

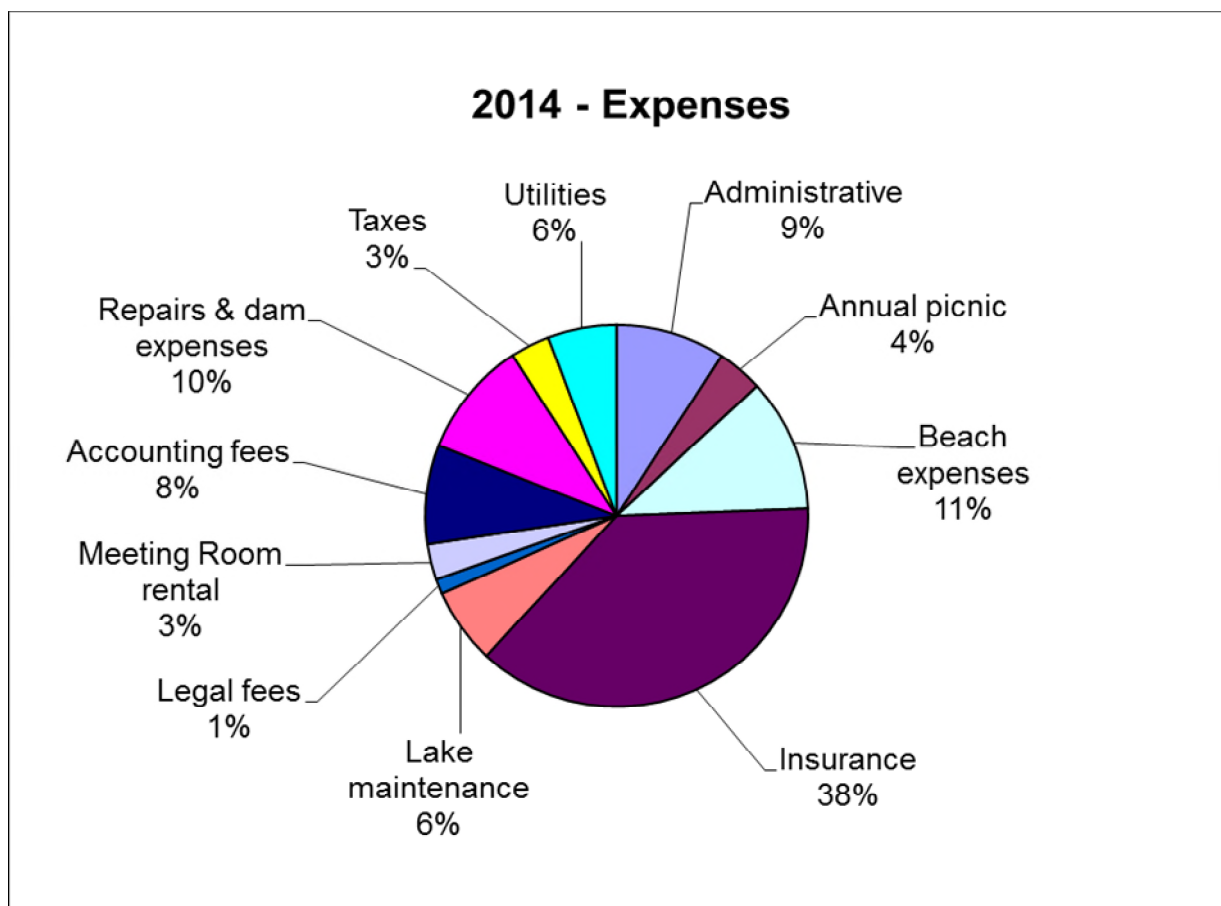
## Treasurer's Report for the 2015 Annual Meeting - May 3, 2015

The OTCC finished 2014 with a total surplus of \$36,057, up 69% from last year's surplus of \$21,357. Overall, expenses for the year were down 26.8%. Revenues were boosted by a net recovery of bad debt (unpaid past dues) of \$4336.

Dues for 2015 are again unchanged from the last several years, at \$400. Of that, \$150 is placed in the reserve fund that was established nine 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 (4/28/15) stands at \$208,022, which is 48% 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 2014.

Frank April, CPA, of Marlton, has conducted the annual independent audit of the OTCC's financials for the 2014 calendar year. A copy of his report is attached.

Respectfully submitted,  
Jerry Klein, Treasurer



**OLD TAUNTON COLONY CLUB, INC.**

**YEAR ENDED DECEMBER 31, 2014**

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## **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, 2014, 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.

***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, 2014, 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

January 31, 2015

OLD TAUNTON COLONY CLUB, INC.

BALANCE SHEET

DECEMBER 31,

	<u>2014</u>		
ASSETS	Operating Fund	Reserve Fund	Total
<u>Current Assets</u>			
Cash and Cash Equivalents	34,426	207,346	241,772
Assessments Receivable, Net	600	-	600
Land, Lakes, Open Areas	15,400	-	15,400
Interfund Balance	(1,036)	1,036	-
<u>TOTAL ASSETS</u>	<u>49,390</u>	<u>208,382</u>	<u>257,772</u>
LIABILITIES AND FUND BALANCES			
<u>Current Liabilities</u>			
Accrued Expenses	2,604	-	2,604
Loan - NJDEP	-	49,374	49,374
<u>TOTAL LIABILITIES</u>	<u>2,604</u>	<u>49,374</u>	<u>51,978</u>
<u>Fund Balances</u>			
Operating Fund	46,786	-	46,786
Reserve Fund	-	159,008	159,008
<u>TOTAL FUND BALANCES</u>	<u>46,786</u>	<u>159,008</u>	<u>205,794</u>
 <u>TOTAL LIABILITIES AND FUND BALANCES</u>	 <u>49,390</u>	 <u>208,382</u>	 <u>257,772</u>

See accompanying notes to financial statements.

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

REVENUES	2014		
	Operating Fund	Reserve Fund	Total
Owner Assessments	36,080	23,620	59,700
Interest Income	17	396	413
Miscellaneous	500	-	500
<b>TOTAL REVENUES</b>	<b>36,597</b>	<b>24,016</b>	<b>60,613</b>
<b>EXPENSES</b>			
Administration Expenses	2,671	-	2,671
Annual Picnic and Community Events	1,117	-	1,117
Bad Debt Expense (Recovery)	(4,336)	-	(4,336)
Beach Expenses	3,256	-	3,256
Insurance	10,848	-	10,848
Lake Expenses	1,854	-	1,854
Legal	368	-	368
Meeting Room Rental	865	-	865
Outside Accounting	2,425	-	2,425
Repairs	1,095	1,750	2,845
Taxes - Real Estate	960	-	960
Telephone - Beach	445	-	445
Utilities - Beach	1,238	-	1,238
<b>TOTAL EXPENSES</b>	<b>22,806</b>	<b>1,750</b>	<b>24,556</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>13,791</b>	<b>22,266</b>	<b>36,057</b>

See accompanying notes to financial statements.

OLD TAUNTON COLONY CLUB, INC.  
 STATEMENT OF CHANGES IN FUND BALANCES  
 YEAR ENDED DECEMBER 31, 2014

	Operating Fund	Reserve Fund	Totals
Balance - January 1, 2014	32,995	136,742	169,737
Excess (Deficit) of Revenues Over Expenses	13,791	22,266	36,057
Balance - December 31, 2014	46,786	159,008	205,794

See accompanying notes to financial statements.

OLD TAUNTON COLONY CLUB, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31,

	<u>2014</u>		
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Excess (Deficit) of Revenues Over Expenses	13,791	22,266	36,057
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	(600)	-	(600)
Interfund Balance	2,244	(2,244)	-
<u>Increase (Decrease) In:</u>			
Accrued Expenses	52	-	52
Net Cash Provided By (Used In) Operating Activities	<u>15,487</u>	<u>20,022</u>	<u>35,509</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from Loan - NJDEP	-	-	-
Net Cash Provided By Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) In Cash and Cash Equivalents	15,487	20,022	35,509
Cash and Cash Equivalents - Beginning of Year	<u>18,939</u>	<u>187,324</u>	<u>206,263</u>
Cash and Cash Equivalents - End of Year	<u>34,426</u>	<u>207,346</u>	<u>241,772</u>

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, 2014 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 January 31, 2015, 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.

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 2014 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, 2014 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, 2014 of \$9,300.

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, 2014 the Club has been advanced \$49,374 from the state.

## **OTCC DAM COMMITTEE 2015 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**

Coordination with Medford Twp's Engineer and Attorney regarding the scope of work of each party.

Bid Specifications were finalized and issued to Contractors for Bidding.

### **Proposed Project Schedule (to be finalized with selected Contractor and NJDEP)**

**May**-Review Bids

**June**- Review and finalize project schedule with Contractor, Award Bid, Contractor Mobilization and Coordinate with Medford Township.

**July 15**- Start of Construction (out of water work)

**August**-Proceed with out of water work

**September**- Proceed with work that requires lake lowering

**October 1**- Completion of Work

Repaving of Breakneck by Medford Township is anticipated to occur in the Fall of 2015 or Spring of 2016

### **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. The loan amount is for \$433,400.00. Based on the estimated 17.5 year 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**

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

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

Respectfully submitted,

Steve Lennon  
Chair, Dam Committee

Old Taunton Colony Club  
Lakefront and Dock Committee Report  
For the Annual Meeting May 3, 2015

Committee members reviewed and approved three variance applications, two dock build/rebuild applications, and a number of requests regarding tree cutting.

Of particular concern was that a number of property owners cut trees without approval. The Board of Trustees has tried to make members aware that cutting must be approved beforehand. Unapproved cutting violates rules and more importantly, your deed restrictions. We consider this to be an important issue.

It is every member's responsibility to be aware of the fact that the Taunton Lake Community along with many other communities in Medford is part of a Homeowners Association. As such, each resident is bound by the rules and deed restrictions of their Association.

The rules and deed restrictions can be found at [www.tauntonlake.org](http://www.tauntonlake.org).

Paul Lucas  
For the Committee

Old Taunton Colony Club  
Aquatic Weed Committee Report  
For the Annual Meeting May 3, 2015

Aquatic plants are a natural and necessary part of any healthy aquatic ecosystem. We term those aquatic plants “weeds” when we consider them unwanted. Our perceptions of the “weed” conditions are molded by the depth of our understanding and appreciation of the natural world, our experience, and our proximity to the lake in the observation of a small area or the lake as a whole.

Any body of water has varying depths, and other natural features that have a bearing on the presence of, and observability of the plants. Sunlight, availability of nutrients, water depth, water temperature, and proximity to wind and water currents all influence weed growth and density.

You may have noticed that various places on the lake are subject to prevailing wind currents. If the wind primarily blows from a specific direction, floating weeds travel and tend to collect in predictable places. If the water is shallow in an area that isn't subject to regular wind and water currents, then the floating weeds stay put and the rooted ones enjoy higher temperatures (which turns those areas into “weed incubators”). Thus, one family may see too many weeds and another family sees no weeds from their respective vantage points.

Our Committee is fortunate to have a group of dedicated volunteers to monitor weed conditions throughout the whole lake each week. After a trip out on the lake, the volunteer sends a written report to the Committee members.

The 2014 recreation season was a generally exceptionally good one in terms of weed conditions overall, however those folks who live in the chronically weedy areas may disagree. Hopefully, the information above will impart a level of understanding to those who can see beyond the immediate.

The end of the season is always the worst for weed conditions, but we were able to get through the season without calling in our aquatic weed control company.

Every citizen of the lake can help to limit the weed growth and general health of our lake by eliminating or reducing turf grass areas, eliminating or reducing fertilizers, and pesticides, and reducing soil erosion. In addition, proper maintenance of septic systems is important, as well as maintaining a dense buffer of native trees and shrubs between one's house and the lake.

Paul Lucas  
For the Committee

## **INSURANCE COMMITTEE REPORT - May 2015**

The OTCC is covered by “A+” rated insurance companies with several types of insurance. The amount of coverage and the premiums for 2014 to 2015 are listed below. We continue to be 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 2015 – 2016 insurance policies. Exact figures are not yet available.

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

### **2014 to 2015**

	<u>Premium</u>	<u>Limits of coverage</u>
Commercial Liability	\$7,640.00	\$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:	\$10,848.69	

Respectfully submitted,

Bill Walsh, Chair  
Insurance Committee