

ROMEROCK ASSOCIATION, INC.
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE-CASH BASIS
AS OF SEPTEMBER 30, 2014

	SEPT 30 2014
ASSETS	
Petty Cash	\$ 600
Andover Bank Regular Checking	17,060
Certificates of Deposit Andover	0
Money Market Account	<u>315,516</u>
 CASH	 333,176
 Prepaid Payroll Tax	
 Property and Equipment	
Building And Improvements	3,879,390
Equipment	322,147
Vehicles	<u>211,800</u>
	4,413,337
 Less: Accumulated Depreciation	 2,598,526
Total Fixed Assets	<u>1,814,811</u>
TOTAL ASSETS	<u><u>\$2,147,987</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	38,568
Loan Payable - Andover Bank	<u>471,753</u>
TOTAL LIABILITIES	510,554
 FUND BALANCE	 <u>1,637,433</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$2,147,987</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 SEPTEMBER 30, 2014

REVENUES	
Operating Income	\$ 1,071,843
EXPENSES	
Operating	<u>736,011</u>
Excess (Deficiency) of Revenues over Expenses	<u>335,832</u>
Beginning Fund Balance	<u>1,301,601</u>
Ending Fund Balance	<u><u>\$ 1,637,433</u></u>

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 STATEMENT OF CASH FLOWS-CASH BASIS
 FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Cash flows from Operating Activities		
Excess (deficiency) of revenues over expenses	335,832	Note 1
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	142,785	
Increase (decrease) in Assets/Liabilities:		
Prepaid Payroll Taxes	4,220	
N/P Joseph Manzo	(22,401)	
N/P Andover Bank Loan	(70,240)	
Employee W/H	8	
	<u>(88,413)</u>	
Net Cash Provided (Used) by Operating Activities	390,204	
Cash Flows from Investing Activities		
Acquisition of Improvements/Equipment	<u>(235,243)</u>	Note 2
Net Increase (Decrease) in Cash	154,961	
Cash at Beginning of Year	<u>178,215</u>	
Cash at End of Period	<u><u>\$ 333,176</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 SEPTEMBER 30, 2014

REVENUE	SEPT 30 2014 MTD	SEPT 30 2014 YTD	TWELVE MONTH BUDGET
Dues	65	96,644	99,634
General Assessment	410	349,732	354,416
RSV Road Maintenance	0	0	25,000
Capital Improvement	121	121,427	123,022
Boat Decals	380	72,325	73,435
Interest Income	75	714	688
Miscellaneous	1,765	18,915	30,934
Clubhouse Rental	0	5,850	6,015
Concession Stand	813	6,599	7,468
Late Fees	88	6,005	6,924
Collections	1,092	41,783	29,811
New Member Impact Fee	5,000	41,000	51,667
Roads Assessment	214	310,849	316,062
Total Revenue	\$ 10,023	\$ 1,071,843	\$ 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 SEPTEMBER 30, 2014

EXPENSES	SEPT 30 2014 MTD	SEPT 30 2014 YTD	TWELVE MONTH BUDGET
Wages & Salaries	29,704	291,647	331,703
Employer Taxes	2,502	37,099	41,542
Employer IRA Match	914	6,013	7,079
Employer Medical Insurance	3,703	30,584	53,025
Rock Creek Income Tax	(60)	(120)	
License & Permits	375	2,711	2,136
Insurance General	17,933	21,410	15,544
Legal Fees-Schraff & King	0	6,190	12,041
Schraff & King - Lawsuit	0	7,425	0
Collection Fees	0	0	4,890
Accounting Fees	0	3,200	4,800
ADP P/R Fees	307	2,832	3,264
Travel Expense	60	537	3,188
Moving Expense	1,078	10,411	0
Gas & Fuel Oil	2,358	18,196	28,231
Equipment and Maintenance	1,818	12,923	23,231
Utilities	6,014	43,462	45,191
Bank Charges/CC Fees	59	972	1,013
Office Miscellaneous	388	8,795	10,193
Concession Supplies	53	4,580	3,944
Cleaning Services	0	3,642	4,297
Real Estate Taxes	0	15,590	17,467
Grounds Trash Removal	448	3,878	3,942
Grounds Landscaping	0	0	1,691
Culvert Pipe	243	9,592	11,001
Buildings & Maintenance	110	3,519	7,530
RomeRock News	6	183	7,931
Pools	459	4,787	11,379
Social Activity/F.W.	85	4,125	4,855
Early Bird Contests	0	2,750	2,750
Andover Bank Interest	0	19,174	24,951
Manzo Loan Interest	111	1,238	1,537
Andover Bank Loan Fees	0	0	0
Road Maintenance	0	5,265	9,000

See accompanying notes and accountant's compilation report.

ROMEROCK ASSOCIATION, INC.
 DETAIL SCHEDULE OF REVENUE, EXPENSE AND BUDGET
 FOR THE PERIOD ENDED SEPTEMBER 30, 2014

EXPENSES	SEPT 30 2014 MTD	SEPT 30 2014 YTD	TWELVE MONTH BUDGET
Lake Management	2,467	7,988	6,000
Lake Safety Comm. Requests	0	0	850
RSV Dam Maintenance	0	2,628	7,225
Dredging Operating	0	0	35,920
Depreciation Expense	15,865	142,785	0
Total of Expenses	87,000	736,011	749,342
Excess Revenue over Expense	<u>(76,976)</u>	<u>335,832</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>September 30, 2014</u>
Petty cash	\$ 600
Cash in checking	17,060
Cash in money market	315,516
Total	<u>\$ 333,176</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>September 30, 2014</u>
Buildings and improvements	\$	3,879,390
Equipment		322,147
Vehicles		211,800
		<u>4,413,337</u>
Less accumulated depreciation		2,598,526
Net fixed assets	\$	<u>1,814,811</u>

LONG-TERM DEBT

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

		<u>September 30, 2014</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.	\$	471,753
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.	\$	38,568
		<u>510,321</u>
Less current maturities		121,152
Net long-term debt	\$	<u>389,169</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:

2014	\$	28,511
2015		131,000
2016		104,000
2017		108,000
2018		112,000
Thereafter		26,810
	\$	<u>510,321</u>

SUBSEQUENT EVENTS

Subsequent events were evaluated through October 25, 2014, which is the date the financial statements were available.

See accountant's compilation report.