KERRA Artesian LP - April/2018

FINANCIAL RESULTS - MARCH/2018

Rent Income

We are dealing with some delinquent tenants, some will be evicted and with the others we are working on a payment schedule to catch up with their rents.

We are working closely with our property manager to raise rents to their maximum potential. This process will be stretched over a period of several months.

Partners' Distribution

- On the coming few days we will be sending the quarterly checks for months: January, February, March. Checks' amount is: $993 for each partner.
- Those $993 represents a return of 2.1% for the first quarter of 2018.
- Total distribution for the last 12 months is $3,926 which represent a return of 8.35%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**13,634**	**14,075**	**15,201**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**42,910**
Repairs & Maintenance	350	2,098	0	0	0	0	0	0	0	0	0	0	**2,448**
Utilities	3,160	2,434	2,795	0	0	0	0	0	0	0	0	0	**8,389**
MNG Fee & Leasing Fee	0	2,157	977	0	0	0	0	0	0	0	0	0	**3,133**
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Professional Fee (Accounting & Legal)	0	0	125	0	0	0	0	0	0	0	0	0	**125**
Miscellaneous Expenses	0	0	100	0	0	0	0	0	0	0	0	0	**100**
Total Expenses	**3,510**	**6,689**	**3,996**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**14,195**
NOI	**10,124**	**7,386**	**11,204**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**28,714**
Mortgage *	7,103	7,261	7,261	0	0	0	0	0	0	0	0	0	**21,624**
Net Cash before Income Tax	**3,021**	**125**	**3,944**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7,090**
KERRA - 30% Fee (starting April)	906	38	1,183	0	0	0	0	0	0	0	0	0	**2,127**
Net After KERRA Fee	2,115	88	2,761	0	0	0	0	0	0	0	0	0	**4,963**
Portion per Partner (20% each) *	**423**	**18**	**552**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	993
**Major Rehab & Appliances **	0	0	0	0	0	0	0	0	0	0	0	0	**0**

* Mortgage payments include: principle, Interest & escrow for property tax

** Major Rehab & Appliances are not expenses they are added to the property value

*** Partners' distribution was paid for December and prior months

OTHER UPDATES

Occupancy Status

Property is fully rented.

Tax Season

According to IRS regulations, when having a partnership with foreign partners, the entity needs to withhold tax. Those funds are sent to the IRS as advanced tax payments. We have started to send those checks this year, 2018.

When we will submit our personal tax for 2018, the IRS treats those funds as tax paid in advance and deduct it from the total tax each partner needs to pay. Those tax credit are prorated at the same percent each partner holds in the entity.