FINANCIAL MANAGEMENT SERVICES

MONTHLY FINANCIAL REPORT

JULY 17, 2026

ECONOMIC HIGHLIGHTS

Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 24.1 percent higher in May 2026 than in May 2025. Imports surged at these ports during May, as retailers rushed in products before cargo ship owners start recouping higher fuel costs starting on July 1.
- The U.S. Energy Information Administration reported the price of West Coast No. 2 diesel was $6.55 per gallon in May 2026, up from $4.24 per gallon in May 2025.
- The Arizona average price per gallon for regular unleaded gas was $4.79 in May 2026, compared to $3.34 in May 2025.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, increased to 4.8 percent in May 2026, up from the 4.3 percent experienced in May 2025.

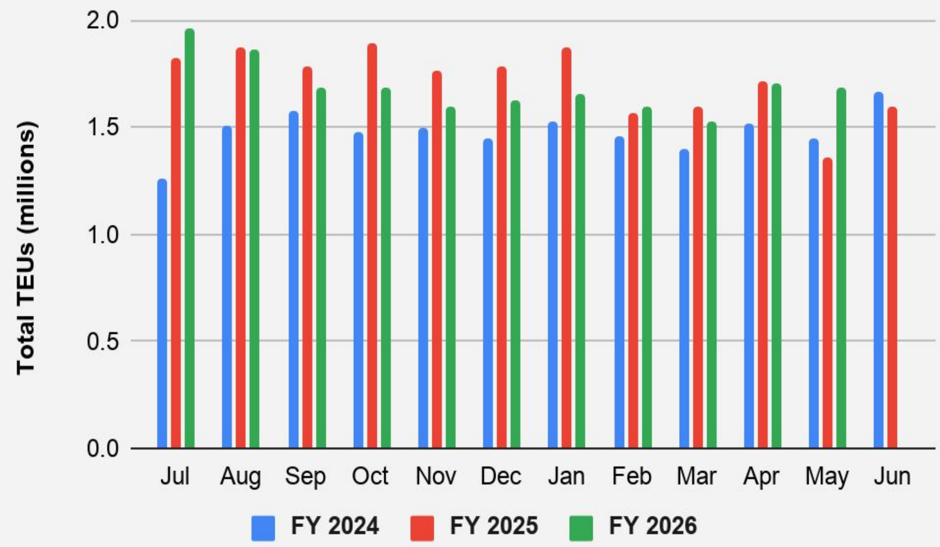
Greater Phoenix Area Indicators

The number of new single-family building permits issued in Maricopa County in May 2026 was down 13.9 percent compared to the same month of 2025.

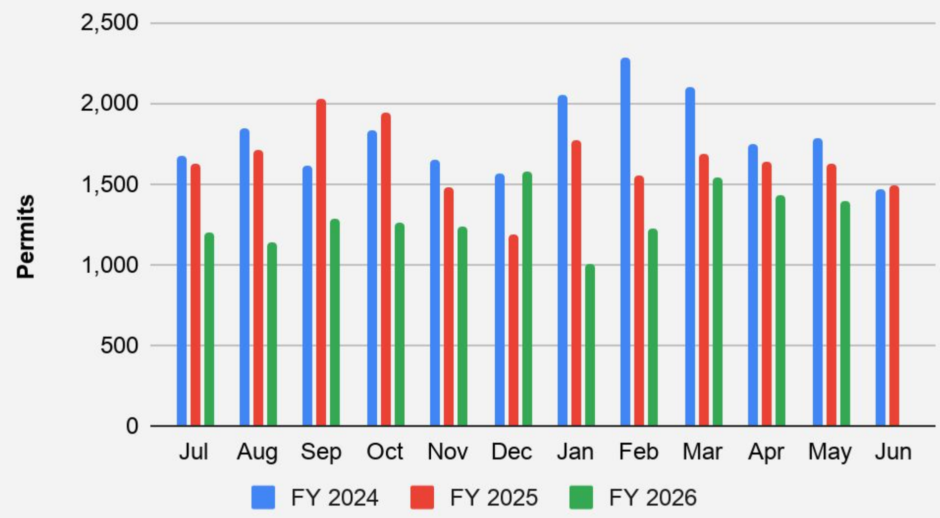
The monthly employment report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area lost 400 jobs year-over-year from May 2025 to May 2026, a decrease of 0.2 percent.

The Greater Phoenix Area unadjusted unemployment rate was 4.1 percent in May 2026, up from 3.7 percent in May 2025.

Container Statistics for Port of LA and Port of Long Beach



Maricopa County New Single-Family Building Permits

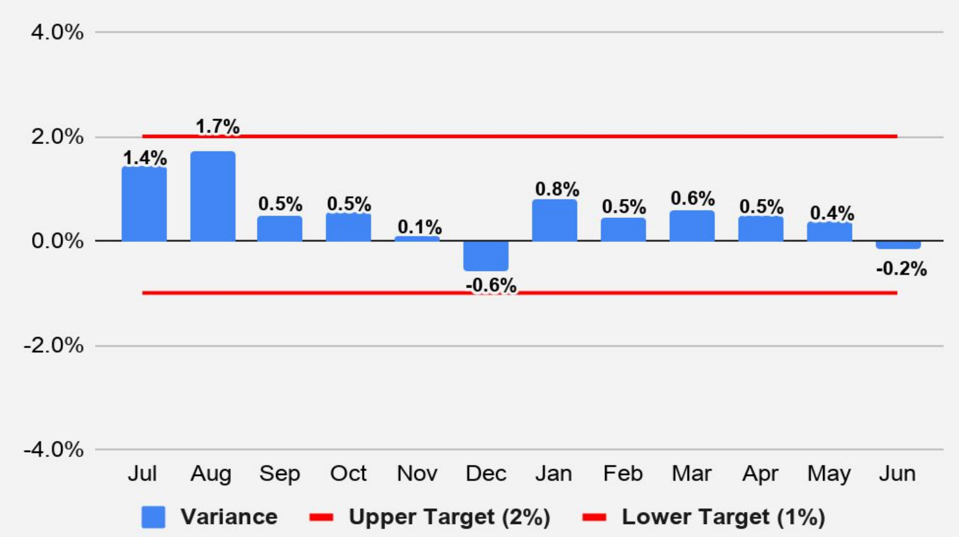


HIGHWAY USER REVENUE FUND (HURF) THROUGH JUNE 30, 2026

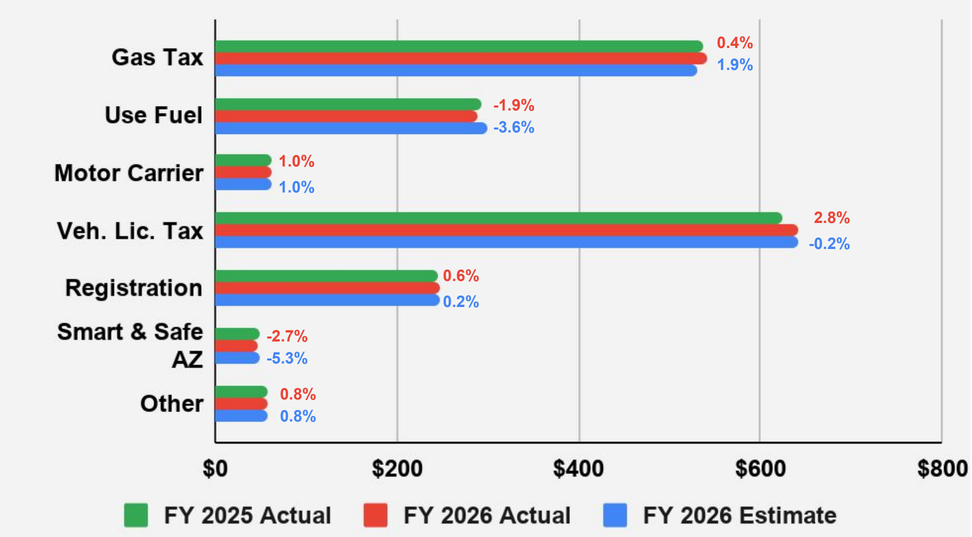
Highlights

- Year-to-date FY 2026 HURF revenues are 0.2 percent below forecast and 0.8 percent above the same period of FY 2025.
- Year-to-date gas tax revenues have increased 0.4 percent from FY 2025 to FY 2026 and are 1.9 percent above the forecast.
- Year-to-date vehicle license tax revenues have increased 2.8 percent from FY 2025 to FY 2026 and are 0.2 percent below the forecast.

Variance from Forecast Year-to-Date



Revenue Category Performance Year-to-Date ($ in Millions)



Monthly Comparison ($ in Thousands)

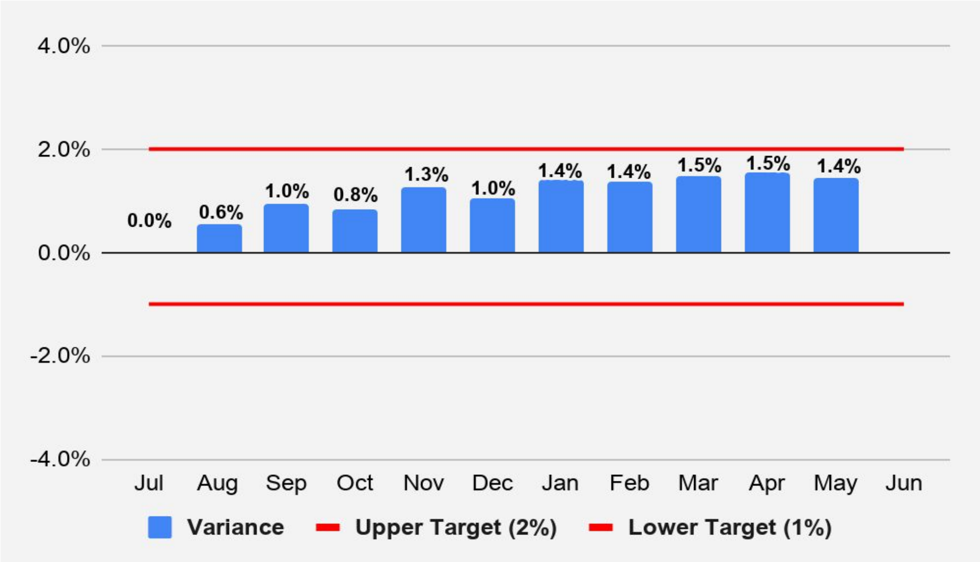
	FY 2025 Actual	FY 2026 Actual	% Change	FY 2026 Estimate	% Difference
July	$144,146	$147,798	2.5%	$145,710	1.4%
August	$142,236	$147,959	4.0%	$145,060	2.0%
September	$146,735	$148,927	1.5%	$151,790	-1.9%
October	$147,431	$148,897	1.0%	$147,820	0.7%
November	$146,840	$145,714	-0.8%	$148,350	-1.8%
December	$158,767	$158,192	-0.4%	$164,070	-3.6%
January	$154,933	$163,578	5.6%	$149,930	9.1%
February	$143,213	$143,138	-0.1%	$146,050	-2.0%
March	$158,104	$163,401	3.4%	$160,980	1.5%
April	$167,032	$166,420	-0.4%	$166,760	-0.2%
May	$147,793	$142,608	-3.5%	$143,990	-1.0%
June	$180,209	$176,045	-2.3%	$185,210	-4.9%
Total	**$1,837,439**	**$1,852,677**	**0.8%**	**$1,855,720**	**-0.2%**

REGIONAL AREA ROAD FUND (RARF) THROUGH MAY 31, 2026

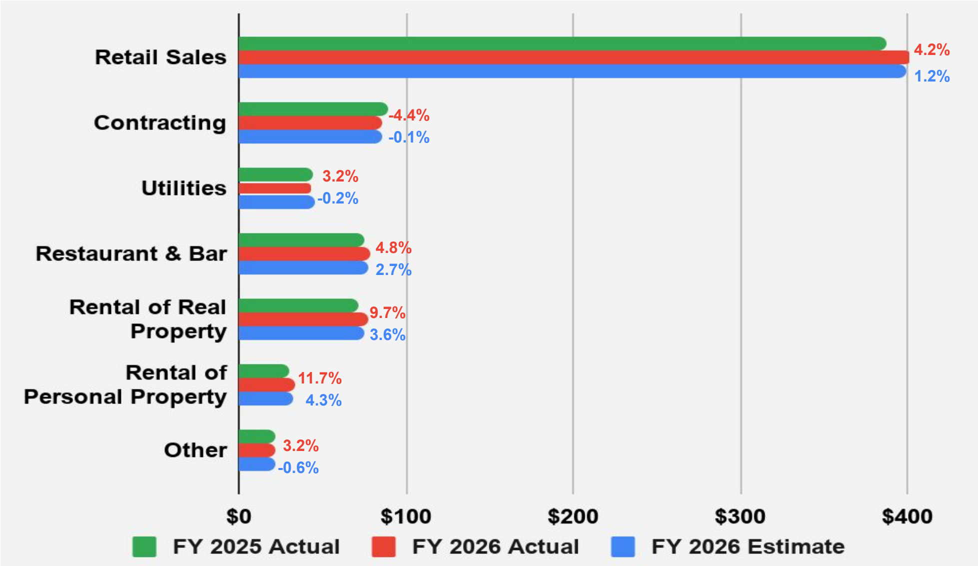
Highlights

- Year-to-date FY 2026 RARF revenues through May surpassed the same period of FY 2025 by 4 percent and were 1.4 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 4.2 percent year-to-date when compared to the same period of the last fiscal year.
- Restaurant and Bar revenues grew 4.8 percent year-to-date when compared to the same period of the last fiscal year.
- Contracting revenues decreased 4.4 percent year-to-date when compared to the same period of the last fiscal year.
- The 30 year mortgage interest rate in May 2026 was 6.44 percent, lower than the 6.82 percent experienced in May 2025.

Variance from Forecast Year-to-Date



Revenue Category Performance Year-to-Date ($ in Millions)



Monthly Comparison ($ in Thousands)

	FY 2025 Actual	FY 2026 Actual	% Change	FY 2026 Estimate	% Difference
July	$61,422	$65,627	6.8%	$65,610	0.0%
August	$61,355	$62,488	1.8%	$61,790	1.1%
September	$59,796	$62,768	5.0%	$61,680	1.8%
October	$63,450	$64,245	1.3%	$63,980	0.4%
November	$64,190	$66,460	3.5%	$64,480	3.1%
December	$63,511	$64,335	1.3%	$64,400	-0.1%
January	$74,004	$78,085	5.5%	$75,580	3.3%
February	$61,511	$63,439	3.1%	$62,770	1.1%
March	$59,854	$63,549	6.2%	$62,180	2.2%
April	$68,794	$72,521	5.4%	$71,030	2.1%
May	**$64,991**	**$67,281**	**3.5%**	**$66,940**	**0.5%**
Subtotal	$702,877	$730,797	4.0%	$720,440	1.4%
June	$65,205	$0	-	$67,390	-
Total	**$768,081**	**$730,797**		**$787,830**	

INVESTMENT PERFORMANCE THROUGH MAY 31, 2026 ($ IN THOUSANDS) /4

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	May Interest Received	May Current Yield	Fiscal Year-to-date (FYTD) Interest Received	Fiscal Year-to-date (FYTD) FYTD Yield
Pool 2							
Highway	$1,055,107	$1,041,657	98.73%	$3,245	3.67%	$41,232	3.86%
MAG/PAG 12.6% & 2.6%	$879,860	$876,640	99.63%	$2,732	3.67%	$29,259	3.86%
HURF Bond Redemption	$46,174	$45,763	99.11%	$143	3.67%	$1,002	3.86%
HURF 2026 Proceeds	$637,783	$637,660	99.98%	$1,983	3.67%	$3,443	3.86%
Other/1	$162,882	$156,467	96.06%	$501	3.67%	$5,650	3.86%
Subtotal	$2,781,806	$2,758,188	99.15%	$8,604	3.67%	$80,887	3.86%
Pool 3							
SMART/2	$58,252	$58,151	99.83%	$193	3.90%	$2,274	4.01%
Other/3	$10,401	$10,157	97.65%	$34	3.90%	$831	4.01%
Subtotal	$68,654	$68,308	99.50%	$226	3.90%	$3,105	4.01%
Pool 4							
Local Agency Deposits	$88,137	$86,219	97.82%	$261	3.58%	$2,867	3.79%
Regional Area Road Fund	$1,216,945	$1,213,858	99.75%	$3,689	3.58%	$40,819	3.79%
Prop 479 Regional Area Road Fund	$105,880	$103,575	97.82%	$318	3.58%	$584	3.79%
Subtotal	$1,410,962	$1,403,652	99.48%	$4,267	3.58%	$44,271	3.79%
Total	$4,261,422	$4,230,148	99.27%	$13,097	3.64%	$128,263	3.84%

Source: State Treasurer's Office Statement of Accounts.

/1 Pool 2 Other includes HURF, Aviation, Equipment, Highway Postage, and Highway GANS Cash Reserve funds.

/2 SMART: State Match Advantage for Rural Transportation.

/3 Pool 3 Other includes Economic Strength, Magazine, Storage Tank, Special Plates, and Highway Expansion and Extension Loan Program (HELP) funds.

/4 Totals may not add due to rounding.