on historical write-offs and the aging of the accounts. Accounts are written off when collection efforts have been exhausted. Management continually monitors and adjusts its allowances associated with its receivables.

Touro periodically maintains cash in bank accounts in excess of insured limits. The Hospital has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 10. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31st, are available for the following purposes

	2011	2010
Specific Purpose Funds		
Charity	\$ 603,972	\$ 645,205
Patient Care (Including Elder Care)	959,980	947,585
Nursing Education	309,883	359,432
Research	50,205	50,665
Lectures and Medical Staff	295,794	309,745
Gumbel Building	1,262,442	1,179,108
Other	198,208	368,512
Plant Funds		
Miscellaneous Renovation Projects	684,919	882,622
Total	\$ 4,365,403	\$ 4,742,874

Note 11. Permanently Restricted Net Assets (Endowment Funds)

The State of Louisiana enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective August 15, 2010, the provisions of which apply to endowment funds existing on or established after that date. The Board has determined that the majority of Touro's permanently restricted net assets meet the definition of endowment funds under UPMIFA.

Touro holds donor-restricted endowment funds established primarily to fund specified activities for and within Touro and the medical community as a whole. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board has interpreted the State of Louisiana's UPMIFA as requiring the preservation of the fair value of the original gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, Touro classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Touro in a manner consistent with the standard of prudence prescribed in UPMIFA.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 11. Permanently Restricted Net Assets (Endowment Funds) (Continued)

In accordance with UPMIFA, Touro considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds (1) the duration and preservation of the various funds, (2) the purpose of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Touro, and (7) Touro's investment policies

Endowment Investment and Spending Policies - Touro has adopted investment and spending policies for endowment assets to achieve a disciplined, consistent management philosophy that accommodates reasonable and probable events. Preservation of capital and return on investment are of primary importance. The primary investment objective is to preserve financial assets generated through donor gifts, so that the proceeds may be distributed for the purposes intended by the donors and to the benefit of Touro, at a level of risk deemed acceptable by the LCMC Board of Trustees. To satisfy LCMC investment manager's long-term rate-of-return objectives, LCMC relies on a strategy outlined by its investment managers and includes purchases of bonds, stocks, and cash and cash equivalents. LCMC will consider adjusting the amounts of funds that each manager has to manage on an ongoing basis.

The Hospital's Endowment Net Asset Composition by fund type as of December 31, 2011, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 7,731,376	\$ 7,731,376
Undesignated Funds	-	-	-	-
Total	\$ -	\$ -	\$ 7,731,376	\$ 7,731,376

A summary of the changes in the Hospital's Endowment Net Assets for the year ended December 31, 2011, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, Beginning of Year	\$ -	\$ 196,793	\$ 7,731,376	\$ 7,928,169
Investment Return				
Investment Income	-	356,446	-	356,446
Net Appreciation (Realized and Unrealized)	-	(271,852)	-	(271,852)
Total Investment Return	-	84,594	-	84,594
Contributions	-	-	-	-
Appropriation of Endowment Net Assets for Expenditure	-	(281,387)	-	(281,387)
Net Assets, End of Year	\$ -	\$ -	\$ 7,731,376	\$ 7,731,376

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 11. Permanently Restricted Net Assets (Endowment Funds) (Continued)

The Hospital's Endowment Net Asset Composition by fund type as of December 31, 2010, is as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 7,731,376	\$ 7,731,376
Undesignated Funds	-	196,793	-	196,793
Total	\$ -	\$ 196,793	\$ 7,731,376	\$ 7,928,169

A summary of the changes in the Hospital's Endowment Net Assets for the year ended December 31, 2010, is as follows

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net Assets, Beginning of Year	\$ -	\$ 91,380	\$ 7,688,116	\$ 7,779,496
Investment Return				
Investment Income (Loss)	-	181,620	-	181,620
Net Appreciation (Realized and Unrealized)	-	661,092	-	661,092
Total Investment Return	-	842,712	-	842,712
Contributions	-	-	43,260	43,260
Appropriation of Endowment Net Assets for Expenditure	-	(737,299)	-	(737,299)
Net Assets, End of Year	\$ -	\$ 196,793	\$ 7,731,376	\$ 7,928,169

Permanently restricted net assets (endowment funds) at December 31st, are invested in perpetuity, the income from which is expendable to support the following purposes

	2011	2010
Nursing Education	\$ 1,444,161	\$ 1,444,161
Charitable Care	2,185,953	2,185,953
General Education	922,642	922,642
Patient Care	435,468	435,468
Lectures and Medical Staff	300,748	300,748
Research	298,632	298,632
Elder Care	2,000,000	2,000,000
Other	143,772	143,772
Total	\$ 7,731,376	\$ 7,731,376

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 12. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. For the years ended December 31, 2011 and 2010, expenses related to providing these services are as follows:

	2011	2010
Healthcare Services		
Professional Services	\$ 116,518,498	\$ 113,801,017
Nursing Services	37,845,212	37,159,770
General Services	17,735,560	18,192,380
Provision for Doubtful Accounts	10,158,683	8,691,045
Depreciation and Amortization	16,166,136	15,440,595
Impairment Loss	43,517	214,053
Interest	3,920,356	4,825,491
Other	1,425,274	1,597,678
Fiscal and Administrative Services	54,595,210	51,143,307
Total	\$ 258,408,446	\$ 251,065,336

Note 13. Fair Value of Financial Instruments

The carrying values of the Hospital's financial instruments including current assets and current liabilities are primarily at or near fair value. The fair value of the Hospital's long-term debt is estimated using discounted cash flow analyses, based on the Hospital's incremental borrowing rates for similar types of borrowing arrangements. The basis for the fair value of its investments and interest rate and basis swap agreements is discussed further within this footnote.

In 2008, the Hospital adopted the provisions of the *Fair Value Measurements* Topic of the FASB ASC. Under the *Fair Value Measurements* Topic of the FASB ASC, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The *Fair Value Measurements* Topic of the FASB ASC establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 13. Fair Value of Financial Instruments (Continued)

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date

Level 3 - Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Assets and liabilities measured at fair value on a recurring basis at December 31, 2011, are summarized below:

Assets	Level 1	Level 2	Level 3	Total Fair Value
Marketable Equity Securities	\$ 16,338,604	\$ 7,822,938	\$ 1,247,429	\$ 25,408,971
U.S. Treasury Notes, Bonds, and Bills	1,733,583	9,603	-	1,743,186
Cash	320,380	-	-	320,380
Other Fixed Income Securities	3,383,106	11,295,053	232,939	14,911,098
Mortgage-Backed Securities	-	1,027,533	-	1,027,533
Money Market Funds	13,672,059	1,421,092	-	15,093,151
State of Israel Bond	-	500,000	-	500,000
Other	-	2,912,616	-	2,912,616
Total	\$ 35,447,732	\$ 24,988,835	\$ 1,480,368	\$ 61,916,935

Liabilities	Level 1	Level 2	Level 3	Total Fair Value
Interest Rate and Basis Swaps	\$ -	\$ 3,077,463	\$ -	\$ 3,077,463
Total	\$ -	\$ 3,077,463	\$ -	\$ 3,077,463

The changes in investments measured at fair value for which the Hospital has used Level 3 inputs to determine fair value are as follows:

	Level 3 Beginning Balance January 1, 2011	Realized and Unrealized Gains (Losses)	Purchases, Sales and Settlements	Net Transfers In and/or (Out) of Level 3	Level 3 Ending Balance December 31, 2011
Marketable Equity Securities	\$ 1,791,987	\$ (270,333)	\$ -	\$ (274,225)	\$ 1,247,429
Other Fixed Income Securities	72,217	226,333	(480,683)	415,072	232,939
Alternative Investments	189,647	-	(146,041)	(43,606)	-
Total	\$ 2,053,851	\$ (44,000)	\$ (626,724)	\$ 97,241	\$ 1,480,368

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 13. Fair Value of Financial Instruments (Continued)

Assets and liabilities measured at fair value on a recurring basis at December 31, 2010, are summarized below

Assets	Level 1	Level 2	Level 3	Fair Value
Marketable Equity Securities	\$ 25,528,560	\$ 9,609,986	\$ 1,791,987	\$ 36,930,533
U S Treasury Notes, Bonds, and Bills	1,507,894	14,391	-	1,522,285
Other Fixed Income Securities	271,031	18,384,542	72,217	18,727,790
Mortgage-Backed Securities	-	1,639,940	-	1,639,940
Alternative Investments	-	-	189,647	189,647
Money Market Funds, Certificates of Deposit and Commercial Paper	14,790,202	47,808	-	14,838,010
State of Israel Bond	-	500,000	-	500,000
Other		2,944,046		2,944,046
Total	\$ 42,097,687	\$ 33,140,713	\$ 2,053,851	\$ 77,292,251

Liabilities	Level 1	Level 2	Level 3	Total Fair Value
Interest Rate and Basis Swaps	\$ -	\$ 6,591,021	\$ -	\$ 6,591,021
Total	\$ -	\$ 6,591,021	\$ -	\$ 6,591,021

The changes in investments measured at fair value for which the Hospital has used Level 3 inputs to determine fair value are as follows

	Level 3 Beginning Balance January 1, 2010	Realized and Unrealized Gains (Losses)	Purchases, Sales and Settlements	Net Transfers In and/or (Out) of Level 3	Level 3 Ending Balance December 31, 2010
Marketable Equity Securities	\$ 1,127,682	\$ 110,384	\$ -	\$ 553,921	\$ 1,791,987
Other Fixed Income Securities	8,385,860	1,057,119	2,008,574	(11,379,336)	72,217
Alternative Investments	729,184	91,906	166,065	(797,508)	189,647
Total	\$ 10,242,726	\$ 1,259,409	\$ 2,174,639	(11,622,923)	\$ 2,053,851

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 13. Fair Value of Financial Instruments (Continued)

The Hospital's measurements of fair value are made on a recurring basis and their valuation techniques for assets and liabilities recorded at fair value are as follows

Investments - The fair value of investment securities is the 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 the estimated amount the Hospital would pay to terminate these agreements at the reporting date, taking into account current interest rates and credit worthiness of the counterparty and the Hospital.

Note 14. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2011	2010
Purpose Restrictions Accomplished		
Elder Care	\$ 203,345	\$ 28,880
Other	155,758	44,328
Gumbel Building	133,717	-
Cancer	74,416	170,546
Funding of Nursing Staff Education	69,647	-
Rehabilitation	65,594	3,027
Pastoral Care	40,000	-
Charity Care	20,900	-
Surgery	17,682	14,830
Cardiology	2,224	-
Nursing Recruitment and Retention	-	34,136
Total Restrictions Released	\$ 783,283	\$ 295,747

Note 15. Woldenberg Village, Inc.

In 1999, the Hospital became the sole member of Woldenberg, a Louisiana nonprofit corporation, which owned and operated a 120-bed nursing home. On the same day, Woldenberg purchased from the Jewish Federation of Greater New Orleans (Federation), the Woldenberg Villas, a 60-unit independent living facility, at a cost of approximately \$2 million. In turn, the Federation donated two parcels of land adjacent to the nursing home and villas, with a fair value of \$374,000.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 15. Woldenberg Village, Inc. (Continued)

As a condition of becoming the sole member of Woldenberg Village, Inc., and receiving the donation of land from the Federation, the Hospital agreed, among other things, that it would cause Woldenberg to construct a new nursing home on the donated land, so as to replace the existing nursing home. Approximately \$27 million of the 1999 bond proceeds, as described in Note 6, were used to finance a portion of the costs of constructing, furnishing, and equipping the new nursing home. This construction was completed in 2001.

The transfer of the net assets of Woldenberg to the Hospital was based in part on Touro's pledge to continue the mission of providing nursing home services to the greater New Orleans Jewish community.

The Federation retains certain options with respect to the Woldenberg development in the event Touro should choose at a later date to cease providing such services or, should there be a change in control at Touro due to merger, consolidation or similar event.

In the event that Touro were to cease providing such services or accept a change in their control, Touro would be obligated to pay the Federation approximately \$4 million.

During the years ended December 31, 2011 and 2010, Touro recorded impairment charges totaling approximately \$44,000 and \$214,000 related to Woldenberg. An impairment assessment was performed, and the fair value of the entity was estimated using the present value of future cash flows. These charges relate to the write-down of long-lived assets as future cash flows which are not projected to recover the outstanding book investment cost of one of three business units of Woldenberg Village. These charges, combined with the impairment charges recognized in previous years, represent a complete write-down of the undepreciated assets of the Willowood business unit (a skilled nursing facility).

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 16. Commitments and Contingencies

The Hospital has certain pending and threatened litigation and claims incurred in the ordinary course of business, however, management believes that the probable resolution of such contingencies will not exceed the Hospital's recorded reserves or insurance coverage, and will not materially affect the consolidated financial position, results of operations, changes in net assets, or cash flows of the Hospital

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. Government activity has continued with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse, as well as other applicable government, laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

To ensure accurate payments to providers, the Tax Relief and Healthcare Act of 2006 mandated the Centers for Medicare & Medicaid Services (CMS) to implement a so-called Recovery Audit Contractor (RAC) and Medicaid Integrity Contractor (MIC) programs on a permanent and nationwide basis. The programs use RACs and MICs to search for potentially improper Medicare and Medicaid payments that may have been made to health care providers that were not detected through existing CMS program integrity efforts, on payments that have occurred at least one year ago but not longer than three years ago. Once a RAC or MIC identifies a claim it believes to be improper, it notifies the Hospital to formally begin an assessment process. Upon completion of the assessment and appeal process, it makes a deduction from the provider's Medicare and Medicaid reimbursement in an amount estimated to equal the overpayment.

The Hospital will deduct from revenue amounts assessed under the RAC and MIC audits after the assessment and appeals process is complete until such time that estimates of net amounts due can be reasonably estimated. RAC and MIC assessments against the Hospital are anticipated, however, the outcome of such assessments are unknown and cannot be reasonably estimated. Management has determined RAC and MIC assessments to be insignificant to date.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 16. Commitments and Contingencies (Continued)

Settlement of Certain Claims by the Government Related to Dr. Palazzo

In April of 2008, Touro signed an agreement with the United States Department of Justice acting on behalf of the Office of Inspector General (OIG) of the Health and Human Services (HHS) agreeing to settle certain false claims related to charges submitted to the government by Dr. Carmen Palazzo. The terms of the settlement included a payment to the government of \$1,750,000 in addition to reopening several prior year cost reports to ensure that all unallowed costs have been removed.

At the same time, Touro also entered into a five-year Corporate Integrity Agreement (CIA) with the HHS OIG. This agreement obligates Touro to strengthen the current compliance program, and implement certain management practices and initiatives to ensure greater oversight of Touro's operations.

Additional terms of this agreement include engaging an independent third party to act as an Independent Review Organization, enhancing the contract management policies and procedures, and expanding employee education. Touro has also implemented further internal controls with respect to Medicare and Medicaid billing, reporting, and claims submission processes.

A breach of the CIA could subject Touro to substantial monetary penalties and exclusion from participation in the Medicare and Medicaid programs. Management believes that Touro is in compliance with the terms and provisions of the CIA.

At this time, management believes that the costs related to the settlement and reopening of prior years' cost reports are adequately provided for by reserves established in prior years and the ultimate resolution of these issues will not have a material effect on the Hospital's financial condition, results of operations, or cash flows.

Electronic Health Records (EHR) Incentive Payments

The American Recovery and Reinvestment Act of 2009 established incentive payments under the Medicare and Medicaid programs for certain professionals and hospitals that adopt and meaningfully use certified EHR technology. These incentive payments are determined based on a formula, including inputs such as charity charges and total discharges. The revenue associated with EHR incentive payments is recognized by Touro when management can provide reasonable assurance that Touro will be able to demonstrate compliance with the meaningful use objectives for that reporting period and that the incentive payments will be received by Touro. Because these incentive payments are based on management's best estimate, the amounts recognized are subject to change. Any changes resulting from a change in estimate would be recognized within operations in the period in which they occur. In addition, these payments and the related attestation of compliance with meaningful use objectives are subject to audit by the federal government or its designee.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 16. Commitments and Contingencies (Continued)

Electronic Health Records (EHR) Incentive Payments (Continued)

For the year ended December 31, 2011, Touro recognized approximately \$1,716,000 of revenue related to Medicaid incentive payments for EHR. This amount was recognized in full at the date of attestation and is included within other operating revenues on the consolidated statements of operations. No EHR incentive payments were recognized in 2010.

Note 17. Accounting for Uncertainty in Taxes

For the year ended December 31, 2009, Touro adopted the provisions of the Accounting for Uncertainty in Income Taxes Topic of the FASB ASC. Touro recognizes a threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The interpretation also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Touro's tax filings are subject to audit by various taxing authorities. Touro's open audit periods are 2007 through 2011. There are currently no returns under examination. Management evaluated Touro's tax positions and considered that Touro had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

Note 18. Related Party

Louisiana Children's Medical Center (LCMC) provided a Health Care System Agreement dated July 13, 2009. This agreement provides, amongst other items, that LCMC will act as a System Parent with LCMC being the sole member of Touro Infirmary and of Children's Hospital. This agreement also provides that Children's Hospital and LCMC covenant and agree that over the period beginning at the effective date of the agreement, and ending on the earlier of the five-year anniversary of the effective date or the date upon which the commitment funds have been expended, a minimum of \$100 million shall be expended or legally obligated through a binding contract for the acquisition of capital items to benefit Touro Infirmary and its subsidiaries (Touro).

The commitment funds to be transferred will be determined by LCMC and will be conditioned on the determined need for such funds in excess of annual cash flow activities, as defined, of Touro.

Due to this conditional pledge, Touro will not recognize income until the funds are received. During the years ended December 31, 2011 and 2010, Children's Hospital provided funding under this agreement in the amount of approximately \$-0- and \$15,300,000, respectively. This amount is included within other non-operating income on the consolidated statement of operations.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 18. Related Party (Continued)

Touro is assessed a management fee by LCMC for management services provided directly to Touro. The amount of these services for the years ended December 31, 2011 and 2010 was \$672,000 and \$731,000, respectively, and is included within purchased services on the consolidated statement of operations. There is a corresponding liability representing this amount, which is still outstanding to LCMC at December 31, 2011, and is included within other current liabilities on the consolidated balance sheet.

Touro does provide certain services to Children's Hospital. These services consist of patient care provided to Children's Hospital patients and employees, nurse certification training, benefit events and charitable contributions, medical staff faculty privileges, and office space rental for a primary care clinic. The total received by Touro for payment of these services was approximately \$3,341,000 and \$1,270,000, for the years ended December 31, 2011 and 2010, and is included within other operating revenues on the consolidated statement of operations.

With regards to the Swap agreements described in Note 4, Children's Hospital has assumed the role of guarantor. As such, Children's unconditionally guarantees the prompt payment of all liabilities associated with those agreements. This guarantee shall remain in force until such time as Touro has fully satisfied its obligations under the swap agreements.

Touro elected to make donations of approximately \$4,131,000 and \$1,703,000 to Children's Hospital for the years ended December 31, 2011 and 2010, respectively. These donations were recognized as operating expenses on the consolidated statements of operations and relate to a sharing of UPL funds with Children's Hospital. See Note 19 for further discussion on the UPL program.

Note 19. Upper Payment Limit Program

Touro and other health care providers have collaborated with the State and units of local government in Louisiana, to more fully fund the Medicaid program and ensure the availability of quality healthcare services for the low income and needy residents in the community population. The provision of this care directly to low income and needy patients will result in the alleviation of the expense of public funds the governmental entities previously expended on such care, thereby allowing the governmental entities to increase support for the state Medicaid program up to federal Medicaid Upper Payment Limits (UPL). Each State's UPL methodology must comply with its State plan and be approved by the Centers for Medicare & Medicaid Services (CMS). Federal matching funds are not available for Medicaid payments that exceed UPLs. As of December 31, 2011 and 2010, Touro has received UPL payments of approximately \$8,462,000 and \$3,407,000, respectively, which are recognized in net patient service revenue on the consolidated statements of operations.

TOURO INFIRMARY AND SUBSIDIARIES

Notes to Consolidated Financial Statements

Note 20. Prior Period Adjustments

As of January 1, 2011, Touro elected to adopt a different accounting policy for the recognition of payments received from the Upper Payment Limit program detailed in Note 19. Under the new policy, payments are recognized in net patient service revenue in the period received rather than deferred and amortized over the life of the program contract. Management believes that the recognition of payments when received provides reliable and more relevant information because it more accurately reflects the nature of the transaction. The effect of adopting the new policy was to increase net patient service revenue and decrease other current liabilities by approximately \$3,407,000 in 2010. The 2010 consolidated financial statements have been restated to reflect this change.

The accompanying consolidated financial statements for 2010 have been restated to correct an error made in prior years related to penalties assessed from hiring an employee that was listed as an excluded individual by the Officer of Inspector General. The effect of the restatement was to increase accounts payable by approximately \$564,000 at December 31, 2010, increase operating expense by approximately \$69,000 for the year ended December 31, 2010, and decrease the 2010 beginning unrestricted net assets by approximately \$495,000.

The accompanying consolidated financial statements for 2010, have been restated to correct an error made in the prior year related to a donation that Touro elected to make to Children's Hospital. Management believes that the recognition of this donation in the year ended December 31, 2010 more accurately reflects the nature and purpose of this donation. The effect of the restatement was to increase 2010 operating expense and other current liabilities, at December 31, 2010, by approximately \$1,703,000.

In addition, the accompanying consolidated financial statements for 2010 have been restated to correct an error made in prior years related to the improper recordation and remittance of sales taxes at the Hospital and Woldenberg. The effect of the restatement was to increase accounts payable at December 31, 2010 by approximately \$584,000, increase 2010 operating expense by approximately \$264,000, and decrease 2010 beginning unrestricted net assets by approximately \$320,000.

Note 21. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 12, 2012, and determined that no events occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Governing Board of Trustees
Touro Infirmary

We have audited the consolidated financial statements of Touro Infirmary and subsidiaries (Touro) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Touro’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Touro’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Touro’s internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of Touro in a separate letter dated March 26, 2012.

This report is intended solely for the information and use of the Board of Trustees and management and is not intended to be, and should not be, used by anyone other than specified parties.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

March 26, 2012

**TOURO INFIRMARY AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND RESPONSES**

For the Year Ended December 31, 2011

Part I - Summary of Auditor's Results

Financial Statement Section

Type of Auditor's Report Issued	Unqualified
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Internal Control over Financial Reporting	
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Material Weakness(es) Identified?	No
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Significant Deficiency(ies) Identified not Considered to be Material Weaknesses?	No
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Noncompliance Material to Financial Statements Noted?	No
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Federal Awards Section - Not applicable

Part II - Financial Statement Findings Section

None

**TOURO INFIRMARY AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

For the Year Ended December 31, 2011

None.

SUPPLEMENTARY INFORMATION



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Independent Auditor's Report on Supplementary Information

To the Governing Board of Trustees
Touro Infirmary and Subsidiaries

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating statements of operations for 2011 and 2010 are presented for purposes of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual entities and are not a required part of the basic consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A Professional Accounting Corporation

March 26, 2012

An Independently Owned Member McGladrey Alliance

The McGladrey Alliance is a pre-arranged network of independent accounting and consulting firms. The McGladrey Alliance does not have authority to bind the firm, its members, or its personnel, and does not assume any liability for the work of its members, including its members' performance and client relationships.

TOURO INFIRMARY AND SUBSIDIARIES
Consolidating Statement of Operations
For the Year Ended December 31, 2011

	Touro Infirmary	Crescent City Physicians, Inc	Woldenberg Village, Inc	Subtotal	Touro Infirmary Foundation	TIJV, LLC	Subtotal	Eliminations	Consolidated
Unrestricted Revenues, Gains and Other Support									
Net Patient Service Revenues	\$ 215,794,022	\$ 19,108,623	\$ 12,352,153	\$ 247,254,798	\$ -	\$ -	\$ 247,254,798	\$ -	\$ 247,254,798
Other Operating Revenues	10,410,834	1,025,613	79,518	11,515,965	-	761,519	12,277,484	(1,029,134)	11,248,350
Net Assets Released from Restrictions, Operating	133,717	-	196,783	330,500	-	-	330,500	-	330,500
Total Operating Revenues	226,338,573	20,134,236	12,628,454	259,101,263	-	761,519	259,862,782	(1,029,134)	258,833,648
Operating Expenses									
Salaries and Wages	79,498,135	15,913,641	7,074,529	102,486,305	-	-	102,486,305	-	102,486,305
Employee Benefits	15,389,714	1,694,851	918,322	18,002,887	-	-	18,002,887	-	18,002,887
Purchased Services	59,816,891	3,907,796	1,952,607	65,677,294	-	195,537	65,872,831	(1,060,579)	64,812,252
Supplies	40,035,760	891,609	1,890,941	42,818,310	-	-	42,818,310	-	42,818,310
Provision for Doubtful Accounts	9,580,720	361,935	216,028	10,158,683	-	-	10,158,683	-	10,158,683
Depreciation and Amortization	14,706,215	194,681	756,896	15,657,792	-	508,344	16,166,136	-	16,166,136
Impairment Loss	-	-	43,517	43,517	-	-	43,517	-	43,517
Interest	3,920,356	-	-	3,920,356	-	120,762	4,041,118	(120,762)	3,920,356
Total Operating Expenses	222,947,791	22,964,513	12,852,840	258,765,144	-	824,643	259,589,787	(1,181,341)	258,408,446
Income (Loss) from Operations	3,390,782	(2,830,277)	(224,386)	336,119	-	(63,124)	272,995	152,207	425,202
Investment Income (Loss)	3,402,369	-	166,732	3,569,101	(469,659)	-	3,099,442	(286,690)	2,812,752
Gain (Loss) from Affiliates	(2,830,279)	-	-	(2,830,279)	-	-	(2,830,279)	2,830,279	-
Other Nonoperating Income (Loss), Net	(53,800)	-	9,688	(44,112)	(707,720)	-	(751,832)	(60,115)	(811,947)
Community Support, Net	(855,000)	-	-	(855,000)	-	-	(855,000)	-	(855,000)
Net Assets Released from Restrictions, Nonoperating	-	-	-	-	452,783	-	452,783	-	452,783
Increase (Decrease) in Unrestricted Net Assets	3,054,072	(2,830,277)	(47,966)	175,829	(724,596)	(63,124)	(611,891)	2,635,681	2,023,790
Noncontrolling Interest in Income of Consolidating Subsidiaries	-	-	-	-	-	-	-	21,462	21,462
Increase (Decrease) in Unrestricted Net Assets Before Other Changes	3,054,072	(2,830,277)	(47,966)	175,829	(724,596)	(63,124)	(611,891)	2,657,143	2,045,252
Adjustment to Pension Liability	(5,620,981)	-	-	(5,620,981)	-	-	(5,620,981)	-	(5,620,981)
Dividends	-	-	-	-	-	(342,118)	(342,118)	342,118	-
Increase (Decrease) in Unrestricted Net Assets	\$ (2,566,909)	\$ (2,830,277)	\$ (47,966)	\$ (5,445,152)	\$ (724,596)	\$ (405,242)	\$ (6,574,990)	\$ 2,999,261	\$ (3,575,729)

See accountant's report on supplementary information

TOURO INFIRMARY AND SUBSIDIARIES
Consolidating Statement of Operations (As Restated)
For the Year Ended December 31, 2010

	Touro Infirmary	Metrolab, Inc	Crescent City Physicians, Inc	Woldenberg Village, Inc	Subtotal	Touro Infirmary Foundation	TIJV, LLC	Subtotal	Eliminations	Consolidated
Unrestricted Revenues, Gains and Other Support										
Net Patient Service Revenues	\$ 220,657,343	\$ -	\$ 16,513,502	\$ 12,090,225	\$ 249,261,070	\$ -	\$ -	\$ 249,261,070	\$ (75,290)	\$ 249,185,780
Other Operating Revenues	7,762,789	-	670,606	54,185	8,487,580	-	763,351	9,250,931	(1,131,836)	8,119,095
Net Assets Released from Restrictions, Operating	115,981	-	-	-	115,981	-	-	115,981	(115,981)	-
Total Operating Revenues	228,536,113	-	17,184,108	12,144,410	257,864,631	-	763,351	258,627,982	(1,323,107)	257,304,875
Operating Expenses										
Salaries and Wages	78,515,600	-	14,330,122	6,998,156	99,843,878	-	-	99,843,878	-	99,843,878
Employee Benefits	16,006,521	-	1,582,212	831,203	18,419,936	-	-	18,419,936	-	18,419,936
Purchased Services	56,689,424	-	3,910,873	1,835,979	62,436,276	-	191,891	62,628,167	(1,131,836)	61,496,331
Supplies	39,586,764	-	820,289	1,802,244	42,209,297	-	-	42,209,297	(75,290)	42,134,007
Provision for Doubtful Accounts	8,120,477	-	327,027	243,541	8,691,045	-	-	8,691,045	-	8,691,045
Depreciation and Amortization	13,991,178	-	193,093	747,980	14,932,251	-	508,344	15,440,595	-	15,440,595
Impairment Loss	-	-	-	214,053	214,053	-	-	214,053	-	214,053
Interest	4,825,491	-	-	-	4,825,491	-	126,805	4,952,296	(126,805)	4,825,491
Total Operating Expenses	217,735,455	-	21,163,616	12,673,156	251,572,227	-	827,040	252,399,267	(1,333,931)	251,065,336
Income (Loss) from Operations	10,800,658	-	(3,979,508)	(528,746)	6,292,404	-	(63,689)	6,228,715	10,824	6,239,539
Investment Income (Loss)	488,686	-	-	215,538	704,224	4,596,368	-	5,300,592	(341,290)	4,959,302
Gain (Loss) from Affiliates	(3,979,505)	-	-	-	(3,979,505)	-	-	(3,979,505)	3,979,505	-
Other Nonoperating Income (Loss), Net	17,614,530	-	-	80,543	17,695,073	(938,300)	-	16,756,773	38,590	16,795,363
Community Support, Net	-	-	-	-	-	-	-	-	-	-
Net Assets Released from Restrictions, Nonoperating	-	-	-	-	-	295,747	-	295,747	-	295,747
Increase (Decrease) in Unrestricted Net Assets	24,924,369	-	(3,979,508)	(232,665)	20,712,196	3,953,815	(63,689)	24,602,322	3,687,629	28,289,951
Noncontrolling Interest in Income of Consolidating Subsidiaries	-	-	-	-	-	-	-	-	21,654	21,654
Increase (Decrease) in Unrestricted Net Assets Before Other Changes	24,924,369	-	(3,979,508)	(232,665)	20,712,196	3,953,815	(63,689)	24,602,322	3,709,283	28,311,605
Adjustment to Pension Liability	659,798	-	-	-	659,798	-	-	659,798	-	659,798
Dividends	-	-	-	-	-	-	(442,234)	(442,234)	442,234	-
Increase (Decrease) in Unrestricted Net Assets	\$ 25,584,167	\$ -	\$ (3,979,508)	\$ (232,665)	\$ 21,371,994	\$ 3,953,815	\$ (505,923)	\$ 24,819,886	\$ 4,151,517	\$ 28,971,403

See accountant's report on supplementary information