

**FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
JULY 17, 2015**

ECONOMIC HIGHLIGHTS

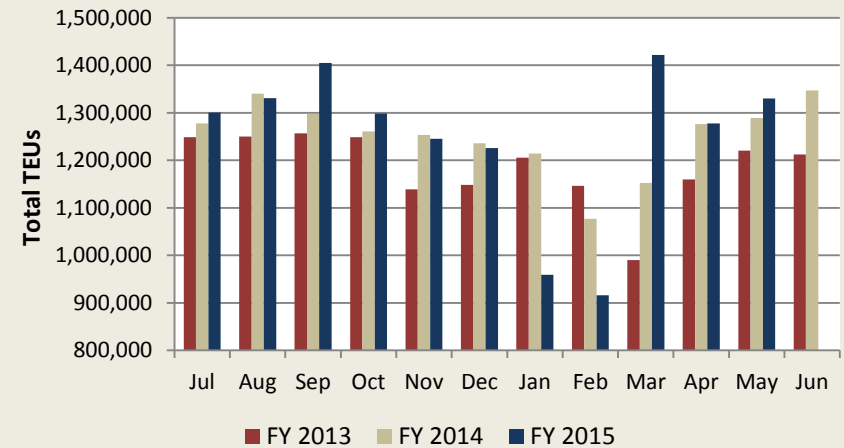
Arizona Indicators

- Combined container volume at the Port of Los Angeles and Port of Long Beach was 3.2 percent higher in May of FY 2015 than in May of FY 2014. Despite the total container volume increase, it is important to note loaded outbound containers at the two ports decreased by 5.4 percent in May of FY 2015 when compared to the same month of FY 2014.
- According to Reuters, the value of the U.S. dollar has increased by approximately 20 percent against major currencies since June of 2014. This makes exports more expensive for foreign customers and has exerted downward pressure on demand for exports.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Department of Administration, fell from 6.9 percent in May 2014 to 5.8 percent in May 2015.

Greater Phoenix Area Indicators

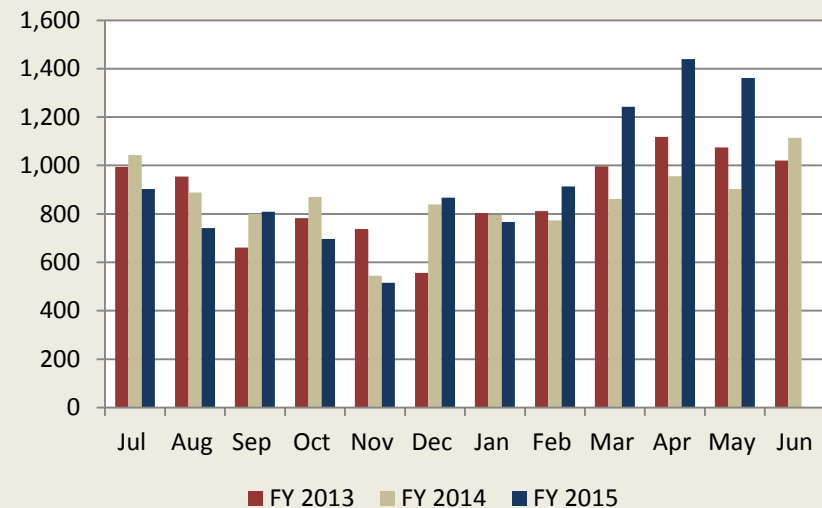
- The number of new single-family building permits issued in Maricopa County in May 2015 grew 50.8 percent compared to the same month of 2014. An estimated 1,362 single-family building permits were issued in May 2015, making it the month with the second highest number of single-family building permits issued in the past three years. April was higher with an estimated 1,439 single-family building permits issued.
- The May Employment Report published by the Arizona Department of Administration stated the construction sector in the Greater Phoenix Area gained 5,500 jobs year-over-year from May 2014 to May 2015, an increase of 5.7 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.6 percent in May 2015, down from 5.8 percent in May 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

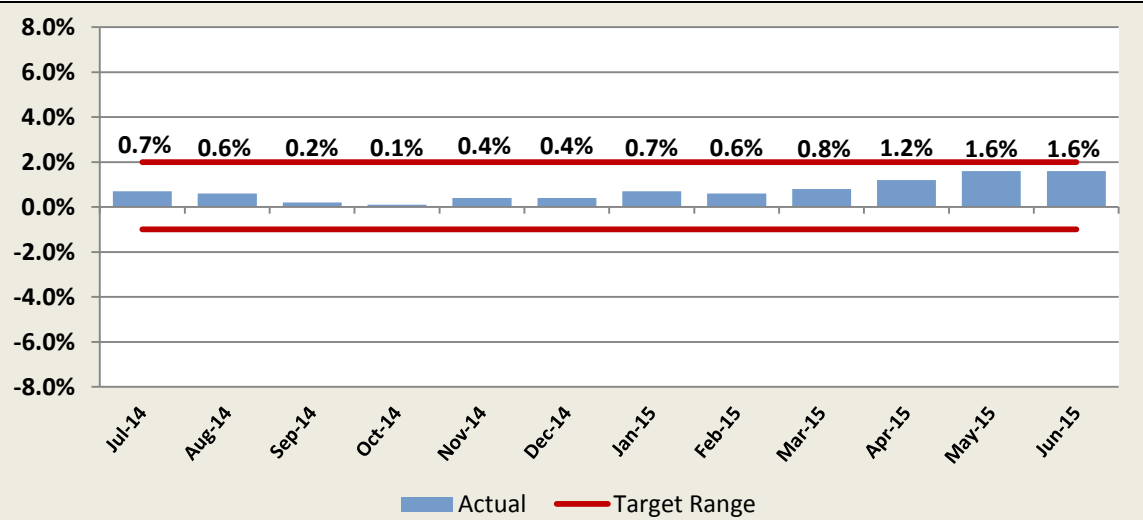


HIGHWAY USER REVENUE FUND (HURF) THROUGH JUNE 30, 2015

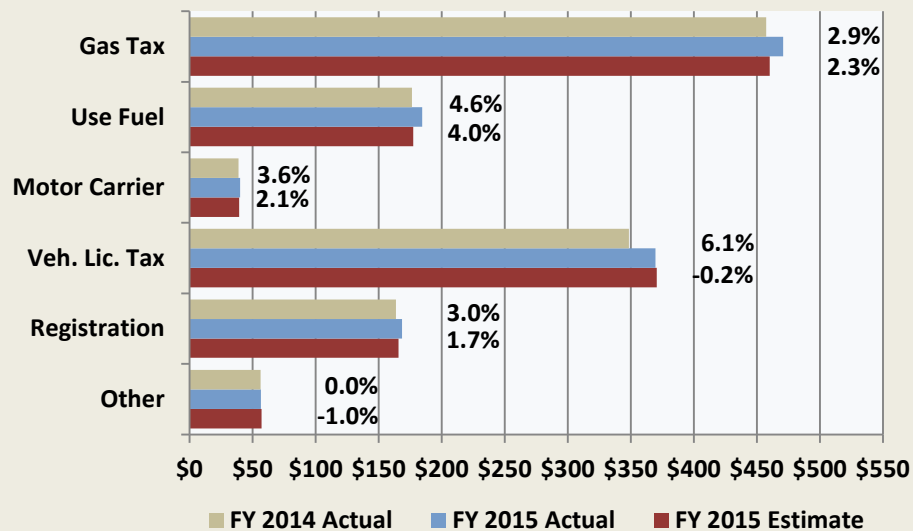
Highlights

- Fiscal year 2015 HURF revenues totaled \$1,290.4 million, which was 4.0 percent above FY 2014. This is the strongest year-over-year growth seen since the Great Recession. Even so, FY 2015 HURF revenues are below the levels seen in FY 2006.
- All six HURF revenue categories experienced positive year-over-year growth rates, but growth was strongest in the vehicle license tax category at 6.1 percent.
- Both the gas tax and vehicle license tax revenue categories registered positive year-over-year growth every month except one in FY 2015.

Variance from Forecast Year to Date



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



Monthly Comparisons (\$ in Thousands)

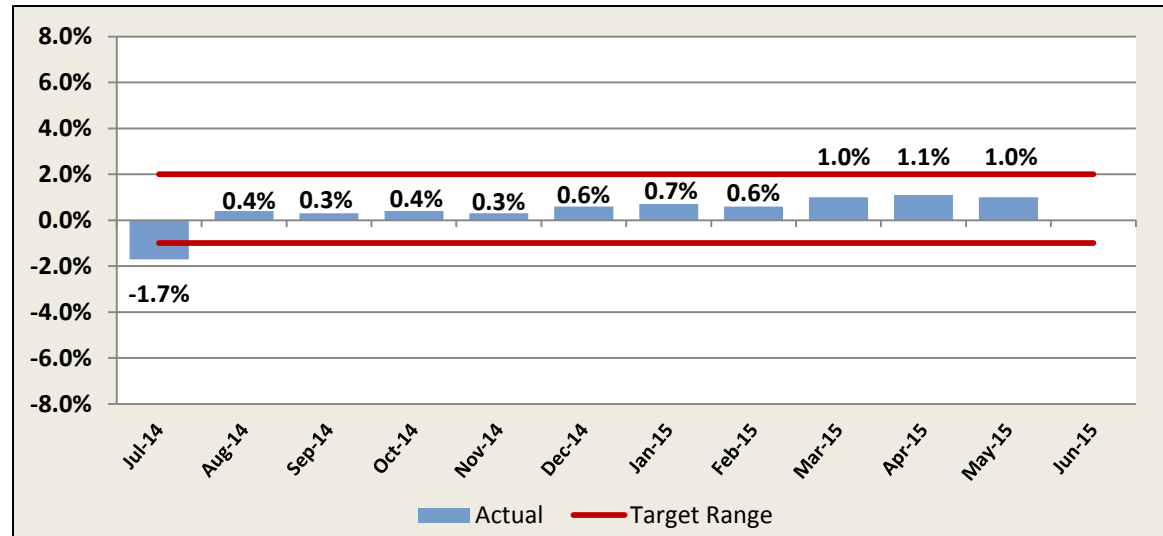
	FY 2014 Actual	FY 2015 Actual	Change	FY 2015 Estimate	Change
July	\$104,799	\$105,953	1.1%	\$105,244	0.7%
August	99,277	103,784	4.5%	103,314	0.5%
September	102,824	104,092	1.2%	104,738	-0.6%
October	99,475	101,931	2.5%	101,846	0.1%
November	98,260	102,418	4.2%	100,829	1.6%
December	102,062	105,850	3.7%	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%
June	105,711	110,238	4.3%	108,934	1.2%
Total	\$1,241,332	\$1,290,439	4.0%	\$1,270,600	1.6%

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

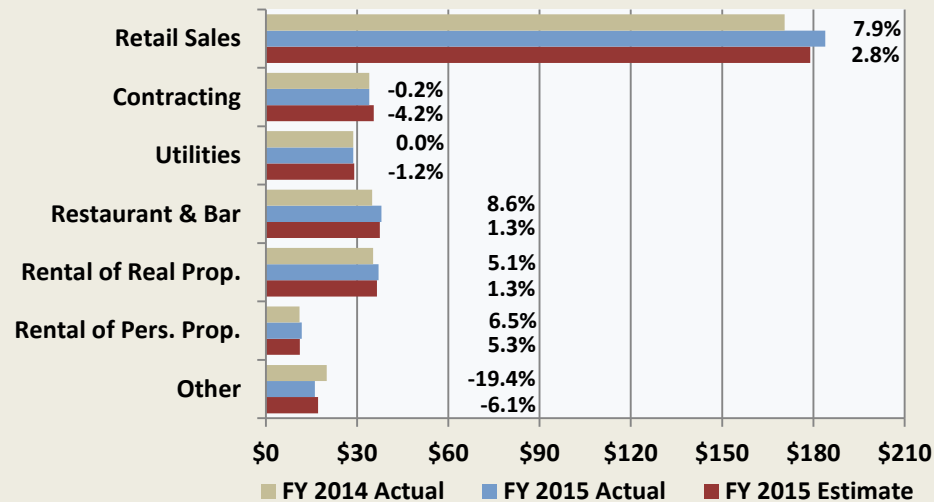
Highlights

- Restaurant and bar collections grew 8.6 percent in the first eleven months of FY 2015, making it the RARF revenue category with the strongest year to date growth rate.
- Year to date contracting revenues decreased 0.2 percent when compared to the same period of FY 2014. May 2014 contracting collections decreased by 15.7 percent compared to May 2014.
- The contracting category of RARF has experienced a sharp decline in monthly revenues since February when legislation took effect that moved taxes collected on certain contracting activities from the contracting category to the retail category.

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%
May	30,387	32,055	5.5%	31,972	0.3%
Subtotal	\$334,653	\$349,608	4.5%	\$345,984	1.0%
June	30,908			32,416	
Total	\$365,561	\$349,608		\$378,400	

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

Investment Pools	Monthly	Percent Invested	May		Year-to Date (YTD)	
	Average		Interest Received	Current Yield	Interest Received	YTD Yield
	Invested Balance					
Pool 2						
Highway	\$437,158	99.86%	\$212	0.57%	\$2,180	0.63%
HURF Bond Redemption	\$93,757	100.00%	\$45	0.57%	\$280	0.63%
FY11A HURF Proceeds	\$0	0.00%	\$0	0.57%	\$85	0.63%
FY11A GAN Proceeds	\$0	0.00%	\$0	0.57%	\$12	0.63%
FY13A HURF Proceeds	\$219,052	99.97%	\$106	0.57%	\$1,325	0.63%
FY15 HURF Proceeds	\$0	0.00%	\$0	0.57%	\$0	0.63%
Other/1	\$79,332	99.41%	\$41	0.57%	\$505	0.63%
Subtotal	\$829,299	99.86%	\$404	0.57%	\$4,387	0.63%
Pool 3						
HELP/2	\$78,631	99.94%	\$36	0.55%	\$507	0.70%
Other/3	\$5,587	99.77%	\$4	0.55%	\$62	0.70%
Subtotal	\$84,218	99.93%	\$40	0.55%	\$569	0.70%
Pool 4						
2011 RARF Proceeds	\$0	0.00%	\$0	0.58%	\$89	0.75%
2014 RARF Proceeds	\$0	0.00%	\$0	0.58%	\$1	0.75%
RARF Bond Redemption	\$86,219	99.99%	\$43	0.58%	\$282	0.75%
Regional Area Road Fund	\$536,591	99.92%	\$264	0.58%	\$3,473	0.75%
Subtotal	\$622,810	99.93%	\$307	0.58%	\$3,845	0.75%
Total	\$1,536,327	99.89%	\$751	0.57%	\$8,801	0.68%

HIGHWAY EXPANSION AND EXTENSION LOAN PROGRAM (HELP) CASH STATUS AS OF JUNE 30, 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	44,617,790
Principal Repaid on Loans	545,578,522
Total Revenues	<u>\$1,136,205,906</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 06/30/15	\$78,733,257