

FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
MARCH 15, 2019

ECONOMIC HIGHLIGHTS

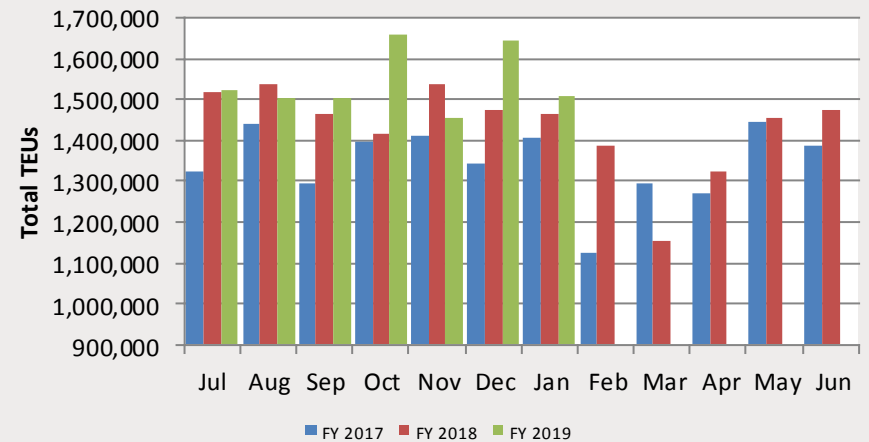
Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 2.9 percent higher in January 2019 than in January 2018.
- The U.S. Energy Information Administration reported the price of West Coast No. 2 diesel was \$3.48 per gallon in January 2019, up from \$3.40 per gallon in January 2018. The Arizona average price per gallon for regular unleaded gas was \$2.50 in January 2019, compared to \$2.40 in January 2018.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, was 5.1 percent in January 2019, up from 4.8 percent in January 2018.

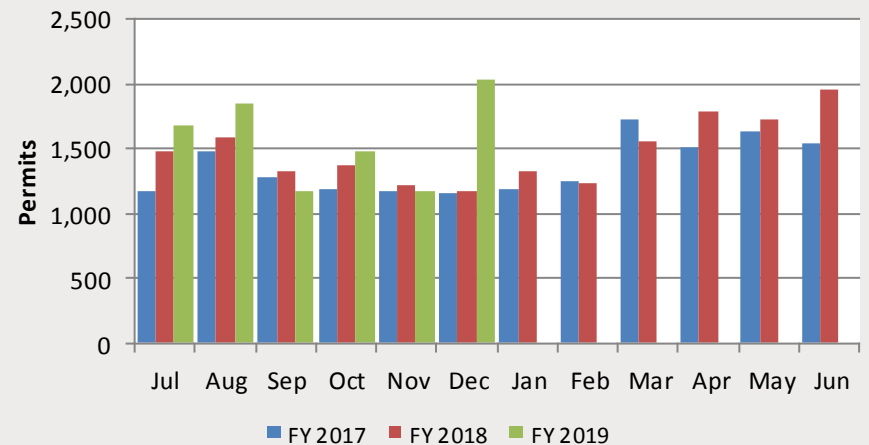
Greater Phoenix Area Indicators

- The number of new single-family building permits issued in Maricopa County in December 2018 grew 73.2 percent compared to the same month of 2017. Due to the government shutdown, January 2019 single-family building permit data is unavailable at the time of writing.
- The monthly employment report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 12,300 jobs year-over-year from January 2018 to January 2019, an increase of 10.4 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 5.0 percent in January 2019, an increase from 4.5 percent in January 2018. Although the number of employed workers increased from January 2018 to January 2019, the Greater Phoenix Area labor force increased by a greater amount, causing the unemployment rate to rise.

Container Statistics for Port of LA and Port of Long Beach



Maricopa County New Single-family Building Permits

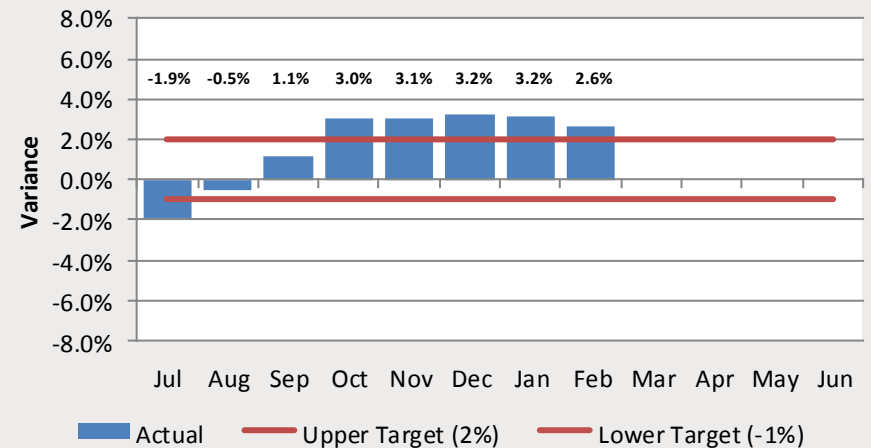


HIGHWAY USER REVENUE FUND (HURF) THROUGH FEBRUARY 28, 2019

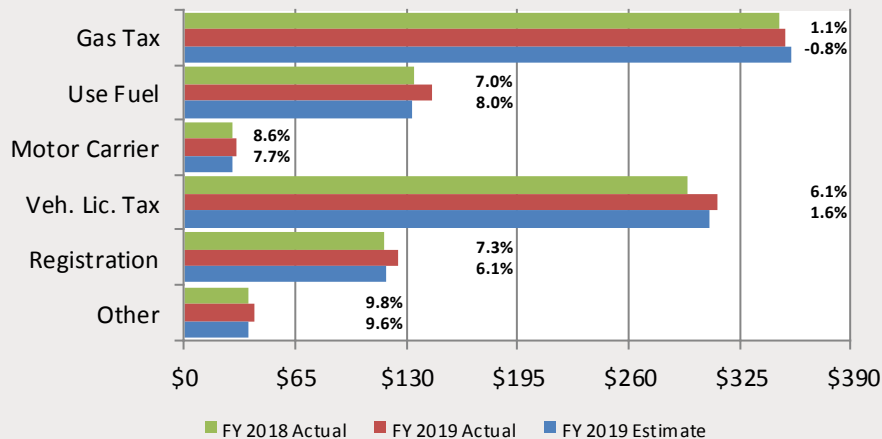
Highlights

- FY 2019 HURF revenues are 2.6 percent above forecast year-to-date and are 4.8 percent above the same period in FY 2018.
- Gas tax revenues have increased 1.1 percent from FY 2018 to FY 2019 year-to-date. Gas tax collections are 0.8 percent below forecast year-to-date.
- Most of the \$25.6 million variance from forecast year-to-date is due to higher than expected VLT revenues (\$4.8 million difference), higher than expected use fuel revenues (\$10.7 million difference) and higher than expected registration revenues (\$7.2 million difference).

Variance from Forecast Year-to-date



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



Monthly Comparison (\$ in Thousands)

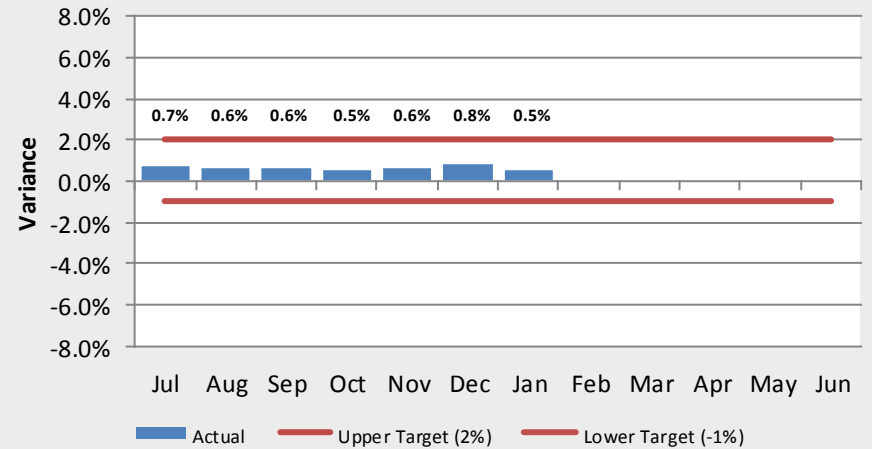
	FY 2018 Actual	FY 2019 Actual	Change	FY 2019 Estimate	Change
July	\$119,155	\$121,456	1.9%	\$123,853	-1.9%
August	\$114,333	\$120,681	5.6%	\$119,475	1.0%
September	\$120,553	\$127,674	5.9%	\$122,310	4.4%
October	\$118,848	\$130,724	10.0%	\$120,354	8.6%
November	\$117,992	\$123,260	4.5%	\$119,162	3.4%
December	\$123,775	\$127,345	2.9%	\$122,706	3.8%
January	\$121,125	\$129,293	6.7%	\$125,535	3.0%
February	\$123,478	\$124,621	0.9%	\$126,051	-1.1%
Subtotal	\$959,259	\$1,005,053	4.8%	\$979,446	2.6%
March				\$123,163	
April				\$136,067	
May				\$122,748	
June				\$128,777	
Total	\$1,455,779	\$1,005,053		\$1,490,201	

REGIONAL AREA ROAD FUND (RARF) THROUGH JANUARY 31, 2019

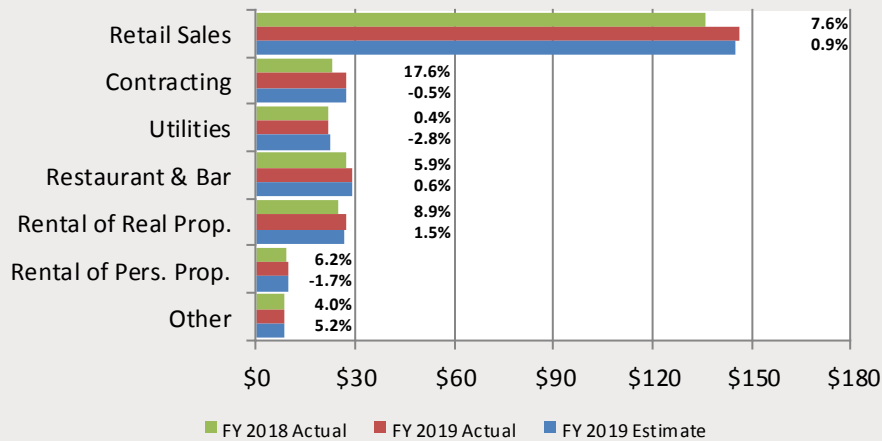
Highlights

- Year-to-date FY 2019 RARF revenues through January surpassed the same period of FY 2018 by 7.7 percent and were 0.5 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 7.6 percent year-to-date when compared to the same period of the last fiscal year.
- Year-to-date RARF contracting revenues increased 17.6 percent compared to the same period of the last fiscal year, and were 0.5 percent below forecast. The interest rate on 30 year mortgages in January 2019 was 4.46 percent, higher than the 4.03 percent experienced in January 2018.

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%
December	\$35,459	\$38,845	9.5%	\$38,212	1.7%
January	\$41,557	\$44,292	6.6%	\$44,576	-0.6%
Subtotal	\$251,002	\$270,222	7.7%	\$268,765	0.5%
February				\$37,032	
March				\$38,242	
April				\$42,912	
May				\$39,444	
June				\$40,005	
Total	\$438,654	\$270,222		\$466,400	

INVESTMENT PERFORMANCE THROUGH JANUARY 31, 2019 (\$ IN THOUSANDS)

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	January		Year-to-date (YTD)	
				Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2							
Highway	\$218,972	\$214,089	97.77%	\$430	2.37%	\$2,342	2.12%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$446,619	\$446,137	99.89%	\$898	2.37%	\$5,445	2.12%
HURF Bond Redemption	\$53,271	\$52,647	98.83%	\$106	2.37%	\$520	2.12%
HURF 2013A Proceeds	\$3	\$0	0.00%	\$0	2.37%	\$0	2.12%
Other/1	\$123,865	\$119,726	96.66%	\$244	2.37%	\$1,419	2.12%
Subtotal	\$842,729	\$832,600	98.80%	\$1,678	2.37%	\$9,726	2.12%
Pool 3 Revised							
HELP/2	\$30,807	\$30,807	100.00%	\$66	2.53%	\$415	2.29%
Other/3	\$10,144	\$10,060	99.17%	\$22	2.53%	\$124	2.29%
Subtotal	\$40,951	\$40,867	99.79%	\$88	2.53%	\$539	2.29%
Pool 4							
RARF Bond Redemption	\$63,089	\$62,425	98.95%	\$133	2.51%	\$503	2.15%
RARF 2018 Proceeds	\$161,090	\$160,627	99.71%	\$345	2.51%	\$2,151	2.15%
Regional Area Road Fund	\$473,933	\$471,335	99.45%	\$1,004	2.51%	\$5,690	2.15%
Subtotal	\$698,112	\$694,388	99.47%	\$1,481	2.51%	\$8,343	2.15%
Total	\$1,581,792	\$1,567,855	99.12%	\$3,248	2.44%	\$18,608	2.14%

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.