



ARIZONA

— DEPARTMENT OF —
TRANSPORTATION

Arizona State Transportation Board

Financial Report

Presentation by: Tim Newton, Chief Financial Officer

January 16, 2026



Revenue Report:

Highway User Revenue Fund (HURF)



GAS TAX

- Dec: -0.2%, moderate decline
- FY 2026: -0.1%, moderate decline

DIESEL TAX

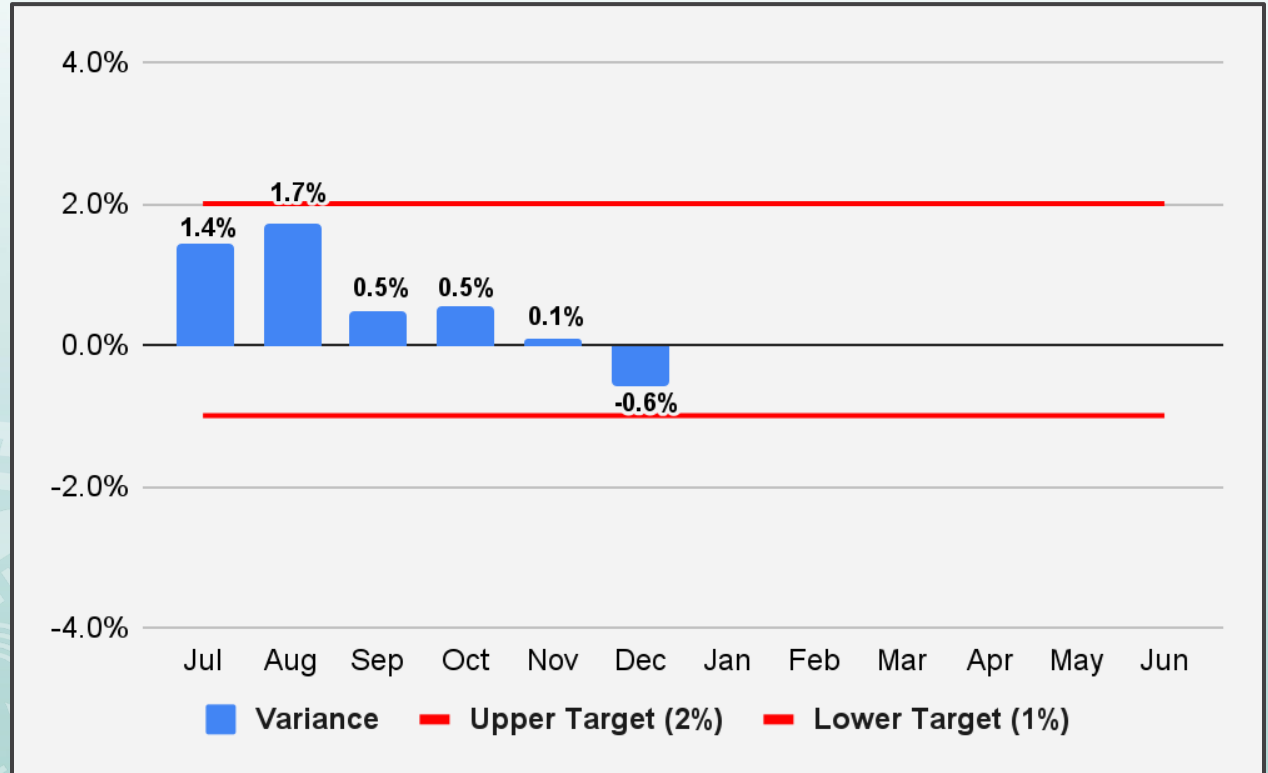
- Dec: -6.8%, strong decline
- FY 2026: 0.2%, moderate growth

VLT

- Dec: 6.6%, moderate growth
- FY 2026: 4.3%, moderate growth

REGISTRATION

- Dec: -2.5%, moderate decline
- FY 2026: -1.0%, strong decline



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

Revenue Category	December				
	FY 2025 Actual	FY 2026 Actual	FY 2025- FY 2026 % Chg	FY 2026 Forecast	FY 2026 % Diff from Forecast
Gas Tax	\$41,980	\$41,916	-0.2%	\$42,190	-0.6%
Use Fuel	24,383	22,722	-6.8%	24,750	-8.2%
Vehicle License Tax	43,745	46,634	6.6%	47,030	-0.8%
Smart & Safe AZ	20,954	20,127	-3.9%	21,540	-6.6%
Motor Carrier	5,198	4,780	-8.1%	5,300	-9.8%
Registration	19,307	18,822	-2.5%	20,070	-6.2%
Other	3,200	3,190	-0.3%	3,190	0.0%
Total	\$158,767	\$158,192	-0.4%	\$164,070	-3.6%

Revenue Report:

Regional Area Road Fund (RARF)



RETAIL SALES

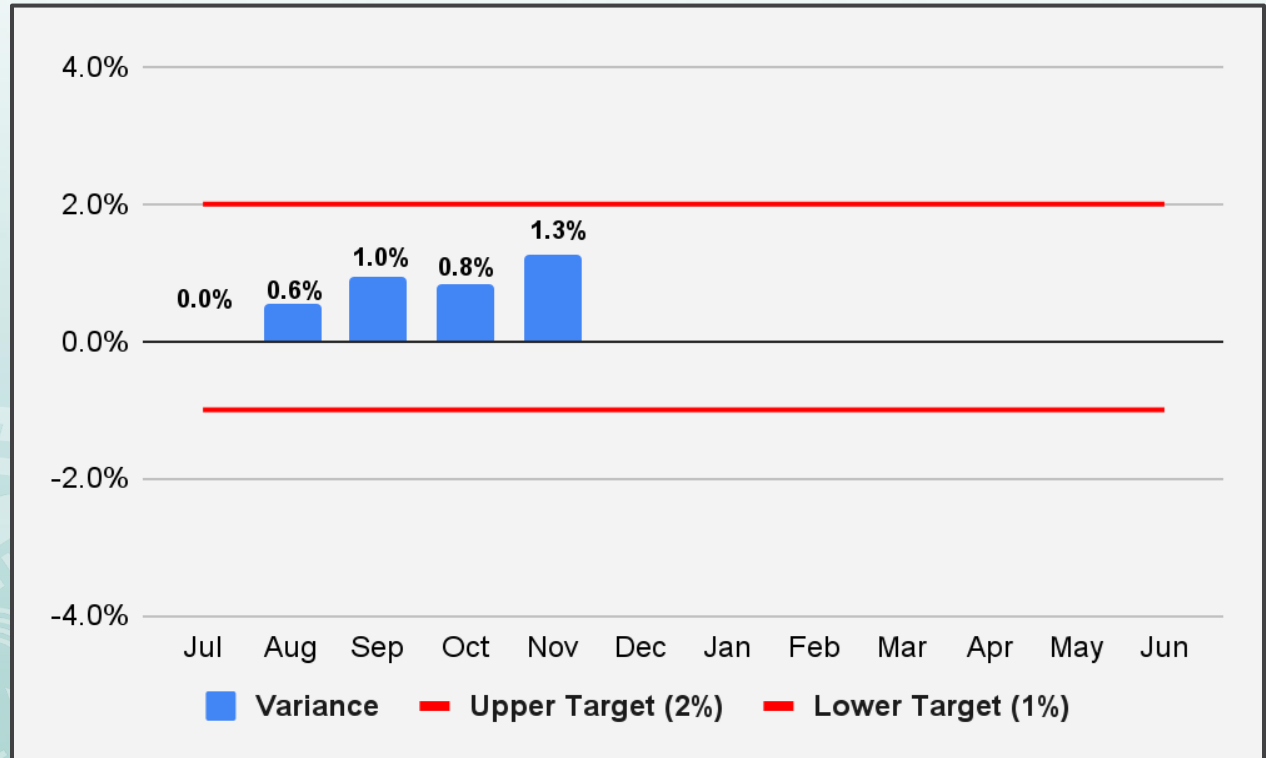
- Nov: 3.6%, moderate growth
- FY 2026: 4.4%, moderate growth

CONTRACTING

- Nov: -12.0%, strong decline
- FY 2026: -5.3%, moderate decline

RESTAURANT & BAR

- Nov: 4.7%, moderate growth
- FY 2026: 4.6%, moderate growth



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

Revenue Category	November				
	FY 2025 Actual	FY 2026 Actual	FY 2025- FY 2026 % Chg	FY 2026 Forecast	FY 2026 % Diff from Forecast
Retail Sales	\$33,737	\$34,948	3.6%	\$33,920	3.0%
Contracting	9,125	8,028	-12.0%	8,670	-7.4%
Utilities	4,361	4,338	-0.5%	4,250	2.1%
Restaurant & Bar	6,511	6,820	4.7%	6,640	2.7%
Rental of Real Property	6,183	7,388	19.5%	6,500	13.7%
Rental of Personal Property	2,606	3,247	24.6%	2,810	15.5%
Other	1,666	1,692	1.6%	1,690	0.1%
Total	\$64,190	\$66,460	3.5%	\$64,480	3.1%

Additional Updates

- **Federal Aid Program**



- **Debt Financing Program**
 - HURF Capacity
 - RARF Capacity

- **Cash Management**



Agenda Items 5 & 6:

Proposed HURF 2026 Bond Issue

- Refinance/Refunding Outstanding Bonds for Savings
 - Estimated Present Value Saving = \$31.3M
 - Refinance/Refund HURF 2016 (\$194M)
 - Pre-pay/Defease HURF 2020 bonds (\$191M) with State Highway Funds & replenish funds with lower cost HURF 2026 proceeds
 - Term: identical to currently outstanding bonds
- Issue \$500M New Money Bonds for Highway Construction Program
- Next steps (if authorized):
 - Meet with rating agencies in February
 - Anticipated sale in early March
 - Anticipated close/delivery early April