MORO CORPORATION
QUARTERLY REPORT
QUARTER ENDED MARCH 31, 2014

Item 1. Name of the Issuer and its Predecessors (if any).

In answering this item, please provide any names used by predecessor entities in the past five years and the dates of the name changes.

Moro Corporation.

Item 2. Address of the Issuer's Principal Executive Offices.

Company Headquarters
Moro Corporation
994 Old Eagle School Road, Suite 1000
Wayne, PA 19087
Telephone: 484-367-0300
Facsimile: 484-367-0305
E-mail: info@morocorp.com
Website(s): www.morocorp.com

IR Contact
Address 1: 994 Old Eagle School Road
Address 2: Suite 1000
Address 3: Wayne, PA 19087
Phone: 484-367-0300
Email: info@morocorp.com
Website(s): www.morocorp.com

Item 3. Security Information.

Trading Symbol: MRCR
Exact title and class of securities outstanding: common shares
CUSIP: 617707104
Par or Stated Value: $.001
Total shares authorized: 25,000,000 as of: 3/31/14
Total shares outstanding: 6,369,337 as of: 3/31/14

Additional class of securities (if necessary): None.
Trading Symbol: N/A
Exact title and class of securities outstanding: N/A
CUSIP: N/A
Par or Stated Value: N/A
Total shares authorized: N/A as of: N/A
Total shares outstanding: N/A as of: N/A

Transfer Agent
Name: Philadelphia Stock Transfer, Inc.
Address 1: 2320 Haverford Road
Address 2: Suite 230
Address 3: Ardmore, PA 19003
Phone: 1-866-223-0448

Is the Transfer Agent registered under the Exchange Act?*

Yes.

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

Item 4. Issuance History.

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

   None

B. Any jurisdictions where the offering was registered or qualified;

   N/A

C. The number of shares offered;

<u>N/A</u>

D. The number of shares sold;

<u>N/A</u>

E. The price at which the shares were offered, and the amount actually paid to the issuer;

<u>N/A</u>

F. The trading status of the shares; and

<u>N/A</u>

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

<u>N/A</u>

Item 5. <u>Financial Statements</u>.

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

A. Balance sheet;
B. Statement of income;
C. Statement of cash flows;
D. Financial notes; and
E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. (“Annual Report,” “Quarterly Report” or “Interim Report”).

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otciq.com in the field below.

3/31/14 financial statements are attached to this disclosure statement.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

Item 6. Describe the Issuer's Business, Products and Services.

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. A description of the issuer's business operations;

The Company is organized into two operating divisions – the Construction Materials Division and the Construction Contracting Division.

Construction Materials Division

This division fabricates reinforcing steel (also known as rebar) and distributes construction accessories. The products are primarily sold to concrete contractors who use the products as a component in the construction of roads, bridges, buildings and other structures.

The products are sold in metropolitan New York City, throughout New Jersey, eastern Pennsylvania and the greater Boston and Providence area.

The business is a very competitive and largely a commodity driven business. Competitors primarily compete on price and the ability to service customers on a timely basis and on the ability to properly prepare materials to the required size and shape. In its largest market area, metropolitan New York City, it is one of approximately four or five major competitors who service this market.

Steel is generally purchased directly from one of several steel mills while construction accessories are purchased from various manufacturers. See Note 13 to the 2013 consolidated financial statements. The Company believes that it has excellent relationships with its various vendors, and there is continuous availability of the raw materials used in its operations.

In any one year there may be one to three customers who each account for 10-15% of total revenues.

Construction Contracting Division

This division provides sheet metal ductwork; heating, ventilating and air conditioning (HVAC); plumbing and process piping; industrial electrical (high voltage, fiber optics, building controls); miscellaneous stair, rail, and ornamental steel, contracting services as a subcontractor or as a prime contractor. This division has its own facilities for the fabrication of sheet metal ductwork, and miscellaneous steel products.

In the market between the greater Albany and northern Westchester County sections of New York State, the Company sells, installs and services heating, ventilating and air conditioning (HVAC) systems to both residential and commercial customers.

Primarily in the market between the greater Albany and northern Westchester County sections of New York State, the Company provides electrical contracting services for public and private sector customers.

Primarily within the area of greater Binghamton, New York, the Company fabricates and installs (a) architectural and ornamental metal stairs, railings, structural and miscellaneous steel for commercial customers and (b) HVAC ductwork for commercial customers.

These are very competitive businesses. Competition is on the basis of price, technical capability and reputation. In its market areas the Company is considered in the industry to be a significant competitor.

This Division purchases steel, steel pipe, HVAC and plumbing equipment, and electrical components from several sources. See Note 13 to the 2013 consolidated financial statements. The Company believes that it has excellent relationships with its various vendors.

The Company has no patents, trademarks, franchise rights, concessions, or royalty agreements. A Construction Contracting subsidiary is a signatory to local labor union agreements.

B. Date and State (or Jurisdiction) of Incorporation:

Moro Corporation is a Delaware corporation formed in 1992.

C. The issuer's primary and secondary SIC Codes;

SIC Codes are: 50 – Wholesale Trades
503 – Construction Products (NAICS 433310)
711 – Plumbing, Heating and Air Conditioning (NAICS 238220)
731 – Electrical Work (NAICS 238210)
3441 – Fabricated Structural Metal Products (NAICS 331210)
3444 – Sheet Metalwork (NAICS 332322)

D. The issuer's fiscal year end date;

The fiscal year end date is December 31.

E. Principal products or services, and their markets;

See item 6., A. above.

Item 7. Describe the Issuer's Facilities.

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

Corporate Headquarters

Moro Corporation Wayne, Pennsylvania	1,500 square foot office located in an office park.

Construction Materials Division

J.M. Ahle Co., Inc. South River, New Jersey	5,000 square foot warehouse and 3.4 acres, and 1,200 square feet of office space. This location is used for company headquarters, reinforcing steel fabrication and inventory storage.

Rahway, New Jersey	2 acres used for reinforcing steel fabrication and inventory storage.
New Bedford, Massachusetts[(1)] dba Whaling City Iron Co.	10,000 square foot warehouse building and 1 acre. This location is used for reinforcing and structural steel fabrication and inventory storage.

<u>Construction Contracting Division</u>

Appolo Heating, Inc.	
Schenectady, New York	25,800 square foot building and 3 acres of land. This location is used for company headquarters, light gauge sheet metal duct fabrication and inventory storage.
Wappingers Falls, New York	2,000 square foot office and warehouse facility.
J & J Sheet Metal Works, LLC Vestal, New York[(2)]	12,000 square foot manufacturing, warehouse and office building and 2.2 acres. This location is used for sheet metal duct fabrication and inventory storage.
Titchener Iron Works, Inc. Binghamton, New York	11,700 square foot manufacturing, warehouse and office buildings and a 16,900 square foot lot.
Rondout Electric, Inc. Poughkeepsie, New York	11,430 square foot building and 0.5 acre of land. This location is used for company headquarters and inventory storage.

[(1)]These facilities are leased from JAD, an entity owned by the Company's President and his wife.
[(2)]These facilities are leased from an entity partially owned by an officer of the subsidiary.

<u>All facilities are in a condition suitable for the Company's needs.</u>

See December 31, 2013 consolidated financial statements for additional information regarding the above leases.

Item 8. <u>Officers, Directors, and Control Persons</u>.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

A. Executive Officers and Directors:

In responding to this item, please provide the full names, business addresses, employment histories, board memberships, other affiliations, compensation by the issuer, and number of securities (and of which class) beneficially owned by each such person.

The following list sets forth the name, address and position of each executive officer and director of the Issuer as of the date hereof:

Name	Position
David W. Menard 994 Old Eagle School Road Suite 1000 Wayne, PA 19087	President, Chief Executive Officer, Chief Financial Officer and Director
Lawrence J. Corr 994 Old Eagle School Road Suite 1000 Wayne, PA 19087	Executive Vice President and Director
Douglas M. Lurio Suite 3120 2005 Market Street Philadelphia, PA 19103	Director

George Sprenkle Director
994 Old Eagle School Road
Wayne, PA 19087

The principal occupation and business experience, board memberships, other affiliations and compensation received from the issuer for each of the present directors and executive officers of the Issuer are as follows:

David W. Menard has been the Chairman of the Board and Chief Executive Officer of the Company since May 1999. He is founder, principal shareholder, President and CEO of Colmen Menard Company, Inc., a private investment banking firm founded in 1993 that provides merger and acquisition, corporate finance and business advisory services. David W. Menard was co-founder, President and a fifty percent shareholder of a predecessor affiliate founded in 1983. During the past twenty years, David W. Menard has managed and overseen, in the role of an intermediary, over one hundred merger and acquisition transactions. See Note 14 to the 2013 consolidated financial statements for a description of the compensation received by an affiliate of Mr. Menard from the Company. During calendar year 2013, Mr. Menard did not directly receive any compensation from the Company.

Lawrence J. Corr has been Vice President and Chief Operating Officer and a Director of the Company since May 2000. He has been Managing Director of Colmen Menard Company, Inc. since 1993. Mr. Corr received compensation from the Company during the 2013 and 2012 calendar years of $137,115 and $155,562, respectively.

Douglas M. Lurio became a Director of the Company in May 2000. He is the founder and senior partner of the law firm of Lurio & Associates, P.C. Mr. Lurio focuses his legal practice in the area of corporate and securities law.

George F. Sprenkle became a Director of the Company in July, 2004, and since November, 2006, has been performing consulting work for the Company in the area of financial analysis and controls. During the 2013 and 2012 calendar years, Mr. Sprenkle received $0 and $1,000 compensation, respectively, from the Company. From July 1999 through the present, he has been the Chief Executive Officer of ezBackOffice, Inc.

Following are the shares beneficially owned as of the date of this Annual Report:

Name	Common Stock Owned		Percentage Owned
David W. Menard	3,505,429	(1)	55.03%
Lawrence J. Corr	457,893	(2)	6.79%
George Sprenkle	79,079	(3)	1.24%
Douglas M. Lurio	59,821	(4)	*

*- Less than 1%.

(1)Includes 1,667,500 shares beneficially owned by his wife.
(2)Includes 375,000 shares underlying options granted to Mr. Corr in February 2011.
(3)Includes 6,250 shares underlying a Convertible Debenture and 2,000 shares beneficially owned by his wife.
(4)Includes 18,750 shares underlying Convertible Debentures owned by him.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   None.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   None.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   None.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

   None.

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Name	Common Stock Owned	Percentage Owned
David W. Menard 840 Mt. Moro Road Villanova, PA 19085	3,505,429[(1)]	55.03%
Jacqueline J. Menard 840 Mt. Moro Road Villanova, PA 19085	3,505,429[(1)]	55.03%
DJS Investment Corp. 300 Delaware Avenue Wilmington, DE 19801-1671	535,714[(2)]	8.35%

[(1)]Of such shares, 1,837,929 are owned by David W. Menard and 1,667,500 shares are owned by his wife.

[(2)]Of such shares, 50,000 represent shares issuable upon conversion of Convertible Debentures. The owner of DJS Investment Corp. is Don Smith, whose address is 329 Airdale Road, Rosemont, Pennsylvania 19010.

Item 9. Third Party Providers.

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Douglas M. Lurio, Esq.
Firm: Lurio & Associates, P.C.
Address 1: One Commerce Square, Suite 3120
Address 2: 2005 Market Street
Address 3: Philadelphia, PA 19103
Phone: 215-665-9300
Email: dlurio@luriolaw.com

Accountant or Auditor
Name: Paul J. Marvel
Firm: McGladrey LLP
Address 1: 751 Arbor Way, Suite 200
Address 2: Blue Bell, PA 19422
Phone: 215-641-8600
Email: paul.marvel@mcgladrey.com

Investor Relations Consultant
This does not apply to the Company, because no investor relations consultant was engaged in the quarter ended March 31, 2014.

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

This does not apply to the Company, because no other advisor was engaged in the quarter ended March 31, 2014.

CERTIFICATION

I, David W. Menard, certify that:

a) I have reviewed this quarterly disclosure statement of the Company;

b) Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement;

c) Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this disclosure statement.

WHEREFORE, the undersigned has executed this Certification on this 24th day of December, 2014.

/s/ David W. Menard
David W. Menard
President, Chief Executive Officer
and Chief Financial Officer

Note 1. Nature of Business and Operating Cycle Summary of Significant Accounting Policies

Nature of Business and Operating Cycle: Moro Corporation (the "Company") is engaged in two lines of business – Construction Materials and Construction Contracting.

The Construction Materials line of business commenced on March 31, 2000 when the Company purchased substantially all of the operating assets of J.M. Ahle Co., Inc., a New Jersey corporation ("Ahle"). Ahle is a fabricator of reinforcing steel and a distributor of construction accessories sold to customers located in metropolitan New York City, throughout New Jersey and in eastern Pennsylvania. This line of business also includes the operations of Whaling City Iron ("Whaling"), which was purchased April 12, 2004. Whaling is a distributor of reinforcing, structural and miscellaneous steel sold to contractors, end users, and metalworking firms located in the greater Boston, MA and Providence, RI areas. The typical operating cycle for Ahle and Whaling, from receipt of a purchase order to the delivery of goods, ranges from several days to several months.

During December 2013, the Company classified its primary mechanical contracting business trading under the name Rado Enterprises, Inc. ("Rado") as discontinued operations (see Note 15).

Effective March 1, 2006, the Company purchased substantially all of the operating assets and assumed certain liabilities of Appolo Heating, Inc. ("Appolo"). Appolo sells, installs and services heating, ventilating and air conditioning (HVAC) systems to both residential and commercial customers located primarily between the greater Albany and the Northern Westchester County sections of New York State. Effective November 1, 2007, the Company purchased substantially all of the operating assets and assumed certain liabilities of J & J Sheet Metal Works, Inc. ("J & J Sheet Metal"). J & J Sheet Metal fabricates and installs sheet metal ductwork sold to commercial customers located primarily in the greater Binghamton, New York area. Effective February 1, 2008, the Company purchased substantially all of the operating assets and assumed certain liabilities of J & J Heating and Cooling, Inc. ("J & J Heating"). J & J Heating sells, installs and services HVAC systems to both residential and commercial customers located primarily in the greater Binghamton, New York area. Effective August 1, 2010, the Company purchased substantially all of the operating assets and assumed certain liabilities of Titchener Iron Works, Inc. ("Titchener"). Titchener fabricates and installs structural and miscellaneous steel sold to commercial customers located primarily in the greater Binghamton, New York area. Effective September 1, 2010, the Company purchased substantially all of the operating assets and assumed certain liabilities of Rondout Electric, Inc. ("Rondout"). Rondout is an electrical contractor for public and private sector customers located primarily between the greater Albany and the Northern Westchester County sections of New York State. The typical operating cycle for these businesses, from the award of a contract through

Note 1. Nature of Business and Operating Cycle Summary of Significant Accounting Policies (Continued)

completion of the contract, ranges from several days up to a period of approximately two years.

The Company's products/services are used primarily in construction projects such as highways, bridges, industrial and commercial buildings, hospitals, schools, office buildings, residential structures, and other kinds of structures. The Company's customers are mainly contractors and end users.

A summary of the Company's significant accounting policies is as follows:

Principles of Consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material intercompany accounts and transactions are eliminated in consolidation.

Trade Receivables and Accounts Receivable on Contracts: Trade receivables and accounts receivable on contracts are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts, using historical experience applied to an aging of accounts, and considering a customer's financial condition, credit history and current economic conditions. Trade receivables and accounts receivable on contracts are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

Concentration of Credit Risk: The Company maintains substantially all of its depository accounts in a single financial institution. Accounts in the bank are guaranteed by the Federal Depository Insurance Corporation (FDIC) up to $250,000. At various times throughout the year the Company had cash balances that exceeded the FDIC limit. Management believes that the Company places the cash with a high credit quality financial institution.

The Company grants credit, generally without collateral, to its customers, which are public and private companies and state and federal agencies. Management believes that its contract acceptance, billing and collection policies are adequate to minimize potential credit risk.

The Company is exposed to credit loss in the event of nonperformance by its subcontractors. At December 31, 2013, management was not aware of any significant nonperforming subcontractors.

Trade receivables and accounts receivable on contracts are considered to be past due if any portion of the receivable balance is outstanding for more than 90 days unless such

Note 1. Nature of Business and Operating Cycle Summary of Significant Accounting Policies (Continued)

balances are in accordance with contract terms. Interest is generally not charged on past due trade receivables.

Inventory: Inventory is recorded at the lower of cost or market using the first-in, first-out (FIFO) method. As of December 31, 2013 and 2012, all inventories consist of raw materials, equipment and parts, which are available for resale.

Property and Equipment: Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Machinery and equipment	7
Vehicles	5
Office equipment	5

Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or the estimated useful lives of the improvements.

Maintenance and repairs are charged to expense as incurred. Expenditures for major renewals and improvements that extend the useful lives of the assets are capitalized.

Deferred Financing Costs: Deferred financing costs arising from the incurrence of long-term debt are being amortized using the effective interest method over the life of the related debt instruments.

Goodwill: Goodwill represents the cost in excess of the fair value of the net assets acquired in purchase transactions. Goodwill is subject to periodic testing for impairment. Goodwill associated with the Rado reporting unit was fully written off during 2013 in connection with the subsidiary's discontinued operations (see Note 15). The impairment charge was $385,341 and is included in loss on disposal of division in the accompanying consolidated statements of operations in the year ended December 31, 2013. For its remaining reporting units, the Company performed the qualitative assessment for the years ended December 31, 2013 and 2012 and determined that there was no impairment.

Long-Lived Assets: Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. An impairment loss would be recognized when estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount and fair value of the asset and long-lived assets to be disposed of are reported at the lower of carrying amount of fair value less cost to sell.

Note 1. Nature of Business and Operating Cycle Summary of Significant Accounting Policies (Continued)

Revenue Recognition: Revenue from product sales is recognized upon shipment to customers, title passing and all obligations of the Company have been satisfied. Provisions for returns are provided for in the same period the related sales are recorded.

Shipping and handling charges to customers are included in net sales and the related shipping and handling costs incurred by the Company are included in cost of goods sold.

Contract Revenue and Cost Recognition: Revenues from mechanical contracts are recognized on the percentage-of-completion method, measured by the percentage of direct cost incurred to date to the estimated total direct cost for each contract. That method is used because management considers total direct cost to be the best available measure of progress on the contracts. Revenues from time and material contracts are recognized currently as the work is performed.

Contract costs include all direct material, labor, subcontractor and those indirect costs that relate to contract performance. All other costs are expensed as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are first determined. Changes in job performance, job conditions and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined. The Company recognizes claim and contract modification costs as they are incurred and revenues when realization is probable and the amount can be reliably estimated, which is generally at the time a claim or contract modification is accepted by all parties. Because of the inherent uncertainties in estimating costs, it is at least reasonably possible that the estimates used will change in the near term.

The asset, “Costs and estimated earnings in excess of billings on uncompleted contracts,” represents revenues recognized in excess of amounts billed. The liability, “Billings in excess of costs and estimated earnings on uncompleted contracts,” represents billings in excess of revenues recognized.

Stock-Based Compensation: Stock-based compensation costs are measured based on the fair value of the equity instrument awarded and recognized over the vesting period of each award.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1. Nature of Business and Operating Cycle Summary of Significant Accounting Policies (Continued)

Advertising Costs: Advertising costs are charged to expense as incurred. Total advertising costs were $196,821 and $159,506 for the years ended December 31, 2013 and 2012, respectively.

Sales Taxes: The Company collects sales tax in the various states in which it conducts business. The amounts collected and remitted to the states are excluded from revenues and costs of revenues.

Income Taxes: The Company files a Federal consolidated tax return which includes all entities identified in "Nature of Business" section on Note 1. The Company and its subsidiaries file separate state tax returns for each entity. Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the financial statements.

Reclassification: Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation.

Subsequent Events: The Company has evaluated subsequent events through June 11, 2014, the date the consolidated financial statements were available to be issued.

MORO CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2014 AND DECEMBER 31, 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,109,975	$ 3,219,973
Restricted cash	500,000	-
Trade receivables, net	3,675,527	4,228,725
Accounts receivable on contracts (including retentions)	11,914,985	13,223,095
Accounts receivable - other	528,089	-
Inventories	3,166,045	3,870,607
Costs and estimated earnings in excess of billings on uncompleted contracts	2,666,044	2,658,526
Prepaid income taxes	81,359	31,636
Prepaid and other current assets	530,039	241,619
Assets of discontinued operations	1,284,507	1,835,032
Total current assets	26,456,570	29,309,213
Property and equipment, net	2,140,698	2,242,204
Other assets	52,124	59,088
Deferred income taxes	332,665	332,665
Goodwill	1,434,305	1,434,305
Assets of discontinued operations	259,974	323,065
	$ 30,676,336	$ 33,700,540
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Lines of credit	$ 10,049,176	$ 10,775,213
Current portion of long-term debt	426,776	426,776
Trade accounts payable	5,812,013	6,111,536
Accrued expenses	1,388,160	1,840,827
Due to former owners	129,430	129,430
Billings in excess of costs and estimated earnings on uncompleted contracts	1,098,255	841,662
Liabilities of discontinued operations	814,158	2,546,174
Total current liabilities	19,717,968	22,671,618
Long-Term Liabilities		
Long-term debt	430,938	503,742
Subordinated debentures	2,775,000	2,800,000
	3,205,938	3,303,742
STOCKHOLDERS' EQUITY		
Preferred stock, $.001 par value, authorized 5,000,000 shares; none issued or outstanding	-	-
Common stock, $.001 par value, authorized 25,000,000 shares; issued and outstanding 6,369,337 shares at March 31, 2014 and December 31, 2013	6,370	6,370
Additional paid-in-capital	963,205	963,205
Retained earnings	6,782,855	6,755,605
	7,752,430	7,725,180
	$ 30,676,336	$ 33,700,540

MORO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2014 AND 2013

	2014	2013
REVENUES		
Construction material sales, net	$ 4,174,845	$ 6,161,487
Construction contracts revenue earned	11,699,140	8,652,282
	15,873,985	14,813,769
COST OF REVENUES		
Cost of goods sold	3,083,451	5,071,846
Cost of mechanical contracts revenue earned	8,984,870	6,838,995
	12,068,321	11,910,841
GROSS PROFIT	3,805,664	2,902,928
OPERATING EXPENSES		
Selling, general, and administrative expenses	3,871,346	3,101,766
LOSS FROM OPERATIONS	(65,682)	(198,838)
OTHER INCOME (EXPENSE)		
Interest income	1,643	379
Interest expense	(176,615)	(131,625)
Acquisition transaction costs	-	-
Other	5,995	5,179
	(168,977)	(126,067)
LOSS FROM CONTINUING OPERATIONS BEFORE TAXES	(234,659)	(324,905)
BENEFIT FROM INCOME TAXES	(97,285)	(129,095)
LOSS FROM CONTINUING OPERATIONS	(137,374)	(195,810)
DISCONTINUED OPERATIONS		
Income (loss) from operations of discontinued division (less applicable tax benefit (expense) of ($103,171) and $192,912 for 2014 and 2013, respectively)	164,624	(245,622)
NET INCOME (LOSS)	$ 27,250	$ (441,432)
NET INCOME (LOSS) PER SHARE, BASIC & DILUTED	$ 0.00	$ (0.07)
Weighted average common shares and diluted potential common shares	$ 6,369,337	$ 6,369,337

MORO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2014

	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
Balance, January 1, 2014	$ 6,370	$ 963,205	$ 6,755,605	$ 7,725,180
Net income (loss)	-	-	27,250	27,250
Balance, March 31, 2014	$ 6,370	$ 963,205	$ 6,782,855	$ 7,752,430

MORO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2014 AND 2013

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 27,250	$ (441,432)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	203,980	223,092
Gain on sale of property and equipment	(139,825)	-
Changes in operating assets and liabilities:		
Restricted cash	(500,000)	-
Trade receivables	553,198	345,037
Accounts receivable on contracts	1,666,991	1,241,992
Accounts receivable - other	(528,089)	-
Inventories	719,804	(201,507)
Cost and estimated earnings in excess of billings on uncompleted contracts	168,795	47,874
Prepaid income taxes	(49,723)	250,033
Other current assets	(288,331)	(657,983)
Trade accounts payable	(1,471,850)	(2,105,425)
Accrued expenses	(548,934)	1,139,362
Billings in excess of costs and estimated earnings on uncompleted contracts	(206,829)	787,543
Net cash provided by operating activities	(393,563)	628,586
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(66,744)	(343,682)
Proceeds from disposal of property and equipment	174,150	-
Net cash used in investing activities	107,406	(343,682)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) lines of credit	(726,037)	(910,049)
Proceeds from long-term debt	-	148,842
Principal payments of subordinated debentures	(25,000)	(25,000)
Principal payments of long-term debt	(72,804)	(184,079)
Net cash provided by (used in) financing activities	(823,841)	(970,286)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,109,998)	(685,382)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,219,973	3,075,341
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2,109,975	$ 2,389,959
SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	$ 154,535	$ 154,392
Cash paid for taxes	$ 70,000	$ 58,000