

ROMEROCK ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE-CASH BASIS
AS OF APRIL 30, 2015

	APR 30 2015
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	131,286
Certificates of Deposit Andover	0
Money Market Account	<u>315,827</u>
 CASH	 447,713
 Prepaid Payroll Tax	
 Property and Equipment	
Building And Improvements	3,889,027
Equipment	352,789
Vehicles	<u>211,800</u>
	4,453,616
 Less: Accumulated Depreciation	 <u>2,729,353</u>
Total Fixed Assets	<u>1,724,263</u>
TOTAL ASSETS	<u><u>\$2,171,976</u></u>
 LIABILITIES AND FUND BALANCES	
Building Plan Deposits	\$0
HSA Withholding	470
Employee FICA/MED W/H	6
AFLAC W/H	19
Employee IRA W/H	1,619
Loan Payable - Joseph Manzo	20,764
Loan Payable - Andover Bank	<u>415,214</u>
TOTAL LIABILITIES	438,092
 FUND BALANCE	 <u>1,733,884</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$2,171,976</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 APRIL 30, 2015

REVENUES	
Operating Income	\$ 560,952
EXPENSES	
Operating	<u>291,585</u>
Excess (Deficiency) of Revenues over Expenses	<u>269,367</u>
Beginning Fund Balance	<u>1,464,517</u>
Ending Fund Balance	<u><u>\$ 1,733,884</u></u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
STATEMENT OF CASH FLOWS-CASH BASIS
FOR THE PERIOD ENDED APRIL 30, 2015

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	269,367	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	68,400	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	0	
N/P Joseph Manzo	(10,215)	
N/P Andover Bank Loan	(32,512)	
Employee W/H	361	
	<u>(42,366)</u>	
Net Cash Provided (Used) by Operating Activities	295,401	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(2,464)</u>	Note 2
Net Increase (Decrease) in Cash	292,937	
Cash at Beginning of Year	<u>154,776</u>	
Cash at End of Period	<u><u>\$ 447,713</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 APRIL 30, 2015

REVENUE	APR 30 2015 MTD	APR 30 2015 YTD	TWELVE MONTH BUDGET
Dues	16,854	54,817	97,212
General Assessment	66,204	226,973	351,762
RSV Road Maintenance	0	0	25,000
Capital Improvement	21,145	71,847	121,899
Boat Decals	5,135	6,365	32,535
Interest Income	52	162	839
Miscellaneous	946	2,761	22,338
Clubhouse Rental	250	550	6,015
Concession Stand	0	0	6,599
Late Fees	0	0	6,353
Collections	6,930	17,786	63,427
New Member Impact Fee	10,000	18,000	49,167
Roads Assessment	49,496	161,691	311,994
Total Revenue	\$ 177,012	\$ 560,952	\$ 1,095,140

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED APRIL 30, 2015

EXPENSES	APR 30 2015 MTD	APR 30 2015 YTD	TWELVE MONTH BUDGET
Wages & Salaries	23,070	96,370	349,307
Employer Taxes	1,774	18,759	43,370
Employer IRA Match	0	2,539	7,324
Employer Medical Insurance	3,398	13,641	50,592
Rock Creek Income Tax	(60)	(30)	(299)
License & Permits	738	1,397	3,266
Insurance General	256	256	22,364
Legal Fees-Schraff & King	0	4,834	14,000
Schraff & King - Lawsuit	3,217	7,011	22,000
Collection Fees	0	658	4,890
Accounting Fees	0	2,000	13,800
ADP P/R Fees	249	1,260	3,437
Travel Expense	533	799	3,188
Moving Expense	2,248	5,526	0
Gas & Fuel Oil	1,062	4,763	23,844
Equipment and Maintenance	1,484	9,344	23,232
Utilities	3,144	16,003	51,687
Bank Charges/CC Fees	84	202	1,143
Office Miscellaneous	192	5,675	10,621
Concession Supplies	0	0	4,614
Cleaning Services	0	1,639	5,076
Real Estate Taxes	0	9,842	18,500
Grounds Trash Removal	485	1,889	4,734
Grounds Landscaping	0	300	1,691
Culvert Pipe	0	0	14,728
Buildings & Maintenance	37	2,698	8,000
RomeRock News	0	17	7,963
Pools	0	0	11,379
Social Activity/F.W.	341	1,695	4,855
Early Bird Contests	0	2,750	2,750
Andover Bank Interest	1,798	7,230	20,203
Manzo Loan Interest	63	294	546
Andover Bank Loan Fees	0	0	0
Road Maintenance	301	2,419	7,515

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED APRIL 30, 2015

EXPENSES	APR 30 2015 <u>MTD</u>	APR 30 2015 <u>YTD</u>	TWELVE MONTH <u>BUDGET</u>
Lake Management	227	255	13,488
Lake Safety Comm. Requests	184	184	1,000
RSV Dam Maintenance	0	0	7,225
Dredging Operating	967	967	5,000
Moving Expense	0	0	12,936
Depreciation Expense	<u>17,100</u>	<u>68,400</u>	<u>0</u>
 Total of Expenses	 62,890	 291,585	 799,970
 Excess Revenue over Expense	 <u><u>114,122</u></u>	 <u><u>269,367</u></u>	 <u><u>295,170</u></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 2014, 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 2011, 2012, and 2013 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>April 30, 2015</u>
Petty cash	\$ 600
Cash in checking	131,286
Cash in money market	315,827
Total	<u>\$ 447,713</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:

	April 30, 2015
Buildings and improvements	\$ 3,889,027
Equipment	352,789
Vehicles	211,800
	4,453,616
Less accumulated depreciation	2,729,353
Net fixed assets	\$ 1,724,263

LONG-TERM DEBT

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

	April 30, 2015
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.	\$ 415,214
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.	\$ 20,764
	435,978
Less current maturities	121,152
Net long-term debt	\$ 314,826

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:

2015	\$	85,168
2016		104,000
2017		108,000
2018		112,000
2019		26,810
Thereafter		0
	\$	<u>435,978</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through May 23, 2015, which is the date the financial statements were available.

See accountant's compilation report.