

ROMEROCK ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE-CASH BASIS
AS OF JANUARY 31, 2013

	JAN 31 2013
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	92,013
Certificates of Deposit Andover	0
Money Market Account	<u>100,318</u>
CASH	192,931
Prepaid Payroll Tax	-
Property and Equipment	
Building And Improvements	3,748,129
Equipment	121,651
Vehicles	<u>186,036</u>
	4,055,816
Less: Accumulated Depreciation	<u>(2,280,580)</u>
Total Fixed Assets	1,775,236
TOTAL ASSETS	<u><u>\$ 1,968,167</u></u>
 LIABILITIES AND FUND BALANCES	
Building Plan Deposits	\$0
HSA Withholding	(225)
Employee FICA/MED W/H	(3)
AFLAC W/H	19
Employee IRA W/H	462
Loan Payable - Joseph Manzo	87,617
Loan Payable - Andover Bank	<u>624,285</u>
TOTAL LIABILITIES	712,155
 FUND BALANCE	 <u>1,256,012</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,968,167</u></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 JANUARY 31, 2013

REVENUES	
Operating Income	\$ 236,720
EXPENSES	
Operating	<u>94,405</u>
Excess (Deficiency) of Revenues over Expenses	<u>142,315</u>
Beginning Fund Balance	<u>1,113,697</u>
Ending Fund Balance	<u><u>\$ 1,256,012</u></u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
STATEMENT OF CASH FLOWS-CASH BASIS
FOR THE PERIOD ENDED JANUARY 31, 2013

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	142,315	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	15,252	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	0	
N/P Joseph Manzo	87,617	
N/P Andover Bank Loan	(7,259)	
Employee W/H	374	
	<u>80,732</u>	
Net Cash Provided (Used) by Operating Activities	238,299	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(97,985)</u>	Note 2
Net Increase (Decrease) in Cash	140,314	
Cash at Beginning of Year	<u>52,617</u>	
Cash at End of Period	<u><u>\$ 192,931</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 JANUARY 31, 2013

REVENUE	JAN 31 2013 MTD	JAN 31 2013 YTD	TWELVE MONTH BUDGET
Dues	24,763	24,763	97,374
General Assessment	73,740	73,740	384,243
RSV Road Maintenance	0	0	10,000
Capital Improvement	32,762	32,762	123,964
Boat Decals	165	165	74,276
Interest Income	5	5	840
Miscellaneous	705	705	18,350
Clubhouse Rental	200	200	7,157
Concession Stand	0	0	7,991
Late Fees	0	0	6,625
Collections	465	465	49,368
New Member Impact Fee	1,000	1,000	48,999
Roads Assessment	102,915	102,915	286,769
Total Revenue	\$ 236,720	\$ 236,720	\$ 1,115,956

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED JANUARY 31, 2013

EXPENSES	JAN 31 2013 MTD	JAN 31 2013 YTD	TWELVE MONTH BUDGET
Wages & Salaries	30,316	30,316	335,293
Employer Taxes	8,174	8,174	36,771
Employer IRA Match	628	628	7,689
Employer Medical Insurance	10,524	10,524	49,500
License & Permits	93	93	3,249
Insurance General	0	0	5,593
Legal Fees-Schraff & King	1,126	1,126	21,424
Collection Fees	462	462	21,258
Accounting Fees	400	400	4,799
ADP P/R Fees	226	226	3,546
Travel Expense	0	0	3,001
Gas & Fuel Oil	909	909	15,000
Equipment and Maintenance	4,485	4,485	30,050
Utilities	2,887	2,887	45,001
Bank Charges/CC Fees	72	72	1,002
Office Miscellaneous	1,913	1,913	10,703
Concession Supplies	0	0	5,600
Cleaning Services	1,138	1,138	8,407
Real Estate Taxes	7,556	7,556	14,035
Grounds Trash Removal	315	315	5,080
Grounds Landscaping	0	0	1,999
Culvert Pipe	0	0	6,657
Buildings & Maintenance	633	633	11,381
RomeRock News	0	0	7,000
Pools	140	140	10,567
Social Activity/F.W.	843	843	6,000
Early Bird Contests	1,350	1,350	2,750
Andover Bank Interest	2,920	2,920	118,656
Andover Bank Loan Fees	0	0	500
Road Maintenance	2,043	2,043	17,000

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED JANUARY 31, 2013

EXPENSES	JAN 31 2013 MTD	JAN 31 2013 YTD	TWELVE MONTH BUDGET
Lake Management	0	0	15,000
Lake Safety Comm. Requests	0	0	0
RSV Dam Maintenance	0	0	4,000
Dredging Operating	0	0	100,000
Depreciation Expense	15,252	15,252	0
Total of Expenses	94,405	94,405	928,511
Excess Revenue over Expense	<u>142,315</u>	<u>142,315</u>	<u>187,445</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 2011, the Association elected to file under Section 528 of the Internal Revenue Code as a homeowners association.

The Association's forms 1120-H, U.S. Income Tax Return for Homeowners Associations, for the years ending 2008, 2009, 2010, and 2011 are subject to examination by the IRS, generally for 3 years after they were filed.

See accountant's compilation report.

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>January 31, 2013</u>
Petty cash	\$ 600
Cash in checking	92,013
Cash in money market	100,318
Total	<u>\$ 192,931</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.

See accountant's compilation report.

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

FIXED ASSETS

Fixed assets are comprised of the following:

		January 31, 2013
Buildings and improvements	\$	3,748,129
Equipment		121,651
Vehicles		186,036
		4,055,816
Less accumulated depreciation		2,280,580
Net fixed assets	\$	1,775,236

LONG-TERM DEBT

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

		January 31, 2013
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 \$9,937.01 at a rate of 5.0 percent per annum. All assets of the Association secure this loan.	\$	624,285
Note payable to Joseph Manzo due in 36 monthly installments of \$2,627.24 at an interest rate of 3.25 percent per year, through December 15, 2015. Land secures the loan.	\$	87,617
		711,902
Less current maturities		111,977
Net long-term debt	\$	599,925

See accountant's compilation report.

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

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

2013	\$	102,335
2014		126,000
2015		131,000
2016		104,000
2017		108,000
Thereafter		140,567
	\$	<u>711,902</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through February 18, 2013, which is the date the financial statements were available.

See accountant's compilation report.

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RomeRock Association, Inc.
Journal
January 30, 2013

Type	Date	Num	Account	Debit	Credit
General Journal	1/30/2013	10	190 - BUILDING AND IMPROVEMENTS 225 - LOAN PAYABLE - JOSEPH MANZO	90,000.00	90,000.00
				90,000.00	90,000.00
General Journal	1/30/2013	11	225 - LOAN PAYABLE - JOSEPH MANZO 182 - 2013 CAPITAL IMPROVEMENTS	2,383.49	2,383.49
				2,383.49	2,383.49
General Journal	1/30/2013	12	190 - BUILDING AND IMPROVEMENTS 190 - BUILDING AND IMPROVEMENTS 190 - BUILDING AND IMPROVEMENTS 181 - 2012 CAPITAL IMPROVEMENTS	7,786.15 47.64 151.39	7,985.18
				7,985.18	7,985.18
General Journal	1/30/2013	13	90001 - DEPRECIATION EXPENSE 199 - A/D - DEPRECIATION TO DATE	15,252.00	15,252.00
				15,252.00	15,252.00
TOTAL				<u>115,620.67</u>	<u>115,620.67</u>