

FINANCIAL MANAGEMENT SERVICES
MONTHLY FINANCIAL REPORT
MARCH 16, 2018

ECONOMIC HIGHLIGHTS

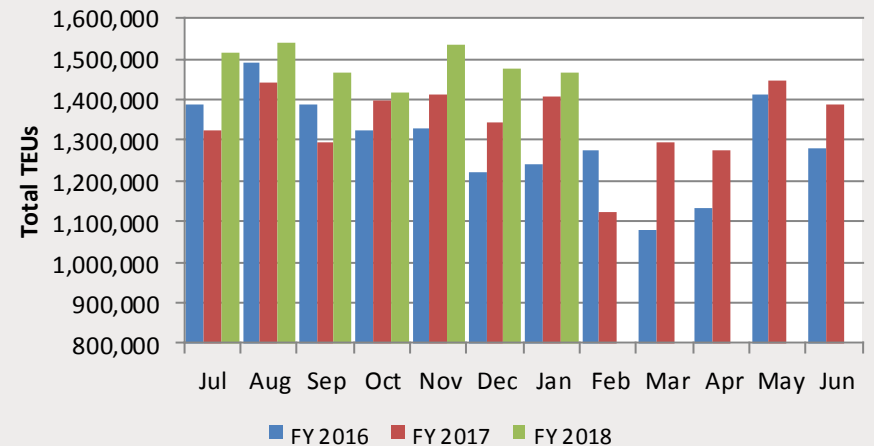
Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 4.1 percent higher in January 2018 than in January 2017.
- The U.S. Energy Information Administration reported the price of West Coast No. 2 diesel was \$3.40 per gallon in January 2018, up from \$2.85 per gallon in January 2017. The Arizona average price per gallon for regular unleaded gas was \$2.37 in January 2018, compared to \$2.18 in January 2017.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, fell from 5.2 percent in January 2017 to 4.8 percent in January 2018.

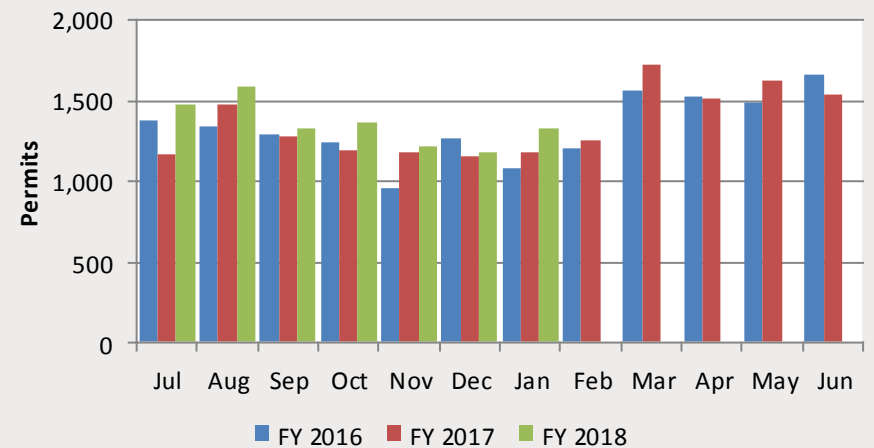
Greater Phoenix Area Indicators

- The number of new single-family building permits issued in Maricopa County in January 2018 grew 12.7 percent compared to the same month of 2017.
- The November Employment Report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 9,900 jobs year-over-year from January 2017 to January 2018, an increase of 9.3 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.5 percent in January 2018, down from 4.6 percent in January 2017.

Container Statistics for Port of LA and Port of Long Beach



Maricopa County New Single-family Building Permits

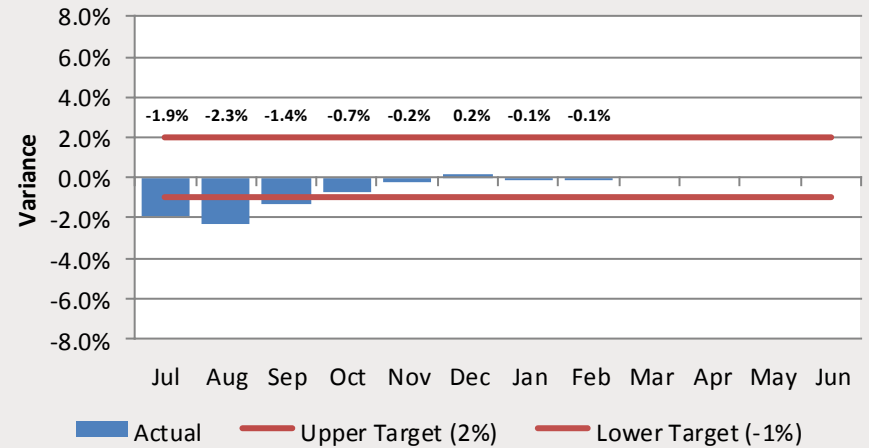


HIGHWAY USER REVENUE FUND (HURF) THROUGH FEBRUARY 28, 2018

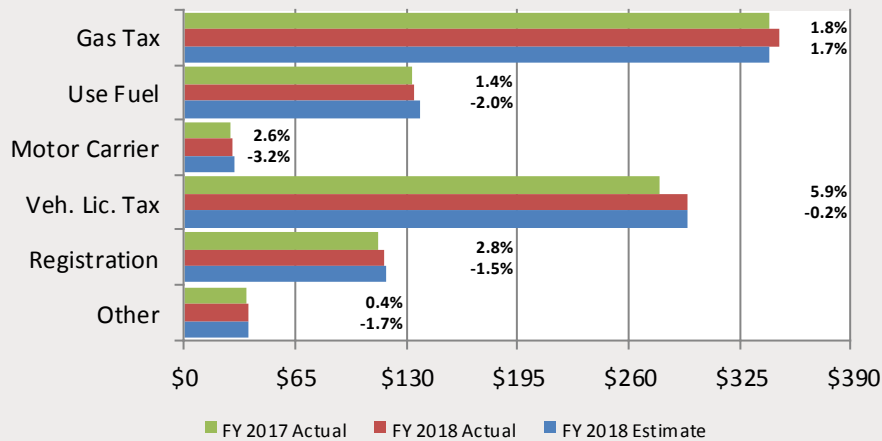
Highlights

- FY 2018 is 0.1 percent below forecast year-to-date, with FY 2018 revenues 3.0 percent above the same period in FY 2017.
- Revenues in HURF's largest category, gas tax, have increased 1.8 percent from FY 2017 to FY 2018 year-to-date. Gas tax collections are 1.7 percent above forecast year-to-date.
- In FY 2018, vehicle license tax revenues grew 5.9 percent compared to FY 2017 year-to-date. Vehicle renewal registrations and new car registrations are up 7.0 percent and 6.7 percent, respectively, over the same time period.

Variance from Forecast Year-to-date



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



Monthly Comparison (\$ in Thousands)

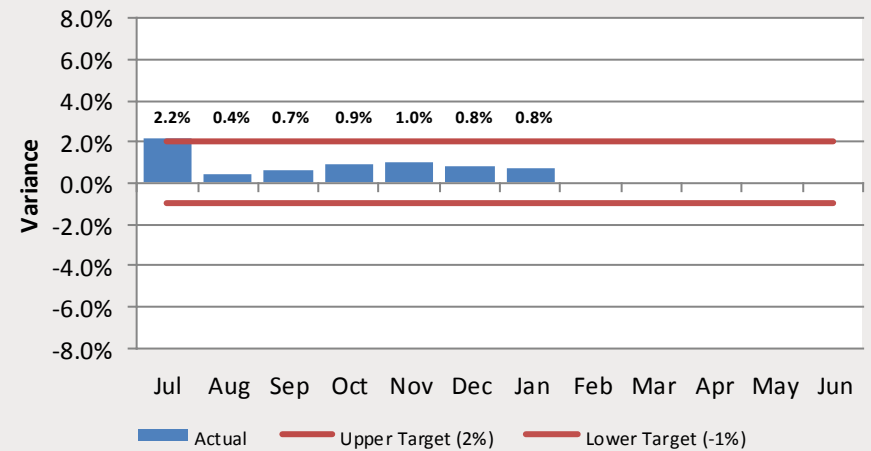
	FY 2017 Actual	FY 2018 Actual	Change	FY 2018 Estimate	Change
July	\$119,624	\$119,155	-0.4%	\$121,466	-1.9%
August	\$112,285	\$114,333	1.8%	\$117,632	-2.8%
September	\$116,373	\$120,553	3.6%	\$119,849	0.6%
October	\$116,214	\$118,848	2.3%	\$117,414	1.2%
November	\$111,731	\$117,992	5.6%	\$115,771	1.9%
December	\$118,167	\$123,775	4.7%	\$121,185	2.1%
January	\$119,891	\$121,125	1.0%	\$123,716	-2.1%
February	\$116,612	\$123,478	5.9%	\$123,126	0.3%
Subtotal	\$930,898	\$959,259	3.0%	\$960,159	-0.1%
March				\$122,869	
April				\$133,377	
May				\$120,707	
June				\$125,388	
Total	\$1,416,523	\$959,259		\$1,462,500	

REGIONAL AREA ROAD FUND (RARF) THROUGH JANUARY 31, 2018

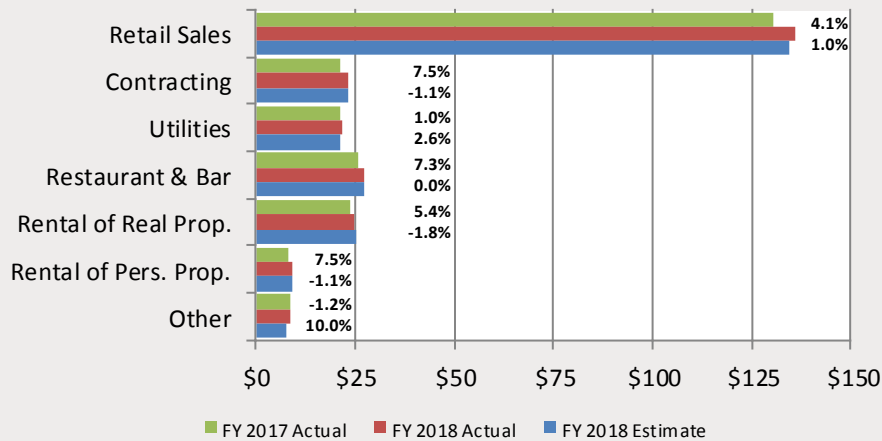
Highlights

- Year-to-date FY 2018 RARF revenues through January surpassed the same period in FY 2017 by 4.5 percent and were 0.8 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 4.1 percent year-to-date when compared to the same period of the last fiscal year.
- Year-to-date RARF contracting revenues increased 7.5 percent compared to the same period in the last fiscal year, but were 1.1 percent below forecast. The interest rate on 30 year mortgages in January 2018 was 4.03 percent, lower than the 4.15 percent experienced in January 2017.

Variance from Forecast Year-to-date



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



Monthly Comparison (\$ in Thousands)

	FY 2017 Actual	FY 2018 Actual	Change	FY 2018 Estimate	Change
July	\$33,492	\$35,805	6.9%	\$35,038	2.2%
August	\$33,126	\$33,527	1.2%	\$34,017	-1.4%
September	\$33,575	\$34,727	3.4%	\$34,309	1.2%
October	\$33,071	\$34,934	5.6%	\$34,431	1.5%
November	\$33,115	\$34,994	5.7%	\$34,475	1.5%
December	\$34,058	\$35,459	4.1%	\$35,436	0.1%
January	\$39,652	\$41,557	4.8%	\$41,410	0.4%
Subtotal	\$240,088	\$251,002	4.5%	\$249,116	0.8%
February				\$34,309	
March				\$35,306	
April				\$39,605	
May				\$36,603	
June				\$37,061	
Total	\$414,071	\$251,002		\$432,000	

INVESTMENT PERFORMANCE THROUGH JANUARY 31, 2017

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	January		Year-to-date (YTD)	
				Interest Received	Current Yield	Interest Received	YTD Yield
Pool 2							
Highway	\$159,727	\$153,781	96.28%	\$176	1.35%	\$1,195	1.25%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$447,485	\$412,455	92.17%	\$473	1.35%	\$2,950	1.25%
HURF Bond Redemption	\$53,135	\$52,511	98.83%	\$59	1.35%	\$305	1.25%
HURF 2013A Proceeds	\$1,931	\$1,731	89.64%	\$2	1.35%	\$15	1.25%
Other/1	\$108,433	\$101,136	93.27%	\$118	1.35%	\$640	1.25%
Subtotal	\$770,710	\$721,614	93.63%	\$827	1.35%	\$5,105	1.25%
Pool 3 Revised							
HELP/2	\$30,239	\$30,239	100.00%	\$41	1.60%	\$350	1.46%
Other/3	\$10,450	\$10,356	99.10%	\$14	1.60%	\$77	1.46%
Subtotal	\$40,688	\$40,595	99.77%	\$55	1.60%	\$426	1.46%
Pool 4							
RARF Bond Redemption	\$44,523	\$44,092	99.03%	\$52	1.40%	\$225	1.28%
Regional Area Road Fund/4	\$408,909	\$398,865	97.54%	\$475	1.40%	\$3,012	1.28%
Subtotal	\$453,432	\$442,957	97.69%	\$526	1.40%	\$3,238	1.28%
Total	\$1,264,830	\$1,205,165	95.28%	\$1,409	1.38%	\$8,769	1.27%

Note: Numbers may not add due to rounding. Beginning in FY 2018, the methodology for calculating the Percent Invested has changed to consider monies set aside for pending payments which were not previously considered.

Source: State Treasurer's Office Statement of Accounts.

/1 Pool 2 Other includes HURF, Aviation, STAN TOC, Equipment, Highway Postage, STAN RORS, Highway GANS Cash Reserves 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.

/4 Includes RARF GANS Cash Reserves.