



The State of New Hampshire

Annual Report
of the
Treasury

for the
FISCAL YEAR ENDED JUNE 30, 2004

Michael A. Ablowich
State Treasurer
Concord, New Hampshire
2004

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State of New Hampshire
Selected State Officials
For the Fiscal Year Ended June 30, 2004

EXECUTIVE BRANCH

Governor

Craig R. Benson

Executive Council

Raymond S. Burton, District 1
Peter J. Spaulding, District 2
Ruth L. Griffin, District 3
Raymond Wieczorek, District 4
David K. Wheeler, District 5

Acting Attorney General

Kelly Ayotte

Commissioner of Administrative Services

Donald S. Hill

State Treasurer

Michael A. Ablowich

Secretary of the State

William M. Gardner

LEGISLATIVE BRANCH

President of the Senate

Thomas R. Eaton
24 Senators

Speaker of the House of Representatives

Gene G. Chandler
400 Representatives

JUDICIAL BRANCH

Chief Justice of the Supreme Court

John T. Broderick Jr.

Michael A. Ablowich
State Treasurer



THE STATE OF NEW HAMPSHIRE
TREASURY DEPARTMENT
25 Capitol Street, Room 121
Concord, N.H. 03301
603 271-2621
FAX 603 271-3922
TDD Access: Relay NH 1-800-735-2964
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September 29, 2004

To His Excellency the Governor and the Honorable Council:

Pursuant to, RSA 6:17, RSA 6:43, RSA 11:5, RSA 11:6 and RSA 20:7, I am pleased to submit the State Treasurer's Annual Report for the fiscal year ended June 30, 2004. Attached as Exhibit 5 of this report, you will find information that I have included as custodian of the State's trust funds.

Under Chapter 6 of the Revised Statutes Annotated (RSA), the New Hampshire Treasury is charged with executing a variety of financial management tasks. The Treasury performs internal bank and investment management functions for the State's funds; issues the State's general obligation and revenue bonds, and pursuant to RSA 471-C, is responsible for acquiring and returning all financial property that qualifies as abandoned property under the law.

Please note that all the information contained in this report is unaudited and subject to change prior to publication in its final form sometime after the approval of the audit of the State's Comprehensive Annual Financial Report.

The staff of the Treasury and I personally look forward to the challenges of the next fiscal year as we strive to constantly improve the wide range of financial management services we provide to the residents of New Hampshire and all branches of State government.

Respectfully submitted,

Michael A. Ablowich
State Treasurer

OVERVIEW OF TREASURY

Part 2; Article 67 of the New Hampshire Constitution establishes the position of the Treasurer of the State of New Hampshire. In accordance with the Constitution, the Treasurer is elected by a joint session of the Senate and the House of Representatives (the General Court). This election takes place on the first Wednesday of December following the biennial election when the newly elected General Court meets for organizational purposes. Upon the death, resignation, or removal of the Treasurer, the Governor, with the advice of the council, shall appoint some suitable person as commissioner to take charge of the money, books and papers in the office, and to perform all the duties of treasurer until a treasurer is elected and qualified in accordance with RSA 6:20. In colonial periods the treasurer was appointed by the chief executive and frequently the same person was secretary of the province and treasurer. Exhibit 1 shows a list of the treasurers in the state's history, and the term of office each served.

Today's Treasury is responsible for a variety of financial management activities including cash management, debt management, and the unclaimed and abandoned property program. The Treasurer is a member of many boards and commissions including the New Hampshire Retirement System, the New Hampshire Municipal Bond Bank, the New Hampshire Business Finance Authority, the Nuclear Decommissioning Finance Committee and the College Tuition Savings Plan Advisory Commission. The Treasurer is also the trustee of many trust, custodial and escrow funds including the UNIQUE College Investing Plan, the Fidelity Advisor 529 Plan and the Nuclear Decommissioning Trust for the Seabrook Station.

The current authorized staffing of the Treasury is 26, however, in the 2004/2005 budget there is only funding for 24 staff. Exhibit 2 shows an organization chart.

CASH MANAGEMENT

The Treasury is responsible for a broad array of cash management activities related to its role as the state's "bank". It is the Treasury's responsibility to have the right amount of cash, when and where needed to finance the operating and capital budgets. This responsibility is accomplished in several ways including cash flow forecasting, collecting and concentrating funds, making disbursements, borrowing and investing available daily cash balances.

In fiscal year 2004, the Treasury managed receipts and disbursements of approximately \$4.5 billion. A list of receipts and disbursements by major fund category is included as Exhibit 3 to this report. On a year over year basis the state's total cash and investment balances, reported on a book basis increased modestly. A list of cash and investment balances by major fund category is included in Exhibit 4 to this report.

The Treasury earned nearly \$6.7 million in investment income on available cash balances for all operating funds. A combination of slightly higher cash balances and slightly higher short term interest rates helped increase earnings compared to the prior year. The end of the fiscal year saw the beginning of modest increases in short term interest rates that had been widely expected. The Federal Reserve's target federal funds rate increase of one quarter of one percent on June 30th ended the 45 year low in short term rates that has challenged the income opportunities on available (liquid) funds.

TRUST AND AGENCY ACCOUNTS

Pursuant to RSA 11:1, the State Treasurer acts as the custodian of "...all trust funds left to and accepted by the state..." As of June 30, 2004, the market value of those trust funds was over \$355 million, including \$301.3 million for the Seabrook Decommissioning Trust Fund. The other \$54 million in custody is comprised of thirty-eight (38) separate trust funds, ranging in market value from \$13 to nearly \$8 million and ranging in investment objective from short-term liquidity to maximum capital gain.

These funds originated from a variety of sources and serve a wide variety of beneficiaries. A list of these trust funds along with activity and balances for the fiscal year just ended is included as Exhibit 5. The Tip-Top House Fund was added this fiscal year. This Fund was established in memory of Samuel F. Spaulding and left

as a gift to the State. This permanent endowment, with an initial contribution of \$20,000, is to be used exclusively for the purpose of maintaining, enhancing, and operating the Tip-Top House at Mt. Washington State Park.

The Seabrook Decommissioning Trust represents the cumulative contributions made by the owners of the Seabrook Nuclear Power Plant for the cost of future decommissioning as well as earnings on those contributions. During the past year the earnings on the fund have been in line with expectations with an approximate 8.8% return on a pre-tax basis. The trust is invested on the basis of elections of each individual owner. Those elections are subject to an investment policy approved by the State Treasurer and are influenced by the tax status of the earnings on particular assets in the trust. The fund is invested in a mix of fixed income securities (bonds), cash and equities (stocks). The allocation of the fund at year end was approximately 52% stocks and 48% bonds and cash.

With regard to the financial markets, inflation concerns appear to have diminished and the Federal Reserve's rate increase action signals confidence that the economic picture will continue on a positive course. The consensus forecast is that interest rates will rise slowly over the next year, bringing higher yields across most fixed income investments. The equity markets ended the fiscal year in positive territory as evidenced by a 19% return on the S&P 500 index, however, most analysts expect the next twelve months to result in more modest returns closer to historical averages.

DEBT MANAGEMENT

General obligation debt is paid from the State's taxes and other revenues, while turnpike revenue bonds are supported solely by tolls collected throughout the turnpike system. As of June 30, 2004, the outstanding general obligation debt was just over \$626 million including \$50 million in short term bond anticipation notes. Exhibit 6 shows the outstanding general obligation debt organized on the basis of the major categories from which it is paid. The vast majority of this debt is repaid from the general fund while the balance is paid from a variety of dedicated user fees and fines.

The State's outstanding general obligation debt (including bond anticipation notes) has increased just over 5.5% over the past 10 years. This is because the State has paid down about as much debt as was issued during this period. During this same time period the ratio of net general fund debt service (principal and interest payments) to unrestricted revenues has remained fairly level. This ratio has generally moved in a range of between 6.0% and 7.0%. For fiscal year 2004 this figure is just under 6% but is expected to rise as unrestricted revenues fall in state fiscal year 2005 to adjust for some non-recurring revenues received in 2004. The State's other debt ratios remain modest both on a historical basis and relative to other states.

In December 2003 the State issued \$80 million in general obligation capital improvement bonds with a yield of 3.875%. As has been the Treasury's past practice the final maturity of the bonds was approximately 20 years with 60% of the principal being repaid in the first 10 years of the life of the bonds and 40% in the second half of the life of the bonds. These bonds are used to finance a variety of capital projects that were authorized by the legislature during the 2003 and earlier sessions.

In addition to being responsible for paying general obligation debt, the State is contingently liable for certain water pollution control bonds, school building, and landfill bonds issued by local government units up to statutorily prescribed limits as well as certain guarantees for the Pease Development Authority and Business Finance Authority. Contingent debt for these purposes totaled approximately \$116.3 million (principal amount) on June 30, 2004. A list of all guarantee programs and their capacities is in Exhibit 7.

The State also has an exposure for debt issued by municipalities through the Municipal Bond Bank. If any municipality that has issued through the Bond Bank fails to make scheduled debt payments and escrowed funds are not sufficient to cover missed payments, then the Bond Bank may ask the legislature for unappropriated funds to cover any shortfall. While this exposure exists, the level of its risk is not easily quantifiable to evaluate the potential on the State's credit rating.

At the end of the fiscal year our credit rating remained at AA from Standard and Poor's and Fitch ICBA and Aa2 from Moody's Investor Service. The outlook from each has been that our credit rating is stable. Each rating service feels that our robust local economy, conservative debt and financial policies have a positive influence on our credit standing. However those positive factors have been over shadowed by the fact that the state produced current year operating deficits in state fiscal years 2000 through 2003. As a result of that poor financial performance the state's credit rating was downgraded by Standard and Poor's and Moody's in conjunction with the most recent bond issue in December, 2003.

TURNPIKE REVENUE BONDS

In addition to coordinating the issuance of general obligation debt the Treasury issues revenue bonds for the turnpike system. These bonds are repaid solely from the revenues (tolls) collected throughout the turnpike system. In August of 2003 the Treasury closed on a \$94.1 million turnpike revenue bond issue to refund \$94.5 million dollars in outstanding bonds. The savings from this transaction are over \$7.4 million over the next 20 years with approximate equal amounts of savings occurring throughout the life of the refunding bonds. In the 2004/2005 budget this savings to the toll payers amounted to approximately \$650,000.

Total outstanding debt (principal only) of the Turnpike system as of June 30, 2004 was nearly \$324 million. Nearly \$310 million of this total amount consists of revenue bonds with final maturities in fiscal year 2029. The remaining \$14 million consists of general obligation debt with final maturities in 2011.

ABANDONED PROPERTY

Treasury's Abandoned Property Division is charged with the task of locating, recovering and returning intangible properties to the rightful owner or heir. Typically, such properties are in the form of cash from dormant accounts but may also include securities such as stock or mutual funds in share form. These properties are reported and remitted by "holders" under the provisions of RSA 471-C. Typically, holders are entities such as banks, credit unions, corporations, utilities, insurance companies, retailers, as well as government agencies and municipalities.

In fiscal year 2004 holders reported and remitted cash in the amount of \$14.4 million and a total of 508,711 shares of stock and/or mutual funds. Over the past five (5) fiscal years the division has taken in approximately \$44.8 million and returned \$13.7 million to current and former residents of the state. On average, approximately \$8.9 million was remitted to the state and just over \$2.75 million was reclaimed each year. Treasury returned \$4.1 million to citizens as the result of the Abandoned Property Division's efforts in fiscal year 2004. A total of 7,512 claims were paid. The average claim paid was \$545.00. The largest individual claim was \$143,026.00 and the smallest was under \$1.00.

Diligent efforts are made to assure that the property owners are made aware their property has been reported and remitted to the Treasury. An annual newspaper advertisement listing all names reported and their last known address is published in all counties of the state. Additionally, a mailing in the form of a post card notification is sent to the last known address of the reported owner. Further, the Abandoned Property Division is a participant in MissingMoney.com, a multi-state database, affording ready access to any owner inquiring about a lost or abandoned account. Additionally, work is proceeding with the aim of updating and presenting a new and improved in-state database accessible via the Treasury's web page.

State fiscal year 2004 was particularly productive as the direct result of legislation establishing a shorter dormancy period for demutualization proceeds. This type of property is a result of the conversion of the ownership structure of insurance companies from a mutual ownership structure to a stockholder structure. Upon conversion, the new publicly traded insurance companies identified many new stockholders (who had formerly held ownership in the prior structure) as lost. This is an infrequent occurrence; however, in the past few years there has been a number of well publicized demutualizations affecting some of the largest insurance companies in the country, including Prudential and the John Hancock Insurance Companies. In state fiscal year 2004 \$7.8 million of the total \$14.4 million of cash remittances and 308,000 shares of stock were from demutualization proceeds. For these amounts there were reported 24,600 property owners above what would have routinely been reported to the state.

COLLEGE INVESTING PLANS

As the fiscal year closed, Treasury and the Higher Education Savings Plan Advisory Commission completed the sixth year of sponsoring the UNIQUE College Investing Plan and the second year of sponsoring the Fidelity Advisor 529 Plan. The combined assets for the two plans grew to approximately \$3.3 billion at the end of the fiscal year. There were approximately 353,000 participants in the two plans.

Both Plans are very flexible and withdrawals can be used for a range of qualified higher education expenses such as books, required supplies, equipment, room and board, and tuition at accredited post-secondary schools, anywhere in the United States. There are no income limits on participation and participation is open to anyone, regardless of state of residence. The UNIQUE College Investing Plan is sold directly to retail investors, while the Fidelity Advisor 529 Plan is sold through financial intermediaries, such as financial planners, on a fee (commission) basis.

The New Hampshire Excellence in Higher Education Endowment Trust Fund (the "Trust Fund") was established under RSA 6:38. This Trust Fund is funded by receipts from a small administrative fee charged to both college investing plans. In fiscal year 2004 the Trust Fund awarded seventy-five (75) scholarships of \$1,000 each to New Hampshire students for the 2003-2004 academic year. This was an increase from forty scholarships the prior year. At the end of fiscal year 2004 the Trust Fund had a market value of just under \$8 million.

TREASURY ACCOMPLISHMENTS

Treasury has had a number of accomplishments over the past year. As a service provider to other state agencies these important changes could not have taken place without the full and enthusiastic cooperation of a variety of state agencies and private sector financial services firms.

"E-payments"

In fiscal year 2004 the state electronic payment process was fully operational. This new system allows vendors to receive payments from the state directly to their bank accounts. While we continue to enroll vendors in this service and strive to one day have 20% of vendor payments delivered electronically, nearly 2% were initiated in this manner during fiscal year 2004, yet this represented nearly 32% of the total dollar volume of vendor payments. In addition during the course of the year the average transaction value declined which is another positive indicator of more vendors adopting this new payment type. As of the end of the fiscal year more than 750 state vendors had enrolled in this new feature.

Returned Check Processing

The Department of Safety and the Treasury implemented the Returned Check Presentment (RCK) process in May of 2003. This process allows the State to initiate an electronic debit against the account of any taxpayer who has written the State a check that is returned. In addition to collecting the face value of the check the Treasury is also collecting any authorized processing or administrative fees as a component of this electronic process as well.

The number of returned checks processed through the Department of Safety for this fiscal year was 30% less than the previous fiscal year. License suspensions, related to bad checks have seen a similar decline. This process has allowed the Department of Safety to be more efficient by processing a smaller volume of returned checks in a more timely manner.

Cash Flow Consolidation

Treasury embarked on an important project with both the Department of Safety and the State Liquor Commission concerning the concentration of funds from remote depositing locations for each agency. In the past both agencies have used intermediary bank accounts to deposit funds from municipal agents (for Safety) and liquor stores (for the Liquor Commission). The Treasury, working with both agencies, was able to restructure the deposit, concentration and reporting processes for both agencies at a modest increased cost to the state. This increased cost however is being offset by the increased interest earnings that have come from having dollars concentrated and invested more quickly at the Treasury by, in some cases, up to 2 ½ days earlier.

TREASURY ACCOMPLISHMENTS, CONTINUED**Separate and Dedicated Funds**

Beginning in fiscal year 2004, the State Treasurer was required to submit a biennial report of all funds, accounts, and trusts listed in RSA 6:12, RSA 6:12-b, RSA 6:12-c, and RSA 6:12-d to the relevant legislative policy committees of the House and Senate, beginning with fiscal year 2002. Treasury, assisted by the staff of Administrative Services and the Office of the Legislative Budget Assistant, prepared this report, which included revenues, expenditures, and balances for the 2002 and 2003 fiscal years. The report also identified any funds that were not listed under RSA 6:12 that should be added to the appropriate statutes introduced in the next legislative session. The completed report was forwarded to the legislative policy committees for their use in the next legislative session.

EXHIBIT 1**STATE TREASURERS**

Part 2; Article 67 of the New Hampshire Constitution establishes the position of the Treasurer of the State of New Hampshire. In accordance with the Constitution, the Treasurer is elected by a joint session of the Senate and the House of Representatives (the General Court). This election takes place on the first Wednesday of December following the biennial election when the newly elected General Court meets for organizational purposes. Upon the death, resignation, or removal of the Treasurer, the Governor, with the advice of the council, shall appoint some suitable person as commissioner to take charge of the money, books and papers in the office, and to perform all the duties of treasurer until a treasurer is elected and qualified in accordance with RSA 6:20. In colonial periods the Treasurer was appointed by the chief executive and frequently the same person was secretary of the province and treasurer. The following is a list of the treasurers in the state's history, and their term of office.

Richard Martin, Portsmouth	1680 - 1684
Samuel Penhallow, Portsmouth	1684 - 1692
William Partridge, Portsmouth	1692 - 1695
George Jaffrey, Portsmouth	1695 - 1696
Joseph Smith, Hampton	1696 - 1696
William Vaughan, Portsmouth	1696 - 1698
Joseph Smith, Hampton	1698 - 1699
Samuel Penhallow, Portsmouth	1699 - 1726
George Jaffrey, Jr., Portsmouth	1726 - 1730
Henry Sherburne, Portsmouth	1730 - 1742
George Jaffrey, Jr., Portsmouth	1742 - 1749
George Jaffrey, 3rd, Portsmouth	1749 - 1776
Nicholas Gilman, Exeter	1776 - 1783
John T. Gilman, Exeter	1783 - 1789
William Gardner, Portsmouth	1789 - 1791
John T. Gilman, Exeter	1791 - 1794
Oliver Peabody, Exeter	1794 - 1804
Nathaniel Gilman, Exeter	1804 - 1809
Thomas W. Thompson, Salisbury	1809 - 1810
Nathaniel Gilman, Exeter	1810 - 1814
William Kent, Concord	1814 - 1816
William Pickering, Concord	1816 - 1828
Samuel Morrill, Concord	1828 - 1829
William Pickering, Concord	1829 - 1830
Abner B. Kelly, Warner	1830 - 1837
Zenas Clement, Concord	1837 - 1843
John Atwood, Concord	1843 - 1846
James Peverly, Jr., Concord	1846 - 1847
John Atwood, Concord	1847 - 1850
Edson Hill, Concord	1850 - 1853
Walter Harriman, Warner	1853 - 1855
William Berry, Barnstead	1855 - 1857
Peter Sanborn, Concord	1857 - 1871
Leander W. Cogswell	1871 - 1872
Solon A. Carter, Concord	1872 - 1874
Josiah G. Dearborn, Weare	1874 - 1875
Solon A. Carter, Concord	1875 - 1913

STATE TREASURERS, CONTINUED

George E. Farrand, Concord	1913 - 1914
J. Wesley Plummer, Concord	1914 - 1923
George E. Farrand, Concord	1923 - 1925
*Henry E. Chamberlin, Concord	1925 - 1929
Charles T. Patten, Nashua (Commissioner)	1929 - 1931
**Charles T. Patten, Nashua	1931 - 1936
F. Gordon Kimball, Concord (Commissioner)	1936 - 1937
F. Gordon Kimball, Concord	1937 - 1950
Remick Loughton, Portsmouth (Commissioner)	1950 - 1951
Winfield J. Phillips, Concord	1951 - 1952
Alfred S. Cloues, Warner (Commissioner)	1953
*Alfred S. Cloues, Warner	1953 - 1964
Robert W. Flanders, Concord (Commissioner)	1964 - 1965
**Robert W. Flanders, Concord	1965 - 1984
Martha M. Custer, Concord (Commissioner)	1984
**Georgie A. Thomas, Thornton	1984 - 2002
Michael A. Ablowich, Portsmouth (Commissioner)	2002
Michael A. Ablowich, Portsmouth	2003 - Present

* Died in Office **Resigned

EXHIBIT 2

EXHIBIT 3

COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS - *

	For Fiscal Year Ended		
	June 30, 2004	June 30, 2003	June 30, 2002
BEGINNING CASH BALANCE	\$355,949,924.24	\$418,883,779.11	\$420,401,123.22
RECEIPTS:			
GENERAL.....	\$2,796,151,775.47	\$2,587,498,447.86	\$2,488,540,565.08
LIQUOR.....	406,908,830.56	379,229,611.75	354,360,516.31
SWEEPSTAKES.....	248,958,055.40	117,250,137.28	201,835,040.04
HIGHWAY.....	404,384,966.67	395,784,685.84	406,716,173.54
TURNPIKE.....	78,997,040.47	67,518,746.87	73,710,156.54
FISH AND GAME.....	20,874,164.21	22,033,846.10	18,218,134.21
EMPLOYEE BENEFIT.....	10,533,093.89	0.00	0.00
CAPITAL.....	172,031,945.59	95,940,751.54	136,458,541.99
EDUCATION.....	329,920,900.91	322,550,863.03	284,562,942.47
SKYHAVEN.....	55,672.93	55,878.66	25,729.78
TOTALS.....	\$4,468,816,446.10	\$3,987,862,968.93	\$3,964,427,799.96
DISBURSEMENTS:			
GENERAL.....	\$2,643,356,200.34	\$2,627,479,170.60	\$2,543,175,450.45
LIQUOR.....	403,960,938.31	379,721,248.31	354,530,804.43
SWEEPSTAKES.....	172,577,815.02	49,390,953.86	135,473,964.40
HIGHWAY.....	320,372,480.74	335,948,895.03	351,584,187.06
TURNPIKE.....	78,959,543.04	64,417,991.07	61,478,359.06
FISH AND GAME.....	13,085,898.59	16,962,847.39	14,528,720.29
EMPLOYEE BENEFIT.....	121,507,883.46	0.00	0.00
CAPITAL.....	153,940,727.30	130,719,396.65	124,522,174.04
EDUCATION.....	466,331,315.07	446,100,442.23	380,597,213.00
SKYHAVEN.....	55,672.93	55,878.66	54,298.89
TOTALS.....	\$4,374,148,474.80	\$4,050,796,823.80	\$3,965,945,171.62
ENDING CASH BALANCE	\$450,617,895.54	\$355,949,924.24	\$418,883,779.11

* Prepared on the modified cash basis of accounting. Interfund transfers including payments from governmental funds into the employee benefits fund are not reflected in disbursements or revenue. The cash effect of these types of transactions are reflected in the ending fund balances shown on page 13.

EXHIBIT 4

STATEMENT OF CASH BALANCES BY FUND - *

FUND	For Fiscal Year Ended		
	June 30, 2004	June 30, 2003	June 30, 2002
GENERAL.....	\$208,248,045.13	\$136,205,588.24	\$188,236,774.10
LIQUOR.....	0.00	(522.79)	0.00
SWEEPSTAKES.....	3,977,604.64	1,203,778.82	1,078,862.26
HIGHWAY.....	110,409,502.44	96,759,967.05	94,193,229.04
TURNPIKE.....	81,357,348.45	93,855,608.01	99,313,314.33
FISH AND GAME.....	9,093,870.18	9,671,594.35	8,561,765.96
EMPLOYEE BENEFIT.....	3,244,407.95	0.00	0.00
CAPITAL.....	28,034,617.69	10,250,244.34	46,013,703.20
EDUCATION.....	6,252,499.06	8,003,666.22	(18,513,869.78)
SKYHAVEN.....	0.00	0.00	0.00
TOTALS.....	\$450,617,895.54	\$355,949,924.24	\$418,883,779.11

* - Prepared on the modified cash basis of accounting.

EXHIBIT 5

TRUST AND ESCROW ACCOUNTS HELD BY THE STATE TREASURER

Fund Name	July 1, 2003 Beginning Market Value	Dividends & Interest	Net Transactions During Year	Net Change in Market Value	June 30, 2004 Ending Market Value
Health & Human Services					
- Laconia State School	\$127,231	\$1,268	\$0	\$0	\$128,499
- New Hampshire Hospital	5,083,672	175,758	(200,507)	341,169	5,400,092
- Youth Development Center	57,203	566	(900)	0	56,868
- Matthew Elliott Memorial Trust Fund	4,245	42	(200)	0	4,087
- Catastrophic Illness Fund	159,269	3,174	0	23,375	185,819
New Hampshire Veterans' Home					
- Benefit Fund	577,390	14,894	(25,000)	49,990	617,274
- Members' Administrative Account	445,094	7,695	0	(1,641)	451,148
- Guy Thompson Account	15,100	151	134	0	15,385
Department of Education					
-John Nesmith	219,584	7,894	0	16,170	243,648
- Special Teachers Competence	139,256	4,210	0	10,089	153,555
- Hattie Livesey	10,826	325	0	761	11,912
- Harriet Huntress	21,787	654	0	1,531	23,972
University of New Hampshire					
- Sam Whidden Trust	69,174	1,338	(2,051)	12,106	80,567
- Ben Thompson Trust	1,277,258	35,045	(46,823)	104,045	1,369,525
Department of Fish & Game					
- Lifetime License Fund	1,362,523	35,498	(118,349)	154,742	1,434,415
DRED – Parks Division					
- Caroline A. Fox Fund	7,676	216	25,017	0	32,910
- Tip-Top House Fund	0	127	20,000	0	20,127
Office of State Planning					
- Land Conservation Monitoring Endowment	2,421,440	110,048	(108,412)	(7,944)	2,415,133
- Community Conservation Endowment	194,704	2,803	130,052	0	327,559
Department of Labor					
- Special Fund for Active Cases	83,501	791	(84,280)	0	13
- Special Fund For Second Injuries	4,604,552	59,285	1,004,445	(5,160)	5,663,123
Department of Safety					
-Financial Responsibility	85,611	998	24,250	0	110,859
-Road Toll Bonds	0	923	113,137	(918)	113,142
Department of Environmental Services					
- Piscataquog	96,615	963	0	0	97,578
- Mascoma	126,724	1,263	0	0	127,987
- Winnipiesaukee	178,191	1,776	0	0	179,967
- Connecticut-Coos	3,064,281	32,275	178,752	0	3,275,309
- Squam Lake	2,242	22	0	0	2,264
- Newfound	31,754	316	0	0	32,070
- Sugar River	7,965	79	0	0	8,044
Public Utilities Commission					
Electric Assistance Program	1,654,452	25,858	735,788	0	2,416,098
ME-NH Interstate Bridge Authority					
- IBA Trust Fund	3,754,671	132,103	(620,000)	155,650	3,422,424
Treasury Department					
- Savings Bond Escrow ⁽¹⁾	27,553	0	(1700)	0	25,853
- Unclaimed and Abandoned Property ⁽²⁾	5,500,710	182,609	12,009,844	33	17,693,196
- Japanese Charitable Fund	64,114	1,956	0	2,363	68,434
- Seabrook Master Trust	268,547,661	7,052,767	10,732,503	14,952,142	301,285,073
- Rural Rehabilitation Corp	106,548	2,324	(5,100)	1,533	105,305
- College Savings Plan Trust	3,662,382	35,988	3,264,221	1,005,909	7,968,500
- Foreign Escheated Estates	216,415	2,154	0	0	218,298
Totals	\$304,009,107	\$7,936,157	\$27,024,822	\$16,815,946	\$355,786,032

1) The Savings Bond Account is an escrow account for temporary holding of employee contributions.

2) This includes only the securities held by ACS Unclaimed Property Clearinghouse. Columns may not add due to rounding.

EXHIBIT 6

SCHEDULE OF FUTURE DEBT SERVICE PAYMENTS

Fiscal Year (s)	General Fund		Highway Fund		Self-Supporting		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005.....	\$ 47,952	\$ 28,446	\$3,265	\$2,363	\$ 5,417	\$2,747	\$56,635	\$33,556
2006.....	46,316	26,084	3,276	2,340	5,575	2,485	55,166	30,909
2007.....	43,779	23,559	3,221	2,286	5,543	2,230	52,543	28,075
2008.....	42,880	21,397	2,830	2,241	5,493	1,989	51,203	25,627
2009.....	42,416	20,527	2,779	2,215	5,523	1,793	50,718	24,536
2010-2014.....	147,628	65,531	9,078	6,547	21,061	5,865	177,767	77,943
2015-2019.....	69,501	28,013	4,918	1,717	6,811	2,203	81,231	31,933
2020-2024.....	31,559	2,950	2,285	217	2,956	367	36,800	3,535
2025-2029.....	0	0	0	0	0	0	0	0
	\$472,031	\$216,507	\$31,652	\$ 19,927	\$58,379	\$19,680	\$562,062	\$256,115

General Fund-Includes debt service paid from Unrestricted General Fund Revenues

Highway Fund-Includes debt service paid from Unrestricted Highway Revenues and separate funds within the Highway Fund

Self-Supporting-Includes debt service paid from a variety of funding sources including Unrestricted Fish and Game Fund revenues, special user fees and fines.

This report is unaudited and prepared on the cash basis of accounting.

Columns may not add due to rounding

NEW HAMPSHIRE TURNPIKE SYSTEM

Fiscal Year (s)	Revenue Bonds		General Obligation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2005.....	\$ 11,385	\$ 15,626	\$ 3,521	725	\$ 14,906	\$16,352
2006.....	10,900	15,036	3,682	536	14,582	15,573
2007.....	11,835	14,595	2,644	341	14,478	14,937
2008.....	12,130	13,926	1,509	204	13,638	14,130
2009.....	13,010	13,413	1,474	123	14,484	13,537
2010-2014.....	74,960	55,067	1,208	59	76,168	55,126
2015-2019.....	89,610	32,509	0	0	89,610	32,508
2020-2024.....	60,060	13,947	0	0	60,060	13,947
2025-2029.....	25,885	3,946	0	0	25,885	3,945
	\$309,775	\$178,067	\$ 14,037	\$1,989	\$323,813	\$180,056

This report is unaudited and prepared on the cash basis of accounting.

Columns may not add due to rounding.

EXHIBIT 7

AUTHORIZED BUT UNISSUED STATE GUARANTEE DEBT

The State has various guarantee programs. The statutes authorizing the guarantee programs require approval by the Governor and Council of any award of a State guarantee. In addition, statutory limitations apply to all of the guarantee programs, but they vary in two major respects. First, the limit may be either on the total amount guaranteed or on the total amount guaranteed that remains outstanding at any time; the latter is a revolving limit, allowing additional guarantees to be awarded as guaranteed debt is retired. Second, the statutory dollar limit may represent either the total amount of principal and interest or only the total amount of principal that may be guaranteed; in the latter case interest on that principal amount may also be guaranteed but is not otherwise specifically limited. As of June 30, 2004 the remaining unused guarantee authorizations under the various statutory limitations were as follows:

<u>Purpose</u>	<u>Guarantee Limit</u>	<u>Remaining Guarantee Capacity</u>
Local Water Pollution Control Bonds	\$175.0 million ⁽¹⁾⁽²⁾	\$126.6 million
Local School Bonds	\$ 95.0 million ⁽¹⁾⁽²⁾	\$ 61.8 million
Local Superfund Site Bonds	\$ 50.0 million plus interest	\$ 50.0 million plus interest
Local Landfill and Waste Site Bonds	\$ 30.0 million ⁽¹⁾⁽²⁾	\$ 29.3 million
Business Finance Authority Bonds, Loans	\$ 95.0 million plus interest ⁽¹⁾	\$ 41.1 million
Pease Development Authority	\$ 75.0 million plus interest	\$ 36.4 million
Division of Water Resources Bonds	\$ 5.0 million plus interest	\$ 5.0 million plus interest
Housing Finance Authority Child Care Loans	\$ 0.3 million (principal only)	\$ 0.3 million

⁽¹⁾ Revolving limit.

⁽²⁾ Limit applies to total principal and interest.

EXHIBIT 8

STATE AGENCIES WITH REVOLVING FUNDS (PETTY CASH) AS OF JUNE 30, 2004

Department of Agriculture	Stephen H. Taylor Commissioner	\$ 200
Department of Justice	Peter Heed Atty. Gen.	10,000
Office of Emergency Management (Division of Safety)	Richard M. Flynn Commissioner	1,000
Christa McAuliffe Planetarium	Jeanne Gerulskis Director	1,300
Department of Corrections	Les Dolecal Acting Commissioner	3,700
Department of Education	Nicholas C. Donohue Commissioner	250
Department of Employment Security	John J. Ratoff Commissioner	10,000
Fish and Game Department	Lee E. Perry Executive Director	3,000
Department of Health & Human Services	John A. Stephen Commissioner	24,750
Department of Labor	James D. Casey Commissioner	100
Community & Technical College System	Dr. William G. Simonton Commissioner	2,330
Department of Resources & Economic Development	R. Sean O'Kane Commissioner	50,000
Department of Revenue Administration	G. Philip Blatsos Commissioner	10,000
Department of Safety	Richard M. Flynn Commissioner	45,000
Secretary of State	William M. Gardner Secretary of State	100
Department of Transportation	Carol A. Murray Commissioner	25,000
Department of Transportation Aeronautics	Carol A. Murray Commissioner	50
Department of Transportation Turnpikes	Carol A. Murray Commissioner	43,500
Veteran's Home	Barry E. Conway Commandant	100
State Liquor Commission	Anthony C. Maiola Chairman	108,000
Pari-Mutuel Commission	Timothy J. Connors Chairman	<u>100</u>
		<u>\$338,480</u>