

**FINANCIAL MANAGEMENT SERVICES  
MONTHLY FINANCIAL REPORT  
SEPTEMBER 18, 2015**

## ECONOMIC HIGHLIGHTS

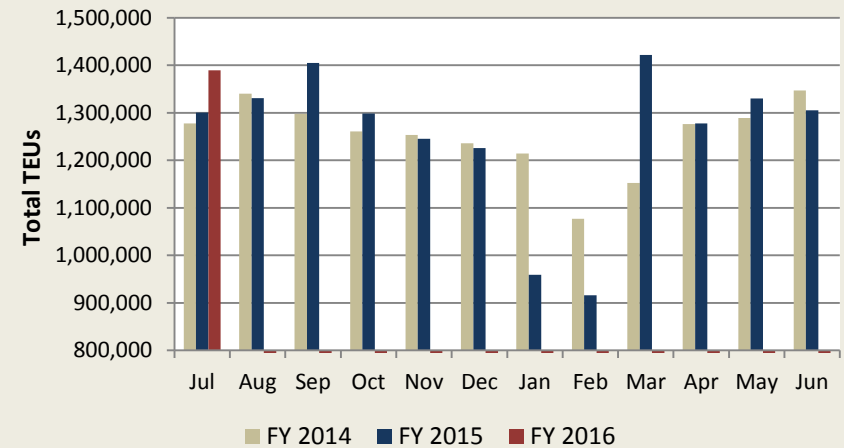
### Arizona Indicators

- A direct relationship typically exists between the Port of Los Angeles and Port of Long Beach shipping container volume and use fuel consumption in Arizona because of the movement of goods from California through Arizona to destinations throughout the United States.
- Combined container volume at the Port of Los Angeles and Port of Long Beach was 6.8 percent higher in July of FY 2016 than in July of FY 2015.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Department of Administration, fell from 6.7 percent in July 2014 to 6.1 percent in July 2015.
- The FY 2016 HURF forecast predicts an annual growth rate of 3.1 percent in total collections, with a large portion of the growth estimated to come from the vehicle license tax revenue category.

### Greater Phoenix Area Indicators

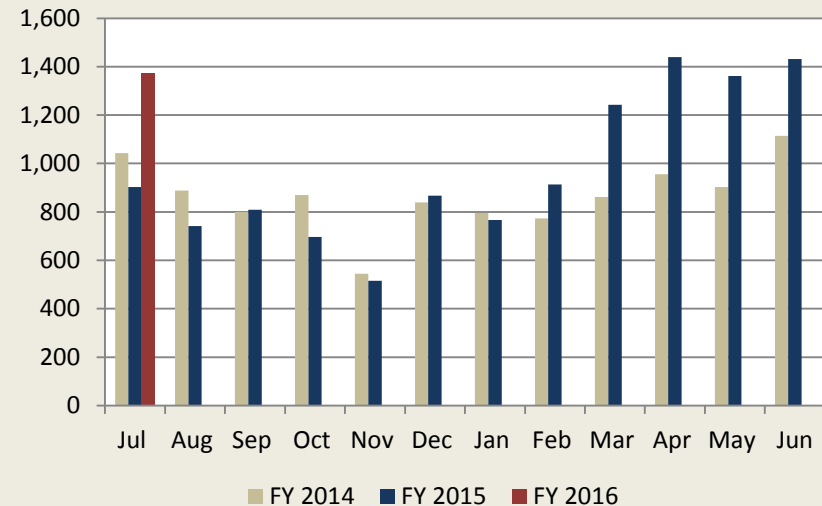
- The number of new single-family building permits issued in Maricopa County in July 2015 grew 52.1 percent compared to the same month of 2014. An estimated 1,373 single-family building permits were issued in July 2015, making it the month with the third highest number of single-family building permits issued in the past three years. Estimated single-family building permits issued in Maricopa County has been experiencing significant year-over-year growth since February 2015.
- The July Employment Report published by the Arizona Department of Administration stated the construction sector in the Greater Phoenix Area gained 5,300 jobs year-over-year from July 2014 to July 2015, an increase of 4.2 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 5.7 percent in July 2015, down from 6.3 percent in July 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

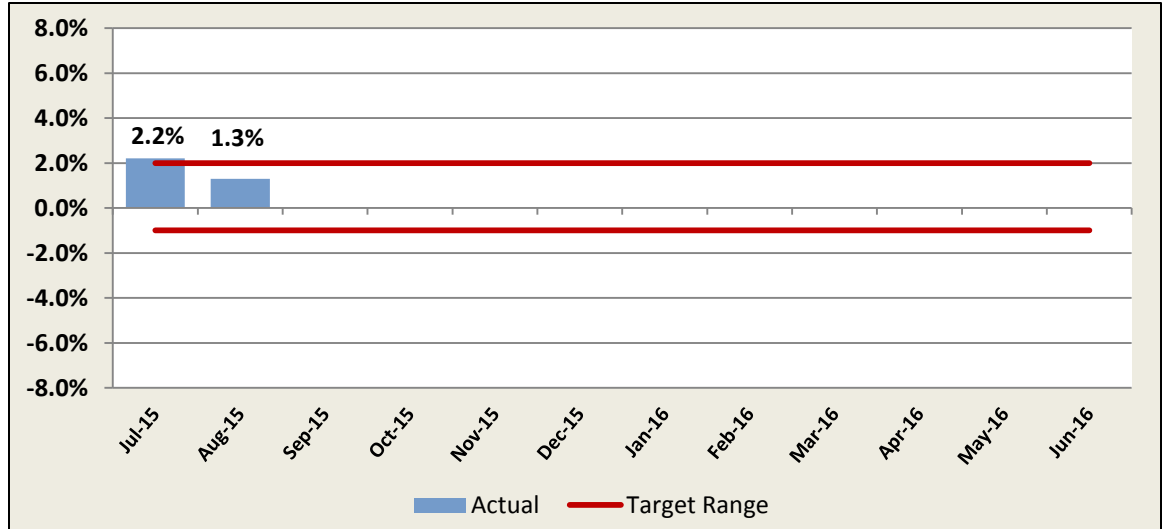


# HIGHWAY USER REVENUE FUND (HURF) THROUGH AUGUST 31, 2015

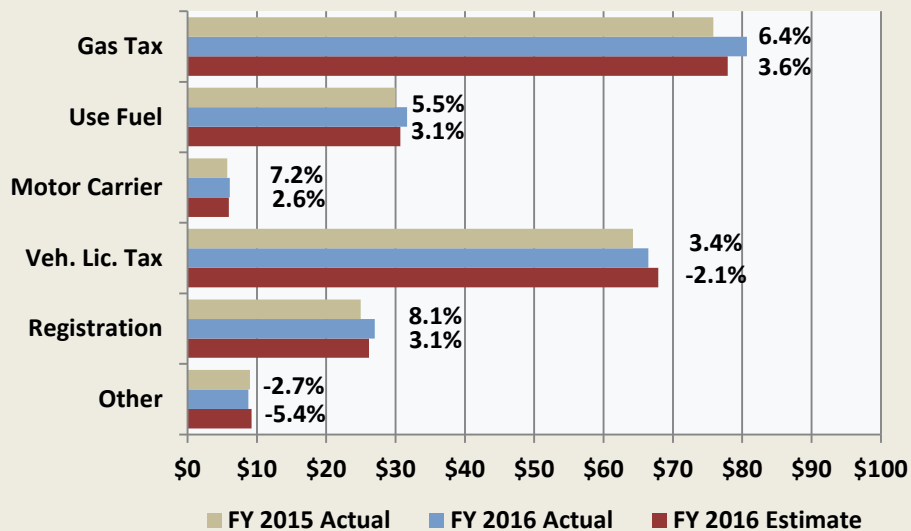
## Highlights

- Both gas and use fuel revenues experienced positive growth rates in July and August of FY 2016 when compared to the same months of FY 2015.
- Arizona gas prices declined in August, with the Arizona average price per gallon falling to \$2.61 for regular unleaded gas. Arizona gas prices were 83 cents per gallon lower than they were in August of last year.
- Along with lower gas prices, August gas tax collections were 6.0 percent higher than in the same month of the previous year.

## Variance from Forecast Year to Date



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



## Monthly Comparisons (\$ in Thousands)

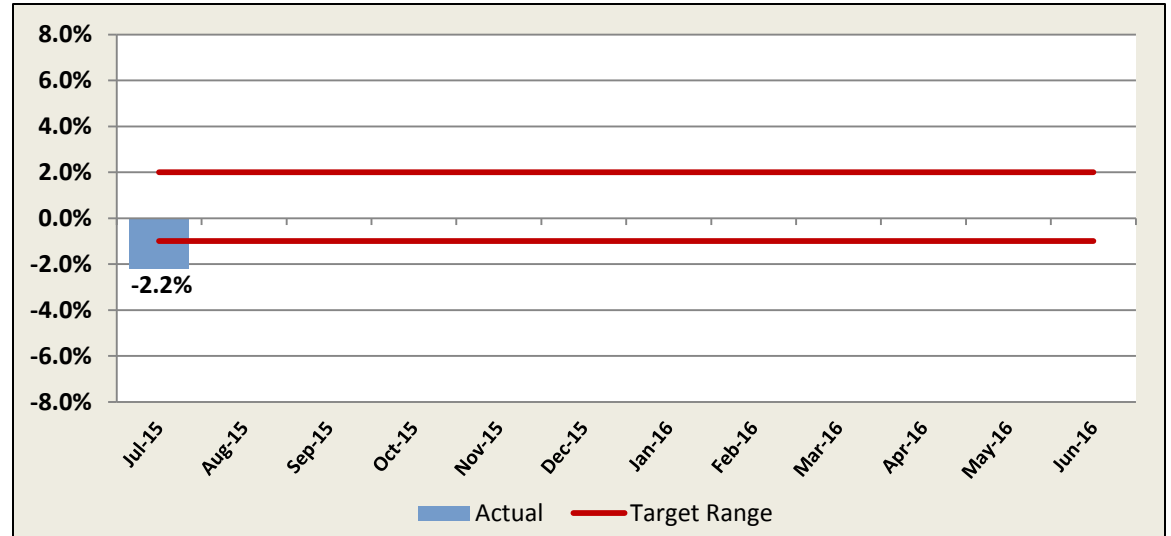
	FY 2015 Actual	FY 2016 Actual	Change	FY 2016 Estimate	Change
July	\$105,953	\$112,198	5.9%	\$109,750	2.2%
August	103,784	108,456	4.5%	108,147	0.3%
<b>Subtotal</b>	<b>\$209,737</b>	<b>\$220,654</b>	<b>5.2%</b>	<b>\$217,897</b>	<b>1.3%</b>
September	104,092			109,190	
October	101,931			106,036	
November	102,418			105,413	
December	105,850			111,029	
January	110,249			112,174	
February	109,134			114,578	
March	108,363			111,099	
April	120,165			121,549	
May	108,263			108,202	
June	110,238			113,833	
<b>Total</b>	<b>\$1,290,439</b>	<b>\$220,654</b>		<b>\$1,331,000</b>	

# REGIONAL AREA ROAD FUND (RARF) THROUGH JULY 31, 2015

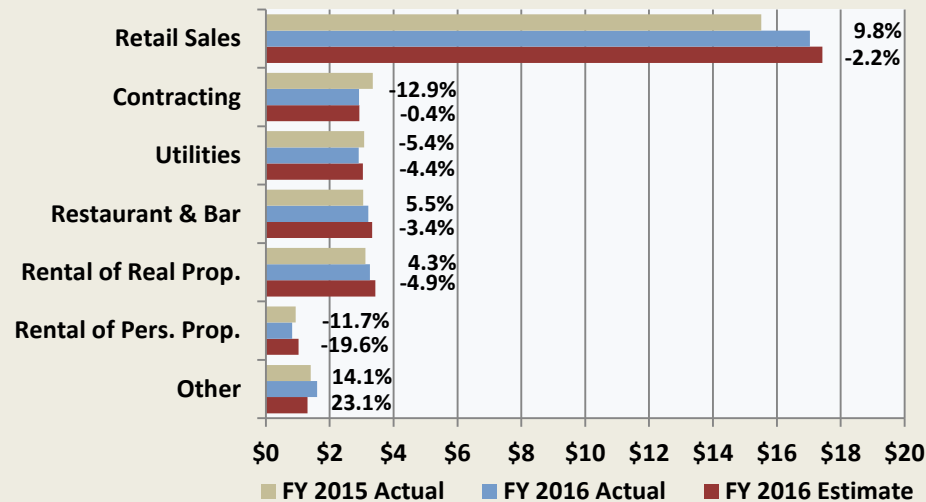
## Highlights

- It is anticipated that FY 2016 RARF revenues will increase 4.9 percent compared to FY 2015. This is slightly higher than the 4.5 percent growth rate experienced in FY 2015.
- RARF revenues are anticipated to grow at a moderate pace in FY 2016 with low gas prices and modest economic improvements continuing to spur consumer activity.
- The contracting category of RARF has experienced a sharp decline in monthly revenues since February 2015 when legislation took effect that moved taxes collected on certain contracting activities from the contracting revenue category to the retail revenue category. Therefore, FY 2016 contracting revenue is forecasted to decline 2.2 percent from FY 2015.

## Variance from Forecast Year to Date



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



## Monthly Comparisons (\$ in Thousands)

	FY 2015 Actual	FY 2016 Actual	Change	FY 2016 Estimate	Change
July	\$30,448	\$31,765	4.3%	\$32,477	-2.2%
August	30,193			30,969	
September	30,315			31,738	
October	30,609			31,966	
November	30,063			31,741	
December	31,376			32,757	
January	36,974			38,925	
February	29,998			31,923	
March	32,308			33,382	
April	35,270			36,918	
May	32,055			33,934	
June	32,583			34,270	
<b>Total</b>	<b>\$382,191</b>	<b>\$31,765</b>		<b>\$401,000</b>	

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

Investment Pools	Monthly Average Invested Balance	Percent Invested	July		Year-to Date (YTD)	
			Interest Received	Current Yield	Interest Received	YTD Yield
<b>Pool 2</b>						
Highway/1	\$117,937	98.25%	\$189	0.59%	\$189	0.59%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$310,568	99.65%	\$27	0.59%	\$27	0.59%
HURF Bond Redemption	\$13,182	100.00%	\$1	0.59%	\$1	0.59%
FY13A HURF Proceeds	\$189,043	99.68%	\$104	0.59%	\$104	0.59%
Other/2	\$105,995	99.38%	\$44	0.59%	\$44	0.59%
<b>Subtotal</b>	<b>\$736,725</b>	<b>99.40%</b>	<b>\$366</b>	<b>0.59%</b>	<b>\$366</b>	<b>0.59%</b>
<b>Pool 3</b>						
HELP/3	\$78,715	99.97%	\$48	0.72%	\$48	0.72%
Other/4	\$9,611	99.21%	\$6	0.72%	\$6	0.72%
<b>Subtotal</b>	<b>\$88,326</b>	<b>99.89%</b>	<b>\$54</b>	<b>0.72%</b>	<b>\$54</b>	<b>0.72%</b>
<b>Pool 4</b>						
RARF Bond Redemption	\$9,467	100.00%	\$0	0.68%	\$0	0.68%
Regional Area Road Fund	\$422,383	99.88%	\$242	0.68%	\$242	0.68%
<b>Subtotal</b>	<b>\$431,850</b>	<b>99.88%</b>	<b>\$242</b>	<b>0.68%</b>	<b>\$242</b>	<b>0.68%</b>
<b>Total</b>	<b>\$1,256,901</b>	<b>99.60%</b>	<b>\$662</b>	<b>0.63%</b>	<b>\$662</b>	<b>0.63%</b>

## HIGHWAY EXPANSION AND EXTENSION LOAN PROGRAM (HELP) CASH STATUS AS OF AUGUST 31, 2015

<b>Revenues:</b>	I-T-D
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	44,702,613
Principal Repaid on Loans	545,578,522
<b>Total Revenues</b>	<b><u>\$1,136,290,729</u></b>
<b>Expenditures:</b>	
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
<b>Total Expenditures</b>	<b><u>\$1,057,472,649</u></b>
<b>Final Cash Balance as of 08/31/15*</b>	<b>\$78,818,080</b>

\*Per Laws 2015, Chapter 8 (SB 1469), \$20.0 million to be swept from the HELP fund to the state general fund in fiscal year 2016