

**FINANCIAL MANAGEMENT SERVICES  
MONTHLY FINANCIAL REPORT  
NOVEMBER 18, 2016**

## ECONOMIC HIGHLIGHTS

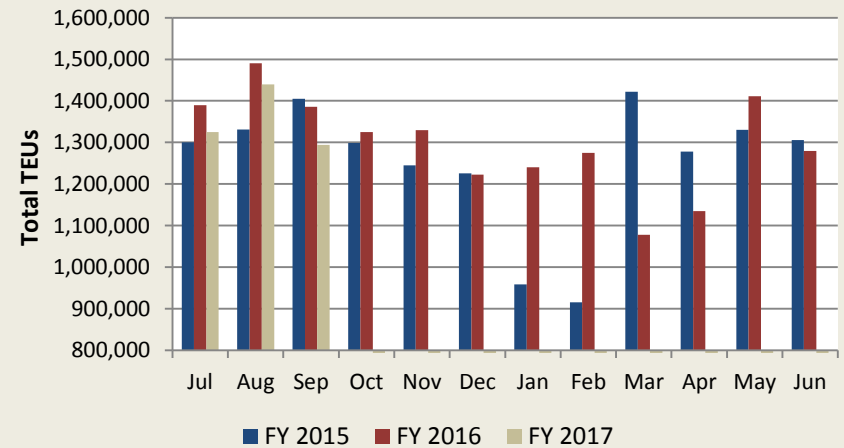
### Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 6.6 percent lower in September 2016 than in September 2015.
- The U.S. Energy Information Administration reported the price of West Coast No 2 diesel was \$2.66 per gallon in September 2016, down from \$2.72 per gallon in September 2015. The Arizona average price per gallon for regular unleaded gas was \$2.11 in September 2016, compared to \$2.34 in September 2015.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, fell from 5.9 percent in September 2015 to 5.5 percent in September 2016.

### Greater Phoenix Area Indicators

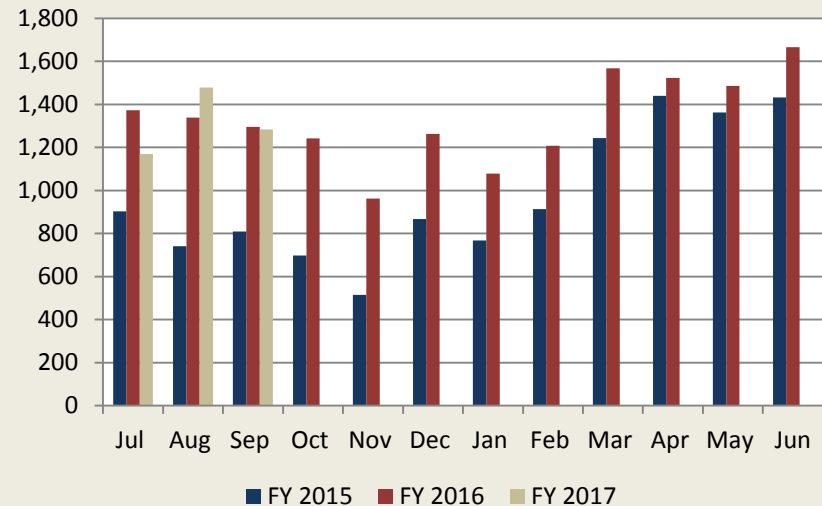
- The number of new single-family building permits issued in Maricopa County in September 2016 fell 0.9 percent compared to the same month of 2015. The 1,284 permits issued in September 2016 are 58.7 percent higher than the 809 permits issued in September 2014.
- The September Employment Report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 9,600 jobs year-over-year from September 2015 to September 2016, an increase of 9.6 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.8 percent in September 2016, down from 5.2 percent in September 2015.

### 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

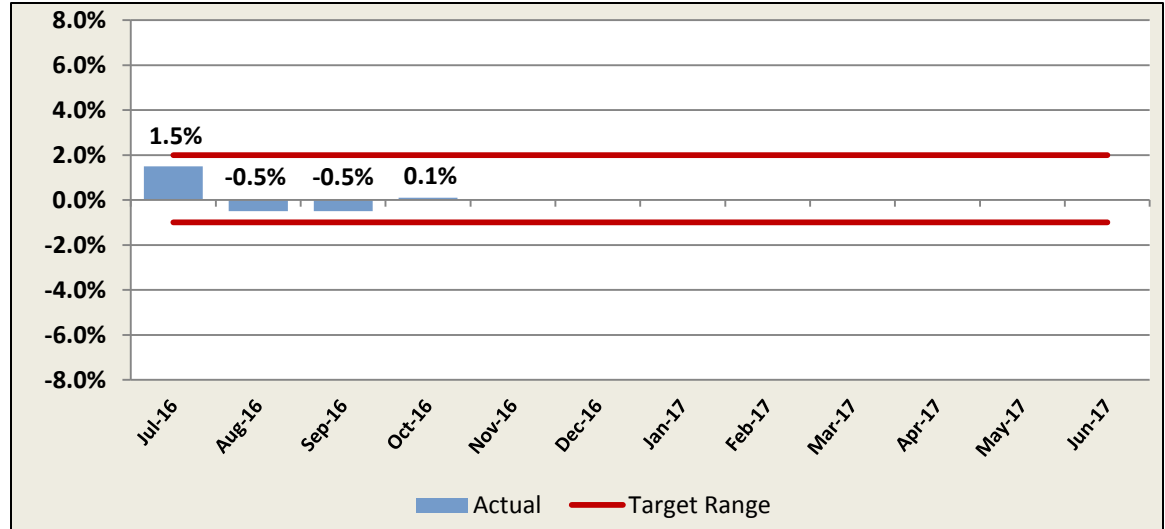


# HIGHWAY USER REVENUE FUND (HURF) THROUGH OCTOBER 31, 2016

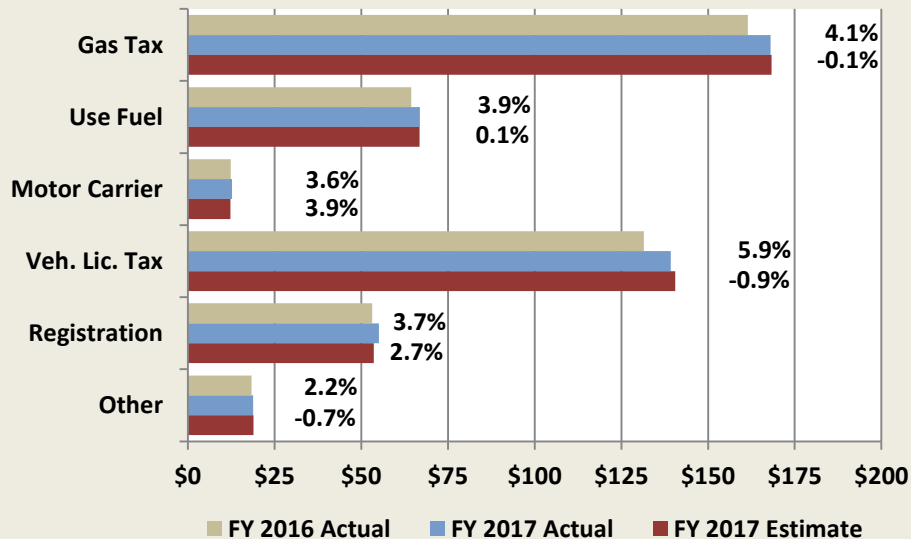
## Highlights

- HURF's largest category, gas tax, continues to grow. Year-to-date gas tax revenues have increased 4.1 percent compared to the same period last year.
- Arizona gas prices rose in October, with the Arizona average price per gallon increasing five cents to \$2.16 for regular unleaded gas. Arizona gas prices were two cents per gallon lower than they were in October of last year.
- In the first four months of FY 2017, vehicle license tax revenues grew 5.9 percent compared to the same period last year. Vehicle renewal registrations and new car registrations are up 3.9 percent and 1.7 percent, respectively, over the same period.

## Variance from Forecast Year to Date



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



## Monthly Comparisons (\$ in Thousands)

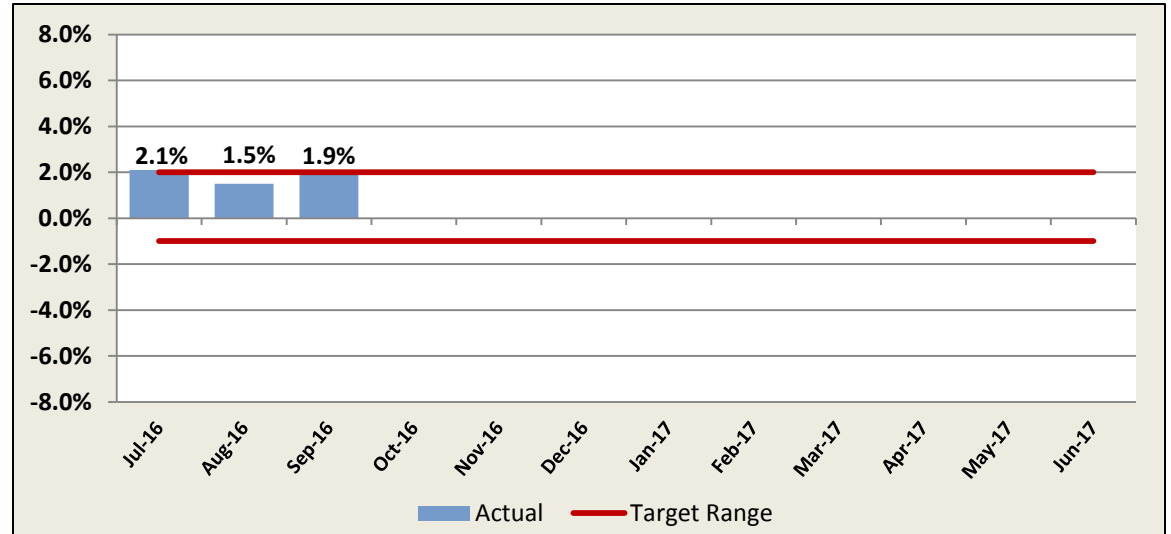
	FY 2016 Actual	FY 2017 Actual	Change	FY 2017 Estimate	Change
July	\$112,198	\$118,728	5.8%	\$116,922	1.5%
August	108,456	111,347	2.7%	114,394	-2.7%
September	110,398	115,423	4.6%	116,068	-0.6%
October	110,199	115,306	4.6%	113,070	2.0%
<b>Subtotal</b>	<b>\$441,250</b>	<b>\$460,804</b>	<b>4.4%</b>	<b>\$460,454</b>	<b>0.1%</b>
November	108,351			112,002	
December	111,965			117,336	
January	114,573			119,054	
February	113,786			121,163	
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>\$460,804</b>		<b>\$1,415,600</b>	

## REGIONAL AREA ROAD FUND (RARF) THROUGH SEPTEMBER 30, 2016

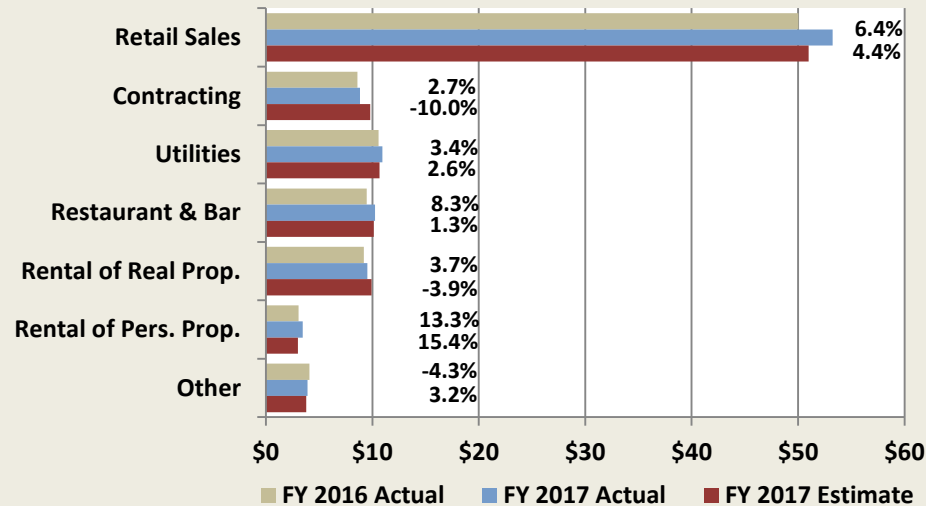
### Highlights

- Retail sales, the largest revenue category of RARF, grew 6.4 percent year-to-date when compared to the same period last year.
- Year-to-date RARF contracting revenues increased 2.7 percent compared to the same period last year. Mortgage interest rates continue to remain low. The interest rate on 30 year mortgages in September 2016 was 3.46 percent, much lower than the 3.89 percent in September 2015.
- Total year-to-date RARF revenue in FY 2017 surpassed revenue in the same period of FY 2016 by 5.4 percent and was 1.9 percent above the estimate.

### 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%
<b>Subtotal</b>	<b>\$95,023</b>	<b>\$100,192</b>	<b>5.4%</b>	<b>\$98,311</b>	<b>1.9%</b>
October	32,122			33,007	
November	32,117			32,640	
December	32,154			33,505	
January	37,384			39,455	
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>\$100,192</b>		<b>\$411,400</b>	

INVESTMENT PERFORMANCE THROUGH SEPTEMBER 30, 2016 (\$ IN THOUSANDS)

Investment Pools	Monthly Average Invested Balance	Percent Invested	September		Year-to Date (YTD)	
			Interest Received	Current Yield	Interest Received	YTD Yield
<b>Pool 2</b>						
Highway	\$181,740	99.74%	\$122	0.81%	\$393	0.88%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$390,357	99.98%	\$259	0.81%	\$853	0.88%
HURF Bond Redemption	\$33,859	100.00%	\$21	0.81%	\$41	0.88%
HURF 2013A Proceeds	\$131,876	99.99%	\$88	0.81%	\$302	0.88%
Other/1	\$44,256	99.25%	\$31	0.81%	\$101	0.88%
<b>Subtotal</b>	<b>\$782,088</b>	<b>99.88%</b>	<b>\$521</b>	<b>0.81%</b>	<b>\$1,690</b>	<b>0.88%</b>
<b>Pool 3 Revised</b>						
HELP/2	\$59,349	100.00%	\$51	1.05%	\$153	1.03%
Other/3	\$8,096	99.39%	\$6	1.05%	\$19	1.03%
<b>Subtotal</b>	<b>\$67,445</b>	<b>99.93%</b>	<b>\$57</b>	<b>1.05%</b>	<b>\$172</b>	<b>1.03%</b>
<b>Pool 4</b>						
RARF Bond Redemption	\$24,003	100.00%	\$16	0.81%	\$29	0.82%
Regional Area Road Fund	\$355,740	99.93%	\$235	0.81%	\$746	0.82%
<b>Subtotal</b>	<b>\$379,743</b>	<b>99.93%</b>	<b>\$251</b>	<b>0.81%</b>	<b>\$775</b>	<b>0.82%</b>
<b>Total</b>	<b>\$1,229,276</b>	<b>99.90%</b>	<b>\$829</b>	<b>0.83%</b>	<b>\$2,637</b>	<b>0.87%</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 OCTOBER 31, 2016

<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	45,330,710
Principal Repaid on Loans	545,578,522
<b>Total Revenues</b>	<b><u>\$1,136,918,826</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 10/31/16</b>	<b>\$59,446,177</b>