



January, 2021

Dear Owners,

Enclosed please find your annual statement(s) and 1099-Misc form for tax year 2020.

For those owners with multiple properties, your reports will include a “consolidated” cash flow statement as well as an individual 12 month cash flow statement for each property.

For owners with a single property, your reports will include a 12 month cash flow and consolidated cash flow statement.

Important: To verify the amount shown on your 1099 with your annual cash flow report, please note that the 1099 is adjusted by 1) your proportionate share of ownership of the property; and 2) the amount of prepaid rent that is shown in the section “Other Items” on the annual cash flow report. This follows IRS guidelines for 1099 reporting. In most cases, total operating income plus or minus the prepaid rent amount on the cash flow report should equal the 1099 total.

For those owners who accept Section 8 (Housing Authority Payments) please note that the 1099 from Backus Properties **does not** include those funds; you will receive a separate 1099 directly from the Housing Authority.

Please also note that the annual report totals may not match the year-to-date amounts that are shown on your previously received **monthly reports**, as the annual reports cover the period January 1, 2020 to December 31, 2020. Your monthly reports include activity up to the date that your last monthly distribution was sent.

Your annual reports as well as the 1099-Misc form will also be published to your Owner Portal for your convenience.

Please feel free to call the office with any questions you may have regarding your reports. Thank you for your continued trust in our services.

Sincerely,

Backus Properties

Mailing Address: P.O. Box 1089, Salinas, CA 93902

Main Office Address: 19000 Portola Drive, Suite #107, Salinas, CA 93908 || Monterey Office Address: 887 Abrego Street, Monterey, CA 93940
Telephone: 831-455-2052 | Facsimile: 831-455-2087 || Website: <http://www.backuspm.com>

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