

**Tomball Hospital Authority d/b/a
Tomball Regional Health Foundation**

Auditor's Report and Financial Statements

June 30, 2013 and 2012



Independent Auditor's Report

Board of Directors
Tomball Hospital Authority d/b/a
Tomball Regional Health Foundation
Tomball, Texas

We have audited the accompanying financial statements of Tomball Hospital Authority d/b/a Tomball Regional Health Foundation, which comprise the balance sheets as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tomball Hospital Authority d/b/a Tomball Regional Health Foundation as of June 30, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical or historical context. Our opinion on the basic financial statements is not affected by this missing information.

BKD, LLP

Houston, Texas
February 19, 2014

**Tomball Hospital Authority d/b/a
Tomball Regional Health Foundation**

**Balance Sheets
June 30, 2013 and 2012**

Assets

	2013	2012
Current Assets		
Cash and cash equivalents	\$ 2,342,641	\$ 86,183,011
Short-term investments	41,080,764	-
Restricted cash equivalents	124,926	72,913
Accrued interest receivable	403,082	-
Estimated amounts due from third-party payers	-	915,499
Prepaid expenses and other	120,901	2,913,076
	<u>44,072,314</u>	<u>90,084,499</u>
Noncurrent Cash and Investments		
Long-term investments	40,432,890	3,192,605
Held by trustee under self-insurance trust	132,084	142,069
	<u>40,564,974</u>	<u>3,334,674</u>
Less amount required to meet current obligations	124,926	72,913
	<u>40,440,048</u>	<u>3,261,761</u>
Capital Assets, Net	<u>650,398</u>	<u>562,810</u>
Total assets	<u>\$ 85,162,760</u>	<u>\$ 93,909,070</u>