

**FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
JUNE 19, 2015**

ECONOMIC HIGHLIGHTS

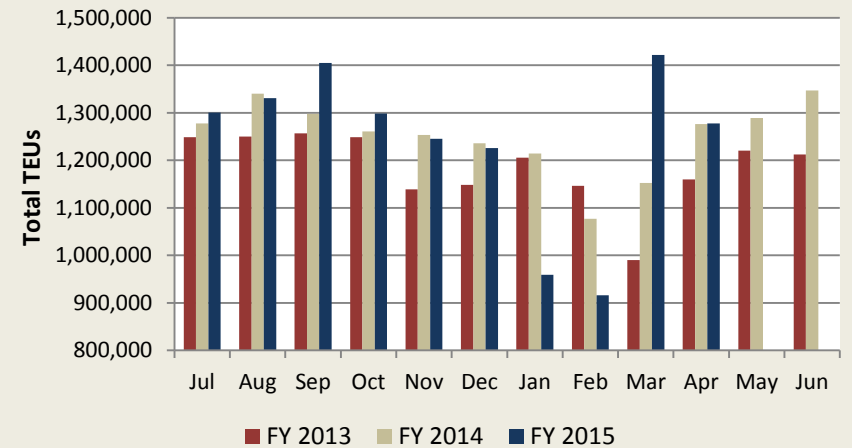
Arizona Indicators

- Combined container volume at the Port of Los Angeles and Port of Long Beach was 0.2 percent higher in April of FY 2015 than in April of FY 2014.
- 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 20, 2015 a tentative agreement for a new 5-year contract was reached. The increase in container volume numbers indicates that the backlog created during the labor negotiations is being addressed.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Department of Administration, fell from 6.9 percent in April 2014 to 6.0 percent in April 2015.

Greater Phoenix Area Indicators

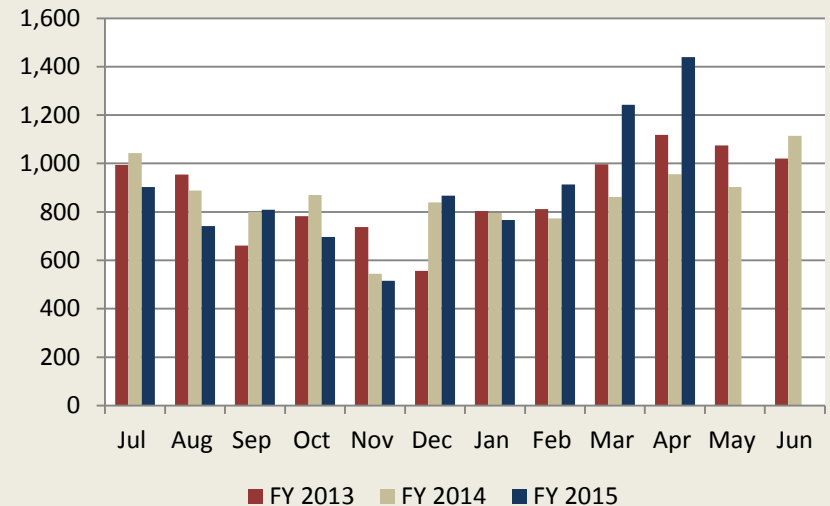
- The number of new single-family building permits issued in Maricopa County in April 2015 grew 50.5 percent compared to the same month of 2014. An estimated 1,439 single-family building permits were issued in April 2015, making it the month with the highest number of single-family building permits issued in the past three years.
- The April Employment Report published by the Arizona Department of Administration stated the construction sector in the Greater Phoenix Area gained 4,200 jobs year-over-year from April 2014 to April 2015, an increase of 4.4 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.9 percent in April 2015, down from 5.5 percent in April 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

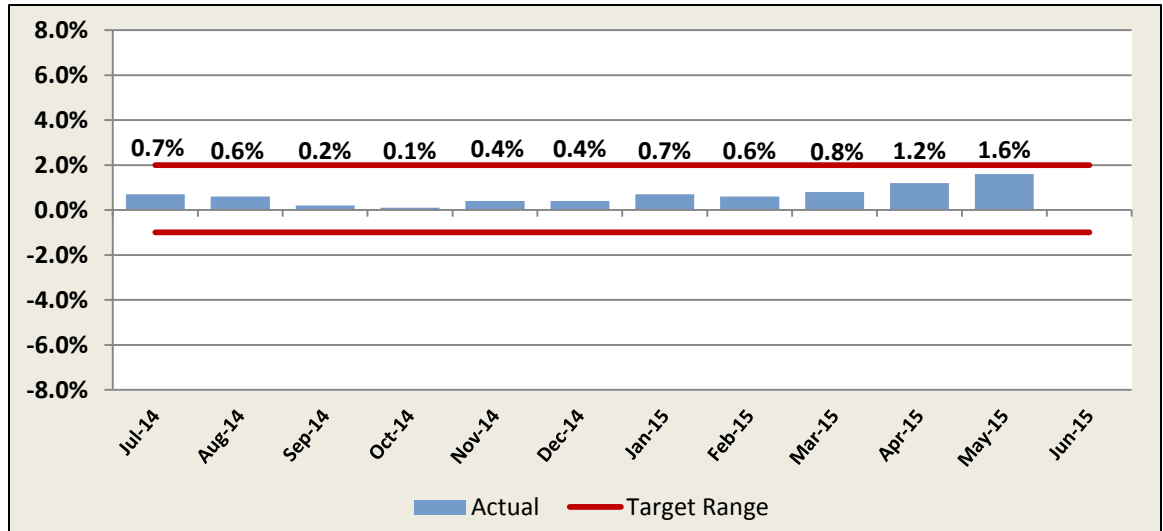


HIGHWAY USER REVENUE FUND (HURF) THROUGH MAY 31, 2015

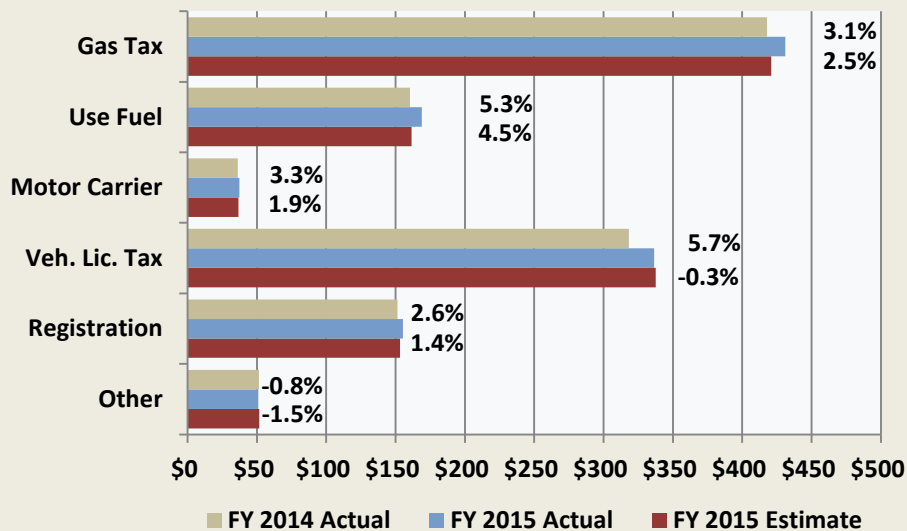
Highlights

- Through May 2015, VLT revenues are tracking 5.7 percent above last year for the same period and 0.3 percent below the estimate.
- The average price for a gallon of regular unleaded gasoline in Arizona increased to \$2.78 in May. Although the May Arizona average price per gallon is \$0.25 higher than it was in the previous month, it is \$0.73 lower than in May of the previous year.
- Even with the average price for a gallon of regular unleaded increasing, May gas tax collections increased 3.8 percent compared to May of last year.

Variance from Forecast Year to Date



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



Monthly Comparisons (\$ in Thousands)

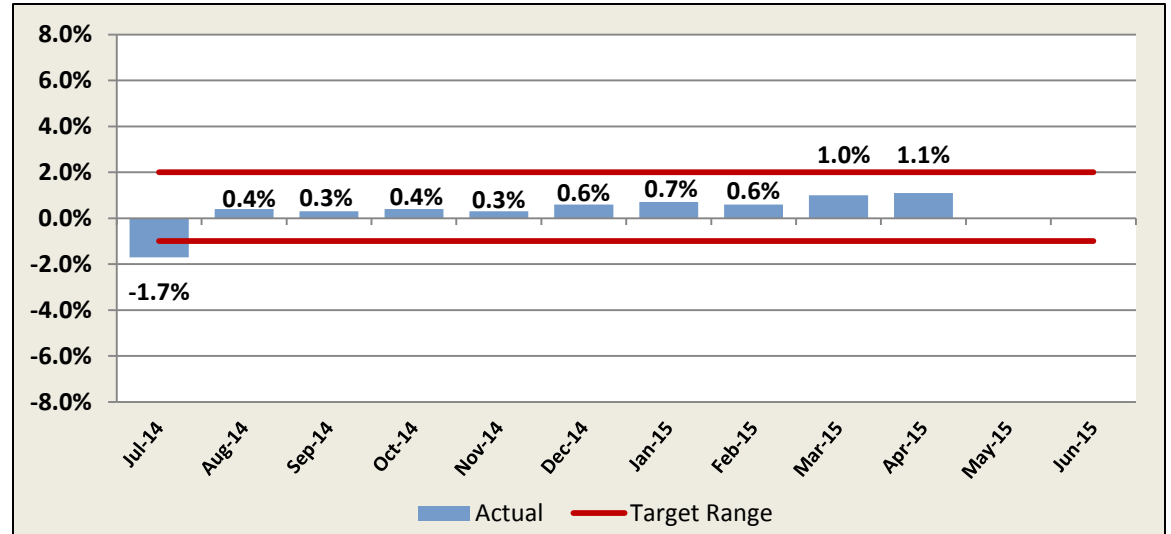
	FY 2014 Actual	FY 2015 Actual	Change	FY 2015 Estimate	Change
July	\$104,799	\$105,953	1.1%	\$105,244	0.7%
August	99,277	103,784	4.5%	103,314	0.5%
September	102,824	104,092	1.2%	104,738	-0.6%
October	99,475	101,931	2.5%	101,846	0.1%
November	98,260	102,418	4.2%	100,829	1.6%
December	102,062	105,850	3.7%	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%
March	103,084	108,363	5.1%	105,765	2.5%
April	113,312	120,165	6.0%	115,397	4.1%
May	101,631	108,263	6.5%	102,492	5.6%
Subtotal	\$1,135,621	\$1,180,201	3.9%	\$1,161,666	1.6%
June	105,711			108,934	
Total	\$1,241,332	\$1,180,201		\$1,270,600	

REGIONAL AREA ROAD FUND (RARF) THROUGH APRIL 30, 2015

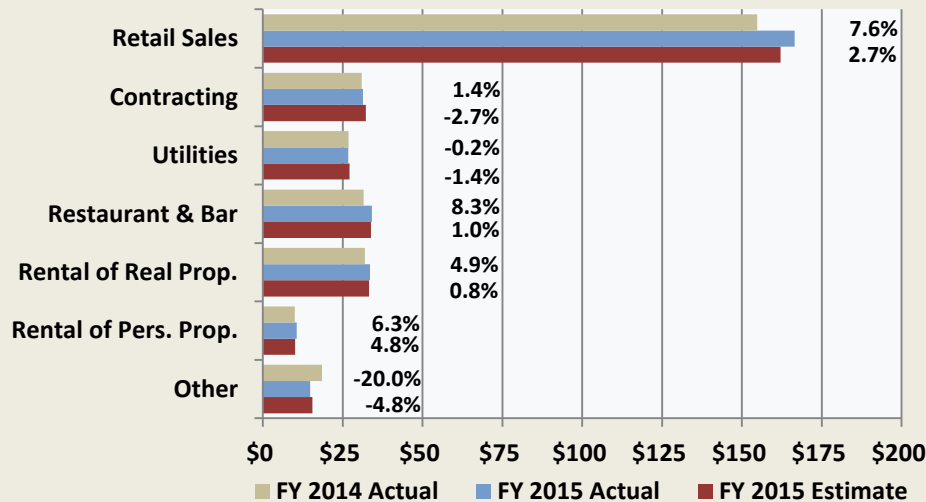
Highlights

- April restaurant and bar collections grew by 3.1 percent compared to April of last year. However, restaurant and bar revenues grew 8.3 percent in the first ten months of FY 2015, making it the RARF revenue category with the strongest year to date growth rate.
- Contracting collections recorded a 7.5 percent decrease in April and is tracking 1.4 percent above last year through April.
- 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%
February	28,423	29,998	5.5%	29,891	0.4%
March	29,753	32,308	8.6%	31,033	4.1%
April	32,940	35,270	7.1%	34,556	2.1%
Subtotal	\$304,266	\$317,554	4.4%	\$314,012	1.1%
May		30,387		31,972	
June		30,908		32,416	
Total	\$365,561	\$317,554		\$378,400	

INVESTMENT PERFORMANCE THROUGH APRIL 30, 2015 (\$ IN THOUSANDS)

Investment Pools	Monthly Average Invested Balance	Percent Invested	April		Year-to Date (YTD)	
			Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2						
Highway	\$416,514	99.86%	\$134	0.40%	\$1,968	0.63%
HURF Bond Redemption	\$82,580	100.00%	\$26	0.40%	\$236	0.63%
FY11A HURF Proceeds	\$0	0.00%	\$0	0.40%	\$85	0.63%
FY11A GAN Proceeds	\$0	0.00%	\$0	0.40%	\$12	0.63%
FY13A HURF Proceeds	\$223,603	99.97%	\$73	0.40%	\$1,218	0.63%
FY15 HURF Proceeds	\$0	0.00%	\$0	0.40%	\$0	0.63%
Other/1	\$92,083	99.70%	\$33	0.40%	\$465	0.63%
Subtotal	\$814,780	99.89%	\$266	0.40%	\$3,984	0.63%
Pool 3						
HELP/2	\$78,585	99.94%	\$44	0.68%	\$470	0.72%
Other/3	\$9,903	92.28%	\$6	0.68%	\$58	0.72%
Subtotal	\$88,488	99.02%	\$50	0.68%	\$528	0.72%
Pool 4						
2011 RARF Proceeds	\$404	55.78%	\$0	0.61%	\$89	0.76%
2014 RARF Proceeds	\$0	0.00%	\$0	0.61%	\$1	0.76%
RARF Bond Redemption	\$76,963	100.00%	\$38	0.61%	\$239	0.76%
Regional Area Road Fund	\$541,491	99.93%	\$271	0.61%	\$3,209	0.76%
Subtotal	\$618,858	99.89%	\$309	0.61%	\$3,538	0.76%
Total	\$1,522,126	99.84%	\$625	0.50%	\$8,050	0.69%

HIGHWAY EXPANSION AND EXTENSION LOAN PROGRAM (HELP) CASH STATUS AS OF MAY 31, 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	44,581,322
Principal Repaid on Loans	545,578,522
Total Revenues	<u>\$1,136,169,438</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 05/31/15	\$78,696,789