



**STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION
TURNPIKE SYSTEM**

ANNUAL REPORT
With Respect to
TURNPIKE SYSTEM REVENUE BONDS

February 16, 2017

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ANNUAL REPORT
With Respect to
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This Annual Report dated February 16, 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 dated December 1, 2009, January 5, 2012, August 30, 2012, November 5, 2012 and June 24, 2015 (collectively, the “Continuing Disclosure Certificates”) executed by the State for the benefit of the owners of \$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, the \$65,355,000 State of New Hampshire Turnpike System Revenue Bonds, 2012 Refunding Series B (Delayed Delivery) and the \$45,800,000 State of New Hampshire Turnpike System Revenue Bonds, 2015 Series A (collectively, the “Bonds”). The State’s audited financial statements pertaining to its Turnpike System for the fiscal year ended June 30, 2016, prepared in accordance with generally accepted accounting principles were filed with the Municipal Securities Rulemaking Board (MSRB) on December 28, 2016 and the financial statements were included in the State’s Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016 (the “CAFR”). The CAFR was filed with the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system on February 7, 2017. The Financial Statements are incorporated herein by reference.

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.

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 June 10, 2015 (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 page 20:

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 658 total lane miles, 170 bridges, 49 interchanges, 84 toll lanes, and 25 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, (together 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 B for a general description of the State and its economy, including population, personal income, employment and employers, state and local taxation, housing, building activity, transportation and education.

- THE TURNPIKE SYSTEM – Maintenance of the Turnpike System, with respect to the table captioned “Renewal and Replacement Expenditures” on page 25:
 - See Attachment A.
- THE TURNPIKE SYSTEM – Toll Rates, with respect to the table captioned “Turnpike System Toll Rate Schedule” on page 35:
 - 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 36:
 - See Attachment B.
- THE TURNPIKE SYSTEM – Management Discussion of Historical Revenues and Expenditures (only with respect to the preceding fiscal year) on pages 37 and 38:

Fiscal Year 2016

Gross Revenue available for operating expenses, debt service, reserves and improvement increased by \$7.9 million or 6.2% increase over the prior year. The 2016 revenues include:

Description	(Dollars in thousands)
Total Operating Revenues	\$ 130,714
Investment Income	998
Welcome Center Revenue	774
BABS Subsidy	2,894
Miscellaneous Income	<u>287</u>
Gross Revenue	\$ 135,667

Total Operating Revenues increased by \$6.3 million or 5.1% to \$130.7 million. The increase was due primarily to increased E-ZPass toll revenue of 6.7% spurred by low fuel costs and favorable travel weather.

Total Operating Expenses excluding prior year one-time impairment expenses of \$27.7 million, decreased \$1.6 million or 2.2% from the previous year due to a \$1.7 million pollution remediation liability reduction per GASB 49 *Accounting and Financial Reporting for Pollution Remediation Obligations* and the mild winter. The mild winter resulted in nearly \$2.2 million in decreased cost of supplies (salt and sand), rental equipment, and personnel expenses related to winter maintenance. Offsetting the decrease is a \$0.9 million increase in Enforcement and Traffic Bureau-related expenditures and \$0.9 million increase in Transponder Expense and E-ZPass Processing Fees as transponders nearing the end of their battery life are replaced and costs related to E-ZPass usage system-wide increases.

Total Non-Operating Expenses decreased approximately \$0.5 million or 4.5% to \$10.5 million. The primary decrease was the result of an increase in Investment Income and Welcome Center Revenue. Investment Income increased as portions of the 2015 Series A revenue bond proceeds were invested resulting in a \$0.9 million increase in interest earnings. Welcome Center Revenue increased as the Hooksett Welcome Centers on the Central Turnpike completed their first full operating year resulting in a \$0.7 million increase in rental income and revenue sharing from fuel and concession sales. Offsetting the increase in Non-Operating Revenues was a \$1.4 million increase in the Interest on Bonds and Note as a result of the 2015 A revenue bond issuance.

Renewal and Replacement Operating Expenses for fiscal years 2016 and 2015 were \$7.5 million and \$7.5 million respectively. Renewal & Replacement capitalized expenses for fiscal years 2016 and 2015 were \$0.4 million and \$0.7 million respectively. For fiscal year 2017, the budget is \$9.6 million. Appropriations for Renewal & Replacement expenditures do not lapse and are carried forward and made available in subsequent years.

Fiscal Year 2016 Status of Capital Fixed Assets

Capital Improvement Program Net Capital Assets increased by \$24.7 million or 2.8% over the prior year to \$902.1 million. Infrastructure increased by \$11.7 million or 1.2% to \$962.9 million. Construction in Progress increased by \$27.5 million or 24.1% over the prior year to \$141.7 million due to the proceeds from the issuance of the 2015 Series A revenue bonds making cash available to advance capital projects on the Eastern and Central Turnpikes.

Fiscal Year 2016 Summary of Liabilities and Debt Service

Total Liabilities decreased \$23.7 million from the prior year. This change is driven primarily by a decrease in Non-Current Liabilities of \$31.9 million due to a \$30.7 million decrease in long-term Revenue Bonds Payable.

Current Liabilities consist primarily of accrued operating expenses, unearned revenue, and the current portion of revenue bonds. The increase in Current Liabilities is the result of an \$8.4 million increase in short-term Revenue Bonds Payable and a \$1.3 million increase in Unearned Revenue offset in part by a decrease in Accounts Payable of \$1.2 million due to the timing of payments on construction projects.

Non-current Liabilities decreased by \$31.9 million primarily due to a \$30.7 million decrease in revenue bonds payable per current debt schedule.

Restricted assets at fair market value are segregated into the following accounts as of June 30, 2016:

(Dollars in thousands)

Restricted Assets	2016	2015
Revenue Bond Debt Service Reserve Account (Investment)	\$ 9,966	\$ 37,984
Revenue Bond Cash Construction Account (Investment)	14,110	29,503
Revenue Bond Insurance Reserve Account (Investment)	3,003	3,006
Total Investments – Restricted	27,079	70,493
Revenue Bond Cash Construction Account	5,038	20,309
Revenue Bond Principal Debt Service Account	13,279	10,009
Revenue Bond Interest Debt Service Account	5,676	5,441
Revenue Bond Debt Service Reserve Account	31,387	3,146
Total Cash & Cash Equivalents – Restricted	55,380	38,905
Total Restricted Assets	\$ 82,459	\$ 109,398

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 2016. 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.

- THE TURNPIKE SYSTEM, with respect to the table captioned “Schedule of Debt Service Coverage Ratio” on page 45:
 - See Attachment C and C-1.
- TURNPIKE SYSTEM INDEBTEDNESS, with respect to the table captioned “Turnpike System Debt Service” on page 47:
 - See Attachment D.
- CAPITAL IMPROVEMENT PROGRAM, with respect to the description and the table captioned “Project Descriptions” on pages 47-51:

In 1986, the State Legislature adopted the State’s first Ten-Year Capital Improvement Program for transportation in New Hampshire, including specific components relating to the Turnpike

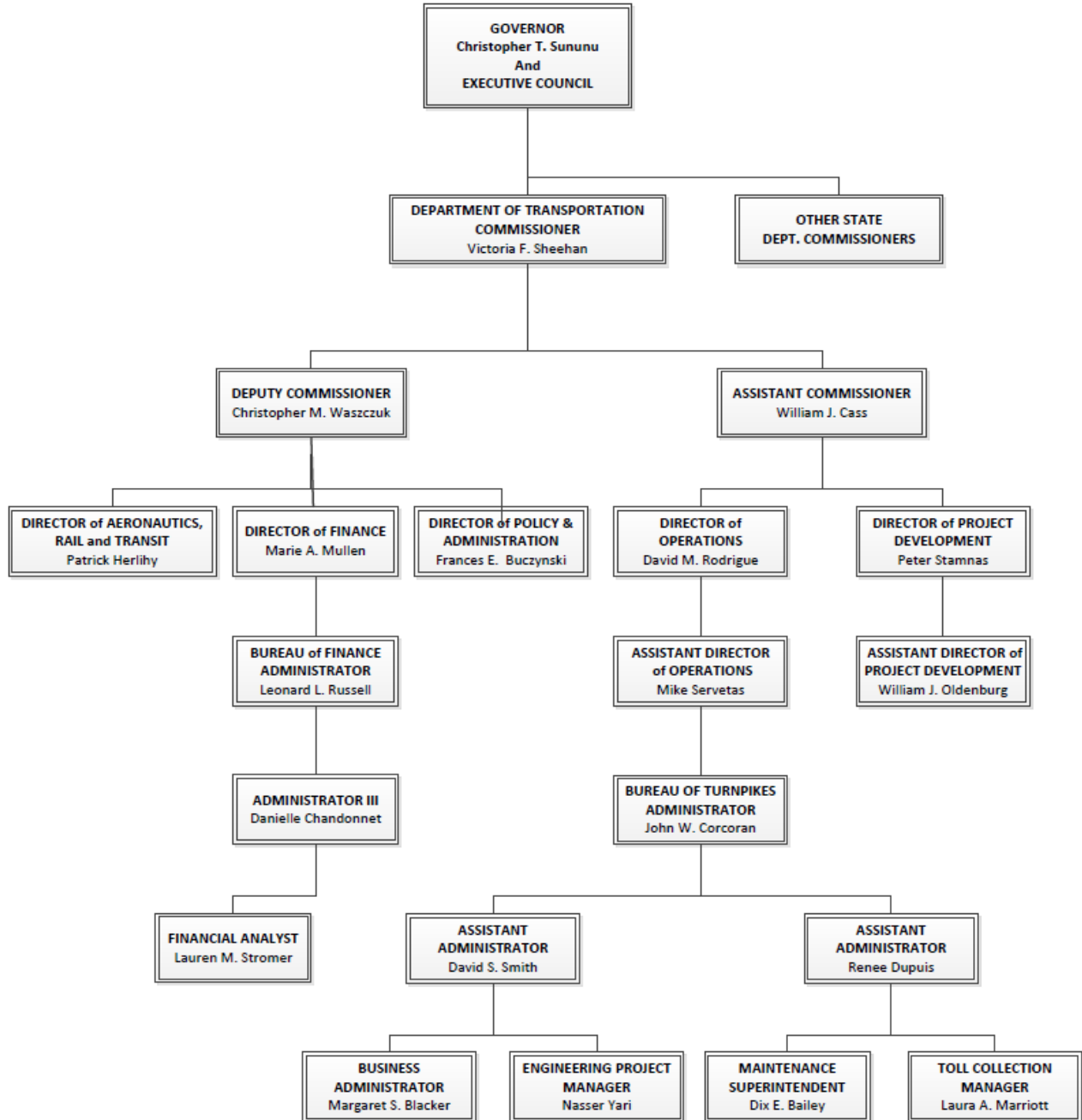
System. Every two years, this long term capital program is updated and revised. The Turnpike System component of the Ten-Year Plan, as from time to time modified by the Legislature, is referred as the “Capital Improvement Program.” The current total estimated cost of the Capital Improvement Program, including expenditures to date, is approximately \$1.277 billion through fiscal year 2026, which the State has funded and intends to fund through Bond proceeds, investment earnings, available toll revenues and federal funds. As of June 30, 2016, over \$890 million had been expended on the Capital Improvement Program, of which amount, approximately \$692 million had been funded with proceeds of Bonds.

- CAPITAL IMPROVEMENT PROGRAM, with respect to the table captioned “Capital Improvement Program Expenditures” on page 52:
 - See Attachment E.
- APPENDIX A, with respect to the report titled “ New Hampshire Turnpike System Traffic and Revenue Study”:
 - See Appendix A for “Annual Traffic and Toll Revenue Trends” for the fiscal years ending 1998 through 2016.
- APPENDIX B, with respect to the section title “State Demographic and Economic Data”:
 - See Appendix B of this report for updated New Hampshire economic tables.

Fiscal Year 2016 Financial Statements

- APPENDIX C, with respect to the section title “Turnpike System Audited Financial Statements Fiscal Year 2014”:
 - The audited financial statements for Fiscal Year 2016 are filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website.
 - For the fiscal year 2016 audited financial statements, there are no auditor observations or findings to report.

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: Victoria F. Sheehan
Victoria F. Sheehan
Commissioner
Department of Transportation

RENEWAL AND REPLACEMENT COSTS
Fiscal Years 2002 through 2018
GAAP Basis and Budget
(Dollars in thousands)

<u>Fiscal Year</u>	<u>Amount</u>
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
2013	9,628*
2014	11,279*
2015	8,229*
2016	7,911*
2017	14,935**
2018	12,820***

* Beginning in 2013, Renewal and Replacement Costs are capitalized, if appropriate, per Generally Accepted Accounting Principles (GAAP). For fiscal year 2016, approximately \$7.5 million was expensed and \$0.4 million was capitalized.

** Fiscal year 2017 includes the authorized budget amount of \$9.6 million plus a carryover from fiscal year 2016 of \$5.3 million.

*** Proposed biennial agency-phase State 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 (Dollars in thousands) For the Fiscal Years Ended June 30

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Operating Revenues</u>					
Tolls and Other Operating Revenue	\$ 130,714	\$ 124,412	\$ 119,325	\$ 117,819	\$ 119,939
<u>Operating Expenses</u>					
Personnel Services	9,074	9,868	9,703	10,016	10,495
Payroll Benefits	5,026	5,599	6,101	6,596	5,531
Enforcement	7,221	6,312	5,843	5,539	4,890
Renewal & Replacement*	7,523	7,544	9,430	6,368	9,320
Supplies, Materials and Other†	2,238	3,467	2,859	3,051	3,423
Equipment and Repairs†	3,991	4,988	4,467	4,608	3,659
Indirect Costs	2,501	2,645	2,571	2,729	2,521
Welcome Centers‡	939	-	-	-	-
Heat, Light, and Power	939	1,095	1,266	1,275	1,269
Bank and Credit Card Fees	2,538	2,328	2,225	2,101	2,226
Rentals	632	1,076	956	776	589
E-ZPass Processing Fees	6,869	6,362	5,876	5,010	5,252
Transponder Expense	1,055	620	602	512	798
Depreciation and Amortization	22,143	22,398	22,832	21,491	23,016
Impairment of Capital Assets	-	27,675	-	-	-
GASB 68 Pension Expense Adjustment§§	-	-	10,138	-	-
Total Operating Expenses	<u>72,689</u>	<u>101,977</u>	<u>84,869</u>	<u>70,072</u>	<u>72,989</u>
Operating Income	<u>58,025</u>	<u>22,435</u>	<u>34,456</u>	<u>47,747</u>	<u>46,950</u>
<u>Non-Operating Revenues (Expenses)</u>					
Investment Income	998	87	78	98	130
Welcome Center Revenue‡	774	118	-	-	-
Miscellaneous Income	3,135	3,157	3,112	3,195	3,420
Gain/ (Loss) on the Sale of Other Capital Assets	46	7	(87)	-	-
Interest on Bonds and Note	(15,402)	(14,005)	(15,512)	(17,575)	(12,821)
Miscellaneous Expense	(79)	(390)	(44)	-	-
Amortization on Bond Issuance Costs§	-	-	-	(2,630)	(356)
Total Non-operating Revenues/(Expenses)	<u>(10,528)</u>	<u>(11,026)</u>	<u>(12,453)</u>	<u>(16,912)</u>	<u>(9,627)</u>
Change in Net Position Before Capital Contributions	<u>47,497</u>	<u>11,409</u>	<u>22,003</u>	<u>30,835</u>	<u>37,323</u>
Capital Contributions	<u>87</u>	<u>74</u>	<u>3,108</u>	<u>9,930</u>	<u>46,786</u>
Change in Net Position	47,584	11,483	25,111	40,765	84,109
Net Position – July 1[§]	<u>546,867</u>	<u>535,384</u>	<u>510,273</u>	<u>469,508</u>	<u>385,399</u>
Net Position – June 30^{§§}	<u>\$ 594,451</u>	<u>\$ 546,867</u>	<u>\$ 535,384</u>	<u>\$ 510,273</u>	<u>\$ 469,508</u>

*Beginning in fiscal year 2013 certain identified Renewal & Replacement costs were capitalized in the amount of \$3.3 million, \$1.8 million in fiscal year 2014, \$0.7 million in fiscal year 2015, and \$0.4 million in fiscal year 2016.

†Beginning in fiscal year 2015, certain identified Supplies, Materials and Other costs were moved to Equipment and Repair. Fiscal year 2014 is restated to reflect the change in the amount of \$59 thousand for comparative purposes.

‡Beginning in fiscal year 2016, expenses related to operation of the Welcome Centers are reported separately. Prior fiscal years reported Welcome Center expenses in the other operating expense lines.

‡Hooksett Welcome Center Concession Operations began in fiscal year 2015.

§Fiscal year 2013 Net Position restated per GASB 65 for fiscal year 2013 balance of Deferred Bond Issue Costs of \$2,158. Per GASB 65, bond issuance costs should be expensed as incurred, except for prepaid insurance costs.

§§Fiscal year 2014 Net Position restated per GASB 68 for pension liability reporting. The net position in fiscal year 2014 is reduced by \$10.1 million to \$535.4 million from \$545.5 million.

SCHEDULE OF DEBT SERVICE COVERAGE RATIO
For the Fiscal Years 2016 - 1998
(Dollars in thousands)

Fiscal Year	Gross Revenues	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		
2016	\$ 132,725	\$ 43,023	\$ 89,702	\$ 41,332	2.17	\$ -	\$ 9,700	\$ 51,032	1.76		
2015	\$ 124,811	\$ 44,361	\$ 80,450	\$ 39,091	2.06	\$ -	\$ 8,900	\$ 47,991	1.68		
2014	\$ 119,373	\$ 42,469	\$ 76,904	\$ 39,044	1.97	\$ -	\$ 10,000	\$ 49,044	1.57		
2013	\$ 118,027	\$ 42,213	\$ 75,814	\$ 38,299	1.98	\$ -	\$ 9,800	\$ 48,099	1.58		
2012	\$ 118,856	\$ 40,653	\$ 78,203	\$ 33,328	2.35	\$ -	\$ 9,200	\$ 42,528	1.84		
2011	\$ 119,314	\$ 42,339	\$ 76,975	\$ 33,745	2.28	\$ 599	\$ 9,800	\$ 44,144	1.74		
2010	\$ 119,407	\$ 40,171	\$ 79,236	\$ 29,656	2.67	\$ 669	\$ 9,600	\$ 39,925	1.98		
2009	\$ 107,660	\$ 40,361	\$ 67,299	\$ 25,873	2.60	\$ 1,597	\$ 10,040	\$ 37,510	1.79		
2008	\$ 106,814	\$ 37,122	\$ 69,692	\$ 25,710	2.71	\$ 1,713	\$ 8,300	\$ 35,723	1.95		
2007	\$ 89,054	\$ 36,158	\$ 52,896	\$ 28,078	1.88	\$ 2,985	\$ 6,047	\$ 37,110	1.43		
2006	\$ 83,054	\$ 41,784	\$ 41,270	\$ 25,831	1.60	\$ 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	1.20	
2002	\$ 66,218	\$ 23,877		\$ 42,341	\$ 26,452	1.60	\$ 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	

1. Fiscal years 2006 through 2016 calculations of Direct Operating Expenses deduct the entire amount of 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. For fiscal years 2013 through 2016, the 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 during the fiscal year. Debt service reflects reduced Build America Bonds subsidy payments resulting from federal sequestration.

3. Unaudited toll covenant calculations indicate adequate toll revenues for fiscal year 2016. The revenue bond coverage ratio was satisfied at 2.17 for the 1.2 times test. The all obligations coverage ratio was satisfied at 1.76 for the 1.0 times test, as calculated by the Department.

4. During fiscal year 2016, a note payable of \$418 thousand (including interest) was made to the State Highway Fund. This payment was final payment to the State Highway Fund for the I-95 Piscataqua River Bridge Acquisition. The Turnpike System's unrestricted cash balance at June 30, 2016 was \$72.0 million and deemed more than sufficient to satisfy the Note Payable to the State Highway Fund. It was determined that current fiscal year 2016 revenues for this payment were not needed and accordingly, the Note Payable to State Highway Fund was not included in the all obligations ratio for fiscal years 2011 through 2016.

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

STATE OF NEW HAMPSHIRE
 ENTERPRISE FUND - TURNPIKE SYSTEM
 TURNPIKE REVENUE BONDS
 COVENANT TEST-GAAP BASIS
 FOR THE TWELVE-MONTH PERIOD ENDING JUNE 30, 2016 (UNAUDITED)
 (Dollars in thousands)

Operating Revenue per Financial Statements	\$130,714	
Federal Revenue	(22)	
Investment Income	998	
Gain on Sale of Assets	46	
Non-Operating Revenue	3,909	
BABs Interest	(2,894)	
Private Local Funds	(26)	
GROSS REVENUES FOR BOND CALCULATION	132,725	
Operating Expenses	72,689	
Renewal and Replacement	(7,523)	
Depreciation	(22,143)	
DIRECT OPERATING EXPENSES FOR COVENANT CALCULATION	43,023	
NET REVENUES FOR COVENANT CALCULATION	\$89,702	A
DEBT SERVICE- REVENUE BONDS		
Principal	22,725	
Interest	21,501	
BABs Subsidy	(2,894)	
TOTAL DEBT SERVICE- REVENUE BONDS	\$41,332	B
DEBT SERVICE- GENERAL OBLIGATION BONDS		
Principal	-	
Interest	-	
TOTAL DEBT SERVICE- GENERAL OBLIGATION BONDS	-	C
RENEW AND REPLACEMENT		
Annual (Fiscal Year 2016 Budgeted Amount)	\$9,700	D

COVENANTS	RATIO	MINIMUM AMOUNT	COVENANT SATISFIED?
One of the following tests must be satisfied:			
1. The value of (A) must be greater than 1.2 times the value of (B). To test Compliance with this covenant, the following formula is used to provide a ratio comparison: The ratio of (A) divided by (B) must be greater than the ratio of 1.2.	2.17	1.20	YES
2. The value of (A) must be greater than the sum of (B+C+D). To test compliance with this covenant, the following formula is used to Provide a ratio comparison. The ratio of (A) divided by (B+C+D) must be greater than the ratio of 1.00.	1.76	1.00	YES

TURNPIKE SYSTEM DEBT SERVICE ^{*(1)}
For Fiscal Years 2016 through 2043
(on an Accrual Basis)

Fiscal Year Ending June 30	Existing Debt Service	Debt Service on 2015 Series A Bonds	Total Debt Service Payable By Turnpike
2016	\$39,051,196	\$2,311,335	\$41,362,531
2017	37,374,850	3,973,500	41,348,350
2018	33,028,255	8,321,500	41,349,755
2019	33,030,050	8,317,313	41,347,363
2020	30,926,988	10,420,125	41,347,113
2021	26,335,009	15,013,000	41,348,009
2022	26,532,604	8,019,125	34,551,729
2023	26,346,159	1,317,750	27,663,909
2024	26,271,865	-	26,271,865
2025	20,814,297	-	20,814,297
2026	20,676,168	-	20,676,168
2027	20,691,276	-	20,691,276
2028	20,705,381	-	20,705,381
2029	20,724,400	-	20,724,400
2030	15,174,807	-	15,174,807
2031	15,186,630	-	15,186,630
2032	15,194,044	-	15,194,044
2033	15,197,519	-	15,197,519
2034	15,204,916	-	15,204,916
2035	15,211,258	-	15,211,258
2036	15,218,826	-	15,218,826
2037	15,226,028	-	15,226,028
2038	15,235,890	-	15,235,890
2039	15,243,377	-	15,243,377
2040	9,433,197	-	9,433,197
2041	6,522,167	-	6,522,167
2042	6,520,900	-	6,520,900
2043	543,400	-	543,400
	\$557,621,457	\$57,693,648	\$615,315,105

* Totals may not add due to rounding.

⁽¹⁾ Net of direct payments expected to be received from the United States Treasury. While the State is entitled to request subsidies in the amount of 35% of taxable interest payable by the State in connection with its \$150,000,000 Turnpike System Revenue Bonds, 2009 Series A (Federally Taxable - Build America Bonds - Direct Payment), due to the effects of sequestration, the State has received and currently expects to receive through federal fiscal year 2025, approximately 6.9% less than the requested amount. See "Security for the Bonds — Toll Rate Covenant — Build America Bonds."

**CAPITAL IMPROVEMENT PROGRAM EXPENDITURES AND ESTIMATED
FISCAL YEARS 1986 THROUGH 2018**

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 2016, and on a forecasted basis for fiscal years 2017 and 2018. 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*
2013	77,656,689
2014	52,836,197
2015	31,356,833
2016	<u>44,040,110</u>
Actual	892,097,318
2017	34,400,000**
2018	<u>40,920,000**</u>
Estimated	<u>75,320,000</u>
Total	\$ <u>967,417,318</u>

* 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, 2017).

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

The table below shows annual toll transaction and revenue trends for the Turnpike System during the period beginning with fiscal year 1999 and ending with fiscal year 2016.

Fiscal Year	Annual Toll Transactions	Percent Change from Prior Year	Annual Toll Revenues*	Percent Change from Prior Year
2016	118,354,441	5.39%	\$127,143,000	4.77%
2015 [†]	112,301,452	0.73%	\$121,353,000	3.27%
2014	111,482,133	2.99%	\$117,516,000	1.69%
2013	108,245,229	-0.44%	\$115,562,000	-1.10%
2012	108,718,537	0.00%	\$116,844,000	0.16%
2011	108,723,856	0.36%	\$116,659,180	0.54%
2010	108,336,576	0.63%	\$116,036,026	11.67%
2009	107,653,154	-4.90%	\$103,907,003	3.40%
2008	113,186,722	-2.00%	\$100,406,992	22.20%
2007	115,457,650	0.80%	\$82,175,322	7.20%
2006 ⁺	114,562,787	4.10%	\$76,633,131	16.20%
2005 [#]	110,040,272	-0.50%	\$65,956,309	0.30%
2004 [#]	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%

* Excludes charge account interest and miscellaneous income.

[†] The Exit 12 Bedford Road toll plaza on the Central Turnpike was discontinued at 9:00pm July 18, 2014.

+Beginning with FY06, Toll Revenue amounts agree to the Annual Financial Reports. Cash basis revenue was used in prior years.

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

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Population (in thousands)	1,334	1,331	1,327	1,323	1,321	1,318	1,316	1,316	1,316	1,313
% Change	0.2%	0.3%	0.3%	0.2%	0.2%	0.2%	0.0%	0.0%	0.2%	0.4%
Total Personal Income (in millions)*	76,957	72,948	70,519	66,379	62,150	60,480	57,898	55,827	58,162	56,418
% Change	5.5%	3.4%	6.2%	6.8%	2.8%	4.5%	3.7%	-4.0%	3.1%	4.9%
Per Capita Personal Income*	57,684	54,817	53,149	50,156	47,058	45,881	43,968	42,418	44,199	42,984
% Change	5.2%	3.1%	6.0%	6.6%	2.6%	4.4%	3.7%	-4.0%	2.8%	4.6%
Unemployment Rate**	2.8%	3.8%	4.4%	5.1%	5.1%	4.9%	5.9%	6.8%	4.0%	4.0%

Source: US Department of Commerce, Bureau of Census

* NH Department of Employment Security, Economic and Labor Market Information Bureau, NH Vital Signs

** 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 2016**

**Building Permits Issued
By Number of Units**

<u>Calendar Year</u>	<u>Single Family</u>	<u>Multi- Family</u>	<u>Total</u>
2016	2,627	724	3,351
2015	1,910	1,201	3,111
2014	2,187	1,165	3,352
2013	2,136	652	2,788
2012	1,682	614	2,296
2011	1,606	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

Source: U.S. Department of Commerce, Bureau of the Census.

Current year data annualized on activity through September 2016

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

		2016		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	17,071	1	2.38%
2.	Dartmouth-Hitchcock Medical Center	9,100	2	1.27%
3.	Demoulas & Market Basket	9,000	3	1.25%
4.	Wal-Mart Stores Inc.	7,886	4	1.10%
5.	University of New Hampshire	6,284	5	0.88%
6.	Fidelity Investments	5,400	6	0.75%
7.	Liberty Mutual-Northern N.E. Division	4,924	7	0.69%
8.	Hannaford Brothers	4,900	8	0.68%
9.	BAE Systems	4,500	9	0.63%
10.	Elliot Hospital	3,724	10	0.52%
	Total	72,789		10.15%

		2014		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	17,754	1	2.53%
2.	Demoulas & Market Basket	9,000	2	1.28%
3.	Wal-Mart Stores Inc.	7,886	3	1.12%
4.	Dartmouth-Hitchcock Medical Center	6,404	4	0.91%
5.	University of New Hampshire	6,079	5	0.86%
6.	Fidelity Investments	5,400	6	0.77%
7.	Hannaford Brothers	4,900	7	0.70%
8.	Liberty Mutual-Northern N.E. Division	4,700	8	0.67%
9.	BAE Systems	4,500	9	0.64%
10.	Elliot Hospital	4,000	10	0.57%
	Total	70,623		10.05%

		2012		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	17,867	1	2.54%
2.	Wal-Mart Stores Inc.	8,166	2	1.16%
3.	Dartmouth-Hitchcock Medical Center	6,654	3	0.95%
4.	University of New Hampshire	6,159	4	0.88%
5.	Demoulas & Market Basket	6,000	5	0.85%
6.	Hannaford Brothers	4,817	6	0.68%
7.	Fidelity Investments	4,600	7	0.65%
8.	BAE Systems	4,500	8	0.64%
9.	Dartmouth College	4,250	9	0.60%
10.	Liberty Mutual-Northern N.E. Division	4,200	10	0.60%
	Total	67,213		9.55%

		2015		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	17,756	1	2.50%
2.	Demoulas & Market Basket	9,000	2	1.26%
3.	Dartmouth-Hitchcock Medical Center	8,852	3	1.24%
4.	Wal-Mart Stores Inc.	7,886	4	1.11%
5.	University of New Hampshire	6,256	5	0.88%
6.	Fidelity Investments	5,400	6	0.76%
7.	Hannaford Brothers	4,900	7	0.69%
8.	Liberty Mutual-Northern N.E. Division	4,700	8	0.66%
9.	BAE Systems	4,500	9	0.63%
10.	Elliot Hospital	4,000	10	0.56%
	Total	73,250		10.29%

		2013		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	17,921	1	2.54%
2.	Wal-Mart Stores Inc.	8,008	2	1.14%
3.	Demoulas & Market Basket	7,500	3	1.06%
4.	Dartmouth-Hitchcock Medical Center	6,404	4	0.91%
5.	University of New Hampshire	6,029	5	0.85%
6.	Fidelity Investments	5,000	6	0.71%
7.	Hannaford Brothers	4,900	7	0.69%
8.	Liberty Mutual-Northern N.E. Division	4,700	8	0.67%
9.	Elliot Hospital	3,485	9	0.49%
10.	Shaw's Supermarkets	3,358	10	0.48%
	Total	67,305		9.54%

		2011		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	17,820	1	2.52%
2.	Wal-Mart Stores Inc.	8,421	2	1.19%
3.	Dartmouth-Hitchcock Medical Center	7,073	3	1.00%
4.	University of New Hampshire	6,081	4	0.86%
5.	Demoulas & Market Basket	6,000	5	0.85%
6.	BAE Systems	4,500	6	0.64%
7.	Fidelity Investments	4,400	7	0.62%
8.	Dartmouth College	4,250	8	0.60%
9.	Liberty Mutual-Northern N.E. Division	4,200	9	0.59%
10.	Hannaford Brothers	3,894	10	0.55%
	Total	66,639		9.42%

Source: New Hampshire Business Review/ Book of Lists 2016
Provided by USNH
Schedule of State Employees by Function (page 144)
NHES Economic and Labor Market Information Bureau

STATE OF NEW HAMPSHIRE
 SCHEDULE OF PRINCIPAL (LARGEST) EMPLOYERS
 LAST TEN YEARS- CONTINUED

		2010		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	18,487	1	3.14%
2.	Wal-Mart Stores Inc.	8,974	2	1.28%
3.	Dartmouth-Hitchcock Medical Center	8,025	3	1.14%
4.	University of New Hampshire	6,459	4	0.92%
5.	Demoulas & Market Basket	6,000	5	0.85%
6.	Hannaford Brothers	4,776	6	0.68%
7.	Fidelity Investments	4,600	7	0.65%
8.	BAE Systems	4,500	8	0.64%
9.	Shaw's Supermarkets Inc.	4,399	9	0.63%
10.	Dartmouth College	4,399	10	0.63%
	Total	70,619		10.56%

		2008		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	18,556	1	3.04%
2.	Wal-Mart Stores Inc.	8,631	2	1.19%
3.	Dartmouth-Hitchcock Medical Center	7,804	3	1.08%
4.	University of New Hampshire	6,784	4	0.94%
5.	Demoulas & Market Basket	6,000	5	0.83%
6.	Fidelity Investments	5,700	6	0.79%
7.	Liberty Mutual-Northern N.E. Division	5,133	7	0.71%
8.	Hannaford Brothers	4,629	8	0.64%
9.	Shaw's Supermarkets Inc.	4,500	9	0.62%
10.	Dartmouth College	4,246	10	0.59%
	Total	71,983		10.43%

		2009		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	18,735	1	3.29%
2.	Wal-Mart Stores Inc.	9,017	2	1.30%
3.	Dartmouth-Hitchcock Medical Center	8,025	3	1.16%
4.	University of New Hampshire	6,457	4	0.93%
5.	Demoulas & Market Basket	6,000	5	0.86%
6.	Fidelity Investments	5,500	6	0.79%
7.	BAE Systems	4,700	7	0.68%
8.	Shaw's Supermarkets	4,516	8	0.65%
9.	Hannaford Brothers	4,474	9	0.64%
10.	Dartmouth College	4,407	10	0.63%
	Total	71,831		10.93%

		2007		
		Employees	Rank	Percentage of Total State Employment
Employer				
1.	State of New Hampshire	21,590	1	2.99%
2.	Wal-Mart Stores Inc.	8,012	2	1.11%
3.	University of New Hampshire	6,668	3	0.92%
4.	Market Basket	6,600	4	0.91%
5.	Dartmouth-Hitchcock Medical Center	6,211	5	0.86%
6.	Fidelity Investments	5,430	6	0.75%
7.	Shaw's Supermarkets	4,700	7	0.65%
8.	Hannaford Supermarkets	4,663	8	0.64%
9.	Dartmouth College	4,246	9	0.59%
10.	BAE Systems	4,100	10	0.57%
	Total	72,220		9.99%

Source: New Hampshire Business Review/ Book of Lists 2016
 Provided by USNH
 Schedule of State Employees by Function (page 144)
 NHES Economic and Labor Market Information Bureau