

ROMEROCK ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE-CASH BASIS
AS OF JUNE 30, 2013

	JUNE 30 2013
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	22,177
Certificates of Deposit Andover	0
Money Market Account	<u>570,564</u>
CASH	593,341
 Prepaid Payroll Tax	 -
 Property and Equipment	
Building And Improvements	3,764,710
Equipment	123,561
Vehicles	<u>186,036</u>
	4,074,307
Less: Accumulated Depreciation	<u>(2,356,840)</u>
Total Fixed Assets	<u>1,717,467</u>
TOTAL ASSETS	<u><u>\$2,310,808</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	133
Loan Payable - Joseph Manzo	75,602
Loan Payable - Andover Bank	<u>587,336</u>
TOTAL LIABILITIES	663,312
 FUND BALANCE	 <u>1,647,496</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$2,310,808</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 JUNE 30, 2013

REVENUES	
Operating Income	\$ 978,098
EXPENSES	
Operating	<u>444,299</u>
Excess (Deficiency) of Revenues over Expenses	<u>533,799</u>
Beginning Fund Balance	<u>1,113,697</u>
Ending Fund Balance	<u><u>\$ 1,647,496</u></u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
STATEMENT OF CASH FLOWS-CASH BASIS
FOR THE PERIOD ENDED JUNE 30, 2013

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	533,799	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	91,512	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	0	
N/P Joseph Manzo	75,602	
N/P Andover Bank Loan	(44,208)	
Employee W/H	495	
	<u>31,889</u>	
Net Cash Provided (Used) by Operating Activities	657,200	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(116,476)</u>	Note 2
Net Increase (Decrease) in Cash	540,724	
Cash at Beginning of Year	<u>52,617</u>	
Cash at End of Period	<u><u>\$ 593,341</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 JUNE 30, 2013

REVENUE	JUNE 30 2013 MTD	JUNE 30 2013 YTD	TWELVE MONTH BUDGET
Dues	2,063	92,677	97,374
General Assessment	6,642	343,610	384,243
RSV Road Maintenance	0	0	10,000
Capital Improvement	2,200	119,603	123,964
Boat Decals	11,690	66,150	74,276
Interest Income	112	251	840
Miscellaneous	(645)	5,497	18,350
Clubhouse Rental	1,000	2,650	7,157
Concession Stand	1,352	1,566	7,991
Late Fees	1,995	4,639	6,625
Collections	165	11,465	49,368
New Member Impact Fee	4,000	28,500	48,999
Roads Assessment	6,238	301,490	286,769
Total Revenue	\$ 36,813	\$ 978,098	\$ 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 JUNE 30, 2013

EXPENSES	JUNE 30 2013 MTD	JUNE 30 2013 YTD	TWELVE MONTH BUDGET
Wages & Salaries	32,022	154,176	335,293
Employer Taxes	3,121	20,491	36,771
Employer IRA Match	601	3,839	7,689
Employer Medical Insurance	6,803	37,472	49,500
License & Permits	36	1,436	3,249
Insurance General	0	0	5,593
Legal Fees-Schraff & King	0	5,884	21,424
Collection Fees	0	1,255	21,258
Accounting Fees	400	2,400	4,799
ADP P/R Fees	279	1,788	3,546
Travel Expense	19	1,269	3,001
Gas & Fuel Oil	952	7,173	15,000
Equipment and Maintenance	1,353	17,239	30,050
Utilities	2,825	20,528	45,001
Bank Charges/CC Fees	349	681	1,002
Office Miscellaneous	943	7,823	10,703
Concession Supplies	771	2,538	5,600
Cleaning Services	0	1,138	8,407
Real Estate Taxes	7,475	15,073	14,035
Grounds Trash Removal	371	1,965	5,080
Grounds Landscaping	0	0	1,999
Culvert Pipe	335	2,331	6,657
Buildings & Maintenance	488	4,057	11,381
RomeRock News	0	33	7,000
Pools	8,221	13,909	10,567
Social Activity/F.W.	2,277	4,152	6,000
Early Bird Contests	0	2,750	2,750
Andover Bank Interest	2,734	16,768	118,656
Andover Bank Loan Fees	0	0	500
Road Maintenance	0	4,265	17,000

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED JUNE 30, 2013

EXPENSES	JUNE 30 2013 MTD	JUNE 30 2013 YTD	TWELVE MONTH BUDGET
Lake Management	0	0	15,000
Lake Safety Comm. Requests	0	354	0
RSV Dam Maintenance	0	0	4,000
Dredging Operating	0	0	100,000
Depreciation Expense	<u>15,252</u>	<u>91,512</u>	<u>0</u>
 Total of Expenses	 87,628	 444,299	 928,511
 Excess Revenue over Expense	 <u>(50,815)</u>	 <u>533,799</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>June 30, 2013</u>
Petty cash	\$ 600
Cash in checking	22,177
Cash in money market	570,564
Total	<u>\$ 593,341</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:

		June 30, 2013
Buildings and improvements	\$	3,764,710
Equipment		123,561
Vehicles		186,036
		4,074,307
Less accumulated depreciation		2,356,840
Net fixed assets	\$	1,717,467

LONG-TERM DEBT

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

		June 30, 2013
<p>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.</p>	\$	587,336
<p>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.</p>	\$	75,602
		662,938
Less current maturities		111,977
Net long-term debt	\$	550,961

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	\$	53,371
2014		126,000
2015		131,000
2016		104,000
2017		108,000
Thereafter		140,567
	<u>\$</u>	<u>662,938</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through July 25, 2013, which is the date the financial statements were available.

See accountant's compilation report.