

KERRA Knox LP - January/2019

FINANCIAL RESULTS - DECEMBER/2018

Rent Income

Rent collection this month is not so high as we have multiple vacancies, also few tenants paid their December rent at the end of November.

Expenses

We see high expenses this month due to a few reasons:

- We are working on the vacant units to make them rent ready
- Commission payments for renting 1 unit during the month of December
- Legal fees for 2 evictions

Partners' Distribution

During the months of Oct-Dec. we had negative cash flow, therefore we will not be sending partners' distribution checks for this quarter.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	0	0	0	0	15,866	18,280	18,909	14,737	19,329	22,093	19,638	18,653	147,505
Repairs & Maintenance	0	0	0	0	425	2,025	1,854	1,725	5,390	2,850	7,690	5,960	27,920
Utilities	0	0	0	0	50	154	4,791	837	930	1,367	2,530	2,601	13,261
MNG Fee & Leasing Fee	0	0	0	0	925	2,391	2,121	1,895	0	850	2,350	2,510	13,042
Insurance	0	0	0	5,441	0	0	0	0	0	0	0	0	5,441
Professional Fee (Accounting & Legal)	14,050	0	1,600	0	960	61	100	225	938	0	0	1,467	19,401
Miscellaneous Expenses	1,871	33	0	280	0	0	0	10	0	0	1,000	1,145	4,339
Total Expenses	15,921	33	1,600	5,721	2,360	4,631	8,866	4,693	7,258	5,067	13,570	13,684	83,403
NOI	(15,921)	(33)	(1,600)	(5,721)	13,506	13,649	10,043	10,044	12,070	17,026	6,068	4,969	64,102
Mortgage *	0	0	0	1,907	0	9,655	9,655	9,655	9,655	9,655	9,575	9,575	69,333
Net Cash before Income Tax	(15,921)	(33)	(1,600)	(7,628)	13,506	3,993	388	389	2,415	7,371	(3,507)	(4,606)	(5,231)
KERRA - 30% Fee					4,052	1,198	116	117	725	2,211	(1,052)	(1,382)	5,985
Net After KERRA Fee					9,454	2,795	271	272	1,691	5,160	(2,455)	(3,224)	13,965
Portion/Partner - Eliav & Revital Kling 20%					1,891	559	54	54	338	1,032	(491)	(645)	2,793
Portion/Partner - LZIC LTD 20%					1,891	559	54	54	338	1,032	(491)	(645)	2,793
Portion/Partner - Irina Roytblat 24%					2,269	671	65	65	406	1,238	(589)	(774)	3,352
Portion/Partner - L&E Kling Holdings 20%					1,891	559	54	54	338	1,032	(491)	(645)	2,793
Portion/Partner - Yulia Keselman 16%					1,513	447	43	44	271	826	(393)	(516)	2,234
Major Rehab & Appliances **	0	0	0	0	406	0	1,111	0	0	0	0	0	1,517

* 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 September and prior months

OTHER UPDATES

Occupancy Status

At the end of December, we had 6 vacant units, 2 of those units are already rented. 3 units are rent ready and the last unit needs minor touches

Management Change

During the month of December, the new management company is working on transition mode. We are involved with all the details and communicate with them on a daily basis.

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.



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