Financial Report – February 28, 2021

Results for the initial months of 2021 continue to be affected by two major forces – on the Revenue side by vacancies, and on the Expense side by COVID-19. To a certain degree we can blame the vacancies on COVID as well, since the pandemic has created delays, cancellations, and hesitancy in prospective tenants.

For 2021 we have introduced a balancing formula to smooth out the ups and downs that biweekly payroll creates in monthly statements. In 2021 there are 3 months (January, July, and December) that will see 3 payrolls rather than the usual 2 payrolls; the new formula applies an adjustment that results in net payroll expenses that match the number of days in each month.

January variances vs budget:

* we had about 20 vacant suites, resulting in rent revenues short of target by about $30K.
* Overall Health Care Expenses (primarily wages) were higher than budget by about $35K, due to extra care and other duties related to our recent COVID outbreak status.
* These two factors create a variance on net income of $65K compared to budget, leaving us with a loss of $60K.

February variances to budget:

* Vacancies continue to be a challenge, total revenue shortfall in February of $40K. Our new Resident Experience Coordinator, Fred Woudstra, is very active in pursuing potential residents and this situation should begin to improve over the next months.
* The entire drainage system in the West Wing required a cleanout, for an unexpected cost of $10K.
* Health Care Expenses continued to run at a high level; an extra $26K in February.
* A number of smaller operating elements ran at a higher cost for February, including heating costs (February cold snap) $5K, Office expenses $4K, Housekeeping supplies $3K, and the like.

Outlook

* Rent revenues should begin to increase as suites are taken up by new residents.
* COVID-19 costs are hard to predict, but we are hopeful that they will begin to subside as we are out of outbreak and vaccinations are essentially complete for residents.
* Reporting to AHS and the province on our COVID-19 costs and activities may result in more funding, but this is not at all assured.
* Operating cash position is in good shape with no problems keeping up with day to day needs.