

**LOWER FLORIDA KEYS HOSPITAL DISTRICT
NOTES ON FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDING MARCH 31, 2026**

STATEMENT OF FINANCIAL POSITION

1.) Operating account.

The cash on hand is \$132,521 at March 31, 2026.

2.) Investments

The market value of the District's investments increased by \$1,031,746 in the quarter ending 3/31/26. Interest, dividends, and capital gains are \$9,930 for the quarter and \$36,068 YTD. Realized gain/loss is (\$373,166) for this quarter and the gain/loss is (\$142,110) YTD. Unrealized market gains decreased \$268,557 going from \$1,057,128 at 12/31/25 to \$788,551 at 3/31/26.

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

None

4.) Other assets

None

5.) Fixed assets

None

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 were no accrued Administrative Services for January - March 2026.

7.) Net Income (Loss)

The negative change in net assets is due primarily to legal and consulting fees as well as investment losses.

STATEMENT OF REVENUES AND EXPENSES

1.) Investment income

In the quarter ending 3/31/26, dividends were \$9,930 and the realized market loss was (\$373,166).

Total investment loss for the quarter was (\$363,236) with a loss of (\$106,042) 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 under budget for the year. Quarter ending 3/31/26 actual at (\$106,042); \$276,042 under the budgeted amount of \$170,000.

2.) Rent

Land rent is paid through March 2026.

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 (\$56,255). This variance is primarily from legal fees being over budget and professional fees being under budget.

6.) Indigent Care Expense

Primary Care Clinic is under budget YTD by \$123,198. We did not receive Clinic billing in the quarter ending 03/31/26.

7.) Deficit disbursements over receipts

The net deficit is (\$694,836). YTD investment dividends and capital gains are lower than budgeted and legal fee expenses are coming in over budget.

THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
STATEMENT OF FINANCIAL POSITION
March 31, 2026

ASSETS

Current assets:

Cash:

Operating account	\$ 132,155
Petty cash	366
Total cash	<u>132,521</u>

Investments:

Investments -book value	13,832,885
Unrealized gain (loss)	788,551
Total investments at market value	<u>14,621,436</u>

Other current assets:

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

Total current assets	<u>14,753,957</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>\$ 14,753,957</u></u>
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LIABILITIES & FUND EQUITY

Liabilities:

Accounts Payable	101,483.35
Unearned Rent	5,582.82
Due to State of Florida	21,444
Accrued operating expenses	-
TOTAL CURRENT LIABILITIES	<u>128,510</u>

Long Term Liabilities:

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

TOTAL LIABILITIES	<u>128,510</u>
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Fund equity:

Fund balance	15,320,283
Net income (loss)	(694,836)

TOTAL FUND EQUITY	<u>14,625,447</u>
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TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 14,753,957</u></u>
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THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
STATEMENT OF REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDING MARCH 31, 2026

	<u>JANUARY-MARCH</u>	<u>YTD 2026</u>
Operating expenses:		
Administrative services	264,335	480,362
Primary care clinic (physicians funding)	<u>1,802</u>	<u>126,802</u>
Total operating expenses	<u>266,137</u>	<u>607,164</u>
Income (loss) from operations	<u>(266,137)</u>	<u>(607,164)</u>
Nonoperating revenues (expenses):		
Investment income (loss)	(363,236)	(106,042)
Land rent	16,308	32,616
Interest - KWHR deferred rent	-	-
Other nonoperating revenue	-	-
Custodial fees	(1,133)	(1,741)
Investment advisory fees	(8,708)	(12,505)
Nonoperating Revenue - Other (State of Florida)	-	-
Net nonoperating revenues	<u>(356,770)</u>	<u>(87,672)</u>
TOTAL EXCESS EXPENSES OVER REVENUE	<u><u>\$ (622,906)</u></u>	<u><u>\$ (694,836)</u></u>

THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE THREE MONTHS ENDING MARCH 31, 2026

	<u>JANUARY-MARCH</u>	<u>YTD 2026</u>
Accounting services	\$ 2,000	\$ 3,500
Administrative services	5,588	10,338
Advertising	357	398
Audit fees	6,800	6,800
Insurance	-	1,328
Legal fees	178,948	386,159
Professional Fees: Rural Consultant	66,090	66,090
Meetings	3,844	5,022
Miscellaneous	210	230
Office supplies	497	497
Website	-	-
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Total Administrative Expenses	<u><u>\$ 264,335</u></u>	<u><u>\$ 480,362</u></u>

**LOWER FLORIDA KEYS HOSPITAL DISTRICT
ACTUAL AND BUDGET REVENUE AND EXPENSES
FOR THE THREE MONTHS ENDING MARCH 31, 2026**

	Actual 6 months 3/31/26	Budget 6 months 3/31/26	\$ Difference	% Difference	Budget 12 months 9/30/2026
REVENUE					
Dividends and capital gains distributions	(106,042)	170,000	(276,042)	-162.4%	340,000
Land Rent (KWHRC)	32,616	32,616	0	0.0%	65,232
Interest and advanced rent (KWHRC)	-	-	-	0.0%	-
TOTAL REVENUE	(73,426)	202,616	(276,042)	-136.2%	405,232
Indigent & primary care expense	126,802	250,000	(123,198)	-49.3%	500,000
Total indigent & primary care expenses	126,802	250,000	(123,198)	-49.3%	500,000
<u>Administrative expenses</u>					
Audit and consulting fees	6,800	16,250	9,450	58.2%	32,500
Accounting services	3,500	3,600	100	2.8%	7,200
Legal fees	386,159	140,000	(246,159)	-175.8%	280,000
Professional Fees: Rural Consultant	66,090	250,000	183,910	73.6%	500,000
Investment advisory fees	12,505	15,000	2,495	16.6%	30,000
Custodial fees	1,741	1,400	(341)	-24.4%	2,800
Administrative services	10,338	9,000	(1,338)	-14.9%	18,000
Office supplies	497	100	(397)	-397.0%	200
Advertising	398	200	(198)	-99.2%	400
Meeting Expense	5,022	2,000	(3,022)	-151.1%	4,000
Insurance	1,328	420	(908)	-216.1%	840
Miscellaneous	230	300	70	23.2%	600
Website	-	84	84	100.0%	168
Total administrative expenses	494,609	438,354	(56,255)	-12.8%	876,708
TOTAL EXPENSES AND DISBURSEMENTS	621,411	688,354	66,943	9.7%	1,376,708
REVENUE OVER (UNDER) EXPENSES AND DISBURSEMENTS	(694,836)	(485,738)	(209,098)	na	(971,476)