



Your Monthly Owner Statement: *Line By Line*

The best way to approach your Monthly Owner Statement is to think of it like a bank statement. It tells you what your balance was at the end of the previous month, what was added to the account to increase the balance, what was deducted to decrease the balance, and what the ending balance is for the current month. If you read it line by line, it's easy to interpret! Our property management software takes into account that most single-family owners are not high-level accountants, so labels are kept simple; on the other hand, it also provides measurements of cash flow to those of you who like that detail.

This explanation is for "the rest of us" and will show you what's important to a good, basic understanding of the monthly accounting (and those things you can just ignore if you're not a "number cruncher"!).

Beginning Balance – this is the starting point for the month! It should correspond with the Ending Balance from the previous month...if it doesn't, something has been posted between accounting cycles. Please contact our Bookkeeper should you ever see this occur.

The Property Address – for those of you who have multiple properties, the activity of each property will be separated out individually so that you can see what income and expenses each property had for the month.

Increases/Decreases – These columns show the increases and decreases to your account. Normally, an increase will be income to you and a decrease will be an expense amount. However, if an adjustment is made to a line, it will also show as an increase or decrease according to whatever the original entry was; when adjustments or corrections have to be made, they are posted to the same category as the original posting so that your year-to-date total will reflect the true adjusted total.

Within each column, the software will total up the increases and decreases for each property and will list a corresponding balance. These are cash flow measurements...ignore them!

Other Transactions (No Unit Specified)

This is your Equity section (for you accounting types). If you send money to us for repairs or expenses, the funds will appear in this section as "Owner Contribution". Your monthly disbursement (whatever's left over from rents after expenses are deducted) will appear in the section as "Owner Disbursement"; this will correspond with your check or ACH transfer amount, depending on the payment method you signed up for.

Net Balance Change – Another cash flow measurement...ignore it!

Ending Balance – this is the balance which is still being held in your account for your owner reserve. If additional funds were authorized by you to be held for repairs, the ending balance will be higher than your normal reserve amount.

YEAR TO DATE SUMMARY

The year-to-date summary shows both the current month's recap, as well as the cumulative totals for each category as we go through the year. The totals are combined *by owner* (not broken down by property); for owners with multiple properties, we can provide another report at year end which will show yearly totals by property for your tax reporting.

TENANT BALANCE SUMMARY

The last section is a recap which shows current and pending tenant activity, and will show tenants who are "on notice" to move, previous tenants who still owe a balance, and/or current tenant rent amounts and balances due.

Please feel free to contact us if you have questions! We review each statement and try to look at them from an owner's standpoint to answer questions prior to sending, but we are available to help and give more information should you need it.