



Fiscal Year 2014 Budget Review

New Mexico Finance Authority Legislative
Oversight Committee

October 31, 2013



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
 - Significant growth:
 - Colonias
 - New Markets Tax Credit
 - Local Government Planning Grant
 - Drinking Water State Revolving Fund



FY 14 Budget Highlights

- 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



FY 14 Expansions

- Internal Auditor

- Ongoing Risk assessment
- Provide assurance that NMFA is complying w/appropriate policies
- Protection against fraud & abuse
- Recruitment has been problematic
- Audit Committee has asked staff to prepare an RFP for Internal Audit on a contract basis

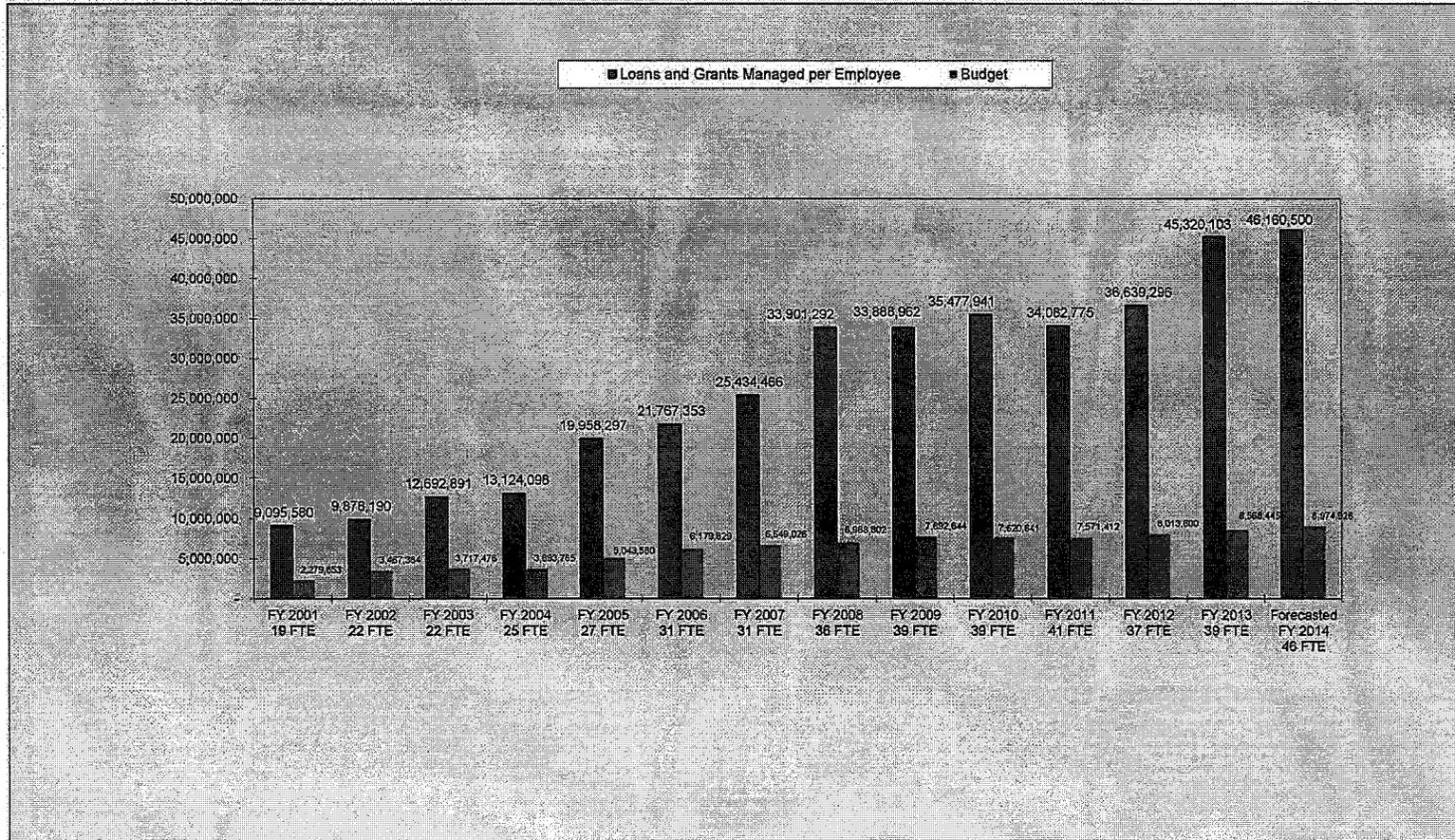


FY 14 Expansions

- **IT systems analyst**
 - 1 employee in IT 1 year ago – no backup
 - 2 FTE at beginning of FY 14
 - Added SA FTE will allow 1 FTE focused on security & disaster recovery
- **Oversight contracts/MOUs**
 - Recognize costs in budget
 - Meet demand for oversight
 - MOUs in place
 - Oversight services provided by NMED



NEW MEXICO FINANCE AUTHORITY





New Mexico Finance Authority
Operating Budget Analysis
Thru September 30, 2013

	FY 2014 Budget	Actual Expenses thru 9/30/2013	Percent Total Budget Utilized	Percent Total Budget Remaining
Personnel services	\$ 3,241,571	\$ 706,898	21.8%	78.2%
Employee benefits	1,508,430	322,971	21.4%	78.6%
In-state travel	112,242	12,231	10.9%	89.1%
Maintenance/Repairs	28,200	8,346	29.6%	70.4%
Office supplies	30,350	9,633	31.7%	68.3%
Professional services	2,489,475	447,265	18.0%	82.0%
Operating costs	1,073,556	247,423	23.0%	77.0%
Out-of state travel	84,621	8,504	10.0%	90.0%
	<u>\$ 8,568,445</u>	<u>\$ 1,763,271</u>	<u>20.6%</u>	<u>79.4%</u>

Month 3 of 12 = 25%



**New Mexico Finance Authority
Consolidated Operating Budget - Sources & Uses
Actual FY 2013, Budgeted FY 2014, Projected FY 2015**

	FY2013 Actual	FY2014 Budget	Projected FY2015
<u>Sources - Operating Revenues</u>			
Administrative Fees:			
PPRF Administrative and Processing Fees	\$ 1,685,788	\$ 3,036,000	\$ 3,200,000
GRIP Administrative Fee	246,932	414,317	400,000
New Markets Tax Credit	1,322,100	1,105,870	1,000,000
Other Administrative Fees	230,915	236,000	300,000
Interest on Loans	51,964	80,000	100,000
Interest on Investments	139,403	413,000	500,000
Reimbursement Revenue	4,235,125	2,931,096	2,992,800
Receivable from Colonias Program	481,462	352,162	400,000
Total Operating Revenues	\$ 8,393,690	\$ 8,568,445	\$ 8,892,800
<u>Operational Expenses</u>			
Personnel services	\$ 2,762,032	\$ 3,241,570	\$ 3,350,000
Employee benefits	1,172,826	1,508,430	1,558,800
In-state travel	65,582	112,242	120,000
Maintenance/Repairs	24,310	28,200	34,000
Office supplies	21,623	30,350	30,000
Contractual services	4,081,958	2,489,475	2,600,000
Operating costs	976,705	1,073,557	1,100,000
Out-of state travel	24,354	84,621	100,000
Subtotal - Operational Expenses	\$ 9,129,390	\$ 8,568,445	\$ 8,892,800



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