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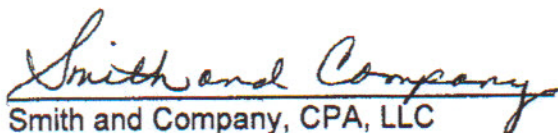
Board of Directors
Romerock Association, Inc.
Rome, OH 44085

We have compiled the accompanying statement of assets, liabilities, and fund balance-cash basis of Romerock Association, Inc. as of December 31, 2011 and the related statements of revenue, expense, and changes in fund balance-cash basis and statement of cash flows-cash basis for the one month and twelve months then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The *American Institute of Certified Public Accountants* has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of the basic financial statements. Romerock Association, Inc. has not presented this supplementary information.


Smith and Company, CPA, LLC
January 13, 2012

ROMEROCK ASSOCIATION, INC.
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE-CASH BASIS
 AS OF DECEMBER 31, 2011

	DEC. 31 2011
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	3,865
Certificates of Deposit Andover	0
Money Market Account	<u>25,110</u>
CASH	29,575
Prepaid Payroll Tax	-
Property and Equipment	
Building And Improvements	3,492,914
Equipment	56,373
Vehicles	<u>186,036</u>
	<u>3,735,323</u>
Less: Accumulated Depreciation	<u>(2,086,919)</u>
Total Fixed Assets	<u>1,648,404</u>
TOTAL ASSETS	<u>\$ 1,677,979</u>
 LIABILITIES AND FUND BALANCES	
Building Plan Deposits	\$0
Andover Bank Short Term	0
HSA Withholding	0
Employee FICA/MED W/H	0
AFLAC W/H	141
Employee IRA W/H	539
Loan Payable - 2006 F350 Dump Truck	0
Loan Payable - 2006 F250 Truck	0
Loan Payable - Andover Bank	<u>716,873</u>
TOTAL LIABILITIES	<u>717,553</u>
 FUND BALANCE	 <u>960,426</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 1,677,979</u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND BALANCE-CASH BASIS
FOR THE PERIOD ENDED DECEMBER 31, 2011

REVENUES	
Operating Income	\$ 1,026,776
EXPENSES	
Operating	<u>1,037,618</u>
Excess (Deficiency) of Revenues over Expenses	<u>(10,842)</u>
Beginning Fund Balance	<u>971,268</u>
Ending Fund Balance	<u><u>\$ 960,426</u></u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
STATEMENT OF CASH FLOWS-CASH BASIS
FOR THE PERIOD ENDED DECEMBER 31, 2011

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	(10,842)	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	188,475	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	0	
N/P Andover Bank Loan	(80,431)	
N/P 2006 F350 Dump Truck	(5,858)	
N/P 2006 F250 Truck	(5,600)	
Employee W/H	452	
	<u>(91,437)</u>	
Net Cash Provided (Used) by Operating Activities	86,196	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(59,936)</u>	Note 2
Net Increase (Decrease) in Cash	26,260	
Cash at Beginning of Year	<u>3,315</u>	
Cash at End of Period	<u><u>\$ 29,575</u></u>	

Note 1-Represents operating income less operating expenses

Note 2-Represents fixed assets purchased current year

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED DECEMBER 31, 2011

REVENUE	DEC 31 2011 MTD	DEC 31 2011 YTD	TWELVE MONTH BUDGET
Dues	176	99,220	103,000
General Assessment	714	340,604	348,000
RSV Road Maintenance	0	20,000	20,000
Capital Improvement	256	110,181	115,000
Boat Decals	0	35,745	35,500
Interest Income	18	682	500
Miscellaneous	1,000	29,563	30,000
Clubhouse Rental	200	7,100	7,000
Concession Stand	0	8,987	7,000
Late Fees	55	10,081	10,000
Collections	1,461	76,620	50,000
New Member Impact Fee	1,000	30,925	30,000
Roads Assessment	462	257,068	267,000
Total Revenue	\$ 5,342	\$ 1,026,776	\$ 1,023,000

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED DECEMBER 31, 2011

EXPENSES	DEC 31 2011 MTD	DEC 31 2011 YTD	TWELVE MONTH BUDGET
Wages & Salaries	23,920	379,645	391,000
Employer Taxes	1,767	40,000	42,000
Employer IRA Match	463	9,101	9,700
Employer Medical Insurance	4,009	43,250	42,000
License & Permits	212	4,182	4,000
Insurance General	0	14,724	15,000
Legal Fees-Schraff & King	908	17,943	10,200
Collection Fees	204	80,242	18,000
Accounting Fees	400	4,800	4,800
ADP P/R Fees	340	3,365	4,000
Travel Expense	0	1,700	2,000
Gas & Fuel Oil	649	15,443	13,000
Equipment and Maintenance	577	24,986	15,000
Utilities	2,899	40,515	45,000
Bank Charges/CC Fees	69	822	1,000
Office Miscellaneous	1,299	22,167	22,000
Concession Supplies	0	5,417	5,000
Cleaning Services	1,216	10,731	9,500
Real Estate Taxes	0	9,965	10,000
Grounds Trash Removal	252	2,915	3,000
Grounds Landscaping	0	650	2,000
Culvert Pipe	49	4,253	9,000
Buildings & Maintenance	241	6,444	7,000
RomeRock News	1,066	13,986	7,000
Pools	0	5,577	12,000
Social Activity/F.W.	0	5,997	5,000
Early Bird Contests	0	2,750	2,750
Andover Bank Interest	2,973	40,726	39,777
Road Maintenance	62	16,388	6,000

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED DECEMBER 31, 2011

EXPENSES	DEC 31 2011 MTD	DEC 31 2011 YTD	TWELVE MONTH BUDGET
Lake Management	6,073	16,289	15,000
Lake Safety Comm. Requests	0	170	1,500
RSV Dam Maintenance	0	4,000	4,000
Depreciation Expense	<u>13,333</u>	<u>188,475</u>	<u>0</u>
 Total of Expenses	 62,980	 1,037,618	 777,227
 Excess Revenue over Expense	 <u>(57,638)</u>	 <u>(10,842)</u>	 <u>245,773</u>

See accompanying notes and accountant's compilation report.

RomeRock Association, Inc.
NOTES TO FINANCIAL STATEMENTS

BACKGROUND

RomeRock Association, Inc. (the Association) is a homeowners association incorporated on June 17, 1966 under the nonprofit laws of the State of Ohio. The Association was formed to operate, manage, maintain, and promote the common areas of Roaming Shores, a private lakefront community located in Ashtabula County, Ohio. The association consists of approximately 2,190 residential lots owned by homeowners and developers.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of RomeRock Association, Inc.

Basis of Accounting

The Association's financial statements are prepared on the cash basis. Under this basis, revenues are recognized when collected rather than earned, and expenses are generally recognized when paid rather than incurred. Consequently, accounts receivable due from homeowners, deferred revenues and accrued expenses are not included in the financial statements.

Cash

RomeRock Association, Inc. considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Equipment and Property Improvements

Equipment and property improvements are stated at cost and are being depreciated using the straight-line method over their estimated useful lives of the assets ranging from five to thirty years.

Income Taxes

The Association elects on an annual basis to file its tax return as either a regular corporation or as a homeowners association under Section 528 of the Internal Revenue Code. For 2010, the Association elected to file under Section 528 of the Internal Revenue Code as a homeowners association.

RomeRock Association, Inc.
NOTES TO FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Future Major Repairs and Maintenance

The Association's governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Association has not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future, nor has the board of directors developed a plan to fund those needs. When funds are required for major repairs and replacements, the Association plans to borrow, increased assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

CASH

Cash is comprised of the following:

	<u>December 31, 2011</u>
Petty cash	\$ 600
Cash in checking	3,865
Cash in money market	25,110
Total	<u>\$ 29,575</u>

Cash deposits in financial institutions at times, may exceed federal insured limits. RomeRock Association, Inc. has not experienced any losses on these accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

RomeRock Association, Inc.
NOTES TO FINANCIAL STATEMENTS (Continued)

FIXED ASSETS

Fixed assets are comprised of the following:

		<u>December 31, 2011</u>
Buildings and improvements	\$	3,492,914
Equipment		56,373
Vehicles		186,036
		<u>3,735,323</u>
Less accumulated depreciation		2,086,919
Net fixed assets	\$	<u>1,648,404</u>

LONG-TERM DEBT

The Association's obligation under long-term debt consisted of the following:

		<u>December 31, 2011</u>
Note payable to bank due in 180 monthly installments through February 2019. The rate is variable and may change every twelve months. Currently the monthly payment is \$10,577.31 at a rate of 6.375 percent per annum. All assets of the Association secure this loan.	\$	716,873
Note payable to Ford Credit due in 60 monthly installments of \$585 without interest through October 2011. A vehicle secures the loan.		0
Note payable to Ford Credit due in 60 monthly installments of \$560 without interest through October 2011. A vehicle secures the loan.		0
		<u>716,873</u>
Less current maturities		<u>86,793</u>
Net long-term debt	\$	<u>630,080</u>

RomeRock Association, Inc.
NOTES TO FINANCIAL STATEMENTS (Continued)

Required principal payments on long-term debt for the next five years are as follows:

2011	\$	0
2012		86,793
2013		92,041
2014		96,000
2015		100,000
Thereafter		342,039
	\$	<u>716,873</u>