

**FINANCIAL MANAGEMENT SERVICES  
MONTHLY FINANCIAL REPORT  
MARCH 17, 2017**

## ECONOMIC HIGHLIGHTS

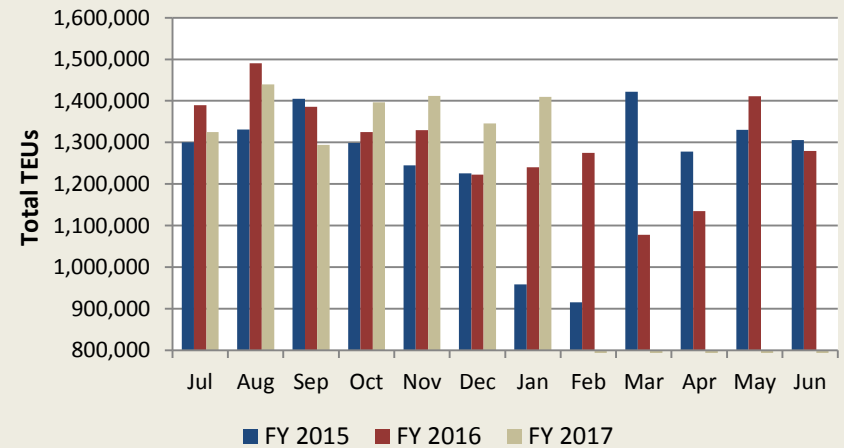
### Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 13.6 percent higher in January 2017 than in January 2016. January was the fourth consecutive month of year-over-year growth.
- The U.S. Energy Information Administration reported the price of West Coast No 2 diesel was \$2.85 per gallon in January 2017, up from \$2.39 per gallon in January 2016. The Arizona average price per gallon for regular unleaded gas was \$2.18 in January 2017, compared to \$1.86 in January 2016.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, fell from 5.5 percent in January 2016 to 5.0 percent in January 2017.

### Greater Phoenix Area Indicators

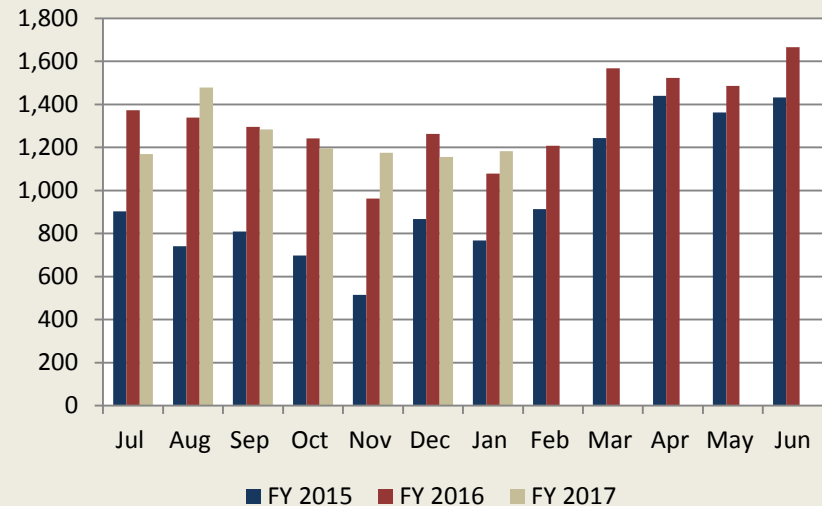
- The number of new single-family building permits issued in Maricopa County in January 2017 rose 9.7 percent compared to the same month of 2016. The 1,182 permits issued in January 2017 are 54.1 percent higher than the 767 permits issued in January 2015.
- The December Employment Report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 4,000 jobs year-over-year from January 2016 to January 2017, an increase of 3.1 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.5 percent in January 2017, down from 4.6 percent in January 2016.

### 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

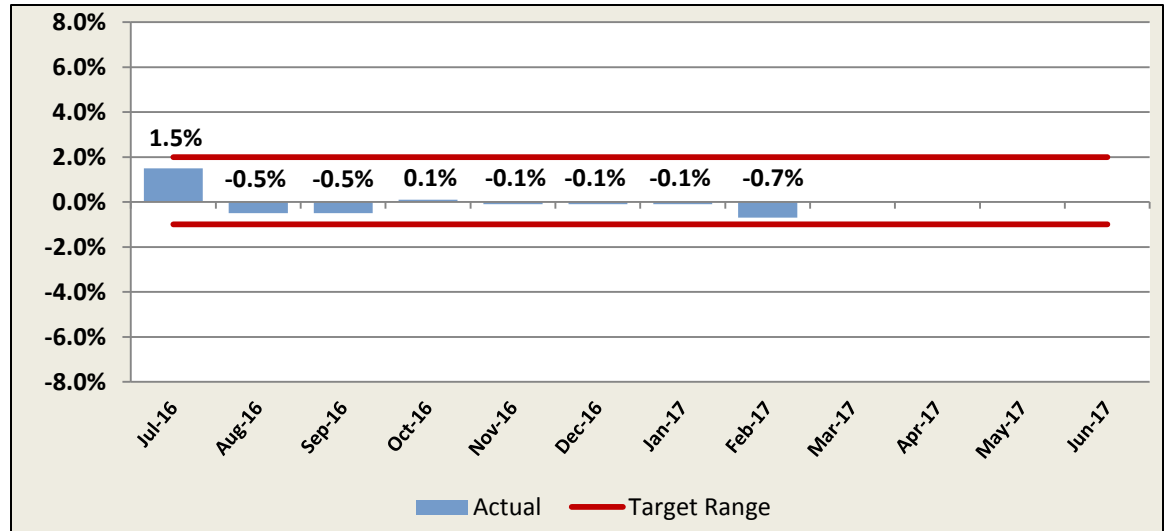


# HIGHWAY USER REVENUE FUND (HURF) THROUGH FEBRUARY 28, 2017

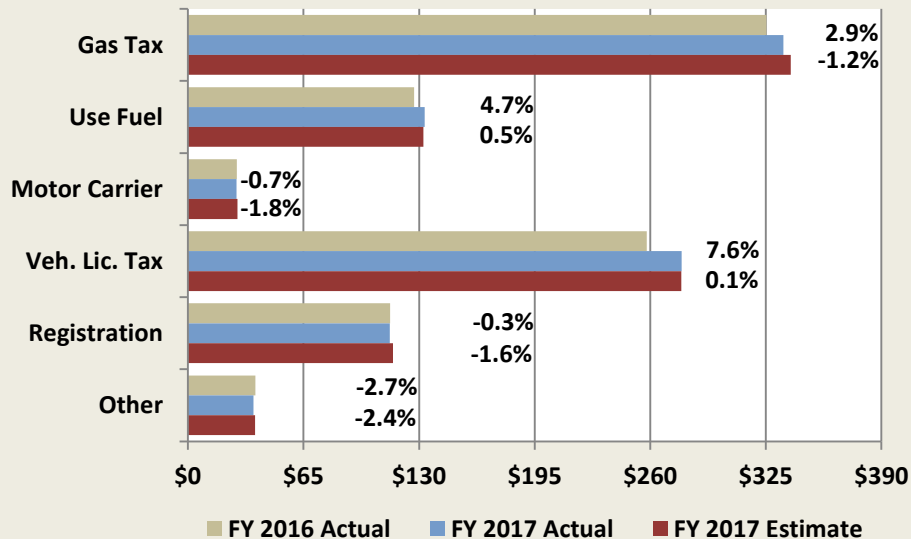
## Highlights

- Year-to-date gas tax revenues in HURF's largest category, gas tax, have increased 2.9 percent compared to the same period last year.
- Arizona gas prices were flat in February, with the Arizona average price per gallon remaining at \$2.18 for regular unleaded gas. Arizona gas prices were 38 cents per gallon higher than they were in February of last year.
- In the first seven months of FY 2017, vehicle license tax revenues grew 7.6 percent compared to the same period last year. Vehicle renewal registrations and new car registrations are up 3.6 percent and 4.3 percent, respectively, over the same period.

## Variance from Forecast Year-to-date



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



## Monthly Comparisons (\$ in Thousands)

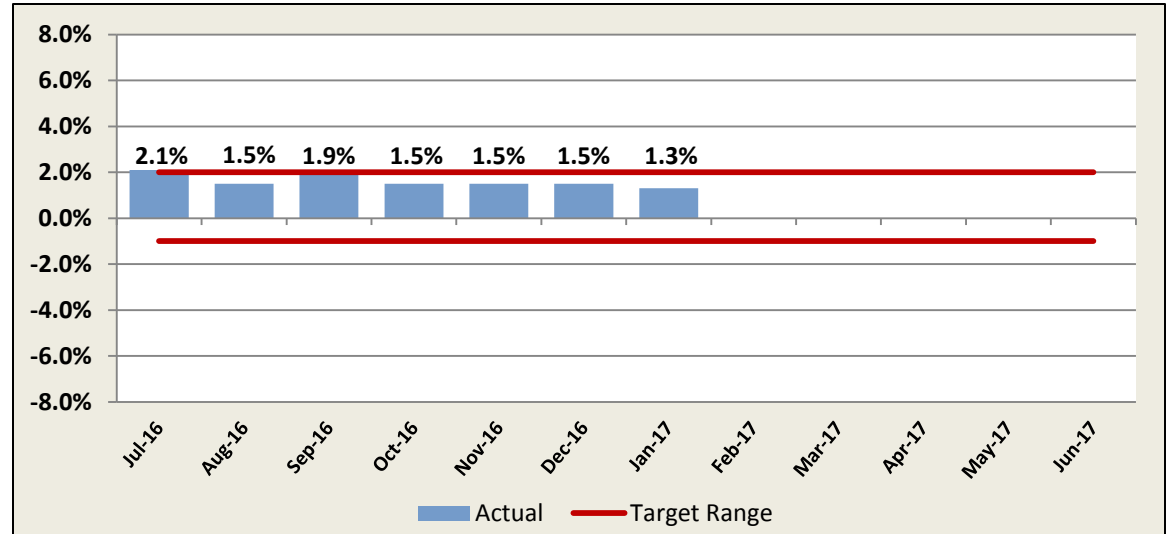
	FY 2016 Actual	FY 2017 Actual	Change	FY 2017 Estimate	Change
July	\$112,198	\$118,728	5.8%	\$116,922	1.5%
August	108,456	111,347	2.7%	114,394	-2.7%
September	110,398	115,423	4.6%	116,068	-0.6%
October	110,199	115,306	4.6%	113,070	2.0%
November	108,351	110,796	2.3%	112,002	-1.1%
December	111,965	117,255	4.7%	117,336	-0.1%
January	114,573	118,957	3.8%	119,054	-0.1%
February	113,786	115,727	1.7%	121,163	-4.5%
<b>Subtotal</b>	<b>\$889,926</b>	<b>\$923,539</b>	<b>3.8%</b>	<b>\$930,009</b>	<b>-0.7%</b>
March		119,020		119,696	
April		121,891		128,559	
May		110,563		116,107	
June		115,352		121,229	
<b>Total</b>	<b>\$1,356,752</b>	<b>\$923,539</b>		<b>\$1,415,600</b>	

## REGIONAL AREA ROAD FUND (RARF) THROUGH JANUARY 31, 2017

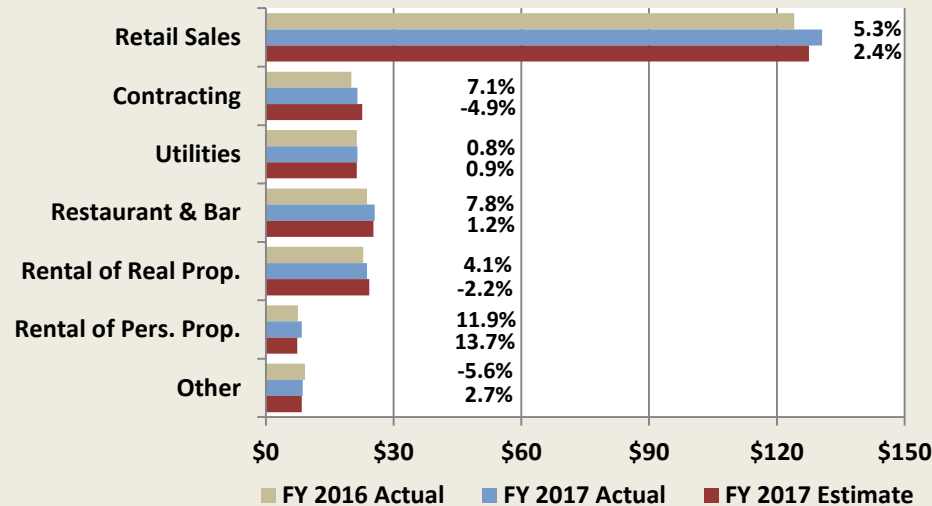
### Highlights

- Total year-to-date RARF revenue in FY 2017 surpassed revenue in the same period of FY 2016 by 4.9 percent and was 1.3 percent above the estimate.
- Retail sales, the largest revenue category of RARF, grew 5.3 percent year-to-date when compared to the same period last year.
- Year-to-date RARF contracting revenues increased 7.1 percent compared to the same period last year, and was 4.9 percent below forecast. The interest rate on 30 year mortgages in January 2017 was 4.15 percent, higher than the 3.87 percent experienced in January 2016.

### Variance from Forecast Year-to-date



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



### Monthly Comparisons (\$ in Thousands)

	FY 2016 Actual	FY 2017 Actual	Change	FY 2017 Estimate	Change
July	\$31,765	\$33,492	5.4%	\$32,816	2.1%
August	31,814	33,126	4.1%	32,817	0.9%
September	31,444	33,575	6.8%	32,678	2.7%
October	32,122	33,071	3.0%	33,007	0.2%
November	32,117	33,115	3.1%	32,640	1.5%
December	32,154	34,058	5.9%	33,505	1.6%
January	37,384	39,652	6.1%	39,455	0.5%
<b>Subtotal</b>	<b>\$228,799</b>	<b>\$240,088</b>	<b>4.9%</b>	<b>\$236,918</b>	<b>1.3%</b>
February	31,504			32,793	
March	33,192			34,034	
April	36,015			37,748	
May	33,455			34,619	
June	33,846			35,288	
<b>Total</b>	<b>\$396,810</b>	<b>\$240,088</b>		<b>\$411,400</b>	

INVESTMENT PERFORMANCE THROUGH JANUARY 31, 2017 (\$ IN THOUSANDS)

Investment Pools	Monthly Average Invested Balance	Percent Invested	January		Year-to-date (YTD)	
			Interest Received	Current Yield	Interest Received	YTD Yield
<b>Pool 2</b>						
Highway	\$205,503	99.81%	\$142	0.82%	\$927	0.82%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$333,967	99.98%	\$232	0.82%	\$1,840	0.82%
HURF Bond Redemption	\$51,252	100.00%	\$35	0.82%	\$187	0.82%
HURF 2013A Proceeds	\$74,411	100.00%	\$53	0.82%	\$578	0.82%
Other/1	\$44,939	99.26%	\$31	0.82%	\$225	0.82%
<b>Subtotal</b>	<b>\$710,072</b>	<b>99.89%</b>	<b>\$493</b>	<b>0.82%</b>	<b>\$3,757</b>	<b>0.82%</b>
<b>Pool 3 Revised</b>						
HELP/2	\$59,576	100.00%	\$54	1.07%	\$362	1.04%
Other/3	\$8,094	99.50%	\$7	1.07%	\$50	1.04%
<b>Subtotal</b>	<b>\$67,670</b>	<b>99.94%</b>	<b>\$61</b>	<b>1.07%</b>	<b>\$412</b>	<b>1.04%</b>
<b>Pool 4</b>						
RARF Bond Redemption	\$44,005	100.00%	\$29	0.78%	\$138	0.79%
Regional Area Road Fund	\$363,318	99.93%	\$242	0.78%	\$1,687	0.79%
<b>Subtotal</b>	<b>\$407,323</b>	<b>99.93%</b>	<b>\$271</b>	<b>0.78%</b>	<b>\$1,825</b>	<b>0.79%</b>
<b>Total</b>	<b>\$1,185,064</b>	<b>99.91%</b>	<b>\$824</b>	<b>0.83%</b>	<b>\$5,994</b>	<b>0.83%</b>

Note: Numbers may not add due to rounding.

Source: State Treasurer's Office Statement of Accounts.

/1 Pool 2 Other includes HURF, Aviation, STAN TOC, Equipment, Highway Postage, STAN RORS and GANS redemption funds.

/2 HELP: Highway Expansion and Extension Loan Program.

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

## HIGHWAY EXPANSION AND EXTENSION LOAN PROGRAM (HELP) CASH STATUS AS OF FEBRUARY 28, 2017

<b>Revenues:</b>	<b>Inception to Date</b>
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	45,540,023
Principal Repaid on Loans	545,578,522
<b>Total Revenues</b>	<b><u>\$1,137,128,139</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	40,000,000
Administration	2,226,371
<b>Total Expenditures</b>	<b><u>\$1,077,472,649</u></b>
<b>Final Cash Balance as of 2/28/17</b>	<b>\$59,655,490</b>