



June 2021 Financial Summary

Year to Date Operating Result

- Our combined revenue and expense year to date through June is an operating loss of \$2.5M vs. a budget of \$2.1M or \$413K worse than plan. This result is a combination of revenue falling short of plan by \$545K while total expenses are better than plan by \$132K.

Revenue - Month

- Monthly revenue from all sources was \$595K and was \$157K worse than plan with principal variances in monthly care fees (apartment vacancies), worse by \$45K, SNF fees (reduced census) worse by \$69K and Medicare revenue which was below plan due by \$16K due to a depressed patient count.
- Monthly care fees are below plan due to 19 apartment vacancies composed of 3, 2 bedroom units, 4, 1 bedroom units, and 12 studio units. The estimated revenue from these vacant apartments is \$107K per month or \$1.3M annualized.
- Lost revenue through June: 6 residents have passed away, 2 discharged, and 1 resident terminated their contract resulting in \$76K in lost revenue on a monthly basis and \$911K annualized.
- We had our first new resident enter this year in June who occupies a 1 bedroom apartment, #230C.

Expenses-Month

- Monthly operating expenses were \$1.1M and below plan by \$68K and there are 2 reasons for this favorable result: wages and salaries were better than plan by \$45K and COVID-19 expense better by \$18K. Our 2 principal unfavorable variances were as follows.
- Contract & Grounds Maintenance, worse than plan by \$10K, \$7K of which is the annual WorxHub application fee we use for tracking work requests and \$8.7K for the annual tree pruning service. Currently we are under budget year to date by \$6K and expect that trend to continue.
- Accounting Fees, over budget by \$21K in the month due to our final payment for the 2020 financial audit. The year to date variance is expected to work itself out over the ensuing months.

Capital Projects - Month

- There were \$10K in renovation payments in the month for 3 different apartment projects, #412, # 107 and 1540 Francisco St.

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Bernstein Investment Portfolio – Cash Draws Month

- Bernstein regular monthly draws were \$205K. There was an additional transfer of \$300K in June in order to meet operational needs. Year to date, regular transfers stand at \$1.230M, additional transfers at \$2.235M, and \$3.465M in total. Through 6 months, the average additional monthly transfer rate is \$373K. See detail below.

Heritage Monthly Transfers Summary YTD							
		Regular			Additional		Date
Jan.	2021	\$ 205,000			\$ -		
Feb.	2021	\$ 205,000			\$ 600,000		2/1/2021 and 2/18/2021
Mar.	2021	\$ 205,000			\$ 350,000		3/24/2021
Apr.	2021	\$ 205,000			\$ 535,000		4/18/2021 and 4/28/2021
May.	2021	\$ 205,000			\$ 450,000		5/26/2021
Jun.	2021	\$ 205,000			\$ 300,000		6/23/2021
YTD		\$ 1,230,000			\$ 2,235,000		
Net Actual Cash Transferred		\$ 1,230,000			\$ 2,235,000		\$ 3,465,000

Joseph T. Conroy III
 Controller

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