

KERRA Knox LP - March/2019

FINANCIAL RESULTS - FEBRUARY/2019

Rent Income

Rent collection in February was high as we are starting to lower our vacancy rate, and also had success collecting past rents.

Expenses

This month we had higher repairs and maintenance expenses due to units turn over that we have completed. Also, we had one commission for renting a unit.

In the "Rehab & Appliances", we have this month 3 units that we had to replace the floor as the carpets could not be saved. these are counted as improvements.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Income	17,404	22,026	0	0	0	0	0	0	0	0	0	0	39,430
Repairs & Maintenance	5,125	6,837	0	0	0	0	0	0	0	0	0	0	11,962
Utilities	1,454	1,684	0	0	0	0	0	0	0	0	0	0	3,138
MNG Fee & Leasing Fee	3,476	2,410	0	0	0	0	0	0	0	0	0	0	5,886
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Fee (Accounting & Legal)	0	70	0	0	0	0	0	0	0	0	0	0	70
Miscellaneous Expenses	0	100	0	0	0	0	0	0	0	0	0	0	100
Total Expenses	10,055	11,101	0	0	0	0	0	0	0	0	0	0	21,156
NOI	7,349	10,925	0	0	0	0	0	0	0	0	0	0	18,274
Mortgage *	9,575	9,575	0	0	0	0	0	0	0	0	0	0	19,150
Net Cash before Income Tax	(2,226)	1,350	0	0	0	0	0	0	0	0	0	0	(876)
KERRA - 30% Fee	(668)	405	0	0	0	0	0	0	0	0	0	0	(263)
Net After KERRA Fee	(1,558)	945	0	0	0	0	0	0	0	0	0	0	(613)
Portion/Partner - Eliav & Revital Kling 20%	(312)	189	0	0	0	0	0	0	0	0	0	0	(123)
Portion/Partner - LZIC LTD 20%	(312)	189	0	0	0	0	0	0	0	0	0	0	(123)
Portion/Partner - Irina Roytblat 24%	(374)	227	0	0	0	0	0	0	0	0	0	0	(147)
Portion/Partner - L&E Kling Holdings 20%	(312)	189	0	0	0	0	0	0	0	0	0	0	(123)
Portion/Partner - Yulia Keselman 16%	(249)	151	0	0	0	0	0	0	0	0	0	0	(98)
Major Rehab & Appliances **	450	2,438	0	0	0	0	0	0	0	0	0	0	2,888

* 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 February, we had 5 vacant units, 4 of those units are already rented.

Management Change

During the month of February, 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

All K1s were sent to partners, please make sure to work with your American accountant in order to file your taxes in the US on time.

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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