

**LOWER FLORIDA KEYS HOSPITAL DISTRICT
NOTES ON FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDING DECEMBER 31, 2025**

STATEMENT OF FINANCIAL POSITION

1.) Operating account.

The cash on hand is \$1,891,578 at December 31, 2025.

2.) Investments

The market value of the District's investments increased by \$257,193 in the quarter ending 12/31/25. Interest, dividends, and capital gains are \$26,138 for the quarter and \$26,138 YTD. Realized gain/loss is \$231,056 for this quarter and the gain/loss is \$231,056 YTD. Unrealized market gains decreased \$353,009 going from \$1,410,137 at 9/30/25 to \$1,057,128 at 12/31/25

3.) Accounts Receivable, prepaid expenses, rent and interest receivable.

None

4.) Other assets

None

5.) Fixed assets

Fixed assets net of depreciation are negligible.

6.) Liabilities

Payments Due to HMA for Primary Care Clinic are current.

Payment Due to State of Florida for receipt of payments in error is \$21,444.

There is \$211,471 in accrued Administrative Services for October - December 2025.

7.) Net Income (Loss)

The negative change in net assets is due primarily to accrued expenses for legal fees.

STATEMENT OF REVENUES AND EXPENSES

1.) Investment income

In the quarter ending 12/31/25, dividends and capital gains distributions were \$26,138 and the realized market gain was \$231,056.

Total investment gain for the quarter was \$257,194 with a gain of \$257,194 for the fiscal year to date.

ACTUAL RECEIPTS AND DISBURSEMENTS AS COMPARED TO BUDGET

1.) Dividends and capital gains distributions.

Dividends and capital gains distributions actual is over budget for the year. Quarter ending 12/31/25 actual at \$257,194; \$172,194 over the budgeted amount of \$85,000. YTD actual is \$257,194; \$82,806 under YTD budget amount of \$340,000.

2.) Rent

Land rent is paid through December 2025.

3.) Advanced rent and interest.

Advanced rent and interest have been paid in full for the term of the agreement.

4.) Total administrative expenses

Actual ytd total administrative expenses showed a negative variance versus budget of (\$1,255). This variance is primarily from legal fees being over budget and professional fees being under budget.

6.) Indigent Care Expense

Primary Care Clinic is right on budget YTD at \$125,000 with no variance from budget.

7.) Deficit disbursements over receipts

The net deficit is (\$71,930). YTD investment dividends and capital gains are higher than budgeted, however, this is offset by legal fee expenses coming in over budget.

THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
STATEMENT OF FINANCIAL POSITION
December 31, 2025

ASSETS

Current assets:

Cash:	
Operating account	\$ 1,891,459
Petty cash	119
Total cash	<u>1,891,578</u>

Investments:

Investments -book value	12,532,562
Unrealized gain (loss)	<u>1,057,128</u>
Total investments at market value	<u>13,589,690</u>

Other current assets:

Rent and interest receivable	-
Accounts Receivable	-
Prepaid insurance	-
Total other current assets	<u>-</u>

Total current assets	<u><u>15,481,268</u></u>
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Other assets:

Lease Receivable - ST	-
Lease Receivable - Ground Lease	-
Advanced rent receivable - KWHR	-
Interest receivable - advanced rent - KWHR	-
Total other assets	<u>-</u>

Property, plant and equipment, net of depreciation	<u>-</u>
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TOTAL ASSETS	<u><u>\$ 15,481,268</u></u>
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LIABILITIES & FUND EQUITY

Liabilities:

Accounts Payable	-
Due to Key West HMA Primary Care Clinic	-
Due to State of Florida	21,444
Accrued operating expenses	<u>211,471</u>
TOTAL CURRENT LIABILITIES	<u>232,915</u>

Long Term Liabilities:

Deferred Inflows Ground Lease	-
Total Long Term Liabilities	<u>-</u>

TOTAL LIABILITIES	<u>232,915</u>
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Fund equity:

Fund balance	15,320,283
Net income (loss)	<u>(71,930)</u>

TOTAL FUND EQUITY	<u>15,248,353</u>
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TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 15,481,268</u></u>
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THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
STATEMENT OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDING DECEMBER 31, 2025

	<u>OCTOBER-DECEMBER</u>	<u>YTD 2026</u>
Operating expenses:		
Administrative services	216,027	216,027
Primary care clinic (physicians funding)	<u>125,000</u>	<u>125,000</u>
Total operating expenses	<u>341,027</u>	<u>341,027</u>
Income (loss) from operations	<u>(341,027)</u>	<u>(341,027)</u>
Nonoperating revenues (expenses):		
Investment income (loss)	257,194	257,194
Land rent	16,308	16,308
Interest - KWHR deferred rent	-	-
Other nonoperating revenue	-	-
Custodial fees	(608)	(608)
Investment advisory fees	(3,797)	(3,797)
Nonoperating Revenue - Other (State of Florida)	-	-
Net nonoperating revenues	<u>269,097</u>	<u>269,097</u>
TOTAL EXCESS EXPENSES OVER REVENUE	<u><u>\$ (71,930)</u></u>	<u><u>\$ (71,930)</u></u>

THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE THREE MONTHS ENDING DECEMBER 31, 2025

	<u>OCTOBER-DECEMBER</u>	<u>YTD 2026</u>
Accounting services	\$ 1,500	\$ 1,500
Administrative services	4,750	4,750
Advertising	41	41
Audit fees	-	-
Insurance	1,328	1,328
Legal fees	207,211	207,211
Meetings	1,178	1,178
Miscellaneous	20	20
Office supplies	-	-
Website	-	-
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Total Administrative Expenses	<u><u>\$ 216,027</u></u>	<u><u>\$ 216,027</u></u>

**LOWER FLORIDA KEYS HOSPITAL DISTRICT
ACTUAL AND BUDGET REVENUE AND EXPENSES
FOR THE THREE MONTHS ENDING DECEMBER 31, 2025**

	Actual 3 months 12/31/25	Budget 3 months 12/31/25	\$ Difference	% Difference	Budget 12 months 9/30/2026
REVENUE					
Dividends and capital gains distributions	257,194	85,000	172,194	202.6%	340,000
Land Rent (KWHRC)	16,308	16,308	0	0.0%	65,232
Interest and advanced rent (KWHRC)	0	-	0	#DIV/0!	-
TOTAL REVENUE	273,502	101,308	172,194	170.0%	405,232
Indigent care expense					
Primary care clinic	125,000	125,000	-	0.0%	500,000
Total indigent care expenses	125,000	125,000	-	0.0%	500,000
<u>Administrative expenses</u>					
Audit and consulting fees	0	8,125	8,125	100.0%	32,500
Accounting services	1,500	1,800	300	16.7%	7,200
Legal fees	207,211	70,000	(137,211)	-196.0%	280,000
Professional Fees: Rural Consultant	-	125,000	125,000	100.0%	500,000
Investment advisory fees	3,797	7,500	3,703	49.4%	30,000
Custodial fees	608	700	92	13.1%	2,800
Administrative services	4,750	4,500	(250)	-5.6%	18,000
Office supplies	-	50	50	100.0%	200
Advertising	41	100	59	59.0%	400
Meeting Expense	1,178	1,000	(178)	-17.8%	4,000
Insurance	1,328	210	(1,118)	-532.3%	840
Miscellaneous	20	150	130	86.7%	600
Website	-	42	42	100.0%	168
Total administrative expenses	220,432	219,177	(1,255)	-0.6%	876,708
TOTAL EXPENSES AND DISBURSEMENTS	345,432	344,177	(1,255)	-0.4%	1,376,708
REVENUE OVER (UNDER) EXPENSES AND DISBURSEMENTS	(71,930)	(242,869)	170,939	na	(971,476)