Independent Accountants' Report

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

We have audited the accompanying balance sheet of Tomball Hospital Authority d/b/a Tomball Regional Health Foundation (the Authority) as of and for the year ended June 30, 2012, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audit provides a reasonable basis for our 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, 2012, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

[Signature]

January 31, 2013
Tomball Hospital Authority d/b/a
Tomball Regional Health Foundation
Balance Sheet
June 30, 2012

Assets

Current Assets
Cash and cash equivalents $ 86,183,011
Restricted cash equivalents, current 72,913
Estimated amounts due from third-party payers 915,499
Prepaid expenses and other 2,913,076
Total current assets 90,084,499

Noncurrent Cash and Investments
Long-term investments 3,192,605
Held by trustee under self-insurance trust 142,069
3,334,674
Less amount required to meet current obligations 72,913
3,261,761

Capital Assets 562,810

Total assets $ 93,909,070

See Notes to Financial Statements
## Liabilities and Net Assets

### Current Liabilities
- Accounts payable: $27,088
- Accrued expenses: 2,083,566
- Estimated self-insurance costs: 72,913
  
  **Total current liabilities**: 2,183,567

### Estimated Self-insurance Costs

<table>
<thead>
<tr>
<th>Estimated Self-insurance Costs</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>500,910</td>
</tr>
</tbody>
</table>

### Net Assets

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>562,810</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>90,661,783</td>
</tr>
</tbody>
</table>

  
  **Total net assets**: 91,224,593

  
  **Total liabilities and net assets**: $93,909,070