

FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
JANUARY 18, 2019

ECONOMIC HIGHLIGHTS

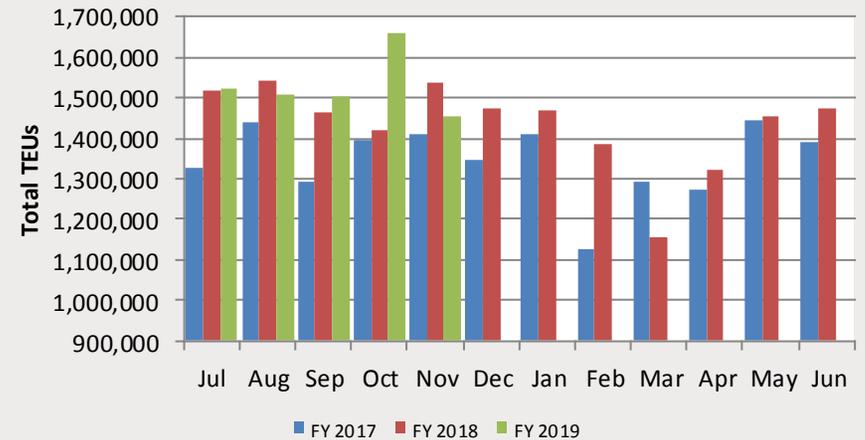
Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 5.4 percent lower in November 2018 than in November 2017.
- The U.S. Energy Information Administration reported the price of West Coast No. 2 diesel was \$3.79 per gallon in November 2018, up from \$3.37 per gallon in November 2017. The Arizona average price per gallon for regular unleaded gas was \$2.75 in November 2018, compared to \$2.37 in November 2017.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, was 4.7 percent in November 2018, unchanged from 4.7 percent in November 2017.

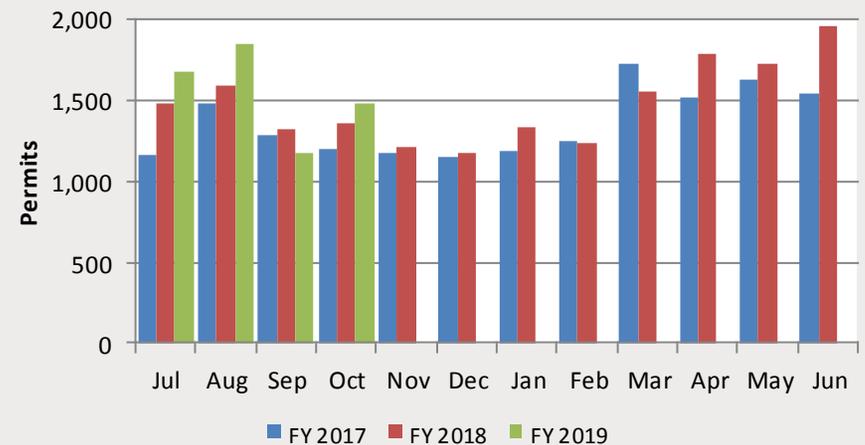
Greater Phoenix Area Indicators

- Due to the government shutdown, November 2018 new single-family building permit data is unavailable.
- The monthly employment report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 17,500 jobs year-over-year from November 2017 to November 2018, an increase of 14.9 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 3.9 percent in November 2018, a decrease from 4.0 percent in November 2017.

Container Statistics for Port of LA and Port of Long Beach



Maricopa County New Single-family Building Permits

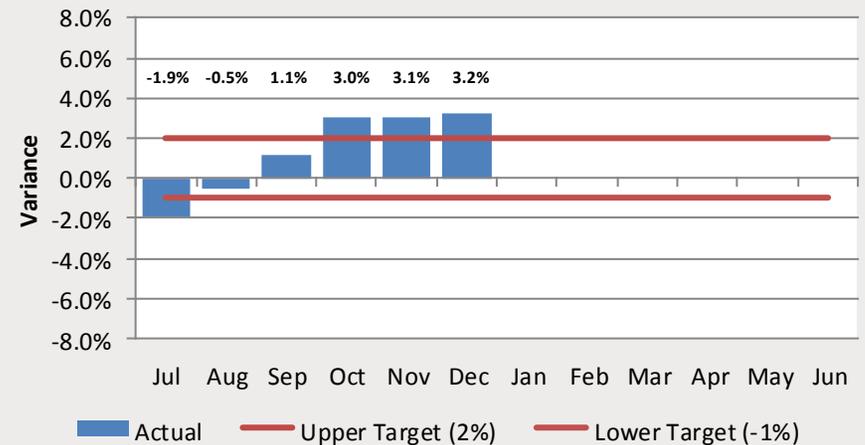


HIGHWAY USER REVENUE FUND (HURF) THROUGH DECEMBER 31, 2018

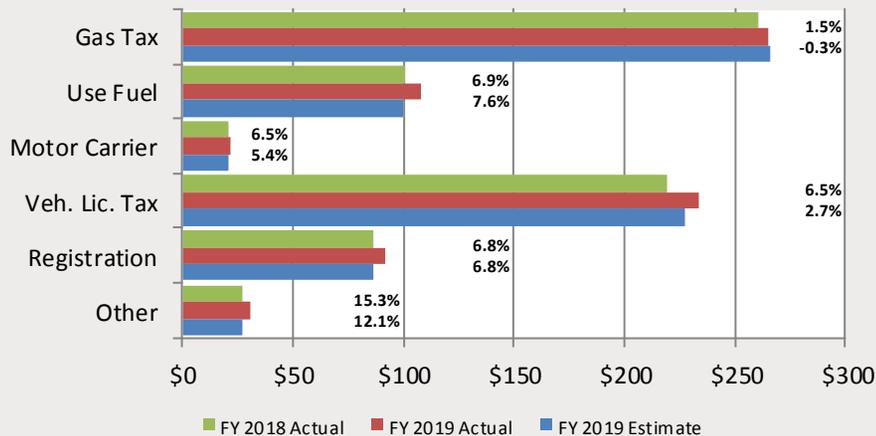
Highlights

- FY 2019 HURF revenues are 3.2 percent above forecast year-to-date and are 5.1 percent above the same period in FY 2018.
- Gas tax revenues have increased 1.5 percent from FY 2018 to FY 2019 year-to-date. Gas tax collections are 0.3 percent below forecast year-to-date.
- Most of the \$23.3 million variance from forecast year-to-date is due to higher than expected VLT revenues (\$6.2 million difference), higher than expected use fuel revenues (\$7.6 million difference) and higher than expected registration revenues (\$5.9 million difference).

Variance from Forecast Year-to-date



Revenue Category Performance Year-to-date (\$ in Millions)



Monthly Comparison (\$ in Thousands)

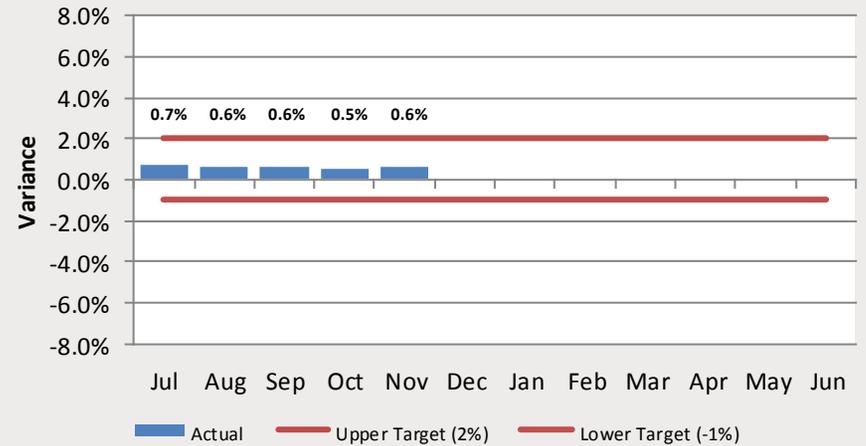
	FY 2018 Actual	FY 2019 Actual	Change	FY 2019 Estimate	Change
July	\$119,155	\$121,456	1.9%	\$123,853	-1.9%
August	\$114,333	\$120,681	5.6%	\$119,475	1.0%
September	\$120,553	\$127,674	5.9%	\$122,310	4.4%
October	\$118,848	\$130,724	10.0%	\$120,354	8.6%
November	\$117,992	\$123,260	4.5%	\$119,162	3.4%
December	\$123,775	\$127,345	2.9%	\$122,706	3.8%
Subtotal	\$714,656	\$751,140	5.1%	\$727,860	3.2%
January				\$125,535	
February				\$126,051	
March				\$123,163	
April				\$136,067	
May				\$122,748	
June				\$128,777	
Total	\$1,455,779	\$751,140		\$1,490,201	

REGIONAL AREA ROAD FUND (RARF) THROUGH NOVEMBER 30, 2018

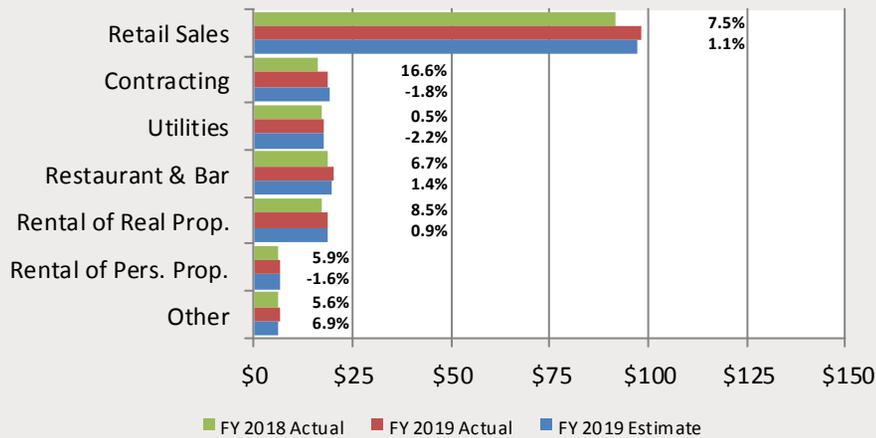
Highlights

- Year-to-date FY 2019 RARF revenues through November surpassed the same period of FY 2018 by 7.5 percent and were 0.6 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 7.5 percent year-to-date when compared to the same period of the last fiscal year.
- Year-to-date RARF contracting revenues increased 16.6 percent compared to the same period of the last fiscal year, and were 1.8 percent below forecast. The interest rate on 30 year mortgages in November 2018 was 4.87 percent, higher than the 3.92 percent experienced in November 2017.

Variance from Forecast Year-to-date



Revenue Category Performance Year-to-date (\$ in Millions)



Monthly Comparison (\$ in Thousands)

	FY 2018 Actual	FY 2019 Actual	Change	FY 2019 Estimate	Change
July	\$35,805	\$37,953	6.0%	\$37,693	0.7%
August	\$33,527	\$36,854	9.9%	\$36,674	0.5%
September	\$34,727	\$37,315	7.5%	\$37,103	0.6%
October	\$34,934	\$37,383	7.0%	\$37,230	0.4%
November	\$34,994	\$37,580	7.4%	\$37,277	0.8%
Subtotal	\$173,987	\$187,086	7.5%	\$185,977	0.6%
December	\$35,459			\$38,212	
January	\$41,557			\$44,576	
February	\$35,485			\$37,032	
March	\$35,962			\$38,242	
April	\$41,265			\$42,912	
May	\$37,027			\$39,444	
June	\$37,914			\$40,005	
Total	\$438,654	\$187,086		\$466,400	

INVESTMENT PERFORMANCE THROUGH NOVEMBER 30, 2018 (\$ IN THOUSANDS)

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	November		Year-to-date (YTD)	
				Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2							
Highway	\$206,514	\$199,715	96.71%	\$362	2.20%	\$1,513	2.03%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$439,476	\$438,714	99.83%	\$795	2.20%	\$3,680	2.03%
HURF Bond Redemption	\$60,059	\$59,405	98.91%	\$0	2.20%	\$0	2.03%
HURF 2013A Proceeds	\$2	\$0	0.00%	\$107	2.20%	\$285	2.03%
Other/1	\$104,545	\$101,950	97.52%	\$184	2.20%	\$967	2.03%
Subtotal	\$810,596	\$799,783	98.67%	\$1,449	2.20%	\$6,444	2.03%
Pool 3 Revised							
HELP/2	\$30,718	\$30,718	100.00%	\$60	2.36%	\$284	2.21%
Other/3	\$9,086	\$8,909	98.05%	\$17	2.36%	\$83	2.21%
Subtotal	\$39,804	\$39,627	99.56%	\$77	2.36%	\$367	2.21%
Pool 4							
RARF Bond Redemption	\$54,015	\$53,318	98.71%	\$103	2.34%	\$239	2.02%
RARF 2018 Proceeds	\$221,124	\$221,104	99.99%	\$428	2.34%	\$1,414	2.02%
Regional Area Road Fund	\$466,397	\$462,997	99.27%	\$892	2.34%	\$3,716	2.02%
Subtotal	\$741,536	\$737,418	99.44%	\$1,423	2.34%	\$5,369	2.02%
Total	\$1,591,937	\$1,576,828	99.05%	\$2,949	2.27%	\$12,180	2.03%

Source: State Treasurer's Office Statement of Accounts.

/1 Pool 2 Other includes HURF, Aviation, STAN TOC, Equipment, Highway Postage, Highway GANS Cash Reserves and GANS redemption funds.

/2 HELP: Highway Expansion and Extension Loan Program.

/3 Pool 3 Other includes Economic Strength, Magazine, Storage Tank, Special Plates and Safety Enforcement funds.