KERRA Highland LP - January/2019

FINANCIAL RESULTS - DECEMBER/2018

Rent Income

Rent collection was high, also missing rents from subsidized housing authorities went thru during December. We have one tenant that did not pay rent for the second month in a row and was evicted.

Expenses

We see high expenses this month due to many plumbing emergencies and other plumbing issues we had during December. See details under "Other Updates"

Partners' Distribution

Although total cash flow for Nov-Dec was positive, we are not going to distribute funds yet. We are still in the stabilization period and might need some funds for an unexpected reason.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**26,837**	**29,414**	**56,251**
Repairs & Maintenance	0	0	0	0	0	0	0	0	0	0	2,469	19,915	**22,384**
Utilities	0	0	0	0	0	0	0	0	0	0	1,042	1,385	**2,427**
MNG Fee & Leasing Fee	0	0	0	0	0	0	0	0	0	0	0	1,632	**1,632**
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Professional Fee (Accounting & Legal)	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Miscellaneous Expenses	0	0	0	0	0	0	0	0	0	0	0	49	**49**
Total Expenses	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3,511**	**22,981**	**26,492**
NOI	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**23,326**	**6,433**	**29,759**
Mortgage *	0	0	0	0	0	0	0	0	0	0	0	15,582	**15,582**
Net Cash before Income Tax	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**23,326**	**(9,149)**	**14,177**
KERRA - 4% Fee from Collected Income	0	0	0	0	0	0	0	0	0	0	1,073	1,177	**2,250**
Net After KERRA Fee	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**22,252**	**(10,325)**	**11,927**
Portion/Partner - Eliav & Revital Kling 19%	0	0	0	0	0	0	0	0	0	0	4,228	(1,962)	2,266
Portion/Partner - LZIC LTD 10%	0	0	0	0	0	0	0	0	0	0	2,225	(1,033)	1,193
Portion/Partner - Meital Steinberg 19%	0	0	0	0	0	0	0	0	0	0	4,228	(1,962)	2,266
Portion/Partner - L&E Kling Holdings 19%	0	0	0	0	0	0	0	0	0	0	4,228	(1,962)	2,266
Portion/Partner - Mitchell J Howard LLC 14%	0	0	0	0	0	0	0	0	0	0	3,115	(1,446)	1,670
Portion/Partner - LHCO INC 9%	0	0	0	0	0	0	0	0	0	0	2,003	(929)	1,073
Portion/Partner - Eitan Abu 10%	0	0	0	0	0	0	0	0	0	0	2,225	(1,033)	1,193

**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

OTHER UPDATES

Occupancy Status

We have one vacant unit due to an evicted tenant.

Plumbing Emergencies in December

During the month of December, we dealt with an emergency water pressure situation. The issue started on a Friday, Dec. 7th in the afternoon when our property managers got a call about very low water pressure. During the weekend the issue got worst and most of the tenants didn't have water at all or very low pressure. After an investigation of the plumbing company that was hired, they have found that many of the lines which are galvanized are corroded (we discovered that during our inspection and also got a credit for $29,750 at closing for it). In addition, we had to change the main valve to the building. Our property managers spent many hours at the property as well as the plumbers that replaced some of the pipes from the main water entrance and in some of the units. At this point, we are still dealing with some minor issues and side effects, but we resolved the emergency.

We are also working with the plumbers to provide us some guidelines for preventative measures that we can take to improve our plumbing at the property

UPCOMING TAX SEASON

We wanted to share some information regarding the tax return process for holding property in the USA. If this is your first time filing tax in the USA, please read the following information carefully. For any questions please call us.

Limited Partnership (LP)

This is a pass-thru entity, it only submits the tax return but does not pay tax. We are taking care of the LP tax return from A to Z. LP will provide all partners a form that reflects their prorated profit in the partnership. This form is called K1.

Personal tax in the US

Each partner will have to submit their tax return in the US using their K1 form (1 form or more). Your personal tax return will include also other income you might have in the US.

ITIN

This is a tax ID for non-American residents. This ID is created on the first time you file taxes in the US. Any accountant can request the ITIN on behalf of his clients (client need to provide few forms).

Personal tax in your country of residence

After you have submitted your personal tax in the US, you need to provide this form to your accountant in your country of residence. For this specific partnership, we have partners in Canada & Israel, both countries have a tax agreement with the US. Therefore no double taxation, the country of your residence will ask you only to top up according to local tax bracket considering your personal situation.

Accountant in the USA

If you are interested to work with our accountant for your personal USA tax return we will send you his contact information.

mailchimp