

Tomball Hospital Authority d/b/a
Tomball Regional Health Foundation
Management Discussion and Analysis
FY 2018

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, 2018. 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 all 15 of those standards with at least 65% of our total expense being spent on projects. In FY2017, project expense was 68.1% of our total expenses. In FY2018, project expense was 69.3% of our total expenses primarily due to favorable 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

Total current assets increased in FY2018 by \$5,046,817.00 or 5.3%. The overall increase in cash and investments was primarily the result of improved performance of our 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 Spending Policy was re-evaluated in April of 2018 and the rolling average of the previous 12 quarters was determined to be \$91,523,360.09 yielding a 4% spend rate of \$3,660,934.40 and a quarterly withdrawal of \$915,233.60 to support projects and operations.

Investment Portfolio Performance

Investment performance for FY 2018 was very favorable to the portfolio due to market conditions and appropriate investment categories that exceeded expectations as noted in the difference in the graphs below for FY2017 and FY 2018

Portfolio Value for FY 2018 by Month

	Jul	\$	95,050,574.82
	Aug	\$	95,390,182.30
	Sept	\$	96,642,367.08
	Oct	\$	97,696,276.32
	Nov	\$	99,236,210.31
	Dec	\$	99,127,659.95
2018	Jan	\$	101,882,441.47
	Feb	\$	98,635,070.80
	Mar	\$	98,742,729.02
	Apr	\$	97,913,961.18
	May	\$	98,998,323.69
	Jun	\$	99,063,432.49
	Jul	\$	99,786,702.37

Since 2015, withdrawals from the investment portfolio to support projects and operations through FY2018 are as follows:

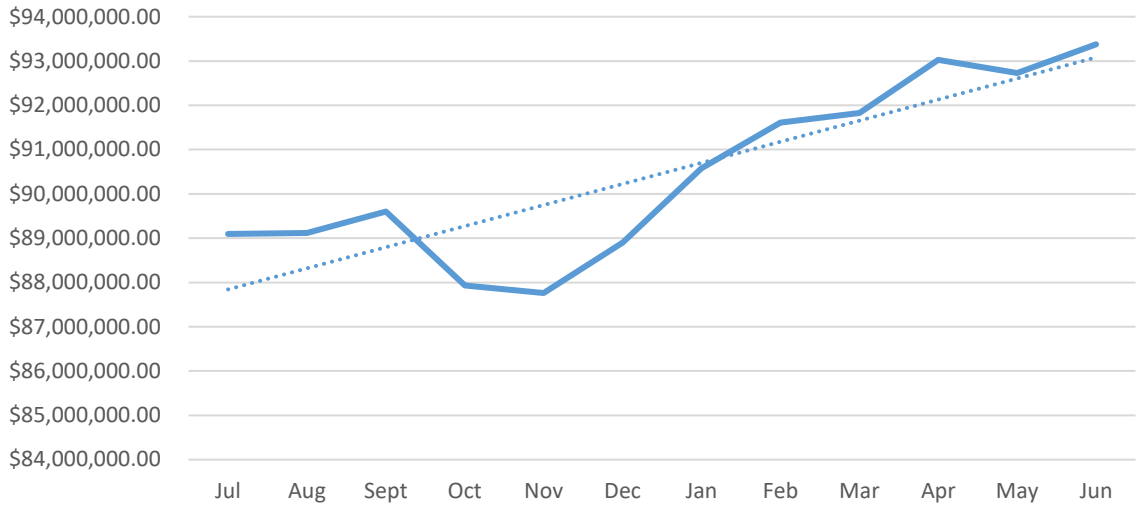
Withdrawals from Investments:

October, 2015		\$	828,508.00
May, 2016		\$	828,508.00
November, 2016		\$	828,508.00
February, 2017		\$	828,508.00
May, 2017		\$	866,427.00
December, 2017		\$	866,427.00
April, 2018		\$	906,596.00
July, 2018		\$	915,233.60
Total Withdrawals		\$	6,868,715.60

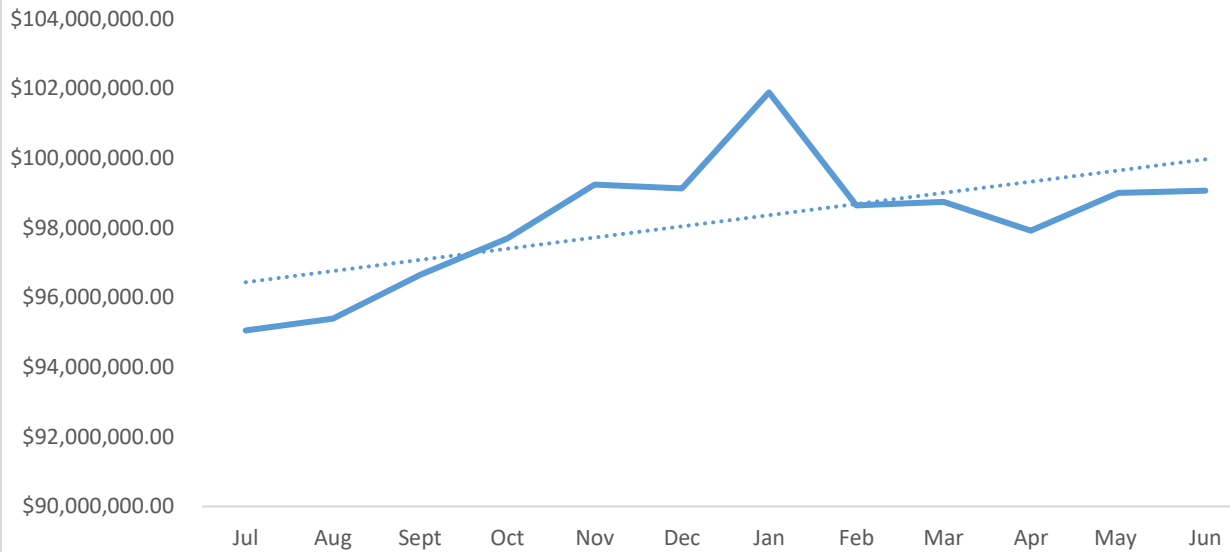
Actual Portfolio Value after withdrawals to fund Projects and Operations

Change in Portfolio Value since FYE		\$	5,686,789.56
Dec. 2017 Withdrawal		\$	866,427.00
Apr 2018 Withdrawal		\$	906,596.00
Actual Portfolio Gain since FYE		\$	7,459,812.56

Investments FY 2017



FY 2018 Investment Performance



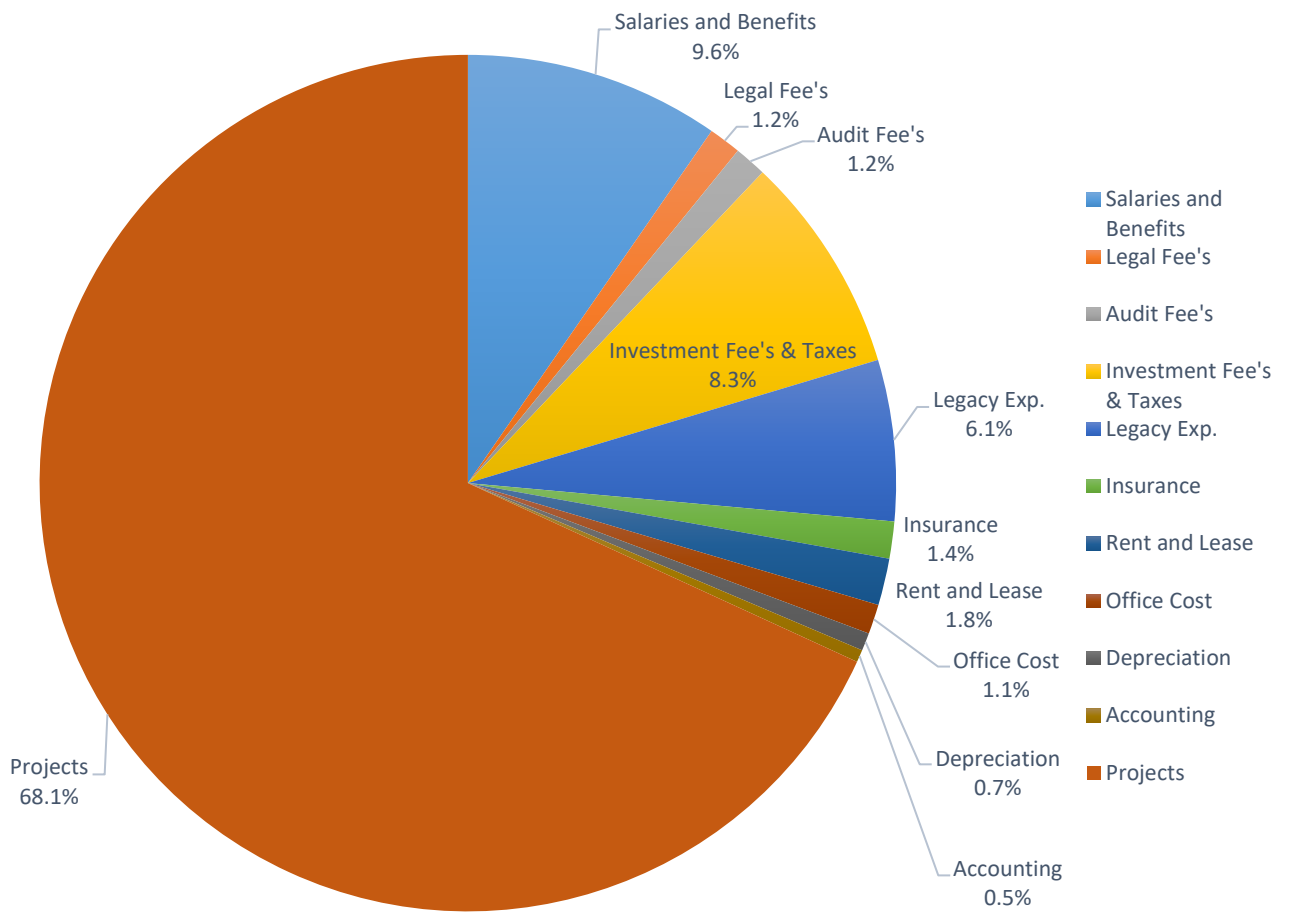
Total Assets increased by \$5,046,817.00 or 5.3%.

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	\$ 87,614,251.00
FY 2017	\$ 94,386,406.00
FY 2018 Preliminary	\$ 99,433,223.00

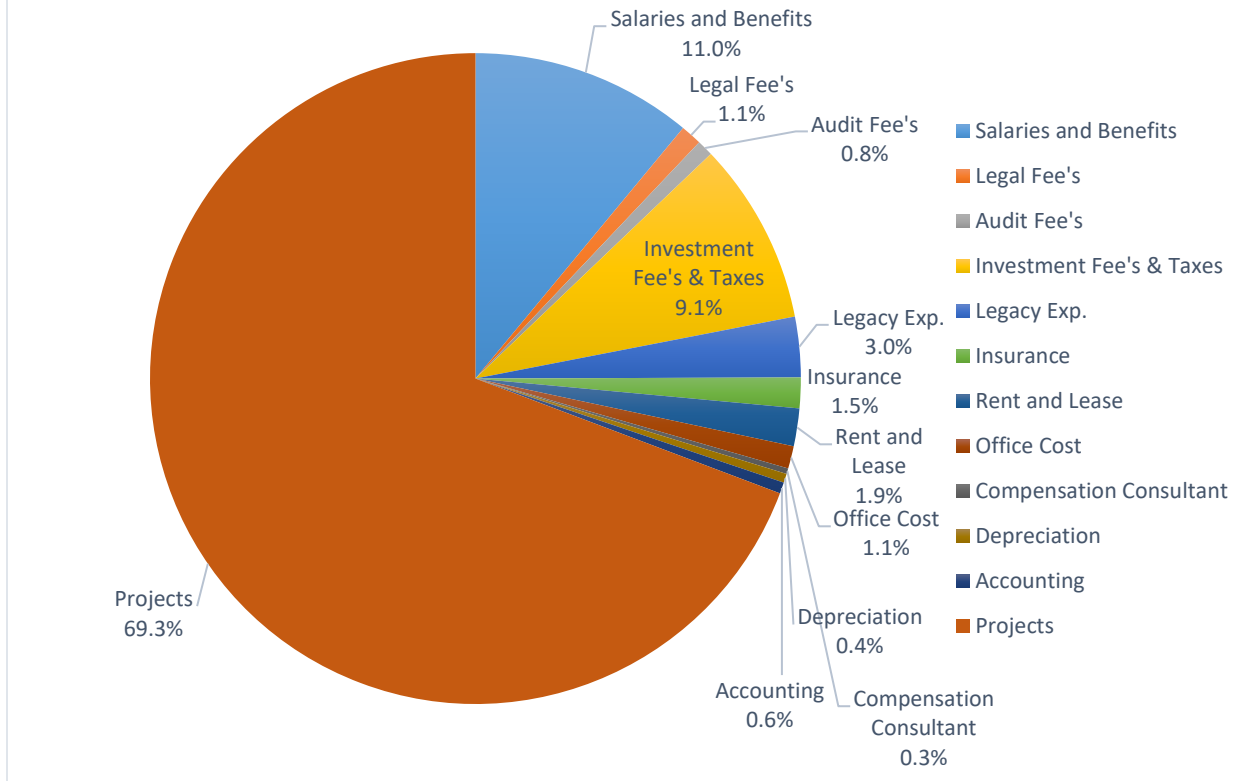
Operational Expenses decreased \$9,589.32 or 1.7% from previous year.

FY 2012	\$ 4,091,987.00
FY 2013	\$ 2,486,305.00
FY 2014	\$ 930,014.00
FY 2015	\$ 625,080.00
FY 2016	\$ 612,328.00
FY 2017	\$ 565,558.47
FY 2018 Preliminary	\$ 555,969.15

Total Expense Overview FY 2017



Total Expense Overview FY 2018



Community Health Needs Assessment

In April of 2017, the Foundation conducted a Community Health Needs Assessment to better identify ongoing needs within the community in conjunction with a National Research Partner, Baker Tilly.

Identified Priority Health Needs

Leadership from TRHF reviewed findings from the 2017 CHNA research to determine health priorities on which to focus community health improvement activities. CHNA research included public health indicators, socioeconomic measures, and input from health consumers and key community stakeholders. The CHNA research revealed a number of social and health issues contributing to health disparity and poorer health outcomes across the region.

Access to Health Care,

- Affordability of health care costs,
- Medical home for uninsured and underinsured
- Unmet need for behavioral health care
- Transportation for health needs

Reducing Risk Factors for Chronic Disease

- Health literacy and education
- Wellness programs aimed at reducing risk factors for disease and managing chronic conditions
- Proactive prescription management

Community Collaboration

- Increase networking among community based organizations
- Leverage existing resources
- Promote cross-program referrals

TRHF leadership determined that improving access to health care was central to the success of future health improvement initiatives. Specifically, the CHNA highlighted specific issues related to access to care that contribute to health disparities across the region.

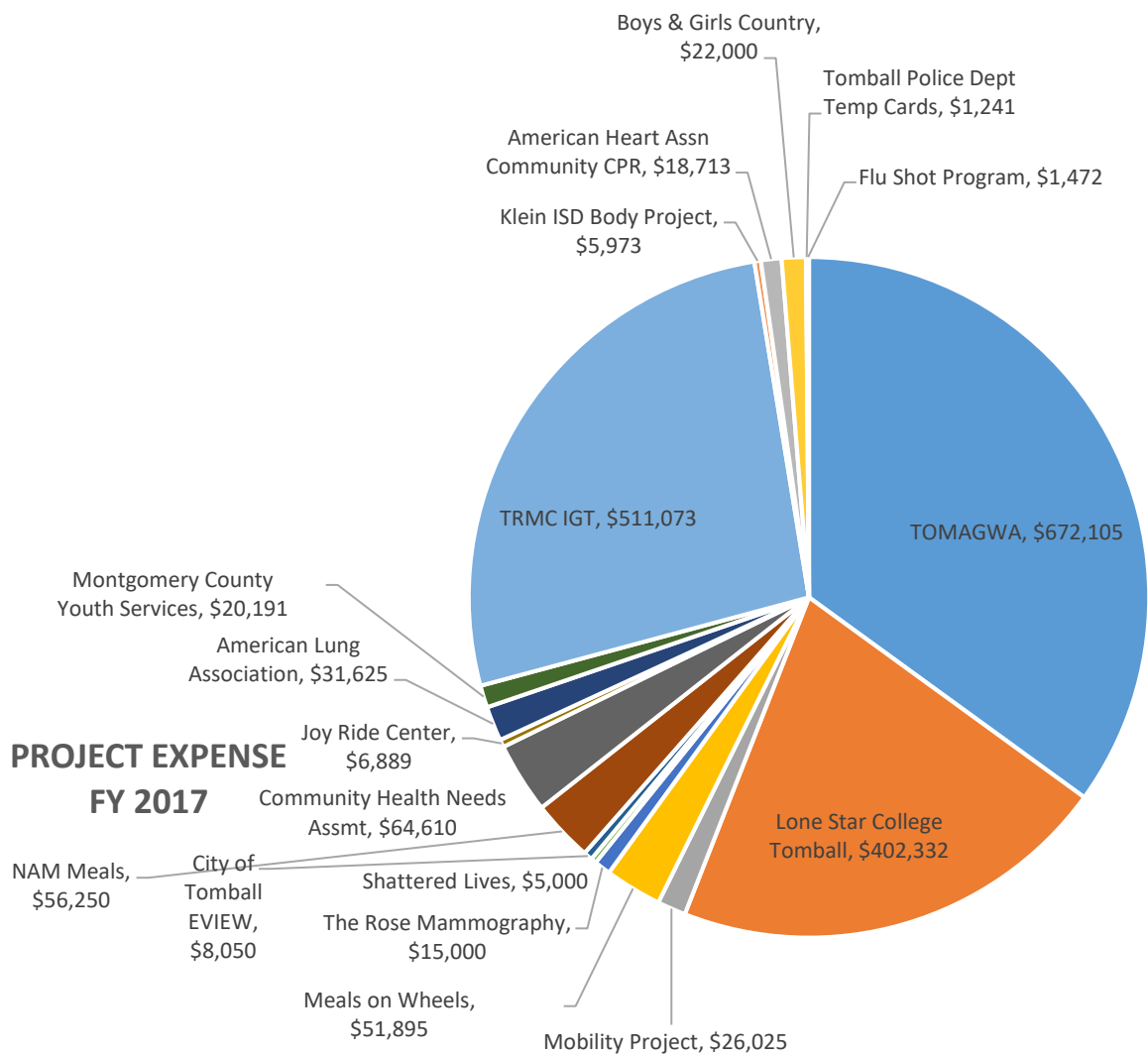
The entire 2017 Community Health Needs Assessment, including methodology and recommendations can be found here:

http://www.trhfoundation.org/images/pdfs/TRHF_2017_CHNA_Data_Report_2017-04-28.pdf

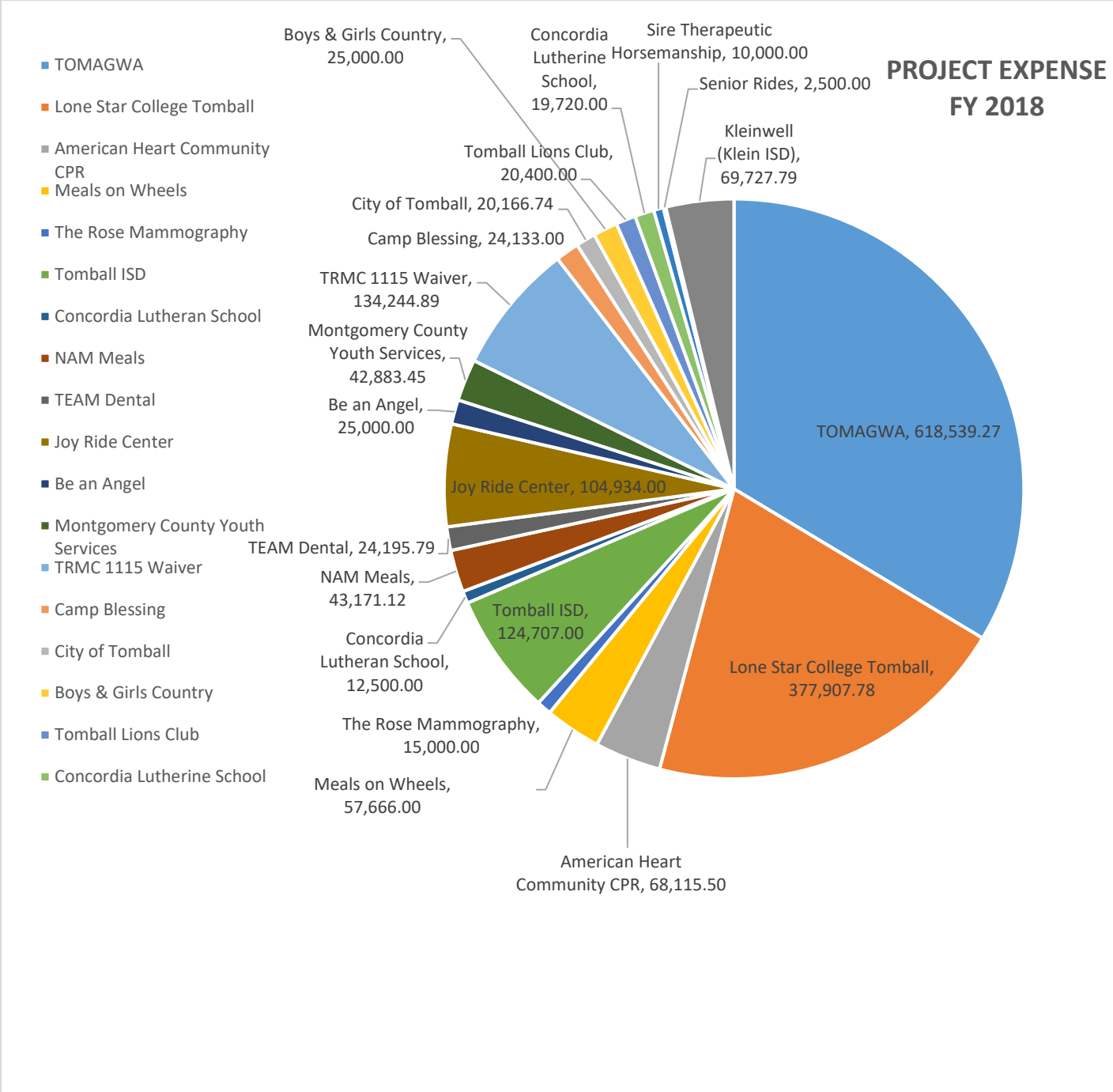
Tomball Regional Health Foundation is committed to the community and to being a community partner within Harris, Montgomery, and Waller Counties. TRHF will continue to be guided by our mission to promote wellness and improve health status for all residents in our communities through programs that enhance access to health care, preventative care and health education.

Project Expense

Since 2012, the Authority has funded and budgeted over \$15,026,623.90 in Project Expense in our community



- TOMAGWA
- Lone Star College Tomball
- Mobility Project
- Meals on Wheels
- The Rose Mammography
- Shattered Lives
- City of Tomball EVIEW
- NAM Meals
- Community Health Needs Assmt
- Joy Ride Center
- American Lung Association
- Montgomery County Youth Services
- TRMC IGT
- Klein ISD Body Project
- American Heart Assn Community CPR
- Boys & Girls Country
- Tomball Police Dept Temp Cards
- Flu Shot Program



The above graph demonstrates actual funding spent for Projects during Fiscal Year 2018

Community Impact Summary

Because of funding provided by the Authority:

\$134,244 was funded in 2018 to Tomball Regional Medical Center for 1115 Waiver funding which returned approximately \$335,000 to the hospital through matching federal funds.

Since 2012, a total of \$7,683,548.50 has been funded to Tomball Regional Medical Center for Uncompensated Care and the 1115 Waiver Project, which returned approximately \$18,083,394 to the hospital through the Federal Matching Funds from the funding by the Authority.

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

American Lung Association is providing Asthma Training to Tomball and Klein ISD to their School Nurses

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, Sire and Be an Angel

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

Northwest Assistant Ministries has expanded their meal program to Tomball

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

Medical services at TOMAGWA have been expanded

Dental Services at TEAM have been expanded

4 High Schools in our area continue to receive 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 and their AED Equipment has been replaced throughout the City.

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

Lone Star College Nursing Program has state of the art equipment for training

Lone Star College HOA program for Tomball ISD and Klein ISD which allows high school students to earn a degree in Nursing while still in High School have their textbooks provided to them at no cost.

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

Boys and Girls Country have additional resources to provide medical/dental care to their foster kids

The City of Tomball is a step closer to building out Broussard Park and the improvements will focus on walking and physical activity, providing an infrastructure asset to help enhance community health.

Unmet mental health needs in our community have been addressed through grants to Montgomery County Youth Services and Grants to Klein and Tomball ISD's

Contacting the Authority

This report is designed to provide our community with a general overview of the Authority's finances and activities. Questions about this report and request for additional financial information should be directed to the Chief Executive Officer by telephoning 832.559.5513

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