

KERRA Knox LP - February/2019

FINANCIAL RESULTS - JANUARY/2019

Rent Income

Rent collection in January was low due to the vacancies we currently have. We should see improvement next month as some of the units were rented during the month.

Expenses

We see some 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 2 unit during the month of January

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	17,404	0	0	0	0	0	0	0	0	0	0	0	17,404
Repairs & Maintenance	5,125	0	0	0	0	0	0	0	0	0	0	0	5,125
Utilities	1,454	0	0	0	0	0	0	0	0	0	0	0	1,454
MNG Fee & Leasing Fee	3,476	0	0	0	0	0	0	0	0	0	0	0	3,476
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	0	0
Total Expenses	10,055	0	0	0	0	0	0	0	0	0	0	0	10,055
NOI	7,349	0	0	0	0	0	0	0	0	0	0	0	7,349
Mortgage *	9,575	0	0	0	0	0	0	0	0	0	0	0	9,575
Net Cash before Income Tax	(2,226)	0	0	0	0	0	0	0	0	0	0	0	(2,226)
KERRA - 30% Fee	(668)	0	0	0	0	0	0	0	0	0	0	0	(668)
Net After KERRA Fee	(1,558)	0	0	0	0	0	0	0	0	0	0	0	(1,558)
Portion/Partner - Eliav & Revital Kling 20%	(312)	0	0	0	0	0	0	0	0	0	0	0	(312)
Portion/Partner - LZIC LTD 20%	(312)	0	0	0	0	0	0	0	0	0	0	0	(312)
Portion/Partner - Irina Roytblat 24%	(374)	0	0	0	0	0	0	0	0	0	0	0	(374)
Portion/Partner - L&E Kling Holdings 20%	(312)	0	0	0	0	0	0	0	0	0	0	0	(312)
Portion/Partner - Yulia Keselman 16%	(249)	0	0	0	0	0	0	0	0	0	0	0	(249)
Major Rehab & Appliances **	450	0	0	0	0	0	0	0	0	0	0	0	450

* 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 January, we had 5 vacant units, 3 of those units are already rented.

Management Change

During the month of January, the new management company was fully in control. They are getting to know the property and the tenants. We are working together with them to see how can we improve operations and increase rents over time.

Tax Season

As you all know, we are getting closer to the tax return deadlines, both in the US and Canada.

We are currently working with our US accountant to finalize the partnership tax reports.

Every partner should be getting his K1 from our accountant soon and should start working with their US accountant on filing taxes in the US. We will notify once our accountant has distributed the K1's (look for it in your mailbox once we send the notification).

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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