

**GLOUCESTER COUNTY HOUSING
DEVELOPMENT CORPORATION
AND SUBSIDIARY**

**(A COMPONENT UNIT OF THE HOUSING AUTHORITY
OF GLOUCESTER COUNTY, NEW JERSEY)**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2019 AND 2018



**GLOUCESTER COUNTY HOUSING DEVELOPMENT CORPORATION
AND SUBSIDIARY**

Notes to Financial Statements (continued)

Note 7: INVESTMENT IN LIMITED LIABILITY COMPANY (continued)

STATEMENTS OF OPERATIONS

	<u>2019</u>	<u>2018</u>
Revenue		
Rent	\$ 811,803	\$ 799,872
Other	75,726	46,071
	887,529	845,943
Expenses		
Depreciation	343,055	337,519
Interest	274,365	282,700
Other expenses	651,315	680,555
	1,268,735	1,300,774
Excess of expenses over revenue	(381,206)	(454,831)
Deposits to repairs and replacement reserve	45,204	45,204
Withdraws from repairs and replacement reserve	(98,679)	(27,235)
Interest earned	10,429	3,670
Loss on disposal of equipment	-	(33,763)
Members' deficit – beginning	(6,174,389)	(5,707,435)
Members' deficit – ending	\$ (6,598,641)	\$ (6,174,389)

Note 8: OPERATING DEFICIT RESERVE

Pursuant to Pop Moylan's Amended and Restated Operating Agreement, the Corporation was required to fund an operating deficit reserve in the initial amount of \$122,126. Annually, on each January 10th, the Corporation is required to deposit 10% of Pop Moylan's net cash flow into the reserve. The reserve is to be used to fund project operations when there is insufficient operating cash available. As of December 31, 2019 and 2018, the balance of the reserve was \$140,424 and \$139,724, respectively. This amount represents the initial deposit plus accumulated interest as Pop Moylan has not experienced positive cash flow to date.