

# TEXAS PUBLIC FINANCE AUTHORITY

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## Supplemental Summary for the FY 2014 Annual HUB Report for Agency 347

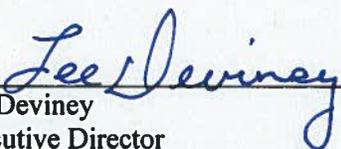
In compliance with Texas Government Code, Chapter 2161, the Board of Directors (the "Board") of the Texas Public Finance Authority (the "Authority") has adopted the Comptroller's rules, as well as more detailed procedures for HUB participation goals in bond issuances, in compliance with the published rules. These procedures are included in the Authority's strategic plan and reflected in its underwriting policies.

The Board has selected a pool of 24 firms that includes one HUB firm and five minority and/or woman-owned firms for negotiated bond underwritings for the FY 2014-2015 biennium. Under the Authority's contracts for professional services required for bond issues, the Board also selected a pool of nine law firms, two of which are HUBs, to be selected to serve as bond counsel on an ad hoc basis during the same period. During this reporting period, the Authority closed four negotiated bond sales. The HUB firm and two of the minority and/or woman-owned firms received 21% of the total underwriting fees paid on one of the negotiated bond transactions and another minority-owned underwriting firm received 18% of the underwriting fees on another negotiated bond sale. Underwriting fees are netted from bond proceeds prior to being deposited into the treasury therefore such amounts are not reflected in the Annual HUB Report.

During FY 2014, \$1,884,322, or 96.71%, of the Authority's total expenditures were related to costs of issuance and ongoing administration of the bonds. These expenditures include fees for bond ratings, issuing and paying agents, financial services, arbitrage rebate compliance, and insurance premiums, among others to satisfy the requirements of the Authority's bond covenants. These services are only available from a few large companies and very few HUB and/or minority firms are available to provide such services.

The Authority is committed to purchasing goods and services from HUB and minority-owned businesses and continues to utilize the CPA Central Master Bidders List to locate available HUBs.

Please contact me at (512) 463-5544 should you have any questions.

  
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Lee Deviney  
Executive Director