

FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
MAY 17, 2019

ECONOMIC HIGHLIGHTS

Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 4.4 percent higher in March 2019 than in March 2018.
- The U.S. Energy Information Administration reported the price of West Coast No. 2 diesel was \$3.51 per gallon in March 2019, up from \$3.40 per gallon in March 2018. The Arizona average price per gallon for regular unleaded gas was \$2.70 in March 2019, compared to \$2.56 in March 2018.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, was 5.0 percent in March 2019, up from 4.8 percent in March 2018.

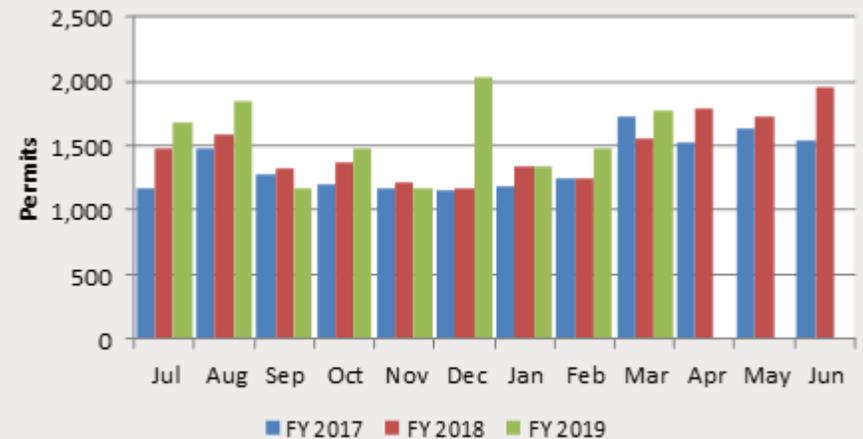
Greater Phoenix Area Indicators

- The number of new single-family building permits issued in Maricopa County in March 2019 grew 13.7 percent compared to the same month of 2018.
- The monthly employment report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 13,800 jobs year-over-year from March 2018 to March 2019, an increase of 11.4 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.1 percent in March 2019, unchanged from 4.1 percent in March 2018.

Container Statistics for Port of LA and Port of Long Beach



Maricopa County New Single-family Building Permits

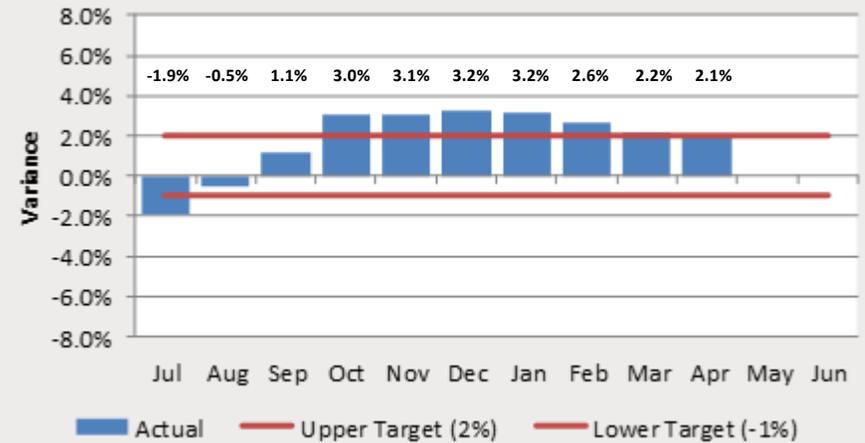


HIGHWAY USER REVENUE FUND (HURF) THROUGH APRIL 30, 2019

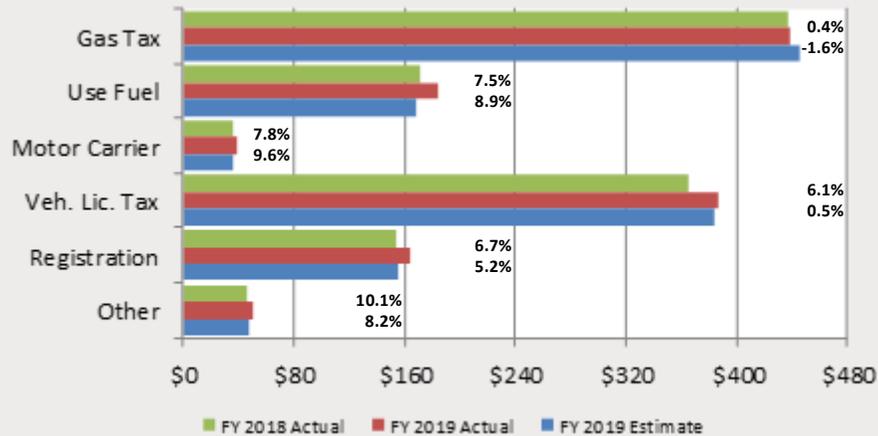
Highlights

- FY 2019 HURF revenues are 2.1 percent above forecast year-to-date and are 4.5 percent above the same period in FY 2018.
- Gas tax revenues have increased 0.4 percent from FY 2018 to FY 2019 year-to-date. Gas tax collections are 1.6 percent below forecast year-to-date.
- Most of the \$25.6 million variance from forecast year-to-date is due to higher than expected use fuel revenues (\$15.0 million difference) and higher than expected registration revenues (\$8.1 million difference).

Variance from Forecast Year-to-date



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



Monthly Comparison (\$ in Thousands)

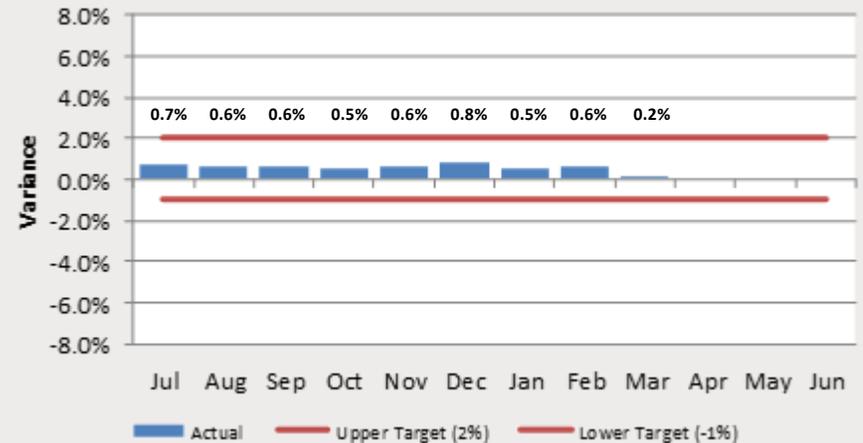
	FY 2018 Actual	FY 2019 Actual	Change	FY 2019 Estimate	Change
July	\$119,155	\$121,456	1.9%	\$123,853	-1.9%
August	\$114,333	\$120,681	5.6%	\$119,475	1.0%
September	\$120,553	\$127,674	5.9%	\$122,310	4.4%
October	\$118,848	\$130,724	10.0%	\$120,354	8.6%
November	\$117,992	\$123,260	4.5%	\$119,162	3.4%
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%
March	\$117,775	\$121,325	3.0%	\$123,163	-1.5%
April	\$132,783	\$137,886	3.8%	\$136,067	1.3%
Subtotal	\$1,209,817	\$1,264,264	4.5%	\$1,238,676	2.1%
May	\$118,097			\$0	
June	\$127,865			\$0	
Total	\$1,455,779	\$1,264,264		\$1,238,676	

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

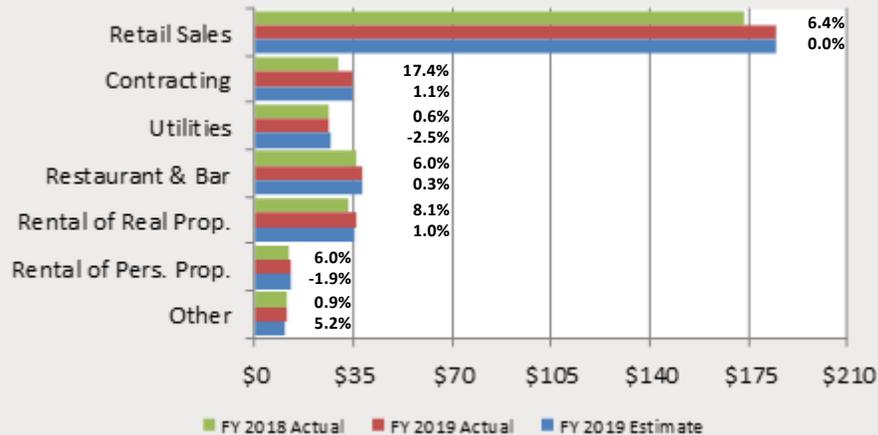
Highlights

- Year-to-date FY 2019 RARF revenues through March surpassed the same period of FY 2018 by 6.9 percent and were 0.2 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 6.4 percent year-to-date when compared to the same period of the last fiscal year.
- Year-to-date RARF contracting revenues increased 17.4 percent compared to the same period of the last fiscal year, and were 1.1 percent above forecast. The interest rate on 30 year mortgages in March 2019 was 4.44 percent, higher than the 4.27 percent experienced in March 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%
February	\$35,485	\$37,530	5.8%	\$37,032	1.3%
March	\$35,962	\$36,890	2.6%	\$38,242	-3.5%
Subtotal	\$322,449	\$344,642	6.9%	\$344,039	0.2%
April	\$41,265			\$0	
May	\$37,027			\$0	
June	\$37,914			\$0	
Total	\$438,654	\$344,642		\$344,039	

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

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	March		Year-to-date (YTD)	
				Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2							
Highway	\$231,182	\$225,446	97.52%	\$445	2.34%	\$3,203	2.17%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$452,615	\$451,869	99.84%	\$898	2.34%	\$7,173	2.17%
HURF Bond Redemption	\$79,776	\$79,152	99.22%	\$156	2.34%	\$794	2.17%
GANS 2017A Proceeds	\$7,911	\$7,839	99.10%	\$16	2.34%	\$233	2.17%
Other/1	\$112,612	\$106,716	94.76%	\$216	2.34%	\$1,619	2.17%
Subtotal	\$884,096	\$871,023	98.52%	\$1,731	2.34%	\$13,022	2.17%
Pool 3 Revised							
HELP/2	\$30,982	\$30,982	100.00%	\$67	2.56%	\$543	2.35%
Other/3	\$8,898	\$8,829	99.22%	\$19	2.56%	\$163	2.35%
Subtotal	\$39,880	\$39,811	99.83%	\$87	2.56%	\$706	2.35%
Pool 4							
RARF Bond Redemption	\$91,346	\$90,682	99.27%	\$189	2.46%	\$836	2.23%
RARF 2018 Proceeds	\$112,209	\$112,188	99.98%	\$235	2.46%	\$2,660	2.23%
Regional Area Road Fund	\$483,609	\$481,308	99.52%	\$1,005	2.46%	\$7,618	2.23%
Subtotal	\$687,164	\$684,178	99.57%	\$1,428	2.46%	\$11,115	2.23%
Total	\$1,611,140	\$1,595,011	99.00%	\$3,246	2.40%	\$24,843	2.20%

Source: State Treasurer's Office Statement of Accounts.

/1 Pool 2 Other includes HURF, HURF 2013A Proceeds, 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.