

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

	MAY 31 2015
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	36,361
Certificates of Deposit Andover	0
Money Market Account	<u>715,920</u>
 CASH	 752,881
 Prepaid Payroll Tax	
 Property and Equipment	
Building And Improvements	3,889,027
Equipment	366,249
Vehicles	<u>211,800</u>
	4,467,076
 Less: Accumulated Depreciation	 <u>2,746,453</u>
Total Fixed Assets	<u>1,720,623</u>
TOTAL ASSETS	<u><u>\$2,473,504</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	706
Loan Payable - Joseph Manzo	18,193
Loan Payable - Andover Bank	<u>406,987</u>
TOTAL LIABILITIES	426,136
 FUND BALANCE	 <u>2,047,368</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$2,473,504</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 MAY 31, 2015

REVENUES	
Operating Income	\$ 952,356
EXPENSES	
Operating	<u>369,505</u>
Excess (Deficiency) of Revenues over Expenses	<u>582,851</u>
Beginning Fund Balance	<u>1,464,517</u>
Ending Fund Balance	<u><u>\$2,047,368</u></u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
STATEMENT OF CASH FLOWS-CASH BASIS
FOR THE PERIOD ENDED MAY 31, 2015

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	582,851	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	85,500	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	0	
N/P Joseph Manzo	(12,786)	
N/P Andover Bank Loan	(40,739)	
Employee W/H	(797)	
	<u>(54,322)</u>	
Net Cash Provided (Used) by Operating Activities	614,029	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(15,924)</u>	Note 2
Net Increase (Decrease) in Cash	598,105	
Cash at Beginning of Year	<u>154,776</u>	
Cash at End of Period	<u><u>\$ 752,881</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 MAY 31, 2015

REVENUE	MAY 31 2015 MTD	MAY 31 2015 YTD	TWELVE MONTH BUDGET
Dues	37,463	92,280	97,212
General Assessment	141,010	367,983	351,762
RSV Road Maintenance	0	0	25,000
Capital Improvement	44,959	116,806	121,899
Boat Decals	19,375	25,740	32,535
Interest Income	93	255	839
Miscellaneous	5,761	8,522	22,338
Clubhouse Rental	1,100	1,650	6,015
Concession Stand	615	615	6,599
Late Fees	1,661	1,661	6,353
Collections	21,837	39,623	63,427
New Member Impact Fee	10,000	28,000	49,167
Roads Assessment	107,530	269,221	311,994
Total Revenue	\$ 391,404	\$ 952,356	\$ 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 MAY 31, 2015

EXPENSES	MAY 31 2015 MTD	MAY 31 2015 YTD	TWELVE MONTH BUDGET
Wages & Salaries	24,224	120,595	349,307
Employer Taxes	1,875	20,635	43,370
Employer IRA Match	1,390	3,929	7,324
Employer Medical Insurance	3,398	17,039	50,592
Rock Creek Income Tax	0	(30)	(299)
License & Permits	0	1,397	3,266
Insurance General	0	256	22,364
Legal Fees-Schraff & King	1,425	6,259	14,000
Schraff & King - Lawsuit	1,980	8,991	22,000
Collection Fees	0	658	4,890
Accounting Fees	400	2,400	13,800
ADP P/R Fees	400	1,660	3,437
Travel Expense	1,994	2,793	3,188
Moving Expense	1,078	6,604	0
Gas & Fuel Oil	515	5,277	23,844
Equipment and Maintenance	2,281	11,625	23,232
Utilities	4,311	20,314	51,687
Bank Charges/CC Fees	139	341	1,143
Office Miscellaneous	253	5,928	10,621
Concession Supplies	1,821	1,821	4,614
Cleaning Services	0	1,639	5,076
Real Estate Taxes	0	9,842	18,500
Grounds Trash Removal	483	2,372	4,734
Grounds Landscaping	139	439	1,691
Culvert Pipe	0	0	14,728
Buildings & Maintenance	187	2,885	8,000
RomeRock News	131	148	7,963
Pools	7,464	7,464	11,379
Social Activity/F.W.	373	2,068	4,855
Early Bird Contests	0	2,750	2,750
Andover Bank Interest	1,709	8,939	20,203
Manzo Loan Interest	56	350	546
Andover Bank Loan Fees	0	0	0
Road Maintenance	238	2,657	7,515

See accompanying notes and accountant's compilation report.

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

EXPENSES	MAY 31 2015 MTD	MAY 31 2015 YTD	TWELVE MONTH BUDGET
Lake Management	0	255	13,488
Lake Safety Comm. Requests	192	376	1,000
RSV Dam Maintenance	1,500	1,500	7,225
Dredging Operating	863	1,829	5,000
Moving Expense	0	0	12,936
Depreciation Expense	<u>17,100</u>	<u>85,500</u>	<u>0</u>
 Total of Expenses	 77,919	 369,505	 799,970
 Excess Revenue over Expense	 <u><u>313,485</u></u>	 <u><u>582,851</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>May 31, 2015</u>
Petty cash	\$ 600
Cash in checking	36,361
Cash in money market	715,920
Total	<u>\$ 752,881</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:

	May 31, 2015
Buildings and improvements	\$ 3,889,027
Equipment	366,249
Vehicles	211,800
	4,467,076
Less accumulated depreciation	2,746,453
Net fixed assets	\$ 1,720,623

LONG-TERM DEBT

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

	May 31, 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.	\$ 406,987
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.	\$ 18,193
	425,180
Less current maturities	121,152
Net long-term debt	\$ 304,028

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	\$	74,370
2016		104,000
2017		108,000
2018		112,000
2019		26,810
Thereafter		0
	\$	<u>425,180</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through June 29, 2015, which is the date the financial statements were available.

See accountant's compilation report.