



**STATE OF NEW HAMPSHIRE**  
**Department of Transportation**

**ANNUAL REPORT**  
With Respect to  
**TURNPIKE SYSTEM REVENUE BONDS**

**February 25, 2014**

**STATE OF NEW HAMPSHIRE  
ANNUAL REPORT  
With Respect to  
STATE OF NEW HAMPSHIRE  
TURNPIKE SYSTEM REVENUE BONDS  
February 25, 2014**

This Annual Report dated February 25, 2014 (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 dated August 24, 2006, December 1, 2009, January 5, 2012, August 30, 2012 and November 5, 2012 (collectively, the “Continuing Disclosure Certificates”) executed by the State for the benefit of the owners of the \$39,425,000 State of New Hampshire Turnpike System Revenue Bonds, 2006 Refunding Series, the \$217,215,000 State of New Hampshire Turnpike System Revenue Bonds, 2009 Series A (Federally Taxable – Build America Bonds – Direct Payment), 2009 Refunding Series B, the \$42,115,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Refunding Series (Delayed Delivery), the \$110,180,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Series C and the \$65,355,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Refunding Series B (Delayed Delivery) (collectively, the “Bonds”). The State’s audited financial statements pertaining to its Turnpike System for the fiscal year ended June 30, 2013, prepared in accordance with generally accepted accounting principles (the “Financial Statements”) were included in the State’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013 (the “CAFR”) and the CAFR was filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system on January 21, 2014. The Financial Statements are incorporated herein by reference.

Questions may be directed to Mary Ellen Emmerling, CPA, CCM, Financial Analyst at the State of New Hampshire Department of Transportation at (603) 271-1557.

**Annual Report**

This Annual Report is submitted pursuant to the Continuing Disclosure Certificates and updates certain information contained in the State’s most recent Official Statement pertaining to the Bonds dated November 1, 2012 (the “Official Statement”), which contains certain information pertaining to the State’s Turnpike System. 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):

THE TURNPIKE SYSTEM – General Description, with respect to the first paragraph on pages 26 and 27:

***General Description***

The Turnpike System presently consists of 89 miles of limited access highway, 36 miles of which are part of the U.S. Interstate Highway System. The Turnpike System comprises a total of approximately 655 total lane miles, 170 bridges, 49 interchanges, and 24 facilities. Since beginning operations in 1950, the Turnpike System has contributed to the development of the New Hampshire economy. It has also been a major factor in the growth of the tourist industry in the State. The Turnpike System consists of three limited access highways: the Blue Star Turnpike (I-95) and the Spaulding Turnpike, (which are collectively referred to as the Eastern Turnpike), and the Central Turnpike. The Turnpike System primarily serves the major cities located in the central and eastern sections of southern New Hampshire. See *State Demographic and Economic Statistics* in Appendix A for a general description of the State and its economy, including population, economic activity, employment, personal income, state and local taxation, housing, education, utilities, banking and transportation.

- THE TURNPIKE SYSTEM – Maintenance of the Turnpike System, with respect to the table captioned “Renewal and Replacement” on page 32:
  - See Attachment A.
- THE TURNPIKE SYSTEM – Toll Rates, with respect to the table captioned “Turnpike System Toll Rate Schedule” on page 44:
  - There have been no changes to the Turnpike System Toll Rate Schedule.
- THE TURNPIKE SYSTEM – Turnpike System – Historical Revenues and Expenditures, with respect to the table captioned “Statement of Revenues, Expenses and Changes in Net Position” on page 45:
  - See Attachment B.

- THE TURNPIKE SYSTEM – Management Discussion of Historical Revenues and Expenditures (only with respect to the preceding fiscal year) on pages 46 and 47:

*Fiscal Year 2013*

Revenues available for operating expenses, debt service, reserves and improvement projects totaled \$121.1 million in fiscal year 2013. This represents a 1.9 % decrease relative to fiscal year 2012. The 2013 revenues include:

<u>Description</u>	<u>(Amounts in thousands)</u>
Operating Revenue	\$117,819
Investment Income	98
Miscellaneous Income	<u>110</u>
Subtotal	118,027
Build America Bond Subsidy	<u>3,085</u>
Gross Revenue	\$121,112

Total Operating Revenues in fiscal year 2013 were \$117.8 million, a decrease of 1.8% from fiscal year 2012. This decrease in Operating Revenues was due primarily to a fiscal year 2012 federal reimbursement for Renewal and Replacement Program painting costs which were incurred on the I-95 Piscataqua River Bridge in Portsmouth. The Turnpike System’s fiscal year 2013 toll collections, of \$117.2 million of Total Operating Revenue, decreased by 1% from the prior year. See the Jacobs Engineering Group, Inc.’s December 20, 2013 Traffic and Toll Forecast (filed with the MSRB on its EMMA system on February 21, 2014) that estimates a slightly lower growth rate in transactions and revenue. Overall, the E-ZPass revenue market share increased by 2.11% to 68%.

Operating Expenses (excluding depreciation, amortization and Renewal and Replacement) in fiscal year 2013 were \$42.2 million, an increase of \$1.6 million or 3.8% from the prior fiscal year. This increase was primarily because 1.) Payroll Benefits increased by \$1.1 million or 19.3%, 2.) Equipment and Repairs increased by \$0.9 million or 25.9% and 3.) Enforcement increased by \$0.6 million or 13.3%. Such increases were offset by decreases in Personnel Services by \$0.5 million or 4.6% and transponder expenses by \$0.3 million or 35.8%.

- The increase in Payroll Benefits was the result of increased workers compensation payments of \$.9 million in fiscal year 2013 compared to \$0.4 million in fiscal year 2012.
- Enforcement increase is due to additional capital projects coming on-line requiring safety details during fiscal year 2013.
- The increase in Equipment and Repairs is due to increased vehicle fleet maintenance.
- Of the decrease in Personnel Services, \$0.3 million was due to capitalization of labor costs to fixed assets, as compared to no capitalization in fiscal year 2012.
- The decrease in transponders is directly associated with customer requests.

Renewal and Replacement costs were \$9.6 million, an increase of 3.1% from the prior year, but slightly below the budgeted amount of \$9.8 million. The difference between costs versus budget is timing of the expenditures. Fiscal year 2013 program expenditures include resurfacing, bridge rehabilitation, guardrail replacement, drainage repairs, bridge painting and toll plaza repairs.

(Amounts in thousands)

Type	Expensed	Capitalized	Total
Renewal & Replacement	\$ 6,368	\$ 3,260	\$ 9,628

Total toll transactions decreased by 0.44% over the previous year. Most toll locations experienced a moderate decrease in traffic. However, the Merrimack Premium Outlet Mall (a facility with over 100 stores located adjacent to the Merrimack Industrial Toll Exit 10) opened June 14, 2012, and largely as a result of this, Exit 10 experienced an increase in toll transactions by 45.4%, and increased revenue by 41.8% compared to the previous year.

*Fiscal Year 2013 Status of Capital Fixed Assets*

The Department of Transportation's finance staff performed a full in-depth review and established fixed asset procedures, resulting in the elimination of a material weakness regarding fixed asset reporting that had been cited by the auditors in 2012 and prior fiscal years.

During fiscal year 2013, Capital Improvement Program expenditures totaled \$77.7 million, a 31.3% increase over the 2012 amount of \$59.3 million. The primary projects included in these expenditures were: 1.) Construction of Exits 11 through 16 (in Rochester), 2.) I-93 Bridge replacements in Bow, 3.) US 3 over the F. E. Everett Turnpike bridge replacement in Bedford, 4.) Little Bay Bridge and Spaulding Turnpike improvements at Exits 3 & 4 associated with the Newington/Dover construction, 5.) NH 107 over I-95 Bridge improvements and 6.) Construction of Open Road Tolling in Hooksett.

*Fiscal Year 2013 Summary of Liabilities and Debt Service*

In fiscal year 2010, the Turnpike System acquired the I-95 Piscataqua River Bridge and 1.6-mile segment of I-95 owned by the State Highway System. The Turnpike System executed a Long-term Note Payable with payments to the State Highway Fund. Interest is at the State's borrowing rate over a maximum period of 20 years. The State interest rate in effect at June 30, 2013 on the note was 4%. However, under the terms of the note and as prescribed by law, the Commissioner of Transportation and the State Treasurer may agree from time to time to modify the payment schedule with respect to payments due to the State Highway Fund from and after July 1, 2011. In fiscal year 2011, and in fiscal year 2014, the Commissioner and Treasurer did agree to such a modification of the payment schedule. The accelerated payment schedule will pay off the note in

fiscal year 2016 with accelerated payments drawn from the Turnpike General Reserve Account.

During fiscal year 2013, a note payment of \$26.0 million (including \$1.7 million in interest) was made to the State Highway Fund. For fiscal year 2014 and 2015, the note payment to the State Highway Fund is budgeted at \$15 million and \$14.2 million, respectively. The revised annual maturities are as follows:

Payable During the Fiscal Year Ending June 30,	(Amounts in thousands)		
	Principal	Interest	Total
2014	\$14,020	\$ 980	\$15,000
2015	13,765	405	14,170
2016	414	4	418
<b>Total</b>	<b>\$28,199</b>	<b>\$ 1,389</b>	<b>\$29,588</b>

The resolutions of the Turnpike System revenue bonds require the Turnpike System to maintain certain accounts (see table below). The Turnpike System deposits all revenues into a Turnpike System revenue account, which are then applied first to the payment of operating expenses and then to fund accounts required by the resolutions.

Restricted assets at fair market value are segregated into the following accounts as of June 30, 2013:

Restricted Cash, Cash Equivalents and Investment Accounts	(Amounts in thousands)	
	2013	2012
Revenue Bond Debt Service Reserve Account	\$38,827	\$33,334
Revenue Bond Cash Construction Account	36,056	0
Revenue Bond Principal Debt Service Account	7,960	7,355
Revenue Bond Interest Debt Service Account	5,933	4,310
Revenue Bond Insurance Reserve Account	3,005	3,009
<b>Total Restricted Assets</b>	<b>\$91,781</b>	<b>\$48,008</b>

The amounts shown above are invested in permitted investments in accordance with the Bond Resolution.

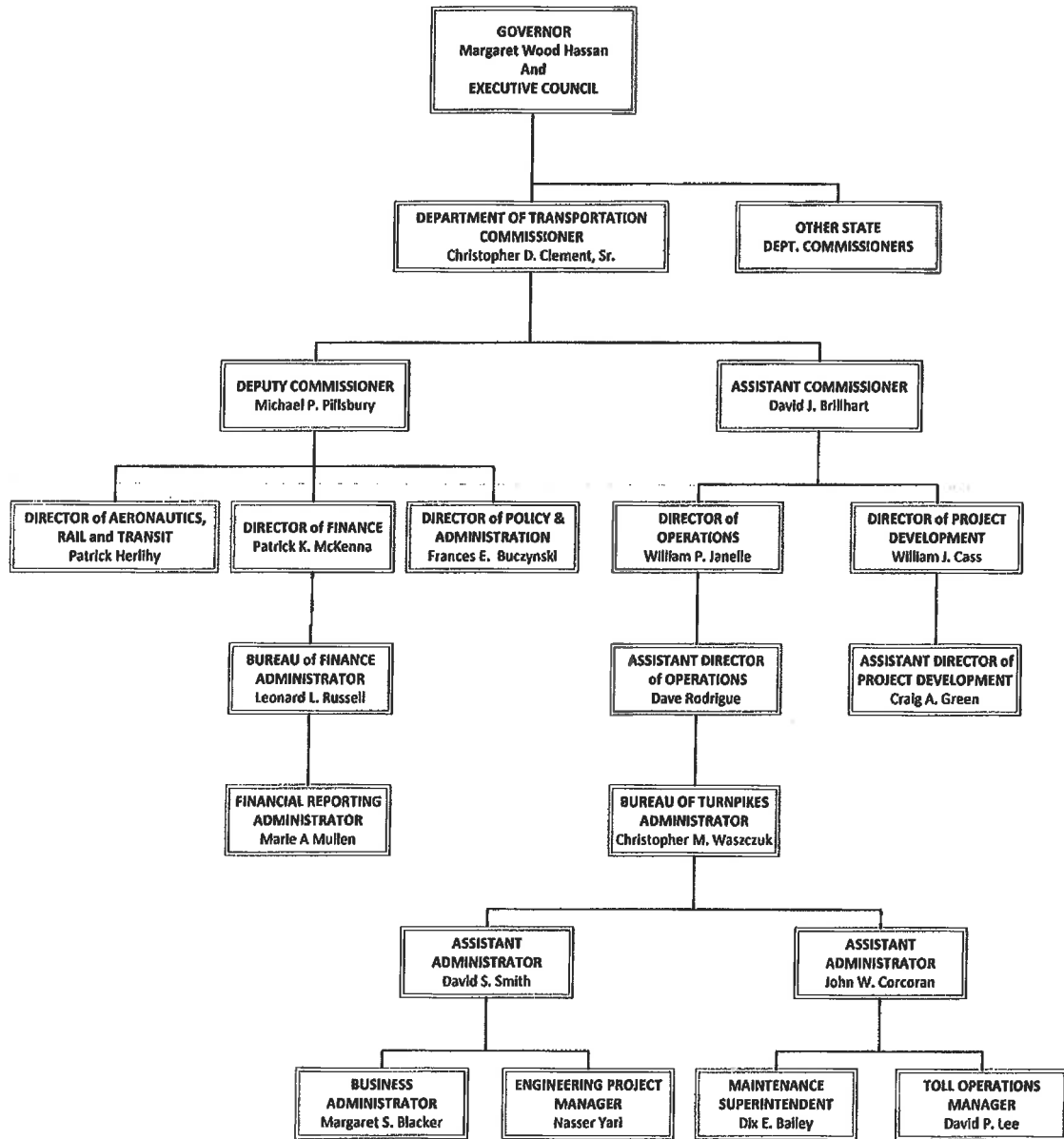
There was no change in the Turnpike System Bond ratings during fiscal year 2013. The current ratings assigned to the Bonds by Fitch Ratings, Inc., Moody's Investors Services, Inc, and Standard & Poor's are "A+" (outlook: stable), "A1" (outlook: stable) and "A+" (outlook: stable), respectively.

- TURNPIKE SYSTEM INDEBTEDNESS, with respect to the table captioned “Turnpike System Debt Service” on page 55:
  - There have been no changes to the Turnpike System Debt Service Schedule.
  
- CAPITAL IMPROVEMENT PROGRAM, with respect to the table captioned “Project Descriptions” on pages 58-60:
  - There have been no substantive changes to the Project Descriptions Schedule.
  
- CAPITAL IMPROVEMENT PROGRAM, with respect to the table captioned “Capital Improvement Program Expenditures” on page 61:
  - See Attachment C.

*Fiscal Year 2013 Financial Statements*

- A Turnpike System management letter is expected to be released by the auditors in March 2014. The State will file the management letter with the MSRB through its EMMA system service when it is publicly available.

The following chart shows the organization of State government relating to the Turnpike System:





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

STATE OF NEW HAMPSHIRE

By: W D. WT  
Christopher D. Clement, Sr.  
Commissioner  
Department of Transportation

**RENEWAL AND REPLACEMENT COSTS**  
**Fiscal Years 2000 through 2015**  
**GAAP Basis and Budget**  
**(Amount in thousands)**

<u>Fiscal Year</u>	<u>Amount</u>
2000	\$4,112
2001	5,928
2002	5,724
2003	7,058
2004	4,973
2005	3,114
2006	4,567
2007	8,552
2008	11,842
2009	7,805
2010	7,793
2011	14,309
2012	9,320
<b>2013</b>	<b>9,628*</b>
2014	13,775**
2015	8,900***

\* Beginning in 2013, Renewal and Replacement Costs are capitalized, if appropriate, per Generally Accepted Accounting Principles (GAAP). For fiscal year 2013, approximately \$6.4 million was expensed and \$3.3 million was capitalized.

\*\* Fiscal year 2014 includes the authorized budget amount of \$10.0 million plus a carryover from fiscal year 2013 of \$3.775 million.

\*\*\* Recommended by HNTB Renewal and Replacement Assessment January 12, 2012; and the State Appropriation Budget.

## Turnpike System-Historical Revenues and Expenditures

The Turnpike System is part of the State primary government and is accounted for as an enterprise fund of the State. The financial information below is derived from audited financial statements of the Turnpike System.

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION New Hampshire Turnpike System (Amount in thousands) For the Fiscal Years ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b><u>Operating Revenues</u></b>					
Tolls and Other Operating Revenue	\$117,819	\$119,939	\$118,688	\$119,402	\$106,757
<b><u>Operating Expenses</u></b>					
Personnel Services	10,016	10,495	11,438	11,352	11,135
Payroll Benefits	6,596	5,531	5,611	5,464	5,100
Enforcement	5,539	4,890	4,926	5,025	5,368
Renewal & Replacement <sup>1</sup>	6,368	9,320	14,309	7,793	7,805
Supplies, Materials and Other	3,051	3,423	3,861	3,545	3,743
Equipment and Repairs	4,608	3,659	3,261	2,667	3,187
Indirect Costs	2,729	2,521	2,058	2,010	2,069
Heat, Light, and Power	1,275	1,269	1,317	1,215	1,233
Bank and Credit Card Fees	2,101	2,226	2,293	2,037	1,734
Rentals	776	589	1,013	771	983
E-ZPass Processing Fees	5,010	5,252	5,771	5,259	5,117
Transponder Expense	512	798	790	769	693
Depreciation and Amortization	21,491	23,016	21,004	15,970	15,179
Total Operating Expenses	<u>70,072</u>	<u>72,989</u>	<u>77,652</u>	<u>63,877</u>	<u>63,346</u>
<b>Operating Income</b>	<u>47,747</u>	<u>46,950</u>	<u>41,036</u>	<u>54,526</u>	<u>43,411</u>
<b><u>Non-Operating Revenues</u></b>					
<b><u>(Expenses)</u></b>					
Investment Income	98	130	164	2,108	836
Miscellaneous Income	3,195	3,420	3,589	194	140
Intra-entity Acquisition of Land and Bridge from Highway Fund (for Notes Payable)	0	0	0	(116,566)	0
Intra-entity Acquisition of Land and Improvements from Another State Agency	0	0	(2,082)	(6,222)	0
Loss on the Sale of Other Capital Assets	0	0	(166)	(952)	(3,995)
Interest on Bonds and Note Amortization on Bond Issuance Costs	(17,575)	(12,821)	(14,792)	(16,223)	(12,953)
	<u>(472)</u>	<u>(356)</u>	<u>(228)</u>	<u>(972)</u>	<u>(279)</u>
Total Non-operating Revenues/(Expenses)	<u>(14,754)</u>	<u>(9,627)</u>	<u>(13,515)</u>	<u>(138,633)</u>	<u>(16,251)</u>
Change in Net Position Before Capital Contributions	<u>32,993</u>	<u>37,323</u>	<u>27,521</u>	<u>(84,107)</u>	<u>27,160</u>
Capital Contributions	<u>9,930</u>	<u>46,786</u>	<u>31,505</u>	<u>(406)</u>	<u>3,952</u>
Change in Net Position	42,923	84,109	59,026	(84,513)	31,112
<b>Net Position – July 1</b>	<u>469,508</u>	<u>385,399</u>	<u>326,373</u>	<u>410,886</u>	<u>379,774</u>
<b>Net Position – June 30</b>	<u>\$512,431</u>	<u>\$469,508</u>	<u>\$385,399</u>	<u>\$326,373</u>	<u>\$410,886</u>

<sup>1</sup>Beginning in fiscal year 2013 certain identified Renewal & Replacement costs were capitalized in the amount of \$3.3 million.

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURES  
FISCAL YEARS 1986 THROUGH 2015**

Set forth below is a table of Capital Improvement Program expenditures on an unaudited cash basis for fiscal years 1986 through 2009, on a GAAP basis for fiscal years 2010 through 2013, and on a forecasted basis for fiscal years 2014 and 2015. The timing and amounts of forecasted capital expenditures are subject to change.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Capital</u> <u>Expenditures</u>
1986	\$ 3,703,014
1987	12,846,330
1988	15,092,609
1989	34,183,782
1990	31,457,483
1991	25,308,194
1992	29,988,101
1993	33,941,502
1994	30,665,402
1995	40,452,057
1996	29,198,433
1997	24,917,835
1998	26,260,770
1999	30,544,034
2000	19,719,168
2001	10,148,747
2002	6,469,689
2003	10,242,505
2004	19,437,590
2005	20,503,930
2006	13,176,569
2007	8,514,987
2008	9,159,186
2009	23,250,730
2010	66,088,919
2011	51,613,827
2012	59,322,096*
<b>2013</b>	<b><u>77,656,689</u></b>
Actual	763,866,191
2014	44,600,000**
2015	<u>49,730,000**</u>
Estimated	<u>94,330,000</u>
Total	<b><u>\$ 858,196,191</u></b>

\* The Annual Report with Respect to Turnpike System Revenue Bonds dated February 22, 2013 reported \$59,142,096 which was understated by \$180,000.

\*\* Estimate, from Turnpike System Priority Capital Improvement Program (Status Report –January, 2014).

STATE OF NEW HAMPSHIRE  
 SCHEDULE OF DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN YEARS

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Population ( <i>In thousands</i> )	1,323	1,321	1,318	1,316	1,316	1,316	1,313	1,308	1,298	1,290
% Change	0.2%	0.2%	0.2%	0.0%	0.0%	0.2%	0.4%	0.8%	0.6%	0.8%
Total Personal Income ( <i>In millions</i> ) <sup>*</sup>	64,387	62,160	60,480	57,898	55,827	58,162	66,418	53,765	60,028	48,661
% Change	3.6%	2.8%	4.5%	3.7%	-4.0%	3.1%	4.9%	7.5%	2.8%	6.2%
Per Capita Personal Income <sup>*</sup>	48,705	47,058	45,881	43,968	42,418	44,199	42,984	41,092	38,528	37,718
% Change	3.5%	2.6%	4.4%	3.7%	-4.0%	2.8%	4.6%	6.7%	2.1%	5.3%
Unemployment Rate <sup>**</sup>	5.1%	5.1%	4.9%	5.9%	6.8%	4.0%	4.0%	3.3%	3.5%	3.9%

Source: US Department of Commerce, Bureau of the Census

<sup>\*</sup> NH Department of Employment Security, Economic and Labor Market Information Bureau, NH Vital Signs - April Issue

<sup>\*\*</sup> NH Department of Employment Security, Economic and Labor Market Information Bureau, Economic Conditions Seasonally Adjusted June Estimated - September Issue

STATE OF NEW HAMPSHIRE  
 SCHEDULE OF BUILDING PERMITS FOR HOUSING UNITS  
 FOR CALENDAR YEAR 2013

Calendar Year	Building Permits Issued By Number of Units		
	Single Family	Multi- Family	Total
2013	2,057	647	2,704
2012	1,882	614	2,296
2011	1,608	740	2,346
2010	1,890	780	2,670
2009	1,662	625	2,287
2008	2,333	901	3,234
2007	3,772	789	4,561
2006	4,826	851	5,677
2005	6,432	1,154	7,586
2004	7,002	1,651	8,653

Source: U.S. Department of Commerce, Bureau of the Census.  
 Current year data is annualized based on activity through September 2013

STATE OF NEW HAMPSHIRE  
SCHEDULE OF PRINCIPAL (LARGEST) EMPLOYERS  
LAST EIGHT YEARS

2013				2012			
Employer	Percentage of Total State			Employer	Percentage of Total State		
	Employees	Rank	Employment		Employees	Rank	Employment
1. State of New Hampshire.....	17,921	1	2.64%	1. State of New Hampshire.....	17,867	1	2.64%
2. Wal-Mart Stores Inc.....	8,008	2	1.14%	2. Wal-Mart Stores Inc.....	8,166	2	1.18%
3. Demoulas & Market Basket.....	7,600	3	1.06%	3. Dartmouth-Hitchcock Medical Center...	6,654	3	0.95%
4. Dartmouth-Hitchcock Medical Center...	6,404	4	0.91%	4. University System of New Hampshire....	6,159	4	0.88%
5. University System of New Hampshire....	6,029	5	0.85%	5. Demoulas & Market Basket.....	6,000	5	0.85%
6. Fidelity Investments.....	5,000	6	0.71%	6. Hannaford Brothers.....	4,817	6	0.68%
7. Hannaford Brothers.....	4,900	7	0.68%	7. Fidelity Investments.....	4,800	7	0.65%
8. Liberty Mutual-Northern N.E. Division....	4,700	8	0.67%	8. BAE Systems.....	4,600	8	0.64%
9. Elliot Hospital.....	3,485	9	0.49%	9. Dartmouth College.....	4,250	9	0.60%
10. Shaw's Supermarkets.....	3,358	10	0.48%	10. Liberty Mutual-Northern N.E. Division...	4,200	10	0.60%
Total.....	87,305		9.65%	Total.....	87,213		9.65%

2011				2010			
Employer	Percentage of Total State			Employer	Percentage of Total State		
	Employees	Rank	Employment		Employees	Rank	Employment
1. State of New Hampshire.....	17,820	1	2.62%	1. State of New Hampshire.....	18,487	1	3.11%
2. Wal-Mart Stores Inc.....	8,421	2	1.19%	2. Wal-Mart Stores Inc.....	8,974	2	1.28%
3. Dartmouth-Hitchcock Medical Center...	7,073	3	1.00%	3. Dartmouth-Hitchcock Medical Center...	8,025	3	1.14%
4. University System of New Hampshire....	6,081	4	0.86%	4. University System of New Hampshire....	6,459	4	0.92%
5. Demoulas & Market Basket.....	6,000	5	0.85%	5. Demoulas & Market Basket.....	6,000	6	0.85%
6. BAE Systems.....	4,600	6	0.64%	6. Hannaford Brothers.....	4,778	6	0.68%
7. Fidelity Investments.....	4,400	7	0.62%	7. Fidelity Investments.....	4,600	7	0.65%
8. Dartmouth College.....	4,260	8	0.60%	8. BAE Systems.....	4,600	8	0.64%
9. Liberty Mutual-Northern N.E. Division....	4,200	9	0.59%	9. Shaw's Supermarkets Inc.....	4,399	9	0.63%
10. Hannaford Brothers.....	3,894	10	0.55%	10. Dartmouth College.....	4,399	10	0.63%
Total.....	68,839		9.42%	Total.....	70,619		9.68%

2009				2008			
Employer	Percentage of Total State			Employer	Percentage of Total State		
	Employees	Rank	Employment		Employees	Rank	Employment
1. State of New Hampshire.....	18,735	1	3.28%	1. State of New Hampshire.....	18,568	1	3.04%
2. Wal-Mart Stores Inc.....	9,017	2	1.30%	2. Wal-Mart Stores Inc.....	8,631	2	1.10%
3. Dartmouth-Hitchcock Medical Center...	8,025	3	1.15%	3. Dartmouth-Hitchcock Medical Center...	7,804	3	1.08%
4. University System of New Hampshire....	6,457	4	0.93%	4. University System of New Hampshire....	6,784	4	0.94%
5. Demoulas & Market Basket.....	6,000	5	0.88%	5. Demoulas & Market Basket.....	6,000	5	0.83%
6. Fidelity Investments.....	5,500	6	0.79%	6. Fidelity Investments.....	5,700	6	0.79%
7. BAE Systems.....	4,700	7	0.68%	7. Liberty Mutual-Northern N.E. Division...	5,133	7	0.77%
8. Shaw's Supermarkets Inc.....	4,518	8	0.66%	8. Hannaford Brothers.....	4,829	8	0.64%
9. Hannaford Brothers.....	4,474	9	0.64%	9. Shaw's Supermarkets Inc.....	4,600	9	0.62%
10. Dartmouth College.....	4,407	10	0.63%	10. Dartmouth College.....	4,248	10	0.59%
Total.....	71,831		9.93%	Total.....	71,883		9.43%

Source: New Hampshire Business Review/ Book of Lists 2013  
USNH Fact Book 2013  
Schedule of State Employees by Function (pages 138-139)

**STATE OF NEW HAMPSHIRE  
SCHEDULE OF PRINCIPAL (LARGEST) EMPLOYERS  
LAST EIGHT YEARS**

**HISTORY**

Employer	2007			Employer	2006		
	Employees	Rank	Percentage of Total State Employment		Employees	Rank	Percentage of Total State Employment
1. State of New Hampshire.....	21,690	1	2.99%	1. State of New Hampshire.....	21,056	1	2.93%
2. Wal-Mart Stores Inc.....	8,012	2	1.17%	2. Wal-Mart Stores Inc.....	6,659	2	1.00%
3. University System of New Hampshire.....	6,668	3	0.92%	3. Dartmouth Hitchcock Medical Center...	7,100	3	0.98%
4. Market Basket.....	6,600	4	0.91%	4. University System of New Hampshire...	6,801	4	0.96%
5. Dartmouth Hitchcock Medical Center...	6,211	5	0.86%	5. Market Basket.....	6,600	5	0.92%
6. Fidelity Investments.....	5,430	6	0.75%	6. Hannaford Supermarkets.....	6,374	6	0.76%
7. Shaw's Supermarkets.....	4,700	7	0.65%	7. Fidelity Investments.....	4,658	7	0.67%
8. Hannaford Supermarkets.....	4,683	8	0.64%	8. Shaw's Supermarkets.....	4,600	8	0.64%
9. Dartmouth College.....	4,246	9	0.59%	9. Dartmouth College.....	4,246	9	0.59%
10. BAE Systems.....	4,100	10	0.57%	10. BAE Systems.....	4,100	10	0.57%
Total.....	72,220		9.99%	Total.....	73,485		10.21%

Source: New Hampshire Business Review/ Book of Lists 2013  
USNH Fact Book 2013  
Schedule of State Employees by Function (pages 138-139)

# Statistical Section

(Unaudited)

This section includes other relevant financial and operational information.



**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF TRANSPORTATION – TURNPIKE SYSTEM  
STATEMENT OF NET POSITION  
Comparative Fiscal Years Ended June 30**

(Amounts in thousands)	Change 2013 versus 2012			Change 2012 versus 2011			2011
	2013	\$	%	2012	\$	%	
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash and Cash Equivalents	\$ 59,605	\$ 2,117	3.7%	\$ 57,488	\$(24,595)	-30.0%	\$ 82,083
Cash and Cash Equivalents – Restricted	73,047	25,039	52.2%	48,008	(13,312)	-21.7%	61,320
Investments-Restricted	18,734	18,734	100.0%	0	0	0%	0
Accounts Receivable (Net of Allowances for Uncollectable) <sup>1</sup>	5,955	502	9.2%	5,453	892	19.6%	4,561
Due from Other Funds	1	(615)	-99.8%	616	598	3322.2%	18
Inventories	1,544	68	4.6%	1,476	(304)	-17.1%	1,780
Prepaid Assets	0	0	0.0%	0	(109)	-100.0%	109
Total Current Assets	158,886	45,845	40.6%	113,041	(36,830)	-24.6%	149,871
<b>Non-current Assets:</b>							
Deferred Bond Issue Costs	2,158	(370)	-14.6%	2,528	(528)	-17.3%	3,056
<b>Capital Assets:</b>							
Land	113,692	1,173	1.0%	112,519	3,736	3.4%	108,783
Buildings	6,715	570	9.3%	6,145	(849)	-12.1%	6,994
Equipment and Computer Software	44,151	5,094	13.0%	39,057	1,685	4.5%	37,372
Construction in Progress	152,542	(7,261)	-4.5%	159,803	39,018	32.3%	120,785
Infrastructure	851,117	86,733	11.3%	764,384	50,928	7.1%	713,456
Less: Accumulated Depreciation	(310,286)	(19,456)	6.7%	(290,830)	(106)	0.0%	(290,724)
Net Capital Assets	857,931	66,853	8.5%	791,078	94,412	13.6%	696,666
Total Non-current Assets	860,089	66,483	8.4%	793,606	93,884	13.4%	699,722
<b>Total Assets</b>	<b>1,018,975</b>	<b>112,328</b>	<b>12.4%</b>	<b>906,647</b>	<b>57,054</b>	<b>6.7%</b>	<b>849,593</b>
<b>LIABILITIES</b>							
<b>Current Liabilities:</b>							
Accounts Payable	11,158	(2,839)	-20.3%	13,997	7,071	102.1%	6,926
Accrued Payroll	479	(119)	-19.9%	598	(346)	-36.7%	944
Due to Other Funds	594	(3,109)	-84.0%	3,703	3,703	100.0%	0
Deferred Revenue	11,153	(633)	-5.4%	11,786	3,972	50.8%	7,814
Revenue Bonds Payable	17,605	(1,855)	-9.5%	19,460	2,440	14.3%	17,020
Note Payable to State Highway Fund	4,814	(19,448)	-80.2%	24,262	945	4.1%	23,317
Accrued Interest Payable	6,216	1,382	28.6%	4,834	(512)	-9.6%	5,346
Claims and Compensated Absences Payable	805	149	22.7%	656	(24)	-3.5%	680
Other Liabilities	115	28	32.2%	87	(222)	-71.8%	309
Total Current Liabilities	52,939	(26,444)	-33.3%	79,383	17,027	27.3%	62,356
<b>Non-current Liabilities:</b>							
Revenue Bonds Payable (Net of Unamortized Premium)	425,022	100,691	31.0%	324,331	(20,089)	-5.8%	344,420
Note Payable to State Highway Fund	23,385	(4,814)	-17.1%	28,199	(24,262)	-46.2%	52,461
Claims and Compensated Absences Payable	2,524	66	2.7%	2,458	71	3.0%	2,387
Other Non-current Liabilities	2,674	(94)	-3.4%	2,768	198	7.7%	2,570
Total Non-current Liabilities	453,605	95,849	26.8%	357,756	(44,082)	-11.0%	401,838
<b>Total Liabilities</b>	<b>506,544</b>	<b>69,405</b>	<b>15.9%</b>	<b>437,139</b>	<b>(27,055)</b>	<b>-5.8%</b>	<b>464,194</b>
<b>NET POSITION</b>							
Net Investment in Capital Assets	423,161	28,335	7.2%	394,826	135,378	52.2%	259,448
Restricted for Debt Repayments	52,720	7,721	17.2%	44,999	114	0.3%	44,885
Restricted for Construction	0	0	0.0%	0	(13,434)	-100.0%	13,434
Restricted for Uninsured Risks	3,005	(4)	-0.1%	3,009	8	0.3%	3,001
Unrestricted	33,545	6,871	25.8%	26,674	(37,957)	-58.7%	64,631
<b>Total Net Position</b>	<b>\$512,431</b>	<b>\$ 42,923</b>	<b>9.1%</b>	<b>\$469,508</b>	<b>\$ 84,109</b>	<b>21.8%</b>	<b>\$385,399</b>

<sup>1</sup> Allowances for Uncollectable recognized in fiscal year 2011 and fiscal year 2012.

**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF TRANSPORTATION – TURNPIKE SYSTEM**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Comparative Fiscal Years Ended June 30**  
**(Amount in thousands)**

	Change 2013 versus 2012			Change 2012 versus 2011			2011
	2013	\$	%	2012	\$	%	
<b><u>OPERATING REVENUES</u></b>							
Toll Revenue - Cash	\$ 38,876	\$ (3,380)	-8.0%	\$ 42,256	\$ (2,617)	-5.8%	\$ 44,873
Toll Revenue - E-ZPass	76,686	2,098	2.8%	74,588	2,802	3.9%	71,786
Other Toll Operating Revenue	1,619	514	46.5%	1,105	(97)	-8.1%	1,202
Transponder Revenue	494	(222)	-31.0%	716	(111)	-13.4%	827
Federal Revenue	144	(1,130)	-88.7%	1,274	1,274	100.0%	0
<b>Total Operating Revenues</b>	<b>117,819</b>	<b>(2,120)</b>	<b>-1.8%</b>	<b>119,939</b>	<b>1,251</b>	<b>1.1%</b>	<b>118,688</b>
<b><u>OPERATING EXPENSES</u></b>							
Personnel Services	10,016	(479)	-4.6%	10,495	(943)	-8.2%	11,438
Payroll Benefits	6,596	1,065	19.3%	5,531	(80)	-1.4%	5,611
Enforcement	5,539	649	13.3%	4,890	(36)	-0.7%	4,926
Renewal & Replacement <sup>1</sup>	6,368	(2,952)	-31.7%	9,320	(4,989)	-34.9%	14,309
Supplies, Materials and Other	3,051	(372)	-10.9%	3,423	(438)	-11.3%	3,861
Equipment and Repairs	4,608	949	25.9%	3,659	398	12.2%	3,261
Indirect Costs	2,729	208	8.3%	2,521	463	22.5%	2,058
Heat, Light, and Power	1,275	6	0.5%	1,269	(48)	-3.6%	1,317
Bank and Credit Card Fees	2,101	(125)	-5.6%	2,226	(67)	-2.9%	2,293
Rentals	776	187	31.7%	589	(424)	-41.9%	1,013
E-ZPass Processing Fees	5,010	(242)	-4.6%	5,252	(519)	-9.0%	5,771
Transponder Expense	512	(286)	-35.8%	798	8	1.0%	790
Depreciation and Amortization	21,491	(1,525)	-6.6%	23,016	2,012	9.6%	21,004
<b>Total Operating Expenses</b>	<b>70,072</b>	<b>(2,917)</b>	<b>-4.0%</b>	<b>72,989</b>	<b>(4,663)</b>	<b>-6.0%</b>	<b>77,652</b>
<b>Operating Income</b>	<b>47,747</b>	<b>797</b>	<b>1.7%</b>	<b>46,950</b>	<b>5,914</b>	<b>14.4%</b>	<b>41,036</b>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>							
Investment Income	98	(32)	-24.6%	130	(34)	-20.7%	164
Miscellaneous Income	3,195	(225)	-6.6%	3,420	(169)	-4.7%	3,589
Loss on Intra-Entity Acquisition of Land from Related State Agency	0	0	0.0%	0	2,082	-100.0%	(2,082)
Loss on the Sale of Property	0	0	0.0%	0	166	-100.0%	(166)
Interest on Bonds and Note	(17,575)	(4,754)	37.1%	(12,821)	1,971	-13.3%	(14,792)
Amortization on Bond Issuance Costs	(472)	(116)	32.6%	(356)	(128)	56.1%	(228)
<b>Total Non-operating Revenues (Expenses)</b>	<b>(14,754)</b>	<b>(5,127)</b>	<b>53.3%</b>	<b>(9,627)</b>	<b>3,888</b>	<b>-28.8%</b>	<b>(13,515)</b>
<b>Change in Net Position Before Capital Contributions</b>	<b>32,993</b>	<b>(4,330)</b>	<b>-11.6%</b>	<b>37,323</b>	<b>9,802</b>	<b>35.6%</b>	<b>27,521</b>
Capital Contributions	9,930	(36,856)	-78.8%	46,786	15,281	48.5%	31,505
<b>Change in Net Position</b>	<b>42,923</b>	<b>(41,186)</b>	<b>-49.0%</b>	<b>84,109</b>	<b>25,083</b>	<b>42.5%</b>	<b>59,026</b>
<i>Net Position – July 1</i>	469,508	84,109	21.8%	385,399	59,026	18.1%	326,373
<i>Net Position – June 30</i>	<b>\$512,431</b>	<b>\$42,923</b>	<b>9.1%</b>	<b>\$469,508</b>	<b>\$84,109</b>	<b>21.8%</b>	<b>\$385,399</b>

<sup>1</sup> Beginning in fiscal year 2013 certain identified Renewal & Replacement costs were capitalized in the amount of \$3.3 million.

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF TRANSPORTATION - TURNPIKE SYSTEM  
CAPITAL ASSETS**

**Comparative Fiscal Years Ended June 30**

**(Amounts in thousands)**

	<b>Fiscal Years Ended June 30</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Capital Assets not Being Depreciated:</b>					
Land and Land Improvements	\$113,692	\$112,519	\$108,783	\$108,751	\$107,357
Construction in Progress	152,542	159,803	120,785	76,758	35,070
Subtotal Capital Assets not Being Depreciated	266,234	272,322	229,568	185,509	142,427
<b>Other Capital Assets:</b>					
Equipment and Computer Software	44,151	39,057	37,372	37,167	36,583
Buildings and Building Improvements	6,715	6,145	6,994	4,831	4,828
Infrastructure	851,117	764,384	713,456	671,146	630,309
Subtotal Other Capital Assets	901,983	809,586	757,822	713,144	671,720
Total Capital Assets	1,168,217	1,081,908	987,390	898,653	814,147
<b>Less Accumulated Depreciation for:</b>					
Equipment and Computer Software	(35,717)	(32,340)	(28,761)	(26,545)	(23,744)
Buildings and Building Improvements	(2,365)	(2,190)	(3,158)	(2,964)	(2,892)
Infrastructure	(272,204)	(256,300)	(258,805)	(241,299)	(216,203)
Total Accumulated Depreciation	(310,286)	(290,830)	(290,724)	(270,808)	(242,839)
<b>Total Capital Assets</b>	<b>\$857,931</b>	<b>\$791,078</b>	<b>\$696,666</b>	<b>\$627,845</b>	<b>\$571,308</b>

**SCHEDULE OF DEBT SERVICE COVERAGE RATIO**

**For the Fiscal Years 2013 - 1995**

(Amounts in thousands)

Fiscal Year	Gross Revenues (Less BABS)	Direct Operating Expenses	(A) Net Revenue Available for Service	(B) Revenue Bond Debt Service Requirements	(A / B) Revenue Bond Coverage Ratio	(C) G.O. Bond Debt Service Requirements	(D) Renewal & Replacement	(B+C+D) Total	(A / (B+C+D)) All Obligations Coverage Ratio
2013	\$118,027	\$42,213 <sup>1</sup>	\$75,814	\$36,950	2.05	0	\$9,800	\$46,750	1.62 <sup>3</sup>
2012	118,856 <sup>4</sup>	40,653 <sup>1</sup>	78,203	33,328	2.35	0	9,200	42,528	1.84 <sup>3</sup>
2011	119,314	42,339 <sup>1</sup>	76,975	33,745	2.28	599	9,800	44,144	1.74 <sup>3</sup>
2010	119,407	40,171 <sup>1</sup>	79,236	29,656	2.67	669	9,600	39,925	1.98
2009	107,660	40,361 <sup>1</sup>	67,299	25,873 <sup>2</sup>	2.6	1,597	10,040	37,510	1.79
2008	106,814	37,122 <sup>1</sup>	69,692	25,710	2.71	1,713	8,300	35,723	1.95
2007	89,054	36,158 <sup>1</sup>	52,896	28,078	1.88	2,985	6,047	37,110	1.43
2006	83,054	41,784 <sup>1</sup>	41,270	25,831	1.6	4,219	5,871	35,921	1.15
2005	68,318	30,041	38,277	27,003	1.42	4,246	5,700	36,949	1.04
2004	66,463	26,568	39,895	23,865	1.67	4,842	5,600	34,307	1.16
2003	67,086	24,505	42,581	24,749	1.72	5,183	5,700	35,632	1.2
2002	66,218	23,877	42,341	26,452	1.6	5,415	5,365	37,232	1.14
2001	63,981	21,352	42,629	25,352	1.68	5,696	5,431	36,479	1.17
2000	63,034	22,064	40,970	26,452	1.55	5,973	5,308	37,733	1.09
1999	59,257	18,794	40,463	22,286	1.82	6,304	4,119	32,709	1.24
1998	58,033	16,352	41,681	21,678	1.92	6,519	3,990	32,187	1.29
1997	55,714	17,231	38,483	21,597	1.78	6,747	3,000	31,344	1.23
1996	53,231	17,024	36,207	21,595	1.68	6,975	3,000	31,570	1.15
1995	51,670	17,336	34,334	20,878	1.64	7,232	2,810	30,920	1.11

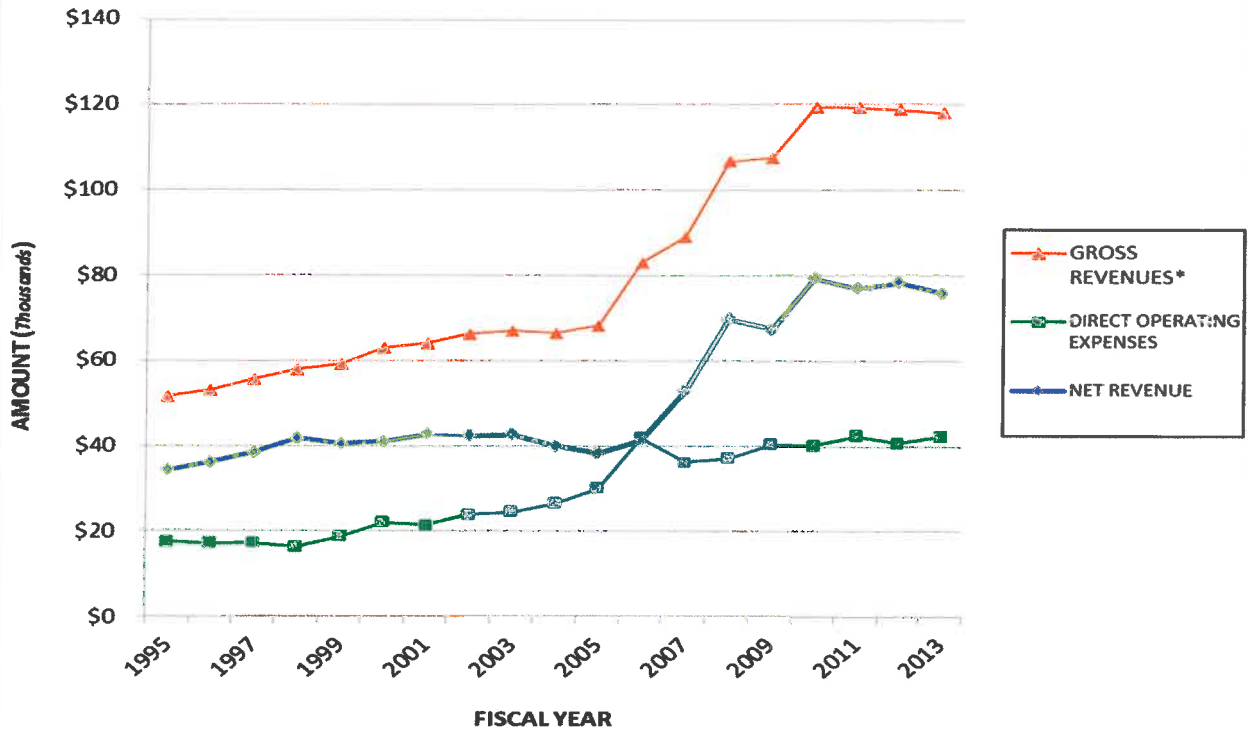
1. Fiscal years 2006 through 2013 calculations of Direct Operating Expenses deduct the entire amount of the current year depreciation expense (Turnpikes, Federal, & Highway match portions). Prior year calculations reflect the historical practice of deducting only the Turnpikes portion of depreciation expense.

2. Beginning in fiscal year 2009, debt service requirement consists of total payments to the Debt Service Account as required by the bond resolution. Debt service requirement calculations in the previous fiscal years consisted of the actual principal and interest paid over the fiscal year.

3. Unaudited toll covenant calculations indicate adequate toll revenues for fiscal year 2013. The revenue bond coverage ratio was satisfied at 2.05 for the 1.2 times test. The all obligations coverage ratio was satisfied at 1.62 for the 1.0 times test, as calculated by the Department. Chapter 144, Laws of 2009 authorized the acquisition and transfer of a bridge and 1.6 mile section of I-95 to the Turnpike System for \$120 million. The Turnpike System continues to make payments, and in fiscal year 2013, made a note payment of \$26 million to the State Highway Fund. Because the Turnpike System unrestricted cash balance at June 30, 2012 was \$57.5 million, this balance beginning in fiscal year 2013 was deemed more than sufficient to satisfy the Note Payable to the State Highway Fund and current year FY 2013 revenues for this payment were not needed. Accordingly, the Note Payable to the State Highway Fund was not included in the all obligations ratio for fiscal year 2011 through 2013.

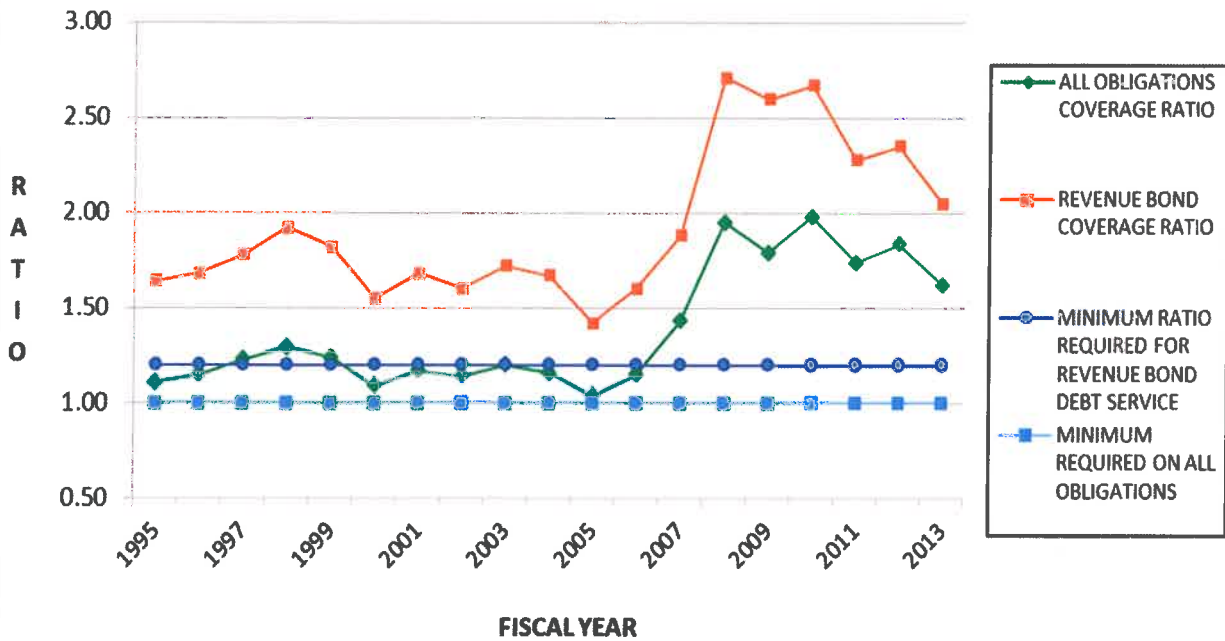
4. Gross Revenues less Federal revenue of \$1.3 million.

**GROSS REVENUES, DIRECT OPERATING EXPENSES,  
AND NET REVENUE AVAILABLE FOR DEBT SERVICE**



\*As defined in Turnpike System Bond Resolutions

**DEBT SERVICE COVERAGE RATIO**



**ANNUAL TRAFFIC AND TOLL REVENUE TRENDS**  
**New Hampshire Turnpike System**  
**For the Years Ended June 30**

Fiscal Year	Annual Toll Transactions	Percent Change from Prior Year	Annual Toll Revenues*	Percent Change from Prior Year
2013 <sup>+</sup>	108,243,082	-0.44%	\$115,562,000	-1.10%
2012 <sup>+</sup>	108,718,537	0.00%	\$116,844,000	0.16%
2011 <sup>+</sup>	108,723,856	0.36%	\$116,659,180	0.54%
2010 <sup>+</sup>	108,336,576	0.63%	\$116,036,026	11.67%
2009 <sup>+</sup>	107,653,154	-4.90%	\$103,907,003	3.40%
2008 <sup>+</sup>	113,186,722	-2.00%	\$100,406,992	22.20%
2007 <sup>+</sup>	115,457,650	0.80%	\$82,175,322	7.20%
2006 <sup>+</sup>	114,562,787	4.10%	\$76,633,131	16.20%
2005 <sup>#</sup>	110,040,272	-0.50%	\$65,956,309	0.30%
2004 <sup>#</sup>	110,573,506	0.50%	\$65,780,607	2.20%
2003	109,978,691	2.10%	\$64,367,301	0.00%
2002	107,729,932	4.00%	\$64,371,208	4.60%
2001	103,583,561	4.20%	\$61,536,675	2.30%
2000	99,363,028	5.70%	\$60,166,815	5.40%
1999	94,017,638	5.70%	\$57,080,882	5.10%
1998	88,987,246	4.70%	\$54,298,452	4.10%

\* Excludes charge account interest and miscellaneous income.

+ Since fiscal year 2006, annual toll revenues are shown on an accrual basis. Prior to 2006, toll revenues were presented on a cash basis.

# Hampton toll plaza: One-way tolls September-October 2003 and July-October 2004.

**ANNUAL TRAFFIC AND TOLL REVENUE TRENDS**  
**New Hampshire Turnpike System**  
**For the Years Ended June 30**

