

OLD TAUNTON COLONY CLUB

ANNUAL METING AGENDA

MAY 6, 2012

7:00 p.m. Member sign-in and receive ballots – ballot box open

Welcome President

Announcement President: Based upon nominations to be made during the meeting, additional nominees beyond those whose names already appear on the ballot at the start of the meeting may become candidates. The nominations for Trustees process will immediately follow the Voting Overview segment. Voters wishing to wait and consider all of the candidates up for election will have the opportunity to hear candidate presentations at that time.

Treasurer's Report (See attached for written reports)

Committee Reports (See attached for written reports)

Voting Overview

1. Review printed ballot and procedure

Nominations

From Floor

1. Accept nominations and seconds from floor
2. Motion to close nominations and second

Candidates

Address (3 Minute Limit) (Necessary if there have been nominations from the floor)

1. Nominees
2. Candidates on Ballot

10 Minute Break 1. Ballot counters chosen (if necessary)
2. Call to order – Ballot Box Closed

Current Issues 1. Questions from floor

Announce Election
Results

Adjourn Meeting

Refreshments Served

Distribution of Beach Tags and Boat Stickers

OLD TAUNTON COLONY CLUB, INC.

YEAR ENDED DECEMBER 31, 2011

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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, 2011 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, 2011 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.

Marlton, New Jersey
April 27, 2012

OLD TAUNTON COLONY CLUB, INC.

BALANCE SHEET

DECEMBER 31,

	2011		
ASSETS	Operating Fund	Reserve Fund	Total
<u>Current Assets</u>			
Cash and Cash Equivalents	27,749	143,901	171,650
Assessments Receivable, Net	-	-	-
Land, Lakes, Open Areas	15,400	-	15,400
Interfund Balance	(2,966)	2,966	-
<u>TOTAL ASSETS</u>	<u>40,183</u>	<u>146,867</u>	<u>187,050</u>
 LIABILITIES AND FUND BALANCES			
<u>Current Liabilities</u>			
Accrued Expenses	2,249	-	2,249
Loan - NJDEP	-	49,374	49,374
 TOTAL LIABILITIES	<u>2,249</u>	<u>49,374</u>	<u>51,623</u>
 <u>Fund Balances</u>			
Operating Fund	37,934	-	37,934
Reserve Fund	-	97,493	97,493
 TOTAL FUND BALANCES	<u>37,934</u>	<u>97,493</u>	<u>135,427</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>40,183</u>	<u>146,867</u>	<u>187,050</u>

See accompanying notes to financial statements.

OLD TAUNTON COLONY CLUB, INC.

STATEMENT OF REVENUES AND EXPENSES

YEARS ENDED DECEMBER 31,

	2011		
	Operating Fund	Reserve Fund	Total
REVENUES			
Owner Assessments	35,744	23,906	59,650
Interest Income	12	541	583
Miscellaneous	160	-	760
TOTAL REVENUES	36,544	24,447	60,993
EXPENSES			
Administration Expenses	1,965	-	1,965
Annual Picnic	2,374	-	2,374
Bad Debt Expense (Recovery)	(2,950)	-	(2,950)
Beach Expenses	4,241	-	4,241
Insurance	10,654	-	10,654
Lake Expenses	1,742	-	1,742
Legal	15,756	-	15,756
Meeting Room Rental	850	-	850
Outside Accounting	2,100	-	2,100
Repairs	-	2,166	2,166
Taxes - Real Estate	959	-	959
Telephone - Beach	430	-	430
Utilities - Beach	1,184	-	1,184
TOTAL EXPENSES	39,305	2,166	41,471
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(2,759)	22,281	19,522

See accompanying notes to financial statements.

OLD TAUNTON COLONY CLUB, INC.
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2011

	Operating Fund	Reserve Fund	Totals
Balance - January 1, 2011	40,693	75,212	115,905
Excess (Deficit) of Revenues Over Expenses	(2,759)	22,281	19,522
Balance - December 31, 2011	37,934	97,493	135,427

See accompanying notes to financial statements.

OLD TAUNTON COLONY CLUB, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,

	2011		
	Operating Fund	Reserve Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess (Deficit) of Revenues Over Expenses	(2,759)	22,281	19,522
Adjustments to Reconcile Excess (Deficit) of Revenues Over Expenses to Net Cash Provided By (Used In) Operating Activities			
Bad Debt Expense	-	-	-
<u>(Increase) Decrease In:</u>			
Assessments Receivable	-	-	-
Interfund Balance	(8,939)	8,939	-
<u>Increase (Decrease) In:</u>			
Accrued Expenses	(1,175)	-	(1,175)
Prepaid Assessments	-	-	-
Net Cash Provided By (Used In) Operating Activities	(12,873)	31,220	18,347
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Loan - NJDEP	-	-	-
Net Cash Provided By Financing Activities	-	-	-
Net Increase (Decrease) In Cash and Cash Equivalents	(12,873)	31,220	18,347
Cash and Cash Equivalents - Beginning of Year	40,622	112,681	153,303
Cash and Cash Equivalents - End of Year	27,749	143,901	171,650

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, 2011 there are 152 members in the Club.

NOTE 2 DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 25, 2012, the date that the financial statements were available to be issued.

NOTE 3 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 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Member Assessments

Members are subject to annual assessments of \$400 in 2011 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, 2011 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.

NOTE 4 Concentration 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, 2011 of \$8,225.

OLD TAUNTON COLONY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 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, 2011 the Club has been advanced \$49,374 from the state.

Treasurer's Report

for the 2012 Annual Meeting - May 6, 2012

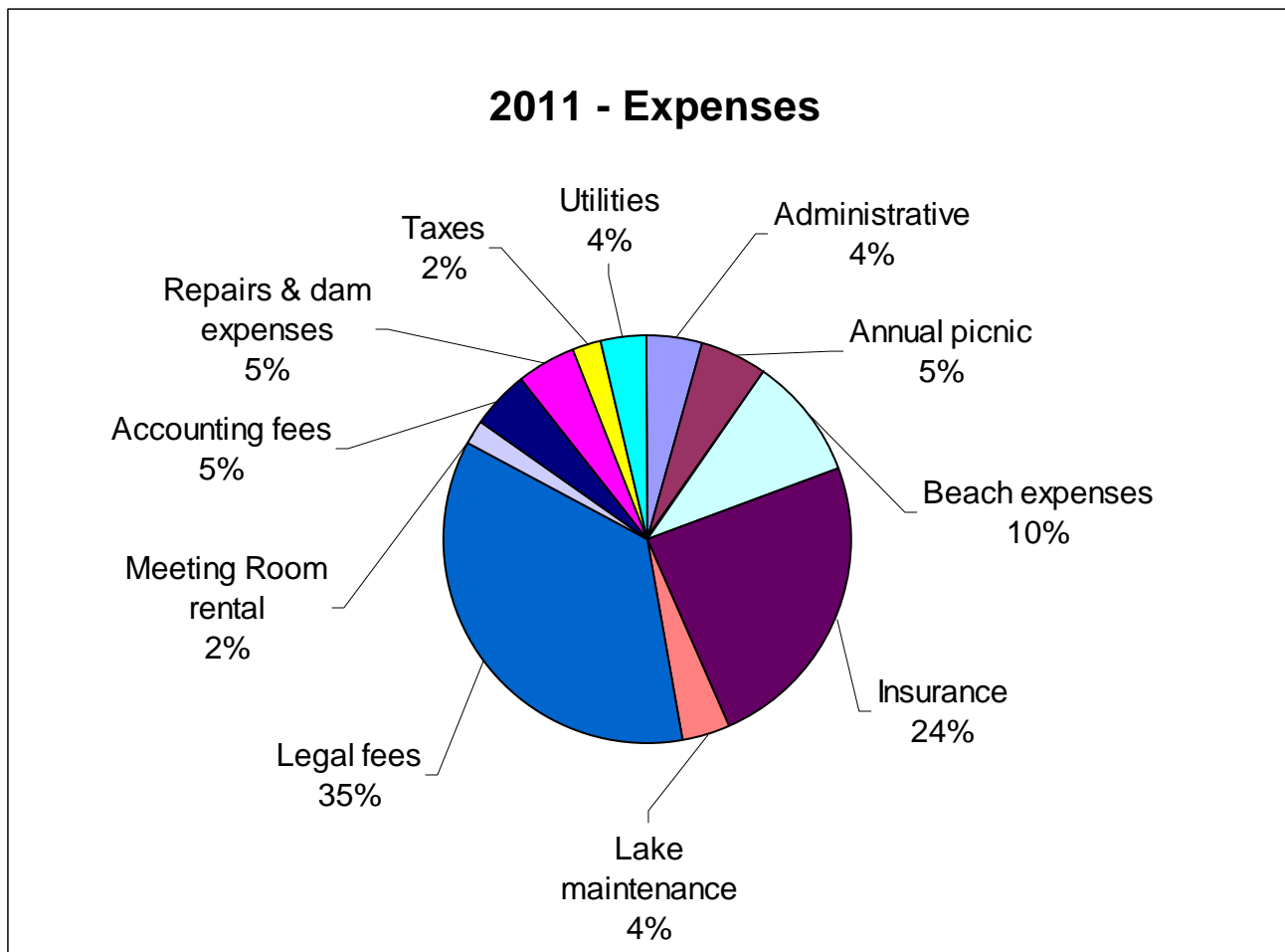
The OTCC finished 2011 with a surplus of \$19,522, up 46% from last year. Overall, expenses for the year were down 5.25%. Legal expenses were down 9.22% and should drop even further in 2012 with the anticipated conclusion of the one remaining court case, which is scheduled to go to trial this month.

Revenues were increased thanks to the collection of \$6,800 in delinquent dues.

Dues for 2012 are again unchanged from the last several years, at \$400. Of that, \$150 is placed in the reserve fund that was established seven 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. That reserve fund currently (5/2/12) stands at \$158,682. The remaining \$250 of your annual dues payment 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 chart below illustrates the breakdown of expenses for 2011.

Frank April, CPA, of Marlton, has conducted the annual independent audit of the OTCC's financials for the 2011 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.

Respectfully submitted,
Jerry Klein, Treasurer



OTCC DAM COMMITTEE 2012 ANNUAL REPORT

The members of the Dam Committee and Board of Trustees have continued their work to maintain our dam in a manner that complies with N.J. State standards for dam safety, including providing visual inspections, clearing of spillways, and vegetation maintenance. Proposed upgrades to the dam are required to meet the standards of New Jersey Department of Environmental Protection (NJDEP).

Current Project Status

Action taken during the last 12 months

The drawings were revised and resubmitted in April 2011 to address NJDEP's comments as well as comments previously received from the Burlington County Soil Conservation District and the Pinelands Commission.

Current Status of approvals

- Burlington County Soil Conservation District – Certification Received May 24, 2011
- NJ Pinelands Commission – General Permit No. 18 Approved December 16, 2011
- NJ Pinelands Commission – Certificate of Filing Received August 26, 2011
- NJDEP Dam Safety – Pending

Proposed actions over the next year

After receiving approval and the permits from NJDEP and other agencies, the Board will solicit bids from Contractors to perform the work. Due to the uncertainty of the NJDEP review period, and any additional comments we may receive, it is difficult to determine when the construction work will begin. We are estimating it the project would start in the fall of 2013. During portions of the construction work the lake will need to be lowered to a level similar to the annual spring lowering. Dates available for lake lowering are regulated by the NJDEP. The lake can be lowered beginning in mid-September, and must be lowered by November 15. The waterway may remain lowered until project completion. Lowering during other times of the year is not recommended, although we can receive a lowering during the spring (for up to one week). Therefore, most projects usually get started during the fall and continue through the winter. We will have to coordinate the construction work with NJDEP's limiting schedule and Medford Twp's road work. The Dam committee and Board of Trustees will be sure to update the members on the project as it progresses and dates become more certain.

Actions taken during previous years

2008, 2009, 2010 and 2011 - In August 2008, we received comments from NJDEP. Since that time the Committee along with ARH has worked with NJDEP to reduce the cost impacts of the requested changes. One of the required changes to the design will be the installation of a new headwall at the outfall of the secondary spillway. Incorporating the Township's roadway design and construction features into the final dam approval specifications will help to offset the additional costs of the headwall. Soil borings have been completed in the area of the proposed headwall, this information was used to create the design of the headwall. Revised drawings were submitted to NJDEP in July 2009. In April 2010 we received additional comments from NJDEP that were generally minor. Drawings were resubmitted to the NJDEP for review and approval prior to June 30, 2010. NJDEP comments were received in late January 2011.

2007- 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.

Previous 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 loan agreement has been finalized. The loan amount is for \$433,400.00. Based on the estimated repayment schedule the total amount to be repaid (including principal and interest) is \$526,488.00. This amount may be adjusted based on date of the final draw down on the loan. The Board currently appropriates \$150.00 of each member's annual dues payment to dam reconstruction fund which will be used to repay the loan.

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

Respectfully submitted,

Steve Lennon
Chair, Dam Committee

**Old Taunton Colony Club
Lakefront and Dock Committee Report
Annual Meeting 2012**

During the past year, we have experienced considerable problems with beavers destroying lake front vegetation. For homeowners on the lake, it is very frustrating.

Two lodges were established in the area of Thannel Run Cove but we believe that the beavers that built those lodges have been eliminated by automobile traffic at our dam and by the trapper that the Club enlisted. All told, five beavers no longer live at our lake. No sightings of beavers have been reported recently.

However, we expect that more will eventually migrate into the area due to their growing population in the surrounding areas.

In the past, we have outlined measures that can be taken to reduce damage to your property. In the coming months we will post those measures again, in detail at www.tauntonlake.org.

Speaking of trees, remember to always call a Lakefront and Dock Committee member before you cut, even if the tree is dead or dying! Please call well in advance of your cutting.

Native trees and shrubs are available at the Pinelands Nursery in Columbus, N J. (www.pinelandsnursery.com).

Committee Members:

Co-chair Paul Lucas	983 4890	Co-chair Steve Lennon	810 9505
Phil Myers	983 1981	Marty Hamilton	983 7393
Dick Watson	983 1364	Bill Orkfitz	983 6864
Dan Baskin	983 2143		

Taunton Lake Water Quality Committee
Annual Report for 2011
Annual Meeting May 6, 2012

During the 2011 summer season Taunton Lake water was tested by QC Laboratories for nitrogen, phosphates, Ph content and for fecal coliform.

From Memorial Day to Labor Day, the beach area is tested weekly for fecal coliform to assure that the beach is open for swimming. If the fecal count is over 200, QC labs retests within two days. If the retest is over 200 again, the beach is closed to swimming. During the 2011 summer, the initial test was over 200 on four occasions. Each time an advisement was posted at the beach. Upon retest the coliform count was considerably below 200 on all four occasions and the beach was never closed to swimming. The cause of the unusually high coliform readings is unknown. Since the retests all were within acceptable levels I requested that QC Labs make sure the water samples were taken correctly by their personnel. I will continue to monitor the test results closely in 2012.

Nitrate and phosphorous levels in the lake remain stable and are at acceptable levels. PH levels were also fairly stable.

During the swimming season, a banner-filled rope lies along the water line at the beach. This discourages the geese from gathering and helps to keep the fecal coliform level down. This is one method, but an even more important one is not to feed the wildlife as their droppings are pollutants. Geese, ducks and deer are the common culprits, so please don't feed them.

Tips for maintaining a healthy lake and the data concerning water quality can be found on our web site.

Submitted by John Palaitis

INSURANCE COMMITTEE REPORT - May 2012

The OTCC is covered by “A+” rated insurance companies with several types of insurance. The amount of coverage and the premiums for 2011 to 2012 are listed below.

We are not expecting any significant increase in cost of the 2012 – 2013 insurance policies. Exact figures are not yet available.

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

2011 to 2012

	<u>Premium</u>	<u>Limits of coverage</u>
Commercial Liability	\$7,245.00	\$1,000,000/\$2,000,000
Umbrella liability	\$1,575.00	\$1,000,000
Directors and Officers	\$1,480.96	\$1,000,000
Special Event (picnic)	\$353.15	\$1,000,000

Total for 2011-2012: \$10,654.11

Respectfully submitted,

Bill Walsh, Chair
Insurance Committee

Old Taunton Colony Club Aquatic Weed Committee Report 2012

During the 2011 recreational season we enjoyed very light growth of bladderwort. May through July was problem-free, however in August the growth was becoming a problem in some areas of the lake.

Our application for administering herbicide is submitted to the NJDEP and the Pinelands Commission by our licensed applicator, Great Blue, Inc. each Spring. Applications are typically processed in about a month, but last summer the processing stalled at the State level. Our application still had not been approved by the 2nd week of August.

We had planned on getting a treatment around the 2nd week of August. Finally, near the 3rd week, our application was approved by the State. By the time we were able to schedule a treatment, Hurricane Irene was projected to travel up the East Coast with a potential for heavy rains. Heavy rain would negate any benefit, thus we decided that it would not be cost effective to apply herbicide in September when recreational use of the lake drops off sharply.

We have reason to be hopeful that the same delay at the State level will not be repeated this year.

All residents can help in aquatic weed control by continuing to:

- Not plant turf grass
- Use phosphorus-free fertilizer
- Use limited amounts of fertilizer
- Regularly maintain and pump cesspools and septic systems
- Not feed deer and waterfowl

Submitted by Paul Lucas