

**FINANCIAL MANAGEMENT SERVICES  
MONTHLY FINANCIAL REPORT  
OCTOBER 20, 2017**

## ECONOMIC HIGHLIGHTS

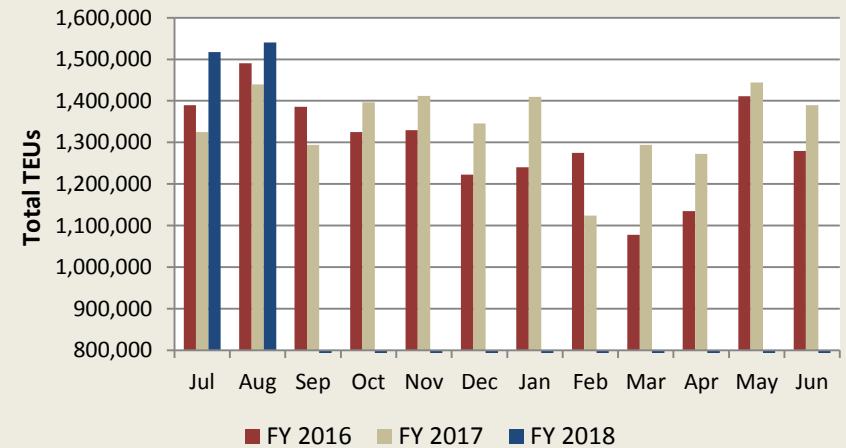
### Arizona Indicators

- Combined container volume at the Port of Los Angeles and the Port of Long Beach was 7.0 percent higher in August 2017 than in August 2016.
- The U.S. Energy Information Administration reported the price of West Coast No 2 diesel was \$2.88 per gallon in August 2017, up from \$2.62 per gallon in August 2016. The Arizona average price per gallon for regular unleaded gas was \$2.26 in August 2017, compared to \$2.07 in August 2016.
- The Arizona seasonally adjusted unemployment rate, as reported by the Arizona Office of Economic Opportunity, fell from 5.1 percent in August 2016 to 5.0 percent in August 2017.

### Greater Phoenix Area Indicators

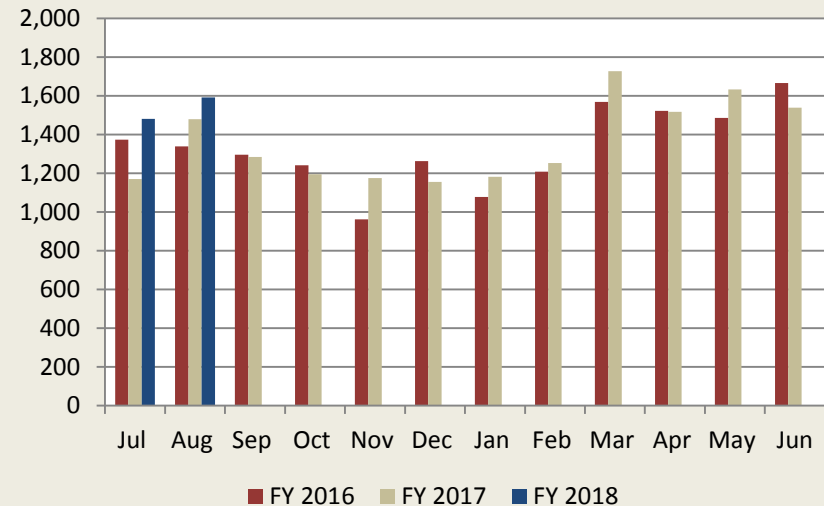
- The number of new single-family building permits issued in Maricopa County in August 2017 grew 7.7 percent compared to the same month of 2016.
- The August Employment Report published by the Arizona Office of Economic Opportunity stated the construction sector in the Greater Phoenix Area gained 2,300 jobs year-over-year from August 2016 to August 2017, an increase of 2.1 percent.
- The Greater Phoenix Area unadjusted unemployment rate was 4.3 percent in August 2017, down from 4.8 percent in August 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

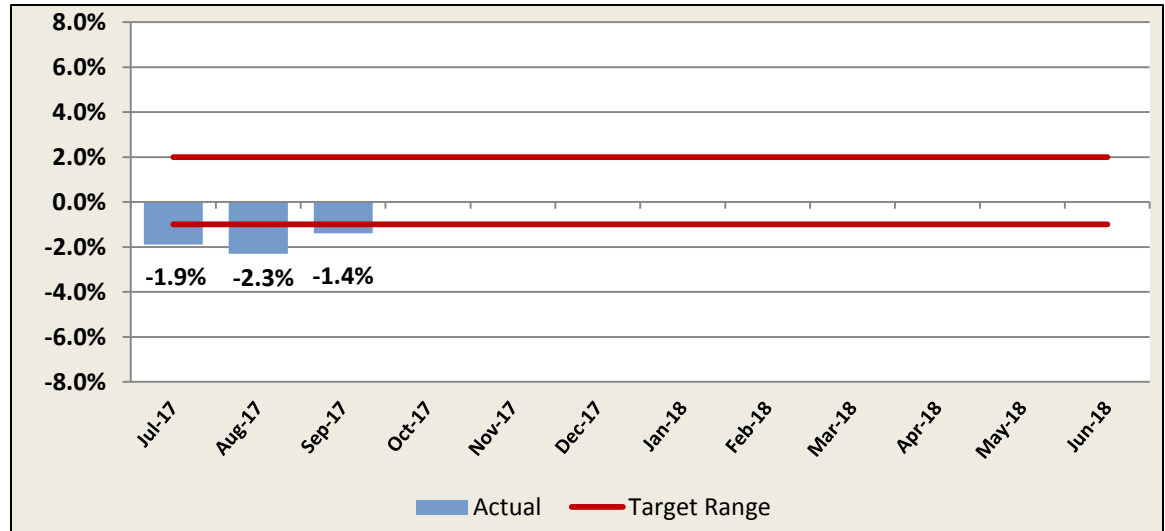


# HIGHWAY USER REVENUE FUND (HURF) THROUGH SEPTEMBER 30, 2017

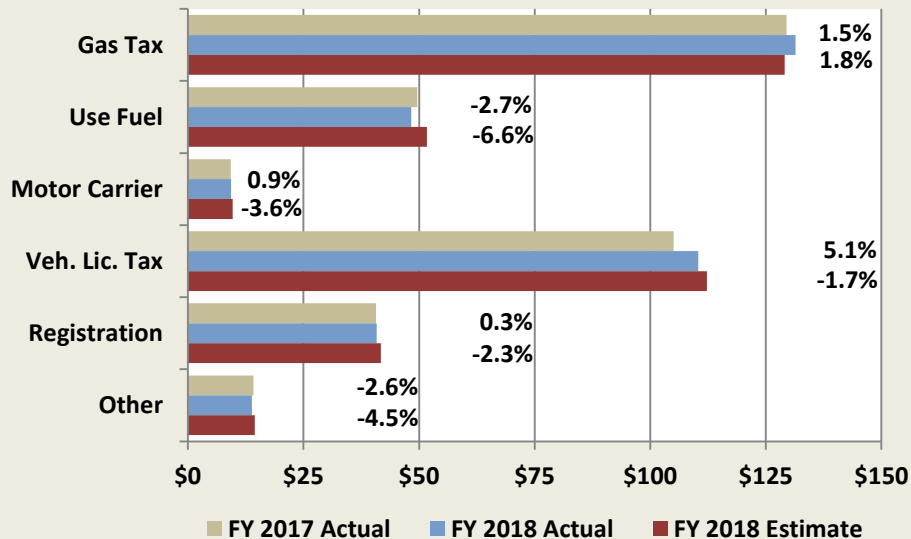
## Highlights

- Although FY 2018 is 1.4 percent below forecast year-to-date, FY 2018 revenues are 1.7 percent above the same period in FY 2017.
- Revenues in HURF's largest category, gas tax, have increased 1.5 percent from FY 2017 to FY 2018 year-to-date.
- In FY 2018, vehicle license tax revenues grew 5.1 percent compared to FY 2017 year-to-date. Vehicle renewal registrations and new car registrations are up 3.4 percent and 8.3 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)

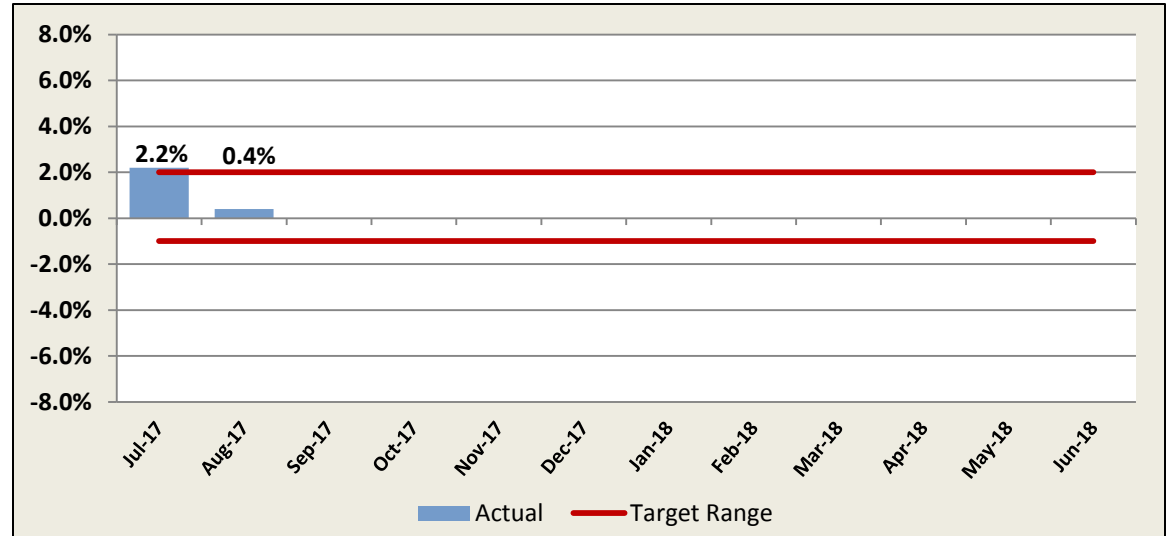
	FY 2017 Actual	FY 2018 Actual	Change	FY 2018 Estimate	Change
July	\$119,624	\$119,155	-0.4%	\$121,466	-1.9%
August	112,285	114,333	1.8%	117,632	-2.8%
September	116,373	120,553	3.6%	119,849	0.6%
<b>Subtotal</b>	<b>\$348,282</b>	<b>\$354,041</b>	<b>1.7%</b>	<b>\$358,947</b>	<b>-1.4%</b>
October	116,214			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</b>	<b>\$1,416,523</b>	<b>\$354,041</b>		<b>\$1,462,500</b>	

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

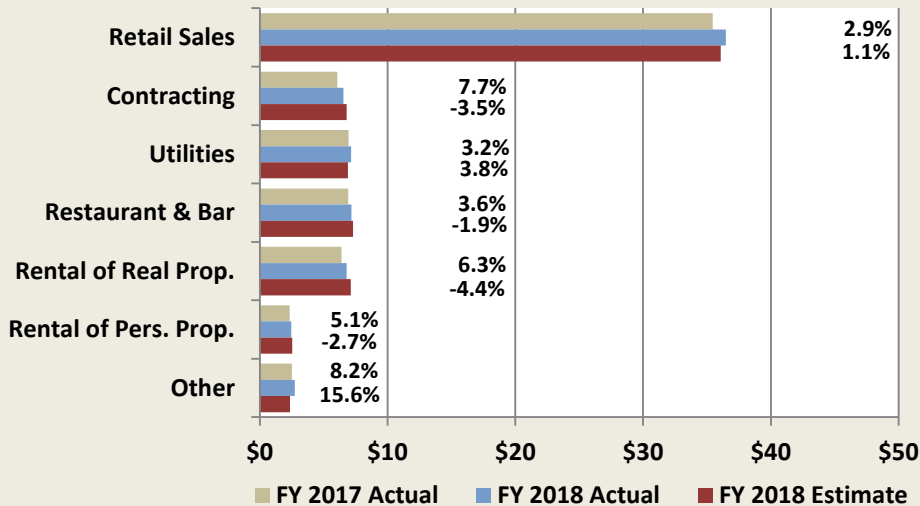
## Highlights

- Year-to-date FY 2018 RARF revenues through August surpassed the same period in FY 2017 by 4.1 percent and were 0.4 percent above the forecast.
- Retail sales, the largest revenue category of RARF, grew 2.9 percent year-to-date when compared to the same period in the last fiscal year.
- Year-to-date RARF contracting revenues increased 7.7 percent compared to the same period in the last fiscal year, and was 3.5 percent below forecast. The interest rate on 30 year mortgages in August 2017 was 3.88 percent, higher than the 3.44 percent experienced in August 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	33,527	1.2%	34,017	-1.4%
<b>Subtotal</b>	<b>\$66,618</b>	<b>\$69,332</b>	<b>4.1%</b>	<b>\$69,055</b>	<b>0.4%</b>
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>\$69,332</b>		<b>\$432,000</b>	

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

Investment Pools	Monthly Average Available Cash	Monthly Average Invested Balance	Percent Invested	August		Year-to-date (YTD)	
				Interest Received	Current Yield	Interest Received	YTD Yield
<b>Pool 2</b>							
Highway	\$189,480	\$183,105	96.64%	\$204	1.31%	\$371	1.20%
MAG/PAG 12.6% & 2.6% and PAG STAN	\$431,574	\$394,114	91.32%	\$439	1.31%	\$799	1.20%
HURF Bond Redemption	\$20,731	\$20,161	97.25%	\$22	1.31%	\$34	1.20%
HURF 2013A Proceeds	\$1,912	\$1,516	79.30%	\$2	1.31%	\$6	1.20%
Other/1	\$55,397	\$51,743	93.40%	\$57	1.31%	\$121	1.20%
<b>Subtotal</b>	<b>\$699,093</b>	<b>\$650,638</b>	<b>93.07%</b>	<b>\$724</b>	<b>1.31%</b>	<b>\$1,331</b>	<b>1.20%</b>
<b>Pool 3 Revised</b>							
HELP/2	\$59,974	\$59,974	100.00%	\$74	1.45%	\$141	1.39%
Other/3	\$8,174	\$7,865	96.22%	\$10	1.45%	\$19	1.39%
<b>Subtotal</b>	<b>\$68,149</b>	<b>\$67,839</b>	<b>99.55%</b>	<b>\$83</b>	<b>1.45%</b>	<b>\$160</b>	<b>1.39%</b>
<b>Pool 4</b>							
RARF Bond Redemption	\$14,312	\$13,918	97.25%	\$15	1.29%	\$19	1.21%
Regional Area Road Fund	\$402,411	\$398,918	99.13%	\$434	1.29%	\$812	1.21%
<b>Subtotal</b>	<b>\$416,723</b>	<b>\$412,836</b>	<b>99.07%</b>	<b>\$450</b>	<b>1.29%</b>	<b>\$831</b>	<b>1.21%</b>
<b>Total</b>	<b>\$1,183,964</b>	<b>\$1,131,313</b>	<b>95.55%</b>	<b>\$1,257</b>	<b>1.31%</b>	<b>\$2,322</b>	<b>1.22%</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.