



October 2021 Financial Summary

Year to Date Operating Result

- Our combined revenue and expense year to date through October is an operating loss of \$4.3M vs. a budget of \$3.6M or \$723K worse than plan. This result is a combination of revenue falling short of plan by \$1.2M while total expenses are better than plan by \$723K.

Revenue - Month

- Monthly revenue from all sources continues below plan and was \$633K with principal variances in monthly care fees (apartment vacancies), worse by \$21K, SNF fees (reduced census) worse by \$69K and Medicare revenue which was below plan due to a depressed patient census. Medicare days were up in the month of October to 109, whereas in September we only had 9 Medicare patient days in the month.
- Monthly care fees are below plan due to 8 apartment vacancies composed of 3, 2 bedroom units, 3, 1 bedroom units, and 2 studio units. The estimated revenue from these vacant apartments is \$57K per month or \$684K 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.
- New Residents through October: 5 new residents with an annualized revenue of \$298K. We welcomed our fifth new resident this year, Judith Goff, in October.

Expenses-Month

- Monthly operating expenses were \$1.2M and worse than plan by \$50K. The major unfavorable variances are discussed below.
- Employee Wages/Salaries, due to a timing issue by Paychex, payroll taxes for the last payroll in September did not get booked until October 1st.
- Employee Benefits, \$17K worse than plan due to quarterly payment made to Healthy SF medical benefits program.
- Contract/Grounds Maintenance, worse than budget by \$19K due to UMI expense for HVAC preventive maintenance.
- Accounting Fees, worse than budget by \$3K due to final \$9K payment to Baker Tilly for 2020 401K plan audit.
- Legal Fees, worse than budget by \$39K due to \$46K expense for Hanson Bridgett counsel on various legal matters.
- Marketing, over budget by \$25K due to several items occurring in the month: delayed billing for full page ad from 2020 \$8.7K, Bild Sales System implementation \$5.5K unbudgeted, additional advertising \$3.4K, additional signage design \$4.1K and newsletter design \$3.5K. Year to date the account is \$8.4K over budget.

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- Medical Supplies, over budget by \$8K due to Pharmerica expense of \$6.4K and Medline expense of \$2.2K, however the year to date account variance is on budget.

Capital Projects - Month

- There were no renovation projects in progress in the month.

Bernstein Investment Portfolio – Cash Draws Month

- Bernstein regular monthly draws were \$205K. There was also an additional draw of \$250K in the month. Year to date, regular transfers stand at \$2.050M, additional transfers at \$2.485M, and \$4.535M in total. Through 10 months, the average additional monthly transfer rate is \$249K. 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		\$ 205,000		\$ -	
Sep.	2021		\$ 205,000		\$ -	
Oct.	2021		\$ 205,000		\$ 250,000	10/27/2021
Nov.	2021					
Dec.	2021					
YTD			\$ 2,050,000		\$ 2,485,000	
Net Actual Cash Transferred			\$ 2,050,000		\$ 2,485,000	\$ 4,535,000

Bernstein Portfolio Performance

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

Portfolio Performance Overview			
		Cumulative Jan. 2021- Oct. 2021	Oct. 2021
Before Fees		13.5%	3.8%
After Fees		13.3%	3.8%
Blended Benchmark		11.5%	3.6%

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