

**FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
APRIL 21, 2017**

ECONOMIC HIGHLIGHTS

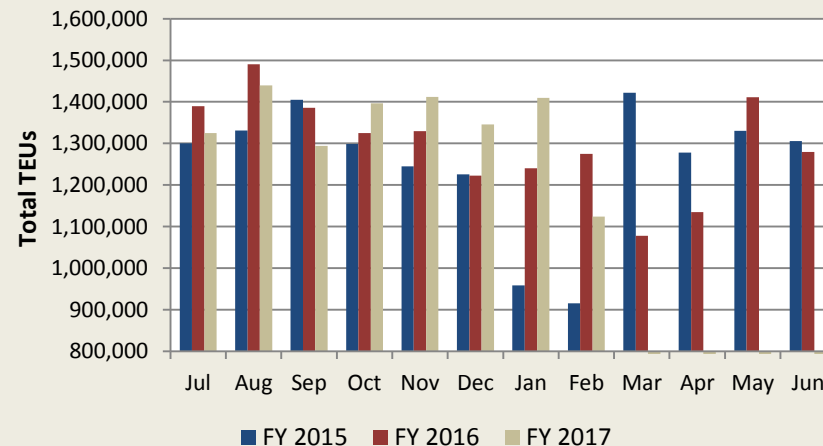
Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 11.9 percent lower in February 2017 than in February 2016.
- The U.S. Energy Information Administration reported the price of West Coast No 2 diesel was \$2.87 per gallon in February 2017, up from \$2.22 per gallon in February 2016. The Arizona average price per gallon for regular unleaded gas was \$2.18 in February 2017, compared to \$1.80 in February 2016.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, fell from 5.5 percent in February 2016 to 5.1 percent in February 2017.

Greater Phoenix Area Indicators

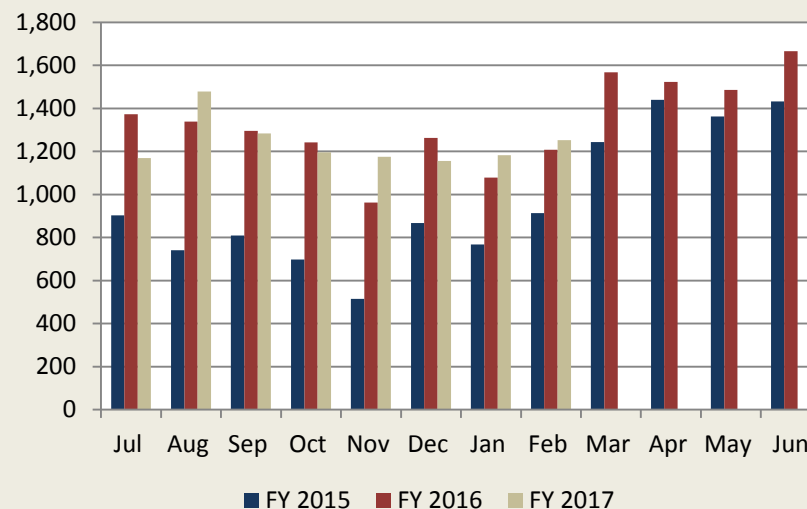
- The number of new single-family building permits issued in Maricopa County in February 2017 rose 3.6 percent compared to the same month of 2016. The 1,252 permits issued in February 2017 are 37.1 percent higher than the 913 permits issued in February 2015.
- The February Employment Report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 2,100 jobs year-over-year from February 2016 to February 2017, an increase of 2.1 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.4 percent in February 2017, down from 4.5 percent in February 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

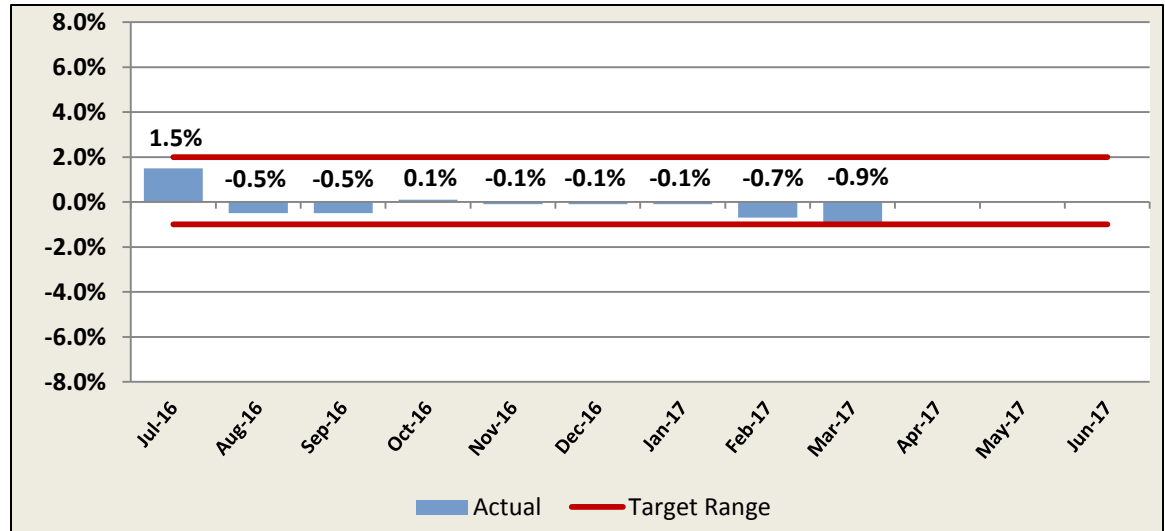


HIGHWAY USER REVENUE FUND (HURF) THROUGH MARCH 31, 2017

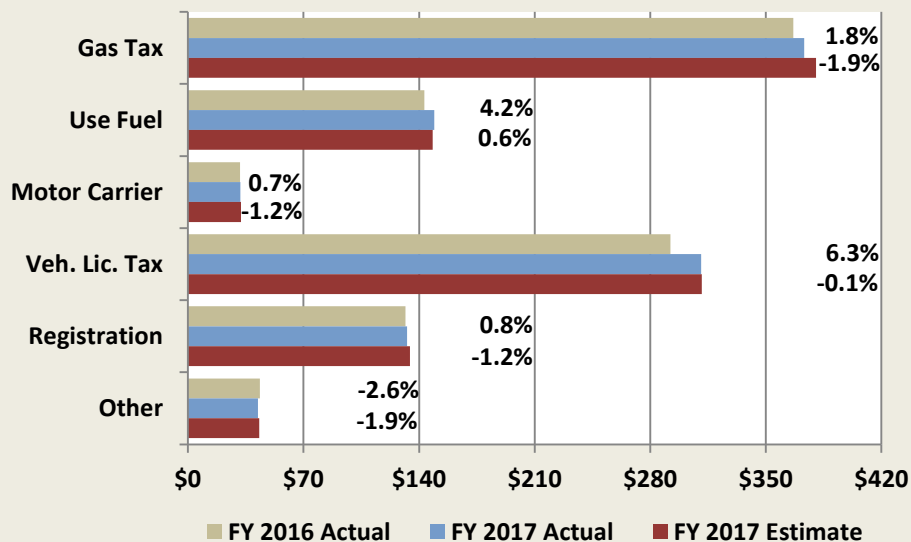
Highlights

- Year-to-date revenues in HURF's largest category, gas tax, have increased 1.8 percent compared to the same period last year.
- Arizona gas prices rose in March, with the Arizona average price per gallon increasing seven cents to \$2.25 for regular unleaded gas. Arizona gas prices were 17 cents per gallon higher than they were in March of last year.
- In the first nine months of FY 2017, vehicle license tax revenues grew 6.3 percent compared to the same period last year. Vehicle renewal registrations and new car registrations are up 3.9 percent and 6.9 percent, respectively, over the same period.

Variance from Forecast Year-to-date



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



Monthly Comparisons (\$ in Thousands)

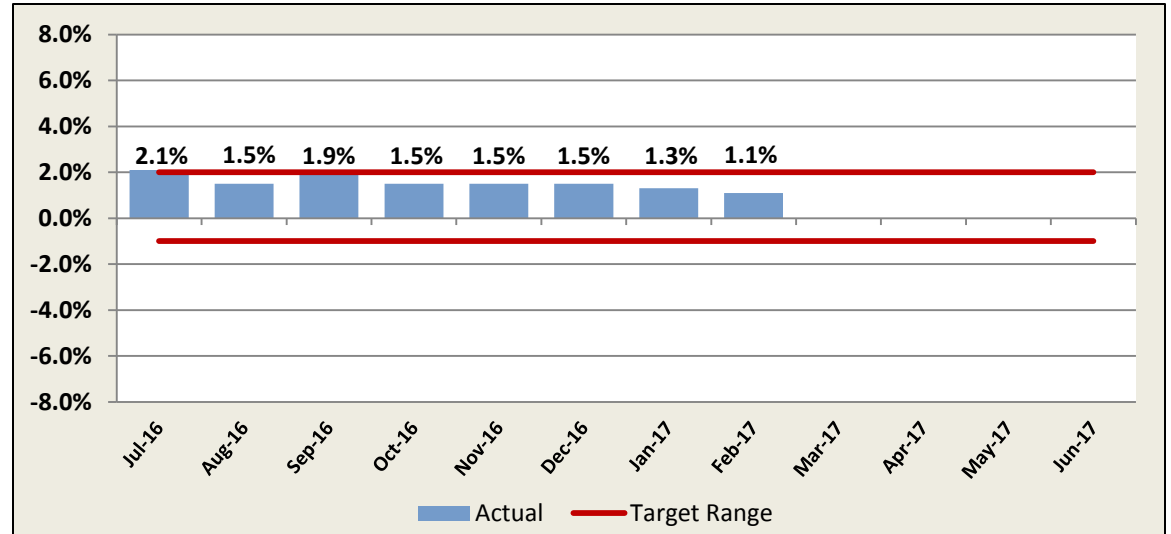
	FY 2016 Actual	FY 2017 Actual	Change	FY 2017 Estimate	Change
July	\$112,198	\$118,728	5.8%	\$116,922	1.5%
August	108,456	111,347	2.7%	114,394	-2.7%
September	110,398	115,423	4.6%	116,068	-0.6%
October	110,199	115,306	4.6%	113,070	2.0%
November	108,351	110,796	2.3%	112,002	-1.1%
December	111,965	117,255	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%
March	119,020	116,522	-2.1%	119,696	-2.7%
Subtotal	\$1,008,946	\$1,040,061	3.1%	\$1,049,705	-0.9%
April				128,559	
May				116,107	
June				121,229	
Total	\$1,356,752	\$1,040,061		\$1,415,600	

REGIONAL AREA ROAD FUND (RARF) THROUGH FEBRUARY 28, 2017

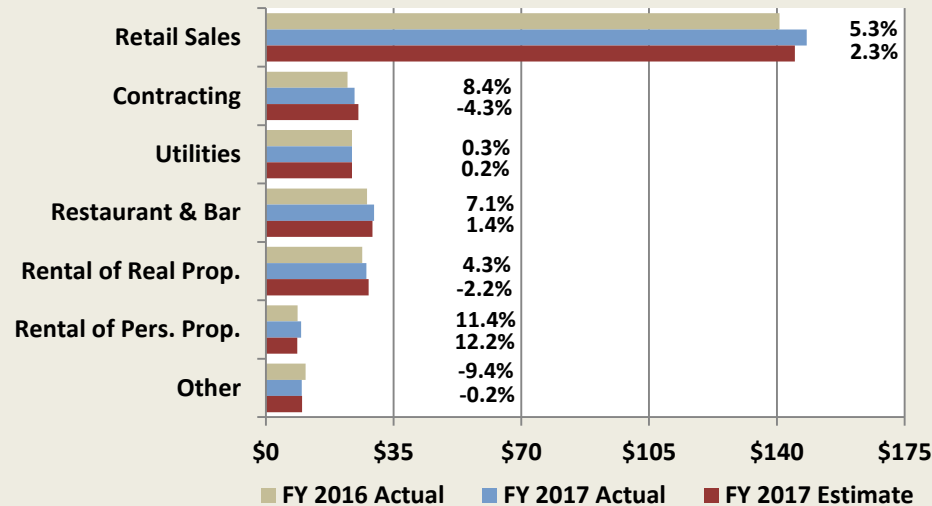
Highlights

- Total year-to-date RARF revenue in FY 2017 surpassed revenue in the same period of FY 2016 by 4.8 percent and was 1.1 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 8.4 percent compared to the same period last year, and was 4.3 percent below forecast. The interest rate on 30 year mortgages in February 2017 was 4.17 percent, higher than the 3.66 percent experienced in February 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%
February	31,504	32,662	3.7%	32,793	-0.4%
Subtotal	\$260,302	\$272,750	4.8%	\$269,711	1.1%
March				34,034	
April				37,748	
May				34,619	
June				35,288	
Total	\$396,810	\$272,750		\$411,400	

INVESTMENT PERFORMANCE THROUGH FEBRUARY 28, 2017 (\$ IN THOUSANDS)

Investment Pools	Monthly Average Invested Balance	Percent Invested	February		Year-to-date (YTD)	
			Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2						
Highway	\$197,770	99.80%	\$136	0.90%	\$1,063	0.83%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$341,142	99.98%	\$236	0.90%	\$2,076	0.83%
HURF Bond Redemption	\$63,996	100.00%	\$41	0.90%	\$228	0.83%
HURF 2013A Proceeds	\$61,261	99.85%	\$42	0.90%	\$620	0.83%
Other/1	\$42,290	99.22%	\$31	0.90%	\$256	0.83%
Subtotal	\$706,459	99.88%	\$486	0.90%	\$4,244	0.83%
Pool 3 Revised						
HELP/2	\$59,613	100.00%	\$52	1.13%	\$414	1.05%
Other/3	\$7,032	99.42%	\$6	1.13%	\$56	1.05%
Subtotal	\$66,645	99.94%	\$58	1.13%	\$469	1.05%
Pool 4						
RARF Bond Redemption	\$52,158	100.00%	\$34	0.83%	\$171	0.80%
Regional Area Road Fund	\$365,680	99.93%	\$232	0.83%	\$1,919	0.80%
Subtotal	\$417,837	99.94%	\$265	0.83%	\$2,090	0.80%
Total	\$1,190,941	99.90%	\$810	0.89%	\$6,804	0.84%

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 MARCH 31, 2017

Revenues:	Inception to Date
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	45,591,594
Principal Repaid on Loans	545,578,522
Total Revenues	<u>\$1,137,179,710</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	40,000,000
Administration	2,226,371
Total Expenditures	<u>\$1,077,472,649</u>
Final Cash Balance as of 3/31/17	\$59,707,061