

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K/A

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FILER

MATZEL & MUMFORD MORTGAGE FUNDING INC

CIK: **1002525** | IRS No.: **223382016** | State of Incorporation: **NJ** | Fiscal Year End: **1231**
Type: **8-K/A** | Act: **34** | File No.: **033-98178** | Film No.: **96620628**
SIC: **6162** Mortgage bankers & loan correspondents

Mailing Address
100 VILLAGE COURT
HAZLET NJ 07730

Business Address
100 VILLAGE COURT
HAZLET NJ 07730
9088881055

=====

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) June 4, 1996

MATZEL & MUMFORD MORTGAGE FUNDING, INC.

(Exact name of registrant as specified in its charter)

New Jersey

33-98178

22-3382016

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

100 Village Court, Hazlet, New Jersey

07730

(Address of principal executive offices)

(Zip Code)

908-888-4801

(Registrant's telephone number, including area code)

=====

Item 7(a). Financial Statements.

MATZEL & MUMFORD AT

PISCATAWAY, L.L.C.

FINANCIAL STATEMENTS
PERIOD MAY 1, 1996
(DATE OF INCEPTION) TO JUNE 4, 1996

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MATZEL & MUMFORD AT PISCATAWAY, L.L.C.

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Independent Auditors' Report

To the Members

Matzel & Mumford at Piscataway, L.L.C.

Hazlet, New Jersey

We have audited the accompanying balance sheet of Matzel & Mumford at Piscataway, L.L.C. as of June 4, 1996 and the related statement of cash flows for the period May 1, 1996 (date of inception) to June 4, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Matzel & Mumford at Piscataway,

L.L.C. as of June 4, 1996 and its cash flows for the period May 1, 1996 (date of inception) through June 4, 1996 in conformity with generally accepted accounting principles.

July 19, 1996

MATZEL & MUMFORD AT PISCATAWAY, L.L.C.

Balance Sheet

June 4, 1996

Assets	
Cash	\$46,527
Inventory	978,605

Total assets	\$1,025,132
=====	
Liabilities and Members' Equity	
Accounts payable	\$2,132
Due to affiliates	120,000
Mortgage payable - M&M Mortgage Funding	903,000

Total liabilities	1,025,132

Members' equity	1,000
Receivable from members	(1,000)

Total members' equity	-
=====	
Total liabilities and members' equity	\$1,025,132
=====	

See accompanying notes to financial statements.

MATZEL & MUMFORD AT PISCATAWAY, L.L.C.

Statement of Cash Flows

For the period May 1, 1996 (date of inception) to June 4, 1996

Cash flows from operating activities:

Net income	\$-
Adjustments to reconcile net loss to net cash used in operating activities:	
Increase in inventories	978,605
Increase in accounts payable	2,132

Net cash used in operating activities 976,473

Cash flows from financing activities:

Proceeds from notes payable	903,000
Advances from affiliates	120,000

Net cash provided by financing activities 1,023,000

Increase in cash 46,527

Cash, beginning of period -

=====
Cash, end of period \$46,527
=====

See accompanying notes to financial statements.

MATZEL & MUMFORD AT PISCATAWAY, L.L.C.

Notes to Financial Statements

1. Summary of Accounting Policies

Nature of Business and Organization

Matzel & Mumford at Piscataway, L.L.C. ("M&M at Piscataway") is a New Jersey limited liability company formed on May 1, 1996, for the purpose of purchasing land in Piscataway, New Jersey and developing and constructing 126 single-family homes on the land. On

June 4, 1996, M&M at Piscataway closed title to 21 lots and has an option to purchase the remaining 125 lots. Through June 4, 1996, there has been no operating activities.

Revenue Recognition

Revenues arising from home sales will be recognized under the accrual method. Under this method, income will be recognized when all terms relating to the sale of a unit are complete, consideration is exchanged and title is conveyed to the buyer.

Inventories

Inventories are stated at the lower of cost or estimated net realizable value, which is determined by reducing the anticipated net sales proceeds by the estimated costs necessary to complete or improve the property to the condition used in arriving at the anticipated selling price.

Inventory costs are currently comprised of land and project overhead. Inventory costs will be comprised of direct unit and allocated costs. Development costs will be capitalized until the property is complete and title has been conveyed to the buyer. Development costs generally include land and improvements, house construction, project overhead, interest and a portion of construction management fees. Interest capitalized is based upon the interest rate on specifically related debt. A portion of the management fees to a related party are paid and capitalized by the Company.

Members' Capital

The two managing members have pledged a total of \$1,000 in capital contributions.

Income Taxes

The Company is organized and operates as a limited liability corporation which is not subject to Federal or state income taxes. Accordingly, no provision for income taxes has been made. The earnings or losses of the Company are included on each member's tax return, according to the terms of the operating agreement.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Inventories

Inventories relating to the development of single-family homes consist of the following at June 4, 1996:

Land	\$903,000
Project overhead	75,605
=====	
	\$978,605
=====	

All expenses incurred for the development of the project will be capitalized. Selling expenses which do not benefit future periods, and general and administrative expenses, will be treated as period costs and will be expensed as incurred.

3. Mortgage Payable

The Company has a mortgage payable to Matzel & Mumford Mortgage Funding, Inc., an entity controlled by the members of M&M at Piscataway, which is payable interest only at 16%. Interest payments are payable quarterly until June 4, 1997 when the outstanding principal balance

is due. The note is collateralized by a mortgage on the property.

4. Related Party Transactions

The Company has an agreement with The Matzel & Mumford Organization, Inc. ("MMO"), whereby MMO provides construction management services at a fee of 4% of the gross selling price of each house. MMO is entitled to draws of \$35,000 per month. During the period May 1 through June 4, 1996, the Company incurred \$70,000 in management fees which have been capitalized in inventories at June 4, 1996.

Also included in due to/from affiliates are net cash advances from affiliated companies of the managing member of the Company. The advances are short term in nature and bear no interest. The amounts are to be repaid as cash flow allows.

Item 7(c). Exhibits.

27 Financial Data Schedule.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment to Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

MATZEL & MUMFORD MORTGAGE
FUNDING, INC.

Dated: August 23, 1996

By: /S/ ROGER MUMFORD

Roger Mumford
President

INDEX TO EXHIBITS

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27	Financial Data Schedule.	

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