



**STATE OF NEW HAMPSHIRE
Department of Transportation**

**ANNUAL REPORT
with respect to
STATE OF NEW HAMPSHIRE
FEDERAL HIGHWAY GRANT
ANTICIPATION BONDS**

March 24, 2017

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This Annual Report dated March 24, 2017 (the “Annual Report”) of the State of New Hampshire (the “State”) is prepared and submitted in accordance with the requirements of the Continuing Disclosure Certificates executed by the State for the benefit of the owners of its \$20,040,000 State of New Hampshire Federal Highway Grant Anticipation Bonds, 2010 Series A (Federally Taxable – Build America Bonds – Direct Payment), \$59,960,000 State of New Hampshire Federal Highway Grant Anticipation Bonds 2010 Series B (Federally Taxable – Recovery Zone Economic Development Bonds – Direct Payment) and \$98,250,000 State of New Hampshire Federal Highway Grant Anticipation Bonds 2012 Series (collectively, the “Bonds”). Appendix A hereto sets forth the State’s audited financial statements for the State Fiscal Year (SFY) ended June 30, 2016 prepared in accordance with generally accepted accounting principles. Included in such statements, on pages 104 and 105, is separately stated information pertaining to the State’s Federal Highway Grant Anticipation Bond Trust Fund, also known as the Federal Highway Construction Trust. The audited financial statements are located at: <http://das.nh.gov/accounting/FY%2016/CAFR%20FY16.pdf> and were filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) service on February 7, 2017.

Annual Report

This Annual Report is submitted pursuant to the applicable Continuing Disclosure Certificates and updates certain information contained in the State’s most recent Official Statement dated May 16, 2012 (the “Official Statement”), which contains certain information pertaining to the State’s Federal Highway Grant Anticipation Bond Trust Fund. This Annual Report does not constitute an offer to sell or the solicitation of an offer to buy the Bonds.

Pursuant to the Continuing Disclosure Certificates, the State hereby updates the information requested in Section 4, “Content of Annual Reports,” of the Continuing Disclosure Certificates as follows (the headings and page numbers refer to the applicable portions of the Official Statement):

- ***Information Concerning Federal-Aid Highway Program Reauthorization as described on pp. 18-19:***

Reauthorization Risk

On December 4, 2015, President Obama signed into law the Fixing America's Surface Transportation Act, or "FAST Act" - the first Federal law in over ten years to provide long-term funding certainty for surface transportation. The FAST Act authorizes \$305 billion over federal fiscal years 2016 through 2020 for the US Department of Transportation’s highway, highway

and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology and statistics programs.

As under MAP-21, the FAST Act authorizes a single amount for each year for all the apportioned highway programs combined. That amount is apportioned among the States, and then each State's apportionment is divided among the individual apportioned programs.

Notice N4520.244 dated January 4, 2017, from The United States Department of Transportation, Federal Highway Administration advises the States of the limitation on Federal-aid highway program obligations pursuant to the Continuing Appropriations Act, 2017, Public Law (Pub. L.) 114-223, as amended by the Further Continuing Appropriations Act, 2017, Pub. L. 114-254.

Section 101(a) of the Continuing Appropriations Act, 2017, as amended by the Further Continuing Appropriations Act, 2017, sets an overall limitation on obligations at an annual rate for operations of \$42,361,000,000 for Federal Fiscal Year (FY) 2017. This annual rate for operations is equal to the obligation limitation made available in FY 2016 under the Department of Transportation Appropriations Act, 2016, title I of division L, Pub. L. 114-113.

For the period beginning on October 1, 2016, and ending on December 9, 2016, section 101(b) of the Continuing Appropriations Act, 2017, applies a reduction of 0.496 percent to the annual rate for operations, resulting in a reduction of \$210,110,560 (\$42,361,000,000 times 0.496 percent). The net annual rate for operations after the reduction is \$42,150,889,440. The pro-rata for that period is 19.18 percent (70 days divided by 365 days), which results in an obligation limitation of \$8,084,540,595 for the period beginning on October 1, 2016, and ending on December 9, 2016.

For the period beginning on December 10, 2016, and ending on April 28, 2017, section 101(b) of the Further Continuing Appropriations Act, 2017, applies a reduction of 0.1901 percent to the annual rate for operations, resulting in a reduction of \$80,528,261 (\$42,361,000,000 times 0.1901 percent). The net annual rate for operations after the reduction is \$42,280,471,739. The pro-rata for that period is 38.36 percent (140 days divided by 365 days), which results in an obligation limitation of \$16,218,788,959 for the period beginning on December 10, 2016, and ending on April 28, 2017.

The overall pro-rata for the period beginning on October 1, 2016, and ending on April 28, 2017, is 57.54 percent (70 days divided by 365 days plus 140 days divided by 365). The total obligation limitation provided in this Notice for the period beginning on October 1, 2016, and ending on April 28, 2017, is \$24,303,329,554 (\$8,084,540,595 plus \$16,218,788,959).

Section 101(a) of the Continuing Appropriations Act, 2017, as amended by the Further Continuing Appropriations Act, 2017, continues section 120 of the Department of Transportation Appropriations Act, 2016, providing the distribution methodology for the overall limitation on Federal-aid highway program obligations.

The distribution of obligation limitation is calculated based on the FFY 2017 contract authority under the Fixing America's Surface Transportation Act, Pub. L. 114-94 and the annualized obligation limitation. For the purposes of the obligation limitation distribution, the obligation limitation of \$24,303,329,554 for the period beginning on October 1, 2016, and ending on April 28, 2017, is annualized at \$42,237,277,640. The annualized obligation limitation distribution is then multiplied by the 57.54 percent pro-rata.

Upon the enactment of a full-year appropriations act or a further continuing appropriations act, the distribution of obligation limitation will be revised and additional obligation limitation will be provided as determined under the provisions of such law. Unless

otherwise specified, all obligation limitation is available for one fiscal year and will expire at the end of FFY 2017.

Total funding for Federal-aid highway formula programs

The FAST Act authorizes a total combined amount (\$39.7 billion in Federal Fiscal Year (FFY) 2016, \$40.5 billion in FFY 2017, \$41.4 billion in FFY 2018, \$42.4 billion in FFY 2019, and \$43.4 billion in FFY 2020) in contract authority to fund six formula programs (including certain set-asides within the programs described below):

- National Highway Performance Program (NHPP);
- Surface Transportation Block Grant Program (STBG);
- Highway Safety Improvement Program (HSIP);
- Congestion Mitigation and Air Quality Improvement Program (CMAQ);
- Metropolitan Planning; and
- The new National Highway Freight Program (NHFP).

Determination of each State's apportionment

Reservation of supplemental STBG and NHPP funds

Before making apportionments to States, the FAST Act requires Federal Highway Administration (FHWA) to reserve from the total amount authorized for the apportioned programs: (1) for each of FFY 2019 and 2020, an amount to supplement the base apportionments for the NHPP ("supplemental NHPP"); and (2) for each of FFY 2016-2020, an amount to supplement the base apportionments for the STBGP ("supplemental STBG") [23 U.S.C 104(h) (1) and (2)]. The remainder, net of these amounts, is referred to as the "base apportionment." [23 U.S.C 104(i)]

Calculation of a State's initial apportionment (in three components)

For each of these three amounts (supplemental NHPP, supplemental STBGP, and base apportionment) FHWA determines a State's initial apportionment, calculating for the State a share of the amount equal to the State's share of FFY 2015 apportionments. [23 U.S.C. 104(c)]

Adjustment based on Trust fund contributions

FHWA then adjusts each of the three amounts, if necessary, to ensure that the sum of the three amounts received by each State is at least 95% of the dollar amount of its contributions to the Highway Account of the Highway Trust Fund in the most recent year for which data are available. Any upward adjustment based on this comparison is offset by proportional decreases to the amounts of other States. [23 U.S.C 104(c)]

Division of a State's apportionment among programs

After determining the three amounts for a State (supplemental NHPP, supplemental STBG, and base apportionment), FHWA divides the amounts among the State's individual formula programs in the following manner:

Step	Program	Calculation of amount													
1	NHFP [23 U.S.C. 104(b)(5)]	Funded in an amount equal to the national amount for the program: ...multiplied by the following ratio:	<table border="1"> <thead> <tr> <th>FY</th> <th>\$ billions</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>1.15</td> </tr> <tr> <td>2017</td> <td>1.10</td> </tr> <tr> <td>2018</td> <td>1.20</td> </tr> <tr> <td>2019</td> <td>1.35</td> </tr> <tr> <td>2020</td> <td>1.50</td> </tr> </tbody> </table>	FY	\$ billions	2016	1.15	2017	1.10	2018	1.20	2019	1.35	2020	1.50
			FY	\$ billions											
2016	1.15														
2017	1.10														
2018	1.20														
2019	1.35														
2020	1.50														
<p><u>State's base apportionment for FY</u> <u>Nat'l total base apportionment for FY</u></p>															
2A	CMAQ [23 U.S.C. 104(b)(4)]	Funded in an amount equal to the State's base apportionment (net of step #1), multiplied by the following ratio:	<p><u>State's FY09 CMAQ \$</u> State's total FY09 apportionments</p>												
2B	Metro Planning [23 U.S.C. 104(b)(5)(D) & (6)]	Funded in an amount equal to— <ul style="list-style-type: none"> the State's base apportionment (net of step #1); plus the State's NHFP funding (under step #1), multiplied by the following ratio: 	<p><u>State's FY09 Metro Planning \$</u> State's total FY09 apportionments</p>												
3	NHPP [23 U.S.C. 104(b)(1)] STBG [23 U.S.C. 104(b)(2)] HSIP [23 U.S.C. 104(b)(3)]	The remainder of the State's base apportionment (net of amounts under steps #1 through #2B) is divided on the following proportions:	63.7% to NHPP 29.3% to STBG 7.0% to HSIP												
		...and then the NHPP and STBG amounts are increased by the “supplemental NHPP and STBG” amounts calculated above.													
4A	Railway-Highway Crossings set-aside [23 U.S.C. 130; § 126 of Division L of Pub. L. 114-113]	Funded via a set-aside from the States' initial HSIP amounts prior to apportionment— <ul style="list-style-type: none"> based on apportionment formula under 23 U.S.C. 130; and such that the national total for the program is as follows: 	<table border="1"> <thead> <tr> <th>FY</th> <th>\$ millions</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>350 ¹</td> </tr> <tr> <td>2017</td> <td>230</td> </tr> <tr> <td>2018</td> <td>235</td> </tr> <tr> <td>2019</td> <td>240</td> </tr> <tr> <td>2020</td> <td>245</td> </tr> </tbody> </table>	FY	\$ millions	2016	350 ¹	2017	230	2018	235	2019	240	2020	245
			FY	\$ millions											
2016	350 ¹														
2017	230														
2018	235														
2019	240														
2020	245														
<p><u>State's FY09 CMAQ \$</u> State's total FY09 apportionments</p>															
4B	Safety-related activities set-aside ² [§ 1519(a) of Pub. L. 112-141, as amended by the FAST Act]	Funded via set-aside from the States' initial HSIP amounts prior to apportionment— <ul style="list-style-type: none"> determined proportionally based on the initial HSIP amounts; and such that the national total is \$3.5 million for each fiscal year. 													

¹ The FAST Act set aside \$225M for FFY 2016; the FFY 2016 Appropriations Act increased this set-aside to \$350 M.

² Set-aside amount is not provided to States as apportionments, but instead funds an allocated program for safety-related activities and clearinghouses. Therefore, FHWA does not include it in the tables in its apportionment notice.

Other provisions of the FAST Act include:

PROJECT DELIVERY: The FAST Act adopted a number of USDOT Administration proposals to further speed the permitting processes while still protecting environmental and historic treasures and also codifying the online system to track projects and interagency coordination processes.

FREIGHT: The FAST Act would establish both formula and discretionary grant programs to fund critical transportation projects that would benefit freight movements. These programs will for the first time provide a dedicated source of Federal funding for freight projects, including multimodal projects. The Act emphasizes the importance of Federal coordination to focus local governments on the needs of freight transportation providers.

INNOVATIVE FINANCE BUREAU: The FAST Act establishes a new National Surface Transportation and Innovative Finance Bureau within the Department to serve as a one-stop shop for state and local governments to receive federal funding, financing or technical assistance.

TIFIA: The TIFIA Loan program provides important financing options for large projects and public-private partnerships. The FAST Act includes organizational changes that will provide an opportunity for important structural improvements with the potential to accelerate the delivery of innovative finance projects.

SAFETY: The FAST Act will help bolster the Department's safety oversight of transit agencies and also streamlines the Federal truck and bus safety grant programs, giving more flexibility to States to improve safety in these areas.

TRANSIT: The FAST Act includes a number of positive provisions, including reinstating the popular bus discretionary grant program and strengthening the Buy America requirements that promote domestic manufacturing through vehicle and track purchases.

LADDERS OF OPPORTUNITY: The Act includes a number of items that strengthen workforce training and improve regional planning. Notably, FAST makes Transit Oriented Development (TOD) expenses eligible for funding under highway and rail credit programs. TOD promotes dense commercial and residential development near transit hubs in an effort to shore up transit ridership and promote walkable, sustainable land use.

Operation of the HTF and the FAST Act

The Highway Trust Fund (HTF) is the source of funding for most of the programs in the Act. The HTF is comprised of the Highway Account, which funds highway and intermodal programs, and the Mass Transit Account. Federal motor fuel taxes are the major source of income into the HTF.

To provide \$281 billion in contract authority over five years, the FAST Act relies on \$70 billion of General Fund (GF) dollars in addition to receipts estimated for the Highway Trust Fund between 2016 and 2020. The \$70 billion GF transfer is comprised of \$51.9 billion for the Highway Account and \$18.1 billion for the Mass Transit Account. Since 2008, total GF to HTF

transfers amount to \$140 billion, or \$143.6 billion if including Leaking Underground Storage Tank Trust Fund transfers to the HTF.

In order to offset the budgetary impact of \$70 billion, the following “pay-fors” and their associated ten-year receipts as estimated by the Congressional Budget Office are used to support the FAST Act:

- Increased civil penalties allowable for NHTSA: \$0.423 billion
- Passport revocation for delinquent taxpayers: \$0.395 billion
- Allowing the Internal Revenue Service to hire private tax collectors: \$2.408 billion
- Indexing Customs user fees for inflation: \$5.188 billion
- Transfer from the capital surplus account of the Federal Reserve: \$53.334 billion
- Dividend reductions for the Federal Reserve’s member banks: \$6.904 billion
- Sale of 66 million barrels of crude oil from the Strategic Petroleum Reserve: \$6.2 billion
- Royalty overpayment correction under the Office of Natural Resources Revenue: \$0.32 billion

If Congress does not act to resolve the funding issues with the HTF there may be a significant impact to funding the State’s Ten Year Transportation Improvement Plan (STYP) beyond 2020. The State uses Turnpike Toll Credits to meet the match requirement of the federal program and as a result of the limited State funds to support the federal program the STYP is dependent on the availability of federal funds. Any loss of federal funds beyond 2020 could lead to suspension of work and delay of future State and local transportation projects.

Information Concerning the Funding of Federal-Aid Highways with respect to the subsection – Rescissions on p. 24:

Rescissions Impacting the State

Through legislation, any unused balances of previously authorized funds can be rescinded. Since the passage of SAFETEA-LU, Congress has taken actions to reduce SAFETEA-LU’s authorized spending levels, by issuing rescissions. In FFY 2012, there were no rescissions. In FFY 2013, a 0.2% across-the-board rescission, before post-apportionment set-asides and penalties, of approximately \$0.3 million was apportioned to New Hampshire. In FFY 2014, FFY 2015 and in FFY 2016, there were no rescissions.

- ***State Participation in the Federal-Aid Highway Program with respect to the subsection – Funding History on pp. 25-26:***

Obligation Authority provided to the State

The table on the next page updates the amount of Obligation Authority made available to the State to include FFY 2016.

**State of New Hampshire
History of Apportionments and Obligation Authority
2004 through 2016
(in millions, unaudited)**

Federal Fiscal Year Ending Sept. 30	Total Apportionment	Special Limitation Earmarks	ARRA	Net Apportionment*	Formula Obligation Authority**
2004	\$152.70	\$8.76	\$0.00	\$143.93	\$132.71
2005	\$167.29	\$8.93	\$0.00	\$158.37	\$128.07
2006	\$189.37	\$19.55	\$0.00	\$169.82	\$128.73
2007	\$174.13	\$13.48	\$0.00	\$160.65	\$138.17
2008	\$165.62	\$17.90	\$0.00	\$147.71	\$135.06
2009	\$302.46	\$13.25	\$129.44	\$159.78	\$143.11
2010	\$205.82	\$0.00	\$0.00	\$205.82	\$157.64
2011	\$182.86	\$20.00***	\$0.00	\$162.86	\$154.14
2012	\$160.99	\$0.00	\$0.00	\$160.99	\$144.09
2013	\$161.52	\$0.00	\$0.00	\$161.52	\$155.39
2014	\$159.88	\$0.00	\$0.00	\$159.88	\$159.51
2015	\$161.09	\$0.00	\$0.00	\$161.09	\$156.66
2016	\$165.73	\$0.00	\$0.00	\$165.73	\$167.99

Source: Federal Highway Administration (FHWA) data from Fiscal Management Information System (FMIS).

*Earmarks and ARRA are not included in Net Apportionment.

**Obligation Authority includes redistributed Obligation Authority. See *Information Concerning the Funding of Federal-Aid Highways—Federal Aid Funding Procedures* in the Official Statement for a description of the State’s redistributed Obligation Authority.

*** Transportation Investment Generating Economic Recovery (TIGER) II Grant.

- ***State Participation in the Federal-Aid Highway Program with respect to the subsection – Federal Reimbursement Received by the State on p. 26:***

Federal Reimbursement Received by the State

The table on the next page updates the amount of reimbursements received by the State under the Federal Program to include SFY 2016.

**State of New Hampshire
Federal Highway Funds Received
1997 through 2016
(in millions, unaudited)**

State Fiscal Year Ending June 30	Federal Reimbursement Received	State Fiscal Year Ending June 30	Federal Reimbursement Received
1997	\$100.10	2007	\$170.69
1998	\$93.53	2008	\$163.00
1999	\$110.21	2009	\$175.37*
2000	\$116.32	2010	\$246.87*
2001	\$124.79	2011	\$212.13*
2002	\$150.56	2012	\$187.60*
2003	\$136.43	2013	\$149.65*
2004	\$138.33	2014	\$196.02
2005	\$136.74	2015	\$161.53
2006	\$167.99	2016	\$158.74

Source: FHWA/Rapid Approval & State Payment System (RASPS).

Note: Federal Reimbursements may be more or less than Obligation Authority in any given year due to lags in timing of such reimbursements from FHWA.

* Includes ARRA reimbursements of \$2.80 million in SFY 2009, \$64.95 million in SFY 2010, \$42.98 million in SFY 2011, \$10.3 million in SFY 2012, and \$1.1 million in SFY 2013.

- ***Bond Ratings and Outlook Changes***

There has been no change in the GARVEE bonds' Moody Rating (A2) or S&P Outlook (AA/Stable) since the prior annual report dated March 25, 2016.

- ***The Effect of Sequestration on Build America Bonds subsidy***

Pursuant to the requirements of the federal Budget Control Act of 2011, as amended, certain automatic reductions took place as of March 1, 2013. These required reductions include a reduction to refundable credits under Section 6431 of the Internal Revenue Code applicable to certain qualified bonds.

These reductions apply to "Build America Bonds" (BABs) for which the issuer elected to receive a direct credit subsidy pursuant to Internal Revenue Code Section 6431. As determined by the Office of Management and Budget, payments to issuers from the budget accounts associated with these qualified bonds are subject to a reduction.

On October 13, 2013, a notice was issued whereby BABs are subject to sequestration. Refund payments processed on or after October 1, 2013 and on or before September 30, 2014 were reduced by the fiscal year 2014 sequestration rate of 7.2 percent, irrespective of when the amounts claimed by an issuer on any Form 8038-CP was filed with the IRS. FFY 2015

sequestration rate was 7.3%, FFY 2016 sequestration rate is 6.8% and FFY 2017 sequestration rate is 6.9%. The sequestration rate for FFY 2018 through 2024 will be set in the future, unless Congress takes action to change or eliminate the sequestration percentage.

The table below outlines the reduction in the BABs subsidy since 2013. Pending any action from Congress to the contrary, reductions in the subsidy have been obligated with Federal Highway funds per the Memorandum of Agreement (MOA) between the State and the Federal Highway Administration (FHWA) dated September 23, 2010, “in the event the U.S. Treasury were to suspend, reduce or discontinue the interest subsidy, FHWA will reimburse the State for the increased interest costs associated with the bonds.”

The subsidy reductions have been drawn and funded by FHWA and to date sequestration has had no other impact on the program.

Build America Bonds Subsidy Reduction			
	<u>Federal Fiscal Year</u>	<u>State Fiscal Year</u>	<u>Reduction %</u>
2013	\$(67,534.77)	\$(0.00)	8.7%
2014	(111,781.65)	(123,425.59)	8.7% and 7.2%
2015	(113,334.18)	(112,557.91)	7.3% and 7.2%
2016	(105,571.56)	(109,452.86)	7.3% and 6.8%
2017	(107,124.08)	(106,347.82)	6.8% and 6.9%
Total	\$(505,346.24)	(451,784.18)	

The State of New Hampshire Department of Transportation Supplemental Trust Agreement stipulates that the first dollars obligated each federal fiscal year must be for the purposes of covering the debt service on the Bonds. This commitment currently is 12.4 percent of the State’s authorized apportionment for FFY 2017.

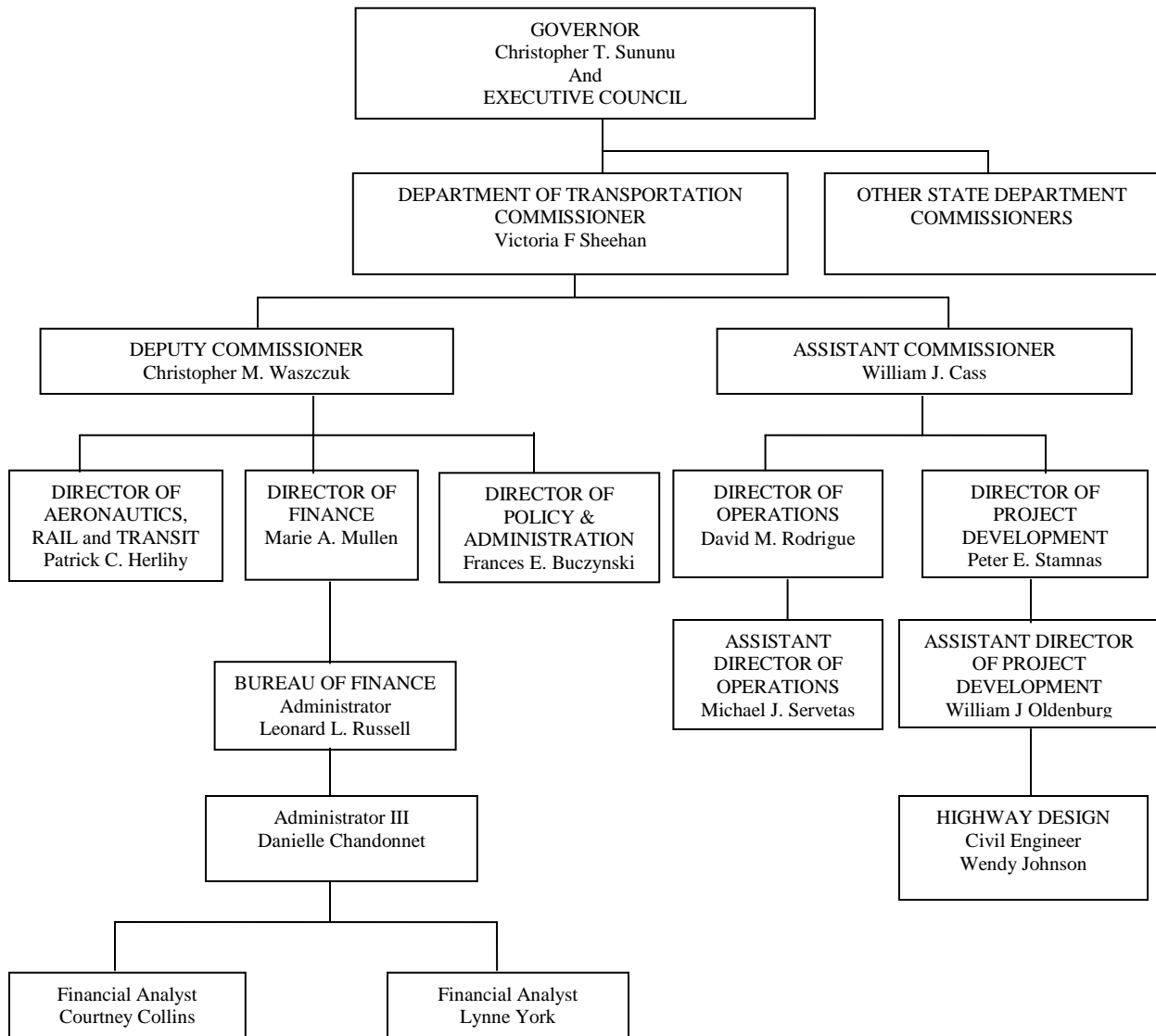
The March 20, 2012 MOA Bond Issue #2 between FHWA and NHDOT provides, in part, as follows:

“In the event that only a portion of the annual Obligational Authority is provided, NHDOT will reserve a pro-rata share of the Obligational Authority for debt service payments until the full Obligational Authority is available; provided that, in any event, NHDOT will set aside each year obligation authority sufficient for scheduled payments of debt service on the Bonds and other Bond-related costs during such year.”

The Department has obligated the entire FFY 2017 debt service.

The principal administrators of the New Hampshire Department of Transportation and the Ten Year Plan are reflected in the Organization Chart on the following page:

ORGANIZATION CHART



- ***Future Additional Debt Plans***

The State Legislature (RSA 228-A:2) has authorized \$490 million in GARVEE Bonds, of which \$195 million has been issued, for the purpose of financing project costs related to the widening of Interstate 93 from Manchester to the Massachusetts border, the replacement of the Sarah Mildred Long Bridge in Portsmouth, New Hampshire, and any other federally aided highway project. HB 2016 Chapter 324:2 was signed into law on June 28, 2016, amending RSA 228-A:2 with the following: the State may further issue GARVEE bonds for the purpose of financing the project costs related to the replacement and/or rehabilitation of two Connecticut River bridges, located in Lebanon, New Hampshire and Hinsdale, New Hampshire. In the STYP, the State plans to issue GARVEE bonds for the construction of two bridges between New Hampshire and Vermont in the amount of \$60.966 million in State Fiscal Year 2019. The

issuance of the bonds shall be contingent upon the availability of sufficient anticipated federal aid over the term of the bonds.

The 2015 New Hampshire Legislature granted authorization, Chapter 17 of the Laws of 2014 and as amended by Chapter 276:210 and 276:211, Laws of 2015 (SB367), to enter into the federal credit program known as the Transportation Infrastructure Finance and Innovation Act (TIFIA) in an amount not to exceed \$200 million to fund the balance of I-93 construction projects as part of an increase in the road toll (per gallon gasoline tax) imposed in the State. The TIFIA loan agreement was signed on May 24, 2016. The debt service payments on such financing will be funded by a portion of the revenue collected from the 4.2 cents per gallon increase that was effective July 1, 2014. The increased revenues will continue to be collected until the TIFIA loan is fully paid, expected to be in State Fiscal Year 2034. The TIFIA loan will result in \$200 million of funding at a favorable 1.09% rural interest rate that will allow the Department to perform additional bridge repair and pavement maintenance and completion of the I-93 project within the time frame of the law. Significant downside protection exists if revenue does not hit initial projections.


- *The State of New Hampshire Comprehensive Annual Financial Report (“CAFR”)*

The State of New Hampshire CAFR for the State Fiscal Year Ended June 30, 2016 (the “2016 CAFR”) was filed with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) service on February 7, 2017. The 2016 CAFR is incorporated herein by reference and the 2016 CAFR is included as Appendix A. These are the most recently available audited financial statements of the State, prepared in accordance with generally accepted accounting principles. Included in the statements, on pages 104 and 105, is separately stated information pertaining to the State’s Federal Highway Grant Anticipation Bond Trust Fund as defined in RSA 228-A.

Questions about this report or the need for additional information, please contact the New Hampshire Department of Transportation, Leonard Russell, Division of Finance, John O. Morton Building, 7 Hazen Drive, Concord, NH 03302-0483 or telephone 603-271-2546.

This Annual Report has been executed and delivered on behalf of the State pursuant to the Continuing Disclosure Certificates.

STATE OF NEW HAMPSHIRE



By: _____

Victoria F. Sheehan
Commissioner
Department of Transportation

APPENDIX A

STATE OF NEW HAMPSHIRE
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR 2016
(Included by Reference and Previously Filed with the
Municipal Securities Rulemaking Board)