SAMPLE - two fictional properties, one tax year, generated by The Ledger. Every figure below came out of the app exactly as a client's would. **Back to the CPA page**

# The Ledger - Property Management · CPA Package

All properties · 2026 · Generated January 22, 2027

Forms 1098 on file: 1 of 1 · statements all under 12 months · 5 entries not checked against paper · 1 receipt missing

### How each property is held

| PROPERTY | HELD AS | OWNER'S SHARE | REPORTED ON |
|---|---|---|---|
| 1425 Larkspur Ln | Personal | 100% | Schedule E, Part I |
| 206 Willow Ct | Personal | 100% | Schedule E, Part I |

**Every figure in this package is 100% of the property, whatever the share.** Nothing has been apportioned. The owner recorded these; we have not verified a deed.

### What we know is missing

No documents. Every loan open in 2026 has its Form 1098 recorded, the books cover the full year, and the papers behind these figures are in hand. Receipts, entries not yet checked against a bank and personal-use days are reported in their own sections below.

SAMPLE

## What the owner confirmed

Answered in the app on Jan 20, 2027 by owner@example.com. These are the things the books cannot answer - none of them can be derived from any statement or import, and every one of them changes a return.

| QUESTION | ANSWER | WHAT IT MEANS FOR THE RETURN |
|---|---|---|
| Did you own any other rental property this year that is not in here? | **no** | - |
| Did you sell, transfer or otherwise dispose of any property this year? | **no** | - |
| Was any property here acquired through a 1031 exchange - this year or any year? | **no** | - |
| Did you refinance, or take out a new loan against a property? | **no** | - |
| Did you pay anyone $2,000 or more for work on these properties outside these books - cash, Zelle, Venmo, a personal card? | **yes** | Add those payments so the 1099 check can see them, or hand your preparer the list separately. *Owner adds: Lone Star Roofing - on the 1099 list* |
| Did you make any improvements you have not logged - a roof, an HVAC, a renovation? | **yes** | Log them as Capital improvement entries with their dates; we will put each on its own depreciation clock. *Owner adds: Roof at 206 Willow Ct, Sep 28 - entered as a capital improvement* |
| Did you, your family, or anyone paying below-market rent stay in any of these properties? | **no** | - |
| Was any property off the market this year - not rented and not available to rent? | **no** | - |
| Do you use part of your home regularly and exclusively to manage these rentals? | **no** | - |
| Did you travel overnight for these properties? | **no** | - |
| Is any of these properties held with a partner, a spouse filing separately, or through an LLC? | **no** | - |
| Was there a fire, storm, flood or theft affecting any property? | **no** | - |
| Did you keep any tenant's security deposit this year? | **no** | - |

**2 of these need your attention** before this return is finished.

SAMPLE

### How each figure was worked out

The method behind every line above, so none of it has to be inferred. Where a figure rests on a document, the document is named; where it rests on our arithmetic, the arithmetic is described.

| LINE | WHERE IT COMES FROM | WHAT WOULD MAKE IT WRONG |
|---|---|---|
| **Rental income** | Entries categorized as income in the period, less refundable security deposits held. | A deposit is a liability until it is forfeited or applied to rent, so it is listed separately and excluded from this line. |
| **Operating expenses** | Entries categorized as expense, netted against any refunds or credits recorded against the same category. | Capital improvements and closing costs are excluded here - they are capitalized, not deducted, and appear under depreciation and basis respectively. |
| **Mortgage interest** | Box 1 of Form 1098, as reported to the IRS by the lender. Cross-checked against the interest implied by the payments on file. | Escrow is stripped out of every payment first: only principal and interest touch the loan. A payment that falls outside every loan window is reported separately rather than silently dropped. |
| **Depreciation** | Mixed across the properties in this package - see the schedule below, which names the source per property. | Depreciation already claimed before these books is treated as a floor on the running total, not added to it. Capital improvements depreciate on their own clocks and their own lives, and are broken out on their own line. If land value is not set, the whole purchase price is depreciated, which overstates it - that case is flagged on the figure itself. |
| **Property tax & insurance via escrow** | What the servicer paid out, from the annual escrow analysis statement, added to the operating lines above. | A bill also typed in directly would count twice; that clash is checked and listed under what is missing. A whole-year bill typed in directly in a conversion year is taken in full - only the escrow lines are split. |
| **Auto & travel** | Logged trips × the IRS standard mileage rate for the year the trip was taken. | Actual-expense method is not used. A trip with no recorded purpose is listed under what is missing rather than deducted quietly. |
| **What is NOT here** | Meals and entertainment are excluded from the deduction total and set out separately; personal-use days are reported, not applied. | Every figure is 100% of the property; the holding table at the top gives the owner's share and the return each property belongs on. Passive-activity limits, at-risk rules, basis limitations and the QBI deduction are the preparer's to apply - this package does not attempt them. |

| PROPERTY · LENDER | INTEREST FIGURE | WHERE IT CAME FROM |
|---|---|---|
| 1425 Larkspur Ln · Rocket Mortgage | **Form 1098** | Form 1098 box 1, on file |

| PROPERTY | DEPRECIATION FIGURE | WHERE IT CAME FROM |
|---|---|---|
| 1425 Larkspur Ln | **Yours** | from the flat annual figure your CPA gave you |
| 206 Willow Ct | **Ours** | our straight-line estimate from the lower of cost and $236,000 on Oct 1, 2025 - the county's market value on the 2025 tax bill |

SAMPLE

**If you disagree with any figure marked "ours", it takes one field to replace it.** In the app: open the property → Depreciation → enter the baseline from your own schedule - the date it was struck, accumulated to that date, remaining basis, and remaining life. Everything downstream follows from it, this package included, and the row above will then read "yours". We would rather print your number than ours.

## How these figures were checked

| | |
|---|---|
| Entries in this period | 57 |
| Matched to a bank statement line | 52 |
| Typed in - receipt or memory, no bank line yet | 5 |
| **Bank-verified** | **91%** |

**Readiness:** Forms 1098 on file: 1 of 1 · statements all under 12 months · 5 entries not checked against paper · 1 receipt missing.

A bank-verified entry was matched to a line on an imported bank statement - same amount, within a few days, one statement line to one entry. Unmatched entries aren't necessarily wrong; they're the ones no statement has confirmed yet (cash, a card not yet imported, or a period the statement didn't cover). The transaction CSV export carries the matched statement date and line for each entry.

## Rental income

| | |
|---|---|
| Rents & other taxable income received | $52,300 |

## Deductible expenses (Schedule E estimate)

| | |
|---|---|
| HOA fees | $744 |
| Repairs & maintenance | $2,110 |
| Legal / accounting | $150 |
| Insurance | $4,196 |
| Property tax | $10,934 |
| Utilities | $96 |
| Auto & travel (standard mileage) | $68 |
| Mortgage interest | $14,588 |
| Depreciation (per your CPA) | $13,253 |
| **Total deductions** | **$46,140** |
| **Estimated taxable income / (loss)** | **$6,160** |

Estimate only - confirm with your CPA before filing. Reclassifies mortgage payments to interest-only, capitalizes closing costs, and depreciates capital improvements as separate assets from the date each was placed in service (listed in the depreciation schedule below).

SAMPLE

## Schedule E, property by property

Part I of Schedule E has a column per property. These are those columns. The right-hand total is the same figure as the portfolio summary above - if the two ever disagree, trust neither and tell us.

| LINE | 1425 LARKSPUR LN | 206 WILLOW CT | TOTAL |
|---|---:|---:|---:|
| **Rents received** | $28,450 | $23,850 | **$52,300** |
| HOA fees | - | $744 | $744 |
| Insurance | $2,284 | $1,912 | $4,196 |
| Legal / accounting | $150 | - | $150 |
| Property tax | $6,108 | $4,826 | $10,934 |
| Repairs & maintenance | $1,835 | $275 | $2,110 |
| Utilities | - | $96 | $96 |
| Mortgage interest | $14,588 | - | $14,588 |
| Depreciation | $7,856 | $5,397 | $13,253 |
| **Total deductions** | **$32,866** | **$13,274** | **$46,140** |
| **Income / (loss)** | **-$4,416** | **$10,576** | **$6,160** |

Each column is that property alone - its own 1098 interest, its own escrow disbursements, its own depreciation on its own in-service date. Passive-activity limits are applied per activity, so the split matters beyond presentation.

SAMPLE

### Depreciation schedule (straight-line, 27.5 yr residential)

| PROPERTY | BASIS (PRICE+CLOSING) | LAND | DEPRECIABLE BASIS | ANNUAL RATE | THIS YEAR | ACCUMULATED TO DATE |
|---|---|---|---|---|---|---|
| 1425 Larkspur Ln * | $280,000 | $63,580 | $216,420 | $8,197 | $7,856<br>not the full annual rate this year | $28,348 |
| 206 Willow Ct *<br>building only - improvements below | $190,000 | $41,600 | $148,400 | $5,396 | $5,336<br>not the full annual rate this year | $6,521 |
| ↳ Roof - full replacement placed in service Sep 28, 2026 · 27.5 yr | $5,800 | - | $5,800 | $211 | $61 | $62 |
| **Total - this is the depreciation deducted above** | | | | | **$13,253** | **$34,930** |

**Annual rate** is the steady-state figure - depreciable basis ÷ recovery period. **This year** is what was actually taken, which differs in the year a property or an improvement is placed in service (mid-month convention) and in the year it is disposed of. The **This year** column is the one that adds up to the depreciation on the Schedule E estimate above; property rows are the building alone, with improvements on their own rows beneath.

* uses your CPA's depreciation figures (annual amount and/or previously claimed depreciation) rather than the straight-line estimate.

Indented rows are capital improvements - separate assets, each depreciating from the date it was placed in service over its own recovery period (the building's life for structural work, 5 years for appliances and carpet, 15 for land improvements). This is also the asset-addition list for Form 4562.

### Mileage log - 2026

| DATE | PROPERTY | PURPOSE | MILES | RATE | DEDUCTION |
|---|---|---|---|---|---|
| May 19, 2026 | 1425 Larkspur Ln | Meet HVAC tech at property | 22 | 72.5¢ | $16 |
| Aug 2, 2026 | 1425 Larkspur Ln | Turnover - Home Depot and property | 38 | 76.0¢ | $29 |
| Sep 28, 2026 | 206 Willow Ct | Roof inspection with contractor | 30 | 76.0¢ | $23 |

SAMPLE

## Vendor payments & 1099-NEC candidates

| PAYEE | CALENDAR YEAR | PAID THAT YEAR | |
|---|---|---|---|
| Lone Star Roofing | 2026 | $5,800 | **1099-NEC likely due** |
| North Texas HVAC | 2026 | $1,240 | |
| Reliable Plumbing | 2026 | $385 | |
| Garage Door Pros | 2026 | $275 | |
| Home Depot | 2026 | $210 | |
| TX Lease Docs | 2026 | $150 | |

A 1099-NEC covers **services from an unincorporated vendor**; goods and payments to corporations are not reportable, and the owner has marked those. The test is per payee per calendar year - $2,000 for 2026 - so these are the calendar-year totals from the whole ledger.

## Missing receipts (documentation gaps, ≥$75)

| DATE | PROPERTY | CATEGORY | DESCRIPTION | AMOUNT |
|---|---|---|---|---|
| Nov 8, 2026 | 206 Willow Ct | Utilities | Water between tenants - none this year; final read | $96.40 |

Mortgage and principal payments are not counted here - the lender's 1098 and the amortization schedule document those, and no receipt exists for them.

SAMPLE

## Personal use vs. rental days - 2026 (Section 280A)

| PROPERTY | RENTAL DAYS | PERSONAL DAYS |
|---|---|---|
| 1425 Larkspur Ln | Not logged | |
| 206 Willow Ct | Not logged | |

## Source documents on file

| PROPERTY | DOCUMENT | LENDER / DETAIL | ATTACHED |
|---|---|---|---|
| 1425 Larkspur Ln<br>1425 Larkspur Ln, Rowlett, TX 75088 | Form 1098 - 2026 | - | 2027-01-15 · owner@example.com · PDF |
| 1425 Larkspur Ln<br>1425 Larkspur Ln, Rowlett, TX 75088 | Escrow analysis - 2026 | - | 2026-11-02 · owner@example.com · PDF |
| 1425 Larkspur Ln<br>1425 Larkspur Ln, Rowlett, TX 75088 | Property tax bill - 2026 | - | 2026-10-20 · owner@example.com · image |

3 documents are held in the app against these properties. They are not embedded in this printed package - ask the owner to send the files, or open them in the app.

**Documents a preparer would normally want that are not on file:**
1425 Larkspur Ln - Form 1098 - Rocket Mortgage

Generated by The Ledger. All figures are estimates for CPA review, not a filed tax return. Figures are 100% of each property; how each is held and the owner's share are set out in the first table, and applying them is the preparer's to do.

SAMPLE