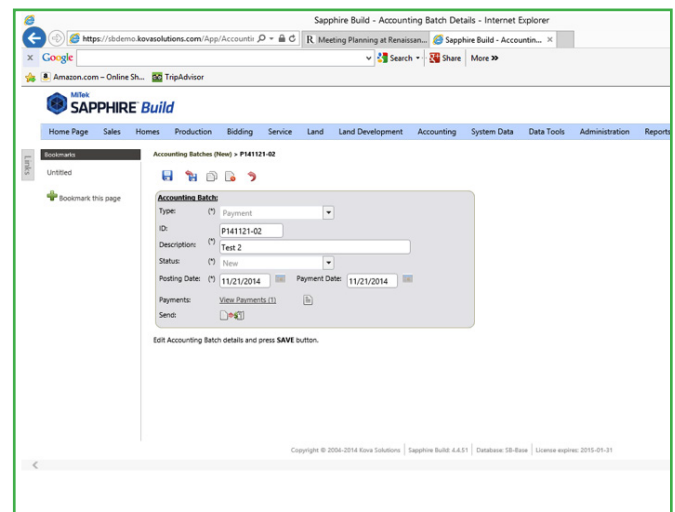


## Microsoft Dynamics SL Accounting Fact Sheet



The Sapphire/Microsoft Dynamics SL solution is the most robust financial management system on the market today. We have developed a platform that allows all pertinent financial information to flow through Sapphire and Microsoft Dynamics SL – resulting in one fully integrated Enterprise Resource Management (ERP) system that can run every facet of your business. Accounting functionality includes:

- Track soft costs, non-scheduled costs and deposits in either Sapphire, Microsoft Dynamics, or both. Track homebuyer deposits and reconcile the deposits to the deposit slip that goes to the bank so that what Sales records in the Sales office is reconciled to the correct homebuyer and the correct lot.
- Manage purchase order processing with a seamless flow. Once the purchase orders are approved, they flow into the Accounts Payable modules as completed vouchers, ready for payment, with no additional data entry required. This is also true for variance purchase orders, service orders, back charges, and miscellaneous invoices. Once the purchase orders are paid, the pay date and the check number flow to the vendor portal, which saves all those calls to the accounting department asking if something had been paid. Electronic Funds Transfer facilitates a completely paperless process.
- Track insurance compliance for subcontractors and helps subcontractors with notifications of expiring certificates.
- Automatically create the revenue recognition entry to properly account for the true Cost



of Sale for each lot. The closing entry is populated in Sapphire, and can be edited by accounting to reflect any adjustments from the HUD form, and can be used to allocate overhead expenses back to each lot to determine the true margin on each lot.

- For multi-company entities, automatically create the due/to, due/from entries so that every company is in balance all the time. Both Sapphire and Microsoft Dynamics are multi-company with intercompany processing enabled. Multiple companies share one database allowing companies to share chart of accounts, vendors, and jobs.

**“Since we implemented the Sapphire/Dynamics Solution, we have gone from selling 100 to 800 homes without having to add additional staff and we save thousands of dollars a year not having to print out purchase orders.”**

**Haley Lilly, Assistant Controller, Oakwood Homes**

| Date: Tuesday, March 20, 2007           |  | Somerset Lakes, LLC |                     |
|---|--|---------------------|---------------------|
| Time: 8:51:23AM                         |  | Net Profit per Lot  |                     |
| User: SYSADMIN                          |  | Project             | Block 3901 Lot 8-35 |
|   |  | CLK1-3901-835       |                     |
|   |  | 03-2007             |                     |
| Task Description                        |  | PTD Cost            | % of Sales          |
| <b>SALES INCOME</b>                     |  |                     |                     |
| 9800-400 Revenue                        |  | 413,300.00          | 72.97%              |
| 9800-405 Lot Premium                    |  | 20,000.00           | 3.53%               |
| 9800-410 Option Revenue                 |  | 132,529.00          | 23.40%              |
| 9800-435 Survey Income                  |  | 575.00              | 0.10%               |
| * Total SALES INCOME                    |  | <u>566,404.00</u>   | <u>100.00%</u>      |
| <b>DIRECT COSTS</b>                     |  |                     |                     |
| 9900-000 Allocation-land & related      |  | 40,130.06           | 7.09%               |
| 9900-010 Allocation-Land planning costs |  | 2,604.17            | 0.46%               |
| 9900-040 Allocation-Sitework Costs      |  | 41,666.67           | 7.36%               |
| 9900-050 Allocation-per lot costs       |  | 196,960.79          | 34.77%              |
| 9900-051 Allocation-lot option costs    |  | 75,774.21           | 13.38%              |
| * Total DIRECT COSTS                    |  | <u>357,135.90</u>   | <u>63.05%</u>       |
| <b>INDIRECT COSTS</b>                   |  |                     |                     |
| 9800-500 Closing Costs                  |  | 6,917.60            | 1.22%               |
| 9800-550 Homebuyers Warranty            |  | 619.95              | 0.11%               |
| 9800-600 Commission                     |  | 11,266.58           | 1.99%               |
| 9900-020 Allocation-Project Soft Costs  |  | 15,487.50           | 2.73%               |
| 9900-030 Allocation-overhead per lot    |  | 19,091.45           | 3.37%               |
| 9900-060 Allocation-financing costs     |  | 26,550.00           | 4.69%               |
| 9900-070 Allocation-sales & marketing c |  | 17,700.00           | 3.12%               |
| * Total INDIRECT COSTS                  |  | <u>97,633.08</u>    | <u>17.24%</u>       |
| ** Total NET PROFIT                     |  | <u>111,635.02</u>   | <u>19.71%</u>       |

- Leverage a library of reports specific to residential homebuilding so that reporting and business analytics are specific to what a builder is looking for including forecasting, cash flow, profitability by plan by community, vendor performance, analysis of work in process and revenue recognition.
- Leverage the full power of Microsoft Dynamics SL for functions such as cash management (the ability to do bank reconciliations online), fixed assets, payroll, inventory, project billing and time and expense for projects
- Leverage the familiar productivity tools you use every day. Snap any screen into an excel spreadsheet, cut, copy, and paste from excel and word, create quick queries on the fly and save them as dashboards, and create dynamic excel spreadsheets and pivot table, allowing for the constant refresh of data.

**SBS Group has been specializing in the homebuilding space for fifteen years. We have the tools and methodologies to provide a swift and seamless transition from your current platform to Microsoft Dynamics.**