# Executive Summary

## Multi-Tenant HOA Accounting System

**Company:** [Your Company Name] **Project:** saas202509 **Date:** October 2025 **Confidential**

## The Opportunity

**We’re building the first multi-tenant fund accounting platform designed specifically for Homeowners Associations (HOAs)** that eliminates $70K+ in annual accounting costs while ensuring zero tolerance for financial errors.

## The Problem

370,000 HOAs in the United States struggle with fragmented, error-prone accounting systems:

* **90% use spreadsheets** or generic accounting software not designed for fund accounting
* **Manual bank reconciliation** takes 20-40 hours/month per property
* **Delinquency tracking** is reactive, costing HOAs $50K-$200K annually in lost revenue
* **Audit preparation** requires 60-120 hours of manual ledger reconstruction
* **Zero tolerance for errors** - financial mistakes can result in board liability and legal issues

**Current solutions** (AppFolio, Buildium) serve property managers, NOT HOAs. They lack: - Proper fund accounting (Operating, Reserve, Special Assessment funds) - Immutable audit trails for point-in-time reconstruction - Automated bank reconciliation via Plaid integration - Delinquency workflow automation with certified notice tracking

## Our Solution

**A multi-tenant SaaS platform with:**

### 1. Fund Accounting (Core Differentiator)

* Separate accounting for Operating, Reserve, and Special Assessment funds
* Double-entry bookkeeping with zero error tolerance (NUMERIC(15,2) for all amounts)
* Event-sourced, immutable ledger for audit compliance

### 2. Bank Reconciliation (90%+ Auto-Match)

* Plaid integration for real-time bank feeds
* AI-powered transaction matching
* Reduces 20-40 hours/month to 2-4 hours

### 3. AR/Collections Automation

* Automated delinquency detection and escalation
* Certified notice tracking (legal compliance)
* Lien filing preparation and documentation

### 4. Audit Trail & Compliance

* Immutable ledger (INSERT only, never UPDATE/DELETE)
* Point-in-time reconstruction for any date
* Automated financial statement generation (balance sheet, income statement, cash flow)

## Market Opportunity

| Metric | Value |
| --- | --- |
| **Total Addressable Market (TAM)** | 370,000 HOAs × $5,000/yr = **$1.85 billion** |
| **Serviceable Available Market (SAM)** | 100,000 HOAs (50+ units) = **$500 million** |
| **Serviceable Obtainable Market (SOM)** | 1% in 5 years = **$5 million ARR** |

**Target Customer:** HOAs with 50-500 units, $500K-$5M annual budgets, self-managed or small management companies

## Business Model

**SaaS Subscription:** - **Tier 1 (50-100 units):** $400/month → $4,800/year - **Tier 2 (100-250 units):** $600/month → $7,200/year - **Tier 3 (250-500 units):** $800/month → $9,600/year

**Customer Economics:** - **Current cost:** $70K-$120K/year (outsourced CPA or internal bookkeeper) - **Our price:** $4,800-$9,600/year - **Customer savings:** $60K-$110K/year (85-92% cost reduction) - **LTV:** $24,000-$48,000 (5-year average) - **CAC:** $3,000-$5,000 (sales cycle 60-90 days) - **LTV/CAC:** 5-10x (healthy SaaS metrics) - **Gross Margin:** 85%+ (typical SaaS)

## Traction & Validation

**Current Stage:** Pre-revenue, MVP development

**Completed:** - ✅ 50+ customer discovery interviews with HOA board members and treasurers - ✅ Market validation: 90% cited bank reconciliation as #1 pain point - ✅ Technical architecture designed (schema-per-tenant, event sourcing) - ✅ Competitive analysis (AppFolio, Buildium, IronLedger, Palomma)

**In Progress:** - 🔨 MVP development (fund accounting, bank reconciliation, basic AR) - 🔨 Pilot program agreements (targeting 3-5 HOAs for beta)

**Next 6 Months:** - Launch MVP with 3-5 pilot customers - Achieve $10K-$50K ARR - Refine product based on pilot feedback - Prepare for Y Combinator application (Winter 2026)

## Competition & Differentiation

| Competitor | Focus | Weakness |
| --- | --- | --- |
| **AppFolio** | Property management (rentals) | Not designed for HOA fund accounting |
| **Buildium** | Property management + HOA | Generic accounting, poor fund separation |
| **IronLedger** (YC W24) | Property accounting AI | General property accounting, not HOA-specific |
| **Palomma** (YC W24) | Property management AI | Focus on leasing/sales, not fund accounting |
| **Spreadsheets** (90% of market) | Manual tracking | Error-prone, no automation, audit nightmares |

**Our Moat:** - ✅ **Vertical specialization:** HOAs only, not general property management - ✅ **Fund accounting expertise:** Operating, Reserve, Special Assessment funds - ✅ **Zero error tolerance:** Immutable ledger, event sourcing, NUMERIC types - ✅ **Multi-tenant architecture:** Schema-per-tenant for data isolation and compliance - ✅ **AI-powered reconciliation:** 90%+ auto-match via Plaid + machine learning

## Team

**[Your Name], Founder & CEO** - [Your background: software engineering, finance, HOA experience, prior startups, etc.] - [Relevant expertise: built X, worked at Y, domain knowledge in Z]

**Advisors:** (if any) - CPA with HOA accounting expertise - HOA board member or property manager - SaaS/FinTech founder with prior exit

**Hiring Plan (Post-Funding):** - Technical Co-Founder / CTO (25% equity reserved) - Senior Full-Stack Engineer ($120K-$140K) - Product Designer ($90K-$110K)

## Financial Projections (5-Year)

| Year | ARR | Customers | MRR/Cust | Growth | Burn Rate | Headcount |
| --- | --- | --- | --- | --- | --- | --- |
| **2025** (Y0) | $0 | 0 | - | - | -$15K/mo | 1 |
| **2026** (Y1) | $200K | 40 | $400 | - | -$25K/mo | 3 |
| **2027** (Y2) | $600K | 100 | $500 | 200% | -$35K/mo | 5 |
| **2028** (Y3) | $1.5M | 225 | $555 | 150% | -$50K/mo | 8 |
| **2029** (Y4) | $3.2M | 450 | $590 | 113% | -$75K/mo | 12 |
| **2030** (Y5) | $5.5M | 780 | $590 | 72% | Break-even | 18 |

**Key Assumptions:** - Average customer lifetime: 5-7 years (sticky, high switching costs) - Churn rate: 10-15% annually (industry standard for SMB SaaS) - Sales cycle: 60-90 days (enterprise sales to HOA boards) - CAC payback period: 12-18 months

## Funding Ask

**Round:** Pre-Seed / Friends & Family **Amount:** $100,000 - $500,000 **Structure:** SAFE note with $1.5M - $2M valuation cap, 20% discount **Use of Funds:**

| Category | Amount | Purpose |
| --- | --- | --- |
| **Engineering** | $180K | 2 engineers × $90K × 6 months |
| **Founder Salary** | $60K | Founder × $120K × 6 months |
| **Product/Design** | $45K | 1 designer × $90K × 6 months |
| **Infrastructure** | $15K | AWS, Plaid, dev tools, databases |
| **Legal/Accounting** | $10K | Corporate setup, compliance, tax |
| **Sales/Marketing** | $40K | Website, ads, pilot outreach, events |
| **Buffer (20%)** | $50K | Unexpected expenses, contingency |
| **Total** | **$400K** | **12-month runway to $200K ARR** |

**Milestones (Next 12 Months):** - ✅ Month 3: MVP launched with 3 pilot customers - ✅ Month 6: 10 paying customers, $50K ARR - ✅ Month 9: 25 paying customers, $120K ARR - ✅ Month 12: 40 paying customers, $200K ARR - ✅ Month 12: Apply to Y Combinator (Winter 2026 batch)

## Why Now?

**Market Timing:** 1. **FinTech funding strong:** Q1 2025 saw $10.3B globally (highest since Q1 2023) 2. **YC validating space:** IronLedger and Palomma (property accounting) funded in 2024 3. **AI automation hype:** Investors excited about AI-powered reconciliation 4. **Post-pandemic compliance focus:** HOAs facing increased scrutiny, audit requirements 5. **Plaid maturity:** Bank integration API now reliable and affordable

**Technology Enablers:** - Modern multi-tenant architectures (schema-per-tenant isolation) - Event sourcing frameworks (immutable ledger patterns) - Plaid API (real-time bank feeds, 12,000+ institutions) - AI/ML for transaction categorization (OpenAI, Anthropic)

## Investment Highlights

✅ **Large, underserved market:** $500M SAM, 90% using spreadsheets ✅ **Massive cost savings:** Customers save $60K-$110K/year (85-92% reduction) ✅ **High switching costs:** Once migrated, HOAs rarely change accounting systems ✅ **Recurring revenue:** Multi-year contracts, 85-90% retention ✅ **Scalable:** Multi-tenant SaaS, low marginal cost per customer ✅ **Defensible:** Fund accounting complexity = high barrier to entry ✅ **Hot market validation:** YC funding similar startups (IronLedger, Palomma) ✅ **Clear path to exit:** Acquisition targets include AppFolio, Buildium, RealPage, Yardi

## Risk Factors

**Market Risk:** - HOA boards can be slow to adopt new technology (mitigation: focus on cost savings) - Sales cycles can be long (60-90 days) due to board approval processes

**Competitive Risk:** - AppFolio or Buildium could add fund accounting (mitigation: 2-3 year head start, innovator’s dilemma) - IronLedger/Palomma could pivot to HOAs (mitigation: vertical specialization, deeper feature set)

**Execution Risk:** - Solo founder (mitigation: hiring CTO as first use of funds) - Complex domain (fund accounting, audit compliance) - requires specialized knowledge

**Regulatory Risk:** - Financial software compliance (mitigation: audit-grade architecture, CPA advisors)

## Exit Strategy

**Target Acquirers:** 1. **AppFolio** ($1.5B market cap) - Add HOA fund accounting to portfolio 2. **Buildium/RealPage** - Expand property management suite 3. **Yardi** - Largest property management software company 4. **Intuit** (QuickBooks) - Enter vertical accounting market 5. **Private Equity** - Roll-up play (consolidate HOA software)

**Comparable Exits:** - **Buildium** acquired by RealPage for $580M (2019) - **AppFolio** IPO at $2.1B valuation (2015) - **Yardi** (private) estimated $3B+ valuation

**Target Timeline:** 5-7 years to exit at $50M-$150M valuation (10-20x ARR at $5M-$10M)

## Contact

**[Your Name]** Founder & CEO Email: [your.email@company.com] Phone: [Your Phone] LinkedIn: [Your LinkedIn]

**Company:** Website: [yourcompany.com] (if live) Location: [Your Location]

## Next Steps

1. **Review pitch deck** (attached: 02-PITCH-DECK.pdf)
2. **Review financial model** (attached: 03-FINANCIAL-PROJECTIONS.xlsx)
3. **Schedule 30-minute call** to discuss investment opportunity
4. **Sign NDA** (if needed for deeper diligence)
5. **Receive SAFE agreement** for investment (attached: 04-SAFE-AGREEMENT.pdf)

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