Agenda Item 6

NEW MEXICO FINANCE AUTHORITY

FY 14 Budget Highlights

- Efficiency
  - Workload data suggest increasing efficiency
  - Least cost alternatives i.e. in-house legal v. outside counsel
  - Flat base budget
- Adequacy
  - Studies of fraudulent audit noted understaffing among the causes
  - Significant growth
    - Colonias
    - New Markets Tax Credit
    - Local Government Planning Grant
    - Drinking Water
  - Pent up demand for PPRF
- Risk recognition
  - Variety of complex and diverse financing programs
  - Heavy reliance on intricate information technology systems
  - Increasing emphasis on project oversight
    - Water Trust Board
    - Drinking water
    - Planning Grants

- Expansions
  - Internal Auditor
    - Provide assurance that NMFA is complying w/appropriate policies
    - Protection against fraud & abuse
  - IT systems analyst
    - 1 employee in IT last Fall – no backup
    - 2 FTE now
    - Added SA FTE will allow 1 FTE will provide resource to better address security & disaster recovery
  - Oversight contracts/MOUs
    - Recognize costs in budget
    - Meet demand for oversight
    - Oversight services provided by NM Environment Dept.

- Water Trust Board
  - Prior to last January NMFA had not been recovering all its WTB costs
  - $2.4 Million receivables going as far back as 2006
  - WTB agreed NMFA will recover costs from loan repayments
  - WTB reviews its part of NMFA budget
  - WTB recommended the NMFA budget as presented
  - NMFA will recover actual WTB costs periodically

NEW MEXICO FINANCE AUTHORITY

BUDGET FOR FISCAL YEARS 2011 thru 2014

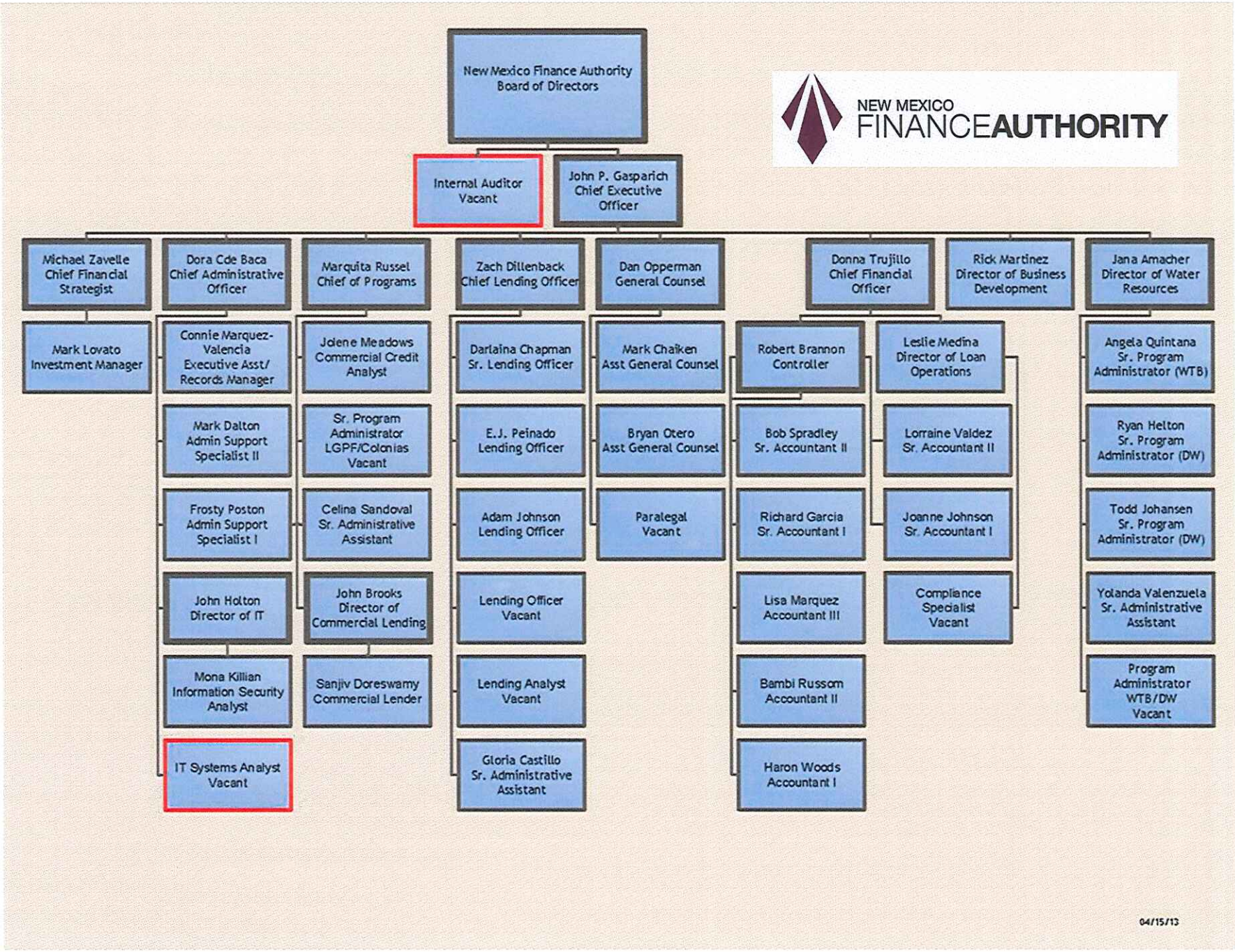
GRAND TOTAL

	FY 2011 Actuals	FY 2012 Actuals	FY 2013 Budget	FY 2013 Projected	Percentage Change FY 2014 Budget over FY 2013 Budget	FY 2014 Budget	Percentage Change FY 2014 Budget over FY 2013 Projected
REVENUES							
Appropriation revenue	$ 34,842,554	$ 43,146,845	$ 40,462,000	$ 33,213,000		$ 42,511,924	
Interest income from loans	55,572,510	54,459,612	54,427,750	40,660,850		54,580,750	
Interest income from investments	805,923	436,384	917,000	46,571		418,000	
Administration fee revenue	6,808,876	7,352,753	4,831,000	3,513,130		5,206,709	
Grant revenue	42,924,828	41,883,216	41,900,000	48,236,851		51,117,000	
Total Revenues	$ 140,954,691	$ 147,278,810	$ 142,537,750	$ 125,670,402	7.9%	$ 153,834,383	22.4%
EXPENDITURES							
Operating Expenses							
Personnel services	$ 4,184,572	$ 3,976,586	$ 4,889,213	$ 4,042,426		$ 4,750,000	
Professional services	2,212,384	2,520,763	2,435,013	3,795,266		2,489,475	
Operating costs	1,476,455	1,551,350	1,244,219	1,022,353		1,328,970	
Total - Operating Expenses	$ 7,873,411	$ 8,048,699	$ 8,568,445	$ 8,860,045	0.0%	$ 8,568,445	-3.3%
Non-Operating Expenses							
Bond/Loan interest Expense	$ 59,521,640	$ 53,964,438	$ 55,901,500	$ 55,901,809		$ 56,046,500	
Bond Issuance Expense	697,665	1,272,046	1,500,000	250,000		1,500,000	
Grant Expense	53,887,305	42,063,551	34,445,000	39,191,384		40,787,000	
Total non-operating expenses	$ 114,106,610	$ 97,300,035	$ 91,846,500	$ 95,343,193	7.1%	$ 98,333,500	3.1%
Total fiscal year expenses	$ 121,980,021	$ 105,348,734	$ 100,414,945	$ 104,203,238	6.5%	$ 106,901,945	2.6%
Excess (deficit) revenues over expenses	$ 18,974,670	$ 41,930,076	$ 42,122,805	$ 21,467,164		$ 46,932,438	
Transfer to other agencies	24,481,147	8,725,047	8,905,000	9,305,000		9,535,000	
Excess (deficit) revenues over expenses	$ (5,506,477)	$ 33,205,029	$ 33,217,805	$ 12,162,164		$ 37,397,438	

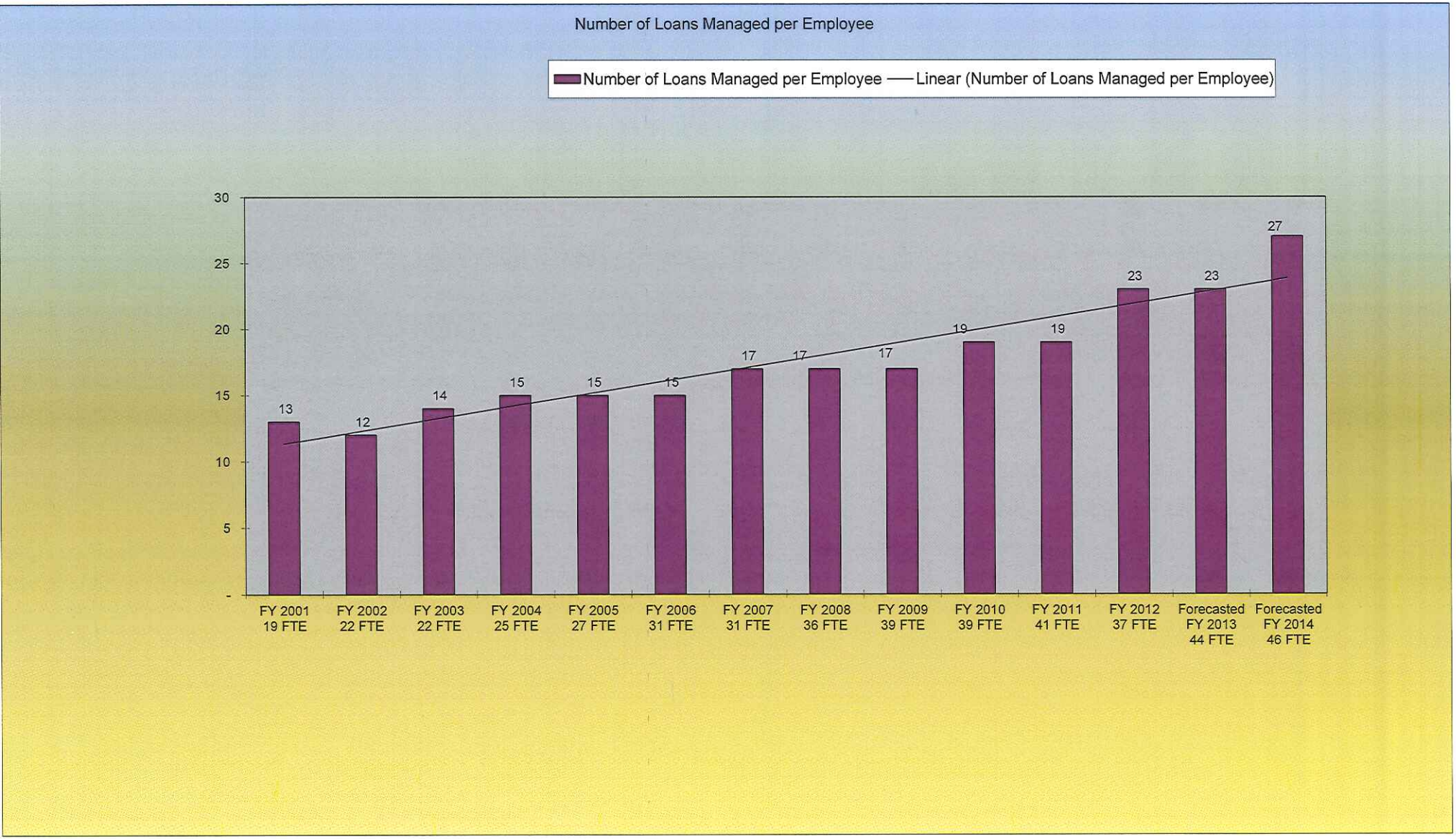
The Budget and certain other portions of this report contain forward-looking statements that are based on management expectations, estimates, projections, and assumptions. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Actual future results, therefore, may differ materially from the forecasts contained in the forward-looking statements.

BUDGET DETAIL BY PROGRAM -

	Grand Total	PPRF	GRIP (Inc GRIP II and Local Road Fund)	Drinking Water Revolving Loan Fund	Water Trust Board	Colonias Infrastructure Fund	Local Government Planning Fund	New Markets Tax Credits	State Small Business Credit Initiative	Economic Development	Behavioral Health Capital Fund	Primary Care Capital Fund	Child Care Revolving Loan Fund	Intergovernmental Receivables
REVENUES														
Appropriation revenues	$ 38,034,685	$ 27,800,130	$ -	$ -	$ -	$ -	2,000,000	$ -	4,345,555	$ -	$ 1,089,000	$ -	$ -	$ 2,800,000
Interest income on loans	54,580,750	52,500,000	-	1,050,000	-	-	-	-	50,000	30,000	20,000	126,000	750	804,000
Interest income on investments	418,000	225,000	25,000	100,000	51,000	-	-	-	10,000	2,000	-	-	-	5,000
Administration fee revenue	5,206,709	3,036,000	414,317	175,000	60,000	-	-	1,105,870	414,522	-	1,000	-	-	-
Grant revenue	51,117,000	-	-	10,900,000	36,717,000	3,500,000	-	-	-	-	-	-	-	-
Total Revenues	$ 149,357,144	$ 83,561,130	$ 439,317	$ 12,225,000	$ 36,828,000	$ 3,500,000	$ 2,000,000	$ 1,105,870	$ 4,820,077	$ 32,000	$ 1,110,000	$ 126,000	$ 750	$ 3,609,000
EXPENDITURES														
Operating Expenses														
Personal services and benefits	4,750,000	2,346,002	181,290	606,866	440,697	195,490	178,232	354,367	297,080	107,086	13,027	19,928	9,936	
Contractual costs	2,489,475	1,369,172	156,333	94,210	509,300	106,478	61,780	120,035	45,955	25,214	250	650	100	
Other Costs	1,328,970	688,731	66,558	126,826	134,550	50,194	47,377	124,568	68,734	19,296	819	1,069	249	
Total - Operating Expenses	$ 8,568,445	$ 4,403,904	$ 404,181	$ 827,901	$ 1,084,547	$ 352,162	$ 287,388	$ 598,969	$ 411,768	$ 151,596	$ 14,096	$ 21,646	$ 10,285	$ -
Non-Operating Expenses														
Bond interest expense	$ 55,901,500	$ 55,001,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 96,500	$ -	$ -	$ 804,000
Bond issuance expense	1,500,000	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-
Grant expense	40,787,000	-	5,000,000	2,300,000	29,387,000	3,500,000	600,000	-	-	-	-	-	-	-
Contract for service expense	145,000	-	-	-	-	-	-	-	-	-	10,000	135,000	-	-
Total Non-Operating Expenses	$ 98,333,500	$ 56,501,000	$ 5,000,000	$ 2,300,000	$ 29,387,000	$ 3,500,000	$ 600,000	$ -	$ -	$ -	$ 106,500	$ 135,000	$ -	$ 804,000
Total Expenses	$ 106,901,945	$ 60,904,904	$ 5,404,181	$ 3,127,901	$ 30,471,547	$ 3,852,162	$ 887,388	$ 598,969	$ 411,768	$ 151,596	$ 120,596	$ 156,646	$ 10,285	$ 804,000
Excess (Deficit) revenues over expenses	$ 42,455,199	$ 22,656,226	$ (4,964,864)	$ 9,097,099	$ 6,356,453	$ (352,162)	$ 1,112,612	$ 506,901	$ 4,408,309	$ (119,596)	$ 989,404	$ (30,646)	$ (9,535)	$ 2,805,000
Transfer to other agencies	9,535,000	500,000	-	2,500,000	3,730,000	-	-	-	-	-	-	-	-	2,805,000
Excess (Deficit) revenues over expenses	$ 32,920,199	$ 22,156,226	$ (4,964,864)	$ 6,597,099	$ 2,626,453	$ (352,162)	$ 1,112,612	$ 506,901	$ 4,408,309	$ (119,596)	$ 989,404	$ (30,646)	$ (9,535)	$ -
Activity - New Financings														
Number of Projects	219	85		12	25	40	40	3	12	1	1			
$ amount of financings	355,899,000	225,000,000		30,000,000	33,195,000	25,000,000	1,750,000	31,654,000	7,900,000	800,000	600,000			
Activity - Loans Outstanding														
Number of Loans	1,013	685	3	42	157	46	30	10	6	5	3	18	1	7
$ amount of loans outstanding	1,767,484,000	1,343,000,000	2,200,000	68,768,000	169,880,000	18,488,000	1,400,000	124,346,000	5,596,000	4,605,000	676,000	3,500,000	25,000	25,000,000


New Mexico Finance Authority Board of Directors
NEW MEXICO FINANCEAUTHORITY
Internal Auditor Vacant
John P. Gasparich Chief Executive Officer
Michael Zavelle Chief Financial Strategist
Dora Cde Baca Chief Administrative Officer
Marquita Russel Chief of Programs
Zach Dillenback Chief Lending Officer
Dan Opperman General Counsel
Donna Trujillo Chief Financial Officer
Rick Martinez Director of Business Development
Jana Amacher Director of Water Resources
Mark Lovato Investment Manager
Connie Marquez-Valencia Executive Asst/ Records Manager
Mark Dalton Admin Support Specialist II
Frosty Poston Admin Support Specialist I
John Holton Director of IT
Mona Killian Information Security Analyst
IT Systems Analyst Vacant
Jolene Meadows Commercial Credit Analyst
Sr. Program Administrator LGPF/Colonias Vacant
Celina Sandoval Sr. Administrative Assistant
John Brooks Director of Commercial Lending
Sanjiv Doreswamy Commercial Lender
Darlaina Chapman Sr. Lending Officer
E.J. Peinado Lending Officer
Adam Johnson Lending Officer
Lending Officer Vacant
Lending Analyst Vacant
Gloria Castillo Sr. Administrative Assistant
Mark Chaiken Asst General Counsel
Bryan Otero Asst General Counsel
Paralegal Vacant
Robert Brannon Controller
Bob Spradley Sr. Accountant II
Richard Garcia Sr. Accountant I
Lisa Marquez Accountant III
Bambi Russom Accountant II
Haron Woods Accountant I
Leslie Medina Director of Loan Operations
Lorraine Valdez Sr. Accountant II
Joanne Johnson Sr. Accountant I
Compliance Specialist Vacant
Angela Quintana Sr. Program Administrator (WTB)
Ryan Helton Sr. Program Administrator (DW)
Todd Johansen Sr. Program Administrator (DW)
Yolanda Valenzuela Sr. Administrative Assistant
Program Administrator WTB/DW Vacant
04/15/13

Number of Loans Managed per Million Dollars of Budget
160
140
120
100
80
60
40
20
-
106
76
85
104
82
75
80
88
89
98
105
105
118
144
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005
FY 2006
FY 2007
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
Forecasted FY 2013
Forecasted FY 2014


Number of Loans Managed per Employee
Number of Loans Managed per Employee
Linear (Number of Loans Managed per Employee)
30
25
20
15
10
5
-
13
12
14
15
15
15
17
17
17
19
19
23
23
27
FY 2001 19 FTE
FY 2002 22 FTE
FY 2003 22 FTE
FY 2004 25 FTE
FY 2005 27 FTE
FY 2006 31 FTE
FY 2007 31 FTE
FY 2008 36 FTE
FY 2009 39 FTE
FY 2010 39 FTE
FY 2011 41 FTE
FY 2012 37 FTE
Forecasted FY 2013 44 FTE
Forecasted FY 2014 46 FTE