



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION

APR23'15 PM 2:52 DAS



37 Beau

WILLIAM CASS, P.E.
ASSISTANT COMMISSIONER

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

April 22, 2015
Division of Finance

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

INFORMATIONAL ITEM

Pursuant to Chapter 143:8 of the Budget Act, Laws of 2013, Highway Fund Reporting, enclosed for informational purposes is the June 30, 2014, September 30, 2014, December 31, 2014, and March 31, 2015 reports of the Comparative Statement of Operating & Capital Undesignated Surplus. For fiscal year ending June 30, 2014, the undesignated surplus balance is updated for audited actual revenue and expenditure activity and reported in the statewide CAFR. The schedules attached reflect Audited actual fiscal year 2014 and Unaudited fiscal year 2015 projected fund balances.

In summary, the quarter ending undesignated surplus balances (Operating & Capital - Post GAAP) are as follows:

Table with 3 columns: Balance Ending, (millions) C of C, and Actual. Rows include June 30, 2012 Audited (\$7.5, \$34.8), June 30, 2013 Audited (\$7.6, \$46.3), June 30, 2014 Audited (\$7.6, \$33.2), and Projected FY June 30, 2015 (September 30, 2014: \$1.8, \$12.1; December 31, 2014: \$1.8, \$10.8; March 31, 2015: \$1.8, \$2.2).

For the period ending June 30, 2014, the AUDITED combined post GAAP operating, construction/capital, and trust fund balances within the Highway fund surplus balance is \$33.2 million. The June 30, 2015 combined surplus balance ESTIMATE at March 31 is \$2.2 million.

The fiscal year 2014 Audited ending balance compares favorably to original legislative projected estimates of \$7.6 million for the same period. The increase in fund balance is primarily attributable to prior year available balance forwards and the following current fiscal year actuals over budgeted estimates:

Revenue Increases	\$ 6.7 m
Lapse Increases	\$ 5.1 m

Non-recurring revenue enhancements to the Highway Fund for the current biennium includes \$29.2 million from the Turnpike fund as a result of the legislatively approved transfer of a 1.6 mile segment of I-95 in Portsmouth. One-time revenue enhancements to the Highway Fund, primarily the aforementioned transfer from the Turnpike fund, which will total \$133 million for the period fiscal year 2010 through fiscal year 2015, have temporarily stabilized the Highway Fund. Only \$418 thousand (payable FY 2016) remains to be paid to the Highway Fund from this transfer of assets. A temporary registration surcharge in fiscal years 2010 and 2011 provided an additional one-time revenue enhancement of \$73 million (net of \$17 million Betterment enhancement).

The attached Comparative Statement of Operating & Capital Undesignated Surplus is presented in a format required by GARVEE Bond Debt covenant which requires additional detailed financial reporting of Federal Funds starting with the year ended June 30, 2012. The Statewide CAFR reporting for the Highway Fund reflects this detail by adding a column to distinguish Federal Funds including GARVEE bond proceeds from other Highway Capital Funds. The result is a useful distinction of capital between State funded and Federal funded capital. The Surplus Statement has been modified to report in the same manner as the Statewide CAFR.

The Department has also utilized Turnpike Toll Credits to further enhance the Highway Fund balance by increasing federal participation on qualified federal reimbursed projects. The effect of this is to reduce capital construction as there is no longer a state participating hard match from the Highway Fund. This credit is dependent upon future federal funding and continued federal program acceptance and annual increases in Turnpike capital expenditures in order to receive federal credit. For the Fiscal Years 2010-2014 the Department utilized \$160.0 million in Turnpike Toll Credits.

The projected financial information provided on the attached schedules reflect activity of the Highway Fund on a cash basis with estimated GAAP adjustments. Further adjustments for payroll, accounts receivables/payables, appropriation and lapse adjustments are anticipated and will affect the final outcome of the activity reported on these schedules.

The Department will continue to monitor revenue and expenditures of the fund. The Department is available for any questions you may have.

Sincerely,


William Cass, P.E.
Assistant Commissioner

ATTACHMENTS

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Highway Fund																
2	Comparative Statement of Operating and Capital Undesignated Surplus																
3	Department of Transportation																
4	Division of Finance																
5	(000'S)																
6																	
7																	
8																	
9																	
10	Balance, July 1 (Budgetary)	63,997			63,997	803	296,126	296,929	360,926		66,913		803	294,202	296,005		350,618
11	Additions:																
12	Unrestricted Revenue:																
13	Gasoline Road Toll	122,750	1,920	124,670	124,670				124,670		122,050						122,050
14	Motor Vehicle Fees	101,873	4,758	106,631	106,631				106,631		102,673						102,673
15	Court Fine Revenue	7,200		7,200	7,200				7,200		7,200						7,200
16	Miscellaneous Revenue Sub-Total	15,781	24	15,805	15,805				15,805		14,981						14,981
17	ROW Property Sales	670	30	700	700				700		670						670
18	1-95/1.6 mile Sale	15,000	-	15,000	15,000				15,000		14,170						14,170
19	Other Miscellaneous	111	(6)	105	105				105		141						141
20	Total Unrestricted Revenue	247,604	6,702	254,306	254,306				254,306		246,904						246,904
21	Inventory Adjustment		2,800	2,800	2,800				2,800								
22																	
23	Total Additions	247,604	9,602	257,106	257,106				257,106		246,904						246,904
24	Operating Budget Appropriations																
25	Appropriations DOT Net of Estimated Revenues	(142,008)	2,185	(139,823)	(139,823)				(139,823)		(144,669)						(144,669)
26	Municipal Aid (Block Grant / SAB, SAC)	(30,000)	(233)	(30,233)	(30,233)	(8,604)		(8,604)	(38,837)		(30,000)		(8,604)		(8,604)		(38,604)
27	DOT Debt Service	(11,288)	(998)	(12,286)	(12,286)				(12,286)		(11,026)						(11,026)
28	Appropriations Safety & Other Net of Estimated Revenues	(78,744)	(490)	(79,234)	(79,234)				(79,234)		(81,026)		500				(80,526)
29	Appropriation Adjustments																
30	Compensation and Benefit Reduction	2,553		2,553	2,553				2,553								
31	Ch 144:127, L2013	(1,368)	(18)	(1,386)	(1,386)				(1,386)		(4,583)						(4,583)
32	Ch 144:175, L2013 Pay Raise		12	12	12				12		12						12
33	Ch 143:11 DoIT Reduction																
34	Net FCLG YE Adjust & Betterment Adjust	1,943		1,943	1,943				1,943								
35	Settlement Payments RSA 99-D.2																
36	Transfers from Highway Surplus RSA 228:12	(10,018)		(10,018)	(10,018)				(10,018)								(1,512)
37	Worker's Compensation RSA 21-1:24		(67)	(67)	(67)				(67)								(1,231)
38	Death Benefit RSA 21-1:29		(100)	(100)	(100)				(100)								
39	Termination Pay RSA 94:9		(3)	(3)	(3)				(3)								
40	Employee Benefit Adj Account RSA 9:17-c																
41	Miscellaneous Adjustments																
42	Lapses DOT	6,594	2,840	9,434	9,434				9,434		7,091						7,091
43	Lapses Safety & Other	2,826	2,228	5,054	5,054				5,054		2,755						2,755
44	Refunded Road Toll	(3,000)	324	(2,676)	(2,676)				(2,676)		(3,000)						(3,000)
45	Net Appropriations	(262,510)	5,614	(256,896)	(256,896)	(8,604)		(8,604)	(265,500)		(259,876)		(6,814)		(8,604)		(275,293)
46	UnRefunded road Toll (GF & F&G)		(2,114)	(2,114)	(2,114)				(2,114)								
47	Total Deductions	(262,510)	3,700	(258,810)	(258,810)	(8,604)		(8,604)	(267,414)		(259,876)		(6,814)		(8,604)		(275,293)
48	Current Year Balance	(14,906)	13,202	(1,704)	(1,704)	(8,604)		(8,604)	(10,308)		(12,971)		(6,814)		(8,604)		(28,389)
49	Transfer to Capital Account	(8,500)	1,820	(6,680)	(6,680)	8,604	(1,924)	6,680	-		(8,604)				8,604		-
50	Balance, June 30 (Budgetary)	40,691	15,022	55,713	55,713	803	294,202	295,005	360,618		34,038		803	294,202	295,005		322,229
51	GAAP Adjustments	(25,379)	2,949	(22,430)	(22,430)	(803)	(294,202)	(295,005)	(317,435)		(16,400)		(803)	(294,202)	(295,005)		(317,405)
52	Balance, June 30 (GAAP)	15,212	17,971	33,183	33,183	-	-	-	33,183		17,638		10,824	-	-		10,824

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
1	Highway Fund																
2	Comparative Statement of Operating and Capital Undesignated Surplus																
3	Department of Transportation																
4	Division of Finance																
5	(000'S)																
6																	
7																	
8																	
9																	
10	Balance, July 1 (Budgetary)		63,997		63,997	803	296,126	296,928	360,928		85,813		803	284,202	295,005		350,818
11	Additions:																
12	Unrestricted Revenue:																
13	Gasoline Road Toll		1,920	1,920	124,670				124,670		122,050						122,050
14	Motor Vehicle Fees		4,758	4,758	108,631			108,631	108,631		102,673						102,673
15	Court Fine Revenue		7,200	7,200	7,200			7,200	7,200		7,200						7,200
16	Miscellaneous Revenue Sub-Total		15,781	24	15,805			15,805	15,805		14,981						14,981
17	ROW Property Sales		670	30	700			700	700		670						670
18	1-95/1.6 mile Sale		15,000		15,000			15,000	15,000		14,170						14,170
19	Other Miscellaneous		111	(6)	105			105	105		141						141
20	Total Unrestricted Revenue		247,604	6,702	254,306			254,306	254,306		246,904						246,904
21	Inventory Adjustment			2,800	2,800			2,800	2,800								
22																	
23																	
24	Total Additions		247,604	9,502	257,106			257,106	257,106		246,904						246,904
25																	
26																	
27																	
28																	
29	Operating Budget Appropriations		(142,008)	2,185	(139,823)			(139,823)	(139,823)		(144,669)	1,796					(142,873)
30	Appropriations DOT Net of Estimated Revenues		(30,000)	(233)	(30,233)	(8,604)		(8,604)	(38,837)		(30,000)	(744)		(8,604)			(39,348)
31	Municipal Aid (Block Grant / SAB, SAC)		(11,288)	(998)	(12,286)			(12,286)	(12,286)		(11,026)	(1,052)					(12,078)
32	DOT Debt Service		(78,744)	(490)	(79,234)			(79,234)	(79,234)		(81,026)	500					(80,526)
33	Appropriations Safety & Other Net of Estimated Revenues																
34																	
35																	
36	Appropriation Adjustments		2,553		2,553			2,553	2,553								
37	Compensation and Benefit Reduction		(1,368)	(18)	(1,386)			(1,386)	(1,386)		(4,583)						(4,583)
38	Ch 144:175, L2013 Pay Raise			12	12			12	12		12						12
39	Ch 143:11 DoIT Reduction		1,943		1,943			1,943	1,943								
40	Net FCLG YE Adjust & Betterment Adjust																
41	Settlement Payments RSA 99-D:2		(10,018)		(10,018)			(10,018)	(10,018)		(1,512)						(1,512)
42	PY CAFR Adjustment																
43	Transfers from Highway Surplus RSA 228:12		67		67			67	67		(10,066)						(10,066)
44	Worker's Compensation RSA 21-1:29		(100)		(100)			(100)	(100)								
45	Death Benefit RSA 21-1:29		(3)		(3)			(3)	(3)		(5)						(5)
46	Termination Pay RSA 94:9										231						231
47	Employee Benefit Adj Account RSA 9:17-c										(61)						(61)
48	Miscellaneous Adjustments																
49	Lapses DOT		6,594	2,840	9,434			9,434	9,434		7,091						7,091
50	Lapses Safety & Other		2,826	2,228	5,054			5,054	5,054		2,755						2,755
51	Refunded Road Toll		(3,000)	324	(2,676)			(2,676)	(2,676)		(3,000)						(3,000)
52																	
53	Net Appropriations		(282,510)	5,814	(276,696)	(8,604)		(285,300)	(285,300)		(259,876)	(15,484)		(8,604)			(283,963)
54	UnRefunded road Toll (GF & F&G)			(2,114)	(2,114)			(2,114)	(2,114)								
55																	
56	Total Deductions		(282,510)	3,700	(278,810)	(8,604)		(287,414)	(287,414)		(259,876)	(15,484)		(8,604)			(283,963)
57	Current Year Balance		(14,906)	(3,202)	(18,108)	(8,604)		(26,712)	(26,712)		(12,971)	(15,484)		(8,604)			(37,059)
58	Transfer to Capital Account		(6,500)	1,820	(4,680)	8,604		3,924	3,924		(8,604)			8,604			-
59	Balance, June 30 (Budgetary)		40,691	15,022	55,713	803	294,202	295,005	350,818		34,038	(15,484)		803	294,202	295,005	313,559
60	GAAP Adjustments		(25,379)	2,949	(22,430)	(803)	(294,202)	(295,005)	-		(16,400)			(803)	(294,202)	(295,005)	(311,405)
61	Balance, June 30 (GAAP)		15,212	17,971	33,183	-	-	33,183	33,183		17,638	(15,484)		-	-	-	2,154