

**Tomball Hospital Authority d/b/a**  
**Tomball Regional Health Foundation**  
**Annual Report**  
**FY 2016**

**Introduction**

This Annual Report of Tomball Hospital Authority d/b/a Tomball Regional Health Foundation provides an overview of the Authority's Financial and Project activities for the year ending June 30, 2016. During the fiscal year ending June 30, 2012, the Authority ceased operating a hospital or providing direct healthcare to residents within our community. The Authority's sole source of revenue is investment income from the Authority's investment portfolio resulting from the sale of the previously operated hospital. Its Mission Statement is "To promote wellness and improve health status for all residents in our communities through programs that enhance access to healthcare, preventative care and health education." We desire to create a partnership with our community and local organizations that serve healthcare and healthcare related educational needs. That desire is accomplished by funding various projects within our community that fit our mission and values.

Tomball Hospital Authority is a separate and distinct Governmental entity, a political subdivision of the State of Texas, organized under Chapter 262 of the Texas Health and Safety Code. The Authority is not a 501c3. Although not a "charity", the Authority strives to meet the same standards as set forth by the BBB Wise Giving Alliance and their accreditation standards. Of their 20 published standards, 5 of those standards address fundraising which the Authority does not do. Of the remaining 15 accreditation standards, we are in compliance with 14 of those standards. The only standard we are out of compliance with is the standard that we spend at least 65% of our total expense on projects. In FY2015, project expense was 73% of our total expenses. In FY2016, project expense was 50.5% of our total expenses primarily due to market performance of our portfolio as outlined further in this report. These Accreditation Standards can be found at <http://www.give.org/for-charities/How-We-Accredit-Charities/>

As stated above, revenue for the Authority is solely dependent upon investment performance. Expenses are in two distinct areas, Operational Expense and Project Expense.

**Financial Highlights**

Cash and long-term investments decreased in FY2016 by \$2,177,724 or 2.4%. The overall decrease in cash and investments was primarily the result of project funding and operational expenses exceeding the performance of the investment portfolio. In August of 2015, the Board approved an annual spend rate of 4% based on the rolling average of 12 quarters of quarterly market value of the investment portfolio value determined to be at that time \$82,850,824 or \$3,314,033. The Board authorized quarterly withdrawals from the investment portfolio in the amount of \$828,508 to support operations and projects. The first withdrawal was in October of 2015. Market conditions were not favorable for the withdrawal in January. The next withdrawal of \$828,508 was in May of 2016.

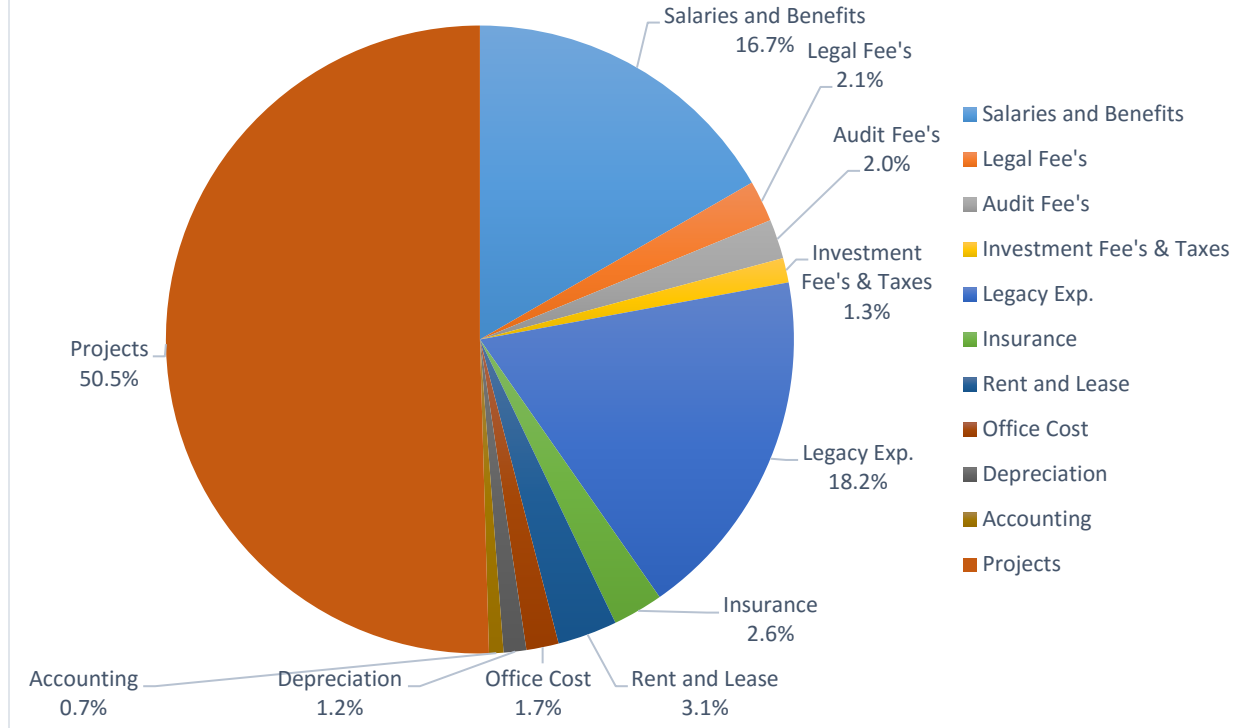
Total Assets decreased by \$2,054,619 or 2.29%.

FY 2012	\$ 93,909,070.00
FY 2013	\$ 85,162,760.00
FY 2014	\$ 90,917,389.00
FY 2015	\$ 89,668,870.00
FY 2016 prelim	\$ 87,614,251.00

Operational Expenses decreased \$12,752 or 2.0% from previous year.

FY 2012	\$ 4,091,987.00
FY 2013	\$ 2,486,305.00
FY 2014	\$ 930,014.00
FY 2015	\$ 625,080.00
FY 2016 prelim	\$ 612,328.00

## Total Expense Overview FY 2016



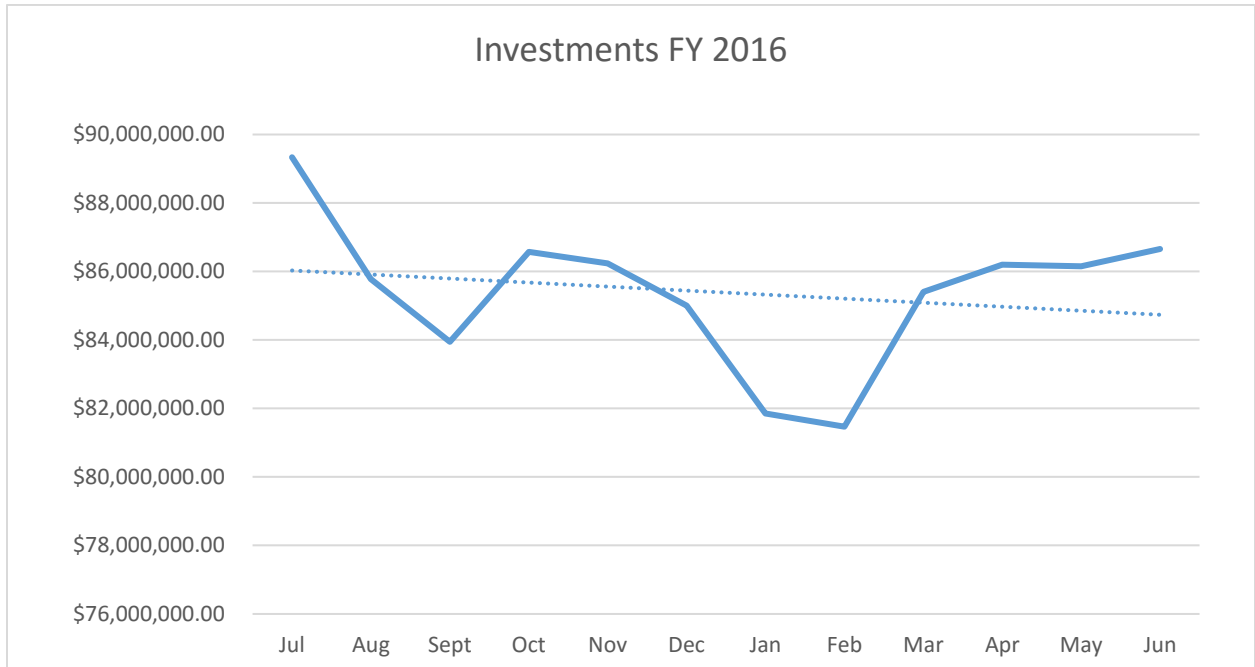
### Investment Portfolio Performance

Investment performance for FY 2016 was challenged by economic factors in the market during the year. The portfolio saw a downturn beginning in August, 2015 that continued through February 2016. The market did show a favorable return beginning in March, 2016 that has almost returned the Authority back to previous year end considering that we have withdrawn \$1,657,016 from the portfolio to support operations and projects this year. Portfolio value for July, 2016 was \$89,097,664.44

In January 2016, we were notified by JP Morgan (our Custodian and Investment Manager for our portfolio) that they were terminating our custody agreement. It was a business decision on their part to get out of the custody business. Many of their clients were impacted. The Audit, Finance, and Investment Committee underwent a search for a new custodian to replace JP Morgan. In March, 2016 the Committee recommended to the Board the appointment of Wells Fargo Private Bank as our new Custodian and Investment Manager. All funds were transferred from JP Morgan to Wells Fargo Private Bank. That process was completed in April 2016.

Portfolio Value by Month FY 2016

Jul	\$	89,335,598.93
Aug	\$	85,778,933.93
Sept	\$	83,942,927.97
Oct	\$	86,571,273.08
Nov	\$	86,233,221.89
Dec	\$	85,000,734.13
Jan	\$	81,852,833.36
Feb	\$	81,469,006.28
Mar	\$	85,403,528.98
Apr	\$	86,198,694.14
May	\$	86,156,331.38
Jun	\$	86,653,462.57



## Project Expense

Total Project Expense for FY2016 was \$818,304. This was a reduction from previous year due to midyear Portfolio performance as indicated above. We placed a temporary hold on new projects mid-year in order to maintain our cash position and protect the principal of the portfolio. That temporary hold has been lifted and we are actively seeking out new projects to fund.

Since 2012, the Authority has funded and budgeted over \$9,850,000 in Project Expense including the following:

### Uncompensated Care:

	IGT
February, 2012	\$ 937,500.00
October, 2012	\$ 1,792,324.49
May, 2013	\$ 1,853,668.71
July, 2013	\$ 646,331.30
Dec, 2014	\$ 700,000.00
June, 2015	\$ 500,000.00
Total	\$ 6,429,824.50

### 1115 Waiver:

April, 2013	\$ 67,651.00
Budgeted FY 1015	\$ -
Total	\$ 67,651.00

### TOMAGWA Dental Program

Start-up cost	\$ 150,000.00
Program cost for 18 months	\$ 324,000.00
Budgeted FY 2015	\$ 562,869.00
Additional Capital Equipment	\$ 33,979.00
Salary Start Up	\$ 50,000.00
Budgeted FY 2016	\$ 562,869.00
Medical Clinic (Friday restart)	\$ 112,821.00
Grant Writer(not spent)	\$ 60,000.00
Total	\$ 1,856,538.00

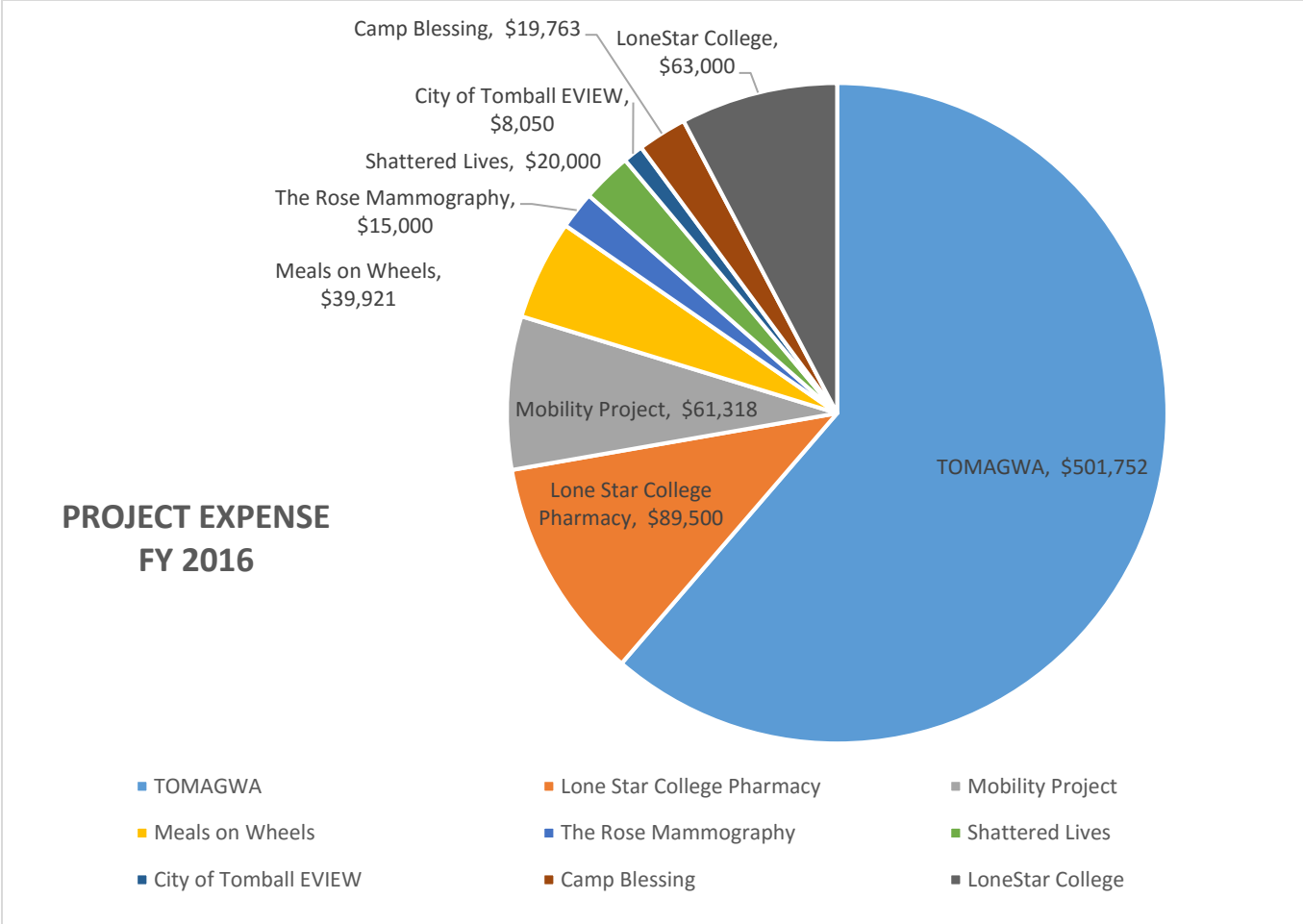
### City of Tomball Traffic System

Grant to City	Total \$ 328,000.00
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### Tomball College

Equipment	\$ 64,188.00
Nursing instructor (5 years)	\$ 315,000.00
Nursing Endowment	\$ 75,000.00

	Pharmacy Program		\$ 95,900.00
		Total	\$ 550,088.00
Shattered Lives			
	Tomball High Schools		\$ 10,000.00
	FY 2015		\$ 10,000.00
	FY 2016		\$ 20,000.00
		Total	\$ 40,000.00
Magnolia School District		Total	\$ 500.00
Tomball Fire Department		Total	\$ 900.00
Camp Blessing		Total	\$ 54,778.00
Tomball ISD		Total	\$ 47,569.94
Tomball Pregnancy Center		Total	\$ 45,000.00
Joy Ride Center		Total	\$ 15,000.00
American Heart Association CPR in Schools		Total	\$ 89,906.00
ESD8 Northwest EMS Transportation Program		Total	\$ 211,130.00
Meals on Wheels		Total	\$ 100,000.00
The Rose (Mammography)		Total	\$ 15,000.00
	<b>Total Funded and Budgeted</b>		\$ 9,851,885.44



The above graph demonstrates actual funding spent for Projects during Fiscal Year 2016.

Budgeted committed expenses for Calendar Year 2016 for Projects is as follows:

TOMAGWA Dental	\$593,644
TOMAGWA Medical	\$120,000
Mobility Project	\$104,000
Meals on Wheels	\$100,000
LSC Nursing Instructor	\$63,000
City Of Tomball EVIEW	\$25,000
Shattered Lives	\$20,000
Camp Blessing	\$19,763
The Rose Mammography	\$15,000
Joy Ride	\$6,889
Tomball PD Heat Cards	\$1,241

There is approximately \$1,395,847 remaining in uncommitted project budget expense for this Calendar Year.

## **Community Impact Summary**

Because of funding provided by the Authority:

25,239 students received CPR training this year in the Tomball, Klein, Magnolia, CyFair and Waller schools

Women in our service area with no resources can get a free mammogram

Disabled kids can go to Camp Blessing and receive therapy at Joy Ride

There is no waiting list in the Magnolia area for meals brought to their home

People without any other resource have access to excellent dental care at TOMAGWA

Medical services at TOMAGWA have been expanded

4 High Schools in our area received education on the impact of driving while intoxicated

An additional nursing instructor for the Nursing program at Lone Star College Tomball helped them achieve one of the highest pass rates on the Board of Nurse Examiners testing in the State

There is now a wheelchair transportation program for disabled people to get them to the doctor or other medically related appointments

The City of Tomball's Traffic Pre-emption system is being expanded allowing Fire and EMS to reduce response times and make it safer for everyone

The Lone Star College Tomball's Pharmacy Program has state of the art equipment for training

Tomball ISD now has new audiology equipment and a life was saved utilizing an Automatic External Defibrillator provided by the Authority

**Tomball Regional Health Foundation continues to be a leader in our community, making a difference in people's lives every day.**