



July 2021 Financial Summary

Year to Date Operating Result

- Our combined revenue and expense year to date through July is an operating loss of \$2.9M vs. a budget of \$2.4M or \$500K worse than plan. This result is a combination of revenue falling short of plan by \$703K while total expenses are better than plan by \$196K. This operating result trend is unchanged from what we have been reporting the last several months.

Revenue - Month

- Monthly revenue from all sources continues below plan and was \$594K with principal variances in monthly care fees (apartment vacancies), worse by \$29K, SNF fees (reduced census) worse by \$38K and Medicare revenue which was below plan due by \$62K due to a depressed patient count.
- Monthly care fees are below plan due to 10 apartment vacancies composed of 3, 2 bedroom units, 4, 1 bedroom units, and 3 studio units. The estimated revenue from these vacant apartments is \$69K per month or \$827K annualized. There are currently 9 studio apartments that have been taken out of service for possible resident occupancy consisting of 2 used for storage, 3 used for COVID isolation, and 4 assisted living units which are reserved for existing resident transitions to this level of service.
- Lost revenue through July: 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.

Expenses-Month

- Monthly operating expenses were \$1.0M and below plan by \$83K and there are 3 reasons for this favorable result: wages and salaries were better than plan by \$38K, outside services better by \$24K due to lower Medicare census patients and reduced therapy expenses as a result, and equipment maintenance favorable by \$12K in the month but is subject to monthly variability. Our 1 principal unfavorable variance was as follows.
- Legal Fees, worse than plan by \$23K due to continued need for legal counsel and advice on a variety of topics including leave issues, wage and hour issues, Healthy SF plan audit, and CA meal premium.

Capital Projects - Month

- There were no renovation payments made in the month.

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Bernstein Investment Portfolio – Cash Draws Month

- Bernstein regular monthly draws were \$205K. There were no additional draws in the month. Year to date, regular transfers stand at \$1.435M, additional transfers at \$2.235M, and \$3.670M in total. Through 7 months, the average additional monthly transfer rate is \$319K. 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
Jul.	2021		\$ 205,000		\$ -	
Aug.	2021					
Sep.	2021					
Oct.	2021					
Nov.	2021					
Dec.	2021					
YTD			\$ 1,435,000		\$ 2,235,000	
Net Actual Cash Transferred			\$ 1,435,000		\$ 2,235,000	\$ 3,670,000

Bernstein Portfolio Performance

- Performance before and after fees vs. benchmark as of July 2021 is displayed below.

Portfolio Performance Overview			
		Cumulative Jan. 2021- Jul. 2021	Jul. 2021
Before Fees		10.8	N/A
After Fees		10.7	N/A
Blended Benchmark		9.0	N/A

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