

ROMEROCK ASSOCIATION, INC.
 STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE-CASH BASIS
 AS OF JANUARY 31, 2015

	JAN 31 2015
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	46,769
Certificates of Deposit Andover	0
Money Market Account	<u>240,690</u>
 CASH	 288,059
 Prepaid Payroll Tax	
 Property and Equipment	
Building And Improvements	3,887,601
Equipment	352,789
Vehicles	<u>211,800</u>
	4,452,190
 Less: Accumulated Depreciation	 <u>2,678,053</u>
Total Fixed Assets	<u>1,774,137</u>
TOTAL ASSETS	<u><u>\$2,062,196</u></u>
 LIABILITIES AND FUND BALANCES	
Building Plan Deposits	\$0
HSA Withholding	225
Employee FICA/MED W/H	6
AFLAC W/H	19
Employee IRA W/H	713
Loan Payable - Joseph Manzo	28,435
Loan Payable - Andover Bank	<u>439,696</u>
TOTAL LIABILITIES	469,094
 FUND BALANCE	 <u>1,593,102</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$2,062,196</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, 2015

REVENUES	
Operating Income	\$ 215,091
EXPENSES	
Operating	<u>86,506</u>
Excess (Deficiency) of Revenues over Expenses	<u>128,585</u>
Beginning Fund Balance	<u>1,464,517</u>
Ending Fund Balance	<u><u>\$ 1,593,102</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, 2015

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	128,585	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	17,100	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	0	
N/P Joseph Manzo	(2,543)	
N/P Andover Bank Loan	(8,030)	
Employee W/H	(790)	
	<u>(11,363)</u>	
Net Cash Provided (Used) by Operating Activities	134,322	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(1,039)</u>	Note 2
Net Increase (Decrease) in Cash	133,283	
Cash at Beginning of Year	<u>154,776</u>	
Cash at End of Period	<u><u>\$ 288,059</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, 2015

REVENUE	JAN 31 2015 MTD	JAN 31 2015 YTD	TWELVE MONTH BUDGET
Dues	21,569	21,569	97,212
General Assessment	91,486	91,486	351,762
RSV Road Maintenance	0	0	25,000
Capital Improvement	28,997	28,997	121,899
Boat Decals	0	0	32,535
Interest Income	25	25	839
Miscellaneous	1,737	1,737	22,338
Clubhouse Rental	0	0	6,015
Concession Stand	0	0	6,599
Late Fees	0	0	6,353
Collections	3,270	3,270	63,427
New Member Impact Fee	4,000	4,000	49,167
Roads Assessment	64,007	64,007	311,994
Total Revenue	\$ 215,091	\$ 215,091	\$ 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 JANUARY 31, 2015

	JAN 31 2015 MTD	JAN 31 2015 YTD	TWELVE MONTH BUDGET
EXPENSES			
Wages & Salaries	23,319	23,319	349,307
Employer Taxes	12,263	12,263	43,370
Employer IRA Match	1,040	1,040	7,324
Employer Medical Insurance	3,448	3,448	50,592
Rock Creek Income Tax	30	30	(299)
License & Permits	0	0	3,266
Insurance General	0	0	22,364
Legal Fees-Schraff & King	0	0	14,000
Schraff & King - Lawsuit	0	0	22,000
Collection Fees	0	0	4,890
Accounting Fees	800	800	13,800
ADP P/R Fees	249	249	3,437
Travel Expense	150	150	3,188
Moving Expense	1,078	1,078	0
Gas & Fuel Oil	461	461	23,844
Equipment and Maintenance	1,905	1,905	23,232
Utilities	5,460	5,460	51,687
Bank Charges/CC Fees	28	28	1,143
Office Miscellaneous	0	0	10,621
Concession Supplies	0	0	4,614
Cleaning Services	1,639	1,639	5,076
Real Estate Taxes	9,842	9,842	18,500
Grounds Trash Removal	432	432	4,734
Grounds Landscaping	300	300	1,691
Culvert Pipe	0	0	14,728
Buildings & Maintenance	1,956	1,956	8,000
RomeRock News	0	0	7,963
Pools	0	0	11,379
Social Activity/F.W.	1,220	1,220	4,855
Early Bird Contests	1,350	1,350	2,750
Andover Bank Interest	1,905	1,905	20,203
Manzo Loan Interest	84	84	546
Andover Bank Loan Fees	0	0	0
Road Maintenance	447	447	7,515

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED JANUARY 31, 2015

EXPENSES	JAN 31 2015 MTD	JAN 31 2015 YTD	TWELVE MONTH BUDGET
Lake Management	0	0	13,488
Lake Safety Comm. Requests	0	0	1,000
RSV Dam Maintenance	0	0	7,225
Dredging Operating	0	0	5,000
Moving Expense	0	0	12,936
Depreciation Expense	<u>17,100</u>	<u>17,100</u>	<u>0</u>
Total of Expenses	86,506	86,506	799,970
Excess Revenue over Expense	<u><u>128,585</u></u>	<u><u>128,585</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 2013, 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 2010, 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>January 31, 2015</u>
Petty cash	\$ 600
Cash in checking	46,769
Cash in money market	240,690
Total	<u>\$ 288,059</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:

		<u>January 31, 2015</u>
Buildings and improvements	\$	3,887,601
Equipment		352,789
Vehicles		<u>211,800</u>
		4,452,190
Less accumulated depreciation		<u>2,678,053</u>
Net fixed assets	\$	<u>1,774,137</u>

LONG-TERM DEBT

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

		<u>January 31, 2015</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 \$9,937.01 at a rate of 5.0 percent per annum. All assets of the Association secure this loan.	\$	439,696
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.	\$	28,435
		<u>468,131</u>
Less current maturities		<u>121,152</u>
Net long-term debt	\$	<u>346,979</u>

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	\$	117,321
2016		104,000
2017		108,000
2018		112,000
2019		26,810
Thereafter		0
	\$	<u>468,131</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through February 28, 2015, which is the date the financial statements were available.

See accountant's compilation report.