

OLD TAUNTON COLONY CLUB

ANNUAL MEETING AGENDA

MAY 4, 2008

7:00 P.M. – Member Sign-In

Welcome – President, Marty Hamilton

Town Watch Update – Medford Township Police

A Brief History of Taunton Lake – Jerry Klein

Treasurer’s Report and Committee Reports (Highlights)
- see attached for written reports

Current Issues

Nominations for Trustees and statements from nominees

Voting for Trustees

Adjourn Meeting

Refreshments Served

Distribution of Beach Tags and Boat Stickers

Treasurer's Report

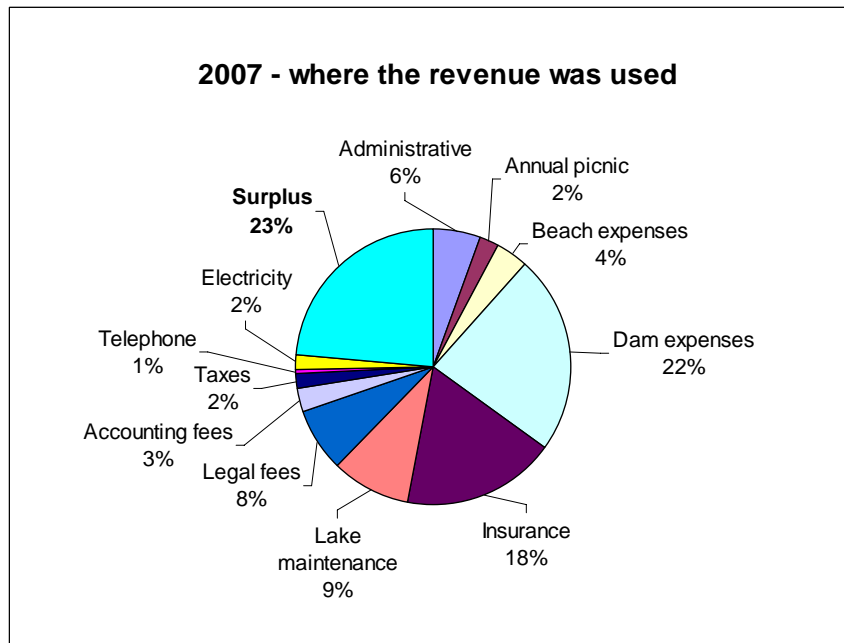
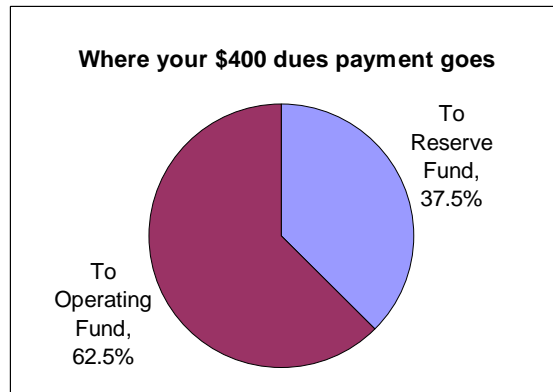
for the 2008 Annual Meeting – May 4, 2008

The OTCC finished 2007 with a surplus of \$14,742.

Frank April, CPA, of Marlton, has conducted the annual audit of the OTCC's financials for the 2007 calendar year. His report is currently in draft form, awaiting the return of letters to the OTCC's bank and the State of New Jersey, seeking independent confirmation of account balances. A copy of the draft report is attached.

Dues for 2008 are unchanged from last year, at \$400. Of that, \$150 is placed in the reserve fund that was established three years ago to build up a reserve to pay down the \$433,000, 20-year low-interest loan that will be financing the State-mandated upgrades to our dam on Breakneck Road. The remainder funds the club's operations and provides for monitoring and maintaining the quality of the lake, upkeep of the beach and other common areas, underwriting of the annual picnic and other member events, and payment of taxes, insurance premiums, accounting and legal fees, and other administrative costs. The charts below illustrate the breakdown of dues and uses of funds.

Respectfully submitted,
Jerry Klein, Treasurer



Insurance Committee

Report for the 2008 Annual Meeting – May 4, 2008

The OTCC is covered by an “A” rated company with several types of insurance. The amount of coverage and the premiums for 2007 to 2008 are listed below.

As a result of shopping around, we are expecting to save approximately 5% on the same coverage for the 2008 to 2009 premiums. Exact figures are not yet available.

There were no claims made against these policies in the past year.

	<u>2007 to 2008</u>	
<u>Coverage</u>	<u>Premium</u>	<u>Limits of coverage</u>
Commercial Liability	\$7,352.70	\$1,000,000/\$2,000,000
Umbrella Liability	\$2,206.00	\$1,000,000/\$2,000,000
Directors and Officers	\$1,170.00	\$1,000,000
Special Event (picnic)	\$508.00	\$1,000,000
Total for 2007-2008:	\$11,236.70	

Respectively submitted
Bill Walsh, chair

ADR Committee

Report for the 2008 Annual Meeting – May 4, 2008

The ADR Committee is currently working on finalizing a formal resolution to be passed by the Board, adopting an ADR procedure.

ADR (Alternate Dispute Resolution) is a process where potential litigants address their issues without incurring the time and expense of going to court. The ADR Committee has recommended the use of mediation for residents who have conflicts with each other or with the Board of Trustees. Mediation involves a neutral third party who assists in the negotiation of a settlement of the issues.

The ADR Committee has recommended a procedure using trained mediators who are obtained from the lists of mediators that provide mediation services to the New Jersey Superior Court. These mediators usually require a fee, but are less expensive than the costs of litigation.

The Committee members are: Bill Walsh, Brian Pettit and Gilbert Zlock

Respectfully submitted
Gilbert Zlock, chair

Lakefront and Dock Committee
Report for the 2008 Annual Meeting – May 4, 2008

Since the 2007 Annual Meeting, the Committee has responded to many requests from members who wanted to do work on their property. There were requests for:

Tree and limb removal	10
Dock work	3
Bulkheading/other structures	2

All of the above resulted in approvals.

The Committee did have one unfortunate incident when a neighbor on Piney Run Road violated deed restrictions by cutting a number of large trees without permission, then refused to discuss the cutting with the Club. Details of that incident can be found at www.tauntonlake.org

Members are realizing the importance of communication with the Club in order to be courteous and conscientious neighbors, as well as staying within the rules and By-laws of the Club.

The Committee thanks the members for their outstanding consideration for their neighbors and for cooperation with our efforts to keep our neighborhood uniquely beautiful.

Respectfully submitted,
Paul Lucas and Steve Lennon, co-chairs

Maintenance Committee
Report for the 2008 Annual Meeting – May 4, 2008

Broken poles at the beach parking lot have been repaired. Re-roofing and other issues regarding the pavilion will be accomplished this summer.

Other areas are being surveyed for repair needs. Residents are welcome to email Phil with any concerns if they see things that need to be fixed.

Resident Kevin Callahan has volunteered to work on this committee. Other interested residents should contact Phil. No special skills required.

Respectfully submitted,
Phil Myers, chair

Beach Committee

Report for the 2008 Annual Meeting – May 4, 2008

The beach area passed the Burlington County Board of Health inspections last summer with no deficiencies noted. Much credit goes to past chairman, Kevin Callahan, for ensuring that all proper life saving equipment was maintained and other county health requirements were being met. One such requirement is the weekly testing for the presence of fecal coliform. We're please to report that the 2007 swim season experienced no beach closures due to high coliform counts in the area of the beach. We're fortunate that our lake has so much natural vegetation along its border which discourages the geese, as they feel more secure frequenting lakes that have open, grassy shorelines. This permits them to feed on manicured lawns with minimal fear of predation. It continues to be of utmost importance to not feed waterfowl or other wildlife as doing so results in concentrated stormwater runoff that is high in fecal coliform and harmful nutrients that can lead to beach closings and the proliferation of nuisance aquatic weeds and algae.

The OTCC will once again hire a Beach Attendant to monitor for beach tags throughout the 2008 swimming season. All residents are asked to help out by checking beach tags and boat stickers while visiting the beach or out on the lake. Also, from approximately June 15 through September 15 a portable toilet will be available for beach goers.

The annual Clean-up this past March was again a success with several dozen residents helping out. In addition to cleaning the beach area, work was also done to remove trees from the dam, saving the community a considerable sum of money. Additionally, the board recently sought the assistance of a local heavy earth mover to regrade the beach by pulling back white beach sand that had washed down into the swim area over the years.

In 2008 we'll be exploring the possibility of erecting a volleyball net, re-roofing and painting the pavilion, constructing canoe racks, and making upgrades/additions to the beach playground area.

Respectfully submitted,
Brian Petitt, chair

Water Quality Committee

Report for the 2008 Annual Meeting – May 4, 2008

The beach is tested weekly during the swimming season for fecal coliform levels. Overall, the water quality was quite good for the 2007 summer season. We had no beach closings and we never exceeded the maximum level of 200. Residents are encouraged to continue to clean up after their pets, as well as not feed geese, deer or other wildlife. These actions keep pollutants and excessive nutrients out of our lake.

We continue to contract with QC Labs to do water quality testing of our lake for nitrates, phosphates, chlorophyll, and Ph. High levels of nutrients and higher Ph values contribute to excessive weed growth. Nitrate and Phosphorous levels in the lake remain fairly stable, and they are at levels low enough to maintain a healthy lake system. Ph levels are also fairly stable, but remain considerably higher than historical values. Residents are reminded to continue to be very careful with fertilization of lawns to prevent runoff into the lake. Water quality data and tips for maintaining a healthy lake can be found on our web site.

Respectfully submitted,
Michael Gallaway, chair

Aquatic Weed Committee

Report for the 2008 Annual Meeting – May 4, 2008

Due in part to our community's continued efforts to maintain a natural shoreline, and to minimize the discharge of nutrients such as nitrates and phosphorus into our lake, the growth of bladderwort in past years has been relatively minor and easily controlled with the use of state-approved aquatic herbicides. In 2007 the weed growth appeared fairly early in the season resulting in a treatment on June 18, 2007. This treatment was conducted in all shallow coves and areas where weeds had become particularly troublesome (25 out of 35 total acres at a cost of \$4012.). Near the end of the 2007 swim season we again experienced relatively heavy growth but we deemed it too late in the season to justify the additional expense and application of chemicals into the lake.

The treatment recommended by Great Blue, Inc., a NJDEP licensed pesticides applicator, includes the use of the herbicides "Reward," (or diquat) and "Nautique" (a copper complex which breaks down cell walls). This combination has been used successfully by us in past years. It is intended to control the aquatic weed, "bladderwort." Prior to application, we obtained copies of Great Blue's Certificate of Insurance, our DEP Aquatic Pesticide permit, and approval from the Pinelands Commission.

The use of Reward (diquat) requires only minor restrictions on our part. There are no restrictions on swimming or on the consumption of fish caught in the lake. Lake water should NOT be used for irrigation for 5 days, and should NOT be used for drinking water or for livestock watering for 3 days. Nautique poses no limitations on water use for swimming, fishing, livestock watering and irrigation. Notices are posted around the lake prior to treatment.

This coming season, we will continue to survey the lake for weeds and treat the areas that show significant growth. The entire lake will not be treated unless deemed absolutely necessary. Again this year, a team of 5 community volunteers from the water quality/weed committee will assess the weed growth status on a weekly basis throughout the summer to ensure proper and timely application of weed treatments. Their assessment will be based in large part on the recreational limitations being created by the presence of heavy weed growth.

The committee expresses its appreciation for everything our residents do to limit weed growth by exercising environmentally sound Best Management Practices (BMPs) on their properties including the following:

- 1) reducing the use of fertilizers, using phosphorus-free lawn care products*, and not applying any fertilizers within 25 feet of the lake or on land that slopes to the lake;
- 2) preventing the migration of animal waste and eroded soil from entering the lake with runoff from precipitation;
- 3) performing proper maintenance of septic tanks with regular inspections and pumpings (once every 2-3 years, or more often if needed); and
- 4) maintaining a natural buffer of vegetation surrounding the lake's perimeter to act as a filter for sediment and to provide nutrient uptake.

Respectfully submitted,
Brian Petitt, chair

* Lowes is now carrying a national product line (Sta-Green) that is completely phosphorus-free.

Stormwater Management Committee

Report for the 2008 Annual Meeting – May 4, 2008

The Stormwater Management Committee has been working on the following issues involving stormwater and erosion and sediment control that impact Taunton Lake.

Hinchman Dam

The small dam that once created a pond on property owned by the Medford Township Board of Education (BOE) located on the west side of Hinchman Road failed during the rain event of July 2004. That pond discharges into Taunton Lake. The BOE has installed hay bales to temporarily stabilize the loose soil around the dam to prevent sediment from migrating into Taunton Lake. We have been in contact with the BOE to determine their course of action. They have committed to replacing the dam. The BOE has submitted final plans to the NJDEP and Pinelands Commission for review and are waiting for approval. Once they receive their approvals they will go out to bid for construction.

Hinchman Road- Pipe Crossing

During heavy rains in April 2007 the existing pipe that extends under Hinchman Road, had begun to fail and created a sink hole within the roadway. The Township replaced the pipe with a concrete culvert in June 2007. There were some minor problems with the erosion control measures that were in place but they were corrected after we notified the Twp. The site is now stabilized.

Various Township Repairs

The committee has been in contact with the Township Public works department to correct drainage issues at several locations.

- North Wyetta - The Township will replace the existing catch basin; replace the failing retaining wall, and regrade portions of North Wyetta as necessary to correct drainage problems. Residents should contact Township Council Members to request that this work be included in this year's budget.
- Hinchman Road - Drainage improvements, including clearing of blocked pipes and repairs to the shoulders of the roadway are scheduled for the low point of Hinchman Road, just south of Wyetta Road. Some of this work has recently been completed.
- Dickson Drive- The committee has also reached out to discuss the ponding that occurs along Dickson Drive to determine what, if anything, the Township can do to avoid future flooding. The Township will have their Civil Engineer look at the issue and make recommendations.

The Committee has also reached out to members that have erosion issues on their property that are affecting the lake and suggested methods of erosion control. The loose sandy soil that surrounds the lake is highly susceptible to erosion. The Committee encourages all members use natural methods of erosion control including avoiding exposure of bare soil by allowing leaves to accumulate and the use of ground cover plantings to hold soil in place.

Committee Members: Steve Lennon, Brian Petitt, and Chuck Watson

Respectfully Submitted,
Steven F. Lennon, chair

Dam Committee

Report for the 2008 Annual Meeting – May 4, 2008

The members of the Dam Committee and Board of Trustees have continued their work to maintain our dam in a manner that complies with New Jersey State standards for dam safety.

Prior to the flooding of July 2004 the following actions were taken:

The Dam Committee successfully pursued dam hazard reclassification to a Class II. This reclassification lowered the design requirements for our dam, thus saving the membership tens of thousands of dollars in additional engineering and construction of dam improvements beyond what is currently proposed.

Inspection and updates to the Dam Operation and Maintenance Manual:

Pennoni Associates, the low bidder and former engineering firm for the OTCC, conducted a dam inspection per N. J. Dept. of Environmental Protection's requirements for a two year "Regular Inspection". Due to the Class II designation for the dam, the NJDEP mandates that a regular inspection be performed by a NJ licensed professional engineer once every two years. The results of this visual inspection, sent to NJDEP on April 30, 2007, reaffirmed the general satisfactory/safe condition of the dam and contained no major areas of concern. However, the inspection report highlighted the need for continuing routine maintenance, including roadway drainage structures. The inspection report acknowledged the engineering work Adam, Rehmann and Heggan Associate (ARH) is conducting for the overtopping protection which is currently being reviewed by NJDEP. The Committee also completed updates of the Dam Operation and Maintenance (O&M) Manual and the Emergency Action Plan (EAP) both of which were filed with the NJDEP on April 30, 2007. In accordance with NJDEP requirements the Trustees, with assistance from some residents, have performed tree removal, brush removal, filling of animal burrows, and applied Rip Rap to erosion prone areas. By not hiring contractors to complete all of the work, the Trustees have saved the membership thousands of dollars.

Planning for Dam Improvements

Engineering Services

In preparation of the proposed dam improvements, the Board prepared requests for proposals (RFP) for surveying and engineering services for the design and construction supervision of the dam improvements. The RFPs were distributed to several civil engineering firms for competitive bidding. Three civil engineering firms responded. The Board reviewed each of the proposals based on past experience with similar projects, scheduling, and cost. The Board then selected the firm of Adams, Rehmann and Heggan Associates (ARH). ARH proposed the services that we need at lowest cost.

Dam Loan Agreement

The Board has taken advantage of a State program to provide low interest loans to dam owners for the purpose of making improvements to their dams. In September 2004 the Board made a timely and comprehensive submission of an application for the loan raising compelling arguments in support of its approval. In February 2005, the Board was notified by the New Jersey Department of Environmental Protection (NJDEP) that OTCC was tentatively selected to receive the loan pending necessary legislative appropriations. In January 2006 the Board received the final loan agreement package from NJDEP requiring approval by the OTCC and Medford Township. The Board has worked closely with Medford Township to pass a resolution that names Medford as a co-applicant for the loan, as required by the agreement. The agreement for the \$433,000 loan, to be paid back over 20 years, has been finalized.

Project Status

ARH's has completed surveying the existing dam in order to prepare plans and specifications. Working closely with the Dam Committee, ARH prepared plans and specifications which the OTCC presented to Medford Township for their review and for coordination with work that the Township will be completing on the roadway. Medford Township has agreed with our proposed plans. Plans were submitted in the Fall of 2007 to the NJDEP and the Pinelands Commission for review and permitting. It should be noted that the Dam Committee was successful in reducing the cost of the Pinelands Application fee by nearly \$2,500. The Pinelands Commission completed its review and in Feb 08 offered minor comments.

We are still waiting for NJDEP to complete its review of the project. Our plans will be modified to address any comments from the NJDEP and the Pinelands Commission and complete the permitting process. After receiving the permits, the Board will solicit bids from Contractors to perform the work. Due to the uncertainty of the NJDEP review period, construction work will not likely begin until the Fall of 2008, at the earliest. The Dam committee and Board of Trustees will be sure to update the members on the project as it progresses.

Members of the Dam Committee are: Steve Lennon, Paul Lucas, Phil Myers, and Chuck Watson.

Respectfully submitted,
Steve Lennon, chair

Welcome Committee

Report for the 2008 Annual Meeting – May 4, 2008

The Old Taunton Colony Club Welcome Committee is pleased to report that it has welcomed new neighbors, the Bonelli's, to our community on March 7, 2008. Joan Myers and Linda Hamilton visited with our new neighbors and let them know about some of the upcoming events, such as the Easter Egg hunt, the summer picnic at the beach, and the fishing tournament, encouraging them to come out and meet everyone.

The Welcome Committee provides new residents with a welcome packet that includes the map of Taunton Lake, a copy of the By-Laws, lake and dock committee contacts, and a welcome letter. The welcome letter includes space for them to provide the club with their contact information and to indicate how they might wish to become involved in some of our community events.

It is always a pleasure to greet new neighbors. Their enthusiasm for becoming members of the Colony Club gives us a renewed sense of gratitude for the natural beauty of our surroundings, and the many treasured friendships that we have developed as a result of being part of this wonderful community.

Respectfully submitted,
Linda Hamilton and Joan Myers, co-chairs

Taunton Lake Community Activities Report – May 2008

The 2007 picnic proved to be another great day in the memories of our kids and Taunton Lake families. The fishing tournament, games for all ages, crafts, raffles, good food and good weather all made for a happy time. Our homegrown resident's band provided music again for everyone's enjoyment. The guys played three sets accompanied with much singing-along and dancing in the sand. Residents provided a karaoke for entertainment between sets. Attendance continues to grow and it has become a great way to chill out and to meet our neighbors. You can check out the picnic photos on our website.

Mark your calendars for this year's **Annual Picnic: Saturday, July 19, 2008**. The rain date is Sunday, July 20. The Board again will provide hamburgers, hot dogs and refreshments. The community is requested to provide those delicious "pot luck" side dishes and desserts. Please register your contributions with Kristen Lorenz at 856-810-0117. Volunteers are always needed and much appreciated. Contact Linda Hamilton at 856-596-9683, Joan Myers at 856-988-0052, or any other Board member to find out how you can help out or to volunteer for a specific task such as: welcome table, games and crafts, calling on local merchants for raffle contributions, setting up tents, tables, chairs, buffet, cooking on the grill and monitoring the food and refreshments. Also, helpers are needed for clean-up, tear down, and fold-up.

The Board thanks Liz Walsh and the helpful residents who stuffed eggs and brought goodies and helped with the games and crafts for the annual **Easter Egg Hunt**. Our little hunters managed to find some 700 eggs that day.

Liz also is organizing "**Camp Little Lakers**" for ages 3 to 12. The program will consist of crafts, games, and snacks a couple of times a month during the summer at the beach. Liz really could use some helpers and she encourages resident teenagers as well as adults to volunteer. Liz can be reached at 867-983-3123.

The Board would like to have some type of **Fall Festival /Beach Bonfire** family day this autumn. We welcome your ideas, suggestions, and we need some residents to help organize such an event.

We also would like to hear suggestions for some kind of **winter (February) gathering**. Let us know what appeals to you.

Our kids are so important to us and to the whole community. We take great pleasure in seeing their participation, excitement, and happiness at these events. We are always looking for ways to make the family experience at Taunton Lake even better.

Respectfully submitted,
Joan Myers

Playground Committee

Report for the 2008 Annual Meeting – May 4, 2008

In the fall of 2006, several residents approached the Board of Trustees with the idea of improving the playground area at the beach and possible fund raising options to complete the project. In response to their request, The Board of Trustees created the Playground Committee to assess the existing play equipment and explore what types of play equipment should be added and any methods of fundraising.

Existing Play Equipment

The committee reviewed the condition of existing play equipment (swing set and train) and has made the following improvements:

1. Train: replaced the steering wheel on the train and reattached loose boards.
2. Swing set: Purchased and installed new vinyl coated chains and belt swings. Reapplied mulch safety surface.

Proposed Play Equipment

The committee recognizes that the existing play equipment provides activities for older children but does not offer safe play for younger children. The new play equipment should offer more play opportunities for younger children and should be designed to blend in with the natural surroundings of the beach area. The play equipment will be relatively small and is intended to serve OTCC residents only. As a starting point the committee generally agreed that the style and size of the play equipment should be similar to the equipment that was installed at the beach area at the nearby Sherwood Forest development.

Funding

The Preliminary budget for the project is \$5,000. Residents and committee members have offered to perform fundraising efforts to fund the project. The Board of Trustees has offered to fund up to \$2,500 of project. Committee members have also begun researching the possibility of applying for grants that are available for playground construction.

The playground project will be coordinated with other proposed beach improvements as well as the construction phase of Dam Restoration Project, which may temporarily impact the lawn area behind the beach.

Anyone interested in helping with the fund raising efforts or joining the committee should contact Liz Walsh, co-chairperson of the Playground Committee, at Lizwalsh2@verizon.net

Committee Members: Kristeen Gaffney, Kim Hamilton, Linda Hamilton, Steve Lennon and Liz Walsh.

Respectfully Submitted,
Steven Lennon and Liz Walsh, co-chairs

OLD TAUNTON COLONY CLUB, INC.

YEAR ENDED DECEMBER 31, 2007

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
OLD TAUNTON COLONY CLUB, INC.

I have audited the accompanying balance sheet of Old Taunton Colony Club, Inc., as of December 31, 2007 and the related statement of revenues and expenses, changes in fund balances and cash flows for the year then ended. These statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require I 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 statement presentation. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Old Taunton Colony club, Inc. as of December 31, 2007 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

FRANCIS J. APRIL CPA, L.L.C.

Mendon, New Jersey
April 25, 2008

OLD TAUNTON COLONY CLUB, INC.

BALANCE SHEET

DECEMBER 31,

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ASSETS	2007		
	Operating Fund	Reserve Fund	Total
<u>Current Assets</u>			
Cash and Cash Equivalents	65,147	31,346	96,493
Assessments Receivable	5,300	-	5,300
Land, Lakes, Open Areas	15,400	-	15,400
Interfund Balance	(20,408)	20,408	-
TOTAL ASSETS	65,439	51,754	117,193

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LIABILITIES AND FUND BALANCES

Current Liabilities

Accrued Expenses	4,225	1,272	5,497
Loan - NJDEP	-	21,958	21,958
TOTAL LIABILITIES	4,225	23,230	27,455

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Fund Balances

Operating Fund	61,214	-	61,214
Reserve Fund	-	28,524	28,524
TOTAL FUND BALANCES	61,214	28,524	89,738

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TOTAL LIABILITIES AND FUND BALANCES

65,439	51,754	117,193
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See accompanying notes to financial statements.

OLD TAUNTON COLONY CLUB, INC.
 STATEMENT OF REVENUES AND EXPENSES
 YEARS ENDED DECEMBER 31,

	2007		
REVENUES	Operating Fund	Reserve Fund	Total
Owner Assessments	41,119	20,111	61,230
Interest Income	1,306	93	1,399
TOTAL REVENUES	42,425	20,204	62,629
EXPENSES			
Administration Expenses	3,561	-	3,561
Annual Picnic	1,370	-	1,370
Beach Expenses	2,339	-	2,339
Dam Expenses	3,000	-	3,000
Insurance	11,237	-	11,237
Lake Expenses	5,799	-	5,799
Legal	4,715	-	4,715
Outside Accounting	1,813	-	1,813
Repairs	-	11,652	11,652
Taxes - Real Estate	941	-	941
Telephone - Beach	412	-	412
Utilities - Beach	1,048	-	1,048
TOTAL EXPENSES	36,235	11,652	47,887
EXCESS OF REVENUES OVER EXPENSES	6,190	8,552	14,742

See accompanying notes to financial statements.

OLD TAUNTON COLONY CLUB, INC.
 STATEMENT OF CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2007

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	Operating Fund	Reserve Fund	Totals
Balance - January 1, 2007	55,024	19,972	74,996
Excess of Revenues Over Expenses	6,190	8,552	14,742
Balance - December 31, 2007	61,214	28,524	89,738

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OLD TAUNTON COLONY CLUB, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,

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CASH FLOWS FROM OPERATING ACTIVITIES:	2007		
	Operating Fund	Reserve Fund	Total
Excess of Revenues Over Expenses	6,190	8,552	14,742
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided By Operating Activities			
<u>(Increase) Decrease In:</u>			
Assessments Receivable	(2,900)	-	(2,900)
Interfund Balance	20,612	(20,612)	-
<u>Increase (Decrease) In:</u>			
Accrued Expenses	3,125	(10,932)	(7,807)
Prepaid Assessments	(400)	-	(400)
Net Cash Provided By Operating Activities	26,627	(22,992)	3,635
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Loan - NJDEP	-	11,960	11,960
Net Cash Provided By Financing Activities	0	11,960	11,960
Net Increase (Decrease) in Cash and Cash Equivalents	26,627	(11,032)	15,595
Cash and Cash Equivalents - Beginning of Year	38,520	42,378	80,898
Cash and Cash Equivalents - End of Year	65,147	31,346	96,493

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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash Paid For Income Taxes	-	-	-
Cash Paid For Interest Expense	-	-	-

See accompanying notes to financial statements

OLD TAUNTON COLONY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

Old Taunton Colony Club is a New Jersey not-for-profit organization incorporated in 1939 in compliance with the requirements of Title 15, Chapter 1 of the revised statutes of New Jersey. The Club's members include all the residential unit owners of Taunton Lake, Burlington County, New Jersey. Taunton Lake is defined as all that area encompassed by the Taunton Lake sides of Breakneck Road, Hinchman Road, Centennial Dam, Centennial Avenue and Hopewell Road and in addition, all real estate formerly the property of the Taunton Lakes Company and the house and property owned by the Larsen family that was granted use of Taunton Lake in their deed. The purpose of the Club is to provide for the maintenance, preservation and enhancement of the common facilities. At December 31, 2007 there are 152 members in the Club.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The Association maintains its books and records on the accrual basis of accounting. The accompanying financial statements have been prepared on that basis, in which revenue and gains are recognized when earned and expenses and losses are recognized when incurred.

Fund Accounting

The Club's governing documents provide certain guidelines for governing its financial activities. To ensure observance of the limitations and restrictions on the use of financial resources, the Club maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Operating Fund

This fund and its related cash accounts are used to account for financial resources available for the general operation of the Club.

Reserve Fund

This fund and its related cash accounts will be used to accumulate financial resources designated for future repairs and replacements of the Club, including the dam upgrade.

OLD TAUNTON COLONY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Member Assessments

Members are subject to annual assessments of \$400 in 2007 to provide for the Club's operating expenses. Assessments receivable at the balance sheet date represent fees due from members. Any assessments received in advance at the balance sheet date are deferred until due and recorded as advance assessments on the balance sheet.

Statement of Cash Flow

The Club considers all certificate of deposits to be cash equivalents. At December 31, 2007 cash consists of amounts held in checking accounts and certificate of deposits at local banks.

Use of 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 reported period. Actual results could differ from those estimates.

Income Taxes

The Club is recognized for federal tax purposes as a Section 501(c)4 organization, therefore it is an exempt organization and not subject to federal taxes provided it maintains its exempt status. The Club is also considered a tax exempt entity for New Jersey corporate taxes.

OLD TAUNTON COLONY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 Concentrations of Credit Risks

The Club does not utilize any specialized vendors, materials or equipment in the normal course of operations that would not be available from other sources at reasonably the same market price as the Association is currently paying.

The Club has, in the normal course of its business, non-collateralized assessments due from members. If members fail to make payment to the Club, the amount of loss incurred would be charged to operations in the year of write-off. Management has determined that the full collection of assessments is not realizable and therefore assessments receivable have been recorded net of uncollectible amounts at December 31, 2007.

NOTE 4 Loan - NJDEP

The Club has entered into a loan with the State of NJ DEP for restoration work on the Taunton Lake Dam. Total loan commitment is for \$433,440, payable over 20 years bearing interest at 2% per annum on the unpaid principal balance from the date of the initial loan disbursement by the state to the Club until payment of the entire principal balance. Interest accrued against each interim drawdown of the loan, from the date of the first drawdown to a date three months following the last project drawdown, must be paid to the state three months after the final drawdown. At December 31, 2007 the Club has been advanced \$21,958 from the state.