

STATE OF NEW MEXICO
CITY OF MORIARTY
ANNUAL FINANCIAL REPORT
JUNE 30, 2015

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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, 2015

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STATE OF NEW MEXICO
City of Moriarty

OFFICIAL ROSTER
June 30, 2015

<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

Timothy Keller
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 of City of Moriarty (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise City of Moriarty' 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, 2015, as listed in the table of contents. We did not audit the 2014 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Public Employee Retirement Association (PERA), the administrator of the cost sharing pension plan for the City. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City, is based solely on the report of the other auditors.

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, based on our report and the report of the other auditors, 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, 2015, and the respective changes in financial position where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund 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, 2015, 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, the *Schedule of the Proportionate Share of the Net Pension Liability* on pages 105-107, the *Schedule of Contributions* on pages 108-110, and the notes to the required supplementary information page 111 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.

The Schedule of Vendor Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2015 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 24, 2015

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STATE OF NEW MEXICO
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Management's Discussion and Analysis
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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, 2015. 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 \$23,893,355 (*net position*). Of this amount, \$(446,401) (*unrestricted*) is obligated to citizens and creditors.
- The government's total net position increased by \$417,170 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, 2015, the City's governmental funds reported combined ending fund balances of \$1,652,831. Of this total, \$601,379 is restricted for capital projects and \$313,817 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 39-64 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 63-101 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 \$23,893,335 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 \$23,680,030 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment); less any related outstanding 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

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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, 2015 and June 30, 2014

	June 30, 2015			June 30, 2014		
	Governmental	Business Type	Total	Governmental	Business Type	Total
Assets						
Current and other assets	\$ 1,768,436	\$ 609,005	\$ 2,377,441	\$ 1,615,729	\$ 829,967	\$ 2,445,696
Capital assets, net of accumulated depreciation	10,607,018	16,893,511	27,500,529	11,146,885	16,175,436	27,322,321
Deferred Outflows of Resources	138,522	-	138,522	-	-	-
Total Assets	12,513,976	17,502,516	30,016,492	12,762,614	17,005,403	29,768,017
Liabilities						
Long-term liabilities outstanding	2,307,044	2,723,360	5,030,404	815,012	2,796,991	3,612,003
Other Liabilities	250,513	312,300	562,813	242,261	641,055	883,316
Total Liabilities	2,557,557	3,035,660	5,593,217	1,057,273	3,438,046	4,495,319
Deferred Inflows of Resources	529,940	-	529,940	-	-	-
Net Position						
Net investment in capital assets	9,573,505	14,106,525	23,680,030	9,968,789	13,325,038	23,293,827
Restricted	659,706	-	659,706	1,368,442	-	1,368,442
Unrestricted	(806,732)	360,331	(577,982)	355,876	242,319	598,195
Total Net Position	9,426,479	14,464,166	23,759,064	11,693,107	13,567,357	25,260,464
Total Liabilities, deferred inflows of resources and Net Position	\$ 12,513,976	\$ 17,502,516	\$ 30,016,492	\$ 12,762,614	\$ 17,005,403	\$ 29,768,017

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 \$417,170 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, 2015

	Governmental Activities	Business Type Activities	Total
<u>Revenue</u>			
Program revenue			
Charges for Service	\$ 151,191	\$ 1,058,233	\$ 1,209,424
Operating grants and contributions	421,022	3,959	424,981
Capital Grants	1,412,724	-	1,412,724
General Revenue			
Property Tax	81,911	-	81,911
Franchise Tax	9,302	-	9,302
Gross Receipts Tax	1,839,301	-	1,839,301
Public Service Tax	401,063	-	401,063
Miscellaneous	54,665	383	55,048
Total Revenue	\$ 4,371,179	\$ 1,062,575	\$ 5,433,754
<u>Expenses</u>			
General Government	1,218,352	-	1,349,933
Public Safety	1,101,478	-	1,101,478
Public Works	509,191	-	509,191
Culture and Recreation	503,583	-	503,583
Health and Welfare	192,465	-	192,465
Interest on Long-term debt	63,894	-	63,894
Business-type activities	-	1,427,621	1,430,311
Total Expenses	\$ 3,588,963	\$ 1,427,621	\$ 5,016,584
(Decrease) Increase in Assets before transfer	782,216	(365,046)	417,170
Transfers	(1,264,545)	1,264,545	-
(Decrease) Increase in Net Position	(482,329)	899,499	417,170
Net Position, Beginning of year	11,693,107	13,567,357	25,260,464
Restatement for Net Pension Liability	(1,784,301)	-	(1,784,301)
Net Position, Beginning – restated	9,908,808	13,567,357	23,476,165
Ending Net Position	\$ 9,426,479	\$ 14,466,856	\$ 23,893,335

Governmental activities: Governmental activities decreased the City of Moriarty's net position by \$(482,329). 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 and the effect of the net pension liability requirements.

Business-type activities: Business-type activities increased the City's net position by \$899,499. The key element of this increase was the due to the transfers.

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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
Public Works	489,931	-	489,931
Culture and Recreation	193,150	-	193,150
Health and Welfare	596,404	-	596,404
Interest on Long-term debt	64,080	-	64,080
Business-type activities	-	1,195,370	1,195,370
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

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 \$1,652,831, an increase of \$142,415 in comparison with the prior year. \$737,635 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

Revenues for governmental activities overall totaled \$4,665,943 in the fiscal year ended June 30, 2015, which represents an increase of \$323,794 from the fiscal year ended June 30, 2014. Expenditures for governmental activities, totaling \$3,258,983, decreased by \$589,889 from the fiscal year ended June 30, 2014. In the fiscal year ended June 30, 2015, revenues exceeded expenditures by \$142,415.

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 \$737,635, which is the total fund balance.

The fund balance of the City of Moriarty's general fund increased by \$52,277 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, 2015 is due to the decrease in tax revenues of \$543,618 and a decrease in expenses of \$83,947.

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/AWWT, Solid Waste, Water, Heritage Arena, Airport, Ambulance and Cemetery funds were \$112,503, \$52,356, \$125,382, \$0, \$37,222, \$16,818 and \$15,850, respectively. The total change in net position for the proprietary funds was \$896,809. 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
\$2,398,097	\$2,220,220	\$177,877

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

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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, 2015 amount to \$27,500,529 (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 \$503,230 for governmental activities due primarily to land improvements. There was an increase (excluding accumulated depreciation) in business-type capital assets in the amount of \$1,415,531 during the current fiscal year due to additions to plant and distributing/infrastructure.

Capital Assets, Net of Depreciation
June 30, 2015

	Governmental Activities	Business Type Activities	Total
Land	\$ 324,307	\$ 945,808	\$ 1,270,115
Construction in Progress	174,315	303,025	682,385
Land Improvements	3,853,345	9,516,291	12,881,834
Buildings & Improvements	4,511,180	221,136	4,732,316
Equipment and Machinery	2,294,658	432,367	2,706,521
Water Rights	-	147,201	147,201
Plant & distributing system	-	13,240,262	12,136,131
Infrastructure	6,657,198	-	6,657,198
Total capital assets	17,815,003	24,806,090	42,621,093
Accumulated depreciation	(7,207,985)	(7,912,579)	(15,120,564)
Capital assets, net of accumulated depreciation	<u>\$ 10,607,018</u>	<u>\$ 16,893,511</u>	<u>\$ 27,500,529</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 \$3,898,876.

Outstanding Debt
As of June 30, 2015

	Governmental Activities	Business Type Activities	Total
Revenue Bonds	\$ -	\$ 2,623,100	\$ 2,623,100
NMFA notes	1,019,742	163,886	1,183,628
Other loans	13,771	-	13,771
Accrued compensated absences	73,969	4,408	78,377
Total long-term liabilities	<u>\$ 1,107,482</u>	<u>\$ 2,791,394</u>	<u>\$ 3,898,876</u>

STATE OF NEW MEXICO
City of Moriarty
Management's Discussion and Analysis
for the Year Ended June 30, 2015
Unaudited

Long-term debt additions and retirements related to revenue bonds and loans for governmental activities for the current year were \$294,764 and \$148,841 respectively. Accrued compensated absences additions and retirements were \$36,046 and \$46,002, respectively, for governmental activities. Long-term debt retirements related to revenue bonds and loans for the business-type activities for the current year were \$67,368. Business type activities accrued compensated absences additions and retirements were \$573 and \$8,364, 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 2015 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, 2015

Exhibit A-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 1,470,982	\$ 446,013	\$ 1,916,995
Due from other funds-Share of Pooled Cash	226,618	69,472	296,090
Taxes receivable	12,805	-	12,805
Accounts receivable	58,031	93,520	151,551
Total Current Assets	<u>1,768,436</u>	<u>609,005</u>	<u>2,377,441</u>
Noncurrent Assets			
Capital assets	17,815,003	24,806,090	42,621,093
Less: accumulated depreciation	<u>(7,207,985)</u>	<u>(7,912,579)</u>	<u>(15,120,564)</u>
Total Noncurrent Assets	<u>10,607,018</u>	<u>16,893,511</u>	<u>27,500,529</u>
Deferred Outflows of Resources			
Post Measurement Date Contributions-Employer	131,581	-	131,581
Change in Assumption of Net Pension Liability	<u>6,941</u>	<u>-</u>	<u>6,941</u>
Total Deferred Outflows of Resources	<u>138,522</u>	<u>-</u>	<u>138,522</u>
Total Assets	<u><u>\$ 12,513,976</u></u>	<u><u>\$ 17,502,516</u></u>	<u><u>\$ 30,016,492</u></u>

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF NET POSITION
June 30, 2015

Exhibit A-1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities			
Current Liabilities			
Accounts payable	\$ 72,981	49,095	\$ 122,076
Accrued salaries and wages	21,561	-	21,561
Accrued interest	343	32,998	33,341
Deposits payable	-	162,173	162,173
Accrued compensated absences	8,258	4,408	12,666
Current portion of bonds and loans payable	147,370	63,626	210,996
	<u>250,513</u>	<u>312,300</u>	<u>562,813</u>
Total Current Liabilities			
Noncurrent Liabilities			
Bonds payable	-	2,574,700	2,574,700
Accrued Compensated Absences	65,711	-	65,711
Net Pension Liability	1,355,190	-	1,355,190
Loans and notes payable	886,143	148,660	1,034,803
	<u>2,307,044</u>	<u>2,723,360</u>	<u>5,030,404</u>
Total Noncurrent Liabilities			
	<u>2,557,557</u>	<u>3,035,660</u>	<u>5,593,217</u>
Total Liabilities			
Deferred Inflows of Resources			
Actuarial Experience-Net Pension Liability	-	-	-
Investment Experience-Net Pension Liability	468,033	-	468,033
Change in Assumptions-Net Pension Liability	49,102	-	49,102
Unavailable revenue-property taxes	12,805	-	12,805
	<u>529,940</u>	<u>-</u>	<u>529,940</u>
Total Deferred Inflows of Resources			
Net Position			
Net Investment in Capital Assets	9,573,505	14,106,525	23,680,030
Restricted for:			
Debt Service	370,572	-	370,572
Capital Project Funds	56,912	-	56,912
Special Revenue Funds	232,222	-	232,222
Unrestricted	(806,732)	360,331	(446,401)
	<u>9,426,479</u>	<u>14,466,856</u>	<u>23,893,335</u>
Total Net Position			
Total liabilities, deferred inflows of resources and net position	<u>\$ 12,513,976</u>	<u>\$ 17,502,516</u>	<u>\$ 30,016,492</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2015

Exhibit A-2

Functions/Programs	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
General government	\$ 1,218,352	\$ 117,951	\$ 147,196
Public safety	1,101,478	28,245	263,246
Public works	509,191	-	-
Culture and recreation	503,583	4,995	10,580
Health and welfare	192,465	-	-
Interest on long-term debt	63,894	-	-
	3,588,963	151,191	421,022
<i>Total governmental activities</i>			
Business-type Activities:			
Sewer/AWWT	490,355	332,974	-
Solid Waste	294,681	305,124	-
Water	150,203	333,836	-
Airport	480,596	74,741	3,959
Ambulance	193	1,934	-
Cemetary	8,685	8,424	-
Heritage Arena	2,908	1,200	-
	1,427,621	1,058,233	3,959
<i>Total business type activities</i>			
	\$ 5,016,584	\$ 1,209,424	\$ 424,981
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			
Restatement for Net Pension Liability			
Beginning Net Position, Restated			
Net position, ending			

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF ACTIVITIES
For the Year Ending June 30, 2015

Exhibit A-2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
<u>Capital Grants and Contributions</u>	<u>Government Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
\$ -	\$ (953,205)	\$ -	\$ (953,205)
-	(809,987)	-	(809,987)
1,412,724	903,533	-	903,533
-	(488,008)	-	(488,008)
-	(192,465)	-	(192,465)
-	(63,894)	-	(63,894)
<u>1,412,724</u>	<u>(1,604,026)</u>	<u>-</u>	<u>(1,604,026)</u>
-	-	(157,381)	(157,381)
-	-	10,443	10,443
-	-	183,633	183,633
-	-	(401,896)	(401,896)
-	-	1,741	1,741
-	-	(261)	(261)
-	-	(1,708)	(1,708)
<u>-</u>	<u>-</u>	<u>(365,429)</u>	<u>(365,429)</u>
<u>\$ 1,412,724</u>	<u>\$ (1,604,026)</u>	<u>\$ (365,429)</u>	<u>\$ (1,969,455)</u>
	81,911	-	81,911
	9,302	-	9,302
	1,839,301	-	1,839,301
	401,063	-	401,063
	608	383	991
	(1,264,545)	1,264,545	-
	54,057	-	54,057
	<u>1,121,697</u>	<u>1,264,928</u>	<u>2,386,625</u>
	(482,329)	899,499	417,170
	(482,329)	899,499	417,170
	11,693,107	13,567,357	25,260,464
	(1,784,301)	-	(1,784,301)
	<u>9,908,808</u>	<u>13,567,357</u>	<u>23,476,165</u>
	<u>\$ 9,426,479</u>	<u>\$ 14,466,856</u>	<u>\$ 23,893,335</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	<u>General Fund</u>	<u>Water Improvements Capital Project</u>	<u>Economic Development Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<i>Assets</i>					
Cash and cash equivalents	\$ 480,311	\$ 44,464	\$ 249,786	\$ 413,597	\$ 1,188,158
Investments	302,801	-	-	206,641	509,442
Accounts and taxes receivable	12,805	-	-	-	12,805
Other receivables	-	-	-	1,400	1,400
Due from other governments	34,372	-	-	22,259	56,631
<i>Total assets</i>	<u>\$ 830,289</u>	<u>\$ 44,464</u>	<u>\$ 249,786</u>	<u>\$ 643,897</u>	<u>\$ 1,768,436</u>
<i>Liabilities, deferred inflows of resources and fund balances</i>					
<i>Liabilities</i>					
Accounts payable	54,329	\$ -	\$ -	\$ 18,652	\$ 72,981
Accrued salaries and benefits	20,118	-	-	1,443	21,561
Accrued compensated absences	5,402	-	-	2,856	8,258
<i>Total liabilities</i>	<u>79,849</u>	<u>-</u>	<u>-</u>	<u>\$ 22,951</u>	<u>102,800</u>
<i>Deferred inflows of resources</i>					
Unavailable revenue-property taxes	12,805	-	-	-	12,805
<i>Total deferred inflows of resources</i>	<u>12,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,805</u>
<i>Fund Balances</i>					
Fund Balance					
Restricted for:					
General Fund	-	-	-	-	-
Special Revenue Funds	-	-	-	313,817	313,817
Capital Projects Funds	-	44,464	249,786	307,129	601,379
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	737,635	-	-	-	737,635
<i>Total fund balances</i>	<u>737,635</u>	<u>44,464</u>	<u>249,786</u>	<u>620,946</u>	<u>1,652,831</u>
<i>Total liabilities, deferred inflows of resources and fund balances</i>	<u>\$ 830,289</u>	<u>\$ 44,464</u>	<u>\$ 249,786</u>	<u>\$ 643,897</u>	<u>\$ 1,768,436</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
GOVERNMENTAL FUNDS
RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2015

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

Fund balances - total governmental funds	\$	1,652,831
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		10,607,018
Accrued interest on long-term debt is not recognized in the governmental funds until paid:		
Accrued interest		(343)
Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and, therefore, are not reported in the funds		<u>(2,833,027)</u>
Net position of governmental activities	\$	<u><u>9,426,479</u></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, 2015

	General Fund	Water Improvement Capital Project	Economic Development Capital Project	Other Governmental Funds	Total
<i>Revenues:</i>					
Taxes	\$ 1,949,821	\$ -	\$ -	\$ 381,756	\$ 2,331,577
State Grants	154,976	643,807	1,020,313	306,520	2,125,616
Federal Grants	-	-	-	1,647	1,647
Charges for Services	92,215	-	-	52,504	144,719
Licenses and Fees	23,769	-	-	9,686	33,455
Investment Income (Loss)	2,329	-	-	608	2,937
Miscellaneous	23,192	-	-	2,800	25,992
	<u>2,246,302</u>	<u>643,807</u>	<u>1,020,313</u>	<u>755,521</u>	<u>4,665,943</u>
<i>Expenditures:</i>					
Current:					
General Government	897,240	-	-	-	897,240
Public Safety	956,038	-	-	288,100	1,244,138
Public Works	-	170,965	-	303,031	473,996
Culture and Recreation	372,996	-	-	76,697	449,693
Health and Welfare	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal	-	-	-	140,924	140,924
Interest	-	-	-	52,992	52,992
	<u>2,226,274</u>	<u>170,965</u>	<u>-</u>	<u>861,744</u>	<u>3,258,983</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>20,028</u>	<u>472,842</u>	<u>1,020,313</u>	<u>(106,223)</u>	<u>1,406,960</u>
<i>Other financing sources (uses)</i>					
Transfers In	-	-	-	215,170	215,170
Transfers (Out)	32,249	(428,378)	(770,527)	(313,059)	(1,479,715)
<i>Total other financing sources (uses)</i>	<u>32,249</u>	<u>(428,378)</u>	<u>(770,527)</u>	<u>(97,889)</u>	<u>(1,264,545)</u>
<i>Net change in fund balance</i>	52,277	44,464	249,786	(204,112)	142,415
<i>Fund balance - beginning of year</i>	685,358	-	-	825,058	1,510,416
<i>Fund balance - end of year</i>	<u>\$ 737,635</u>	<u>\$ 44,464</u>	<u>\$ 249,786</u>	<u>\$ 620,946</u>	<u>\$ 1,652,831</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, 2015

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

Net change in fund balances - total governmental funds	\$	142,415
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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		116,767
Depreciation expense		(555,295)

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:

Decrease in accrued compensated absences		10,548
Decrease in accrued interest		(343)
Change in proportion of Net Pension Liability		(50,498)
Loan Proceeds		(294,764)
Principal payments on notes payable		148,841

Change in net position of governmental activities	\$	<u>(482,329)</u>
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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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 2,072,731	\$ 2,072,731	\$ 2,238,647	\$ (165,916)
State Grants	103,300	199,278	156,447	42,831
Charges For Services	59,300	57,450	90,246	(32,796)
Licenses and Fees	30,650	29,923	24,119	5,804
Interest Income	-	-	-	-
Investment Income(Loss)	1,600	1,600	2,329	(729)
Miscellaneous	18,000	10,991	22,960	(11,969)
<i>Total revenues</i>	<u>2,285,581</u>	<u>2,371,973</u>	<u>2,534,748</u>	<u>(162,775)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	865,339	1,007,581	894,467	113,114
Public Safety	1,002,175	1,012,496	948,364	64,132
Public Works	-	-	-	-
Culture and Recreation	364,013	378,020	377,389	631
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,231,527</u>	<u>2,398,097</u>	<u>2,220,220</u>	<u>177,877</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>54,054</u>	<u>(26,124)</u>	<u>314,528</u>	<u>15,102</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(54,054)	(84,810)	-	84,810
Transfers In	101,659	38,974	38,974	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>47,605</u>	<u>(45,836)</u>	<u>38,974</u>	<u>84,810</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>101,659</u>	<u>(71,960)</u>	<u>353,502</u>	<u>99,912</u>
<i>Cash Balance - Beginning of Year</i>	<u>235,321</u>	<u>235,321</u>	<u>429,610</u>	<u>194,289</u>
<i>Cash Balance - End of Year</i>	<u>\$ 336,980</u>	<u>\$ 163,361</u>	<u>\$ 783,112</u>	<u>\$ 294,201</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 353,502	
Adjustment expenditures for payables, payroll taxes, prepaid expenses and other accruals			(302,183)	
Adjustment for revenues for tax accruals, earnings on investments, and other deferrals and accruals			958	
Net Change in Fund Balance (GAAP basis)			<u>\$ 52,277</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2015

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Heritage Arena Fund
<i>Assets</i>				
<i>Current assets</i>				
Cash and Investments	\$ 229,675	\$ 48,232	\$ 164,762	\$ -
Accounts receivable	38,155	28,565	26,800	-
<i>Total current assets</i>	<u>267,830</u>	<u>76,797</u>	<u>191,562</u>	<u>-</u>
<i>Capital assets</i>				
Capital assets	8,204,890	3,357	5,881,792	-
Accumulated depreciation	(1,984,117)	(2,557)	(2,400,308)	-
<i>Total Capital assets</i>	<u>6,220,773</u>	<u>800</u>	<u>3,481,484</u>	<u>-</u>
<i>Total Assets</i>	<u>\$ 6,488,603</u>	<u>\$ 77,597</u>	<u>\$ 3,673,046</u>	<u>\$ -</u>
<i>Liabilities and Net Position</i>				
<i>Liabilities:</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 39,099	\$ 24,241	\$ 46,226	\$ -
Accrued liabilities	116,228	-	15,546	-
Accrued compensated absences	-	-	4,408	-
Current maturity of note payable	28,400	-	35,226	-
<i>Total current liabilities</i>	<u>183,727</u>	<u>24,241</u>	<u>101,406</u>	<u>-</u>
<i>Noncurrent liabilities</i>				
Notes payable	1,704,700	-	1,018,660	-
Accrued compensated absences payable	-	-	-	-
<i>Total noncurrent liabilities</i>	<u>1,704,700</u>	<u>-</u>	<u>1,018,660</u>	<u>-</u>
<i>Total liabilities</i>	<u>1,888,427</u>	<u>24,241</u>	<u>1,120,066</u>	<u>-</u>
<i>Net Position:</i>				
Net investment in capital assets	4,487,673	800	2,427,598	-
Unrestricted				
Unrestricted, undesignated	112,503	52,556	125,382	-
<i>Total net position</i>	<u>4,600,176</u>	<u>53,356</u>	<u>2,552,980</u>	<u>-</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 6,488,603</u>	<u>\$ 77,597</u>	<u>\$ 3,673,046</u>	<u>\$ -</u>

<u>Airport Fund</u>	<u>Ambulance Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
\$ 39,920	\$ 17,011	\$ 15,885	\$ 515,485
-	-	-	93,520
<u>39,920</u>	<u>17,011</u>	<u>15,885</u>	<u>609,005</u>
10,578,596	-	137,455	24,806,090
(3,444,893)	-	(83,394)	(7,915,269)
<u>7,133,703</u>	<u>-</u>	<u>54,061</u>	<u>16,890,821</u>
<u>\$ 7,173,623</u>	<u>\$ 17,011</u>	<u>\$ 69,946</u>	<u>\$ 17,499,826</u>
\$ 2,204	\$ 193	\$ 35	\$ 111,998
494	-	-	132,268
-	-	-	4,408
-	-	-	63,626
<u>2,698</u>	<u>193</u>	<u>35</u>	<u>312,300</u>
-	-	-	2,723,360
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,723,360</u>
<u>2,698</u>	<u>193</u>	<u>35</u>	<u>3,035,660</u>
7,133,703	-	54,061	14,103,835
<u>37,222</u>	<u>16,818</u>	<u>15,850</u>	<u>360,331</u>
<u>7,170,925</u>	<u>16,818</u>	<u>69,911</u>	<u>14,464,166</u>
<u>\$ 7,173,623</u>	<u>\$ 17,011</u>	<u>\$ 69,946</u>	<u>\$ 17,499,826</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, 2015

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund	Heritage Arena Fund
<i>Operating revenues:</i>				
Charges for services	\$ 332,974	\$ 305,124	\$ 333,836	\$ 1,200
<i>Total operating revenues</i>	<u>332,974</u>	<u>305,124</u>	<u>333,836</u>	<u>1,200</u>
<i>Operating expenses:</i>				
Operating Expenses	191,936	-	(192,455)	625
Travel	3,834	-	8,790	-
Gross Receipts Tax	-	-	-	-
Depreciation	208,657	-	153,491	-
Purchases for Resale	-	-	-	-
Contract Services	5,572	294,681	14,800	-
Salaries	52,016	-	115,045	-
Supplies	14,269	-	44,317	2,283
<i>Total operating expenses</i>	<u>476,284</u>	<u>294,681</u>	<u>143,988</u>	<u>2,908</u>
<i>Operating income (loss)</i>	<u>(143,310)</u>	<u>10,443</u>	<u>189,848</u>	<u>(1,708)</u>
<i>Non-operating revenues (expenses):</i>				
Interest Income	111	-	272	-
Interest expense	(14,071)	-	(6,215)	-
Transfers	302,082	-	947,409	(3,715)
<i>Total non-operating revenues (expenses)</i>	<u>288,122</u>	<u>-</u>	<u>941,466</u>	<u>(3,715)</u>
<i>Change in net position</i>	144,812	10,443	1,131,314	(5,423)
<i>Total net position, beginning of year</i>	3,615,670	42,913	2,261,360	5,423
<i>Adjustment to net position</i>	839,694	-	(839,694)	-
<i>Total net position, beginning of year- restated</i>	<u>4,455,364</u>	<u>42,913</u>	<u>1,421,666</u>	<u>5,423</u>
<i>Total net position, end of year</i>	<u>\$ 4,600,176</u>	<u>\$ 53,356</u>	<u>\$ 2,552,980</u>	<u>\$ -</u>

<u>Airport Fund</u>	<u>Ambulance Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
<u>\$ 78,700</u>	<u>\$ 1,934</u>	<u>\$ 8,424</u>	<u>\$ 1,062,192</u>
<u>78,700</u>	<u>1,934</u>	<u>8,424</u>	<u>1,062,192</u>
15,604	193	558	16,461
599	-	-	13,223
-	-	-	-
419,031	-	7,774	788,953
-	-	-	-
-	-	-	315,053
17,959	-	-	185,020
<u>27,403</u>	<u>-</u>	<u>3,043</u>	<u>91,315</u>
<u>480,596</u>	<u>193</u>	<u>11,375</u>	<u>1,410,025</u>
<u>(401,896)</u>	<u>1,741</u>	<u>(2,951)</u>	<u>(347,833)</u>
-	-	-	383
-	-	-	(20,286)
<u>6,725</u>	<u>15,077</u>	<u>(3,033)</u>	<u>1,264,545</u>
<u>6,725</u>	<u>15,077</u>	<u>(3,033)</u>	<u>1,244,642</u>
(395,171)	16,818	(5,984)	896,809
7,566,096	-	75,895	13,567,357
-	-	-	-
<u>7,566,096</u>	<u>-</u>	<u>75,895</u>	<u>13,567,357</u>
<u>\$ 7,170,925</u>	<u>\$ 16,818</u>	<u>\$ 69,911</u>	<u>\$ 14,464,166</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
STATEMENT OF CASH FLOWS-PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	Sewer/AWWT Fund	Solid Waste Fund	Water Fund
<i>Cash flows from operating activities:</i>			
Cash received from user charges	\$ 332,974	\$ 305,124	\$ 333,836
Cash payments to employees/suppliers for goods and services	(332,828)	(297,092)	(250,015)
<i>Net cash provided for operating activities</i>	<u>146</u>	<u>8,032</u>	<u>83,821</u>
<i>Cash flows from noncapital financing activities:</i>			
Change in long term accrued compensated absences	-	-	-
Principal payments on notes payable	-	-	-
Interest paid	(14,071)	-	-
Transfers	302,082	-	947,409
<i>Net cash provided (used) by noncapital financing activities:</i>	<u>288,011</u>	<u>-</u>	<u>947,409</u>
<i>Cash flows from investing activities:</i>			
Purchase of capital assets	(394,177)	-	(889,338)
<i>Net cash used by investing activities:</i>	<u>(394,177)</u>	<u>-</u>	<u>(889,338)</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	(106,020)	8,032	141,892
<i>Cash and cash equivalents - beginning of year</i>	<u>335,695</u>	<u>40,200</u>	<u>22,870</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 229,675</u>	<u>\$ 48,232</u>	<u>\$ 164,762</u>
<i>Reconciliation of operating income (loss) to net cash provided (used)</i>			
<i>by operating activities</i>			
Operating income (loss)	\$ (143,310)	\$ 10,443	\$ 189,848
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	209,430	-	(130,624)
Changes in assets and liabilities			
Receivables	(3,561)	169	6,116
Accrued expenses	(57,977)	-	22,022
Prepaid expenses	-	-	-
Accounts payable	-	(2,580)	(187)
Deposits payable	-	-	-
Accrued compensation absences	(4,436)	-	(3,354)
<i>Net cash (used) by operating activities</i>	<u>\$ 146</u>	<u>\$ 8,032</u>	<u>\$ 83,821</u>

<u>Heritage Arena Fund</u>	<u>Airport Fund</u>	<u>Ambulance Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
\$ 1,200 (1,494)	\$ 78,700 (41,186)	\$ 1,934 -	\$ 8,424 (8,665)	\$ 1,062,192 (931,280)
<u>(294)</u>	<u>37,514</u>	<u>1,934</u>	<u>(241)</u>	<u>130,912</u>
-	-	-	-	-
-	-	-	-	-
-	(6,215)	-	-	(20,286)
<u>(3,715)</u>	<u>6,725</u>	<u>15,077</u>	<u>(3,033)</u>	<u>1,264,545</u>
<u>(3,715)</u>	<u>510</u>	<u>15,077</u>	<u>(3,033)</u>	<u>1,244,259</u>
<u>(2,984)</u>	<u>(17,994)</u>	<u>-</u>	<u>1,728</u>	<u>(1,302,765)</u>
<u>(2,984)</u>	<u>(17,994)</u>	<u>-</u>	<u>1,728</u>	<u>(1,302,765)</u>
(6,993)	20,030	17,011	(1,546)	72,406
<u>6,993</u>	<u>19,890</u>	<u>-</u>	<u>17,431</u>	<u>443,079</u>
<u>\$ -</u>	<u>\$ 39,920</u>	<u>\$ 17,011</u>	<u>\$ 15,885</u>	<u>\$ 515,485</u>
\$ (1,708)	\$ (401,896)	\$ 1,741	\$ (2,951)	\$ (347,833)
-	419,031	-	-	497,837
-	-	-	-	2,724
-	-	-	-	(35,955)
-	19,890	-	-	19,890
1,414	284	193	2,710	1,834
-	-	-	-	-
-	205	-	-	(7,585)
<u>\$ (294)</u>	<u>\$ 37,514</u>	<u>\$ 1,934</u>	<u>\$ (241)</u>	<u>\$ 130,912</u>

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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*.

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

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

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

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.

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.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

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

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:

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

Economic Development Capital Project Fund – It accounts for all revenue and expenditures associated with the Economic Developments 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, 2015

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, 2015

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 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, 2015

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.

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, Capital Projects Funds, and Proprietary 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, 2015 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, 2015

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, 2015.

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	\$ 1,265,267	\$ 679,783	\$ -
NMFA reserves	-	-	274,133
Total Deposits	<u>1,265,267</u>	<u>679,783</u>	<u>274,133</u>
Less: FDIC Coverage	<u>(450,363)*</u>	<u>(250,000)</u>	<u>(274,133)</u>
Total uninsured public funds	814,904	429,783	-
50% Collateral requirement	407,452	214,892	-
Pledged Securities	<u>561,102</u>	<u>497,189</u>	<u>-</u>
(Over)Under collateralized	<u>\$ (153,650)</u>	<u>\$ (282,297)</u>	<u>\$ -</u>

Custodial Credit Risk-Deposits

Account Balance	\$ 2,219,183
FDIC Insured	974,496
Collateral:	
Collateral held by the pledging bank, not in the City's name	1,058,291
Uninsured and uncollateralized	<u>186,396</u>
Total Deposits	<u>\$ 2,219,183</u>

* The amount of \$200,363 is a special savings account separately insured up to \$250,000, and the checking account is insured up to \$250,000.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

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, 2015 is:

Governmental Funds- Balance Sheet	
Cash and cash equivalents per Exhibit A-1	\$ 2,213,085
Less Petty Cash	(300)
Reconciling items	6,398
Reconciling items	\$ 2,219,183

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, 2015, the City’s investment balances were exposed to custodial credit risk as follows:

Investment in the State Treasurer Local Government Investment Pool	\$ 89,714
NMFA reserves	\$ 184,420

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, 2015 include the following:

State Treasurer LGIP, AAAM, 54.6-day WAM(R)	\$ 89,714
NMFA reserves	\$ 184,420

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 4. Receivables

Receivables as of June 30, 2015, are as follows:

	<u>General Fund</u>	<u>Street Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property Taxes Receivables:	\$ 12,805	\$ -	\$ -	\$ 12,805
Due from other governments:	34,372	18,259	5,400	58,031
Other accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	47,177	18,259	5,400	70,836
		<u>Sewer/AWWT Fund</u>	<u>Solid Waste Fund</u>	<u>Water Fund</u>
Accounts Receivable		\$ 38,155	\$ 28,565	\$ 26,800

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, 2015, are as follows:

	<u>Governmental activities</u>	<u>Business-like activities</u>
Payable to suppliers	\$ 72,981	\$ 49,095
Payables to employees	21,561	-
Total	\$ 94,542	\$ 49,095

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

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, 2015, there were no interfund balances.

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	\$ (210,127)	\$ 177,878
Lodgers' Tax	-	105,000
WWTP	-	1,647
Capital Project-CDBG	(11,281)	-
Capital Project-Roads Improvement	(3,033)	206,412
Capital Projects-Water Tank Improvement	-	428,378
Economic Development Project	-	770,527
Debt Service Fund	(74,304)	-
Civic Center Debt Service Fund	(196,856)	-
Sewer Revenue Bonds	(93,294)	-
Enterprise-Heritage Arena		3,715
Corrections Fund	(4,000)	
Enterprise-Sewer	(302,082)	93,294
Enterprise-Water	(947,409)	74,304
Enterprise-Cemetery		3,033
Enterprise-Airport	(6,725)	-
Enterprise-Ambulance	(15,077)	-
Total	\$ 1,864,188	\$ 1,864,188

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 7. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2015 follows.

Governmental Activities	<u>June 30, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Capital assets not depreciated:					
Land	\$ 324,307	\$ -	\$ -	\$ -	\$ 324,307
Capital assets being depreciated:					
Construction in Progress	660,467	1,649	-	487,801	174,315
Land Improvements	3,365,543	487,802	-	-	3,853,345
Buildings & Improvements	4,511,180	-	-	-	4,511,180
Equipment & Vehicles	2,280,879	13,779	-	-	2,294,658
Infrastructure	6,657,198	-	-	-	6,657,198
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated	17,475,267	503,230	-	487,801	17,490,696
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Assets	17,799,574	503,230	-	487,801	17,815,003
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation:					
Land Improvements	788,233	256,074	-	-	1,044,307
Construction in Progress	-	-	-	-	-
Building & Improvements	1,347,769	210,220	-	-	1,557,989
Equipment & Vehicles	3,201,141	87,766	-	-	3,288,907
Infrastructure	1,315,547	1,235	-	-	1,316,782
Total Accumulated Depreciation	6,652,691	555,295	-	-	7,207,984
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets net of depreciation	\$ 11,146,885	\$ (52,065)	\$ -	\$ 487,801	\$ 10,607,018
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Business-Like Activities	<u>June 30, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Land, Building & Improvements	\$ 10,683,235	\$ -	\$ -	\$ -	\$ 10,683,235
Water Rights	147,201	-	-	-	147,201
Plant and distributing system	12,136,131	1,104,131	-	-	13,240,262
Equipment, Machinery & Vehicles	425,642	6,725	-	-	432,367
Construction in Progress	192,885	304,675	-	194,535	303,025
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Assets	23,585,094	1,415,531	-	194,535	24,806,090
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation:					
Land, Building & Improvements	2,965,972	408,964	-	-	3,374,936
Water Rights	7,360	3,680	-	-	11,040
Plant and distributing system	4,170,615	341,935	-	268,971	4,243,578
Equipment, Machinery & Vehicles	265,712	17,314	-	-	283,026
Total Accumulated Depreciation	7,409,658	771,892	-	268,971	7,912,579
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets net of depreciation	\$ 16,175,436	643,639	-	74,436	\$ 16,893,511
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 7. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2015 was charged to the following functions and funds:

General Government	\$ 13,582
Public Safety	93,022
Public Works	247,223
Culture and Recreation	198,401
Health and Welfare	<u>3,066</u>
 Total depreciation expense governmental funds	 <u><u>\$ 555,295</u></u>

Depreciation expense relating to business-like activities for the year ended June 30, 2015 totaled \$771,892.

NOTE 8. Long-term Debt

During the year ended June 30, 2015, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
Governmental Activities					
NMFA Loan – Civic Center	\$ 822,278	\$ -	\$ 119,220	\$ 703,058	\$ 125,757
NMFA Loan – Ambulance	15,879	-	15,879	-	-
US Bancorp	27,513	-	13,742	13,771	13,771
NMFA Loan – Drinking Water	21,920	294,764	-	316,684	7,842
Accrued Compensated Absences	83,925	36,046	46,002	73,969	8,258
Total	<u>\$ 971,515</u>	<u>\$ 330,810</u>	<u>\$ 194,843</u>	<u>\$ 1,107,482</u>	<u>\$ 155,628</u>
 Business-type Activities					
NMFA Loan – Water	\$ 178,898	\$ -	\$ 15,012	\$ 163,886	\$ 15,226
Revenue Bonds – 1999 Water & Sewer	910,000	-	20,000	890,000	20,000
Revenue Bonds – Wastewater Treatment Plant	1,761,500	-	28,400	1,733,100	30,000
Accrued Compensated Absences	12,199	573	8,364	4,408	4,408
Total Long Term Debt	<u>\$ 2,862,597</u>	<u>\$ 573</u>	<u>\$ 71,776</u>	<u>\$ 2,791,394</u>	<u>\$ 69,634</u>

The annual requirements to amortize the NMFA loan (Civic Center) payable as of June 30, 2015, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	156,436	8,526	164,962
Total	<u>\$ 703,058</u>	<u>\$ 118,044</u>	<u>\$ 821,102</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the US Bancorp loan payable as of June 30, 2015, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,771	\$ -	\$ 13,771
Total	<u>\$ 13,771</u>	<u>\$ -</u>	<u>\$ 13,771</u>

The NMFA Loan – Drinking Water is a revolving loan fund between the City and the New Mexico Finance Authority. The maximum principal amount of draw is \$613,000. The annual requirements to amortize the NMFA Loan – Drinking Water payable (at minimum) as of June 30, 2015, including interest payments as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 7,842	\$ -	\$ 7,842
2017	7,501	-	7,501
2018	7,520	-	7,520
2019	7,538	-	7,538
2020	7,557	-	7,557
2021-2025	38,070	-	38,070
2026-2030	38,548	-	38,548
2031-2035	163,074	-	163,074
Total	<u>\$ 316,684</u>	<u>\$ -</u>	<u>\$ 316,684</u>

Proprietary Fund debt amortization schedules as follows:

The annual requirements to amortize the Revenue Bonds – 1999 Water & Sewer payable as of June 30, 2015, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	20,000	38,475	58,475
2021-2025	150,000	171,475	321,475
2026-2030	180,000	132,525	312,525
2031-2035	220,000	84,075	304,075
2036-2040	240,000	25,175	265,175
Total	<u>\$ 890,000</u>	<u>\$ 615,125</u>	<u>\$ 1,505,125</u>

The annual requirements to amortize the Revenue Bonds – Wastewater Treatment Plant payable as of June 30, 2015, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	33,500	44,777	78,277
2021-2025	181,600	209,429	391,029
2026-2030	208,100	182,764	390,864
2031-2035	238,300	152,172	390,472
2036-2040	272,900	117,075	389,975
2041-2045	312,700	76,814	389,514
Thereafter	360,800	30,623	390,623
Total	<u>\$ 1,733,100</u>	<u>\$ 1,001,553</u>	<u>\$ 2,733,853</u>

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 8. Long-term Debt (continued)

The annual requirements to amortize the NMFA Loan – Water payable as of June 30, 2015, including interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	16,198	1,604	17,802
2021-2025	85,386	4,266	89,652
Total	<u>\$ 163,886</u>	<u>\$ 14,382</u>	<u>\$ 178,268</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, 2015, 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.

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. No deficit fund balance of individual funds.

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

B. No expenditures exceeded appropriations by fund.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 11. PERA Pension Plans

Plan description. The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C- 1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2014 available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Contributions. The contribution requirements of defined benefit plan members and the City are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY14 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY14 annual audit report at http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2014.pdf. The PERA coverage options that apply to City are: General Division, Fire Division and Police Division. Statutorily required contributions to the pension plan from the City were \$131,581 and employer paid member benefits that were “picked up” by the employer were \$0 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2014.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The City’s proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2013 to June 30, 2014 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2014 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 11. PERA Pension Plans (continued)

For PERA Fund Division – the City’s General Division, at June 30, 2015, the City reported a liability of \$555,436 for its proportionate share of the net pension liability. At June 30, 2014, the City’s proportion was 0.0712 percent, which was unchanged from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund – General, pension expense of \$23,173. At June 30, 2015, the City reported PERA Fund Division – General deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	376
Net difference between projected and actual earnings on pension plan investments	-	217,301
Changes in proportion and differences between the City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	59,448	-
Total	\$ 59,448	\$ 217,677

\$59,448 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(54,419)
2017		(54,419)
2018		(54,419)
2019		(54,419)
2020		(2)
Thereafter	\$	-

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 11. PERA Pension Plans (continued)

For PERA Fund Division - the City's Fire Division, at June 30, 2015, the City reported a liability of \$199,934 for its proportionate share of the net pension liability. At June 30, 2014, the City's proportion was 0.0479 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund Division – Fire pension expense of \$17,660. At June 30, 2015, the City reported PERA Fund Division – Fire deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	6,941	-
Net difference between projected and actual earnings on pension plan investments	-	27,692
Changes in proportion and differences between the City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	<u>12,285</u>	<u>-</u>
Total	\$ 19,226	\$ 27,692

\$12,285 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(5,197)
2017		(5,197)
2018		(5,197)
2019		(5,162)
2020		-
Thereafter	\$	-

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 11. PERA Pension Plans (continued)

For PERA Fund Division - the City's Police Division, at June 30, 2015, the City reported a liability of \$599,820 for its proportionate share of the net pension liability. At June 30, 2014, the City's proportion was 0.1840 percent, which was an increase of zero from its proportion measured as of June 30, 2013, due to the insignificance of the difference.

For the year ended June 30, 2015, the City recognized PERA Fund Division - Police pension expense of \$40,281. At June 30, 2015, the City reported PERA Fund Division – Police deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	48,726
Net difference between projected and actual earnings on pension plan investments	-	223,040
Changes in proportion and differences between the City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	59,848	-
Total	\$ 59,848	\$ 271,766

\$59,848 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	(67,881)
2017		(67,881)
2018		(67,881)
2019		(67,881)
2020		(242)
Thereafter	\$	-

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2013 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2014. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2014 actuarial valuation.

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment of rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 11. PERA Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS – Asset Class	Target Allocation	Long-term Expected Real Rate of Return
US Equity	21.1%	5.00%
International Equity	24.8	5.20
Private Equity	7.0	8.20
Core and Global Fixed Income	26.1	1.85
Fixed Income Plus Sectors	5.0	4.80
Real Estate	5.0	5.30
Real Assets	7.0	5.70
Absolute Return	<u>4.0</u>	<u>4.15</u>
Total	100.0%	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the City’s net pension liability in each PERA Fund Division that City participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

PERA Fund Division – General	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City’s proportionate share of the net pension liability	\$ 1,047,123	\$ 555,436	\$ 175,585
PERA Fund Division – Fire	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City’s proportionate share of the net pension liability	\$ 282,492	\$ 199,934	\$ 139,045
PERA Fund Division – Police	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City’s proportionate share of the net pension liability	\$ 1,143,858	\$ 599,820	\$ 193,594

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 11. PERA Pension Plans (continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY14 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. At June 30, 2015, the City had no outstanding amount of contributions to the pension plan and therefore, had no payables reported at fiscal year 2015.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 12. 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 13. 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.

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, 2015, 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, 2015, 2014 and 2013 were \$33,792, \$39,964 and \$24,386, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 14. 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 15. 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 16. 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.

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.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 16. Memorandum of Understanding/Joint Powers Agreements (continued)

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

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

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 16. Memorandum of Understanding/Joint Powers Agreements (continued)

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

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

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 16. Memorandum of Understanding/Joint Powers Agreements (continued)

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

NOTE 17. Related Party Transactions

The City of Moriarty paid \$35,046 for supplies to Hart's Home Center which is owned by the Mayor.

NOTE 18. Subsequent Review

The City of Moriarty has evaluated subsequent events through September 24, 2015, which is the date the financial statements were dated. There were no subsequent events identified.

STATE OF NEW MEXICO
CITY OF MORIARTY
Notes to the Financial Statements
June 30, 2015

NOTE 19. Restatement of Net Position

GASB 68 requires a restatement of Net Position to include the net pension liability at June 30, 2015 as the City is required to recognize the liability on their government-wide financial statements.

Beginning Net Position	\$11,693,107
Restatement for Net Pension Liability	<u>(1,784,301)</u>
Net Position Restated	\$ 9,908,808

Also the Net Position for the Sewer/AWWT fund and Water Fund in the Proprietary Funds – Statement of Revenues, Expenses and Changes in Fund Net Position was restated to reclassify debt associated with the Sewer/AWWT fund out of the Water fund.

	<u>Sewer/AWWT Fund</u>	<u>Water Fund</u>
Beginning Net Position	\$3,615,670	\$2,261,360
Restatement	<u>839,694</u>	<u>(839,694)</u>
Net Position Restated	\$4,455,364	\$1,421,666

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. No minimum balance required according to legislation.

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. No minimum balance required according to legislation.

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. No minimum balance required according to legislation.

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. No minimum balance required according to legislation.

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. No minimum balance required according to legislation.

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. No minimum balance required according to legislation.

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. No minimum balance required according to legislation.

Industrial Park Fund

To account for monies earned and used for the Industrial Park. Funds are restricted for use on the industrial park of the City. No minimum balance required according to legislation.

All funds are on a reimbursement basis, therefore there are no reverting fund requirements.

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STATE OF NEW MEXICO
CITY OF MORIARTY
June 30, 2015

CAPTIAL PROJECT FUNDS

WWTP Capital Project Fund

To account for reserve monies related to WWTP Grant from the Department of Agriculture. No minimum balance required according to legislation.

Roads Improvement Capital Project Fund

To account for reserve monies related to local road maintenance. No minimum balance required according to legislation.

Civic Center Debt Service Fund

To account for the payments of principal and interest on the debt for the Civic Center. No minimum balance required according to legislation.

Airport Improvement Capital Project Fund

To account for grant monies from the FAA related to the Airport improvements. No minimum balance required according to legislation.

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, 2015

Schedule A-1

	Corrections Fund	Emergency Medical Services Fund	Fire Protection Fund
<i>Assets</i>			
Cash and cash equivalents	\$ 2,430	\$ -	\$ 13,302
Investments	-	-	-
Accounts and taxes receivable	-	-	-
Other receivables	1,400	-	-
Due from other governments	-	-	-
<i>Total assets</i>	3,830	-	13,302
<i>Liabilities</i>			
Accounts payable	1,420	-	5,270
Accrued salaries and benefits	-	-	-
Accrued compensated absences	-	-	-
Unearned revenue	-	-	-
<i>Total liabilities</i>	1,420	-	5,270
<i>Deferred Inflows of Resources</i>			
Unavailable revenue-property taxes	-	-	-
<i>Total deferred inflows of resources</i>	-	-	-
<i>Fund Balances</i>			
Fund Balance			
Restricted for:			
General Fund	-	-	-
Special Revenue Funds	2,410	-	8,032
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>	2,410	-	8,032
<i>Total liabilities, deferred inflows of resources and fund balance</i>	\$ 3,830	\$ -	\$ 13,302

STATE OF NEW MEXICO
CITY OF MORIARTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2015

Schedule A-1

	<u>Industrial Park Fund</u>	<u>WWTP Capital Project Fund</u>	<u>Road Improvement Capital Project Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 133,637	\$ -	\$ 32,426
Investments	-	-	-
Accounts and taxes receivable	-	-	-
Other receivables	-	-	-
Due from other governments	4,000	-	-
<i>Total assets</i>	<u>137,637</u>	<u>-</u>	<u>32,426</u>
<i>Liabilities</i>			
Accounts payable	21	-	-
Accrued salaries and benefits	-	-	-
Accrued compensated absences	-	-	-
Unearned revenue	-	-	-
<i>Total liabilities</i>	<u>21</u>	<u>-</u>	<u>-</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	137,616	-	-
Capital Projects Funds	-	-	32,426
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>137,616</u>	<u>-</u>	<u>32,426</u>
<i>Total liabilities and fund balances</i>	<u>\$ 137,637</u>	<u>\$ -</u>	<u>\$ 32,426</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, 2015

	<u>Corrections Fund</u>	<u>Emergency Medical Services Fund</u>	<u>Fire Protection Fund</u>
<i>Revenues:</i>			
Taxes	\$ -	\$ -	\$ -
State Grants	-	9,556	253,690
Federal Grants	-	-	-
Charges for Services	-	-	-
Licenses and Fees	9,686	-	-
Investment Income (Loss)	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>9,686</u>	<u>9,556</u>	<u>253,690</u>
<i>Expenditures:</i>			
Current:			
General Government	-	-	-
Public Safety	15,014	9,556	245,265
Public Works	-	-	-
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>15,014</u>	<u>9,556</u>	<u>245,265</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,328)</u>	<u>-</u>	<u>8,425</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	4,000	-	-
Transfers Out	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,000</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(1,328)	-	8,425
<i>Fund balances - beginning of year</i>	<u>3,738</u>	<u>-</u>	<u>(393)</u>
<i>Fund balances - end of year</i>	<u>\$ 2,410</u>	<u>\$ -</u>	<u>\$ 8,032</u>

Law Enforcement Protection Fund	Lodgers' Tax Fund	Special Lodgers' Tax Promotion Fund	Street Fund
\$ -	\$ 111,872	75,189	\$ 194,695
-	-	-	-
-	-	-	-
-	-	11,989	-
-	-	-	-
-	-	-	-
-	-	2,800	-
<u>-</u>	<u>111,872</u>	<u>89,978</u>	<u>194,695</u>
-	-	-	-
18,265	-	-	-
-	-	-	212,777
-	-	85,827	-
-	-	-	-
-	-	-	-
<u>18,265</u>	<u>-</u>	<u>85,827</u>	<u>212,777</u>
<u>(18,265)</u>	<u>111,872</u>	<u>4,151</u>	<u>(18,082)</u>
-	-	-	-
-	-	-	-
<u>-</u>	<u>(105,000)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(105,000)</u>	<u>-</u>	<u>-</u>
(18,265)	6,872	4,151	(18,082)
<u>26,000</u>	<u>41,516</u>	<u>61,500</u>	<u>62,067</u>
<u>\$ 7,735</u>	<u>\$ 48,388</u>	<u>\$ 65,651</u>	<u>\$ 43,985</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, 2015

	<u>Industrial Park Fund</u>	<u>WWTP Capital Project Fund</u>	<u>Road Improvement Capital Project Fund</u>
<i>Revenues:</i>			
Taxes	\$ -	\$ -	\$ -
State Grants	-	-	43,274
Federal Grants	-	1,647	-
Charges for Services	40,515	-	-
Licenses and Fees	-	-	-
Investment Income (Loss)	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>40,515</u>	<u>1,647</u>	<u>43,274</u>
<i>Expenditures:</i>			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Public Works	7,915	-	82,339
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>7,915</u>	<u>-</u>	<u>82,339</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>32,600</u>	<u>1,647</u>	<u>(39,065)</u>
<i>Other financing sources (uses)</i>			
Bond Proceeds	-	-	-
Transfers In	-	-	3,033
Transfers Out	-	(1,647)	(206,412)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(1,647)</u>	<u>(203,379)</u>
<i>Net change in fund balances</i>	32,600	-	(242,444)
<i>Fund balances - beginning of year</i>	<u>105,016</u>	<u>-</u>	<u>274,870</u>
<i>Fund balances - end of year</i>	<u>\$ 137,616</u>	<u>\$ -</u>	<u>\$ 32,426</u>

CDGB Capital Project Fund	Civic Center Debt Service Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 381,756
-	-	306,520
-	-	1,647
-	-	52,504
-	-	9,686
-	608	608
-	-	2,800
-	608	755,521
-	-	-
-	-	288,100
-	-	303,031
(12,070)	2,940	76,697
-	-	-
-	-	-
-	140,924	140,924
-	52,992	52,992
(12,070)	196,856	861,744
12,070	(196,248)	(106,223)
-	-	-
11,281	196,856	215,170
-	-	(313,059)
11,281	196,856	(97,889)
23,351	608	(204,112)
-	250,744	825,058
\$ 23,351	\$ 251,352	\$ 620,946

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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, 2015

	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	18,000	18,000	9,196	(8,804)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	18,000	18,000	9,196	(8,804)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	22,000	22,000	14,322	7,678
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	22,000	22,000	14,322	7,678
<i>Excess (deficiency) of revenues over expenditures Non-GAAP basis)</i>	(4,000)	(4,000)	(5,126)	(1,126)
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	4,000	4,000	4,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	4,000	4,000	4,000	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(1,126)	(1,126)
<i>Cash Balance - Beginning of Year</i>	-	-	3,556	3,556
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 2,430	\$ 2,430
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)</i>			\$ (1,126)	
<i>Adjustment to revenue for accruals and other deferrals</i>			490	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			(692)	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ (1,328)	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	9,302	9,556	9,556	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	9,302	9,556	9,556	-
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	9,302	9,556	9,556	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	9,302	9,556	9,556	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<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>	-	-	-	-
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ -	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net Change in Fund Balance (GAAP basis)			\$ -	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	221,946	253,690	253,690	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>221,946</u>	<u>253,690</u>	<u>253,690</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	221,946	255,690	240,687	15,003
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>221,946</u>	<u>255,690</u>	<u>240,687</u>	<u>15,003</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,000)</u>	<u>13,003</u>	<u>15,003</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	2,000	-	(2,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>13,003</u>	<u>13,003</u>
<i>Cash Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>299</u>	<u>299</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,302</u>	<u>\$ 13,302</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 13,003	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			(4,578)	
Net Change in Fund Balance (GAAP basis)			<u>\$ 8,425</u>	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	26,000	39,145	26,000	(13,145)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>26,000</u>	<u>39,145</u>	<u>26,000</u>	<u>(13,145)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	26,000	26,000	18,265	7,735
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>26,000</u>	<u>26,000</u>	<u>18,265</u>	<u>7,735</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>13,145</u>	<u>7,735</u>	<u>(5,410)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	(13,145)	-	13,145
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(13,145)</u>	<u>-</u>	<u>13,145</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>7,735</u>	<u>7,735</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>\$ 7,735</u>	<u>\$ 7,735</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 7,735	
Adjustment to revenue for accruals and other deferrals			(26,000)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net Change in Fund Balance (GAAP basis)			<u>\$ (18,265)</u>	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 105,000	\$ 105,000	\$ 128,802	\$ 23,802
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	105,000	105,000	128,802	23,802
<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>	105,000	105,000	128,802	23,802
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	(105,000)	(105,000)	(105,000)	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	(105,000)	(105,000)	(105,000)	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	23,802	23,802
<i>Cash Balance - Beginning of Year</i>	-	-	24,586	24,586
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 48,388	\$ 48,388
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 23,802	
Adjustment to revenue for accruals and other deferrals			(16,930)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net Change in Fund Balance (GAAP basis)			\$ 6,872	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	(Unfavorable) Favorable Final to Actual
<i>Revenues:</i>				
Taxes	\$ 70,000	\$ 70,505	\$ 86,476	\$ 15,971
State Grants	-	-	-	-
Charges For Services	9,500	9,500	12,251	2,751
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	2,800	2,800
<i>Total revenues</i>	<u>79,500</u>	<u>80,005</u>	<u>101,527</u>	<u>21,522</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	84,000	84,505	83,476	1,029
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>84,000</u>	<u>84,505</u>	<u>83,476</u>	<u>1,029</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,500)</u>	<u>(4,500)</u>	<u>18,051</u>	<u>22,551</u>
<i>Other financing sources (uses)</i>				
Designated Cash	4,500	4,500	-	(4,500)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	18,051	18,051
<i>Cash Balance - Beginning of Year</i>	<u>4,500</u>	<u>4,500</u>	<u>49,951</u>	<u>45,451</u>
<i>Cash Balance - End of Year</i>	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 68,002</u>	<u>\$ 63,502</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 18,051	
Adjustment to revenue for accruals and other deferrals			(11,549)	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(2,351)</u>	
Net Change in Fund Balance (GAAP basis)			<u>\$ 4,151</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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 202,941	\$ 202,941	\$ 213,056	\$ 10,115
State Grants	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>202,941</u>	<u>202,941</u>	<u>213,056</u>	<u>10,115</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	210,185	210,185	206,992	3,193
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>210,185</u>	<u>210,185</u>	<u>206,992</u>	<u>3,193</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,244)</u>	<u>(7,244)</u>	<u>6,064</u>	<u>13,308</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>(7,244)</u>	<u>(7,244)</u>	<u>6,064</u>	<u>13,308</u>
<i>Cash Balance - Beginning of Year</i>	<u>7,244</u>	<u>7,244</u>	<u>33,906</u>	<u>26,662</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,970</u>	<u>\$ 39,970</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 6,064	
Adjustment to revenue for accruals and other deferrals			(18,716)	
Adjustment to expenditures for payables, prepaids and other accruals			(5,430)	
Net Change in Fund Balance (GAAP basis)			<u>\$ (18,082)</u>	

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, 2015

	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	37,515	(8,085)
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>45,600</u>	<u>45,600</u>	<u>37,515</u>	<u>(8,085)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	16,000	16,000	8,069	7,931
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>16,000</u>	<u>16,000</u>	<u>8,069</u>	<u>7,931</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>29,600</u>	<u>29,600</u>	<u>29,446</u>	<u>(154)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(29,600)	(29,600)	-	29,600
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(29,600)</u>	<u>(29,600)</u>	<u>-</u>	<u>29,600</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	29,446	29,446
<i>Cash Balance - Beginning of Year</i>	<u> </u>	<u> </u>	<u>104,191</u>	<u>104,191</u>
<i>Cash Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,637</u>	<u>\$ 133,637</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 29,446	
Adjustment to revenue for accruals and other deferrals			3,000	
Adjustment to expenditures for payables, prepaids and other accruals			154	
Net Change in Fund Balance (GAAP basis)			<u>\$ 32,600</u>	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants	1,647	1,647	-	(1,647)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,647	1,647	-	(1,647)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,647	1,647	1,647	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,647	1,647	1,647	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,647)	(1,647)
<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>	-	-	(1,647)	(1,647)
<i>Cash Balance - Beginning of Year</i>	-	-	1,647	1,647
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ (1,647)	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			1,647	
Net Change in Fund Balance (GAAP basis)			\$ -	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	379,622	379,622	315,827	(63,795)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>379,622</u>	<u>379,622</u>	<u>315,827</u>	<u>(63,795)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	194,475	176,243	82,339	93,904
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>194,475</u>	<u>176,243</u>	<u>82,339</u>	<u>93,904</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>185,147</u>	<u>203,379</u>	<u>233,488</u>	<u>30,109</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	3,033	3,033	3,033	-
Transfers Out	206,412	(206,412)	(206,412)	-
<i>Total other financing sources (uses)</i>	<u>209,445</u>	<u>(203,379)</u>	<u>(203,379)</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	394,592	-	30,109	30,109
<i>Cash Balance - Beginning of Year</i>	<u>18,232</u>	<u>-</u>	<u>2,318</u>	<u>2,318</u>
<i>Cash Balance - End of Year</i>	<u>\$ 412,824</u>	<u>\$ -</u>	<u>\$ 32,427</u>	<u>\$ 32,427</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 30,109	
Adjustment to revenue for accruals and other deferrals			(272,553)	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net Change in Fund Balance (GAAP basis)			<u>\$ (242,444)</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>	<u>(Non-GAAP Basis)</u>	<u>Favorable (Unfavorable) Final to Actual</u>
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	1,443,000	1,443,000	643,807	(799,193)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,443,000</u>	<u>1,443,000</u>	<u>643,807</u>	<u>(799,193)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,443,000	1,443,000	599,343	843,657
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,443,000</u>	<u>1,443,000</u>	<u>599,343</u>	<u>843,657</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>44,464</u>	<u>44,464</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>44,464</u>	<u>44,464</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>\$ 44,464</u>	<u>\$ 44,464</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)</i>			\$ 44,464	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			<u>\$ 44,464</u>	

STATE OF NEW MEXICO
CITY OF MORIARTY
ECONOMIC DEVELOPMENT 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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants	995,237	995,237	1,020,313	25,076
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	995,237	995,237	1,020,313	25,076
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	995,237	995,237	770,527	224,710
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	995,237	995,237	770,527	224,710
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	249,786	249,786
<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>	-	-	249,786	249,786
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 249,786	\$ 249,786
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)</i>			\$ 249,786	
<i>Adjustment to revenue for accruals and other deferrals</i>			-	
<i>Adjustment to expenditures for payables, prepaids and other accruals</i>			-	
<i>Net Change in Fund Balance (GAAP basis)</i>			\$ 249,786	

STATE OF NEW MEXICO
CITY OF MORIARTY
CDBG 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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants	477,640	477,640	-	(477,640)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	477,640	477,640	-	(477,640)
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	0	-	-
Culture and Recreation	502,640	502,640	1,649	500,991
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	502,640	502,640	1,649	500,991
<i>Excess (deficiency) of revenues over expenditures</i>	(25,000)	(25,000)	(1,649)	23,351
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	25,000	25,000	25,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	25,000	25,000	25,000	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	23,351	23,351
<i>Cash Balance - Beginning of Year</i>	-	-	-	-
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 23,351	\$ 23,351
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 23,351	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net Change in Fund Balance (GAAP basis)			\$ 23,351	

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, 2015

	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)	-	-	608	608
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	608	608
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	2,589	2,940	2,940	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Debt Service:</i>				
Principal	150,129	140,923	140,923	-
Interest	46,830	52,993	52,993	-
<i>Total expenditures</i>	199,548	196,856	196,856	-
<i>Excess (deficiency) of revenues over expenditures</i>	(199,548)	(196,856)	(196,248)	608
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	199,548	196,856	196,856	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	199,548	196,856	196,856	-
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	608	608
<i>Cash Balance - Beginning of Year</i>	-	-	250,744	250,744
<i>Cash Balance - End of Year</i>	\$ -	\$ -	\$ 251,352	\$ 251,352
Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses) (non-GAAP basis)			\$ 608	
Adjustment to revenue for accruals and other deferrals			-	
Adjustment to expenditures for payables, prepaids and other accruals			-	
Net Change in Fund Balance (GAAP basis)			\$ 608	

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	322,372	322,372	332,974	10,602
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	111	111
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>322,372</u>	<u>322,372</u>	<u>333,085</u>	<u>10,713</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	225,134	235,839	191,936	43,903
Travel	6,750	3,558	3,834	(276)
Gross Receipts Tax	-	-	-	-
Depreciation	208,657	208,657	208,657	-
Purchases for Resale	-	-	-	-
Contract Services	3,000	6,832	5,572	1,260
Salaries	54,594	52,778	52,016	762
Supplies	15,074	14,270	14,269	1
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	14,071	(14,071)
<i>Total expenditures</i>	<u>513,209</u>	<u>521,934</u>	<u>490,355</u>	<u>31,579</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(190,837)</u>	<u>(199,562)</u>	<u>(157,270)</u>	<u>42,292</u>
<i>Other financing sources (uses)</i>				
Designated Cash	200,837	15,595	-	(15,595)
Transfers In	(10,000)	6,500	302,082	295,582
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>190,837</u>	<u>22,095</u>	<u>302,082</u>	<u>279,987</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	(177,467)	144,812	322,279
<i>Net position, beginning of year</i>	(7,820)	(15,595)	3,615,670	3,631,265
<i>Restatement</i>	-	-	839,694	839,694
<i>Net position, beginning restated</i>	<u>(7,820)</u>	<u>(15,595)</u>	<u>4,455,364</u>	<u>4,470,959</u>
<i>Net position, end of year</i>	<u>(7,820)</u>	<u>(193,062)</u>	<u>4,600,176</u>	<u>4,793,238</u>

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	(Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	351,500	351,500	305,124	(46,376)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	351,500	351,500	305,124	(46,376)
<i>Expenditures:</i>				
Current:				
Operating Expenses	-	-	-	-
Travel	-	-	-	-
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	350,000	350,000	294,681	55,319
Salaries	-	-	-	-
Supplies	1,500	1,500	-	1,500
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	351,500	351,500	294,681	56,819
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	10,443	10,443
<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>	-	-	10,443	10,443
<i>Net position-beginning of year</i>	-	-	42,913	42,913
<i>Net position-end of year</i>	-	-	53,356	53,356

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	272	272
Charges For Services	361,652	361,652	333,836	(27,816)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>361,652</u>	<u>361,652</u>	<u>334,108</u>	<u>(27,544)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	89,410	115,992	(192,455)	308,447
Travel	5,250	8,791	8,790	1
Gross Receipts Tax	20,000	20,000	-	20,000
Depreciation	127,284	127,284	153,491	(26,207)
Purchases for Resale	-	-	-	-
Contract Services	4,450	14,800	14,800	-
Salaries	113,711	111,351	115,045	(3,694)
Supplies	33,315	41,882	44,317	(2,435)
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	2,882	6,215	(3,333)
<i>Total expenditures</i>	<u>393,420</u>	<u>442,982</u>	<u>150,203</u>	<u>292,779</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(31,768)</u>	<u>(81,330)</u>	<u>183,905</u>	<u>265,235</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,402	(10,598)	-	10,598
Transfers In	74,304	103,024	1,021,713	918,689
Transfers Out	(104,364)	(74,304)	(74,304)	-
<i>Total other financing sources (uses)</i>	<u>(28,658)</u>	<u>18,122</u>	<u>947,409</u>	<u>929,287</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>(60,426)</u>	<u>(63,208)</u>	<u>1,131,314</u>	<u>1,194,522</u>
<i>Net position-beginning of year</i>	-	-	2,261,360	2,261,360
<i>Restatement</i>	-	-	(839,694)	(839,694)
<i>Net position, beginning restated</i>	-	-	1,421,666	1,421,666
<i>Net position-end of year</i>	<u>\$ (60,426)</u>	<u>\$ (63,208)</u>	<u>\$ 2,552,980</u>	<u>\$ 2,616,188</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, 2015

	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	1,200	(1,300)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,500</u>	<u>2,500</u>	<u>1,200</u>	<u>(1,300)</u>
<i>Expenditures:</i>				
Current:				
Operating Expenses	626	626	625	1
Travel	-	-	-	-
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	-	-
Purchases for Resale	-	-	-	-
Contract Services	-	-	-	-
Salaries	-	-	-	-
Supplies	2,284	2,284	2,283	1
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,910</u>	<u>2,910</u>	<u>2,908</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(410)</u>	<u>(410)</u>	<u>(1,708)</u>	<u>(1,298)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	410	410	-	410
Transfers In	-	(3,715)	(3,715)	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>410</u>	<u>(3,305)</u>	<u>(3,715)</u>	<u>410</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	(3,715)	(5,423)	(888)
<i>Net Position - Beginning of Year</i>	<u>-</u>	<u>4,125</u>	<u>5,423</u>	<u>1,298</u>
<i>Net Position - End of Year</i>	<u>\$ -</u>	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ 410</u>

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, 2015

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-
Charges For Services	40,000	65,000	78,700	13,700
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	40,000	65,000	78,700	13,700
<i>Expenditures:</i>				
Current:				
Operating Expenses	18,094	18,094	15,604	2,490
Travel	630	630	599	31
Gross Receipts Tax	-	-	-	-
Depreciation	420,541	420,541	419,031	1,510
Purchases for Resale	-	-	-	-
Contract Services	-	-	-	-
Salaries	18,087	18,087	17,959	128
Supplies	28,189	28,189	27,403	786
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	485,541	485,541	480,596	4,945
<i>Excess (deficiency) of revenues over expenditures</i>	(445,541)	(420,541)	(401,896)	18,645
<i>Other financing sources (uses)</i>				
Designated Cash	445,541	90,349	-	(90,349)
Transfers In	-	-	6,725	6,725
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	445,541	90,349	6,725	(83,624)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	(330,192)	(395,171)	(64,979)
<i>Net position-beginning of year</i>	-	-	7,566,096	7,566,096
<i>Net position-end of year</i>	\$ -	\$ (330,192)	\$ 7,170,925	\$ 7,501,117

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

For the Year Ended June 30, 2015

	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	1,934	(566)
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	2,500	1,934	(566)
<i>Expenditures:</i>				
Current:				
Operating Expenses	-	-	193	(193)
Travel	-	-	-	-
Gross Receipts Tax	-	-	-	-
Depreciation	420,541	420,541	-	420,541
Purchases for Resale	-	-	-	-
Contract Services	-	-	-	-
Salaries	-	-	-	-
Supplies	2,500	2,500	-	2,500
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	423,041	423,041	193	422,848
<i>Excess (deficiency) of revenues over expenditures</i>	(423,041)	(420,541)	1,741	422,282
<i>Other financing sources (uses)</i>				
Designated Cash	423,041	90,349	-	(90,349)
Transfers In	-	15,077	15,077	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	423,041	105,426	15,077	(90,349)
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	(315,115)	16,818	331,933
<i>Net position-beginning of year</i>	-	-	-	-
<i>Net position-end of year</i>	\$ -	\$ (315,115)	\$ 16,818	\$ 331,933

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, 2015

	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	-	8,424	8,424
Interest Income	-	-	-	-
Investment Income(Loss)	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	10,000	-	8,424	8,424
<i>Expenditures:</i>				
<i>Current:</i>				
Operating Expenses	5,000	5,000	558	4,442
Travel	-	-	-	-
Gross Receipts Tax	-	-	-	-
Depreciation	-	-	5,084	(5,084)
Purchases for Resale	-	-	-	-
Contract Services	-	-	-	-
Salaries	-	-	-	-
Supplies	5,000	5,000	3,043	1,957
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	10,000	10,000	8,685	1,315
<i>Excess (deficiency) of revenues over expenditures</i>	-	(10,000)	(261)	9,739
<i>Other financing sources (uses)</i>				
Designated Cash	-	10,000	-	10,000
Transfers In	-	-	-	-
Transfers Out	-	(3,033)	(3,033)	-
<i>Total other financing sources (uses)</i>	-	6,967	(3,033)	10,000
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	(3,033)	(3,294)	19,739
<i>Net position-beginning of year</i>	-	3,033	75,895	72,862
<i>Net position-end of year</i>	\$ -	\$ -	\$ 72,601	\$ 92,601

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PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION

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STATE OF NEW MEXICO
CITY OF MORIARTY
Required Supplementary Information
June 30, 2015

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION – GENERAL**

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

	<u>2015</u>
City's proportion of the net pension liability (asset)	0.0712%
City's proportionate share of the net pension liability (asset)	\$ 555,436
City's covered-employee payroll	\$ 591,293
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	93.94%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the State of New Mexico will present information for those years for which information is available.

STATE OF NEW MEXICO
CITY OF MORIARTY
Required Supplementary Information
June 30, 2015

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION – FIRE
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

	<u>2015</u>
City's proportion of the net pension liability (asset)	0.0479%
City's proportionate share of the net pension liability (asset)	\$ 199,934
City's covered-employee payroll	\$ 107,762
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	185.5%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the State of New Mexico will present information for those years for which information is available.

STATE OF NEW MEXICO
CITY OF MORIARTY
Required Supplementary Information
June 30, 2015

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION – POLICE**

Public Employees Retirement Association (PERA) Plan

Last 10 Fiscal Years*

	<u>2015</u>
City's proportion of the net pension liability (asset)	0.1840%
City's proportionate share of the net pension liability (asset)	\$ 599,820
City's covered-employee payroll	\$ 207,261
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	289.4%
Plan fiduciary net position as a percentage of the total pension liability	81.29%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the State of New Mexico will present information for those years for which information is available.

STATE OF NEW MEXICO
CITY OF MORIARTY
Required Supplementary Information
June 30, 2015

SCHEDULE OF THE CITY'S CONTRIBUTIONS

Public Employees Retirement Association (PERA) Plan

PERA Fund Division - General

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 59,448
Contributions in relation to the contractually required contribution	\$ 59,448
Contribution deficiency (excess)	-
City's covered-employee payroll	\$ 591,293
Contributions as a percentage of covered-employee payroll	10.05%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

STATE OF NEW MEXICO
CITY OF MORIARTY
Required Supplementary Information
June 30, 2015

SCHEDULE OF THE CITY'S CONTRIBUTIONS

Public Employees Retirement Association (PERA) Plan

PERA Fund Division - Police

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 59,848
Contributions in relation to the contractually required contribution	\$ 59,848
Contribution deficiency (excess)	-
City's covered-employee payroll	\$ 207,261
Contributions as a percentage of covered-employee payroll	28.88%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

STATE OF NEW MEXICO
CITY OF MORIARTY
Required Supplementary Information
June 30, 2015

SCHEDULE OF THE CITY'S CONTRIBUTIONS

Public Employees Retirement Association (PERA) Plan

PERA Fund Division - Fire

Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contribution	\$ 12,285
Contributions in relation to the contractually required contribution	\$ 12,285
Contribution deficiency (excess)	-
City's covered-employee payroll	\$ 107,762
Contributions as a percentage of covered-employee payroll	11.40%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

STATE OF NEW MEXICO
CITY OF MORIARTY
Required Supplementary Information
June 30, 2015

Notes to Required Supplementary Information

For the Year Ended June 30, 2015

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY14 audit available at http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366_Public_Employees_Retirement_Association_2014.pdf.

Changes of assumptions.

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2014 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five year period ending June 30, 2013, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
CITY OF MORIARTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2015

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2015	Name and Location of Safekeeper
Wells Fargo	FN AU4293, 4.0%, 9/1/2043 3138X3XX5	\$ 89,663	Wells Fargo Bank Northwest, NA
Wells Fargo	FG Q 0715, 3.5%, 4/1/2042 3132GSH69	7,033	Wells Fargo Bank Northwest, NA
Wells Fargo	FG K9033, 3.0%, 4/1/2033 3132J2LR2	35,873	Wells Fargo Bank Northwest, NA
Wells Fargo	FN AI7606, 3.5%, 11/1/2014 3138AMNY7	17,367	Wells Fargo Bank Northwest, NA
Wells Fargo	FN AQ8996, 3.0%, 12/1/2042 3138MQ7J6	1,379	Wells Fargo Bank Northwest, NA
Wells Fargo	FN AR9199, 3.0%, 3/1/2043 3138W7GH1	138,802	Wells Fargo Bank Northwest, NA
Wells Fargo	FN AA6933, 4.5%, 8/1/2039 31416QV36	6,958	Wells Fargo Bank Northwest, NA
Wells Fargo	FN AE3416, 4.5%, 9/1/2040 31419DYN5	264,027	Wells Fargo Bank Northwest, NA
US Bank	FNMA Pool AB4480 25DD 1.01% , 2/1/27 31417A6S3	356,786	US Bank, Cincinnati, OH
US Bank	FNMA Pool AE9299 1.05%, 11/1/2025 31419LKM4	74,440	US Bank, Cincinnati, OH
US Bank	FNMA Pool AE5486 1.06%, 10/1/2025 31419GCY8	65,963	US Bank, Cincinnati, OH
		<u>\$ 1,058,291</u>	

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STATE OF NEW MEXICO
CITY OF MORIARTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
June 30, 2015

Schedule II

Bank Account Type/Name	Wells Fargo	US Bank	Total
Operating Cash	\$ 931,882	\$ -	\$ 931,882
Revenue Bond & Interest	70,687	-	70,687
Water & Sewer Trust	57,886	-	57,886
WWTP Construction	-	-	-
Sewer Revenue Bond	50,328	-	50,328
Sewer Asset Management	41,830	-	41,830
Sewer Bond & Interest Reserves	41,478	-	41,478
Water Bond & Interest Reserves	66,727	-	66,727
Court Cash Account	3,228	-	3,228
Court bond account	1,221	-	1,221
Preferred Business Money Market	-	679,783	679,783
Total On Deposit	1,265,267	679,783	1,945,050
Reconciling Items	(6,398)	-	(6,398)
Reconciled Balance	\$ 1,258,869	\$ 679,783	\$ 1,938,652
Petty Cash			300
Amount Held in Reserve by Bank of NY Mellon			184,420
Amount Held in Reserve by NMFA			89,714
Total June 30, 2015			\$ 2,213,085
This amount is reflected in the financial statements as follows:			
Cash and cash equivalents-Exhibit A-1			<u>\$ 2,213,085</u>

CITY OF MORIARTY
Schedule of Vendor Information for purchases exceeding \$60,000 (excluding GRT)
For the Year Ended June 30, 2015

RFP# RFB#/RFP# / State-Wide Price Agreement	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendors that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor instate and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
MOR-101-13	RFP for Cost Reimbursement Contract	TLC Plumbing	\$77,654 disbursement (Ongoing services; RFP 3/2014)	N/A	TLC Plumbing & Utility., 5000 Edith Blvd. NE., Albuquerque, NM 87107	Y	N	Road improvements Phase I
N/A	RFP for Cost Reimbursement Contract				Century Club Construction, LLC., 8201 Golf Course Rd. NW Suite D3-295, Albuquerque, NM 87120	Y	Y	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				CJ Mead Construction Company., P.O. Box 952, Edgewood, NM 87015	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				New Image Construction., HCR 72 Box 5, Ribera, NM 87560	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				Magnum Street Buildings, Inc., P.O. Box 1869, Moriarty, NM 87035	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				A.A.C. Construction, LLC., 18 La Luna Rd. Santa Fe, NM 87507	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				Padilla Industries, Inc., 11 Cuerno de Vaca Drive, Santa Fe, NM 87507	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				Total Contracting Services Inc., P.O. Box 72395, Albuquerque, NM 87195	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				TLC Plumbing & Utility., 5000 Edith Blvd. NE., Albuquerque, NM 87107	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract				File Construction, LLC., 116 Industrial Ave NE, Albuquerque, NM 87107	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract	KTC Plumbing	339,556	N/A	KTC Plumbing & Heating, LLC., 2201 San Pedro NE. Bldg 1 Suite 1111, Albuquerque, NM 87110	Y	N	Water Meter Replacement
N/A	RFP for Cost Reimbursement Contract	Total Contracting Services	447,433	N/A	Total Contracting Services, P.O. Box 72395, Albuquerque, NM 87195	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				New Image Construction Inc., HCR 72 Box 5, Ribera, NM 87560	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				NM Underground Contractors Inc., 6201 Industry Way SE, Albuquerque, NM 87105	Y	Y	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				File Construction LLC, 119 Industrial NE, Albuquerque, NM 87107	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				H.O. Construction Inc., 118 Llano Del Sur, Albuquerque, NM 87105	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				A&S Plumbing Inc., 5720 Industry Way SE, Albuquerque, NM 87105	Y	Y	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				CJ Mead Construction Co., P.O. Box 952, Edgewood, NM 87105	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				Adame Construction Inc., P.O. Box 1358, Los Lunas, NM 87031	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				VelocityBuild LLC, 62B Tribal Road 90, Albuquerque, NM 87105	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				Century Club Construction LLC, 8201 Golf Course Rd. NW, Ste. D3-295, Albuquerque, NM 87120	Y	Y	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				Sundance Mechanical & Utility Corp., 4400 Alameda NE, Ste. E, Albuquerque, NM 87113	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				Salls Brothers Construction Inc., P.O. Box 66239, Albuquerque NM 87193-6239	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				Franklin's Earthmoving Inc., 2425 Jefferson St. NE, Albuquerque NM 87110	Y	N	Airport Waterline Extension
N/A	RFP for Cost Reimbursement Contract				TLC Plumbing & Utility, 5000 Edith Blvd. NE, Albuquerque, NM 87107	Y	N	Airport Waterline Extension

RFP# RFB#/RFP# / State-Wide Price Agreement	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendors that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor instate and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
N/A	RFP for Cost Reimbursement Contract	Custom Grading, Inc.	199,544	N/A	Custom Grading Inc., P.O. Box 94088, Albuquerque, NM 87199-4088	Y	N	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract				TLC Plumbing & Utility, 5000 Edith Blvd. NE, Albuquerque, NM 87107	Y	N	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract				Albuquerque Asphalt Inc., P.O. Box 66450, Albuquerque, NM 87193-6450	Y	Y	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract				Armour Pavement Inc., 10306 Second St. NW, Albuquerque, NM 87114	Y	N	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract				Star Paving Co., 3109 Love Road SW, Albuquerque, NM 87121	Y	N	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract				Universal Constructors Inc., P.O. Box 6008, Albuquerque, NM 87197-6008	Y	N	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract				Sparling Construction Co. Inc, P.O. Box 87199, Albuquerque, NM 87199	Y	N	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract				Aztec Grading Inc., 6919 Acoma SE, Albuquerque, NM 87108	Y	N	Applebay Way Improvements
N/A	RFP for Cost Reimbursement Contract	New Image Construction, Inc.	245,387	N/A	New Image Construction, Inc., HCR 72 Box 5, Ribera, NM 87560	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				Total Contracting Services Inc., P.O. Box 72395, Albuquerque, NM 87195	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				Adame Construction Inc., P.O. 1358, Los Lunas, NM 87031	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				SmithCo Consturction Inc., P.O. Box 45, Caballo, NM 87931	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				Apple Mountain Constructors LLC, 146 Camino Del Norte, Estancia, NM 87106	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				DuCross Construction, LLC., P.O. Box 13230, Las Cruces, NM 88013	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				TLC Plumbing & Utility., 5000 Edith Blvd. NE, Albuquerque, NM 87107	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				New Mexico Underground Contractors, Inc. 6201Industry Way SE, Albuquerque, NM 87105	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				H.O. Construction Inc., 118 Llano Del Sur, Albuquerque, NM 87105	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract				Blueline Construction Line Inc., P.O. Box 28666, Santa Fe, NM 87592	Y	N	Airport Sewerline Extension
N/A	RFP for Cost Reimbursement Contract	NM Waste Svcs	\$239,025 disbursement (ongoing services; RFP 2010)	N/A	NM Waste Services, P.O. Box 3030, Moriarty, NM 87035	Y	N	Waste Disposal Services

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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**

Timothy Keller
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, 2015, and the related notes to the financial statements, which collectively comprise the City of Moriarty's basic financial statements, and the combining and individual funds and related budgetary comparisons of the City of Moriarty, presented as supplemental information, and have issued our report thereon dated September 24, 2015.

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.

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 identified certain deficiencies in internal control over financial reporting that we would consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. The material weakness is described as 2015-001.

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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. We did not identify any significant deficiencies.

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.

City of Moriarty's Response to Findings

The City of Moriarty's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City of Moriarty's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 24, 2015

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STATE OF NEW MEXICO
CITY OF MORIARTY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015

Section I – Prior year findings:

None

Section II – Current year findings:

2015-001 Lack of Controls over Utilities Billing and Payment Adjustments (Material Weakness)

CONDITION: During the performance of testwork, it was determined that customer payments, customer billings and meter reads were being adjusted without documented approval or documented justification for changes. Based on inquiry with utility staff, there are no procedures or policies in place within the Utility portion of the Public Works Department. No work orders were executed before meters are moved, replaced, retired or repaired. No audit trail is employed for the billing system, Caselle. Documents and supporting information are not retained at all whether in paper or electronic copies. No controls on re-reads on electronic or manual were in place. The following instances were identified during the testwork: twelve (12) unapproved payment adjustments totaling \$199 and forty-nine (49) unapproved billing adjustments, reducing the utility billing by \$19,696. During fiscal year 2015, the City phased in an electronic meter reading system for residential consumers that should have yielded more accurate readings and it was expected that revenue would increase.

CRITERIA: Good internal controls and good documentation practices require that policies and procedures are in place for billing and collection processes and that there is a segregation of duties. Specifically, having adjustments be approved by someone other than the clerk who is adjusting utility bills, preparing the work orders, requesting the shutoff and receiving the payments, would be a recommendation. Good internal controls over all processes are necessary to ensure that all customers are billed correctly in addition all removal, turnoff, and repairs must be authorized and documented with justification.

EFFECT: The lack of an internal control policies and procedures on billing, collection and meter reads, replacements, adjustments and management oversight results in inaccurate records, and unauthorized billing adjustments. There is an unjustified decrease of approximately \$25,000 in utilities collections from fiscal year 2014 to 2015 when the expectation was an increase due the implementation of new meters. This decrease represents a 5-8% variance in utilities revenue.

CAUSE: No management oversight or monitoring practices, or policies and procedures were in place. No documentation or justification of billing adjustments or meter reads were executed to explain unusual variances of utility usage vs. billing.

RECOMMENDATION: The City needs to implement internal controls. Those controls should include the following: a process for documenting and approving adjustments; a process for controlling meter activity including removal, shut off, repairs, re-reads whether electronic or manual, and replacement; a process for work orders; a process for fees; and a process for retaining documents and supporting documentation. Board approval may be included in part of the approval process, particularly meter read adjustments.

CLIENT RESPONSE: The City Clerk is in the process of implementing internal controls. The City Clerk is establishing standard operating procedures for all aspects of the billing process and meter activity, as well as requiring prior governing body approval of actions, relating to removal, disconnections, and repairs along with a better system of supporting documentation and retention said documents. The anticipated plan is to be effective no later than December 31, 2015.

STATE OF NEW MEXICO
CITY OF MORIARTY
OTHER DISCLOSURES
Year Ended June 30, 2015

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 24, 2015. The following individuals were in attendance.

City of Moriarty

Ted Hart, Mayor

Sheila Larranaga-Murphy, City Clerk

Precision Accounting LLC

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

Mei Y. To, CPA

Daniel Perea, Staff Accountant

Joy S. Emmons, Bookkeeper

Steve Folkes, Quality Manager