

STATE OF NEW MEXICO
CITY OF MORIARTY
ANNUAL FINANCIAL REPORT
JUNE 30, 2014

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
City of Moriarty
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2014

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STATE OF NEW MEXICO
City of Moriarty

OFFICIAL ROSTER
June 30, 2014

<u>Name</u>	<u>City Council</u>	<u>Title</u>
Ted Hart		Mayor
Robert Ortiz		Mayor Pro Tem
Steve Anaya		Council Member
Larry Gallant		Council Member
Kim Garcia		Council Member
	<u>City Officials</u>	
Sheila Larranaga-Murphy		City Clerk
Linda Fischer		City Treasurer
Steve Spann		Fire Chief
Bobby Garcia		Police Chief
Daniel Tenorio		Public Works Director

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
City of Moriarty
Moriarty, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons of the general fund and the major capital project funds of City of Moriarty (the "City") as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise City of Moriarty's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of City of Moriarty's nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to City of Moriarty's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Moriarty's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Moriarty, as of June 30, 2014, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and major capital project funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of City of Moriarty as of June 30, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 15-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on City of Moriarty's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other schedules required by 2.2.2 NMAC are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules as required by 2.2.2 NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2014 on our consideration of the City of Moriarty's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Moriarty's internal control over financial reporting and compliance.

Precision Accounting, LLC

Precision Accounting, LLC
Albuquerque, New Mexico
September 22, 2014

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STATE OF NEW MEXICO
City of Moriarty
Management's Discussion and Analysis
for the Year Ended June 30, 2014
Unaudited

As management of the City of Moriarty, we offer readers of the City of Moriarty financial statements this narrative overview and analysis of the financial activities of the City of Moriarty for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the financial statements of the City of Moriarty and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of the City of Moriarty exceeded its liabilities at the close of the most recent fiscal year by \$25,260,464 (*net position*). Of this amount, \$598,195 (*unrestricted*) is obligated to citizens and creditors.
- The government's total net position increased by \$579,655 during the fiscal year. The majority of this increase is due to an increase in revenue from taxes and state grants.
- As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$1,510,416. Of this total, \$525,614 is restricted for capital projects and \$299,444 is restricted for special revenue funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Moriarty's basic financial statements. The City of Moriarty's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Moriarty's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Moriarty's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Moriarty is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Moriarty that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Moriarty include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the City include Sewer/AWWT, Solid Waste, Water, Heritage Arena, Airport, and Cemetery.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Moriarty, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Moriarty can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Moriarty maintains fourteen individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and Airport Improvement Capital Project Fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Moriarty adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund and Airport Improvement Capital Project Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at exhibits B-1 through D-3 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the City charges customers either outside customers or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains six types of proprietary funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Moriarty's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-58 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 66-73 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB #34), *Basic Financial Statements –and Management's Discussion and Analysis (MD&A) -for State and Local Governments*.

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Moriarty, assets exceeded liabilities by \$25,260,464 at the close of the current fiscal year.

The largest portion of the City of Moriarty's net position represents the City's investment of \$23,293,827 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding

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debt used to acquire those assets. The City of Moriarty uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Moriarty's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Net Position
For the Year Ended June 30, 2014 and June 30, 2013

	June 30, 2014			June 30, 2013		
	Governmental	Business Type	Total	Governmental	Business Type	Total
Assets						
Current and other assets	\$ 1,615,729	\$ 829,967	\$ 2,445,696	\$ 1,134,402	\$ 783,106	\$ 1,917,508
Capital assets, net of accumulated depreciation	11,146,885	16,175,436	27,322,321	11,062,900	16,455,810	27,518,710
Total Assets	12,762,614	17,005,403	29,768,017	12,197,302	17,238,916	29,436,218
Liabilities						
Long-term liabilities outstanding	815,012	2,796,991	3,612,003	903,174	2,903,930	3,807,104
Other Liabilities	242,261	641,055	883,316	321,175	627,130	948,305
Total Liabilities	1,057,273	3,438,046	4,495,319	1,224,349	3,531,060	4,755,409
Net Position						
Net investment in capital assets	9,968,789	13,325,038	23,293,827	10,031,161	13,495,204	23,526,365
Restricted	1,368,442	-	1,368,442	463,527	-	463,527
Unrestricted	355,876	242,319	598,195	478,265	212,652	690,917
Total Net Position	11,693,107	13,567,357	25,260,464	10,972,953	13,707,856	24,680,809
Total Liabilities and Net Position	\$ 12,762,614	\$ 17,005,403	\$ 29,768,017	\$ 12,197,302	\$ 17,238,916	\$ 29,436,218

A portion of the City of Moriarty's net position represents resources that are subject to restrictions. The restrictions relate to capital projects and debt service.

At the end of the current fiscal year, the City of Moriarty is able to report positive balances in all of the categories of net position, for the government as a whole as well as for the business-type activities.

The City of Moriarty's net position increased by \$579,655 during the current fiscal year. This increase is explained in the government and business-type activities discussion below and is primarily a result of an increase in taxes and in state grants and the related expenditures and capital assets.

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Changes in Net Position
For the Year Ended June 30, 2014

	Governmental Activities	Business Type Activities	Total
<u>Revenue</u>			
Program revenue			
Charges for Service	\$ 145,254	\$ 1,067,724	\$ 1,212,978
Operating grants and contributions	521,413	-	521,413
Capital Grants	692,326	-	692,326
General Revenue			
Property Tax	51,198	-	51,198
Franchise Tax	12,498	-	12,498
Gross Receipts Tax	2,407,208	-	2,407,208
Public Service Tax	433,596	-	433,596
Miscellaneous	56,736	122	56,858
Total Revenue	\$ 4,320,229	\$ 1,067,846	\$ 5,388,075
<u>Expenses</u>			
General Government	1,104,923	-	1,104,923
Public Safety	1,164,562	-	1,164,562
Culture and Recreation	489,931	-	489,931
Health and Welfare	193,150	-	193,150
Public Works	596,404	-	596,404
Interest on Long-term debt	64,080	-	64,080
Business-type activities	-	1,195,370	1,755,118
Total Expenses	\$ 3,613,050	\$ 1,195,370	\$ 5,368,168
(Decrease) Increase in Assets before transfer	707,179	(127,524)	19,907
Transfers	12,975	(12,975)	-
(Decrease) Increase in Net Position	720,154	(140,499)	408,690
Net Position, Beginning of year	10,972,953	13,707,856	24,680,809
Ending Net Position	\$ 11,693,107	\$ 13,567,357	\$ 25,260,464

Governmental activities: Governmental activities increased the City of Moriarty's net position by \$720,154. The key element of this increase was revenue exceeded expenses due to an increase in taxes and in state grants and a reduction in capital outlay.

Business-type activities: Business-type activities decreased the City's net position by \$140,499. The key element of this decrease was the due to the expenses exceeded revenue.

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Changes in Net Position
For the Year Ended June 30, 2013

	Governmental Activities	Business Type Activities	Total
<u>Revenue</u>			
Program revenue			
Charges for Service	\$ 129,918	\$ 1,012,506	\$ 1,142,424
Operating grants and contributions	443,661	-	443,661
Capital Grants	3,040,113	-	3,040,113
General Revenue			
Property Tax	85,209	-	85,209
Franchise Tax	9,079	-	9,079
Gross Receipts Tax	1,816,976	-	1,816,976
Public Service Tax	468,571	-	468,571
Misc revenues	9,426	-	9,426
Unrestricted Investments earnings	730	37	767
Total Revenue	\$ 6,003,683	\$ 1,012,543	\$ 7,016,226
<u>Expenses</u>			
General Government	1,154,503	-	1,154,503
Public Safety	1,072,478	-	1,072,478
Culture and Recreation	36,493	-	36,493
Health and Welfare	210,226	-	210,226
Public Works	418,755	-	418,755
Interest on Long-term debt	62,442	-	62,442
Business-type activities	-	1,685,847	1,685,847
Total Expenses	\$ 2,954,897	\$ 1,685,847	\$ 4,640,744
(Decrease) Increase in Assets before transfer	3,048,786	(673,304)	2,375,482
Transfers	(8,475,772)	8,475,772	-
(Decrease) Increase in Net Position	(5,426,986)	7,802,468	2,375,482
Net Position, Beginning of year	17,224,911	6,062,532	23,287,443
Restatement	(824,972)	(157,144)	(982,116)
Net Position, Beginning of Year -restated	\$ 16,399,939	\$ 5,905,388	\$ 22,305,327
Ending Net Position	\$ 10,972,953	\$ 13,707,856	\$ 24,680,809

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Moriarty uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Moriarty's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Moriarty's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the City include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

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As of the end of the current fiscal year, the City of Moriarty's governmental funds reported combined ending fund balances of \$1,510,416, an increase of \$506,252 in comparison with the prior year. \$540,637 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

Revenues for governmental activities overall totaled \$4,342,149 in the fiscal year ended June 30, 2014, which represents an decrease of \$1,706,886 from the fiscal year ended June 30, 2013. Expenditures for governmental activities, totaling \$3,848,872, increased by \$680,349 from the fiscal year ended June 30, 2013. In the fiscal year ended June 30, 2014, revenues exceeded expenditures by \$506,252.

The General Fund is the chief operating fund of the City of Moriarty. At the end of the current fiscal year, *unreserved* fund balance of the general fund was \$685,358, which is the total fund balance.

The fund balance of the City of Moriarty's general fund increased by \$144,721 during the current fiscal year due to revenues in excess of expenditures. Overall, the general fund's performance in the fiscal year ended June 30, 2014 is due to the increase in tax revenues of \$560,291 and a decrease in expenses of \$8,977.

Roads Improvement Capital Project Fund. The Roads Improvement Capital Project Fund has a fund balance of \$274,870. The net increase in fund balance for the year was 272,514. The increase was primarily due to revenues in excess of expenditures.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for Sewer, Solid Waste, Water, Heritage Arena, Airport and Cemetery funds were \$(22,957), \$42,113, \$8,087, \$5,423, \$20,087, and \$14,060, respectively. The total decrease in net position for the proprietary funds was \$261,828. Factors concerning the finances of this fund have been addressed previously in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City budgets reflect the same pattern as seen in the revenue and expenditures of the City. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the City level, the City of Moriarty utilizes goals and objectives defined by the City Councilors, community input meetings, long-term plans and input from various staff groups to develop the City budget. The City priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

General Fund Expenditure Budget Performance

Final Budget	Actual non-GAAP Cash Basis	Favorable (Unfavorable) Variance
\$2,338,939	\$2,304,203	\$34,736

The City's final budget differs from the original budget due to budget increases and decreases that were made during the fiscal year.

The Capital Project Funds (non-major) are not included in the original budget which is submitted to the Department of Finance and Administration (DFA). These funds are spent on a project-by-project basis so the budgets are

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constantly changing. Instead, the budgets for these funds are created during the year through budget adjustment requests (BARs).

Capital Asset and Debt Administration

Capital assets. The City of Moriarty's capital assets for its governmental and business-type activities as of June 30, 2014 amount to \$27,151,356 (net of accumulated depreciation). Capital assets include land, infrastructure, buildings, and machinery & equipment. The total increase in the City's capital assets (excluding accumulated depreciation) for the current fiscal year was \$83,985 for governmental activities due primarily to an addition to construction in progress and equipment. There was a decrease (excluding accumulated depreciation) in business-type capital assets in the amount of \$451,339 during the current fiscal year.

Capital Assets, Net of Depreciation
June 30, 2014

	Governmental Activities	Business Type Activities	Total
Land	\$ 324,307	\$ 945,808	\$ 1,270,115
Construction in Progress	660,467	21,918	682,385
Land Improvements	3,365,543	9,516,291	12,881,834
Buildings & Improvements	4,511,180	221,136	4,732,316
Equipment and Machinery	2,280,879	425,642	2,706,521
Water Rights	-	147,201	147,201
Plant & distributing system	-	12,136,131	12,136,131
Infrastructure	6,657,198	-	6,657,198
Total capital assets	17,799,574	23,414,127	41,213,701
Accumulated depreciation	(6,652,691)	(7,409,659)	(14,062,350)
Capital assets, net of accumulated depreciation	<u>\$ 11,146,885</u>	<u>\$ 16,004,471</u>	<u>\$ 27,151,356</u>

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 7 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, the City of Moriarty had total long-term obligations outstanding of \$3,825,710.

Outstanding Debt
As of June 30, 2014

	Governmental Activities	Business Type Activities	Total
Revenue Bonds	\$ -	\$ 2,671,500	\$ 2,671,500
NMFA notes	860,077	178,898	1,038,975
Other loans	27,513	-	27,513
Accrued compensated absences	83,925	12,199	96,124
Total long-term liabilities	<u>\$ 971,515</u>	<u>\$ 2,862,597</u>	<u>\$ 3,834,112</u>

STATE OF NEW MEXICO
City of Moriarty
Management's Discussion and Analysis
for the Year Ended June 30, 2014
Unaudited

Long-term debt additions and retirements related to revenue bonds and loans for governmental activities for the current year were \$21,920 and \$166,069 respectively. Accrued compensated absences additions and retirements were \$61,419 and \$43,985, respectively, for governmental activities. Business type activities accrued compensated absences additions and retirements were \$11,217 and \$5,904, respectively.

See Note 8 in the accompanying Notes to the Financial Statements for further information regarding the City of Moriarty's long-term debt.

Economic Factors and Next Year's Budgets and Rates

Inflationary trends in the region compare favorably to national indices. The City of Moriarty has plans for economic development that will require substantial infrastructure improvements that should result in future revenue growth.

The above factors were considered in preparing the City of Moriarty's budget for the 2014 fiscal year. There are no currently known facts, decisions, or conditions that are expected to have a significant effect or impact on the City's financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Moriarty's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: City of Moriarty Administration, City of Moriarty, P.O. Box 130, Moriarty, New Mexico, 87035.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF NET POSITION
June 30, 2014

Exhibit A-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 688,832	\$ 655,055	\$ 1,343,887
Taxes receivable	14,585	-	14,585
Accounts receivable	700,336	98,650	798,986
Due from other funds	211,976	76,262	288,238
	<u>1,615,729</u>	<u>829,967</u>	<u>2,445,696</u>
Total Current Assets			
Noncurrent Assets			
Capital assets	17,799,574	23,585,094	41,384,668
Less: accumulated depreciation	<u>(6,652,689)</u>	<u>(7,409,658)</u>	<u>(14,062,347)</u>
	<u>11,146,885</u>	<u>16,175,436</u>	<u>27,322,321</u>
Total Noncurrent Assets			
Total Assets	<u>\$ 12,762,614</u>	<u>\$ 17,005,403</u>	<u>\$ 29,768,017</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF NET POSITION
June 30, 2014

Exhibit A-1

	Governmental Activities	Business-type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 67,904	\$ 52,527	\$ 120,431
Accrued salaries and wages	15,861	44,137	59,998
Accrued interest	343	33,144	33,487
Deposits payable	1,647	157,404	159,051
Due to other funds	-	288,238	288,238
Accrued compensated absences	7,667	1,393	9,060
Current portion of bonds and loans payable	148,839	64,212	213,051
Total Current Liabilities	242,261	641,055	883,316
Noncurrent Liabilities			
Bonds payable	-	2,622,300	2,622,300
Accrued Compensated Absences	76,259	10,805	87,064
Loans and notes payable	738,753	163,886	902,639
Total Noncurrent Liabilities	815,012	2,796,991	3,612,003
Total Liabilities	1,057,273	3,438,046	4,495,319
Deferred Inflows of Resources			
Unavailable revenue-property taxes	12,234	-	12,234
Total Deferred Inflows of Resources	12,234	-	12,234
Net Position			
Net Investment in Capital Assets	9,968,789	13,325,038	23,293,827
Restricted for:			
Debt Service	372,467	-	372,467
Capital Project Funds	730,214	-	730,214
Special Revenue Funds	265,761	-	265,761
Unrestricted	355,876	242,319	598,195
Total Net Position	11,693,107	13,567,357	25,260,464
Total liabilities, deferred inflows of resources and net position	\$ 12,762,614	\$ 17,005,403	\$ 29,768,017

STATE OF NEW MEXICO CITY
OF MORIARTY STATEMENT OF
ACTIVITIES For the Year Ending
June 30, 2014

Exhibit A-2

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
General government	\$ 1,104,923	\$ 122,555	\$ 192,879
Public safety	1,164,562	17,970	250,212
Public works	596,404	-	56,120
Culture and recreation	489,931	4,729	22,202
Health and welfare	193,150	-	-
Interest on long-term debt	64,080	-	-
	<u>3,613,050</u>	<u>145,254</u>	<u>521,413</u>
<i>Total governmental activities</i>			
Business-type Activities:			
Sewer/AWWT	264,330	344,551	-
Solid Waste	313,862	307,678	-
Water	354,129	356,324	-
Airport	244,304	47,412	-
Cemetary	15,566	11,759	-
Heritage Arena	3,179	-	-
	<u>1,195,370</u>	<u>1,067,724</u>	<u>-</u>
<i>Total business type activities</i>			
	<u>\$ 4,808,420</u>	<u>\$ 1,212,978</u>	<u>\$ 521,413</u>
General Revenues:			
Taxes			
Property taxes, levied for general purposes			
Franchise taxes			
Gross receipts taxes			
Public service taxes			
Interest income			
Transfers			
Miscellaneous income			
Total General Revenues and Transfers			
Excess (deficiency) of revenues over expenses			
Change in net position			
Net position, beginning			
Net position, ending			

STATE OF NEW MEXICO CITY
OF MORIARTY STATEMENT OF
ACTIVITIES For the Year Ending
June 30, 2014

Exhibit A-2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Capital Grants and Contributions	Government Activities	Business Type Activities	Total
\$ -	\$ (789,489)	\$ -	\$ (789,489)
211,864	(684,516)	-	(684,516)
480,462	(59,822)	-	(59,822)
-	(463,000)	-	(463,000)
-	(193,150)	-	(193,150)
-	(64,080)	-	(64,080)
<u>692,326</u>	<u>(2,254,057)</u>	<u>-</u>	<u>(2,254,057)</u>
-	-	80,221	80,221
-	-	(6,184)	(6,184)
-	-	2,195	2,195
-	-	(196,892)	(196,892)
-	-	(3,807)	(3,807)
-	-	(3,179)	(3,179)
<u>-</u>	<u>-</u>	<u>(127,646)</u>	<u>(127,646)</u>
<u>\$ 692,326</u>	<u>\$ (2,254,057)</u>	<u>\$ (127,646)</u>	<u>\$ (2,381,703)</u>
	51,198	-	51,198
	12,498	-	12,498
	2,407,208	-	2,407,208
	433,596	-	433,596
	855	122	977
	12,975	(12,975)	-
	55,881	-	55,881
	<u>2,974,211</u>	<u>(12,853)</u>	<u>2,961,358</u>
	720,154	(140,499)	579,655
	<u>720,154</u>	<u>(140,499)</u>	<u>579,655</u>
	<u>10,972,953</u>	<u>13,707,856</u>	<u>24,680,809</u>
	<u>\$ 11,693,107</u>	<u>\$ 13,567,357</u>	<u>\$ 25,260,464</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General Fund	Road Improvements Capital Project	Other Governmental Funds	Total
<i>Assets</i>				
Cash and cash equivalents	\$ 395,429	\$ -	\$ 86,762	\$ 482,191
Investments	-	-	206,641	206,641
Accounts and taxes receivable	349,360	272,552	-	621,912
Other receivables	-	-	910	910
Due from other governments	-	-	92,099	92,099
Due from other funds	34,181	2,318	175,477	211,976
<i>Total assets</i>	<u>\$ 778,970</u>	<u>\$ 274,870</u>	<u>\$ 561,889</u>	<u>\$ 1,615,729</u>
<i>Liabilities, deferred inflows of resources and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 59,851	\$ -	\$ 8,053	\$ 67,904
Accrued salaries and benefits	14,643	-	1,218	15,861
Accrued compensated absences	6,884	-	783	7,667
Unearned revenue	-	-	1,647	1,647
<i>Total liabilities</i>	<u>81,378</u>	<u>-</u>	<u>\$ 11,701</u>	<u>93,079</u>
<i>Deferred inflows of resources</i>				
Unavailable revenue-property taxes	12,234	-	-	12,234
<i>Total deferred inflows of resources</i>	<u>12,234</u>	<u>-</u>	<u>-</u>	<u>12,234</u>
<i>Fund Balances</i>				
Fund Balance				
Restricted for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	299,444	299,444
Capital Projects Funds	-	274,870	250,744	525,614
Debt Service Funds	-	-	-	-
Committed for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Assigned for:				
General Fund	-	-	-	-
Special Revenue Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Unassigned for:				
General Fund	685,358	-	-	685,358
<i>Total fund balances</i>	<u>685,358</u>	<u>274,870</u>	<u>550,188</u>	<u>1,510,416</u>
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 778,970</u>	<u>\$ 274,870</u>	<u>\$ 561,889</u>	<u>\$ 1,615,729</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
GOVERNMENTAL FUNDS

RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2014

Amounts reported for governmental activities in the statements of net position are different because:

Fund balances - total governmental funds	\$ 1,510,416
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	11,146,885
Accrued interest on long-term debt is not recognized in the governmental funds until paid:	
Accrued interest	(343)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	<u>(963,851)</u>
Net position of governmental activities	<u>\$ 11,693,107</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ending June 30, 2014

	General Fund	Roads Improvement Capital Project	Other Governmental Funds	Total
<i>Revenues:</i>				
Taxes	\$ 2,493,439	\$ -	\$ 411,061	\$ 2,904,500
State Grants	212,204	-	540,115	752,319
Federal Grants	-	330,707	143,836	474,543
Charges for Services	62,870	-	54,817	117,687
Licenses and Fees	35,852	-	18,060	53,912
Investment Income (Loss)	1,049	-	849	1,898
Miscellaneous	27,423	-	9,867	37,290
	<u>2,832,837</u>	<u>330,707</u>	<u>1,178,605</u>	<u>4,342,149</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	885,966	-	-	885,966
Public Safety	1,071,234	-	237,447	1,308,681
Public Works	-	404,881	621,454	1,026,335
Culture and Recreation	353,021	-	77,803	430,824
Health and Welfare	-	-	-	-
Capital Outlay	-	-	463	463
<i>Debt Service:</i>				
Principal	-	-	143,532	143,532
Interest	-	-	53,071	53,071
	<u>2,310,221</u>	<u>404,881</u>	<u>1,133,770</u>	<u>3,848,872</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>522,616</u>	<u>(74,174)</u>	<u>44,835</u>	<u>493,277</u>
<i>Other financing sources (uses)</i>				
Transfers In	-	346,688	209,458	556,146
Transfers (Out)	<u>(377,895)</u>	<u>-</u>	<u>(165,276)</u>	<u>(543,171)</u>
<i>Total other financing sources (uses)</i>	<u>(377,895)</u>	<u>346,688</u>	<u>44,182</u>	<u>12,975</u>
<i>Net change in fund balance</i>	144,721	272,514	89,017	506,252
<i>Fund balance - beginning of year</i>	<u>540,637</u>	<u>2,356</u>	<u>461,171</u>	<u>1,004,164</u>
<i>Fund balance - end of year</i>	<u>\$ 685,358</u>	<u>\$ 274,870</u>	<u>\$ 550,188</u>	<u>\$ 1,510,416</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
RECONCILIATION OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	506,252
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital expenditures		479,111
Depreciation expense		(393,280)
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position but are as follows:		
Increase in accrued compensated absences		(17,434)
Decrease in accrued interest		8,648
Principal payments on notes payable		136,857
Change in net position of governmental activities	\$	720,154

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STATE OF NEW MEXICO
CITY OF MORIARTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 2,028,463	\$ 2,053,463	\$ 2,210,676	\$ (157,213)
State Grants	143,708	166,731	185,916	(19,185)
Charges For Services	57,956	59,325	63,870	(4,545)
Licenses and Fees	21,900	21,900	34,052	(12,152)
Interest Income	-	-	-	-
Investment Income(Loss)	1,600	1,600	1,098	502
Miscellaneous	15,000	18,421	27,222	(8,801)
<i>Total revenues</i>	<u>2,268,627</u>	<u>2,321,440</u>	<u>2,522,834</u>	<u>(201,394)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	832,283	889,541	873,207	16,334
Public Safety	1,038,547	1,092,527	1,088,105	4,422
Public Works	-	-	-	-
Culture and Recreation	364,596	356,871	342,891	13,980
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,235,426</u>	<u>2,338,939</u>	<u>2,304,203</u>	<u>34,736</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>33,201</u>	<u>(17,499)</u>	<u>218,631</u>	<u>(166,658)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(33,201)	(84,810)	-	84,810
Transfers In	(63,488)	(386,900)	(377,895)	9,005
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(96,689)</u>	<u>(471,710)</u>	<u>(377,895)</u>	<u>93,815</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>(63,488)</u>	<u>(489,209)</u>	<u>(159,264)</u>	<u>(72,843)</u>
<i>Cash Balance - Beginning of Year</i>	<u>235,321</u>	<u>235,321</u>	<u>588,874</u>	<u>353,553</u>
<i>Cash Balance - End of Year</i>	<u>\$ 171,833</u>	<u>\$ (253,888)</u>	<u>\$ 429,610</u>	<u>\$ 280,710</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 218,631	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			322,718	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			(18,733)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 522,616</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2014

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Heritage Arena Fund
<i>Assets</i>				
<i>Current assets</i>				
Cash	\$ 168,519	\$ -	\$ 3,657	\$ -
Investments	249,419	8,252	225,208	-
Accounts receivable	34,594	28,734	32,916	-
Due from other funds	-	31,948	-	6,993
<i>Total current assets</i>	<u>452,532</u>	<u>68,934</u>	<u>261,781</u>	<u>6,993</u>
<i>Capital assets</i>				
Capital assets	7,909,308	3,357	4,963,103	-
Accumulated depreciation	(1,774,687)	(2,557)	(2,530,932)	-
<i>Total Capital assets</i>	<u>6,134,621</u>	<u>800</u>	<u>2,432,171</u>	<u>-</u>
<i>Total Assets</i>	<u>\$ 6,587,153</u>	<u>\$ 69,734</u>	<u>\$ 2,693,952</u>	<u>\$ 6,993</u>
<i>Liabilities and Net Position</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 39,099	\$ 26,821	\$ 46,413	\$ 1,570
Accrued liabilities	174,205	-	(6,476)	-
Accrued compensated absences	375	-	1,018	-
Due to other funds	82,243	-	205,995	-
Current maturity of note payable	49,200	-	15,012	-
<i>Total current liabilities</i>	<u>345,122</u>	<u>26,821</u>	<u>261,962</u>	<u>1,570</u>
<i>Noncurrent liabilities</i>				
Notes payable	2,622,300	-	163,886	-
Accrued compensated absences payable	4,061	-	6,744	-
<i>Total noncurrent liabilities</i>	<u>2,626,361</u>	<u>-</u>	<u>170,630</u>	<u>-</u>
<i>Total liabilities</i>	<u>2,971,483</u>	<u>26,821</u>	<u>432,592</u>	<u>1,570</u>
<i>Net Position:</i>				
Net investment in capital assets	3,463,121	800	2,253,273	-
Unreserved				
Unreserved, undesignated	152,549	42,113	8,087	5,423
<i>Total net position</i>	<u>3,615,670</u>	<u>42,913</u>	<u>2,261,360</u>	<u>5,423</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 6,587,153</u>	<u>\$ 69,734</u>	<u>\$ 2,693,952</u>	<u>\$ 6,993</u>

<u>Airport Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 172,176
-	-	482,879
2,406	-	98,650
<u>19,890</u>	<u>17,431</u>	<u>76,262</u>
<u>22,296</u>	<u>17,431</u>	<u>829,967</u>
10,571,871	137,455	23,585,094
<u>(3,025,862)</u>	<u>(75,620)</u>	<u>(7,409,658)</u>
<u>7,546,009</u>	<u>61,835</u>	<u>16,175,436</u>
<u>\$ 7,568,305</u>	<u>\$ 79,266</u>	<u>\$ 17,005,403</u>
\$ 1,920	\$ 3,371	\$ 119,194
289	-	168,018
-	-	1,393
-	-	288,238
-	-	64,212
<u>2,209</u>	<u>3,371</u>	<u>641,055</u>
-	-	2,786,186
-	-	10,805
-	-	<u>2,796,991</u>
<u>2,209</u>	<u>3,371</u>	<u>3,438,046</u>
7,546,009	61,835	13,325,038
<u>20,087</u>	<u>14,060</u>	<u>242,319</u>
<u>7,566,096</u>	<u>75,895</u>	<u>13,567,357</u>
<u>\$ 7,568,305</u>	<u>\$ 79,266</u>	<u>\$ 17,005,403</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Heritage Arena Fund
<i>Operating revenues:</i>				
Charges for services	\$ 344,551	\$ 307,678	\$ 356,410	\$ 1,284
<i>Total operating revenues</i>	<u>344,551</u>	<u>307,678</u>	<u>356,410</u>	<u>1,284</u>
<i>Operating expenses:</i>				
Operating Expenses	86,238	-	35,526	864
Travel	5,947	-	9,579	-
Gross Receipts Tax	-	-	-	-
Depreciation	107,627	-	126,036	-
Purchases for Resale	-	-	-	-
Contract Services	5,624	312,863	9,928	-
Salaries	52,480	-	111,687	-
Supplies	30,516	999	37,291	2,315
<i>Total operating expenses</i>	<u>288,432</u>	<u>313,862</u>	<u>330,047</u>	<u>3,179</u>
<i>Operating income (loss)</i>	<u>56,119</u>	<u>(6,184)</u>	<u>26,363</u>	<u>(1,895)</u>
<i>Non-operating revenues (expenses):</i>				
Interest Income	35	-	-	-
Interest expense	-	-	20	-
Transfers	89,304	-	(92,364)	-
<i>Total non-operating revenues (expenses)</i>	<u>89,339</u>	<u>-</u>	<u>(92,344)</u>	<u>-</u>
<i>Change in net position</i>	145,458	(6,184)	(65,981)	(1,895)
<i>Total net position, beginning of year</i>	6,087,534	49,097	2,327,341	7,318
<i>Adjustment to net position</i>	(2,617,322)	-	-	-
<i>Total net position, beginning of year- restated</i>	<u>3,470,212</u>	<u>49,097</u>	<u>2,327,341</u>	<u>7,318</u>
<i>Total net position, end of year</i>	<u>\$ 3,615,670</u>	<u>\$ 42,913</u>	<u>\$ 2,261,360</u>	<u>\$ 5,423</u>

<u>Airport Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
\$ 47,412	\$ 10,475	\$ 1,067,810
<u>47,412</u>	<u>10,475</u>	<u>1,067,810</u>
(205,234)	1,959	(80,647)
41	-	15,567
-	-	-
420,541	7,774	661,978
-	-	-
-	-	328,415
16,810	-	180,977
<u>12,146</u>	<u>5,833</u>	<u>89,100</u>
<u>244,304</u>	<u>15,566</u>	<u>1,195,390</u>
<u>(196,892)</u>	<u>(5,091)</u>	<u>(127,580)</u>
-	-	35
-	-	20
<u>(9,915)</u>	<u>-</u>	<u>(12,975)</u>
<u>(9,915)</u>	<u>-</u>	<u>(12,920)</u>
(206,807)	(5,091)	(140,500)
7,772,903	80,986	16,325,179
-	-	(2,617,322)
<u>7,772,903</u>	<u>80,986</u>	<u>13,707,857</u>
<u>\$ 7,566,096</u>	<u>\$ 75,895</u>	<u>\$ 13,567,357</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 344,551	\$ 307,678	\$ 356,410
Cash payments to employees/suppliers for goods and servi	<u>(169,748)</u>	<u>(298,240)</u>	<u>(203,707)</u>
<i>Net cash provided for operating activities</i>	<u>174,803</u>	<u>9,438</u>	<u>152,703</u>
<i>Cash flows from noncapital financing activities:</i>			
Change in long term accrued compensated absences	-	-	-
Principal payments on notes payable	(47,700)	-	(15,679)
Interest paid	-	-	-
Loans from other funds	415,638	(9,438)	-
Transfers	<u>(78,294)</u>	<u>-</u>	<u>(92,344)</u>
<i>Net cash provided (used) by noncapital financing activitie.</i>	<u>289,644</u>	<u>(9,438)</u>	<u>(108,023)</u>
<i>Cash flows from investing activities:</i>			
Transfers to other funds	-	-	170,879
Purchase of capital assets	<u>(141,146)</u>	<u>-</u>	<u>(215,473)</u>
<i>Net cash used by investing activities:</i>	<u>(141,146)</u>	<u>-</u>	<u>(44,594)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	323,301	-	86
<i>Cash and cash equivalents - beginning of year</i>	<u>94,637</u>	<u>8,252</u>	<u>228,779</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 417,938</u>	<u>\$ 8,252</u>	<u>\$ 228,865</u>
<i>Reconciliation of operating income (loss) to net cash provided (used)</i>			
<i>by operating activities</i>			
Operating income (loss)	\$ 56,119	\$ (6,184)	\$ 26,363
Adjustments to reconcile operating (loss) to net cash (used)			
by operating activities:			
Depreciation	107,627	-	126,036
Changes in assets and liabilities			
Receivables	(11,005)	(4,927)	7,922
Accrued expenses	(561)	-	(8,290)
Prepaid expenses	19,897	-	-
Accounts payable	-	20,549	(2,642)
Deposits payable	(936)	-	-
Accrued compensation absences	3,662	-	3,314
<i>Net cash (used) by operating activities</i>	<u>\$ 174,803</u>	<u>\$ 9,438</u>	<u>\$ 152,703</u>

Heritage Arena Fund	Airport Fund	Cemetery Fund	Total
\$ 1,284	\$ 270,438	\$ 10,475	\$ 1,290,836
(1,765)	(47,125)	(5,082)	(725,667)
(481)	223,313	5,393	565,169
-	-	-	-
-	-	-	(63,379)
-	-	-	-
481	16,084	(5,393)	417,372
-	(9,915)	-	(180,553)
481	6,169	(5,393)	173,440
-	191,059	-	361,938
-	(420,541)	-	(777,160)
-	(229,482)	-	(415,222)
-	-	-	323,387
-	-	-	331,668
\$ -	\$ -	\$ -	\$ 655,055
\$ (1,895)	\$ (196,892)	\$ (5,091)	\$ (127,580)
-	420,541	7,774	661,978
-	-	-	(8,010)
-	3	-	(8,848)
-	-	-	19,897
1,414	(339)	2,710	21,692
-	-	-	(936)
-	-	-	6,976
\$ (481)	\$ 223,313	\$ 5,393	\$ 565,169

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NOTE 1. Summary of Significant Accounting Policies

The City of Moriarty (“City”) was incorporated under the provisions of the Municipal Code of the state of New Mexico (Sec. 14-2-1 et-Seq. 1953 Comp.). The City operates under a mayor council form of government. There are four council members plus the mayor, all of whom are elected at large. The basic criterion for including a component unit within the reporting entity of the City is the exercise of oversight responsibility by the City Council.

This summary of significant accounting policies of the City is presented to assist in the understanding of the City’s financial statements. The financial statements and notes are the representation of the City’s management who is responsible for their integrity and objectivity. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City’s accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB statements No. 61. Blended component units, although legally separate entities, are in substance part of the government’s operations. Each discreetly presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the City has no component units, and is not a component unit of another governmental agency.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement no. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

B. Government-wide and fund financial statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Governmental funds are used to account for the City's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the City except for items included in other funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds. The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by the proprietary or nonexpendable trust funds.

Under the requirements of GASB No. 34, the City is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund and the Capital Project Airport Improvement Fund. No other funds were required to be presented as major at the discretion of management.

General Fund – the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

Major Capital Project Funds:

Capital Project Road Improvement Fund – It accounts for all revenue and expenditures associated with the Airport Improvements approved by the State of New Mexico and funded by federal and state grants.

The City reports its proprietary funds as a major business-type fund.

Major Enterprise Funds:

Sewer/AWWT Fund – to account for the provision of sewer services to the residents of the City.

Solid Waste Disposal Fund – to account for the provision of solid waste services to the residents of the City.

Water Fund – to account for the provision of water services to the residents of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Program revenues reduce the cost of the function to be financed from the City’s general revenues. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified function and is included in the direct expense of each function. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing service in connection with the fund’s principal ongoing operations. The principal operating revenue of the City’s enterprise fund is charges for services for the City’s various utilities. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

D. Assets, Liabilities, and Net Position or Equity

Deposits and Investments: The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the City are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Library books are expensed as purchased. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Computer Equipment & Software	3
Vehicles	5-7
Equipment & Machinery	5-20
Buildings & Building Improvements	40
Plant & Distributing System	40

Inventory: Inventory is reflected at historical cost.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

D. Assets, Liabilities, and Net Position or Equity (continued)

Unearned Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as unearned revenue.

Deferred Inflow/Outflows of Resources: GASB 63 amended previous guidance on Unearned Revenues in the Government-Wide Financial Statements to include deferred outflow of resources, which is the consumption of net assets by the government that is applicable to a future reporting period and deferred inflow of resources, which is acquisition of net assets by the government that is applicable to a future reporting period.

Compensated Absences: Qualified employees are entitled to accumulate compensated absences earned. Upon termination, employees will be paid for all days of current year accrued annual leave not yet taken. Qualified employees are entitled to accumulate sick leave. Sick leave can be carried over from year to year. Upon termination employees receive no pay for sick time accumulated.

All vacation pay and applicable accumulated sick leave is accrued when incurred in the governmental-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Net Position or Fund Equity:

Committed fund balance represents amounts that are useable only for specified purposes by formal action of the governments' highest level of decision-making authority.

Assigned fund balance represents amounts that are intended to be used for specific purpose, but are neither restricted nor committed. Intent is expressed by the governing body or a subordinate high level body or official whom the governing body has delegated.

Restricted fund balance represents amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unassigned fund balance is the residual classification for the general fund and represents the amount that have not been assigned to other funds, and that have not been restricted, committed or assigned to specific purposes.

Net Investment in capital assets, net of related debt consists of net position including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

D. Assets, Liabilities, and Net Position or Equity (continued)

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Revenues: The City receives mill levy and ad-valorem tax revenues. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The City recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The City records only the portion of the taxes considered 'measureable' and 'available' in the governmental fund financial statements. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets of the City are prepared prior to June 1 and must be approved by resolution of the City Councilors, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the City Councilors and the Department of Finance and Administration. The legal level of budgetary control is at the fund level. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of the funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds, where applicable.

The City is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The City Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2014 is presented.

The reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund are shown on each budgetary statement.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

Note 3. Deposits and Investments

State statutes authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2014.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the City for at least one half the amount in excess of FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the City's deposits.

	Wells Fargo Bank Checking	US Bank Checking	NMFA Reserves
Operating	\$ 815,591	\$ 667,170	\$ -
NMFA reserves	-	-	286,787
Total Deposits	815,591	667,170	286,787
Less: FDIC Coverage	(428,211)	(250,000)	(250,000)
Total uninsured public funds	387,380	417,170	36,787
50% Collateral requirement	193,690	208,585	18,394
Pledged Securities	248,326	449,182	-
(Over)Under collateralized	\$ (54,636)	\$ (240,597)	\$ 18,394

Custodial Credit Risk-Deposits

Account Balance	\$ 1,769,548
FDIC Insured	928,211
Collateral:	
Collateral held by the pledging bank, not in the City's name	841,337
Uninsured and uncollateralized	-
Total Deposits	\$ 1,769,548

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

Note 3. Deposits and Investments (continued)

The collateral pledged is listed on Schedule I of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by an agency, district or political subdivision of the State of New Mexico.

Reconciliation of Cash and Temporary Investments

Carrying amounts by fund per financial statement at June 30, 2014 is:

Governmental Funds- Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 1,343,887
Less Petty Cash	(300)
Add Reconciling items	<u>(425,959)</u>
	<u>\$ 1,769,546</u>

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that in the event of counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged for bank accounts in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the City for at least 50% of the amount on deposit with the institution.

The New MexiGrow Local Governmental Investment Pool’s (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance. In accordance with Sections 6-10-10 I through 6-10-10-P and Section 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 19078, as the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2014, the City’s investment balances were exposed to custodial credit risk as follows:

Investment in the State Treasurer Local Government Investment Pool	\$ 91,885
NMFA reserves	\$ 194,902

Interest Rate Risk and Credit Rating

The City does not have a formal policy limiting investment maturities to manage its exposure to fair value losses from increasing interest rates. The City’s investments at June 30, 2014 include the following:

State Treasurer LGIP, AAAM, 59-day WAM (r)	\$ 91,885
NMFA reserves	\$ 194,902

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 4. Receivables

Receivables as of June 30, 2014, are as follows:

	<u>General Fund</u>	<u>Roads Improvement Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property Taxes Receivables:	\$ 12,234	\$ -	\$ -	\$ 12,234
Due from other governments:	349,360	272,552	92,099	714,011
Other accounts receivable	<u>-</u>	<u>-</u>	<u>910</u>	<u>910</u>
	361,594	272,552	93,009	727,155
	<u>Airport Fund</u>	<u>Sewer/AWWT Fund</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>
Accounts Receivable	\$ 2,406	\$ 34,594	\$ 28,734	\$ 32,916

The above governmental receivables are deemed 100% collectible. The utility accounts receivable are net of an estimated allowance for uncollectible accounts of \$0 due to the city's ordinance permitting liens on the property for any past due accounts.

NOTE 5. Accounts Payables

Accounts payable as of June 30, 2014, are as follows:

	<u>Governmental activities</u>	<u>Business-like activities</u>
Payable to suppliers	\$ 67,904	\$ 119,194
Payables to employees & others	23,528	168,018
Total	<u>\$ 91,432</u>	<u>\$ 287,212</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 6. Interfund Receivables, Payables, and Transfers

“Due to” and “Due from” balances have primarily been recorded when funds overdraw their share of pooled cash. The composition of interfund balances as of June 30, 2014 is as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 34,181	\$ -
Corrections Fund	3,556	-
Emergency (EMS)	299	-
Law Enforcement (LEPA)	-	-
Lodgers' Tax	24,586	-
Special-Lodgers' Tax		
Promotion	8,939	-
Street Fund	33,906	-
Capital Project-WWTP	-	-
Capital Project Road		
Improvements	2,318	-
Airport Improv – Capital		
Project	-	-
Heritage Arena Fund	6,993	-
Enterprise-Sewer	-	82,243
Enterprise-Solid Waste	31,948	-
Enterprise-Water	-	205,995
Enterprise-Airport	19,890	-
Enterprise-Cemetery	17,431	-
Agency-Police Activities	-	-
Industrial Park	104,191	-
Total	\$ 288,238	\$ 288,238

Transfers

This schedule is reported on the government-wide basis of accounting due to the transfers of capital assets between governmental funds and business-type funds.

	Transfers In	Transfers Out
General Fund	\$ 18,060	\$ 395,955
Lodgers' Tax	-	105,000
Street Fund	-	60,276
Capital Project-Roads Improvement	346,688	-
Capital Project-Airport Improvement	9,915	-
Debt Service Fund	74,304	-
Civic Center Debt Service Fund	199,543	-
Sewer Revenue Bonds	93,294	-
Enterprise-Sewer	15,000	93,294
Enterprise-Water	-	92,364
Enterprise-Airport	-	9,915
Total	\$ 756,804	\$ 756,804

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2014 follows.

Governmental Activities	<u>June 30, 2013</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Capital assets not depreciated:					
Land	\$ 324,307	\$ -	\$ -	\$ -	\$ 324,307
Capital assets being depreciated:					
Construction in Progress	256,851	405,463	-	1,847	660,467
Land Improvements	3,365,543	-	-	-	3,365,543
Buildings & Improvements	4,511,180	-	-	-	4,511,180
Equipment & Vehicles	2,207,232	73,648	-	-	2,280,879
Infrastructure	6,657,198	-	-	-	6,657,198
Total capital assets being depreciated	16,998,004	479,111	-	1,847	17,475,267
Total Capital Assets	17,322,310	479,111	-	1,847	17,799,574
Less accumulated depreciation:					
Land Improvements	540,289	247,944	-	-	788,233
Construction in Progress	1,494,652	-	(1,494,652)	-	-
Building & Improvements	1,113,212	54,216	180,341	-	1,347,769
Equipment & Vehicles	3,111,257	89,884	-	-	3,201,141
Infrastructure	-	1,235	1,314,312	-	1,315,547
Total Accumulated Depreciation	6,259,410	393,280	-	-	6,652,691
Total capital assets net of depreciation	\$ 11,062,900	\$ 85,831	\$ -	\$ 1,847	\$ 11,146,885
Business-Like Activities	<u>June 30, 2013</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Land, Building & Improvements	\$ 10,460,209	\$ 223,026	\$ -	\$ -	\$ 10,683,235
Water Rights	147,201	-	-	-	147,201
Plant and distributing system	11,839,080	143,837	153,214	-	12,136,131
Equipment, Machinery & Vehicles	425,642	-	-	-	425,642
Construction in Progress	153,214	21,918	(153,214)	-	21,918
Infrastructure	-	-	-	-	-
Total Capital Assets	23,025,346	388,781	-	-	23,414,127
Less accumulated depreciation:					
Land, Building & Improvements	2,555,562	410,410	-	-	2,965,972
Water Rights	3,680	3,680	-	-	7,360
Plant and distributing system	3,763,507	231,650	175,456	-	4,170,615
Equipment, Machinery & Vehicles	246,786	18,927	-	-	265,712
Total Accumulated Depreciation	6,569,536	664,667	175,456	-	7,409,659
Total capital assets net of depreciation	\$ 16,455,810	(275,886)	175,456	-	\$ 16,004,471

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 7. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2014 was charged to the following functions and funds:

General Government	\$ 404,882
Public Safety	28,135
Public Works	231,650
Culture and Recreation	-
Health and Welfare	-
	-
 Total depreciation expense governmental funds	 \$ 664,668

Depreciation expense relating to business-like activities for the year ended June 30, 2014 totaled \$664,668.

NOTE 8. Long-term Debt

During the year ended June 30, 2014, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Governmental Activities					
NMFA Loan – Civic Center	\$ 935,353	\$ -	\$ 113,075	\$ 822,278	\$ 119,220
NMFA Loan – Ambulance	31,525	-	15,646	15,879	15,879
US Bancorp	41,255	-	13,742	27,513	13,740
Kansas State Bank of Manhattan	23,606	-	23,606	-	-
NMFA Loan – Drinking Water	-	21,920	-	21,920	-
Accrued Compensated Absences	66,491	61,419	43,985	83,925	7,667
Total	\$ 1,098,230	\$ 83,339	\$ 210,054	\$ 971,515	\$ 156,506
 Business-type Activities					
NMFA Loan – Water	\$ 193,706	\$ -	\$ 14,808	\$ 178,898	\$ 15,012
Revenue Bonds – 1999 Water & Sewer	930,000	-	20,000	910,000	20,000
Revenue Bonds – Wastewater Treatment Plant	1,789,200	-	27,700	1,761,500	29,200
Accrued Compensated Absences	6,886	11,217	5,904	12,199	1,394
Total Long Term Debt	\$ 2,919,792	\$ 11,217	\$ 68,412	\$ 2,862,597	\$ 65,606

The annual requirements to amortize the NMFA loan (Civic Center) payable as of June 30, 2014, including interest payments are as follows:

Fiscal Year	Principal	Interest	Total
2015	\$ 119,220	\$ 43,984	\$ 163,204
2016	125,757	37,762	163,519
2017	132,716	31,134	163,850
2018	140,127	24,074	164,201
2019	148,022	16,548	164,570
2020-2024	156,436	8,526	164,962
Total	\$ 822,278	\$ 162,028	\$ 984,306

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the NMFA loan (Ambulance) payable as of June 30, 2014, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 15,879	\$ -	\$ 15,879
Total	\$ 15,879	\$ -	\$ 15,879

The annual requirements to amortize the US Bancorp loan payable as of June 30, 2014, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 13,740	\$ -	\$ 13,740
2016	13,773	-	13,773
Total	\$ 27,513	\$ -	\$ 27,513

The annual requirements to amortize the NMFA Loan – Drinking Water payable as of June 30, 2014, including interest payments as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ -	\$ -
2016	7,842	-	7,842
2017	7,501	-	7,501
2018	7,520	-	7,520
2019	7,538	-	7,538
2020-2024	37,975	-	37,975
2025-2029	38,452	-	38,452
2030-2034	38,936	-	38,936
2035-2039	7,846	-	7,846
Total	\$ 153,610	\$ -	\$ 153,610

Proprietary Fund debt amortization schedules as follows:

The annual requirements to amortize the Revenue Bonds – 1999 Water & Sewer payable as of June 30, 2014, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 20,000	\$ 43,225	\$ 63,225
2016	20,000	42,275	62,275
2017	20,000	41,325	61,325
2018	20,000	40,375	60,375
2019	20,000	39,425	59,425
2020-2024	140,000	178,600	318,600
2025-2029	170,000	141,075	311,075
2030-2034	210,000	94,525	304,525
2035-2039	270,000	36,575	306,575
2040-2044	20,000	950	20,950
Total	\$ 910,000	\$ 658,350	\$ 1,568,350

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the Revenue Bonds – Wastewater Treatment Plant payable as of June 30, 2014, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 29,200	\$ 49,055	\$ 78,255
2016	30,000	48,245	78,245
2017	30,900	47,414	78,314
2018	31,700	46,560	78,260
2019	32,600	45,680	78,280
2020-2024	176,800	214,337	391,137
2025-2029	202,500	188,394	390,894
2030-2034	231,900	158,631	390,531
2035-2039	265,600	124,185	389,785
2040-2044	304,300	85,315	389,615
Thereafter	426,000	42,492	468,492
Total	<u>\$ 1,761,500</u>	<u>\$ 1,050,308</u>	<u>\$ 2,811,808</u>

The annual requirements to amortize the NMFA Loan – Water payable as of June 30, 2014, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 15,012	\$ 2,596	\$ 17,608
2016	15,226	2,420	17,646
2017	15,451	2,232	17,683
2018	15,688	2,034	17,722
2019	15,937	1,826	17,763
2020-2024	83,872	5,564	89,436
2025-2029	17,712	306	18,018
Total	<u>\$ 178,898</u>	<u>\$ 16,978</u>	<u>\$ 195,876</u>

Short-term Debt: The City had no short-term debt activity during the year.

NOTE 9. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters. The City of Moriarty participates in the New Mexico Self-Insurer's Fund risk pool. The City pays an annual premium to the pool based on claim experience and the status of the pool. The City is not liable for more than the premium paid.

The City has not filed any claims for which the settlement amount exceeded the insurance coverage during the past three years. However, should a claim be filed against the City which exceeds the insurance coverage, the City would be responsible for a loss in excess of the coverage amounts. As claims are filed, the New Mexico Self-Insurers' Fund assesses and estimates the potential for loss and handles all aspects of the claim. Insurance coverage's have not changed significantly from prior years and coverage's are expected to be continued.

At June 30, 2014, no unpaid claims have been filed which exceed the policy limits and to the best of management's knowledge and belief all known and unknown claims will be covered by insurance. No major lawsuits have been filed against the City of Moriarty.

New Mexico Self-Insurers' Fund has not provided information or an entity by entity basis that would allow for a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combining Statements - Overview of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.
Fire Protection Fund \$(393)

Fund deficits will be funded by general fund transfers or by grant revenues.

B. No expenditures exceeded appropriations by fund.

NOTE 11. PERA Pension Plans

Plan Description. Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 9.15% to 17.8% of their gross salary, and the City is required to contribute 9.15% to 18.5%, depending upon the plan and the employee status of the gross covered salary. The contribution requirements of plan members and the City are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the fiscal years ending June 30, 2014, 2013 and 2012 were \$252,310, \$223,181 and \$126,194, respectively, which equal the required contributions for each year. The City of Moriarty is subject to GASB 68 for pension plans and as such their financial statements for 2015 may include a material liability for pension participation.

Deferred Compensation Plan. The City has executed salary reduction agreements with certain employees on a voluntary basis. Amounts withheld per these agreements are used to purchase insurance contracts on behalf of and are owned by the employee. This plan is in accordance with Internal Revenue Code. The City of Moriarty does not make contributions to this plan and has no liability to the plan except to remit withheld amounts.

NOTE 12. Post-Employment Benefits

Plan description: The City of Moriarty contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires before the employer's NMRHCA effective date, in which event the time period required for the employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 12. Post-Employment Benefits (continued)

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RCHA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RCHA or viewed on their website at www.nmrhca.stat.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirement for the contributions can be changed by the New Mexico State Legislature. Employers that chose to become participating employers after January 1, 1998 are required to make contributions to the RHCA fund in the amount determined to be appropriate by the Board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plan 3, 4 or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention office member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15 (G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The City's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$39,964, \$24,386 and \$20,360, respectively, which equal the required contributions for each year.

NOTE 13. Contingent Liabilities

The City is party to various claims and lawsuits arising in the normal course of business. Management and the City's attorney are unaware of any material pending or threatened litigation, claims or assessments against the City which are not covered by the City's insurance as described in Note 9.

NOTE 14. Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 15. Memorandum of Understanding/Joint Powers Agreements

Operation of the Solid Waste System

Purpose: To operate the regional solid waste system.

Participants: The City of Moriarty, the County of Torrance, the Village of Willard, the Town of Mountainair, the Town of Estancia, and the Village of Encino (based on the agreement update on December 16, 1993).

Responsible Party for Operation and Audit: Estancia Valley Solid Waste Authority (EVSWA)

Term: Started August 2, 1983 and has no expiration date.

Total Estimated Amount of Project and Actual Amount Contributed: \$7,774.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 15. Memorandum of Understanding/Joint Powers Agreements (continued)

Establishment and Operation of Housing Assistance Programs

Purpose: To provide Housing Assistance to low income families in the Torrance County, by authorizing the Town of Mountainair Housing Authority to operate public assistance programs within the geographical boundaries of Torrance County.

Participants: The County of Torrance, the Town of Mountainair, the City of Moriarty, the Town of Estancia, the Village of Encino, and the Village of Willard

Responsible Party for Operation and Audit: The Town of Mountainair Housing Authority

Term: No expiration date

Total Estimated Amount of Project and Actual Amount Contributed: None

E911 Services

Purpose: To form the Torrance County Emergency Communication 911 District.

Participants: The City of Moriarty, the County of Torrance, the Village of Willard, the Town of Mountainair, and the Town of Estancia

Responsible Party for Operation and Audit: The Torrance County E911 District

Term: The agreement is valid for the fiscal year.

Total Estimated Amount of Project and Actual Amount Contributed: \$5,199.

Wildland Fire Protection and Suppression

Purpose: To provide mutual wildland fire suppression and management assistance and cooperation between the City of Moriarty and the Energy, Mineral and Nature Resources Department, Forestry Division (EMNRD)

Participants: The City of Moriarty and the Energy, Mineral and Nature Resources Department, Forestry Division

Responsible Party for Operation and Audit: The City of Moriarty and EMNRD

Term: The agreement is for a term of five years but may be terminated at any time.

Total Estimated Amount of Project and Actual Amount Contributed: None

Roads and Streets Repair and Maintenance

Purpose: To provide a basis where by the Torrance County can assist the City of Moriarty in repairing roads and streets within the boundaries of the City of Moriarty. The County will provide and operate county equipment and provide personnel necessary to repair existing street and road surfaces within the City.

Participants: The City of Moriarty (agrees to purchase or provide materials, including costs of transportation necessary to do repair or maintenance, and reimburse Torrance County for labor costs, fuel and the use of county equipment) and the County of Torrance

Responsible Party for Operation and Audit: The City of Moriarty and the County of Torrance; Each party will maintain their own records

Term: Expires on December 31, 2014

Total Estimated Amount of Project and Actual Amount Contributed: None

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 15. Memorandum of Understanding/Joint Powers Agreements (continued)

DWI Program

Purpose: A memorandum of understanding between the City of Moriarty Police Department and the Torrance County DWI Program was entered to conduct DWI enforcement activities (e.g. sobriety checkpoints and saturation patrols) at locations within the City of Moriarty where alcohol-involved crashes are prevalent.

Participants: The City of Moriarty, Police Department and The County of Torrance, DWI Program

Responsible Party for Operation and Audit: The County of Torrance DWI Program

Term: Until terminated in writing by either party within thirty days' notice of said termination.

Total Estimated Amount of Project and Actual Amount Contributed: None

Water and Sewer Line Extensions

Purpose: A memorandum of understanding between the City of Moriarty and Pilot Travel Centers LLC was entered to provide water and sewer line extensions in accordance with policies and standards of the City. The design and installed extension will also serve to accommodate future growth and connections by other property owners. Customers who connect in the future to the Pilot installed extension may be required to pay their pro rata share of the costs of the extension. The City will collect the pro rata share and reimburse collected amounts to Pilot.

Participants: The City of Moriarty and Pilot Travel Centers LLC

Responsible Party for Operation and Audit: The City of Moriarty

Term: Effective April 12, 2013 and remain in effect indefinitely

Total Estimated Amount of Project and Actual Amount Contributed: None

Read "Write" Adult Literacy Program

Purpose: A memorandum of understanding between the City of Moriarty and Read "Write" Adult Literacy Program was entered to provide adult literacy programs and related education services in the City of Moriarty.

Participants: The City of Moriarty and the Read "Write" Adult Literacy Program

Responsible Party for Operation and Audit: The Read "Write" Adult Literacy Program

Term: June 1, 2013 – June 30, 2014

Total Estimated Amount of Project and Actual Amount Contributed: None

Film Production

Purpose: A memorandum of understanding between the City of Moriarty and Adam David Productions LLC was entered for movie film production on location at 201 Broadway, Moriarty, NM 87035 to allow filming, photographing and/or recording otherwise recording both interior and exterior scenes and sounds.

Participants: The City of Moriarty and Adam David Productions LLC

Responsible Party for Operation and Audit: Adam David Productions LLC

Term: Effective July 16, 2013 through August 5, 2013

Total Estimated Amount of Project and Actual Amount Contributed: None

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 15. Memorandum of Understanding/Joint Powers Agreements (continued)

Exit 194 Project

Purpose: A memorandum of understanding between the City of Moriarty and Moriarty Police Department and Mountain States Constructors, Inc. to assign Moriarty Police Department officers for purpose of traffic enforcement in the construction zone on I-40 (Mile Marker 192-195) at various stages of construction. Officer Compensations will be invoiced by the City to Mountain States Constructors and paid to the officers on duty.

Participants: The City of Moriarty and Moriarty Police Department and Mountain States Constructors, Inc.

Responsible Party for Operation and Audit: Mountain States Constructors, Inc.

Term: Effective February 24, 2014 and remain in effect until terminated by either party

Total Estimated Amount of Project and Actual Amount Contributed: None

Water Line Extension on Shops at Old 66

Purpose: An agreement between the City of Moriarty and C&G Development LLC entered to establish payback terms to C&G LLC for connection to the water line by new customers at Old 66 in Moriarty and the City of Moriarty agree to collect from all new customers on the water line extension on a pro rata basis.

Participants: The City of Moriarty and C&G Development LLC

Responsible Party for Operation and Audit: C&G Development LLC

Term: Effective June 11, 2014 through June 11, 2034

Total Estimated Amount of Project and Actual Amount Contributed: None

Moriarty Memorial Garden Restoration/Beautification

Purpose: The City of Moriarty has committed to providing funds to the Moriarty Garden Club to plant native perennials in various locations at the Moriarty Garden Center on Broadway Street, Moriarty, and replace aged bushes with new ones, paint decorative gate and inside of hut housing memorial marker.

Participants: The City of Moriarty and the Moriarty Garden Club

Responsible Party for Operation and Audit: The City of Moriarty

Term: Effective May 28, 2014 and remain effect until monies is fully utilized

Total Estimated Amount of Project and Actual Amount Contributed: \$1800

EMWT Regional Water Association

Purpose: An joint powers agreement between the City of Moriarty, the Town of Estancia, the Village of Willard, and Torrance County for organizing an association, "EMWT Regional Water Association," to acquire, construct, operate and maintain a water supply system to supply domestic, municipal, agricultural, commercial and industrial water services to customers through Torrance County and the portion of Santa Fe Country within the Estancia Underground Water basin, and encompassing all of Estancia Underground Water Basin, and specifically within the municipalities of Estancia, Moriarty and Willard.

Participants: The City of Moriarty, the Town of Estancia, the Village of Willard, and Torrance County

Responsible Party for Operation and Audit: EMWT Regional Water Association

Term: Effective August 8, 2009 and remain effect until contract August 11, 2015

Total Estimated Amount of Project and Actual Amount Contributed: None

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2014

NOTE 16. Related Party Transactions

The City of Moriarty paid \$21,489 for supplies to Hart’s Home Center which is owned by Mayor Ted Hart.

NOTE 17. Subsequent Accounting Standard Pronouncements

Statement No. 67, Financial Reporting for Pension Plans. This statement also amends Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trust or equivalent arrangements. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for the fiscal years beginning after June 15, 2013 with earlier application encouraged. The City has reviewed the statement and has determined that this does not apply to the City.

Statement No. 68, Accounting and Financial Reporting for Pensions. The statement replaces the requirements of GASBS 27, Accounting for Pensions by State and Local Governmental Employers, and the requirements of GASBS 50 Pension Disclosures, as they related to pensions that are provided through pension plans administered as trusts. The requirements of Statements 27 and 50 remain applicable for pensions that are covered by GASBS 68. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. The City is reviewing the effects of the implementation of this statement.

Statement No. 69, Government Combinations and Disposals of Government Operations. This statement establishes accounting and financial reporting standards related to government mergers, acquisitions, and transfers of operations. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013 and should be applied on a prospective basis. The City has reviewed the statement and has determined that this does not apply to the City.

Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees. This statement establishes accounting and financial reporting standards for financial guarantees that are non-exchange transactions extended or received by a state or local government. A non-exchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. This statement is effective for financial statements for reporting periods beginning after June 15, 2013. The City has reviewed the statement and has determined that this does not apply to the City.

NOTE 18. Subsequent Review

The City of Moriarty has evaluated subsequent events through September 22, 2014, which is the date the financial statements were dated.

NOTE 19. Prior-Period Adjustment for Correction of an Error

The Net Position of the Sewer/AWWT fund on Exhibit D-1 from the 2013 audit report did not include the related debt. This error appeared only in Exhibit D-1 and D-2 and did not affect the Government wide financial statements on Exhibit A-1 and Exhibit A-2 for the business type activities. The following restatement with regard to the Sewer/AWWT fund, is necessary to correct this error for the current year audit report.

	<u>Sewer/AWWT</u>	<u>Total Proprietary Funds</u>
Beginning Net Position	\$6,087,534	\$16,325,179
Restatement for debt	<u>(2,617,322)</u>	<u>(2,617,322)</u>
Net Position Restated	\$3,470,212	\$13,707,857

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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STATE OF NEW MEXICO
CITY OF MORIARTY
June 30, 2014

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the City with the purpose of accomplishing specific educational tasks. Grants accounted for in the Special Revenue Funds include:

Corrections Fund

To account for the operation and maintenance of funds restricted for the judicial corrections. Authority NMSA 1978 59A-53-1 to 17.

Emergency Medical Services Fund

To account for the operation and maintenance of medical services (i.e. rescue operations), and equipment within the fire department in the City of Moriarty. Authority NMSA 1978 24-10A-1 to 10

Fire Protection Fund

To account for the operation and maintenance of the fire department authorized by the State Statute Chapter 48, Section 2, Laws of 1963. Financing is provided by the State Fire Allotment, emergency medical services, interest on investments and miscellaneous revenues.

Law Enforcement Protection Fund

To account for the operation and maintenance of the police department authorized by the State Statute Chapter 289, Laws of 1983. Financing is provided by a grant from the State of New Mexico.

Lodgers' Tax Fund

To account for revenues and expenditures per the Lodger's Tax Ordinance 500 of the City. Funds are restricted to the economic development of the City.

Lodgers' Tax Promotion Fund

To account for revenues and expenditures per the Lodger's Tax Ordinance 500 of the City. Funds are restricted for promotion and advertising of the City.

Street Fund

To account for revenue from the levy of a tax per gallon of gasoline purchased within the City boundaries, pursuant to the County and Municipal Gasoline Tax Act, NMSA 7-21-1.

Industrial Park Fund

To account for monies earned and used for the Industrial Park.

Police Activities Fund

To account for the monies seized from illegal operations.

WWTP Capital Project Fund

To account for reserve monies related to WWTP Grant from the Department of Agriculture.

Roads Improvement Capital Project Fund

To account for reserve monies related to local road maintenance.

Civic Center Debt Service Fund

To account for the payments of principal and interest on the debt for the Civic Center.

Airport Improvement Capital Project Fund

To account for grant monies from the FAA related to the Airport improvements.

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STATE OF NEW MEXICO
CITY OF MORIARTY
June 30, 2014

PROPRIETARY FUNDS

Sewer Fund

To account for the activities of the City's sewer operation.

Solid Waste Fund

To account for the activities of the City's solid waste operation.

Water Fund

To account for the activities of the City's water operation.

Heritage Arena Fund

To account for the activities of the City's Heritage Rodeo Arena and Event Facility per City Ordinance Number O-2011-08.

Airport Fund

To account for the activities for airport improvements authorized by the State Statute, Chapter 3, Section 39.

Cemetery Fund

To account for the activities of the City's Cemetery operations and maintenance authorized by the State Statute, Chapter 3, Section 40-1.

STATE OF NEW MEXICO
CITY OF MORIARTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2014

Schedule A-1

	<u>Corrections Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Fire Protection Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Accounts and taxes receivable	-	-	-
Other receivables	910	-	-
Due from other governments	-	-	-
Due from other funds	3,556	-	299
<i>Total assets</i>	<u>4,466</u>	<u>-</u>	<u>299</u>
<i>Liabilities</i>			
Accounts payable	728	-	692
Accrued salaries and benefits	-	-	-
Accrued compensated absences	-	-	-
Unearned revenue	-	-	-
<i>Total liabilities</i>	<u>728</u>	<u>-</u>	<u>692</u>
<i>Deferred Inflows of Resources</i>			
Unavailable revenue-property taxes	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
Fund Balance			
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	3,738	-	(393)
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	<u>3,738</u>	<u>-</u>	<u>(393)</u>
<i>Total liabilities, deferred inflows of resources and fund balance</i>	<u>\$ 4,466</u>	<u>\$ -</u>	<u>\$ 299</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 June 30, 2014

Law Enforcement Protection Fund	Lodgers' Tax Fund	Special Lodgers' Tax Promotions	Street Fund
\$ -	\$ -	\$ -	\$ -
-	-	41,012	-
-	-	-	-
-	-	-	-
26,000	16,930	11,549	36,620
-	24,586	8,939	33,906
<u>26,000</u>	<u>41,516</u>	<u>61,500</u>	<u>70,526</u>
-	-	-	6,458
-	-	-	1,218
-	-	-	783
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	8,459
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
26,000	41,516	61,500	62,067
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>26,000</u>	<u>41,516</u>	<u>61,500</u>	<u>62,067</u>
<u>\$ 26,000</u>	<u>\$ 41,516</u>	<u>\$ 61,500</u>	<u>\$ 70,526</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2014

Schedule A-1

	<u>Industrial Park</u> <u>Fund</u>	<u>Police Activities</u> <u>Fund</u>	<u>WWTP Capital</u> <u>Project Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ -	\$ -	\$ 1,647
Investments	-	-	-
Accounts and taxes receivable	-	-	-
Other receivables	-	-	-
Due from other governments	1,000	-	-
Due from other funds	104,191	-	-
<i>Total assets</i>	<u>105,191</u>	<u>-</u>	<u>1,647</u>
<i>Liabilities</i>			
Accounts payable	175	-	-
Accrued salaries and benefits	-	-	-
Accrued compensated absences	-	-	-
Unearned revenue	-	-	1,647
<i>Total liabilities</i>	<u>175</u>	<u>-</u>	<u>1,647</u>
<i>Deferred Inflows of Resources</i>			
Unavailable revenue-property taxes	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>			
Fund Balance			
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	105,016	-	-
Capital Projects Funds	-	-	-
Debt Service Funds	-	-	-
Committed for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Assigned for:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Projects Funds	-	-	-
Unassigned for:			
General Fund	-	-	-
<i>Total fund balances</i>	<u>105,016</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 105,191</u>	<u>\$ -</u>	<u>\$ 1,647</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2014

	<u>Corrections Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Fire Protection Fund</u>
<i>Revenues:</i>			
Taxes	\$ -	\$ -	\$ -
State Grants	-	11,638	212,574
Federal Grants	-	-	-
Charges for Services	-	-	-
Licenses and Fees	18,060	-	-
Investment Income (Loss)	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>18,060</u>	<u>11,638</u>	<u>212,574</u>
<i>Expenditures:</i>			
Current:			
General Government	-	-	-
Public Safety	14,436	12,166	210,408
Public Works	-	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>14,436</u>	<u>12,166</u>	<u>210,408</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,624</u>	<u>(528)</u>	<u>2,166</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	3,624	(528)	2,166
<i>Fund balances - beginning of year</i>	<u>114</u>	<u>528</u>	<u>(2,559)</u>
<i>Fund balances - end of year</i>	<u>\$ 3,738</u>	<u>\$ -</u>	<u>\$ (393)</u>

Law Enforcement Protection Fund	Lodgers' Tax Fund	Special Lodgers' Tax Promotion Fund	Street Fund
\$ -	\$ 106,141	82,759	\$ 222,161
26,000	-	-	56,120
-	-	-	-
-	-	7,809	-
-	-	-	-
-	-	-	-
-	-	2,877	-
<u>26,000</u>	<u>106,141</u>	<u>93,445</u>	<u>278,281</u>
-	-	-	-
437	-	-	-
-	-	-	211,033
-	-	74,863	-
-	-	-	-
463	-	-	-
-	-	-	-
-	-	-	-
<u>900</u>	<u>-</u>	<u>74,863</u>	<u>211,033</u>
25,100	106,141	18,582	67,248
-	-	-	-
-	-	-	-
-	(105,000)	-	(60,276)
-	(105,000)	-	(60,276)
25,100	1,141	18,582	6,972
<u>900</u>	<u>40,375</u>	<u>42,918</u>	<u>55,095</u>
<u>\$ 26,000</u>	<u>\$ 41,516</u>	<u>\$ 61,500</u>	<u>\$ 62,067</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2014

	Industrial Park Fund	Police Activities Fund	WWTP Capital Project Fund
<i>Revenues:</i>			
Taxes	\$ -	\$ -	\$ -
State Grants	-	-	-
Federal Grants	-	-	143,836
Charges for Services	47,008	-	-
Licenses and Fees	-	-	-
Investment Income (Loss)	-	-	-
Miscellaneous	-	1,071	5,919
<i>Total revenues</i>	<u>47,008</u>	<u>1,071</u>	<u>149,755</u>
<i>Expenditures:</i>			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	13,018	8,622	143,836
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>13,018</u>	<u>8,622</u>	<u>143,836</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>33,990</u>	<u>(7,551)</u>	<u>5,919</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	-	-	-
Transfers Out	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	33,990	(7,551)	5,919
<i>Fund balances - beginning of year</i>	<u>71,026</u>	<u>7,551</u>	<u>(5,919)</u>
<i>Fund balances - end of year</i>	<u>\$ 105,016</u>	<u>\$ -</u>	<u>\$ -</u>

Water Improvement Capital Project Fund	Airport Improvement Capital Project Fund	Civic Center Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 411,061
21,919	211,864	-	540,115
-	-	-	143,836
-	-	-	54,817
-	-	-	18,060
-	-	849	849
-	-	-	9,867
<u>21,919</u>	<u>211,864</u>	<u>849</u>	<u>1,178,605</u>
-	-	-	-
-	-	-	237,447
21,919	223,026	-	621,454
-	-	2,940	77,803
-	-	-	-
-	-	-	463
-	-	143,532	143,532
-	-	53,071	53,071
<u>21,919</u>	<u>223,026</u>	<u>199,543</u>	<u>1,133,770</u>
-	(11,162)	(198,694)	44,835
-	-	-	-
-	9,915	199,543	209,458
-	-	-	(165,276)
-	9,915	199,543	44,182
-	(1,247)	849	89,017
-	1,247	249,895	461,171
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,744</u>	<u>\$ 550,188</u>

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STATE OF NEW MEXICO
CITY OF MORIARTY
CORRECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	15,000	15,000	17,150	2,150
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	15,000	15,000	17,150	2,150
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	24,000	24,000	13,708	10,292
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	24,000	24,000	13,708	10,292
<i>Excess (deficiency) of revenues over expenditures Non-GAAP basis)</i>	(9,000)	(9,000)	3,442	12,442
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	9,000	9,000	-	(9,000)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	9,000	9,000	-	(9,000)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	3,442	3,442
<i>Cash Balance - Beginning of Year</i>	-	-	114	114
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 3,556	\$ 3,556
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 3,442	
Adjustment to revenue for accruals and other deferrals			910	
Adjustment to expenditures for payables, prepaids and other accruals			(728)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 3,624	

STATE OF NEW MEXICO
CITY OF MORIARTY
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	11,669	12,196	11,638	(558)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	11,669	12,196	11,638	(558)
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	11,669	12,196	12,166	30
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	11,669	12,196	12,166	30
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(528)	(528)
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(528)	(528)
<i>Cash Balance - Beginning of Year</i>	-	-	528	528
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (528)	
Adjustment to revenue for accruals and other deferrals			(317)	
Adjustment to expenditures for payables, prepaids and other accruals			317	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (528)	

STATE OF NEW MEXICO
CITY OF MORIARTY
FIRE PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	212,574	212,574	212,574	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	212,574	212,574	212,574	-
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	212,574	214,575	209,716	4,859
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	212,574	214,575	209,716	4,859
<i>Excess (deficiency) of revenues over expenditures</i>	-	(2,001)	2,858	4,859
<i>Other financing sources (uses)</i>				
Designated Cash	-	2,001	(2,559)	(4,560)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	2,001	(2,559)	(4,560)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	299	299
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 299	\$ 299
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 299	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			1,867	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 2,166	

STATE OF NEW MEXICO
CITY OF MORIARTY
LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	39,145	-	(39,145)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	39,145	-	(39,145)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	437	437	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	25,400	24,963	463	24,500
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	25,400	25,400	900	24,500
<i>Excess (deficiency) of revenues over expenditures</i>	(25,400)	13,745	(900)	(14,645)
<i>Other financing sources (uses)</i>				
Designated Cash	25,400	(13,745)	-	13,745
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	25,400	(13,745)	-	13,745
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(900)	(900)
<i>Cash Balance - Beginning of Year</i>	-	-	900	900
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (900)	
Adjustment to revenue for accruals and other deferrals			26,000	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 25,100	

STATE OF NEW MEXICO
CITY OF MORIARTY
LODGERS' TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 99,000	\$ 99,000	\$ 116,193	\$ 17,193
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	99,000	99,000	116,193	17,193
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	99,000	99,000	116,193	17,193
<i>Other financing sources (uses)</i>				
Designated Cash	6,000	6,000	-	(6,000)
Transfers In	(105,000)	(105,000)	(105,000)	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(99,000)	(99,000)	(105,000)	(6,000)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	11,193	11,193
<i>Cash Balance - Beginning of Year</i>	-	-	13,393	13,393
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 24,586	\$ 24,586
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 116,193	
Adjustment to revenue for accruals and other deferrals			(10,052)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ 106,141	

STATE OF NEW MEXICO
CITY OF MORIARTY
SPECIAL LODGERS' TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 66,000	\$ 66,000	\$ 77,579	\$ 11,579
State Grants	-	-	-	-
Charges For Services	9,500	9,500	7,841	(1,659)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	2,877	2,877
<i>Total revenues</i>	<u>75,500</u>	<u>75,500</u>	<u>88,297</u>	<u>12,797</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	75,500	75,500	74,863	637
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>75,500</u>	<u>75,500</u>	<u>74,863</u>	<u>637</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>13,434</u>	<u>13,434</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>13,434</u>	<u>13,434</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>36,517</u>	<u>36,517</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,951</u>	<u>\$ 49,951</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 13,434	
Adjustment to revenue for accruals and other deferrals			5,148	
Adjustment to expenditures for payables, prepaids and other accruals			<u>-</u>	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 18,582</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
STREET SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 255,000	\$ 210,000	\$ 199,312	\$ (10,688)
State Grants	55,318	55,318	56,120	802
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	310,318	265,318	255,432	(9,886)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	243,934	243,934	206,395	37,539
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	243,934	243,934	206,395	37,539
<i>Excess (deficiency) of revenues over expenditures</i>	66,384	21,384	49,037	27,653
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	105,276	(60,276)	(60,276)	-
<i>Total other financing sources (uses)</i>	105,276	(60,276)	(60,276)	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	171,660	(38,892)	(11,239)	27,653
<i>Cash Balance - Beginning of Year</i>	-	-	45,145	45,145
<i>Cash Balance - End of Year</i>	\$ 171,660	\$ (38,892)	\$ 33,906	\$ 72,798
<i>Excess (deficiency) of revenues over expenditures (Non-GAAP basis)</i>			\$ (11,239)	
<i>Adjustment to revenue for accruals and other deferrals</i>			76,514	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			1,973	
<i>Excess (deficiency) of revenues over expenditures (GAAP basis)</i>			\$ 67,248	

STATE OF NEW MEXICO
CITY OF MORIARTY
INDUSTRIAL PARK SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	45,600	45,600	46,008	408
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>45,600</u>	<u>45,600</u>	<u>46,008</u>	<u>408</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	13,500	13,500	12,843	657
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>13,500</u>	<u>13,500</u>	<u>12,843</u>	<u>657</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>32,100</u>	<u>32,100</u>	<u>33,165</u>	<u>1,065</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(32,100)	(32,100)	-	32,100
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(32,100)</u>	<u>(32,100)</u>	<u>-</u>	<u>32,100</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	33,165	33,165
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>71,026</u>	<u>71,026</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,191</u>	<u>\$ 104,191</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 33,165	
Adjustment to revenue for accruals and other deferrals			1,000	
Adjustment to expenditures for payables, prepaids and other accruals			(175)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 33,990</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
POLICE ACTIVITIES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	5,000	1,072	-	(1,072)
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	1,071	1,071
<i>Total revenues</i>	5,000	1,072	1,071	(1)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	5,000	8,627	8,622	5
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,000	8,627	8,622	5
<i>Excess (deficiency) of revenues over expenditures</i>	-	(7,555)	(7,551)	4
<i>Other financing sources (uses)</i>				
Designated Cash	-	7,555	-	(7,555)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	7,555	-	(7,555)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(7,551)	(7,551)
<i>Cash Balance - Beginning of Year</i>	-	-	7,551	7,551
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (7,551)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (7,551)	

STATE OF NEW MEXICO
CITY OF MORIARTY
WWTP CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants	150,000	151,647	145,483	(6,164)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	5,919	5,919
<i>Total revenues</i>	<u>150,000</u>	<u>151,647</u>	<u>151,402</u>	<u>(245)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	144,081	145,728	143,836	1,892
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>144,081</u>	<u>145,728</u>	<u>143,836</u>	<u>1,892</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,919</u>	<u>5,919</u>	<u>7,566</u>	<u>1,647</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(5,919)	(5,919)	-	5,919
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(5,919)</u>	<u>(5,919)</u>	<u>-</u>	<u>5,919</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	7,566	7,566
<i>Cash Balance - Beginning of Year</i>	-	-	(5,919)	(5,919)
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,647</u>	<u>\$ 1,647</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ 7,566	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(1,647)	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ 5,919</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
ROADS IMPROVEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Basis)</u>	<u>Favorable (Unfavorable)</u>
				<u>Final to Actual</u>
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	373,982	373,982	58,155	(315,827)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>373,982</u>	<u>373,982</u>	<u>58,155</u>	<u>(315,827)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	479,258	514,258	404,881	109,377
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>479,258</u>	<u>514,258</u>	<u>404,881</u>	<u>109,377</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(105,276)</u>	<u>(140,276)</u>	<u>(346,726)</u>	<u>(206,450)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	105,276	346,688	346,688	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>105,276</u>	<u>346,688</u>	<u>346,688</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	206,412	(38)	(206,450)
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>2,356</u>	<u>2,356</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ 206,412</u>	<u>\$ 2,318</u>	<u>\$ (204,094)</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (346,726)	
Adjustment to revenue for accruals and other deferrals			272,552	
Adjustment to expenditures for payables, prepaids and other accruals			<u> </u>	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (74,174)</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
WATER IMPROVEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	1,063,000	1,063,000	21,919	(1,041,081)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,063,000</u>	<u>1,063,000</u>	<u>21,919</u>	<u>(1,041,081)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,063,000	1,063,000	21,919	1,041,081
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,063,000</u>	<u>1,063,000</u>	<u>21,919</u>	<u>1,041,081</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
AIRPORT IMPROVEMENT CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants	367,327	367,327	211,864	(155,463)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	367,327	367,327	211,864	(155,463)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	386,660	386,660	223,026	163,634
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	386,660	386,660	223,026	163,634
<i>Excess (deficiency) of revenues over expenditures</i>	(19,333)	(19,333)	(11,162)	8,171
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	19,333	19,333	9,915	(9,418)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	19,333	19,333	9,915	(9,418)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(1,247)	(1,247)
<i>Cash Balance - Beginning of Year</i>	-	-	1,247	1,247
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (11,162)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			\$ (11,162)	

STATE OF NEW MEXICO
CITY OF MORIARTY
CIVIC CENTER DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	849	849
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>849</u>	<u>849</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	2,949	2,944	2,940	4
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	143,529	143,532	143,532	-
Interest	53,070	53,072	53,071	1
<i>Total expenditures</i>	<u>199,548</u>	<u>199,548</u>	<u>199,543</u>	<u>5</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(199,548)</u>	<u>(199,548)</u>	<u>(198,694)</u>	<u>854</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	199,548	199,548	199,543	(5)
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>199,548</u>	<u>199,548</u>	<u>199,543</u>	<u>(5)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	849	849
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>249,895</u>	<u>249,895</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,744</u>	<u>\$ 250,744</u>
Excess (deficiency) of revenues over expenditures (Non-GAAP basis)			\$ (198,694)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Excess (deficiency) of revenues over expenditures (GAAP basis)			<u>\$ (198,694)</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
SEWER/AWWT PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	310,500	333,500	344,551	11,051
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	35	35
Miscellaneous	-	-	-	-
<i>Total revenues</i>	310,500	333,500	344,586	11,086
<i>Expenditures:</i>				
Current:				
Operating Expenses	272,453	303,830	86,238	217,592
Travel	10,080	6,357	5,947	410
Gross Receipts Tax	-	-	-	-
Depreciation	107,627	107,627	107,627	-
Purchases for Resale	-	-	-	-
Contract Services	6,500	5,545	5,624	(79)
Salaries	49,493	51,442	52,480	(1,038)
Supplies	11,380	30,732	30,516	216
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	457,533	505,533	288,432	217,101
<i>Excess (deficiency) of revenues over expenditures</i>	(147,033)	(172,033)	56,154	228,187
<i>Other financing sources (uses)</i>				
Designated Cash	82,729	-	-	-
Transfers In	64,304	89,304	89,304	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	147,033	89,304	89,304	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	(82,729)	145,458	228,187
<i>Net position, beginning of year</i>	-	-	3,470,212	3,470,212
<i>Net position, end of year</i>	-	(82,729)	3,615,670	3,698,399

STATE OF NEW MEXICO
CITY OF MORIARTY
SOLID WASTE PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	351,500	351,500	307,678	(43,822)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	351,500	351,500	307,678	(43,822)
<i>Expenditures:</i>				
Current:				
Operating Expenses	-	-	-	-
Travel	-	-	-	-
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	350,000	350,000	312,863	37,137
Salaries	-	-	-	-
Supplies	1,500	1,500	999	501
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	351,500	351,500	313,862	37,638
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(6,184)	(6,184)
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(6,184)	(6,184)
<i>Net position-beginning of year</i>	-	-	49,097	49,097
<i>Net position-end of year</i>	-	-	42,913	42,913

STATE OF NEW MEXICO
CITY OF MORIARTY
WATER PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	361,652	361,652	356,410	(5,242)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>361,652</u>	<u>361,652</u>	<u>356,410</u>	<u>(5,242)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	98,318	98,375	35,526	62,849
Travel	5,250	9,584	9,579	5
Gross Receipts Tax	-	-	-	-
Depreciation	127,284	127,284	126,036	1,248
Purchases for Resale	-	-	-	-
Contract Services	4,450	9,928	9,928	-
Salaries	109,619	109,336	111,687	(2,351)
Supplies	26,999	39,413	37,291	2,122
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	2,882	(20)	2,902
<i>Total expenditures</i>	<u>371,920</u>	<u>396,802</u>	<u>330,027</u>	<u>66,775</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,268)</u>	<u>(35,150)</u>	<u>26,383</u>	<u>61,533</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,402	(10,598)	-	10,598
Transfers In	-	-	-	-
Transfers Out	(104,364)	(92,364)	(92,364)	-
<i>Total other financing sources (uses)</i>	<u>(102,962)</u>	<u>(102,962)</u>	<u>(92,364)</u>	<u>10,598</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>(113,230)</u>	<u>(138,112)</u>	<u>(65,981)</u>	<u>72,131</u>
<i>Net position-beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,327,341</u>	<u>2,327,341</u>
<i>Net position-end of year</i>	<u>\$ (113,230)</u>	<u>\$ (138,112)</u>	<u>\$ 2,261,360</u>	<u>\$ 2,399,472</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
HERITAGE ARENA PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	2,500	2,500	1,284	(1,216)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	2,500	2,500	1,284	(1,216)
<i>Expenditures:</i>				
Current:				
Operating Expenses	864	864	864	-
Travel	-	-	-	-
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	-	-	-	-
Salaries	-	-	-	-
Supplies	2,336	2,336	2,315	21
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	3,200	3,200	3,179	21
<i>Excess (deficiency) of revenues over expenditures</i>	(700)	(700)	(1,895)	(1,195)
<i>Other financing sources (uses)</i>				
Designated Cash	700	700	-	700
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	700	700	-	700
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(1,895)	(495)
<i>Net Position - Beginning of Year</i>	-	-	7,318	7,318
<i>Net Position - End of Year</i>	\$ -	\$ -	\$ 5,423	\$ 6,823

STATE OF NEW MEXICO
CITY OF MORIARTY
AIRPORT PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	56,000	56,000	47,412	(8,588)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>56,000</u>	<u>56,000</u>	<u>47,412</u>	<u>(8,588)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	11,949	11,949	(205,234)	217,183
Travel	41	41	41	-
Gross Receipts Tax	-	-	-	-
Depreciation	420,541	420,541	420,541	-
Purchases for Resale	-	-	-	-
Contract Services	-	-	-	-
Salaries	17,735	17,735	16,810	925
Supplies	11,942	11,942	12,146	(204)
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>462,208</u>	<u>462,208</u>	<u>244,304</u>	<u>217,904</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(406,208)</u>	<u>(406,208)</u>	<u>(196,892)</u>	<u>209,316</u>
<i>Other financing sources (uses)</i>				
Designated Cash	406,208	90,349	-	(90,349)
Transfers In	-	-	-	-
Transfers Out	(19,333)	(19,333)	(9,915)	9,418
<i>Total other financing sources (uses)</i>	<u>386,875</u>	<u>71,016</u>	<u>(9,915)</u>	<u>(80,931)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>(19,333)</u>	<u>(335,192)</u>	<u>(206,807)</u>	<u>128,385</u>
<i>Net position-beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,772,903</u>	<u>7,772,903</u>
<i>Net position-end of year</i>	<u>\$ (19,333)</u>	<u>\$ (335,192)</u>	<u>\$ 7,566,096</u>	<u>\$ 7,901,288</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
CEMETERY PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	10,000	-	10,475	10,475
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	10,000	-	10,475	10,475
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	4,167	5,000	1,959	3,041
Travel	-	-	-	-
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	7,774	(7,774)
Purchases for Resale	-	-	-	-
Contract Services	-	-	-	-
Salaries	-	-	-	-
Supplies	58,333	5,000	5,833	(833)
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	62,500	10,000	15,566	(5,566)
<i>Excess (deficiency) of revenues over expenditures</i>	(52,500)	(10,000)	(5,091)	4,909
<i>Other financing sources (uses)</i>				
Designated Cash	52,500	10,000	-	10,000
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	52,500	10,000	-	10,000
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(5,091)	14,909
<i>Net position-beginning of year</i>	-	-	80,986	80,986
<i>Net position-end of year</i>	\$ -	\$ -	\$ 75,895	\$ 95,895

SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
CITY OF MORIARTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2014

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2014	Name and Location of Safekeeper
Wells Fargo	FN AU4293, 4%, 9/1/2043 3138X3XX5	198,339	Wells Fargo Bank Northwest, NA
Wells Fargo	FN AB7507, 3%, 1/1/2043 31417EDV2	49,987	Wells Fargo Bank Northwest, NA
US Bank	FNMA Pool AB4480 25DD 1.01% , 2/1/27 31417A6S3	380,303	US Bank, Cincinnati, OH
US Bank	FNMA Pool AE9299 1.05%, 11/1/25 31419LKM4	68,879	US Bank, Cincinnati, OH
		<u>697,508</u>	

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STATE OF NEW MEXICO
CITY OF MORIARTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2014

Schedule II

Bank Account Type/Name	Wells Fargo	US Bank	Total
Operating Cash	\$ 513,396	\$ -	\$ 513,396
Revenue Bond & Interest	65,908	-	65,908
Water & Sewer Trust	52,454	-	52,454
WWTP Construction	1,647	-	1,647
Sewer Revenue Bond	50,250	-	50,250
Sewer Asset Management	33,945	-	33,945
Sewer Bond & Interest Reserves	33,658	-	33,658
Water Bond & Interest Reserves	60,334	-	60,334
Court Cash Account	3,117	-	3,117
Court bond account	882	-	882
Preferred Business Money Market	-	667,170	667,170
Total On Deposit	815,591	667,170	1,482,761
Reconciling Items	(425,961)	-	(425,961)
Reconciled Balance	<u>\$ 389,630</u>	<u>\$ 667,170</u>	\$ 1,056,800
Petty Cash			300
Amount Held in Reserve by Bank of NY Mellon			194,902
Amount Held in Reserve by NMFA			91,885
Total June 30, 2014			<u>\$ 1,343,887</u>

This amount is reflected in the financial statements as follows:

Cash and cash equivalents-Exhibit A-1	<u>\$ 1,343,887</u>
	<u>\$ 1,343,887</u>

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COMPLIANCE SECTION

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
INDEPENDENT AUDITOR'S REPORT**

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget and
The Governing Board
City of Moriarty
Moriarty, NM

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General fund and Capital Project funds, of the City of Moriarty as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Moriarty's basic financial statements, and the combining and individual and related budgetary comparisons of the City of Moriarty, presented as supplemental information, and have issued our report thereon dated September 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Moriarty's internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Moriarty's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Moriarty's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned function, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did not identify certain deficiencies in internal control over financial reporting that we would consider to be material weaknesses and significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Moriarty's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City of Moriarty's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Moriarty's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Precision Accounting LLC

Precision Accounting LLC

Albuquerque, New Mexico

September 22, 2014

STATE OF NEW MEXICO
CITY OF MORIARTY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014

Section I – Prior year findings:

2013-001 [FS 2013-01] - Non-compliance in Travel & Per Diem (Significant Deficiency) – Resolved

2013-002 [FS 2013-02] – Non-compliance in Payroll (Significant Deficiency) - Resolved

Section II – Current year findings:

None.

Note: For traceability purposes, the audit finding reference numbers reported in prior year audit reports are presented in brackets, and where applicable, have been renumbered to comply with reporting standards.

STATE OF NEW MEXICO
CITY OF MORIARTY
OTHER DISCLOSURES
Year Ended June 30, 2014

A. AUDITOR PREPARED FINANCIAL STATEMENTS

The City has the capability of understanding and accepting responsibility for its own GAAP-basis financial statements, however, the City's personnel do not have the time to prepare them. Therefore, the outside auditor prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report.

B. EXIT CONFERENCE

The contents of this report were discussed on September 12, 2014. The following individuals were in attendance.

City of Moriarty

Robert Ortiz, Mayor Pro Tem

Sheila Larranaga-Murphy, City Clerk

Precision Accounting LLC

Melissa R. Santistevan, CPA, CFE, CICA, CGMA

Mei Y. To, CPA