

**FINANCIAL MANAGEMENT SERVICES  
MONTHLY FINANCIAL REPORT  
SEPTEMBER 15, 2017**

## ECONOMIC HIGHLIGHTS

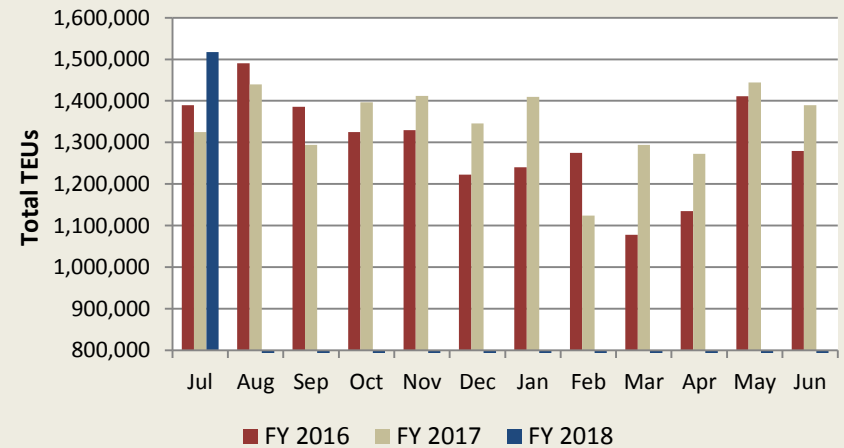
### Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 14.5 percent higher in July 2017 than in July 2016.
- The U.S. Energy Information Administration reported the price of West Coast No 2 diesel was \$2.78 per gallon in July 2017, up from \$2.69 per gallon in July 2016. The Arizona average price per gallon for regular unleaded gas was \$2.23 in July 2017, compared to \$2.17 in July 2016.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, fell from 5.2 percent in July 2016 to 5.1 percent in July 2017.

### Greater Phoenix Area Indicators

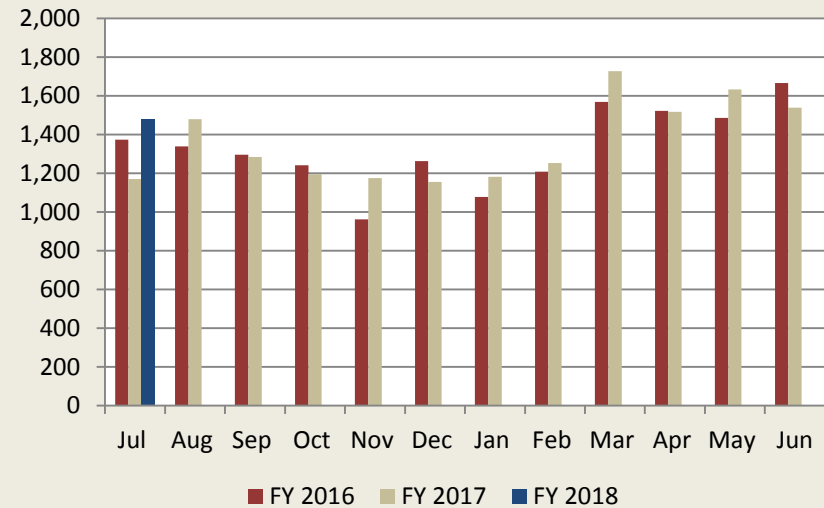
- The number of new single-family building permits issued in Maricopa County in July 2017 grew 26.6 percent compared to the same month of 2016.
- The July Employment Report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 3,800 jobs year-over-year from July 2016 to July 2017, an increase of 3.5 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.6 percent in July 2017, down from 4.9 percent in July 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

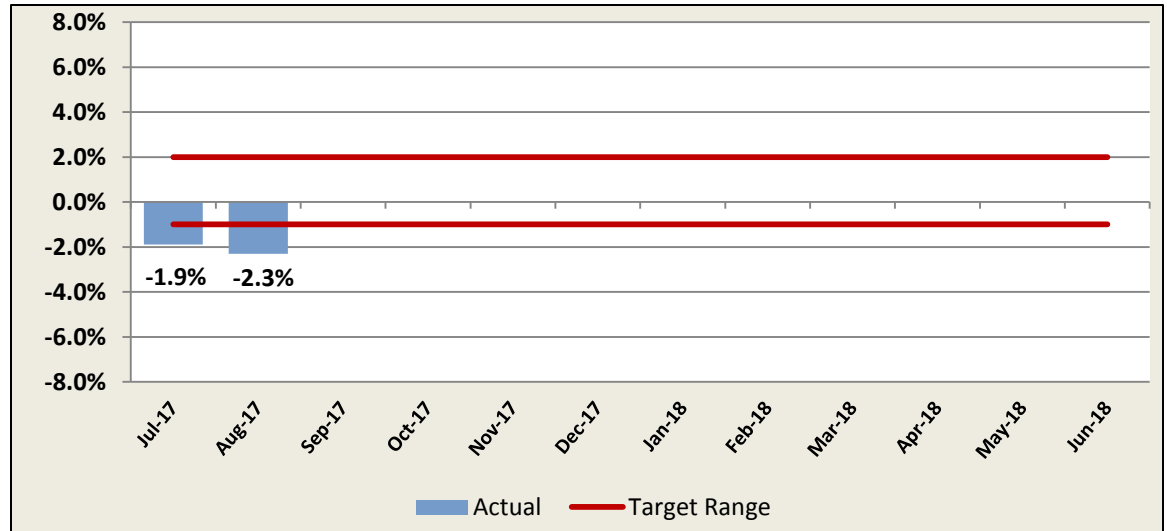


# HIGHWAY USER REVENUE FUND (HURF) THROUGH AUGUST 31, 2017

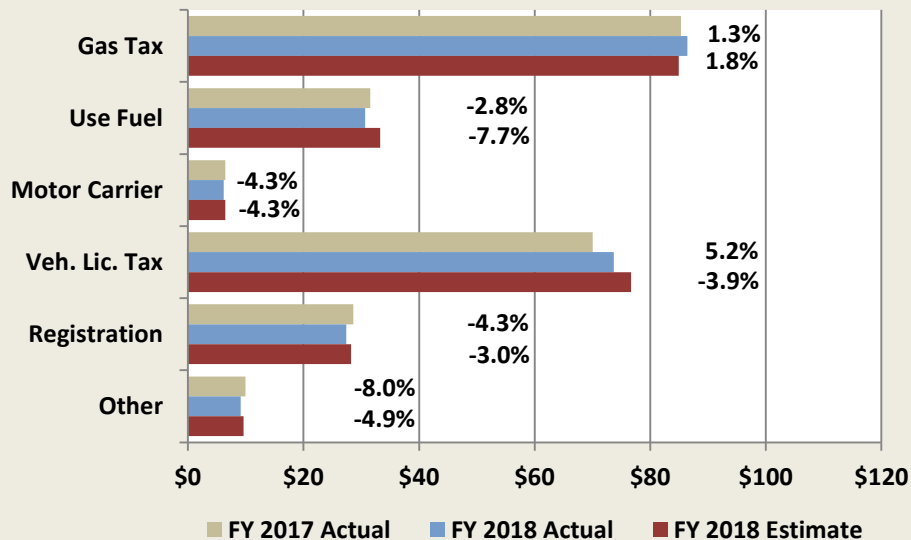
## Highlights

- Although FY 2018 is 2.3 percent below forecast year-to-date, FY 2018 revenues are 0.7 percent above FY 2017 year-to-date.
- Revenues in HURF's largest category, gas tax, have increased 1.3 percent from FY 2017 to FY 2018 year-to-date.
- In FY 2018, vehicle license tax revenues grew 5.2 percent compared to FY 2017 year-to-date. Vehicle renewal registrations and new car registrations are up 4.3 percent and 2.3 percent, respectively, over the same time period.

## Variance from Forecast Year-to-date



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



## Monthly Comparisons (\$ in Thousands)

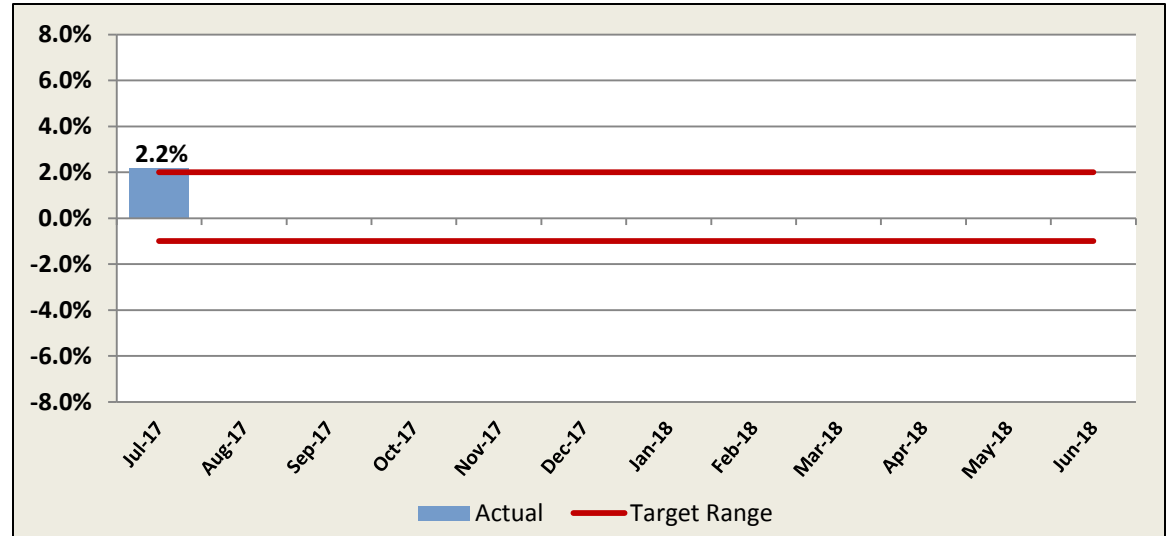
	FY 2017 Actual	FY 2018 Actual	Change	FY 2018 /2 Estimate	Change
July	\$119,624	\$119,155	-0.4%	\$121,466	-1.9%
August	112,285	114,333	1.8%	117,632	-2.8%
<b>Subtotal</b>	<b>\$231,910</b>	<b>\$233,488</b>	<b>0.7%</b>	<b>\$239,098</b>	<b>-2.3%</b>
September	116,373			119,849	
October	116,214			117,414	
November	111,731			115,771	
December	118,167			121,185	
January	119,891			123,716	
February	116,612			123,126	
March	117,363			122,869	
April	129,361			133,377	
May	115,783			120,707	
June	123,119			125,388	
<b>Total /1</b>	<b>\$1,416,523</b>	<b>\$233,488</b>		<b>\$1,462,500</b>	

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

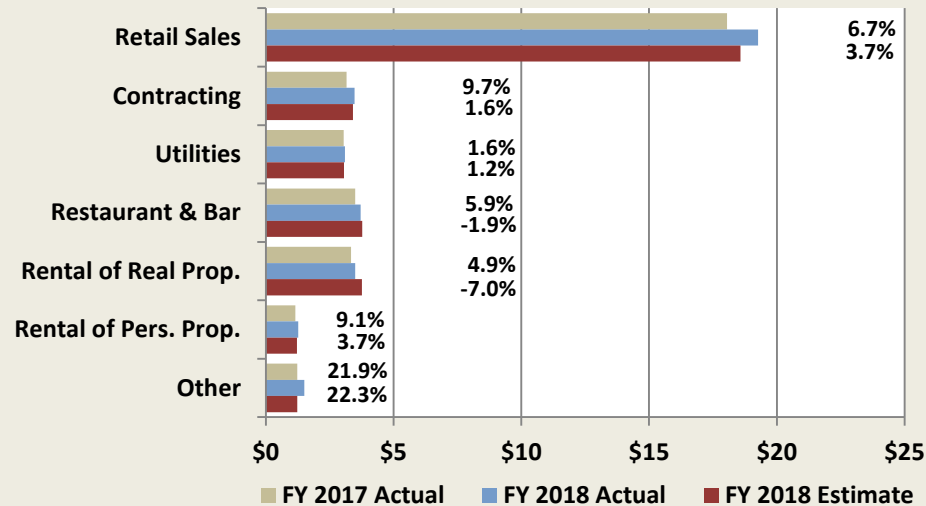
### Highlights

- July FY 2018 RARF revenues surpassed July FY 2017 by 6.9 percent and were 2.2 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 6.7 percent when compared to July in the last fiscal year.
- RARF contracting revenue increased 9.7 percent in July FY 2018 from July FY 2017, and was 1.6 percent above forecast. The interest rate on 30 year mortgages in July 2017 was 3.97 percent, higher than the 3.44 percent experienced in July 2016.

### Variance from Forecast Year-to-date



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



### Monthly Comparisons (\$ 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			34,017	
September	33,575			34,309	
October	33,071			34,431	
November	33,115			34,475	
December	34,058			35,436	
January	39,652			41,410	
February	32,662			34,309	
March	32,961			35,306	
April	37,452			39,605	
May	35,284			36,603	
June	35,623			37,061	
<b>Total</b>	<b>\$414,071</b>	<b>\$35,805</b>		<b>\$432,000</b>	

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

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	July		Year-to-date (YTD)	
				Interest Received	Current Yield	Interest Received	YTD Yield
<b>Pool 2</b>							
Highway	\$189,037	\$182,373	96.47%	\$167	1.09%	\$167	1.09%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$426,593	\$391,132	91.69%	\$359	1.09%	\$359	1.09%
HURF Bond Redemption	\$13,308	\$13,308	100.00%	\$12	1.09%	\$12	1.09%
HURF 2013A Proceeds	\$4,402	\$3,904	88.67%	\$4	1.09%	\$4	1.09%
Other/1	\$67,179	\$62,105	92.45%	\$64	1.09%	\$64	1.09%
<b>Subtotal</b>	<b>\$700,520</b>	<b>\$652,822</b>	<b>93.19%</b>	<b>\$607</b>	<b>1.09%</b>	<b>\$607</b>	<b>1.09%</b>
<b>Pool 3 Revised</b>							
HELP/2	\$59,945	\$59,945	100.00%	\$67	1.33%	\$67	1.33%
Other/3	\$8,823	\$8,713	98.75%	\$10	1.33%	\$10	1.33%
<b>Subtotal</b>	<b>\$68,768</b>	<b>\$68,658</b>	<b>99.84%</b>	<b>\$77</b>	<b>1.33%</b>	<b>\$77</b>	<b>1.33%</b>
<b>Pool 4</b>							
RARF Bond Redemption	\$5,109	\$4,656	91.14%	\$4	1.12%	\$4	1.12%
Regional Area Road Fund	\$400,645	\$395,827	98.80%	\$378	1.12%	\$378	1.12%
<b>Subtotal</b>	<b>\$405,754</b>	<b>\$400,483</b>	<b>98.70%</b>	<b>\$381</b>	<b>1.12%</b>	<b>\$381</b>	<b>1.12%</b>
<b>Total</b>	<b>\$1,175,042</b>	<b>\$1,121,963</b>	<b>95.48%</b>	<b>\$1,065</b>	<b>1.12%</b>	<b>\$1,065</b>	<b>1.12%</b>

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 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.