

## **OLD TAUNTON COLONY CLUB**

### **ANNUAL MEETING AGENDA**

**MAY 4, 2014**

- 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)
- Comments
- 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

Explanation of proposed amendments to the bylaws and the voting procedure.

Question and answer period.

10 Minute Break    1. Ballot counters chosen  
                          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

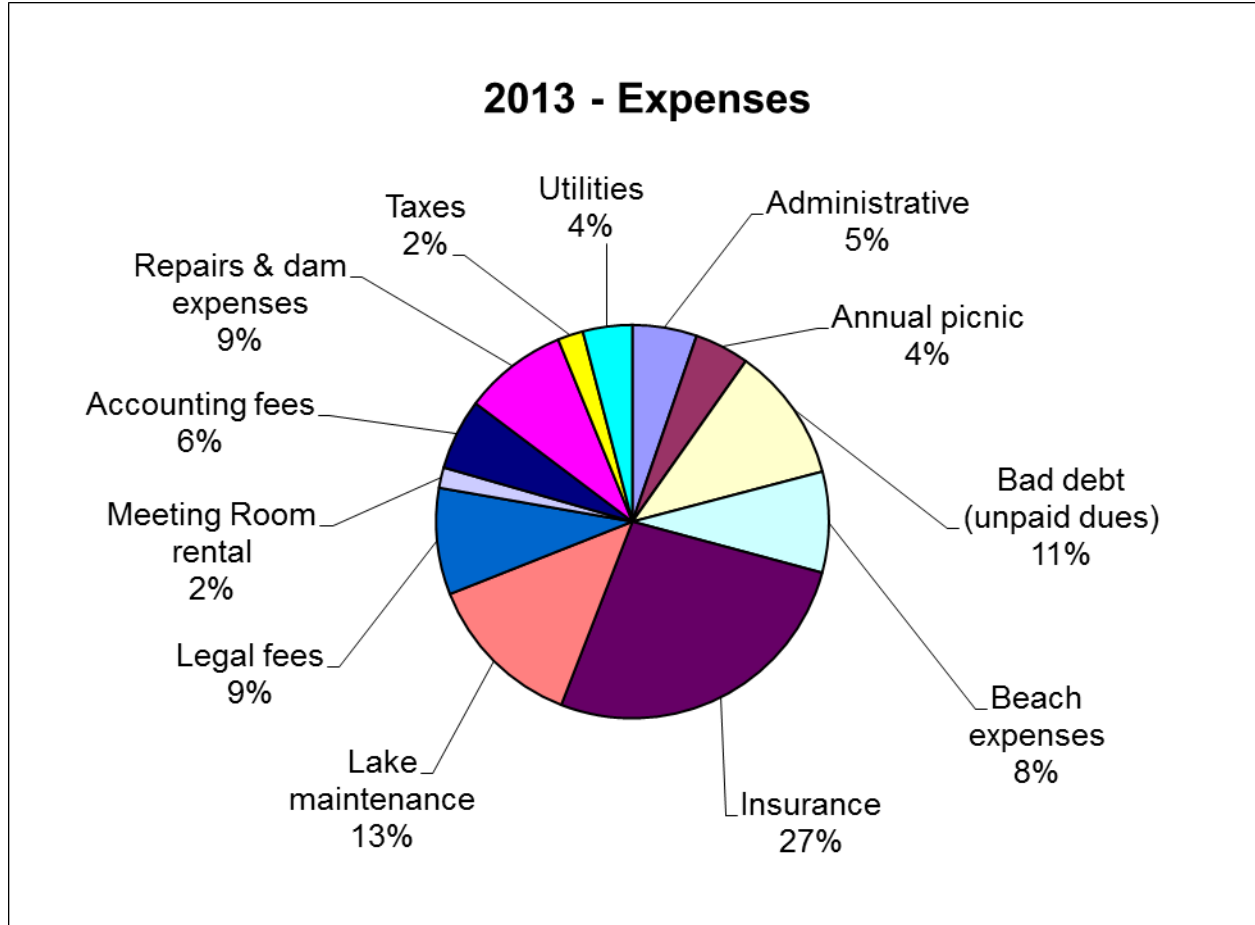
## Treasurer's Report for the 2014 Annual Meeting - May 4, 2014

The OTCC finished 2013 with a total surplus of \$21,357, up 65% from last year's surplus of \$12,953. Overall, expenses for the year were down 26%. Legal expenses were down 79%. That was the result of the successful conclusion in 2012 of a court case on enforcement of deed restrictions. Only the final bill pertaining to that case, roughly \$2,100, was expensed in 2013.

Dues for 2014 are again unchanged from the last several years, at \$400. Of that, \$150 is placed in the reserve fund that was established eight 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 (4/22/13) stands at \$186,230, which is 43% of the amount we'll need to pay off the principal of the loan. 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 2013.

Frank April, CPA, of Marlton, has conducted the annual independent audit of the OTCC's financials for the 2013 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



**DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY**

**OLD TAUNTON COLONY CLUB, INC.**

**YEAR ENDED DECEMBER 31, 2013**

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**DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Old Taunton Colony Club Inc

I have audited the accompanying financial statements of Old Taunton Colony Club Inc, which comprise the balance sheet as of December 31, 2013, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

**Report on the Financial Statements**

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

***Auditor's Responsibility***

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 that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY**

***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, 2013, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

**Francis J April CPA LLC**

**Marlton, New Jersey**

**February 1, 2014**

**DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY**

OLD TAUNTON COLONY CLUB, INC.

BALANCE SHEET

DECEMBER 31,

	2013		
ASSETS	Operating Fund	Reserve Fund	Total
<u>Current Assets</u>			
Cash and Cash Equivalents	18,939	187,324	206,263
Assessments Receivable, Net	-	-	-
Land, Lakes, Open Areas	15,400	-	15,400
Interfund Balance	1,208	(1,208)	-
<b><u>TOTAL ASSETS</u></b>	<b>35,547</b>	<b>186,116</b>	<b>221,663</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<u>Current Liabilities</u>			
Accrued Expenses	2,552	-	2,552
Loan - NJDEP	-	49,374	49,374
<b>TOTAL LIABILITIES</b>	<b>2,552</b>	<b>49,374</b>	<b>51,926</b>
<u>Fund Balances</u>			
Operating Fund	32,995	-	32,995
Reserve Fund	-	136,742	136,742
<b>TOTAL FUND BALANCES</b>	<b>32,995</b>	<b>136,742</b>	<b>169,737</b>
 <b><u>TOTAL LIABILITIES AND FUND BALANCES</u></b>	<b>35,547</b>	<b>186,116</b>	<b>221,663</b>

See accompanying notes to financial statements.

**DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY**

OLD TAUNTON COLONY CLUB, INC.  
STATEMENT OF REVENUES AND EXPENSES

YEARS ENDED DECEMBER 31,

REVENUES	2013		
	Operating Fund	Reserve Fund	Total
Owner Assessments	38,776	20,874	59,650
Interest Income	18	408	426
Miscellaneous	750	-	750
<b>TOTAL REVENUES</b>	<b>39,544</b>	<b>21,282</b>	<b>60,826</b>
<b>EXPENSES</b>			
Administration Expenses	2,090	-	2,090
Annual Picnic and Community Events	1,773	-	1,773
Bad Debt Expense	4,386	-	4,386
Beach Expenses	3,269	-	3,269
Insurance	10,548	-	10,548
Lake Expenses	5,166	-	5,166
Legal	3,459	-	3,459
Meeting Room Rental	665	-	665
Outside Accounting	2,300	-	2,300
Repairs	350	3,027	3,377
Taxes - Real Estate	827	-	827
Telephone - Beach	612	-	612
Utilities - Beach	997	-	997
<b>TOTAL EXPENSES</b>	<b>36,442</b>	<b>3,027</b>	<b>39,469</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>3,102</b>	<b>18,255</b>	<b>21,357</b>

See accompanying notes to financial statements.



**DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY**

OLD TAUNTON COLONY CLUB, INC.  
STATEMENT OF CHANGES IN FUND BALANCES  
YEAR ENDED DECEMBER 31, 2013

	Operating Fund	Reserve Fund	Totals
Balance - January 1, 2013	29,893	118,487	148,380
Excess (Deficit) of Revenues Over Expenses	<u>3,102</u>	<u>18,255</u>	<u>21,357</u>
Balance - December 31, 2013	<u>32,995</u>	<u>136,742</u>	<u>169,737</u>

See accompanying notes to financial statements.

**DRAFT - FOR  
DISCUSSION  
PURPOSES ONLY**

OLD TAUNTON COLONY CLUB, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,

	2013		
	Operating Fund	Reserve Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Excess (Deficit) of Revenues Over Expenses	3,102	18,255	21,357
Adjustments to Reconcile Excess (Deficit) of Revenues Over Expenses to Net Cash Provided By (Used In) Operating Activities			
<u>(Increase) Decrease In:</u>			
Assessments Receivable	-	-	-
Interfund Balance	(59)	59	-
<u>Increase (Decrease) In:</u>			
Accrued Expenses	153	-	153
Net Cash Provided By (Used In) Operating Activities	3,196	18,314	21,510
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from Loan - NJDEP	-	-	-
Net Cash Provided By Financing Activities	-	-	-
Net Increase (Decrease) In Cash and Cash Equivalents	3,196	18,314	21,510
Cash and Cash Equivalents - Beginning of Year	15,743	169,010	184,753
Cash and Cash Equivalents - End of Year	18,939	187,324	206,263

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:**

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

See accompanying 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, 2013 there are 149 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 February 1, 2014, 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 and upgrades to the Club's dam, as required by NJ DEP.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Member Assessments

Members are subject to annual assessments of \$400 in 2013 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, 2013 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 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, 2013 of \$13,636.

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, 2013 the Club has been advanced \$49,374 from the state.

## **OTCC DAM COMMITTEE 2014 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 Dam Improvement Project Status**

#### **Action taken during the last 12 months**

Final Permits were received by NJDEP IN June 2013. The Dam Committee has been coordinating with the Medford Twp's Engineer and Attorney regarding the scope of work of each party.

#### **Proposed actions over the next year**

The Committee will continue to coordinate with Medford Twp regarding road related improvements and solicit bids from Contractors to perform the work. We are estimating that the project would start in the fall of 2014. 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, 2011, 2012, 2013** - 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. 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. NJDEP continued their review of the plans in 2012.

**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.

#### **Dam Committee Activity Unrelated to the Dam Improvement Project**

The NJDEP approved our regular engineering inspection of the dam. The inspection was conducted by Pennoni Associates and was submitted in April 2013 for review by NJDEP.

November 2013, an updated Emergency Action Plan and Operations and Maintenance Manual was prepared by the Committee and submitted to NJDEP, and approved in January 2014. By preparing the updates ourselves we saved approximately \$3,000 in professional fees.

A cleanup of the dam including the spillways and removal of vegetation from the embankment was conducted in January 2014, and March 2014.

In April 2014, Steve Lennon participated in a Dam Owner Workshop, sponsored by the Burlington County and Medford Twp Offices of Emergency Management and attended by dam owners, NJDEP Dam Safety Staff, OEM personnel, and first responders. The presentation focused on the importance of the Emergency Action Plan and responsibilities of Dam Owners.

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

Respectfully submitted,

Steve Lennon  
Chair, Dam Committee

## **INSURANCE COMMITTEE REPORT - May 2014**

The OTCC is covered by “A+” rated insurance companies with several types of insurance. The amount of coverage and the premiums for 2013 to 2014 are listed below. We were able to get an endorsement for our Special Events (picnic) coverage added to our Commercial Liability policy at no cost. This eliminates the need for a stand alone policy for Special Events and saves approximately \$350.

We are not expecting any significant increase in cost of the 2014 – 2015 insurance policies. Exact figures are not yet available.

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

### **2012 to 2013**

	<u>Premium</u>	<u>Limits of coverage</u>
Commercial Liability	\$7,340.00	\$1,000,000/\$2,000,000
Umbrella liability	\$1,575.00	\$1,000,000
Directors and Officers	\$1,633.69	\$1,000,000
Special Event (picnic)	No Charge	\$1,000,000
Total for 2013-2014: \$10,548.69		

Respectfully submitted,

Bill Walsh, Chair  
Insurance Committee



## **AQUATIC WEED COMMITTEE REPORT**

**May 4, 2014**

The 2013 recreational season at Taunton Lake was largely unhampered by the presence of nuisance bladderwort until late July/early August. At that point, it was cost effective to have our aquatic herbicide company complete a treatment of the whole perimeter of the lake. Fortunately, we had good results and the weeds were tamped down to acceptable levels.

Most people who live on lakes eventually accept the inevitable presence of the weeds, after all, they are an important part of every healthy lake. An over population of the plants earns them the disrespect of the term “weeds”.

In management of the aquatic plants, a healthy balance is very difficult to achieve. The “weeds” grow profusely, especially in the shallow South Jersey lakes when there is the right combination of sun, warm water temperatures, and available food.

As lake residents we have no control over the first two favorable conditions, but we often have great control over the available food that they need. Fertilized turf grass lawns, erosion, and improperly maintained cesspools and septic systems give the weeds an abundance of food on which to thrive. Soil that is eroding releases stored nutrients. The waste from the over-population of deer and waterfowl, caused in part, by people mindlessly feeding them, septic systems, and fertilizers seep into the ground water and eventually reach the “water table”, which is the lake. The nutrients from those sources can travel long distances to eventually make it to the low point (the lake). From there the nutrient rich water causes damage in the rivers, the bays, and in the ocean.

## **OTCC Water Quality Report**

**May 4, 2014**

During the 2014 summer season, our lake water was tested by QC Laboratories. From Memorial Day to Labor Day, the beach area was tested once a week for fecal coliform to assure that the area is safe for swimming. Any test results with a fecal count of over 200 raised a red flag and QC lab retests the area within two days. If the second test is also over 200, the beach is closed to swimming.

This past year there were only two occasions in which the initial test came in over 200; but upon retesting, both fell below the warning level; therefore the beach was never in need of being closed. All in all, 2013 was a good safe summer for swimming.

A rope containing colorful streamers is strung across the water line at the beach in order to discourage geese from gathering. This helps to keep the coliform level down, but it is not the only method. More important is that we, as a community, keep from feeding the wildlife, as this only encourages their gathering, thus increasing the pollutants that may harm the lake.

John Palaitis