



JEFFRY A. PATTISON  
Legislative Budget Assistant  
(603) 271-3161

MICHAEL W. KANE, MPA  
Deputy Legislative Budget Assistant  
(603) 271-3161

## State of New Hampshire

OFFICE OF LEGISLATIVE BUDGET ASSISTANT

State House, Room 102

RICHARD J. MAHONEY, CPA  
Director, Audit Division  
(603) 271-2785

### Independent Auditor's Report

*To The Fiscal Committee Of The General Court:*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the State of New Hampshire's Turnpike System as of and for the fiscal year ended June 30, 2011 and have issued our report thereon dated December 29, 2011.

In connection with our audit, nothing came to our attention that caused us to believe that the Turnpike System failed to comply with the terms, covenants, provisions, or conditions of Articles III and IV – "Accounts and Covenants" of the Turnpike System's General Bond Resolution (GBR), adopted by the New Hampshire Legislature in November 1987, insofar as they relate to accounting matters for the 2002 Refunding Series, the 2003 Refunding Series, the 2006 Refunding Series, the 2009 Refunding Series and the 2009 Series A Revenue Bonds, except for the two following requirements:

1. Four of 12 monthly transfers from the Revenue Account to the Debt Service Account were not made timely, on or before the 20<sup>th</sup> of the month, contrary to section 3.3.
2. Prior to May 2011, the Turnpike System did not utilize a General Reserve Account consistent with Section 3.7 of the GBR. Consequently, monthly transfers of excess cash from the Revenue Account to the General Reserve Account, required by section 3.7 of the GBR, were not made. Because the transfers were not made, the working capital limit of 25% of budgeted operating expenses in section 3.2 of the GBR was exceeded.

This report is intended solely for the information and use of management of the State of New Hampshire and the New Hampshire Turnpike System and Bank of New York Mellon, Trustee, and is not intended to be and should not be used by anyone other than these specified parties.

*Office of Legislative Budget Assistant*

Office Of Legislative Budget Assistant

December 29, 2011