



March 2021 Financial Summary

Year to Date Operating Result

- Our combined revenue and expense 1st quarter result is an operating loss of \$992K vs. a budget of \$939K or \$52K worse than plan. This result is a combination of revenue falling short of plan by \$136K and expenses better than plan by \$83K.

Revenue - Month

- Monthly revenue from all sources was \$616K and was \$201K worse than plan with principal variances in monthly care fees, worse by \$42K and Medicare revenue, worse by \$52K.
- Monthly care fees are below plan due to 16 apartment vacancies composed of 2, 2 bedroom units, 7, 1 bedroom units, and 7 studio units. The estimated revenue from these vacant apartments is \$100K per month or \$1.2M annualized.
- Lost revenue through March: 5 residents have passed away and 1 resident terminated their contract resulting in \$50K in lost revenue on a monthly basis and \$600K annualized.
- Medicare monthly revenue below plan due to patient census days of only 1.5 vs. plan of 3.
- No new residents have been admitted in 2021.

Expenses-Month

- Monthly operating expenses were \$1.1M and slightly over plan.
- Wages & Salaries-under budget by \$28K principally due to a \$28K favorable variance in Administration. This is due to the timing of the start date of the CEO.
- Employee Benefits-overall \$6K worse than budget principally due to \$8K variance in the Health Center.
- Vacation & Holidays-\$7K over budget. This unfavorable variance is expected to diminish over time.
- Food-under budget by \$8K. This favorable result is due to the reduction in special events arranged in conjunction with Activities. As the restrictions relative to COVID continue to be relaxed, it is expected that such events will begin increasing with a corresponding increase in food expense.
- Professional Fees-over budget by \$31K due to the final payment to Druthers Agency for \$24K related to the CEO search.
- Outside Services-over budget by \$19K which is due to \$10K in ONR therapy expense under Medicare (2 invoices paid in the month) and outside kitchen janitorial services (3 payments in the month) which was not budgeted.
- Development-\$7K over budget in Administration due to the annual subscription payment to Blackbaud which is the marketing application used to manage, track and record donations.

RETIREMENT LIVING SAN FRANCISCO STYLE



Capital Projects - Month

- There were \$65K in renovation payments in the month for 3 different apartment projects, #224, #412, and #311.

Bernstein Investment Portfolio – Cash Draws Month

- Bernstein regular monthly draws were \$205K. There was an additional transfer of \$350K in the month in order to meet operational needs. Year to date, regular transfers stand at \$615K, additional transfers at \$950K, and \$1.565M in total.

Joseph T. Conroy III
Controller

RETIREMENT LIVING SAN FRANCISCO STYLE

3400 Laguna Street, San Francisco, CA 94123 | P: 415.202.0300 | F: 415.292.7080 | heritageonthemarina.org