

# Arizona State Transportation Board Financial Report

Presentation by: Kristine Ward, CFO

September 15, 2023

# Revenue Report:

## Highway User Revenue Fund (HURF)



**GAS TAX**

Aug: 6.5%, strong growth  
FY 2024: 7.6%, strong growth

**DIESEL TAX**

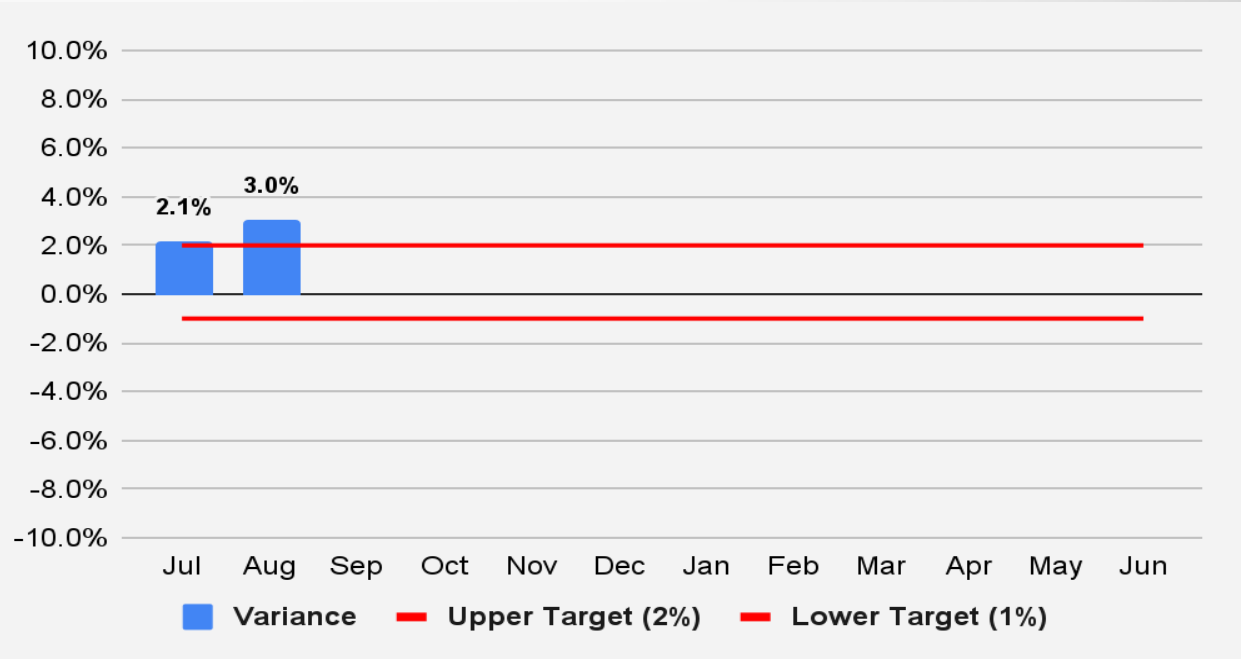
Aug: 35.1%, strong growth  
FY 2024: 9.8%, strong growth

**VLT**

Aug: 2.4%, moderate growth  
FY 2024: 4.3%, moderate growth

**REGISTRATION**

Aug: -9.3%, strong decline  
FY 2024: -3.5%, strong decline



# Highway User Revenue Fund (HURF): Revenue Forecast vs. Actual

| Revenue Category    | August           |                  |                              |                     |                                    |
|---------------------|------------------|------------------|------------------------------|---------------------|------------------------------------|
|                     | FY 2023 Actual   | FY 2024 Actual   | FY 2023-<br>FY 2024<br>% Chg | FY 2024<br>Forecast | FY 2024<br>% Diff from<br>Forecast |
| Gas Tax             | \$43,267         | \$46,083         | 6.5%                         | \$44,220            | 4.2%                               |
| Use Fuel            | 14,737           | 19,915           | 35.1%                        | 14,940              | 33.3%                              |
| Vehicle License Tax | 45,734           | 46,852           | 2.4%                         | 46,650              | 0.4%                               |
| Smart & Safe AZ     | 0                | 0                | 0.0%                         | 0                   | 0.0%                               |
| Motor Carrier       | 4,401            | 3,859            | -12.3%                       | 4,420               | -12.7%                             |
| Registration        | 19,120           | 17,335           | -9.3%                        | 18,830              | -7.9%                              |
| Other               | 4,008            | 4,665            | 16.4%                        | 4,380               | 6.5%                               |
| <b>Total</b>        | <b>\$131,267</b> | <b>\$138,709</b> | <b>5.7%</b>                  | <b>\$133,440</b>    | <b>3.9%</b>                        |

# Revenue Report:

## Regional Area Road Fund (RARF)



### RETAIL SALES

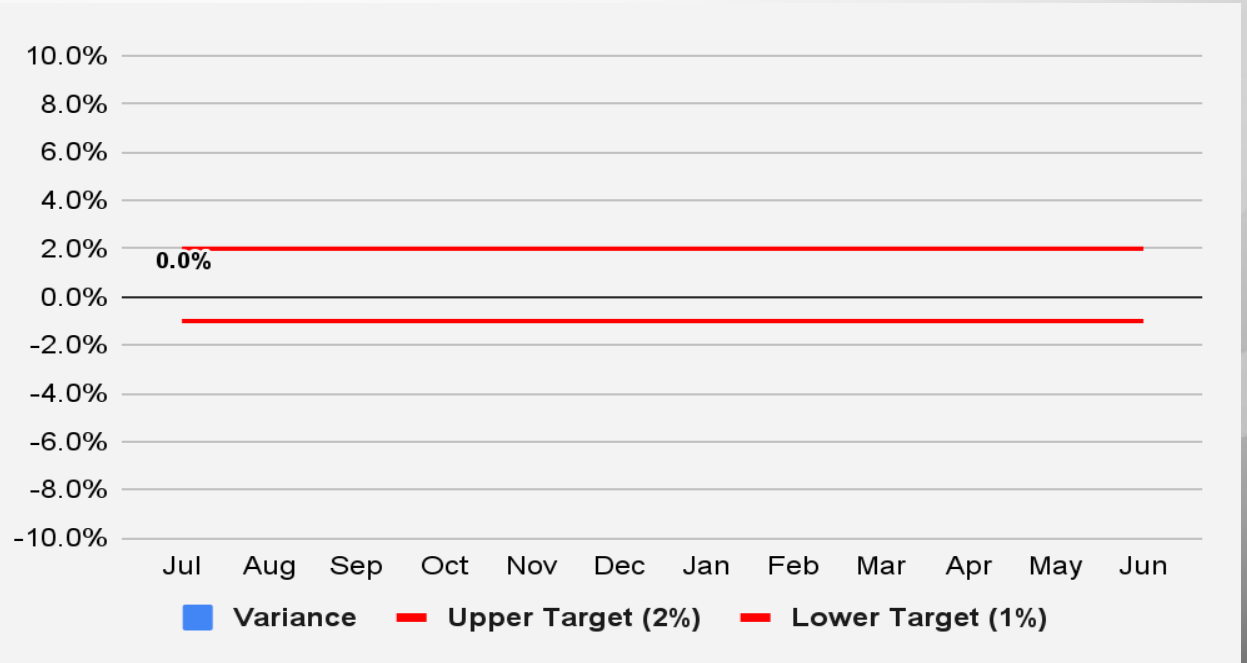
Jul: -2.7%, strong decline  
FY 2024: -2.7%, strong decline

### CONTRACTING

Jul: 15.6%, moderate growth  
FY 2024: 15.6%, moderate growth

### RESTAURANT & BAR

Jul: 9.3%, moderate growth  
FY 2024: 9.3%, moderate growth



# Regional Area Road Fund (RARF): Revenue Forecast vs. Actual

| Revenue Category            | July            |                 |                              |                     |                                    |
|-----------------------------|-----------------|-----------------|------------------------------|---------------------|------------------------------------|
|                             | FY 2023 Actual  | FY 2024 Actual  | FY 2023-<br>FY 2024<br>% Chg | FY 2024<br>Forecast | FY 2024<br>% Diff from<br>Forecast |
| Retail Sales                | \$34,314        | \$33,380        | -2.7%                        | \$33,380            | 0.0%                               |
| Contracting                 | 7,211           | 8,332           | 15.6%                        | 8,330               | 0.0%                               |
| Utilities                   | 3,535           | 3,770           | 6.6%                         | 3,770               | 0.0%                               |
| Restaurant & Bar            | 5,533           | 6,046           | 9.3%                         | 6,040               | 0.1%                               |
| Rental of Real Property     | 5,044           | 5,526           | 9.6%                         | 5,520               | 0.1%                               |
| Rental of Personal Property | 2,039           | 2,147           | 5.3%                         | 2,140               | 0.3%                               |
| Other                       | 1,512           | 1,427           | -5.6%                        | 1,420               | 0.5%                               |
| <b>Total</b>                | <b>\$59,187</b> | <b>\$60,627</b> | <b>2.4%</b>                  | <b>\$60,600</b>     | <b>0.0%</b>                        |

# Bond Transaction Results

At the July meeting, the Board authorized the Department to proceed with a 3 part transaction (defeasance, tender, new issue) that would result in paying off higher interest rate HURF Bonds and replacing them with new, lower interest rate HURF Bonds.

- \$40.2M in debt service savings over the term of the financing (FY24-FY36).
- 1st defeasance transaction ever completed by ADOT.
- 1st tender transaction conducted in Arizona.



Capital  
Markets

WELLS FARGO

J.P. Morgan

SQUIRE  
PATTON BOGGS

# August Redistribution

In August of each year, FHWA redistributes funding (obligation authority, OA) from states or programs that have not used all of their OA. The unused OA is redistributed to other states that demonstrate they can use all their current OA, and are able to use more OA in the current fiscal year.

- Funds must be obligated very quickly.
- Funds are typically obligated for projects already underway, thus freeing up funds in future years.
- August Redistribution estimates of \$35M are built into the FY2024 - FY2028 program revenue forecasts.

## Results:

- Arizona received \$225M in August Redistribution.
- Additional funds will be incorporated in the upcoming 5 Year Program revenue estimates.



# Questions

