

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

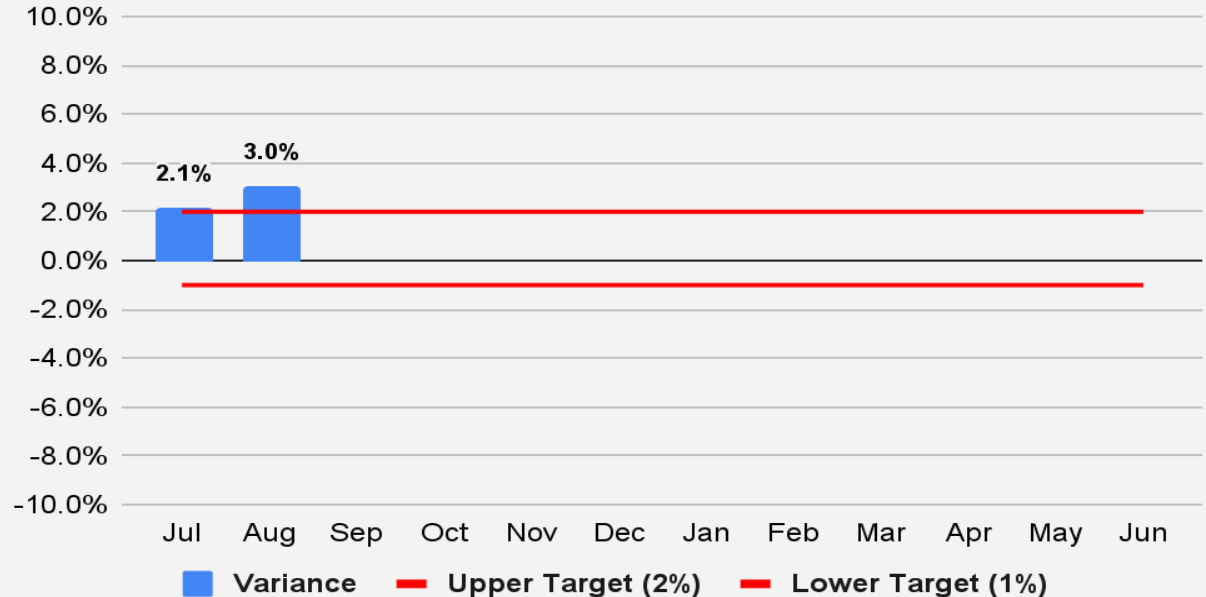
Aug: 35.1%, strong growth
FY 2024: 9.8%, strong growth

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- FY 2024 % Chg	FY 2024 Forecast	FY 2024 % Diff from 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%
Total	\$131,267	\$138,709	5.7%	\$133,440	3.9%

Revenue Report:

Regional Area Road Fund (RARF)



RETAIL SALES

Jul: -2.7%, strong decline

FY 2024: -2.7%, strong decline

CONTRACTING

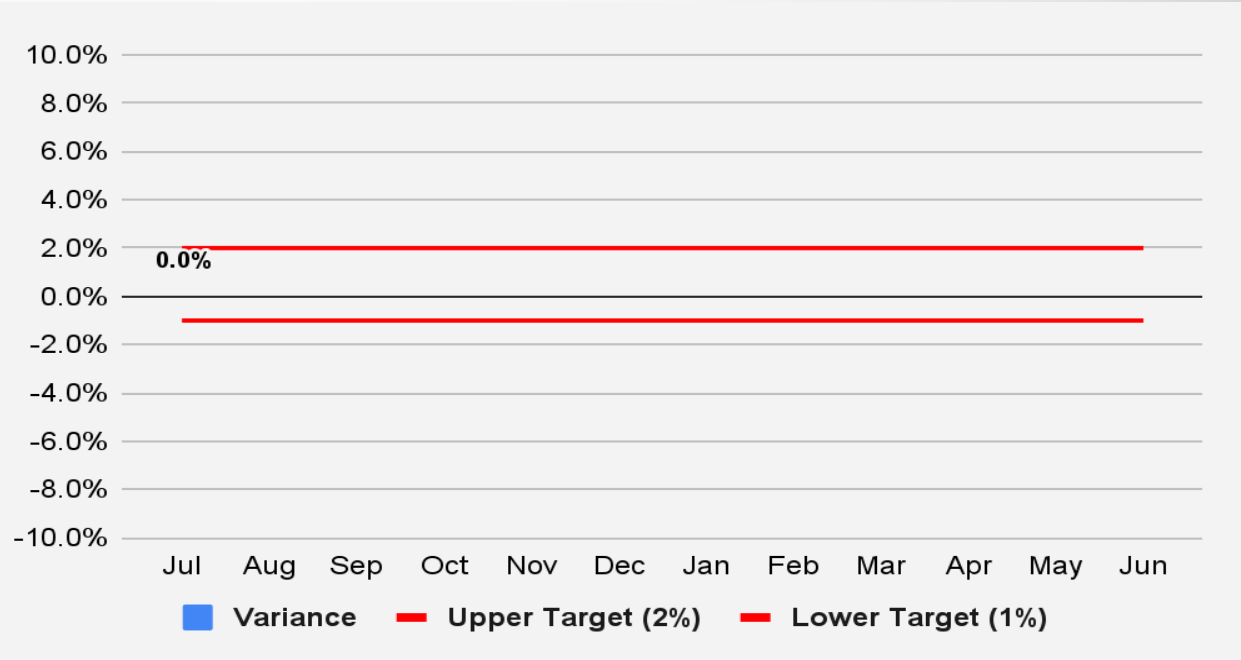
Jul: 15.6%, moderate growth

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- FY 2024 % Chg	FY 2024 Forecast	FY 2024 % Diff from 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%
Total	\$59,187	\$60,627	2.4%	\$60,600	0.0%

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

