

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

## ECONOMIC HIGHLIGHTS

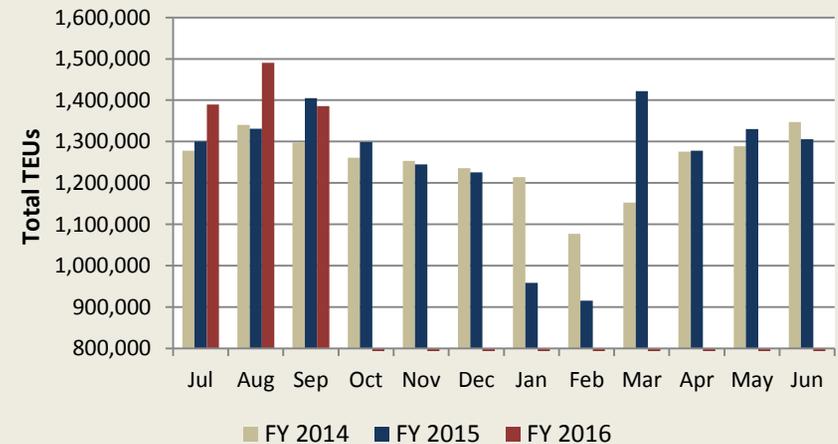
### Arizona Indicators

- Combined container volume at the Port of Los Angeles and Port of Long Beach was 1.4 percent lower in September 2015 than in September 2014.
- The U.S. Energy Information Administration reported the price of West Coast No 2 diesel was \$2.72 per gallon in September 2015, down from \$4.00 per gallon in September 2014.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Department of Administration, fell from 6.6 percent in September 2014 to 6.3 percent in September 2015.

### Greater Phoenix Area Indicators

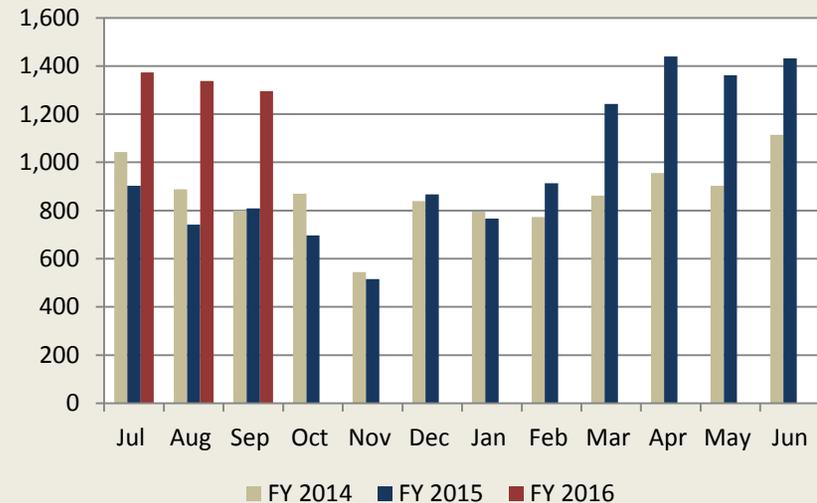
- The number of new single-family building permits issued in Maricopa County in September 2015 grew 60.1 percent compared to the same month of 2014. Estimated single-family building permits issued in Maricopa County have been experiencing significant year-over-year growth since February 2015.
- The September Employment Report published by the Arizona Department of Administration stated the construction sector in the Greater Phoenix Area gained 8,200 jobs year-over-year from September 2014 to September 2015, an increase of 8.7 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 5.5 percent in September 2015, down from 6.0 percent in September 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

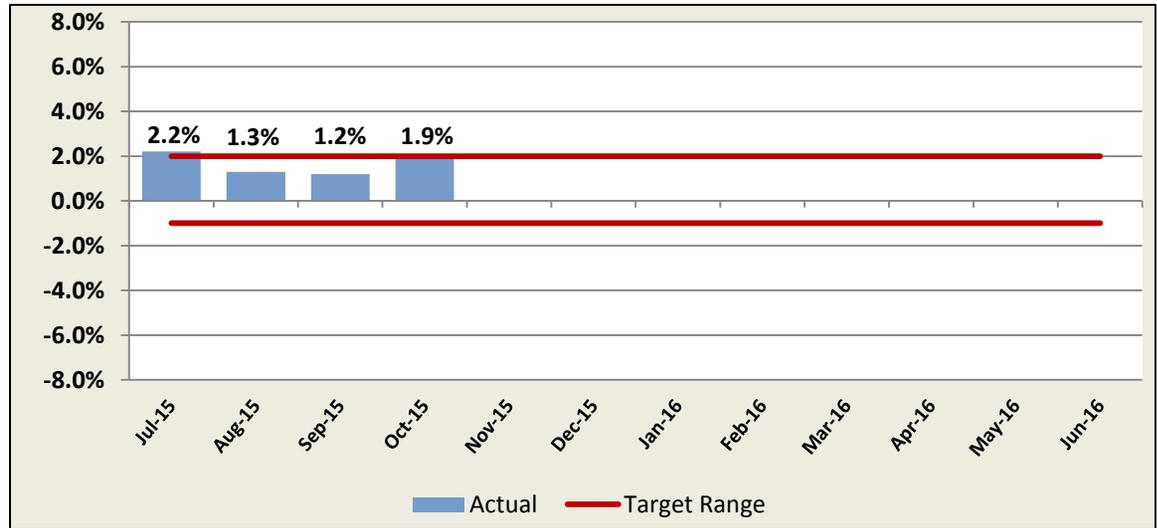


# HIGHWAY USER REVENUE FUND (HURF) THROUGH OCTOBER 31, 2015

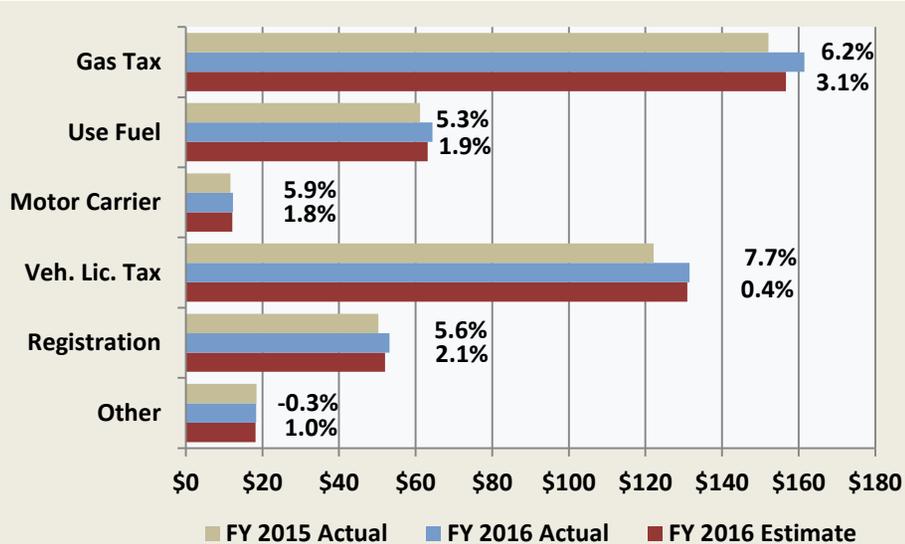
## Highlights

- Both gas and use fuel revenues experienced positive growth rates in the first four months of FY 2016 when compared to the same period of FY 2015.
- Arizona gas prices declined in October, with the Arizona average price per gallon falling to \$2.15 for regular unleaded gas. Arizona gas prices were 83 cents per gallon lower than they were in October of last year.
- Along with lower gas prices, October gas tax collections were 3.3 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)

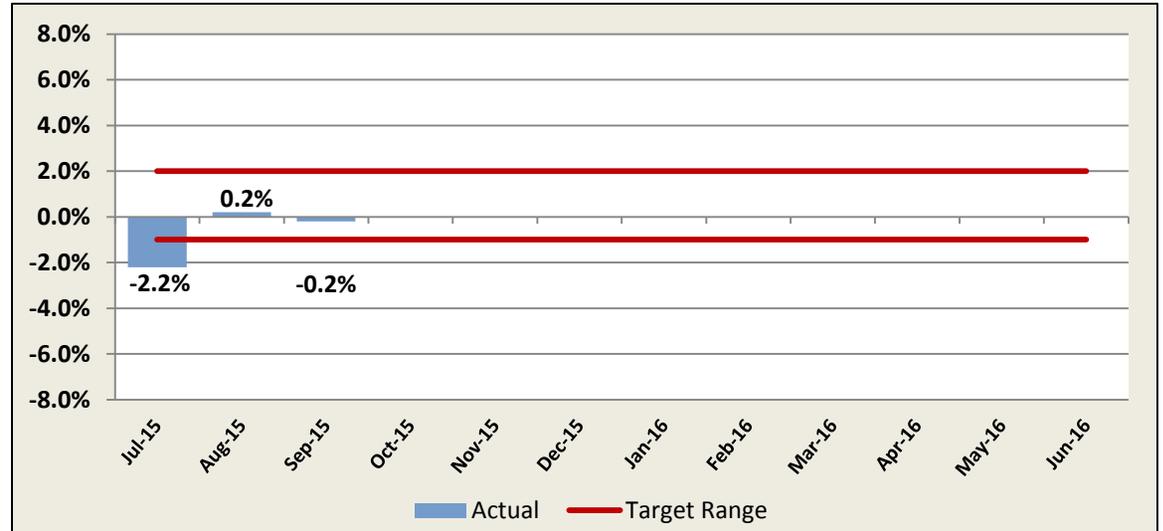
|                 | FY 2015 Actual     | FY 2016 Actual   | Change      | FY 2016 Estimate   | Change      |
|-----------------|--------------------|------------------|-------------|--------------------|-------------|
| July            | \$105,953          | \$112,198        | 5.9%        | \$109,750          | 2.2%        |
| August          | 103,784            | 108,456          | 4.5%        | 108,147            | 0.3%        |
| September       | 104,092            | 110,398          | 6.1%        | 109,190            | 1.1%        |
| October         | 101,931            | 110,199          | 8.1%        | 106,036            | 3.9%        |
| <b>Subtotal</b> | <b>\$415,760</b>   | <b>\$441,250</b> | <b>6.1%</b> | <b>\$433,123</b>   | <b>1.9%</b> |
| 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>\$441,250</b> |             | <b>\$1,331,000</b> |             |

## REGIONAL AREA ROAD FUND (RARF) THROUGH SEPTEMBER 30, 2015

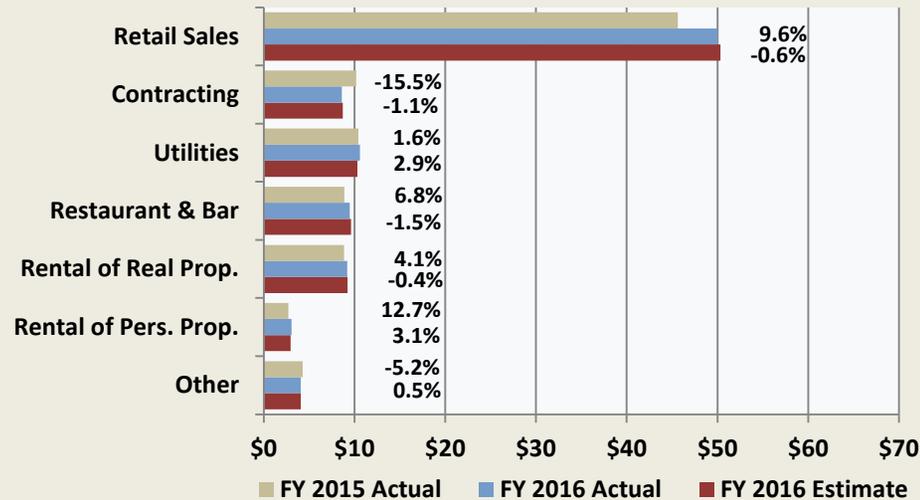
### Highlights

- Retail sales, the largest revenue category of RARF, grew 9.6 percent in the first quarter of FY 2016 when compared to the same period of the prior year.
- Meanwhile, the contracting category of RARF decreased 15.5 percent in the first quarter of FY 2016 when compared to the same period of the prior year.
- Some of the year-over-year changes in the retail sales and contracting categories of RARF can be explained by legislation taking effect in February 2015 that moved taxes collected on certain contracting activities from the contracting revenue category to the retail revenue category. Since these changes were anticipated, retail sales revenues are tracking only 0.6 below estimate and contracting revenues are 1.1 percent below the estimate.

### Variance from Forecast Year to Date



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



### Monthly Comparisons (\$ in Thousands)

|                 | FY 2015<br>Actual | FY 2016<br>Actual | Change      | FY 2016<br>Estimate | Change       |
|-----------------|-------------------|-------------------|-------------|---------------------|--------------|
| July            | \$30,448          | \$31,765          | 4.3%        | \$32,477            | -2.2%        |
| August          | 30,193            | 31,814            | 5.4%        | 30,969              | 2.7%         |
| September       | 30,315            | 31,444            | 3.7%        | 31,738              | -0.9%        |
| <b>Subtotal</b> | <b>\$90,956</b>   | <b>\$95,023</b>   | <b>4.5%</b> | <b>\$95,184</b>     | <b>-0.2%</b> |
| 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>\$95,023</b>   |             | <b>\$401,000</b>    |              |

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

| Investment Pools                  | Monthly<br>Average<br>Invested<br>Balance | Percent<br>Invested | September            |                  | Year-to Date (YTD)   |              |
|-----------------------------------|---|---------------------|----------------------|------------------|----------------------|--------------|
|                                   |   |                     | Interest<br>Received | Current<br>Yield | Interest<br>Received | YTD<br>Yield |
| <b>Pool 2</b>                     |   |                     |                      |                  |                      |              |
| Highway/1                         | \$108,112                                 | 99.44%              | \$44                 | 0.49%            | \$297                | 0.55%        |
| MAG/PAG 12.6% & 2.6% and PAG STAN | \$328,221                                 | 99.90%              | \$133                | 0.49%            | \$319                | 0.55%        |
| HURF Bond Redemption              | \$34,459                                  | 99.98%              | \$12                 | 0.49%            | \$22                 | 0.55%        |
| FY13A HURF Proceeds               | \$194,058                                 | 99.96%              | \$79                 | 0.49%            | \$280                | 0.55%        |
| Other/2                           | \$80,438                                  | 99.56%              | \$36                 | 0.49%            | \$130                | 0.55%        |
| <b>Subtotal</b>                   | <b>\$745,288</b>                          | <b>99.81%</b>       | <b>\$304</b>         | <b>0.49%</b>     | <b>\$1,048</b>       | <b>0.55%</b> |
| <b>Pool 3</b>                     |   |                     |                      |                  |                      |              |
| HELP/3                            | \$78,813                                  | 99.99%              | \$45                 | 0.69%            | \$140                | 0.71%        |
| Other/4                           | \$11,090                                  | 99.48%              | \$6                  | 0.69%            | \$20                 | 0.71%        |
| <b>Subtotal</b>                   | <b>\$89,903</b>                           | <b>99.93%</b>       | <b>\$51</b>          | <b>0.69%</b>     | <b>\$160</b>         | <b>0.71%</b> |
| <b>Pool 4</b>                     |   |                     |                      |                  |                      |              |
| RARF Bond Redemption              | \$24,728                                  | 100.00%             | \$13                 | 0.67%            | \$22                 | 0.71%        |
| Regional Area Road Fund           | \$403,654                                 | 99.90%              | \$222                | 0.67%            | \$739                | 0.71%        |
| <b>Subtotal</b>                   | <b>\$428,382</b>                          | <b>99.91%</b>       | <b>\$235</b>         | <b>0.67%</b>     | <b>\$761</b>         | <b>0.71%</b> |
| <b>Total</b>                      | <b>\$1,263,573</b>                        | <b>99.85%</b>       | <b>\$590</b>         | <b>0.58%</b>     | <b>\$1,969</b>       | <b>0.62%</b> |

Note: Numbers may not add due to rounding.

Source: State Treasurer's Office Statement of Accounts.

/1 In the new chart of accounts, the State Highway Fund no longer includes MAG/PAG 12.6% and 2.6% monies, Highway Postage or the State Highway GANS cash reserve.

/2 Pool 2 Other includes STAN TOC, STAN RORS, GANS redemption, Highway Postage, Aviation, HURF and Equipment funds.

/3 HELP: Highway Expansion and Extension Loan Program.

/4 Pool 3 Other includes Safety Enforcement, Storage Tank, Magazine, Economic Strength and Special Plates funds.

# HIGHWAY EXPANSION AND EXTENSION LOAN PROGRAM (HELP) CASH STATUS AS OF OCTOBER 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                           | 44,794,811                    |
| Principal Repaid on Loans                 | 545,578,522                   |
| <b>Total Revenues</b>                     | <b><u>\$1,136,382,927</u></b> |
| <br>                                      |                               |
| <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                            | 2,227,421                     |
| <b>Total Expenditures</b>                 | <b><u>\$1,057,473,699</u></b> |
| <br>                                      |                               |
| <b>Final Cash Balance as of 10/31/15*</b> | <b>\$78,909,228</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