

**FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
MARCH 20, 2015**

ECONOMIC HIGHLIGHTS

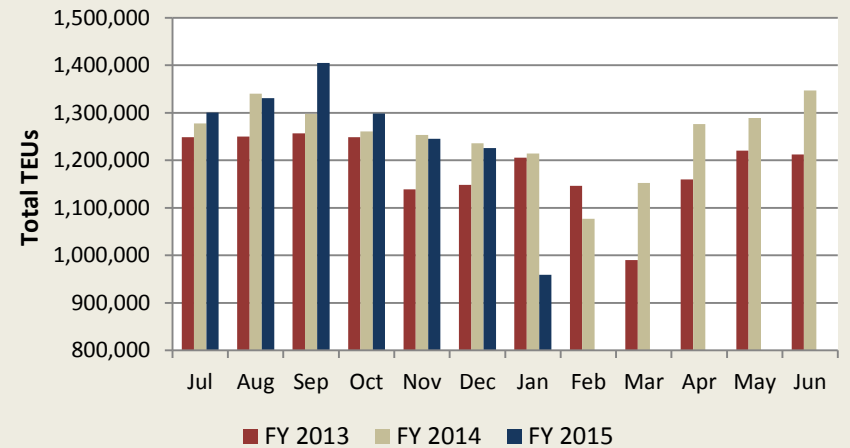
Arizona Indicators

- The contract between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) expired June 30, 2014. In the fall of 2014 the Ports of Los Angeles and Long Beach began experiencing congestion. The severity of the congestion at the west coast ports made headlines throughout January and February of 2015. On February 20th a tentative agreement for a new 5-year contract was reached.
- Combined container volume processed at the Port of Los Angeles and Port of Long Beach was 21.0 percent lower in January of FY 2015 than in January of FY 2014. The severe congestion remained at the ports until after the tentative contract agreement was reached.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Department of Administration, fell from 7.1 percent in January 2014 to 6.6 percent in January 2015.

Greater Phoenix Area Indicators

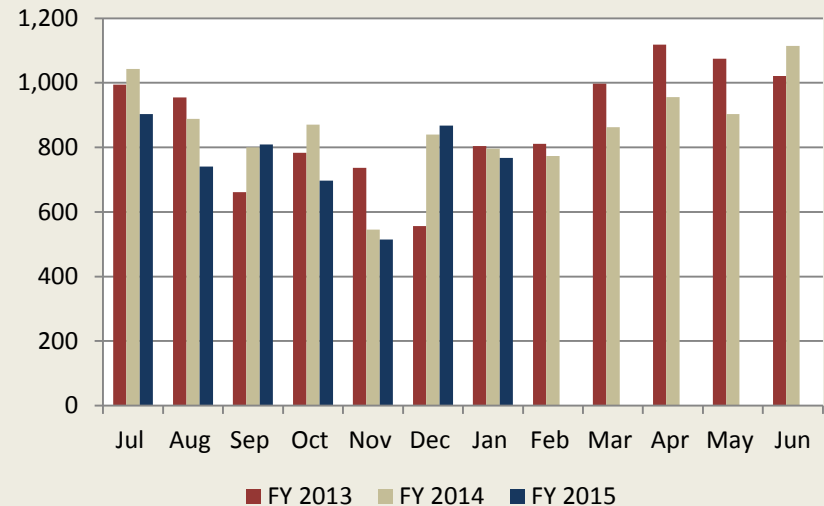
- The number of new single-family building permits issued in Maricopa County in January 2015 was 3.6 percent lower than the number issued in January 2014.
- The January Employment Report published by the Arizona Department of Administration stated the construction sector in the Greater Phoenix Area gained 3,600 jobs year-over-year from January 2014 to January 2015, an increase of 3.8 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 5.8 percent in January 2015, down from 6.3 percent in January 2014.

Container Statistics for Port of LA and Port of Long Beach



TEU (Twenty-foot equivalent unit) - a maritime industry standardized measurement used for counting cargo containers of differing lengths.

Maricopa County New Single-Family Building Permits

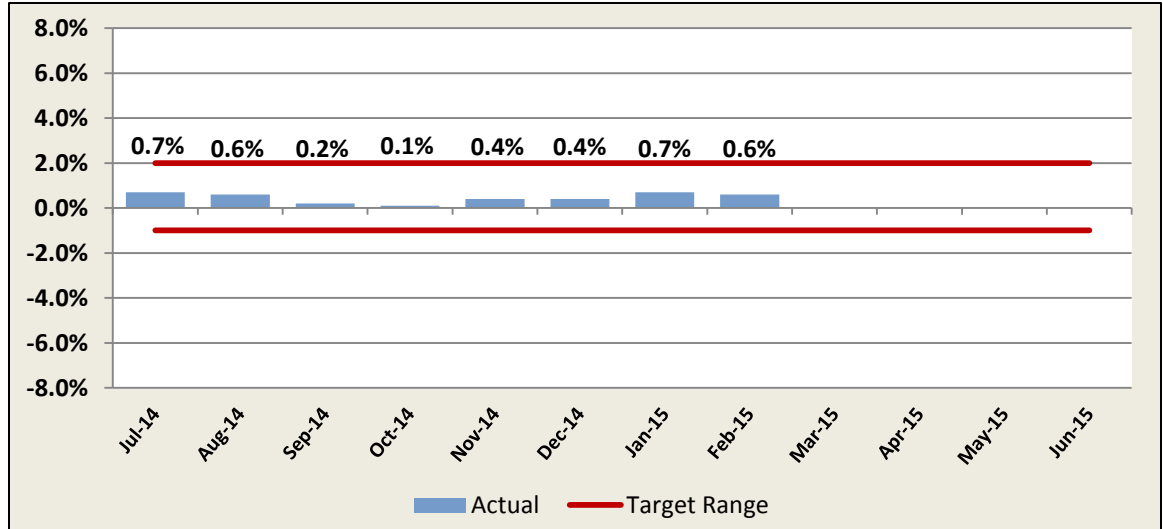


HIGHWAY USER REVENUE FUND (HURF) THROUGH FEBRUARY 28, 2015

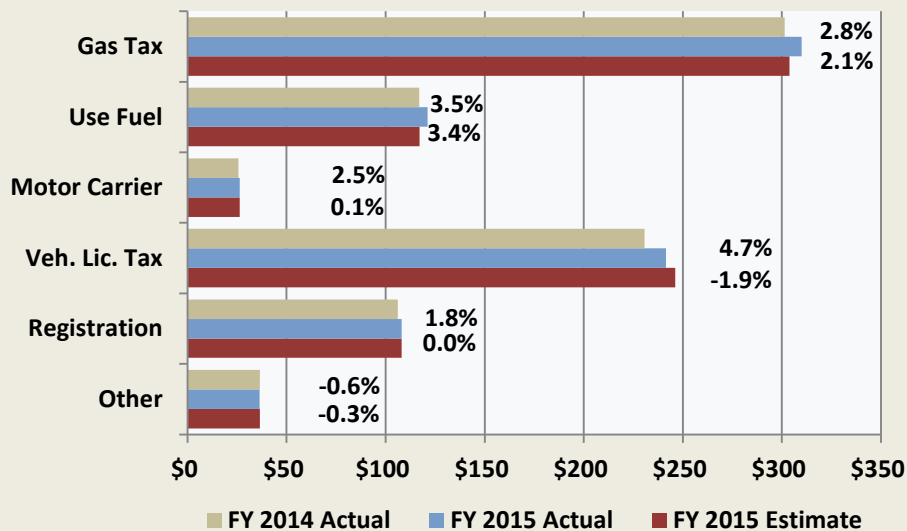
Highlights

- VLT collections experienced a year-over-year growth rate of 4.7 percent in the first eight months of FY 2015, however it remained below the estimate in its year to date performance.
- The average price for a gallon of regular unleaded gasoline in Arizona was \$2.31 in February. Although the February Arizona average price per gallon is \$0.40 higher than it was in the previous month, it is \$1.00 lower than in February of the previous year.
- In conjunction with lower gas prices, gas tax revenues in the month of February were up 7.4 percent compared to February of last year.

Variance from Forecast Year to Date



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



Monthly Comparisons (\$ in Thousands)

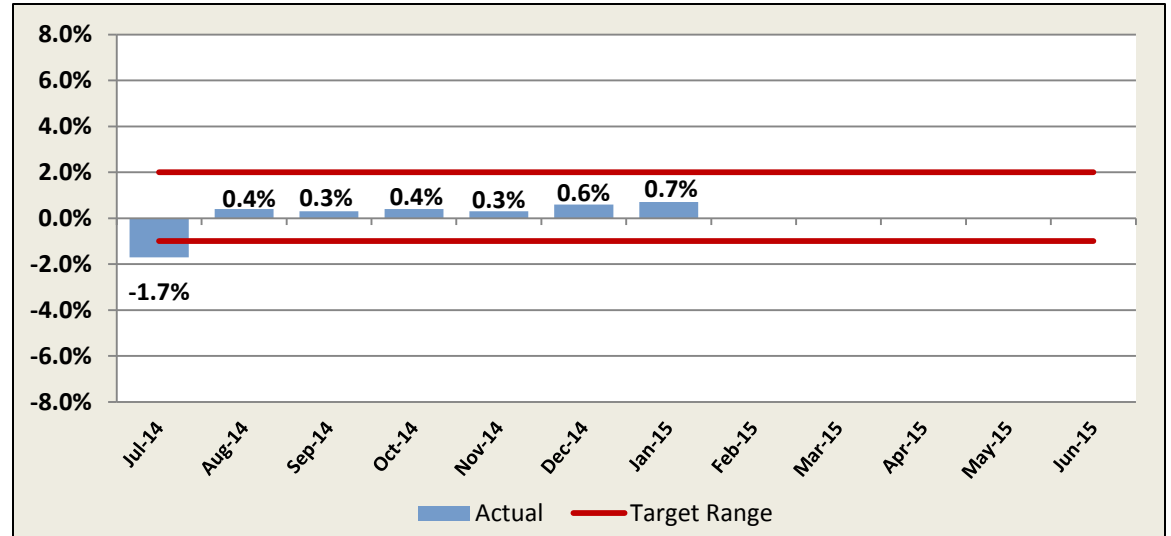
	FY 2014 Actual	FY 2015 Actual	Change	FY 2015 Estimate	Change
July	\$104,799	\$105,953	1.1%	\$105,244	0.7%
August	99,277	103,784	4.5%	103,314	0.5%
September	102,824	104,092	1.2%	104,738	-0.6%
October	99,475	101,931	2.5%	101,846	0.1%
November	98,260	102,418	4.2%	100,829	1.6%
December	102,062	105,850	3.7%	105,512	0.3%
January	107,186	110,249	2.9%	107,574	2.5%
February	103,713	109,134	5.2%	108,955	0.2%
Subtotal	\$817,595	\$843,411	3.2%	\$838,012	0.6%
March		103,084		105,765	
April		113,312		115,397	
May		101,631		102,492	
June		105,711		108,934	
Total	\$1,241,332	\$843,411		\$1,270,600	

REGIONAL AREA ROAD FUND (RARF) THROUGH JANUARY 31, 2015

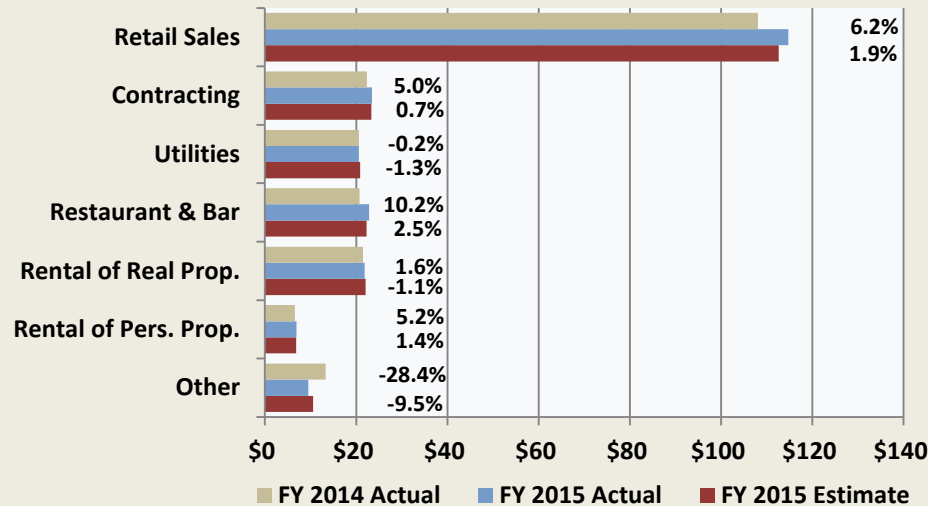
Highlights

- Restaurant and bar collections grew by 10.2 percent, making it the RARF revenue category with the strongest year-over-year growth rate.
- Retail sales revenue also experienced strong growth in the first seven months of FY 2015 with a year-over-year growth rate of 6.2 percent.
- Contracting collections experienced a 5.0 percent growth rate in the first seven months of FY 2015 compared to the same period last fiscal year.
- The other category of RARF experienced a sharp decline in revenues in FY 2015 compared to the prior year because FY 2014 collections included a one-time correction.

Variance from Forecast Year to Date



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



Monthly Comparisons (\$ in Thousands)

	FY 2014 Actual	FY 2015 Actual	Change	FY 2015 Estimate	Change
July	\$29,651	\$30,448	2.7%	\$30,983	-1.7%
August	28,798	30,193	4.8%	29,425	2.6%
September	29,076	30,315	4.3%	30,256	0.2%
October	28,969	30,609	5.7%	30,387	0.7%
November	29,171	30,063	3.1%	30,096	-0.1%
December	29,881	31,376	5.0%	30,784	1.9%
January	37,604	36,974	-1.7%	36,601	1.0%
Subtotal	\$213,149	\$219,978	3.2%	\$218,532	0.7%
February		28,423		29,891	
March		29,753		31,033	
April		32,940		34,556	
May		30,387		31,972	
June		30,908		32,416	
Total	\$365,561	\$219,978		\$378,400	

INVESTMENT PERFORMANCE THROUGH JANUARY 31, 2015 (\$ IN THOUSANDS)

Investment Pools	Monthly Average Invested Balance	Percent Invested	January		Year-to Date (YTD)	
			Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2						
Highway	\$386,678	99.84%	\$203	0.61%	\$1,442	0.68%
HURF Bond Redemption	\$44,547	100.00%	\$22	0.61%	\$150	0.68%
FY11A HURF Proceeds	\$4,206	98.17%	\$2	0.61%	\$83	0.68%
FY11A GAN Proceeds	\$0	0.00%	\$0	0.61%	\$12	0.68%
FY13A HURF Proceeds	\$230,881	99.97%	\$120	0.61%	\$921	0.68%
FY15 HURF Proceeds	\$44	91.63%	\$0	0.61%	\$0	0.68%
Other/1	\$86,735	99.76%	\$46	0.61%	\$353	0.68%
Subtotal	\$753,091	99.54%	\$393	0.61%	\$2,961	0.68%
Pool 3						
HELP/2	\$78,440	99.94%	\$46	0.69%	\$338	0.73%
Other/3	\$11,453	99.44%	\$7	0.69%	\$41	0.73%
Subtotal	\$89,893	99.88%	\$53	0.69%	\$379	0.73%
Pool 4						
2011 RARF Proceeds	\$3,214	97.35%	\$2	0.65%	\$87	0.82%
2014 RARF Proceeds	\$734	89.81%	\$0	0.65%	\$0	0.82%
RARF Bond Redemption	\$48,167	100.00%	\$26	0.65%	\$136	0.82%
Regional Area Road Fund	\$522,018	99.92%	\$289	0.65%	\$2,372	0.82%
Subtotal	\$574,133	99.90%	\$317	0.65%	\$2,595	0.82%
Total	\$1,417,117	99.71%	\$763	0.63%	\$5,935	0.74%

HIGHWAY EXPANSION AND EXTENSION LOAN PROGRAM (HELP) CASH STATUS AS OF FEBRUARY 28, 2015

Revenues:	
Federal Capitalization	\$46,185,974
State Match	2,791,729
Board Funding Obligation, Series 1999	100,000,000
Board Funding Obligation, Series 2000	100,000,000
Board Funding Obligation, Series 2002	40,000,000
Board Funding Obligation, Series 2003	140,000,000
Board Funding Obligation, Series 2007	50,000,000
Highway Fund Transfer	20,000,000
General Fund Appropriation	20,000,000
Interest Received on Loans	27,031,891
Interest Income	44,449,214
Principal Repaid on Loans	545,578,522
Total Revenues	<u>\$1,136,037,330</u>
Expenditures:	
Loan Draws	\$545,578,522
BFO Payment to Treasurer - Principal	430,000,000
BFO Payment to Treasurer - Interest	39,667,756
Highway Fund Repayment	20,000,000
General Fund Reversion	20,000,000
Administration	2,226,371
Total Expenditures	<u>\$1,057,472,649</u>
Final Cash Balance as of 02/28/15	\$78,564,681