CT Associates utilizes a computerized property management system that has been developed to provide for the specific needs of the property management industry. In the past, managing residential property was a predictable, straightforward process controlled by an informal, common sense approach. Costs were usually well defined and relatively fixed. This luxury is no longer afforded the property management industry. Dramatically fluctuating energy costs and interest rates, sophisticated residents, and demanding governmental agencies require flexibility and the ability to quickly analyze conditions and recognize trends to be able to maintain the property at its maximum potential.

System Overview

Our system is an integrated set of programs designed to run in conjunction with each other, all updated for secure internet accessibility from each property and, when requested, by owners. Transactions are automatically fed between each subsystem so that reporting information is always up to the minute. This system is designed to provide timely and consistent monthly reports identifying variances and trends. These reports are analyzed by our management team to identify problem areas to which solutions are discussed and then presented for the owner's approval. The computerized reports are organized into two major subsystems: Resident Records subsystem and the General Ledger subsystem.

The General Ledger subsystem prints checks, maintains a comprehensive general ledger and produces the Monthly Financial Reports to the owner. The property's annual budget is loaded into the database at the beginning of each fiscal year. Every disbursement impacts a general ledger category, which in turn produces a monthly Budget Performance Report. The report gives the Property Manager and the Controller a valuable tool for maintaining the sound financial health of a property and ensures that every dollar spent from the Operating Account is accounted for precisely. The budget performance information forms a part of the record upon which subsequent year's financial planning is based.

The Monthly Financial Report generally includes the following details:

a) Cash Receipts  
b) Monthly Disbursements  
c) Resident Delinquencies  
d) Accounts Receivable  
e) Accounts Payable  
f) Cash Flow  
g) Vacancy Losses  
h) Rent Roll  
i) Operating Profit/Loss Statement with Budget Performance Comparison

Each subsystem is designed to provide specific procedures, control functions and reporting requirements. They are fully documented so that site and central office personnel fully understand the procedures and objectives of each subsystem. This provides management and the owners with a dependable and consistent system with which we can monitor progress and identify deficiencies on a timely basis.
GENERAL LEDGER SUBSYSTEM
PROCEDURES AND REPORTS

1. Disbursements
   A. Check writing is accomplished on the computer simultaneously with General
      Ledger updating. Approved invoices including General Ledger coding are pre-
      pared on a weekly basis and checks produced.
   B. Payroll checks are prepared bi-weekly.

2. Budgets
   A. Budgets are prepared and monitored. They can be updated as frequently as
      requested.
   B. A Profit and Loss Statement with comparisons to budget are produced on a
      monthly basis.
   C. A complete General Ledger is maintained and a monthly ledger can be produced
      for the Owner, including all journal entries required. On an annual basis we
      would be pleased to work with the auditors and assist them in any way possible.
   D. The bank reconciliation is completed monthly.
      schedules are prepared monthly for the Owner's information and file.

RESIDENT RECORDS SUBSYSTEM

The Resident Records subsystem provides a comprehensive database of information on every
resident, and includes the following type of data:

- Unit Number
- Resident Name
- Unit Size
- Occupancy Date
- Security deposit paid, if any
- Rent Amount

1. Resident Payments
   A. Residents mail or hand carry rent payments in pre-addressed envelopes to the
      rental office.
   B. Payments are posted daily through the tenth of the month and weekly for the
      remainder of the month.
C. Bank deposits are be made on a daily basis as required.
D. Cash receipt journals listing application of all payments to resident accounts and corresponding deposit slips are maintained for Annual Financial Audit.

2. Assessments

A. Rent.
B. Late Fee.
C. Others as required: repair, legal, etc.

3. Delinquency Reports

A. On the tenth of each month a delinquency report listing all residents in arrears on rent is produced.
B. Weekly, for the remainder of the month, updated or revised delinquency reports are provided to the managers.
C. At the end of the month a special delinquency report is produced listing all residents who have arrears or prepaids in any category.

4. Resident Records

A. A complete resident history is maintained of assessments and payments. Individual residents' history can be printed on an as-needed basis. A year-end copy of all resident rent history will be made and filed as part of residents' permanent record.
B. Complete computerized records are maintained on family composition, age, sex, relationship to head of household, race, gross income, and special status - elderly or handicapped.
C. Move-in and lease ending dates are incorporated. Using these dates, the system produces renewal information on a timely basis. Lists will be produced on the fifteenth of the month for residents who are to be renewed in seventy-five days.
D. A monthly subsidy request is prepared and sent (if necessary) to the appropriate office prior to the twentieth of the month. This report is used to monitor subsidy payments from the paying agency.
E. Move-ins and move-outs are processed as received.
F. Histories on move-outs are maintained for follow-up collections.
G. Rent Roll is produced and journalized into General Ledger at month end.
H. Excess income report is produced, if required.