

April Board Highlights for NMFA

Loan Activity

- 11 Loans Closed during April 2016
 - 8 Loans were funded through the Public Projects Revolving Loan Fund (PPRF),
 - 1 Loan was funded through Drinking Water,
 - 1 Loan was funded through the Water Trust Board,
 - 1 Loans was funded through the Colonias Infrastructure Fund.

Of the loans that closed the following were over \$1 million:

ESCAFCA - \$2.2 million

City of Tucumcari - \$1.5 million

Grant Funding

- 3 Grants were funded through the Local Government Planning Fund.

Other Activities

- Bond Banking and Loan Management System for Water Programs in the testing phase.

Loans By Type

Loan Type	Fiscal year 2016 as of April 30		Fiscal year 2015 as of April 30	
	Number	Volume	Number	Volume
PPRF	691	\$1,251,025,824	665	\$1,208,739,101
Water Trust Board	166	\$28,630,412	146	\$25,492,119
Drinking Water	67	\$89,428,953	57	\$84,762,386
Colonias	53	\$2,399,208	37	\$1,549,144
Primary Care	8	\$4,928,211	19	\$5,104,223
Behavioral Health	3	\$925,808	3	\$983,407
Child Care	1	\$8,020	1	\$14,531
SSBCI	11	\$3,791,861	11	\$3,816,580
Smart Money	5	\$3,801,898	5	\$3,822,176
New Market Tax Credits	12	\$138,786,000	13	\$154,286,000
TOTALS	1,017	\$1,523,726,195	957	\$1,488,569,667

Recent Bond Issues

Lien	Closing date	Status	S&P	Moody's	Amount
Senior 2015B	6/10/2015	Tax Exempt	AAA	Aa1	\$45,325,000
Senior 2015C	8/12/2015	Tax Exempt	AAA	Aa1	\$46,310,000
Sub Lien 2015D	8/12/2015	Tax Exempt	AA+	Aa2	\$29,540,000
Senior 2016A	2/10/2016	Tax Exempt	AAA	Aa1	\$52,070,000
Sub Lien 2016B	2/10/2016	Taxable	AA+	Aa2	\$ 8,950,000

Top Five Largest Projects By Quarter

Quarter	Fund	Borrower	Amount
FY15 Q3	PPRF	City of Las Cruces	\$2,775,819
	WTB	Alto Lakes WSD	\$1,502,000
	PPRF	Socorro Consolidated Schools	\$1,225,000
	PPRF	City of Carlsbad	\$1,165,267
	CIF	Lower Rio Grande PWWA	\$1,034,580
FY15 Q4	PPRF	City of Santa Fe	\$33,790,000
	PPRF	Bernalillo County Metro Court	\$30,685,000
	PPRF	Eastern NM University	\$18,655,000
	PPRF	City of Rio Rancho	\$4,292,192
	WTB	City of Hobbs	\$3,200,000
FY16Q1	PPRF	Jicarilla Apache Nation	\$62,745,000
	PPRF	City of Bloomfield	\$9,009,000
	WTB	City of Gallup	\$4,000,000
	WTB	Eastern NM WUA	\$3,200,000
	PPRF	Texico Municipal Schools	\$2,000,000
FY16 Q2	PPRF	New Mexico State University	\$7,000,000
	PPRF	City of Carlsbad	\$5,710,429
	PPRF	Taos County	\$3,291,151
	WTB	City of Clovis	\$3,200,000
	DW	Dona Ana County	\$3,030,000
FY16 Q3	PPRF	UNM Health Sciences	\$26,200,000
	WTB	City of Gallup	\$4,295,167
	WTB	City of Rio Rancho	\$3,840,000
	PPRF	General Services Division	\$2,789,054
	WTB	City of Carlsbad	\$2,500,000

Loan Program Description & Funding Sources

Symbol	Year Created in Law	Program Name	Source of Funding	Type of Program Assistance	Intended Beneficiaries
BHCF	2004	Behavioral Health Capital Fund	100% State (Cig. Tax Bonds)	Low-cost loans for construction and capital equipment	Non-profit behavioral health care centers
CCRLF	2003	Child Care Revolving Loan Fund	100% Federal	Low-cost loans for construction and capital equipment	For profit and not-for-profit licensed child care centers
CIF	2010	Colonias Infrastructure Project Fund	100% State (STB)	Grants and low-cost loans for infrastructure	Colonias
DW	1997	Drinking Water Revolving Loan Fund	80% Federal (EPA) 20% State (PPRF Approp.)	Below-market rate loans for water quality projects	Public and private water systems serving at least 25 people annually
NMTC	2006	New Markets Tax Credit	100% Private	Below market rate loans and equity for projects	For profit and not-for-profit entities in low income census tracts
PCCF	1994	Primary Care Capital Fund	100% State (General Fund)	Low-cost loans for construction and capital equipment	Non-profit primary care clinics
PPRF	1992	Public Project Revolving Fund	100% State (GGRT)	Low-cost loans for capital equipment and infrastructure projects	State, Tribes and Local Government Units
SMART	2003	Smart Money Loan Participation Program	100% State (General Fund)	Low cost loans for building, equipment and working capital needs	Private for-profit and not-for-profit entities
SSBCI	2011	Collateral Support Participation Program	100% Federal	Low cost loans for building, equipment and working capital needs	For profit and not-for-profit entities
WTB	2001	Water Project Fund	100% State (STB - 10% and WTF - \$4 Mil.)	Grants and low-cost loans for water projects	Tribes and Local Government Units including MDWCAs

Audit Findings Status Matrix

BOARD GOVERNANCE	Status
<i>Senate Bill 12</i>	
Certified Public Accountant on Board of Directors	Completed
Entrance/Exit Conference attended by Audit Committee	Completed
Audit Committee meets Regularly with auditors during audit	Completed
Deposits should be made in New Mexico banks	Completed
Minutes and Records approved and maintained	Completed

EXTERNAL AUDIT	Status
<i>Noted by: PWC HEK RLD/SD REDW</i>	
Timeliness of External Audit*	Completed
Compliance with Federal Requirements	Completed
Compliance with Bond Covenants	Completed

INTERNAL AUDIT	Status
<i>Noted by: PWC HEK RLD/SD REDW</i>	
Internal Audit Contractor	Completed

*FY15 Officially released on 12/14/15; presented to NMFA Board 12/17/15.

STATE COMPLIANCE	Status
<i>Noted by: REDW</i>	
Payment of funds without an approved audit contract	Completed
Timely Cash Receipts Deposit	Completed
Travel and Per Diem	Completed
Equipment	Completed

ACCOUNTING PRACTICES	Status
<i>Noted by: PWC HEK RLD/SD REDW</i>	
Bank Reconciliations timeliness - cutoffs	Completed
Invoice documentation/Credit Card usage	Completed
Journal Entry support	Completed
Treatment for extraordinary items	Completed
Fringe Benefits reporting to IRS	Completed
Lack of up-to-date Procedures	Completed

LOAN SERVICING	Status
<i>Noted by: PWC HEK RLD/SD REDW</i>	
System Implementation for Loan Origination (SILO) Implementation	<i>In Progress</i>

Initiative for FY 2017

Automation (i.e. System Implementation)

Automation is the essential main initiative this year at NMFA. The first phase of this project is the implementation of the EnABLE Bond, Loan, and Grant Management System.

- The NMFA has, for too long, relied on spreadsheets and manual tracking devices to track and provide information. This initiative will require time and energy, but they will represent the foundation from which NMFA will base its future.
- The implementation will start with the Water Programs Area followed by PPR Programs, Local Government Planning Grants Programs, and Private Lending Program Area.

NMFA Board Members

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McDermott Advisory Service

Ryan Flynn

Cabinet Secretary
New Mexico Environment Department

Blake Curtis

CEO
Curtis & Curtis, Inc.

William Fulginiti - Vice-Chair

Executive Director
New Mexico Municipal League

Steve Kopelman

Executive Director
New Mexico Association of Counties

Katherine Ulibarri – Treasurer

VP, Finance & Operations
Central NM Community College

David Martin – Secretary

Cabinet Secretary
New Mexico Energy, Minerals & Natural Resources

Jon Barela

Cabinet Secretary
New Mexico Economic Development Department

Terry White

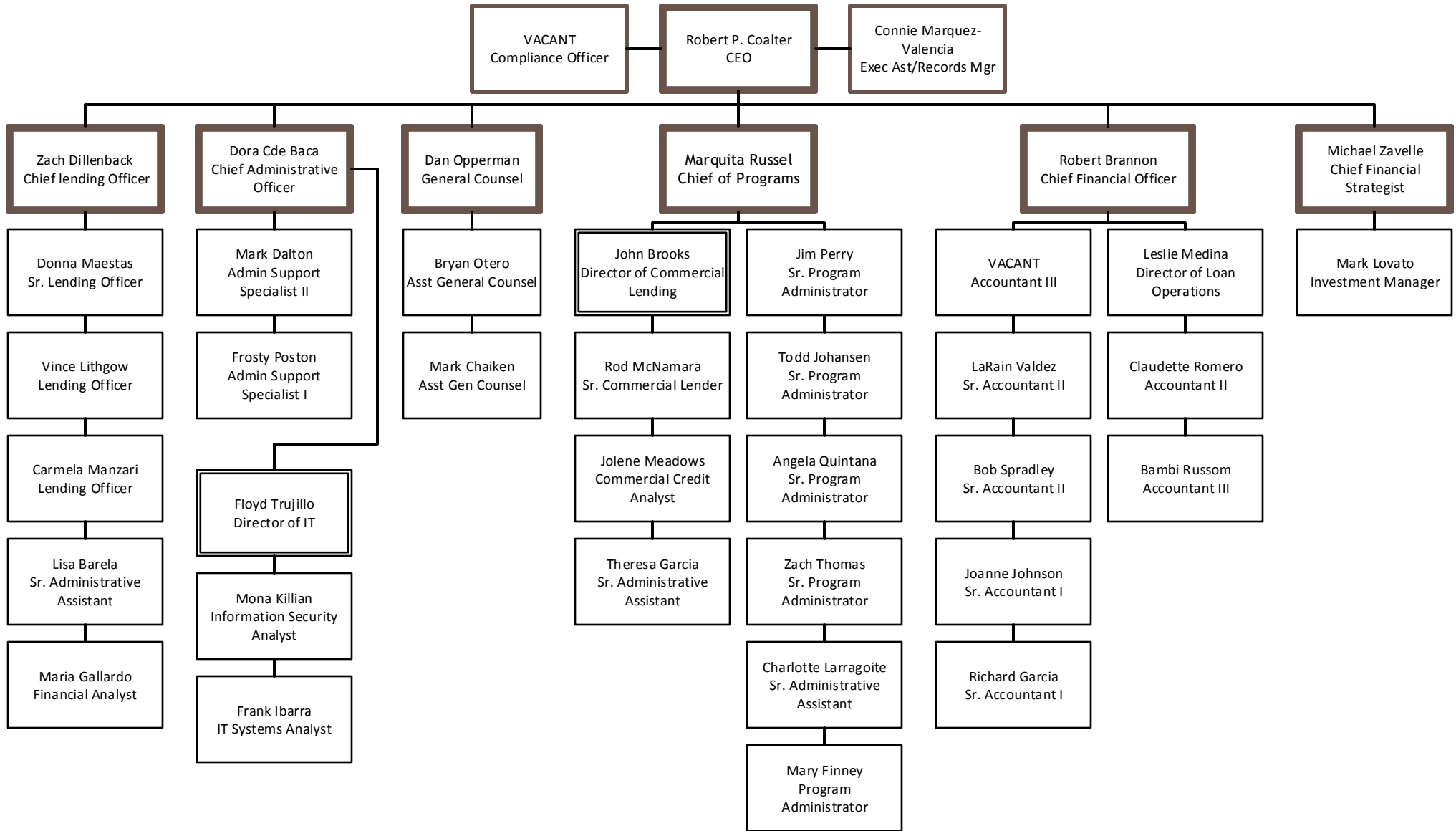
CEO
Sunwest Trust, Inc.

Tom Clifford

Cabinet Secretary
Department of Finance & Administration

The NMFA's Board is composed of eleven members. The Secretary of the Department of Finance and Administration; the Secretary of Economic Development; the Secretary of Energy, Minerals and Natural Resources; the Secretary of the Environment Department; the Executive Director of the New Mexico Municipal League and the Executive Director of the New Mexico Association of Counties are ex-officio members of the NMFA with voting privileges. The Governor, with the advice and consent of the Senate, appoints five members to the NMFA Board including the Chief Financial Officer of an institution of higher education and four members who are residents of the state. The appointed members serve at the pleasure of the Governor and are appointed to four year terms.

New Mexico Finance Authority Board of Directors



May 9, 2016