

FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
OCTOBER 18, 2019

ECONOMIC HIGHLIGHTS

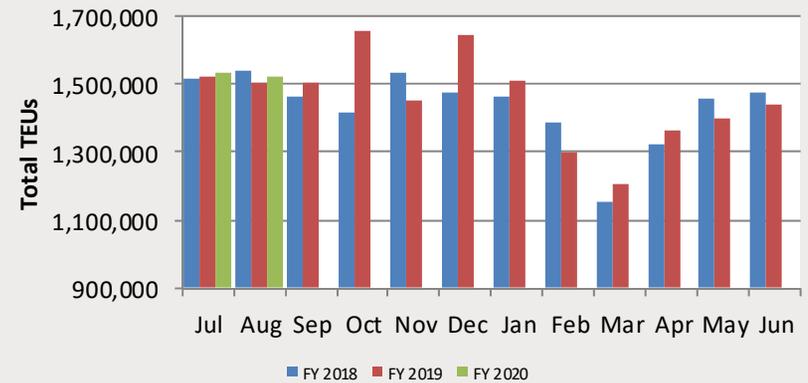
Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 1.3 percent higher in August 2019 than in August 2018.
- The U.S. Energy Information Administration reported the price of West Coast No. 2 diesel was \$3.58 per gallon in August 2019, down from \$3.71 per gallon in August 2018. The Arizona average price per gallon for regular unleaded gas was \$2.82 in August 2019, compared to \$2.86 in August 2018.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, was 5.0 percent in August 2019, up from 4.8 percent in August 2018.

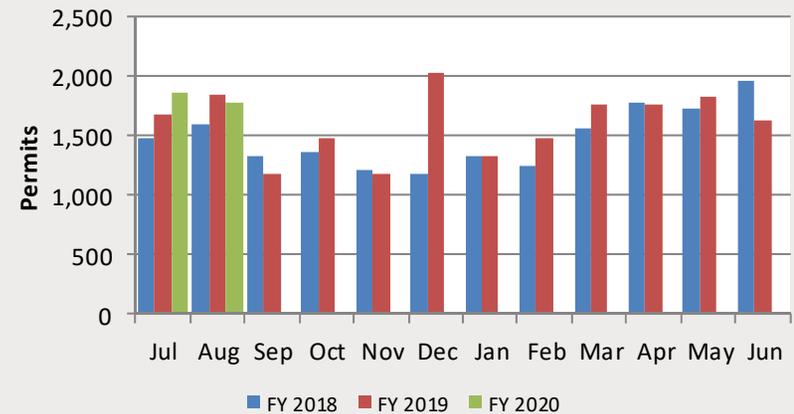
Greater Phoenix Area Indicators

- The number of new single-family building permits issued in Maricopa County in August 2019 was down 4.3 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 11,000 jobs year-over-year from August 2018 to August 2019, an increase of 8.7 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.7 percent in August 2019, up from 4.4 percent in August 2018.

Container Statistics for Port of LA and Port of Long Beach



Maricopa County New Single-family Building Permits

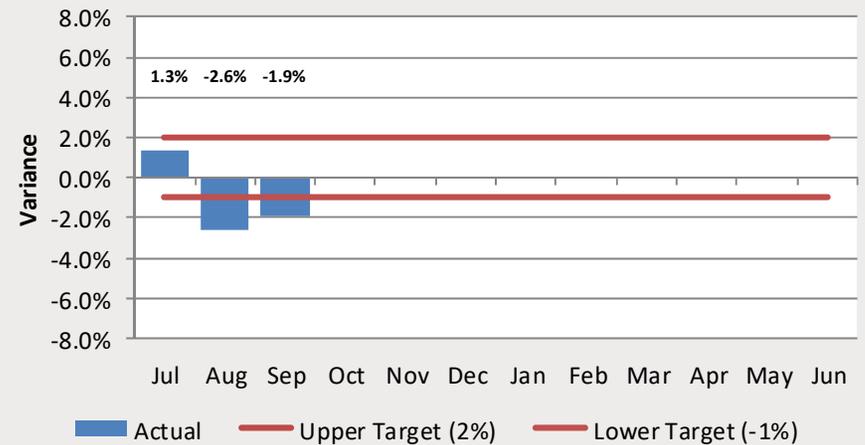


HIGHWAY USER REVENUE FUND (HURF) THROUGH SEPTEMBER 30, 2019

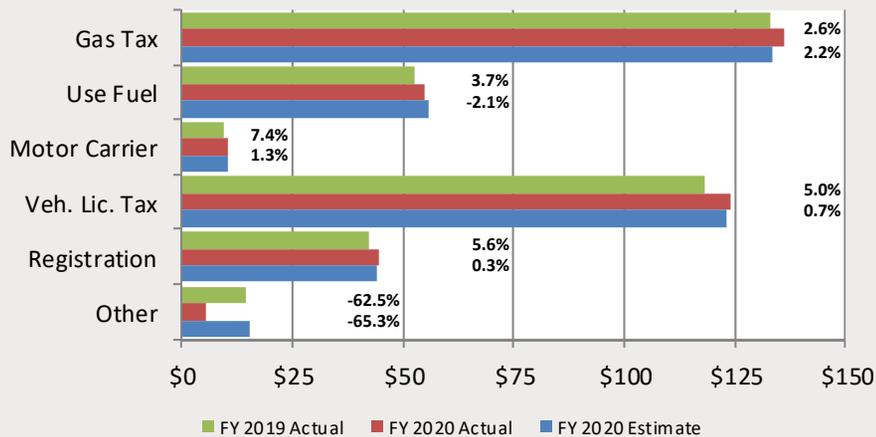
Highlights

- Year-to-date FY 2020 HURF revenues are 1.9 percent below forecast and 1.4 percent above the same period of FY 2019.
- Gas tax revenues have increased 2.6 percent year-to-date from FY 2019 to the same period of FY 2020. Year-to-date FY 2020 gas tax collections are 2.2 percent above forecast.
- Year-to-date, vehicle license tax revenues have increased 5.0 percent from FY 2019 to FY 2020 and are 0.7 percent above forecast.

Variance from Forecast Year-to-date



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



Monthly Comparison (\$ in Thousands)

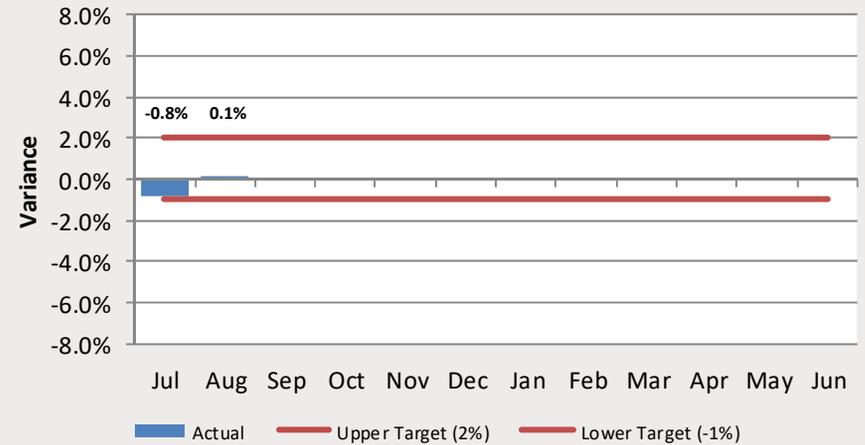
	FY 2019 Actual	FY 2020 Actual	Change	FY 2020 Estimate	Change
July	\$121,456	\$131,728	8.5%	\$130,016	1.3%
August	\$120,681	\$115,207	-4.5%	\$123,625	-6.8%
September	\$127,674	\$128,192	0.4%	\$128,799	-0.5%
Subtotal	\$369,811	\$375,126	1.4%	\$382,440	-1.9%
October		\$130,724		\$0	
November		\$123,260		\$0	
December		\$127,345		\$0	
January		\$129,293		\$0	
February		\$124,621		\$0	
March		\$121,325		\$0	
April		\$137,886		\$0	
May		\$120,066		\$0	
June		\$135,891		\$0	
Total	\$1,520,221	\$375,126		\$382,440	

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

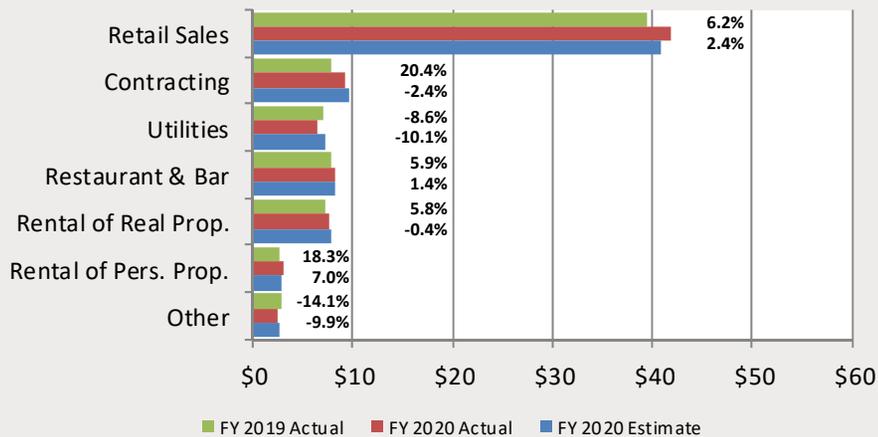
Highlights

- Year-to-date FY 2020 RARF revenues through August surpassed the same period of FY 2018 by 5.9 percent and were 0.1 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 6.2 percent year-to-date when compared to the same period of the last fiscal year.
- Restaurant and Bar revenues grew 5.9 percent year-to-date when compared to the same period of the last fiscal year.
- Year-to-date contracting revenues increased 20.4 percent compared to the same period of the last fiscal year. The 30 year mortgage interest rate in August 2019 was 3.77 percent, lower than the 4.55 percent experienced in August 2018.

Variance from Forecast Year-to-date



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



Monthly Comparison (\$ in Thousands)

	FY 2019 Actual	FY 2020 Actual	Change	FY 2020 Estimate	Change
July	\$37,953	\$39,782	4.8%	\$40,099	-0.8%
August	\$36,854	\$39,410	6.9%	\$39,053	0.9%
Subtotal	\$74,807	\$79,192	5.9%	\$79,152	0.1%
September				\$0	
October				\$0	
November				\$0	
December				\$0	
January				\$0	
February				\$0	
March				\$0	
April				\$0	
May				\$0	
June				\$0	
Total	\$468,620	\$79,192		\$79,152	

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

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	August		Year-to-date (YTD)	
				Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2							
Highway	\$233,051	\$226,354	97.13%	\$427	2.21%	\$880	2.27%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$415,082	\$413,080	99.52%	\$780	2.21%	\$1,642	2.27%
HURF Bond Redemption	\$20,638	\$20,043	97.12%	\$38	2.21%	\$51	2.27%
GANS 2019A Proceeds	\$50,311	\$48,029	95.46%	\$91	2.21%	\$199	2.27%
Other/1	\$133,771	\$129,953	97.15%	\$247	2.21%	\$510	2.27%
Subtotal	\$852,853	\$837,459	98.19%	\$1,583	2.21%	\$3,283	2.27%
Pool 3 Revised							
HELP/2	\$1,198	\$1,198	100.00%	\$2	2.41%	\$5	2.44%
Other/3	\$9,331	\$9,240	99.03%	\$19	2.41%	\$39	2.44%
Subtotal	\$10,529	\$10,439	99.14%	\$21	2.41%	\$44	2.44%
Pool 4							
Local Agency Deposits	\$11,450	\$10,603	92.60%	\$21	2.43%	\$21	2.44%
RARF Bond Redemption	\$20,649	\$20,056	97.13%	\$42	2.43%	\$56	2.44%
Regional Area Road Fund	\$473,666	\$470,980	99.43%	\$972	2.43%	\$1,934	2.44%
Subtotal	\$505,765	\$501,640	99.18%	\$1,035	2.43%	\$2,011	2.44%
Total	\$1,369,148	\$1,349,537	98.57%	\$2,639	2.30%	\$5,338	2.33%

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.