

TEXAS PUBLIC FINANCE AUTHORITY

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EXECUTIVE DIRECTOR
Lee Deviney

Supplemental Summary for the FY 2015 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 selected a pool of 24 underwriting 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 serve as bond counsel on an ad hoc basis during the same period. During this reporting period, the Authority closed three negotiated bond sales. A minority and/or woman-owned firms received 19.7% of the total underwriting fees paid on one negotiated bond transaction, another minority-owned underwriting firm received 14.5% of the underwriting fees on the second negotiated bond sale, and two minority and/or woman-owned firms received 69% of the underwriting fees on the third 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 2015, \$1.6 million, over 98%, 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 and/or publicly traded 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.

Lee Deviney
Executive Director