

ROMEROCK ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE-CASH BASIS
AS OF OCTOBER 31, 2014

	OCT 31 2014
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	29,209
Certificates of Deposit Andover	0
Money Market Account	<u>240,579</u>
 CASH	 270,388
 Prepaid Payroll Tax	
 Property and Equipment	
Building And Improvements	3,885,160
Equipment	322,147
Vehicles	<u>211,800</u>
	4,419,107
 Less: Accumulated Depreciation	 2,614,391
Total Fixed Assets	<u>1,804,716</u>
TOTAL ASSETS	<u><u>\$2,075,104</u></u>
 LIABILITIES AND FUND BALANCES	
Building Plan Deposits	\$0
HSA Withholding	225
Employee FICA/MED W/H	6
AFLAC W/H	(249)
Employee IRA W/H	251
Loan Payable - Joseph Manzo	36,045
Loan Payable - Andover Bank	<u>463,749</u>
TOTAL LIABILITIES	500,027
 FUND BALANCE	 <u>1,575,077</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$2,075,104</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 OCTOBER 31, 2014

REVENUES	
Operating Income	\$ 1,092,441
EXPENSES	
Operating	<u>818,965</u>
Excess (Deficiency) of Revenues over Expenses	<u>273,476</u>
Beginning Fund Balance	<u>1,301,601</u>
Ending Fund Balance	<u><u>\$ 1,575,077</u></u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
STATEMENT OF CASH FLOWS-CASH BASIS
FOR THE PERIOD ENDED OCTOBER 31, 2014

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	273,476	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	158,650	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	4,220	
N/P Joseph Manzo	(24,924)	
N/P Andover Bank Loan	(78,244)	
Employee W/H	8	
	<u>(98,940)</u>	
Net Cash Provided (Used) by Operating Activities	333,186	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(241,013)</u>	Note 2
Net Increase (Decrease) in Cash	92,173	
Cash at Beginning of Year	<u>178,215</u>	
Cash at End of Period	<u><u>\$ 270,388</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 OCTOBER 31, 2014

REVENUE	OCT 31 2014 MTD	OCT 31 2014 YTD	TWELVE MONTH BUDGET
Dues	211	96,855	99,634
General Assessment	657	350,389	354,416
RSV Road Maintenance	0	0	25,000
Capital Improvement	307	121,734	123,022
Boat Decals	0	72,325	73,435
Interest Income	62	776	688
Miscellaneous	7,017	25,932	30,934
Clubhouse Rental	850	6,700	6,015
Concession Stand	16	6,615	7,468
Late Fees	183	6,188	6,924
Collections	4,381	46,164	29,811
New Member Impact Fee	6,000	47,000	51,667
Roads Assessment	914	311,763	316,062
Total Revenue	\$ 20,598	\$ 1,092,441	\$ 1,125,076

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED OCTOBER 31, 2014

EXPENSES	OCT 31 2014 MTD	OCT 31 2014 YTD	TWELVE MONTH BUDGET
Wages & Salaries	24,315	315,962	331,703
Employer Taxes	1,890	38,989	41,542
Employer IRA Match	577	6,590	7,079
Employer Medical Insurance	3,703	34,288	53,025
Rock Creek Income Tax	120	0	
License & Permits	1,879	4,590	2,136
Insurance General	0	21,410	15,544
Legal Fees-Schraff & King	0	6,190	12,041
Schraff & King - Lawsuit	5,545	12,970	0
Collection Fees	0	0	4,890
Accounting Fees	400	3,600	4,800
ADP P/R Fees	380	3,212	3,264
Travel Expense	2,255	2,792	3,188
Moving Expense	1,330	11,741	0
Gas & Fuel Oil	1,777	19,973	28,231
Equipment and Maintenance	626	13,549	23,231
Utilities	4,714	48,177	45,191
Bank Charges/CC Fees	59	1,030	1,013
Office Miscellaneous	704	9,499	10,193
Concession Supplies	0	4,580	3,944
Cleaning Services	1,407	5,049	4,297
Real Estate Taxes	0	15,590	17,467
Grounds Trash Removal	500	4,378	3,942
Grounds Landscaping	0	0	1,691
Culvert Pipe	1,061	10,653	11,001
Buildings & Maintenance	550	4,069	7,530
RomeRock News	6,300	6,483	7,931
Pools	0	4,787	11,379
Social Activity/F.W.	845	4,970	4,855
Early Bird Contests	0	2,750	2,750
Andover Bank Interest	1,931	21,105	24,951
Manzo Loan Interest	104	1,342	1,537
Andover Bank Loan Fees	0	0	0
Road Maintenance	71	5,336	9,000

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED OCTOBER 31, 2014

EXPENSES	OCT 31 2014 MTD	OCT 31 2014 YTD	TWELVE MONTH BUDGET
Lake Management	48	8,036	6,000
Lake Safety Comm. Requests	0	0	850
RSV Dam Maintenance	4,000	6,628	7,225
Dredging Operating	0	0	35,920
Depreciation Expense	15,865	158,650	0
Total of Expenses	82,954	818,965	749,342
Excess Revenue over Expense	<u>(62,356)</u>	<u>273,476</u>	<u>375,734</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 2012, 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>October 31, 2014</u>
Petty cash	\$ 600
Cash in checking	29,209
Cash in money market	240,579
Total	<u>\$ 270,388</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:

		October 31, 2014
Buildings and improvements	\$	3,885,160
Equipment		322,147
Vehicles		211,800
		4,419,107
Less accumulated depreciation		2,614,391
Net fixed assets	\$	1,804,716

LONG-TERM DEBT

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

		October 31, 2014
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.	\$	463,749
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.	\$	36,045
		499,794
Less current maturities		121,152
Net long-term debt	\$	378,642

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:

2014	\$	17,984
2015		131,000
2016		104,000
2017		108,000
2018		112,000
Thereafter		26,810
	\$	<u>499,794</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through December 1, 2014, which is the date the financial statements were available.

See accountant's compilation report.