

# Arizona State Transportation Board

## Financial Report

Presentation by: Kristine Ward, CFO

July 11, 2014

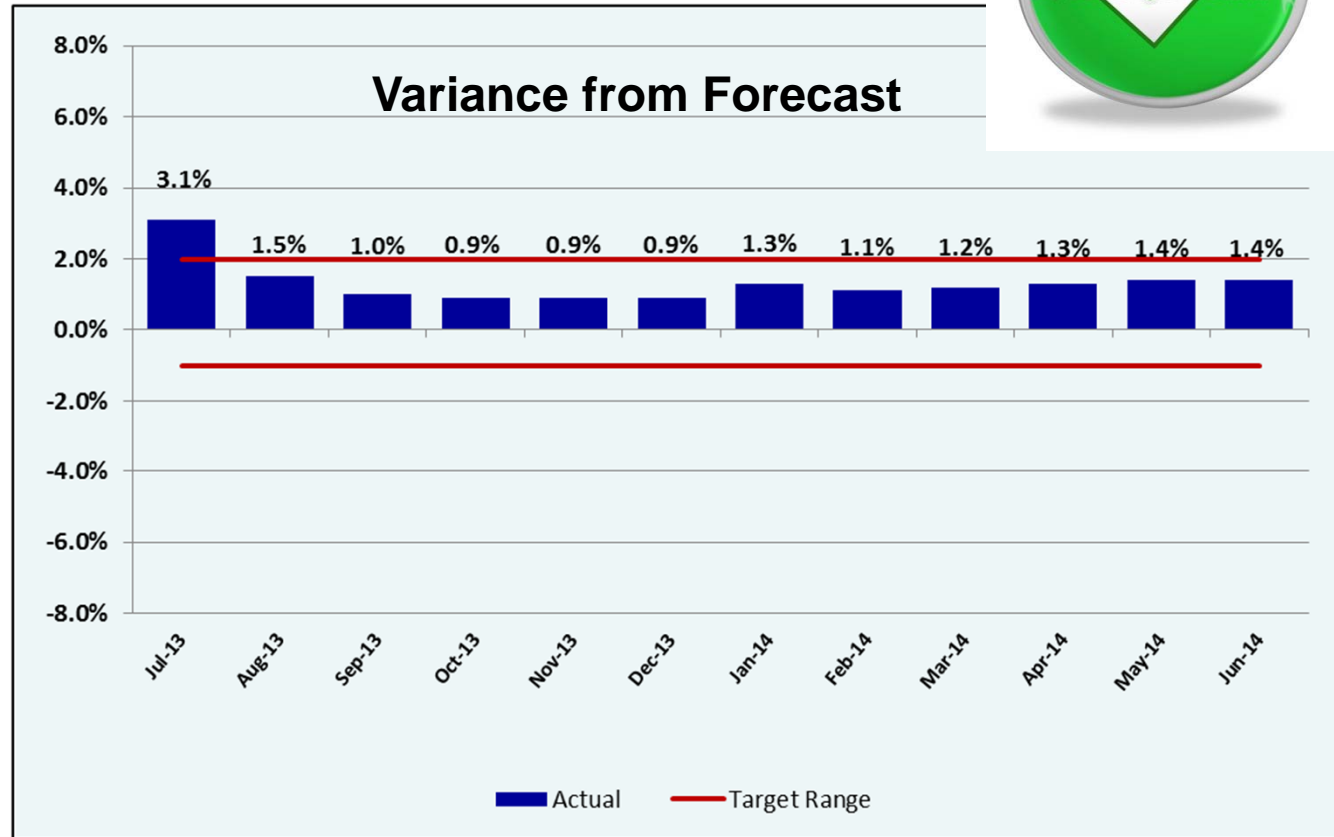
# Revenue Report:

## Highway User Revenue Fund (HURF)

### Status



- **FY2014 Revenues =**  
\$1,241.3B or 2.6%  
growth
- **Gas tax** – Weak growth  
(.8% YTD, \$456M)
- **Diesel tax** - Stagnate  
(-.5% YTD, \$176M)
- **VLT** - continues to be  
strong (6.7% YTD,  
\$348M)



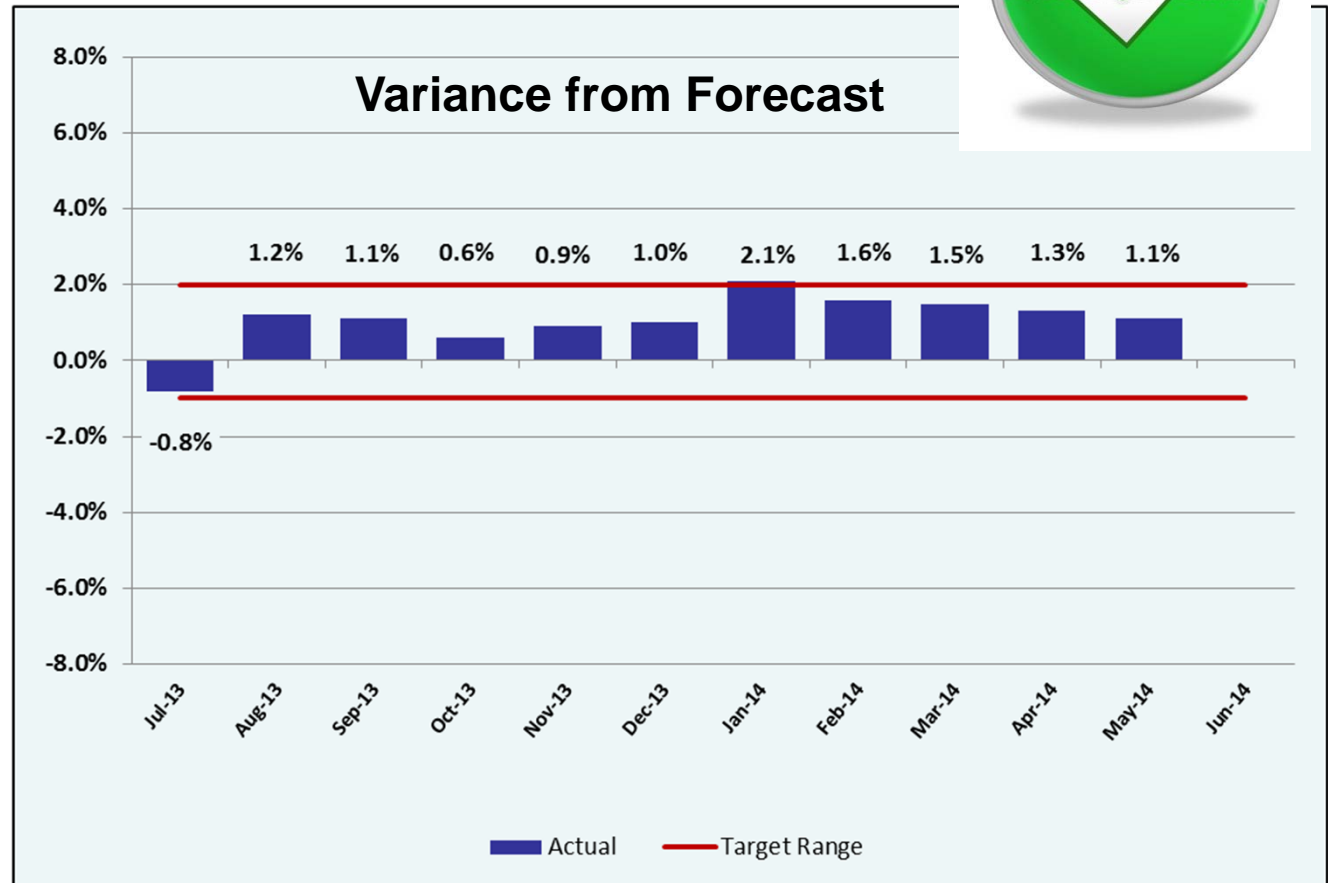
# Revenue Report:

## Regional Area Road Fund (RARF)

### Status



- **Retail sales** - strong growth (8.0% YTD)
- **Contracting** – diminished growth over last few months (15% YTD)



# Additional Updates

---

- **Federal Aid Program**



- **Debt Financing Program**

- HURF Capacity
- RARF Capacity

- **Cash Management**



# Federal Highway Trust Fund Status

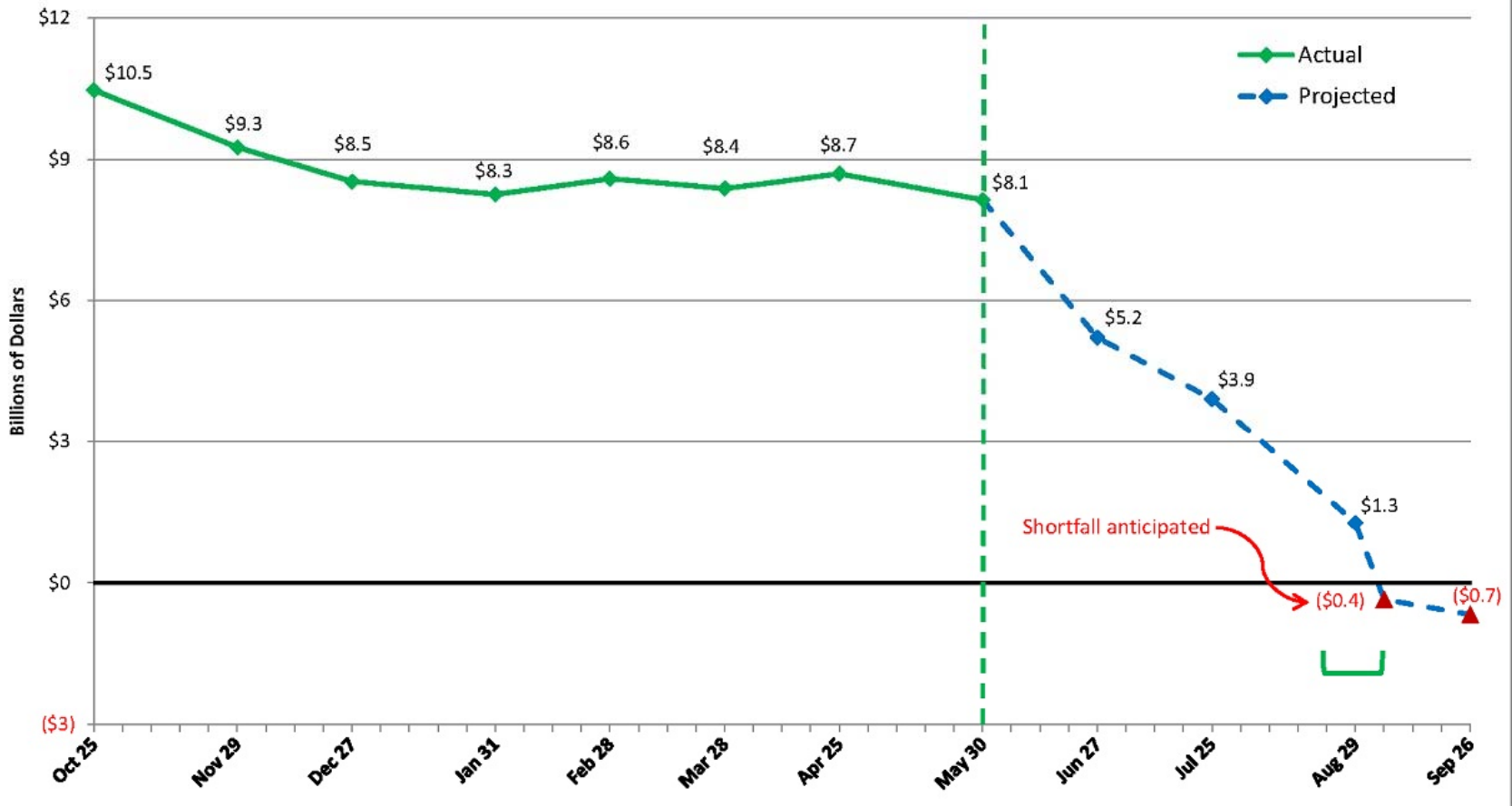
Presentation by: Kristine Ward, CFO  
ADOT Financial Management Services

# Agenda

- Status of the Highway Trust Fund (HTF)
- Latest from FHWA
- Financial Issues and Impacts

## FY 2014 Projected Estimates for End-of-Month Cash Balances (as of 5/30/2014) <sup>1/2/3/</sup>

### Highway Account of the Highway Trust Fund (Includes FHWA, FMCSA & NHTSA)



1/ Graph reflects actual data through 5/30/14 and end-of-month projections for the remainder of the fiscal year.

2/ Total receipt and outlay projections are based on FY 2015 President's Budget Baseline assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

Source: FHWA

# Latest from FHWA:

## Cash Management Procedures

- Effective August 1<sup>st</sup>, FHWA will begin making proportional reimbursements to the States based on the cash received into the HTF
- State's allocations of available revenues will be calculated twice a month in line with HTF deposits
- Reimbursement allocations will be weighted according to Arizona's apportionments compared to national apportionments, 1.86%
- Reimbursement requests above the allocation will be eligible for reimbursement when the next HTF deposit occurs
- Unused allocations remain available to the State



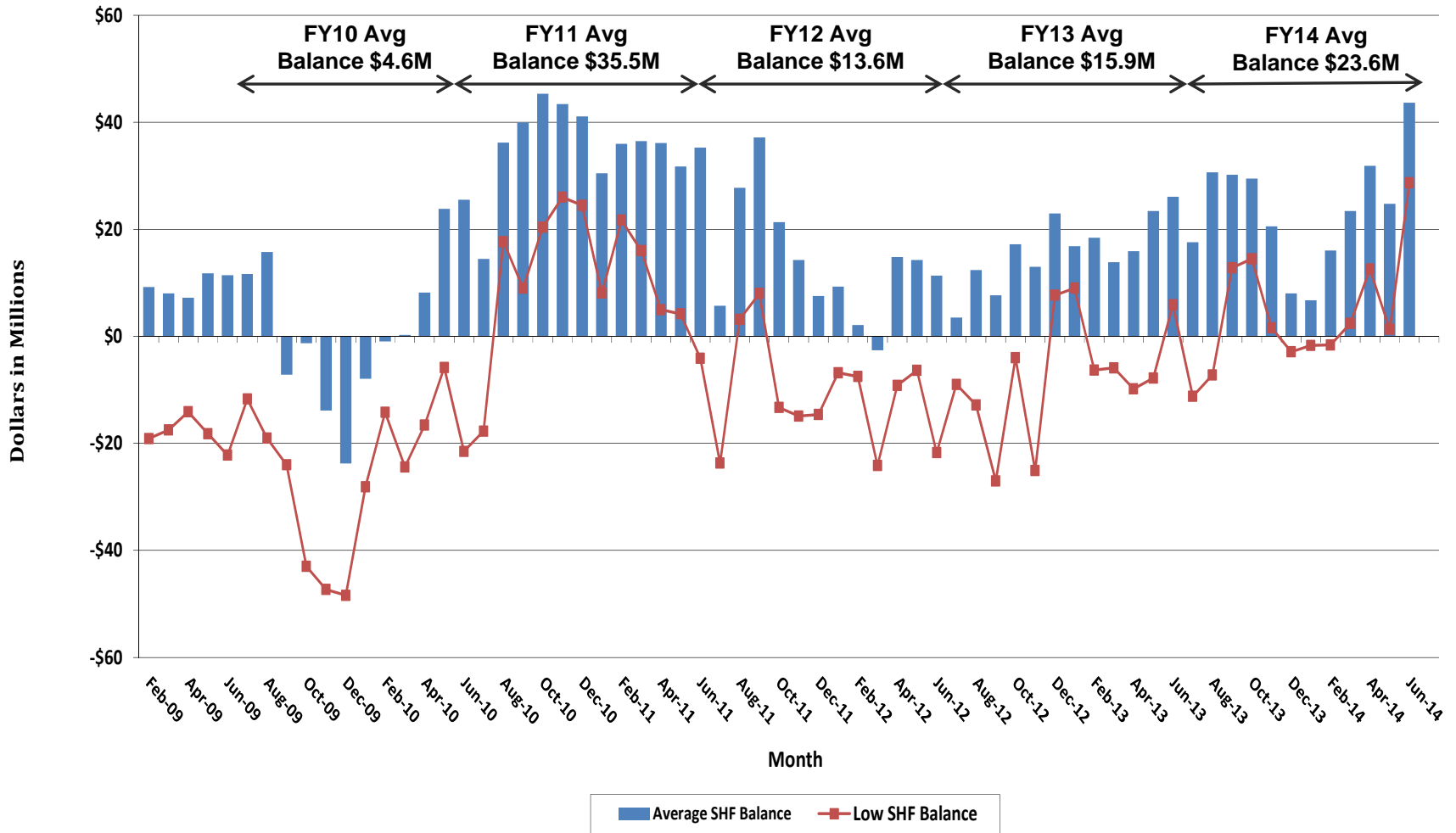
# Financial Impacts:

## Cash Flow Analysis

- Arizona averages \$63M in federal reimbursements per month in August-Sept
- There is a \$18.4M monthly gap between estimated expenditures and estimated reimbursements
- 3 funds are impacted by the delayed reimbursements:
  - State Highway Fund (SHF)
  - Regional Area Road Fund (RARF)
  - Local Agency Deposit Fund (LAD)

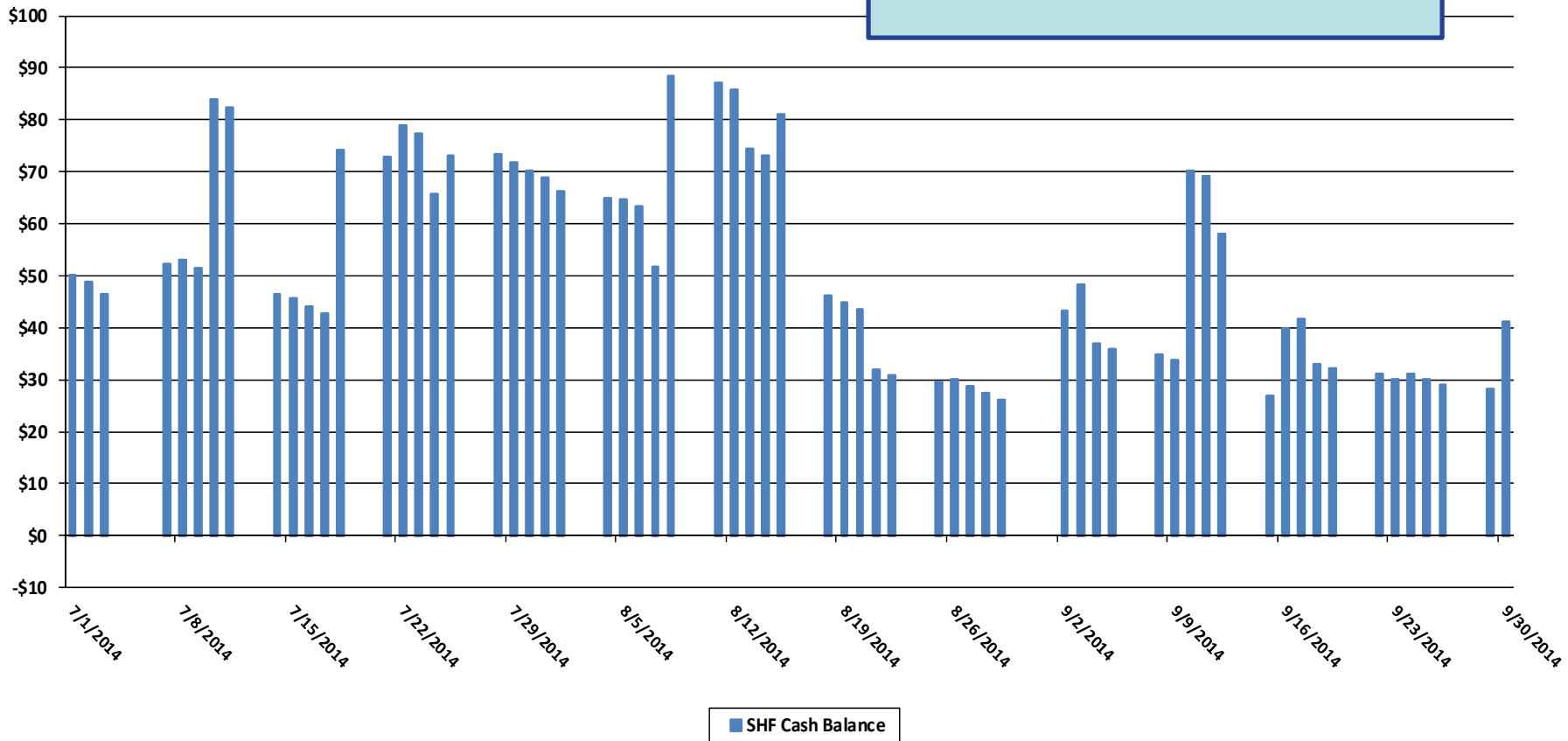
# State Highway Fund:

## Low and Average Cash Balance History



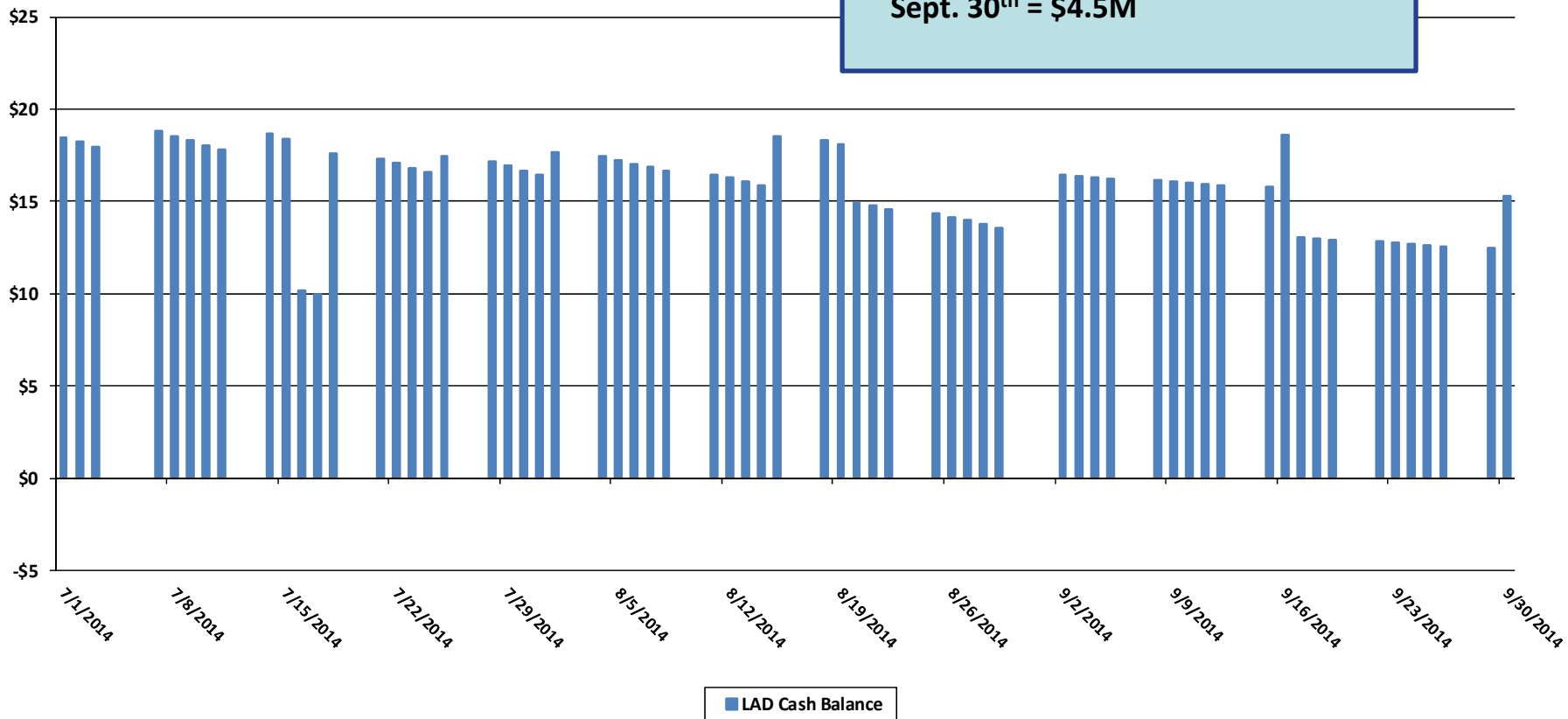
# State Highway Fund: Estimated Cash Balance

- Lowest balance is \$26.1M
- Average balance is \$28.7M
- Outstanding reimbursements as of Sept. 30<sup>th</sup> = \$25M



# LAD Fund: Estimated Daily Cash Balance

- Lowest balance is \$13.6M
- Average balance is \$15.4M
- Outstanding reimbursements as of Sept. 30<sup>th</sup> = \$4.5M



# Questions