# Financial Projections: Multi-Tenant HOA Accounting System

## 5-Year Model (2025-2030)

**Project:** saas202509 **Date:** October 2025 **Instructions:** Transfer these tables to Excel/Google Sheets for detailed modeling

## Summary Table (5-Year Overview)

| Metric | 2025 (Y0) | 2026 (Y1) | 2027 (Y2) | 2028 (Y3) | 2029 (Y4) | 2030 (Y5) |
| --- | --- | --- | --- | --- | --- | --- |
| **Annual Recurring Revenue (ARR)** | $0 | $200,000 | $600,000 | $1,500,000 | $3,200,000 | $5,500,000 |
| **Monthly Recurring Revenue (MRR)** | $0 | $16,667 | $50,000 | $125,000 | $266,667 | $458,333 |
| **Total Customers (End of Year)** | 0 | 40 | 100 | 225 | 450 | 780 |
| **New Customers Added** | 0 | 40 | 60 | 125 | 225 | 330 |
| **Churned Customers** | 0 | 0 | 0 | 0 | -15 | -45 |
| **Net Customer Growth** | 0 | 40 | 60 | 125 | 210 | 285 |
| **Average MRR per Customer** | - | $417 | $500 | $556 | $593 | $588 |
| **YoY Growth Rate** | - | - | 200% | 150% | 113% | 72% |
| **Churn Rate** | 0% | 0% | 0% | 0% | 3.3% | 5.8% |
|  |  |  |  |  |  |  |
| **Monthly Burn Rate** | -$15,000 | -$25,000 | -$35,000 | -$50,000 | -$75,000 | $0 |
| **Annual Cash Burn** | -$180,000 | -$300,000 | -$420,000 | -$600,000 | -$900,000 | $0 |
| **Cumulative Cash Burn** | -$180,000 | -$480,000 | -$900,000 | -$1,500,000 | -$2,400,000 | -$2,400,000 |
|  |  |  |  |  |  |  |
| **Headcount (End of Year)** | 1 | 3 | 5 | 8 | 12 | 18 |
| **Revenue per Employee** | $0 | $66,667 | $120,000 | $187,500 | $266,667 | $305,556 |

## Detailed Revenue Model

### Year 0 (2025) - Pre-Launch

| Month | New Customers | Total Customers | Avg MRR/Customer | MRR | ARR |
| --- | --- | --- | --- | --- | --- |
| Jan | 0 | 0 | $0 | $0 | $0 |
| Feb | 0 | 0 | $0 | $0 | $0 |
| Mar | 0 | 0 | $0 | $0 | $0 |
| Apr | 0 | 0 | $0 | $0 | $0 |
| May | 0 | 0 | $0 | $0 | $0 |
| Jun | 0 | 0 | $0 | $0 | $0 |
| Jul | 0 | 0 | $0 | $0 | $0 |
| Aug | 0 | 0 | $0 | $0 | $0 |
| Sep | 0 | 0 | $0 | $0 | $0 |
| Oct | 0 | 0 | $0 | $0 | $0 |
| Nov | 0 | 0 | $0 | $0 | $0 |
| Dec | 0 | 0 | $0 | $0 | $0 |
| **Total** | **0** | **0** | **-** | **$0** | **$0** |

### Year 1 (2026) - MVP Launch & Pilots

| Month | New Customers | Churned | Total Customers | Avg MRR/Customer | MRR | ARR |
| --- | --- | --- | --- | --- | --- | --- |
| Jan | 0 | 0 | 0 | $0 | $0 | $0 |
| Feb | 0 | 0 | 0 | $0 | $0 | $0 |
| Mar | 3 | 0 | 3 | $350 | $1,050 | $12,600 |
| Apr | 2 | 0 | 5 | $360 | $1,800 | $21,600 |
| May | 3 | 0 | 8 | $375 | $3,000 | $36,000 |
| Jun | 3 | 0 | 11 | $382 | $4,200 | $50,400 |
| Jul | 4 | 0 | 15 | $400 | $6,000 | $72,000 |
| Aug | 4 | 0 | 19 | $411 | $7,800 | $93,600 |
| Sep | 5 | 0 | 24 | $417 | $10,000 | $120,000 |
| Oct | 5 | 0 | 29 | $414 | $12,000 | $144,000 |
| Nov | 6 | 0 | 35 | $414 | $14,500 | $174,000 |
| Dec | 5 | 0 | 40 | $417 | $16,667 | $200,000 |
| **Total** | **40** | **0** | **40** | **$417** | **$16,667** | **$200,000** |

**Year 1 Notes:** - MVP launches Month 3 with 3 pilot customers at discounted rates ($350/mo avg) - Ramp from $350 → $417/mo as we move upmarket and end discounts - No churn in Year 1 (pilot customers committed for 12 months)

### Year 2 (2027) - Scale to 100 Customers

| Quarter | New Customers | Churned | Total Customers | Avg MRR/Customer | MRR | Quarterly Revenue | ARR |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Q1 | 15 | 0 | 55 | $455 | $25,000 | $75,000 | $300,000 |
| Q2 | 15 | 0 | 70 | $476 | $33,333 | $100,000 | $400,000 |
| Q3 | 15 | 0 | 85 | $490 | $41,667 | $125,000 | $500,000 |
| Q4 | 15 | 0 | 100 | $500 | $50,000 | $150,000 | $600,000 |
| **Total** | **60** | **0** | **100** | **$500** | **$50,000** | **$450,000** | **$600,000** |

**Year 2 Notes:** - Consistent 15 customers/quarter acquisition - MRR/customer increases from $455 → $500 (moving upmarket to larger HOAs) - No churn yet (high switching costs, customers still in initial contracts)

### Year 3 (2028) - Reach $1.5M ARR

| Quarter | New Customers | Churned | Net New | Total Customers | Avg MRR/Customer | MRR | ARR |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Q1 | 30 | 0 | 30 | 130 | $513 | $66,667 | $800,000 |
| Q2 | 35 | 0 | 35 | 165 | $530 | $87,500 | $1,050,000 |
| Q3 | 35 | 0 | 35 | 200 | $542 | $108,333 | $1,300,000 |
| Q4 | 25 | 0 | 25 | 225 | $556 | $125,000 | $1,500,000 |
| **Total** | **125** | **0** | **125** | **225** | **$556** | **$125,000** | **$1,500,000** |

**Year 3 Notes:** - Acceleration due to partnerships with property management companies - MRR/customer continues increasing (larger HOAs, better pricing power) - Still minimal churn (early adopters loyal)

### Year 4 (2029) - Scale to $3.2M ARR

| Quarter | New Customers | Churned | Net New | Total Customers | Avg MRR/Customer | MRR | ARR |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Q1 | 55 | -2 | 53 | 278 | $569 | $158,333 | $1,900,000 |
| Q2 | 60 | -3 | 57 | 335 | $582 | $195,000 | $2,340,000 |
| Q3 | 60 | -5 | 55 | 390 | $590 | $230,000 | $2,760,000 |
| Q4 | 65 | -5 | 60 | 450 | $593 | $266,667 | $3,200,000 |
| **Total** | **240** | **-15** | **225** | **450** | **$593** | **$266,667** | **$3,200,000** |

**Year 4 Notes:** - Churn begins (3-5% annually) as early contracts expire - High acquisition rate (55-65/quarter) due to self-serve channel + partnerships - MRR/customer plateaus around $590-$595 (market pricing established)

### Year 5 (2030) - Reach $5.5M ARR & Profitability

| Quarter | New Customers | Churned | Net New | Total Customers | Avg MRR/Customer | MRR | ARR |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Q1 | 80 | -10 | 70 | 520 | $590 | $307,000 | $3,684,000 |
| Q2 | 85 | -12 | 73 | 593 | $588 | $348,667 | $4,184,000 |
| Q3 | 85 | -11 | 74 | 667 | $587 | $391,500 | $4,698,000 |
| Q4 | 80 | -12 | 68 | 735 | $586 | $430,000 | $5,160,000 |
| **Total** | **330** | **-45** | **285** | **735** | **$588** | **$430,000** | **$5,160,000** |

**Year 5 Notes:** - High churn (6%) but offset by strong acquisition (80-85/quarter) - MRR/customer slightly declines (more small HOAs via self-serve) - **Profitability achieved** (revenue exceeds burn rate)

## Unit Economics

### Customer Acquisition Cost (CAC)

| Year | Sales & Marketing Spend | New Customers | CAC |
| --- | --- | --- | --- |
| 2026 | $120,000 | 40 | $3,000 |
| 2027 | $180,000 | 60 | $3,000 |
| 2028 | $375,000 | 125 | $3,000 |
| 2029 | $600,000 | 225 | $2,667 |
| 2030 | $660,000 | 330 | $2,000 |

**CAC Reduction:** $3,000 (Year 1) → $2,000 (Year 5) due to channel maturity

### Customer Lifetime Value (LTV)

| Metric | Value | Notes |
| --- | --- | --- |
| **Average MRR** | $500 | Blended across all tiers |
| **Average Customer Lifespan** | 5 years | High switching costs, sticky product |
| **Total Revenue per Customer** | $30,000 | $500/mo × 60 months |
| **Gross Margin** | 85% | Standard SaaS margin |
| **LTV** | $25,500 | $30,000 × 85% |

### LTV/CAC Ratio

| Year | LTV | CAC | LTV/CAC Ratio |
| --- | --- | --- | --- |
| 2026 | $25,500 | $3,000 | 8.5x |
| 2027 | $25,500 | $3,000 | 8.5x |
| 2028 | $25,500 | $3,000 | 8.5x |
| 2029 | $25,500 | $2,667 | 9.6x |
| 2030 | $25,500 | $2,000 | 12.8x |

**Target:** LTV/CAC > 3x (healthy SaaS) **Actual:** 8.5x-12.8x (excellent unit economics)

### CAC Payback Period

| Metric | Calculation | Result |
| --- | --- | --- |
| **CAC** | $3,000 | Cost to acquire one customer |
| **Monthly Gross Margin** | $425 | $500 MRR × 85% margin |
| **CAC Payback Period** | $3,000 / $425 | **7 months** |

**Industry Benchmark:** 12-18 months **Our Target:** 7-9 months (strong)

## Expense Model

### Year 0 (2025) - Pre-Revenue

| Category | Monthly | Annual |
| --- | --- | --- |
| **Founder Salary** | $10,000 | $120,000 |
| **Infrastructure (AWS, tools)** | $1,500 | $18,000 |
| **Legal/Accounting** | $1,000 | $12,000 |
| **Office/Co-working** | $500 | $6,000 |
| **Software/Subscriptions** | $500 | $6,000 |
| **Other** | $1,500 | $18,000 |
| **Total Burn** | **$15,000** | **$180,000** |

### Year 1 (2026) - MVP Launch

| Category | Monthly | Annual |
| --- | --- | --- |
| **Salaries** |  |  |
| - Founder | $10,000 | $120,000 |
| - Engineer 1 | $10,000 | $120,000 |
| - Designer | $7,500 | $90,000 |
| **Total Salaries** | $27,500 | $330,000 |
|  |  |  |
| **Infrastructure** | $2,500 | $30,000 |
| **Sales & Marketing** | $10,000 | $120,000 |
| **Legal/Accounting** | $1,500 | $18,000 |
| **Office/Co-working** | $1,000 | $12,000 |
| **Software/Subscriptions** | $1,000 | $12,000 |
| **Other/Contingency** | $6,500 | $78,000 |
| **Total Expenses** | **$50,000** | **$600,000** |
|  |  |  |
| **Revenue** | $16,667 | $200,000 |
| **Net Burn** | -$33,333 | -$400,000 |
| **Avg Monthly Burn** | -$25,000 | (first 6 mo = $0 revenue) |

### Year 2 (2027) - Scale to 100 Customers

| Category | Monthly | Annual |
| --- | --- | --- |
| **Salaries (5 people)** | $45,000 | $540,000 |
| **Infrastructure** | $4,000 | $48,000 |
| **Sales & Marketing** | $15,000 | $180,000 |
| **Legal/Accounting** | $2,000 | $24,000 |
| **Office/Co-working** | $2,000 | $24,000 |
| **Software/Subscriptions** | $2,000 | $24,000 |
| **Other/Contingency** | $10,000 | $120,000 |
| **Total Expenses** | **$80,000** | **$960,000** |
|  |  |  |
| **Revenue** | $50,000 | $600,000 |
| **Net Burn** | -$30,000 | -$360,000 |

### Year 3 (2028) - Reach $1.5M ARR

| Category | Monthly | Annual |
| --- | --- | --- |
| **Salaries (8 people)** | $75,000 | $900,000 |
| **Infrastructure** | $7,500 | $90,000 |
| **Sales & Marketing** | $31,250 | $375,000 |
| **Legal/Accounting** | $3,000 | $36,000 |
| **Office** | $5,000 | $60,000 |
| **Software/Subscriptions** | $4,000 | $48,000 |
| **Other/Contingency** | $24,250 | $291,000 |
| **Total Expenses** | **$150,000** | **$1,800,000** |
|  |  |  |
| **Revenue** | $125,000 | $1,500,000 |
| **Net Burn** | -$25,000 | -$300,000 |

### Year 4 (2029) - Scale to $3.2M ARR

| Category | Monthly | Annual |
| --- | --- | --- |
| **Salaries (12 people)** | $112,500 | $1,350,000 |
| **Infrastructure** | $12,000 | $144,000 |
| **Sales & Marketing** | $50,000 | $600,000 |
| **Legal/Accounting** | $5,000 | $60,000 |
| **Office** | $8,000 | $96,000 |
| **Software/Subscriptions** | $6,000 | $72,000 |
| **Other/Contingency** | $31,500 | $378,000 |
| **Total Expenses** | **$225,000** | **$2,700,000** |
|  |  |  |
| **Revenue** | $266,667 | $3,200,000 |
| **Net Burn** | $41,667 | $500,000 |
| **Status** | **Profitable!** | (positive cash flow) |

**Note:** Achieved profitability in Year 4!

### Year 5 (2030) - Reach $5.5M ARR & Full Profitability

| Category | Monthly | Annual |
| --- | --- | --- |
| **Salaries (18 people)** | $168,750 | $2,025,000 |
| **Infrastructure** | $18,000 | $216,000 |
| **Sales & Marketing** | $55,000 | $660,000 |
| **Legal/Accounting** | $7,500 | $90,000 |
| **Office** | $12,000 | $144,000 |
| **Software/Subscriptions** | $9,000 | $108,000 |
| **Other/Contingency** | $46,750 | $561,000 |
| **Total Expenses** | **$317,000** | **$3,804,000** |
|  |  |  |
| **Revenue** | $458,333 | $5,500,000 |
| **Net Profit** | $141,333 | $1,696,000 |
| **Profit Margin** | **31%** | (healthy SaaS margin) |

## Funding Requirements

### Total Capital Needed (5 Years)

| Period | Capital Required | Use |
| --- | --- | --- |
| **Pre-Seed (Year 0-1)** | $400,000 | MVP development, initial customers |
| **Seed (Year 2-3)** | $1,000,000 | Scale to $1M ARR, 8-person team |
| **Series A (Year 3-4)** | $2,000,000 | Scale to $3M ARR, profitability |
| **Total** | **$3,400,000** | Cumulative funding through profitability |

**Note:** Company becomes cash-flow positive in Year 4, no further funding needed

### Pre-Seed Round (Current Ask)

| Use of Funds | Amount | % of Total |
| --- | --- | --- |
| **Engineering** (2 engineers × 6 months) | $180,000 | 45% |
| **Founder Salary** (6 months) | $60,000 | 15% |
| **Product/Design** (1 designer × 6 months) | $45,000 | 11% |
| **Infrastructure** (AWS, Plaid, tools) | $15,000 | 4% |
| **Legal/Accounting** | $10,000 | 3% |
| **Sales/Marketing** | $40,000 | 10% |
| **Buffer/Contingency (20%)** | $50,000 | 13% |
| **Total** | **$400,000** | **100%** |

**Runway:** 12 months to reach $200K ARR

## Key Metrics Dashboard

### North Star Metrics

| Metric | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Target |
| --- | --- | --- | --- | --- | --- | --- |
| **ARR** | $200K | $600K | $1.5M | $3.2M | $5.5M | $5M+ |
| **Customers** | 40 | 100 | 225 | 450 | 780 | 1,000+ |
| **MRR per Customer** | $417 | $500 | $556 | $593 | $588 | $500+ |
| **YoY Growth** | - | 200% | 150% | 113% | 72% | 100%+ |
| **Churn Rate** | 0% | 0% | 0% | 3.3% | 6% | <10% |
| **LTV/CAC** | 8.5x | 8.5x | 8.5x | 9.6x | 12.8x | >3x |
| **CAC Payback** | 7mo | 7mo | 7mo | 6mo | 5mo | <12mo |
| **Gross Margin** | 85% | 85% | 85% | 85% | 85% | >80% |
| **Burn Multiple** | 2.0x | 0.6x | 0.2x | - | - | <1.5x |

**Burn Multiple = Net Burn / Net New ARR** (lower is better)

## Scenario Analysis

### Conservative Case (-30% Revenue)

| Year | ARR (Conservative) | Customers | Notes |
| --- | --- | --- | --- |
| 2026 | $140,000 | 28 | Slower pilot adoption |
| 2027 | $420,000 | 70 | Longer sales cycles |
| 2028 | $1,050,000 | 158 | Higher churn |
| 2029 | $2,240,000 | 315 | Market resistance |
| 2030 | $3,850,000 | 545 | Still profitable Y5 |

**Outcome:** Still viable, profitable by Year 5, but need more capital

### Base Case (As Modeled)

| Year | ARR (Base) | Customers |
| --- | --- | --- |
| 2026 | $200,000 | 40 |
| 2027 | $600,000 | 100 |
| 2028 | $1,500,000 | 225 |
| 2029 | $3,200,000 | 450 |
| 2030 | $5,500,000 | 780 |

**Outcome:** As presented above

### Optimistic Case (+50% Revenue)

| Year | ARR (Optimistic) | Customers | Notes |
| --- | --- | --- | --- |
| 2026 | $300,000 | 60 | Faster word-of-mouth |
| 2027 | $900,000 | 150 | Strong partnerships |
| 2028 | $2,250,000 | 338 | Lower churn |
| 2029 | $4,800,000 | 675 | Self-serve success |
| 2030 | $8,250,000 | 1,170 | Market leader |

**Outcome:** Dominant market position, highly profitable

## Assumptions

### Revenue Assumptions

* Average MRR per customer: $400-$600 (varies by HOA size)
* Customer lifetime: 5-7 years (high switching costs)
* Churn rate: 0% (Y1-2), 3-6% (Y3-5), 8-10% (steady state)
* Sales cycle: 60-90 days (enterprise sales to HOA boards)
* Payment terms: Monthly or annual (10% discount for annual prepay)

### Cost Assumptions

* Engineering salaries: $120K-$140K (mid-senior level)
* Sales/marketing: 25-35% of revenue (Year 1-3), 15-20% (Year 4-5)
* Infrastructure: $30-$50 per customer per year
* Gross margin: 85% (standard SaaS benchmark)

### Growth Assumptions

* Year 1: Build MVP, 40 customers (3-5/month after launch)
* Year 2: Scale to 100 customers (5/month average)
* Year 3: Partnerships kick in, 10-12/month
* Year 4: Self-serve + partnerships, 18-20/month
* Year 5: Multi-channel maturity, 25-30/month

## Exit Valuation Scenarios

### At $5.5M ARR (Year 5)

| Multiple | Valuation | Notes |
| --- | --- | --- |
| **5x ARR** | $27.5M | Conservative (slow growth) |
| **10x ARR** | $55M | Base case (SaaS standard) |
| **15x ARR** | $82.5M | Optimistic (high growth) |
| **20x ARR** | $110M | Best case (market leader) |

**Target Exit:** $50M-$100M in 5-7 years

## Notes for Excel Transfer

**To recreate this model in Excel/Google Sheets:**

1. Create separate tabs for:
   * Summary Dashboard
   * Revenue Model (monthly)
   * Expense Model (monthly)
   * Unit Economics
   * Scenario Analysis
   * Cap Table
   * Funding Rounds
2. Use formulas for:
   * MRR = Total Customers × Avg MRR/Customer
   * ARR = MRR × 12
   * Churn Rate = Churned Customers / Total Customers
   * LTV = (Avg MRR × Customer Lifespan × 12) × Gross Margin
   * CAC = Sales & Marketing Spend / New Customers
   * CAC Payback = CAC / (Monthly Gross Margin)
3. Add charts for:
   * ARR growth over time
   * Customer acquisition vs. churn
   * Monthly burn rate
   * Unit economics (LTV/CAC, CAC payback)
   * Revenue by customer tier
4. Enable scenario analysis with input variables:
   * Customer growth rate
   * Avg MRR per customer
   * Churn rate
   * Sales & marketing efficiency

**Last Updated:** October 27, 2025 **Version:** 1.0