LOWER FLORIDA KEYS HOSPITAL DISTRICT
NOTES ON FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2026

STATEMENT OF FINANCIAL POSITION

1.) Operating account.
The cash on hand is $10,999 at September 30, 2026.

2.) Investments
The market value of the District's investments increased by $675,856 in the quarter ending 9/30/26. Interest, dividends, and capital gains are $247,926 for the quarter and $297,081 YTD. Realized gain/loss is $698,957 for this quarter and the gain/loss is 685,819 YTD. Unrealized market gains were unchanged at 9/30/26.

3.) Accounts Receivable, prepaid expenses, rent and interest receivable.
Accounts receiveable is $5,582.82 at 9/30/26

4.) Other assets
None

5.) Fixed assets
None

6.) Liabilties
Payments Due to HMA for Primary Care Clinic are current.
Payment Due to State of Florida for receipt of payments in error is $0.
There are $36,083 of accrued Administrative Services for October - December 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 9/30/26, dividends were $247,926 and the realized market gain was $698,957.
Total investment gain for the quarter was $1,075,856 with a gain of $982,900 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 9/30/26 actual at $969,814; $629,814 over the budgeted amount of $340,000.

2.) Rent
Land rent is paid through August 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 ($327,266). 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 $373,198 We did not receive Clinic billing in the quarter ending 09/30/26.

7.) Deficit disbursements over receipts
The net deficit is ($279,406). 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
September 30, 2026

ASSETS

Current assets:		
Cash:		
Operating account	$	10,531
Petty cash		468
Total cash		10,999
Investments:		
Investments -book value		13,441,333
Unrealized gain (loss)		1,619,045
Total invesments at market value		15,060,378
Other current assets:		
Rent and interest receivable		-
Accounts Receivable		5,583
Prepaid insurance		-
Total other current assets		5,583
Total current assets		15,076,959
Other assets:		
Lease Receivable - ST		-
Lease Receivable - Ground Lease		-
Advanced rent receivable - KWHR		-
Interest receivable - advanced rent - KWHR		-
Total other assets		-
Property, plant and equipment, net of depreciation		-
TOTAL ASSETS	**$**	**15,076,959**

LIABILITIES & FUND EQUITY

Liabilities:		
Accounts Payable		36,083.00
Unearned Rent		-
Due to State of Florida		-
Accrued operating expenses		-
TOTAL CURRENT LIABILITIES		36,083
Long Term Liabilities:		
Deferred Inflows Ground Lease		-
Total Long Erm Liabilities		-
TOTAL LIABILITIES		36,083
Fund equity:		
Fund balance		15,320,283
Net income (loss)		(279,407)
TOTAL FUND EQUITY		15,040,876
TOTAL LIABILITIES AND FUND EQUITY	**$**	**15,076,959**

THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
STATEMENT OF REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2026

	JULY-SEPTEMBER	YTD 2026
Operating expenses:		
Administrative services	378,221	1,175,498
Primary care clinic (physicians funding)	-	126,802
Total operating expenses	378,221	1,302,299
Income (loss) from operations	(378,221)	(1,302,299)
Nonoperating revenues (expenses):		
Investment income (loss)	1,075,856	982,900
Land rent	16,748	66,113
Interest - KWHR deferred rent	-	-
Other nonoperating revenue	-	-
Custodial fees	(595)	(3,539)
Investment advisory fees	(12,289)	(24,938)
Nonoperating Revenue - Other (State of Florida)	2,356	2,356
Net nonoperating revenues	1,082,077	1,022,893
TOTAL EXCESS EXPENSES OVER REVENUE	**$ 703,856**	**$ (279,406)**

THE LOWER FLORIDA KEYS HOSPITAL DISTRICT
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE TWELVE MONTHS ENDING SEPTEMBER 30, 2026

	JULY-SEPTEMBER	YTD 2026
Accounting services	$ 2,000	$ 7,000
Administrative services	5,781	21,764
Advertising	475	1,003
Audit fees	17,500	32,500
Insurance	100	1,784
Legal fees	201,908	821,108
Professional Fees: Rural Consultant	147,022	276,945
Meetings	2,962	11,733
Miscellaneous	98	578
Office supplies	375	1,083
Website	-	-
Total Administratve Expenses	$ 378,221	$ 1,175,498

LOWER FLORIDA KEYS HOSPITAL DISTRICT
ACTUAL AND BUDGET REVENUE AND EXPENSES
FOR THE TWELEVE MONTHS ENDING SEPTEMBER 30, 2026

	Actual 12 months 9/30/26	Budget 12 months 9/30/26	$ Difference	% Difference	Budget 12 months 9/30/2026
REVENUE					
Dividends and capital gains distributions	982,900	340,000	642,900	189.1%	340,000
Land Rent (KWHRC)	66,113	65,232	881	1.4%	65,232
Interest and advanced rent (KWHRC)	-	-	-	0.0%	-
Other Income	2,356	-	2,356	0.0%	-
TOTAL REVENUE	**1,051,370**	**405,232**	**646,138**	159.4%	**405,232**
Indigent & primary care expense	126,802	500,000	(373,198)	-74.6%	500,000
Total indigent & primary care expenses	**126,802**	**500,000**	**(373,198)**	-74.6%	**500,000**
Administrative expenses					
Audit and consulting fees	32,500	32,500	-	0.0%	32,500
Accounting services	7,000	7,200	200	2.8%	7,200
Legal fees	821,108	280,000	(541,108)	-193.3%	280,000
Professional Fees: Rural Consultant	276,945	500,000	223,055	44.6%	500,000
Investment advisory fees	24,938	30,000	5,062	16.9%	30,000
Custodial fees	3,539	2,800	(739)	-26.4%	2,800
Administrative services	21,764	18,000	(3,764)	-20.9%	18,000
Office supplies	1,083	200	(883)	-441.4%	200
Advertising	1,003	400	(603)	-150.8%	400
Meeting Expense	11,733	4,000	(7,733)	-193.3%	4,000
Insurance	1,784	840	(944)	-112.4%	840
Miscellaneous	578	600	22	3.6%	600
Website	-	168	168	100.0%	168
Total adminstrative expenses	**1,203,974**	**876,708**	**(327,266)**	**-37.3%**	**876,708**
TOTAL EXPENSES AND DISBURSEMENTS	**1,330,776**	**1,376,708**	**45,932**	**3.3%**	**1,376,708**
REVENUE OVER (UNDER) EXPENSES AND DISBURSEMENTS	**(279,406)**	**(971,476)**	**692,070**	**na**	**(971,476)**