



The State of New Hampshire

Annual Report Of The Treasury

**As Of And For The
FISCAL YEAR ENDED JUNE 30, 2007**

**Catherine A. Provencher
State Treasurer
Concord, New Hampshire
2007**

TABLE OF CONTENTS

LETTER OF TRANSMITTAL.....	2
SELECTED STATE OFFICIALS	3
OVERVIEW OF TREASURY.....	4
CASH MANAGEMENT.....	4
TRUST AND AGENCY ACCOUNTS.....	5
SEABROOK DECOMMISSIONING TRUST.....	5
DEBT MANAGEMENT.....	5
TURNPIKE REVENUE BONDS.....	6
ABANDONED PROPERTY.....	6
COLLEGE SAVINGS PLANS.....	7
TREASURY ACCOMPLISHMENTS & ONGOING INITIATIVES.....	8
EXHIBIT 1 STATE TREASURERS.....	10
EXHIBIT 2 ORGANIZATIONAL CHART (Removed for Web version).....	12
EXHIBIT 3 COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS.....	13
EXHIBIT 4 STATEMENT OF CASH BALANCES BY FUND.....	14
EXHIBIT 5 TRUST AND ESCROW ACCOUNTS.....	15
EXHIBIT 6 FUTURE DEBT SERVICE PAYMENTS FOR GENERAL OBLIGATION AND TURNPIKE REVENUE BONDS.....	16
EXHIBIT 7 AUTHORIZED BUT UNISSUED STATE GUARANTEED DEBT.....	17
EXHIBIT 8 AGENCY REVOLVING FUNDS FOR WHICH THE TREASURER HOLDS RECEIPTS.....	18

Catherine A. Provencher
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
<http://www.state.nh.us/treasury>

October 24, 2007

To His Excellency the Governor and the Honorable Council:

Pursuant to, RSA 6:17, RSA 6:43, RSA 11:5-b and RSA 20:7, I am pleased to submit the Annual Report of the Treasury, as of and for the fiscal year ending June 30, 2007 for your approval.

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 pending 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,

Catherine A. Provencher
State Treasurer



State of New Hampshire
Selected State Officials
As of June 30, 2007

EXECUTIVE BRANCH

Governor

John Lynch

Executive Council

Raymond S. Burton, District 1
John D. Shea, District 2
Beverly A. Hollingworth, District 3
Raymond J. Wieczorek, District 4
Debora Pignatelli, District 5

Attorney General

Kelly Ayotte

Commissioner of Administrative Services

Donald S. Hill

State Treasurer

Catherine A. Provencher

Secretary of the State

William M. Gardner

LEGISLATIVE BRANCH

President of the Senate

Sylvia Larsen
24 Senators

Speaker of the House of Representatives

Terie Norelli
400 Representatives

JUDICIAL BRANCH

Chief Justice of the Supreme Court

John T. Broderick, Jr.

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 and investment 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, or has administrative responsibilities for many trust, custodial, escrow and other funds.

The authorized staffing of the Treasury for the 2006/2007 biennium was 26 positions, two of these were not funded. In anticipation of upcoming department initiatives and other changes during the 2008/2009 biennium, Treasury reorganized its staffing through the creation of a reclassified Finance Specialist position, and the elimination of two positions, reducing the staffing to its current level of 24. Exhibit 2 shows an organization chart. (For the version of this report published on the internet this page will be blank.)

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, and investing available daily cash balances.

In fiscal year 2007, the Treasury managed receipts of approximately \$4.8 billion and disbursements of approximately \$4.7 billion. A list of receipts and disbursements by major fund category is included as Exhibit 3 to this report. At June 30, 2007, the State's total cash and investment balance was \$582.7 million. On a year over year basis the State's total cash and investment balances, reported on a book basis, increased by \$103 million, or 21%, most of which is attributable to \$41 million in a one-time advance payment of insurance premiums due to a change in statute. A list of cash and investment balances by major fund category is included in Exhibit 4 to this report.

The Treasury earned nearly \$22 million in investment income on available cash balances for all operating funds. Interest earnings in this fiscal year grew by nearly 50% compared to the prior year. This increase can be attributed to higher interest rates and higher cash balances available for investment.

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, 2007, the market value of those trust and agency funds was just under \$72 million. These funds are comprised of forty-six (46) separate trust funds, ranging in market value from just over \$4,000 to approximately \$24 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. Several new accounts were established during the fiscal year and one account was closed. The Department of Health and Human Services requested that an account be established to hold funds in escrow pending the resolution of a medical malpractice case that involves a Medicaid lien. Also during the year, two accounts were established for the New Hampshire Postsecondary Education Commission. These accounts have been established in the names of the schools posting the funds as was chosen under the options provided and ultimately required for licensing pursuant to RSA 188-D:20. Finally, the State replaced the process that allowed employees to purchase paper savings bonds through payroll deduction with a direct purchase program with the U.S. Treasury through payroll deduction. The Savings Bond Escrow Account, which was established for the temporary holding of employee contributions, was no longer needed. A list of these trust and agency funds along with activity and balances for the fiscal year just ended is included as Exhibit 5.

Historically, the Treasury Department has included the Seabrook Decommissioning Trust fund in this listing of accounts held by the State Treasury as shown in Exhibit 5. Beginning with this report for the fiscal year ending June 30, 2007, the Seabrook Decommissioning funds will no longer be included in the Trust and Agency Accounts section but rather be discussed and reported on in a separate section.

SEABROOK DECOMMISSIONING TRUST

As of June 30, 2007, the market value of the Seabrook Decommissioning Trust fund had grown to nearly \$397 million from \$348 million at the beginning of the fiscal year. The 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 and net of appropriate taxes and certain administrative expenses. During the past fiscal year the earnings on the fund have exceeded expectations with an approximate 14.4% return on an after-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 individual owner. The fund is invested in a mix of fixed income securities (bonds), cash and equities (stocks). The allocation of the fund at the end of the fiscal year was approximately 66% stocks and 34% bonds and cash. In addition, \$9.5 million was being held in separate escrow accounts at June 30, 2007 for the owners.

The Seabrook Decommissioning Trust is not in the custody of the State Treasurer, nor does the Treasurer serve as the trustee. It is held in the trust by Mellon Bank for the owners of the Seabrook Nuclear Power Plant for the sole purpose of covering decommissioning costs when the plant shuts down. While the Treasurer serves on a committee charged with determining there are adequate assets in the Trust to cover decommissioning, it is not a Trust Fund of the State.

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, 2007, the outstanding general obligation debt was nearly \$650 million. 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 remaining 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 by a total of only 6% over the past 5 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 consistent, hovering around 6%. The State's other debt ratios remain modest both on a historical basis and relative to other states.

In December 2006, the State issued \$75 million in traditional fixed rate, tax-exempt general obligation capital improvement bonds to provide permanent financing for a variety of capital projects previously authorized by the legislature. This "new money" issue of \$75 million was consistent with Treasury's annual general obligation capital improvement bond issuance both in size of issuance and timing of the sale and resulted in a true interest cost of approximately 4%. As has historically been the Treasury's practice, the final maturity of the bonds is approximately 20 years from date of issuance with approximately 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. At the same time, Treasury also issued \$121.8 million in refunding bonds taking advantage of more favorable current interest rates to refinance \$122.6 million of certain existing outstanding bonds with rates less favorable or more costly to the State. In fact, this transaction replaced outstanding bonds with an average coupon rate of 4.81% with an average coupon of 4.57%, resulting in savings of nearly \$3.7 million as measured in net present value terms.

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 \$97.8 million (principal amount) on June 30, 2007. 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 non-appropriated 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 New Hampshire's 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.

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. Total outstanding debt (principal only) of the Turnpike system as of June 30, 2007 was \$276.7 million. Just under \$272.5 million of this total amount consists of revenue bonds with final maturities in fiscal year 2029. The remaining \$4.2 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 2007 holders reported and remitted cash in the amount of \$11.3 million and in excess of 186,000 shares of stock and/or mutual funds. As a result of the Abandoned Property Division's efforts, during fiscal year 2007 the Treasury paid 7,193 claims totaling \$4.5 million. Over the past five (5) fiscal years the division has taken in approximately \$56.9 million and returned \$19.7 million to current and former residents of the state. On average, approximately \$11.4 million is remitted to the state and just over \$3.9 million is reclaimed each

year. The average claim paid was \$628.85. The largest individual claim was \$112,492 and the smallest was under a dollar.

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 addresses, 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 web page, 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 to all via the Treasury's web page.

COLLEGE SAVINGS PLANS

As the fiscal year closed, Treasury and the College Tuition Savings Plan Advisory Commission ("Advisory Commission") completed the eighth year of sponsoring the UNIQUE College Investing Plan and the fifth of sponsoring the Fidelity Advisor 529 Plan. The combined net assets for the two plans grew to approximately \$7.7 billion at the end of the fiscal year, which is approximately a 25% annual growth. The New Hampshire Plans retained their national leadership position ranking third in net assets with 7.4% of the total market share.

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 Fund (the "Trust Fund") was established pursuant to RSA 6:38 and is funded by a small administrative fee generated from the two Plans. The purpose of the Trust Fund, under the guidance of the Advisory Commission, is to pay for administrative costs incurred by the Advisory Commission and, more importantly, provides scholarships to financially needy New Hampshire students attending New Hampshire postsecondary education institutions. The two scholarship programs, implemented last year, are:

1. UNIQUE Annual Allocation Program (Annual Program) provides annual scholarships to needy New Hampshire students attending the University System of New Hampshire, the Community College System of New Hampshire and eleven other eligible and participating New Hampshire postsecondary education institutions.
2. UNIQUE Endowment Allocation Program (Endowment Program) provides for monthly funding to restricted endowment funds established and managed by the University System of New Hampshire, the Community College System of New Hampshire and eight other eligible and participating New Hampshire postsecondary education institutions. With these institutions providing scholarships from the earnings of their growing endowment fund, it is intended that future scholarships will be available to New Hampshire students in perpetuity.

Criteria for both scholarship programs are developed by the Advisory Commission and are reviewed at least annually.

The Trust Fund has provided scholarship funding through the end of fiscal 2007 as follows (in thousands of dollars):

	2007 Fiscal Year	From Inception
Annual Program	\$ 519	\$ 519
Endowment Program	\$7,466	\$12,894

As of the end of fiscal year 2007, the Trust Fund had a market value of over \$24 million.

TREASURY ACCOMPLISHMENTS & ONGOING INITIATIVES

Treasury had a number of accomplishments over the past year, and continues with a number of initiatives which started during the fiscal year and are ongoing. As a service provider to other State agencies these important changes could not have taken place without the full and enthusiastic cooperation of the Treasury staff, a variety of State agencies and private sector financial services firms.

Flood Relief Fund Raising Support

As was the case last year, fiscal 2007 brought more devastating flooding to the State. Treasury provided significant administrative support for Legislative-sponsored fundraising for the New Hampshire victims of the flooding in the fall of 2005 and again in the spring of 2006. The fundraising utilized telethons, partnering with WMUR, and the utilizing of the IT system developed last year, which is accessible from the NH.gov website to accommodate online donations. Transaction processing statistics from the fund raising activities included:

Funds Raised - \$298,000 Checks Processed - 800 Credit Cards Processed – 1,100

Online CD Auction

Treasury created, in conjunction with a private-sector service provider, the ability to utilize an internet-based auction process for the investment of State funds in certificates of deposit. Utilizing this secure technology, Treasury will, for the first time, be able to reach out to all New Hampshire and federally chartered banks doing business in the State for investment participation and will be able to generate more competitive investment returns.

The process begins with Treasury pre-qualifying the banks that will be eligible to participate in each auction utilizing criteria including statutory requirements, published financial ratios and credit scores. Minimum and maximum investments are then established for each bank as well as the minimum interest rate which will be accepted during the auction. On the date of the auction, eligible banks that choose to participate will log on to the secure website with prearranged passwords and bid on the pre-established amount and terms without knowing what the other banks are bidding. Treasury will monitor the bidding process and, at the end of the auction period, will award the funds to the highest bidders. The results of the auction are then published and all underlying documents are provided electronically to both the winning banks and to Treasury saving both administrative effort and paper documentation storage.

Another benefit is that the results of each auction are retained by the service provider and become available as a public record on the website providing additional transparency over this process. Our initial auction, which took place on September 12, 2007 is available on the following website: www.BidNH.com.

Legislative Activity

Treasury thoroughly reviewed all Treasury Department and certain other financial-related State statutes, together with bond counsel and the Attorney General's office, during fiscal 2007 to determine changes to be made and introduced in the 2008 legislative session. The changes in this "Omnibus Bill" include primarily housekeeping-type changes, some minor policy adjustments and some changes required because of federal court cases. Legislative sponsors will be introducing this bill during the upcoming legislative session.

Throughout the fiscal year Treasury participated with an ad hoc group of state legislators and other interested private-sector parties in discussions focused mainly on personal retirement savings. These discussions, plus extensive research on other personal finance topics, influenced the development of proposed legislation establishing the Office of Personal Financial Literacy within Treasury. As the State's advocate for improvements in personal financial literacy, Treasury intends to provide the State-level leadership to increase literacy levels throughout the State and improve personal financial decision-making. The target audiences of this effort will be:

1. other State and municipal agencies, providing face-to-face customer outreach, with programs which may be enhanced with financial education,
2. employers throughout the State who will be encouraged to provide employee financial education programs
3. community-based programs already providing financial education to individuals or which have programs which may be enriched with financial education
4. individuals with whom Treasury can directly interact.

Bill sponsors will be introducing this proposed legislation in the upcoming session.

Abandoned Property System Upgrade and Electronic Imaging

The Abandoned Property Division is in the process of implementing an upgrade of the unclaimed property management system software to increase capacity and enhance operational efficiency as well as to maximize database integrity and system security.

As an adjunct to the software upgrade, a plan is in place to procure an appropriate document imaging system, to interface and work in tandem with the unclaimed property management system. This will increase electronic processing, allow for ready access to claims and report documentation, and reduce the production and retention of paper files.

Escheat

The impact of the 2003 statutory amendment aimed at facilitating the recovery of demutualization proceeds reached a pinnacle in fiscal year 2007 with the liquidation of recovered securities resulting in the escheatment of an additional \$16.1 million to the General Fund.

Debt Management System

During the fiscal year, the Treasury began the process of replacing the current in-house debt management system which has been in place for over fifteen years. Using in-house resources, Treasury is currently in the requirements documentation phase of this project and anticipates implementing this new system during the second half of fiscal year 2008.

Financial Security

Treasury has certain bank services in place to prevent fraud and provide sound financial controls. One of these services, known as positive pay, is the creation and sending of check issue files for all of the state's checks that are issued to our banking partners. These check issue files provide the banks with a record of the check number, the date and the dollar amount so that when a check is presented for payment, it is validated against the file that was sent. The most recent feature added to the positive pay service is called payee name verification which has been implemented on the payroll account.

Additionally, Treasury has placed debit blocks on our accounts to prevent unauthorized Automated Clearing House (ACH) transactions from processing against them. Accordingly, our banks will only process transactions that meet specific criteria.

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 - 2007
Catherine A. Provencher, Merrimack	2007 - Present

* Died in Office **Resigned

EXHIBIT 2

**Treasury Department
State of New Hampshire
As of June 30, 2007**

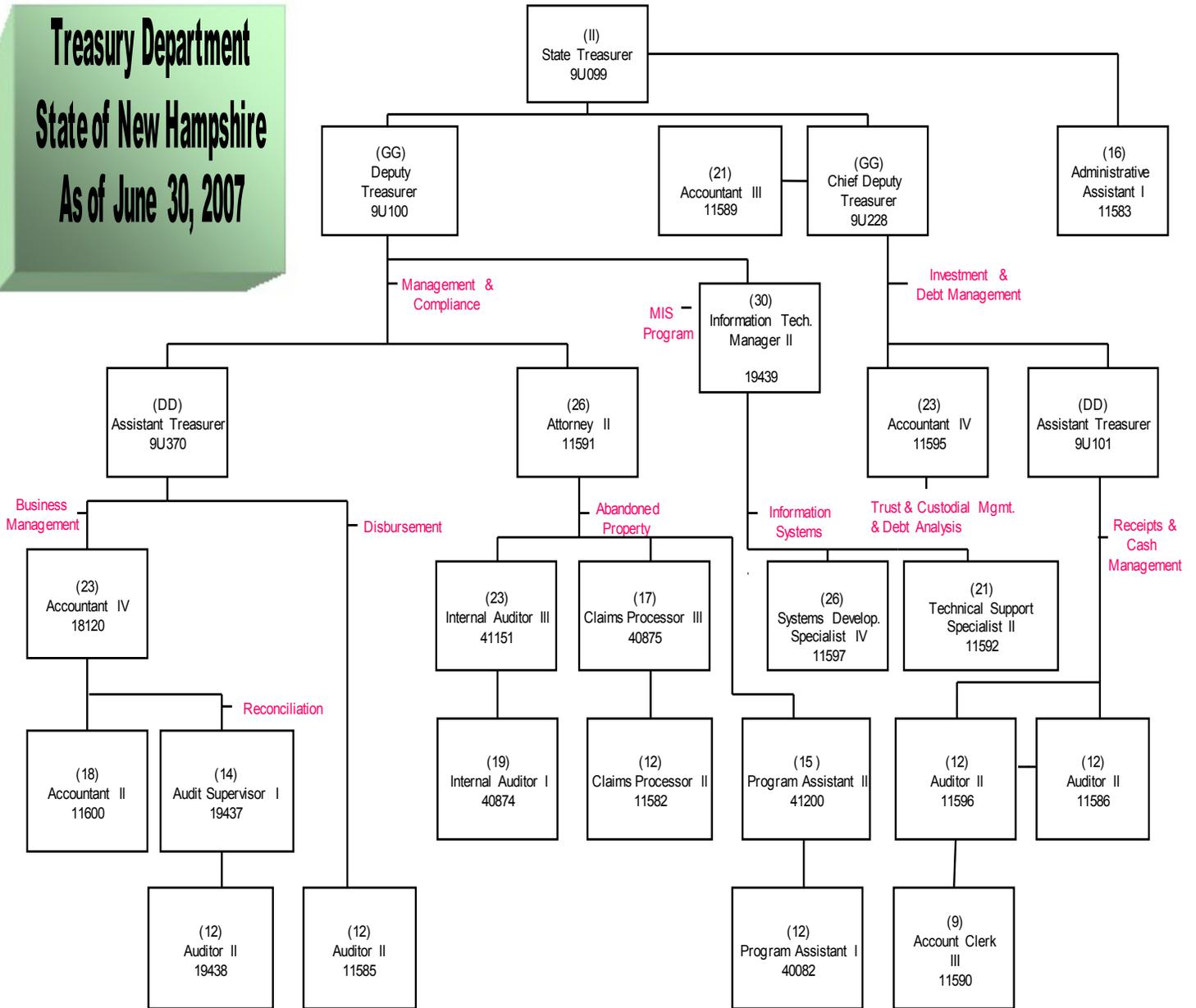


EXHIBIT 3

COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS

	As of		
	June 30, 2007	June 30, 2006	June 30, 2005
BEGINNING CASH BALANCE	\$479,803,900.21	\$420,864,786.41	\$450,617,895.54
RECEIPTS:			
GENERAL.....	\$3,057,464,621.12	\$2,917,495,062.54	\$2,975,188,131.22
LIQUOR.....	481,273,157.71	456,329,011.72	431,291,639.77
SWEEPSTAKES.....	167,600,258.10	140,886,277.34	122,608,765.01
HIGHWAY.....	454,364,861.86	431,499,174.09	416,565,892.83
TURNPIKE.....	89,173,895.90	85,950,544.99	72,172,375.21
FISH AND GAME.....	21,501,503.45	21,747,782.94	21,118,458.18
EMPLOYEE BENEFIT.....	21,933,852.54	16,731,640.61	16,420,561.28
CAPITAL.....	126,431,902.40	103,004,055.30	99,563,436.19
EDUCATION.....	424,763,879.10	401,023,910.95	345,617,644.36
SKYHAVEN.....	0.00	0.00	0.00
TOTALS.....	\$4,844,507,932.18	\$4,574,667,460.48	\$4,500,546,904.05
DISBURSEMENTS:			
GENERAL.....	\$2,906,637,323.57	\$2,741,612,643.92	\$2,822,872,060.66
LIQUOR.....	475,587,751.59	436,522,733.54	426,620,914.88
SWEEPSTAKES.....	85,092,171.94	57,785,138.07	51,193,013.62
HIGHWAY.....	375,240,416.36	377,401,506.20	329,189,498.94
TURNPIKE.....	68,581,694.43	70,730,395.88	69,736,477.28
FISH AND GAME.....	13,545,078.23	14,140,461.08	14,075,024.77
EMPLOYEE BENEFIT.....	221,812,781.13	207,625,482.26	195,252,155.30
CAPITAL.....	115,788,897.17	108,079,987.74	150,491,362.25
EDUCATION.....	479,283,779.26	501,829,997.99	470,869,505.48
SKYHAVEN.....	0.00	0.00	0.00
TOTALS.....	\$4,741,569,893.68	\$4,515,728,346.68	\$4,530,300,013.18
ENDING CASH BALANCE	\$582,741,938.71	\$479,803,900.21	\$420,864,786.41

EXHIBIT 4

STATEMENT OF CASH BALANCES BY FUND

FUND	As of		
	June 30, 2007	June 30, 2006	June 30, 2005
GENERAL.....	\$383,570,431.70	\$315,811,729.07	\$214,920,479.54
LIQUOR.....	22,000.00	12,000.00	12,000.00
SWEEPSTAKES.....	1,226,446.45	945,778.73	1,002,860.96
HIGHWAY.....	51,390,356.01	73,255,522.57	110,464,427.23
TURNPIKE.....	74,848,671.89	70,129,741.28	70,302,593.54
FISH AND GAME.....	9,210,717.11	8,943,347.05	8,525,258.20
EMPLOYEE BENEFIT.....	55,721,196.27	38,545,680.05	16,826,413.45
CAPITAL.....	(15,254,844.10)	(24,863,101.44)	(16,224,044.45)
EDUCATION.....	22,006,963.38	(2,976,797.10)	15,034,797.94
SKYHAVEN.....	0.00	0.00	0.00
TOTALS.....	\$582,741,938.71	\$479,803,900.21	\$420,864,786.41

Exhibit 5

TRUST AND ESCROW ACCOUNTS HELD BY THE STATE TREASURER

Fund Name	July 1, 2006 Beginning Market Value	Dividends & Interest Earned	Net Transactions During Year	Net Change in Market Value	June 30, 2007 Ending Market Value
<u>Health & Human Services</u>					
- Laconia State School	\$136,648	\$7,293	0	0	\$143,941
- New Hampshire Hospital	5,424,748	218,674	(99,971)	477,671	6,021,121
- Youth Development Center	58,810	3,123	(700)	0	61,233
- Matthew Elliott Memorial Trust Fund	4,138	221	0	(0)	4,359
- Catastrophic Illness Fund	222,575	4,938	0	34,452	261,965
- State Medicaid for Dustin Turner	0	19,464	521,031	0	540,495
<u>New Hampshire Veterans' Home</u>					
- Benefit Fund	623,353	16,579	(53,993)	68,143	654,081
- Members' Administrative Account	477,750	17,292	(200,000)	213	295,255
- Guy Thompson Account	15,704	815	(755)	0	15,765
<u>Dept of Agriculture, Markets & Foods</u>					
- Agriculture, Markets & Foods	15,363	820	0	0	16,183
<u>Department of Education</u>					
- John Nesmith	286,433	7,683	(10,886)	33,513	316,744
- Special Teachers Competence	181,302	4,994	(2,400)	21,719	205,615
- Hattie Livesey	14,063	376	0	1,766	16,205
- Harriet Huntress	28,314	780	(500)	3,354	31,948
<u>University of New Hampshire</u>					
- Sam Whidden Trust	132,464	660	(1,465)	25,658	157,316
- Ben Thompson Trust	1,521,446	46,373	(48,100)	163,445	1,683,164
<u>Department of Fish & Game</u>					
- Lifetime License Fund	1,479,891	36,574	(110,312)	212,154	1,618,307
<u>Dept of Resources and Economic Development</u>					
- Caroline A. Fox Fund	86,953	5,452	25,018	0	117,422
- Tip-Top House Fund	21,403	1,142	0	0	22,546
<u>Office of Energy and Planning</u>					
- Land Conservation Monitoring Endowment	2,416,504	97,944	(88,156)	123,041	2,549,333
<u>Department of Labor</u>					
- Special Fund for Active Cases	76,009	0	(51,365)	0	24,645
- Special Fund For Second Injuries	2,268,864	222,524	3,117,532	0	5,608,920
<u>Department of Safety</u>					
- Financial Responsibility	95,323	4,882	17,147	0	117,351
- Road Toll Bonds	294,048	15,693	0	(0)	309,740
<u>Department of Environmental Services</u>					
- Piscataquog	85,024	4,434	(2,000)	0	87,458
- Mascoma	108,865	5,810	0	0	114,675
- Winnepesaukee	123,827	6,608	0	0	130,435
- Connecticut-Cooks	1,711,160	88,307	(133,000)	0	1,666,467
- Squam Lake	52,351	2,794	0	(0)	55,145
- Newfound	71,176	3,799	0	0	74,974
- Sugar River	26,871	1,434	0	0	28,305
<u>Pari-Mutuel Commission</u>					
-Pari-Mutuel Commission Licensee Escrow	201,360	11,680	20,000	0	233,040
<u>Post Secondary Education</u>					
-PEC Care Med	0	865	30,000	0	30,865
-PEC First Choice	0	1,340	53,000	0	54,340
<u>Public Utilities Commission</u>					
-Electric Assistance Program	5,068	16,245	239,007	(0)	260,319
<u>ME-NH Interstate Bridge Authority</u>					
- IBA Trust Fund	2,119,304	62,253	(1,725,000)	162,150	618,708
<u>Treasury Department</u>					
- Savings Bond Escrow ⁽¹⁾	7,130	0	(7,130)	0	0
- Unclaimed and Abandoned Property ⁽²⁾	28,609,420	586,458	(10,931,183)	17,377	18,282,071
- Japanese Charitable Fund	66,102	2,363	0	5,893	74,359
- Rural Rehabilitation Corp	104,671	3,744	(4,400)	7,908	111,923
- College Savings Plan Trust	18,962,126	154,589	1,423,298	3,678,789	24,218,803
- Foreign Escheated Estates	232,143	12,389	0	0	244,532
<u>Other</u>					
-Community Conservation Endowment	831,304	46,033	92,900	0	970,237
-Conn Lakes Headwaters Tract Monitoring Endowment	1,323,627	70,597	(33,091)	(0)	1,361,132
-Conn Lakes Headwaters Natural Areas Stewardship	1,058,901	57,816	(6,226)	0	1,110,491
-Conn Lakes Headwaters Tract Road Maintenance	1,322,901	70,520	(62,023)	0	1,331,399
Totals	\$72,905,435	\$1,944,374	(\$8,033,724)	\$5,037,247	\$71,853,331

"Gains and Losses" includes realized and unrealized gains and losses.

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
(In thousands)**

Fiscal Year (s)	General Fund		Highway Fund		Self-Supporting		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008.....	\$ 55,212	\$ 30,125	\$ 4,402	\$ 3,253	\$ 5,769	\$ 2,122	\$ 65,383	\$ 35,500
2009.....	52,742	28,805	4,341	3,170	5,790	1,917	62,873	33,891
2010.....	50,505	26,950	4,075	3,084	5,492	1,717	60,072	31,752
2011.....	47,577	24,475	3,866	3,006	5,109	1,490	56,552	28,970
2012.....	40,799	20,258	3,268	1,607	5,129	978	49,196	22,842
2013-2017.....	155,869	65,255	13,427	5,639	12,507	3,733	181,803	74,627
2018-2022.....	111,125	19,455	9,555	1,881	5,820	1,001	126,500	22,338
2023-2027.....	41,722	3,276	3,963	363	1,915	150	47,600	3,788
2028-2032.....	0	0	0	0	0	0	0	0
2033-2037.....	0	0	0	0	0	0	0	0
	\$555,550	\$218,599	\$46,898	\$ 22,002	\$47,531	\$13,107	\$649,979	\$253,708

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
(In thousands)**

Fiscal Year (s)	Revenue Bonds		General Obligation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2008.....	\$ 12,455	\$ 13,255	\$ 1,509	\$ 204	\$ 13,964	\$ 13,459
2009.....	13,270	12,711	1,474	123	14,744	12,834
2010.....	13,500	12,093	624	45	14,124	12,137
2011.....	14,710	11,426	584	15	15,294	11,440
2012.....	14,555	10,692	0	0	14,550	10,692
2013-2017.....	89,620	41,505	0	0	89,620	41,505
2018-2022.....	67,395	19,850	0	0	67,395	19,850
2023-2027.....	35,265	7,164	0	0	35,265	7,164
2028-2032.....	11,725	900	0	0	11,725	900
2033-2037.....	0	0	0	0	0	0
	\$272,490	\$129,596	\$4,191	\$387	\$276,681	\$129,982

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 GUARANTEED 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, 2007 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⁾	\$150 million
Local School Bonds	\$ 95.0 million ⁽¹⁾⁽²⁾	\$ 77.2 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⁾	\$ 29.6 million
Business Finance Authority Bonds, Loans	\$ 95.0 million plus interest ⁽¹⁾	\$ 40.4 million
Pease Development Authority	\$ 85.0 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, 2007

Christa McAuliffe Planetarium	Jeanne Gerulskis, Director	\$ 1,300
Community and Technical College System	Dr. William G. Simonton, Commissioner	2,330
Department of Agriculture	Stephen H. Taylor, Commissioner	200
Department of Corrections	William Wrenn, Commissioner	3,700
Department of Education	Lionel B. Tracy, Commissioner	250
Department of Employment Security	Richard Brothers, Commissioner	10,000
Department of Health and Human Services	John A. Stephen, Commissioner	24,750
Department of Justice	Kelly A. Ayotte, Attorney General	10,000
Department of Labor	George N. Copadis, Commissioner	100
Department of Resources & Economic Development	George Bald, Commissioner	50,000
Department of Revenue Administration	G. Philip Blatsos, Commissioner	10,000
Department of Safety	John J. Barthelmes, Commissioner	46,000
Department of Transportation	Charles P. O'Leary, Commissioner	25,000
Department of Transportation - Aeronautics	Charles P. O'Leary, Commissioner	50
Department of Transportation - Turnpikes	Charles P. O'Leary, Commissioner	43,500
Executive Office (Governor's Office)	John H. Lynch, Governor	500
Fish & Game Department	Lee E. Perry, Executive Director	3,000
Pari-Mutuel Commission	Timothy J. Connors, Chairman	250
Secretary of State	William M. Gardner, Secretary of State	100
State Liquor Commission	Anthony C. Maiola, Chairman	130,000
Veteran's Home	Barry E. Conway, Commandant	100
		<u><u>\$361,130</u></u>