



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
Concord, New Hampshire 03301

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

To The Fiscal Committee Of The General Court:

We have audited the financial statements of the State of New Hampshire's Turnpike System as of and for the year ended June 30, 2011 and have issued our report thereon dated December 29, 2011. Under auditing standards generally accepted in the United States of America, we are required to provide you with a summary of corrected and uncorrected misstatements aggregated by us during our current engagement and pertaining to June 30, 2011.

We found certain misstatements that, in our judgment and in the judgment of the management of the Turnpike System, were determined to be significant or material, either individually or in the aggregate, to the Turnpike System's financial statements taken as a whole.

During the course of the audit, we proposed the following adjustments to the accounting records that, in our judgment, had a significant quantitative or qualitative effect on the Turnpike System's financial reporting process. The Turnpike System recorded the adjustments.

Made Audit Adjustments

Statement of Revenues, Expenses, and Changes in Net Assets

Entry to increase by \$3.1 million the reported miscellaneous income and interest expense related to the Turnpike System's Build America Bonds.

Statement of Cash Flows

Entry to increase by \$7.0 million the reported cash inflows and cash outflows from investment activities related to the Turnpike System's sale and purchase of investments.

Entry to reduce by \$17.2 million the cash inflows and cash outflows from capital and related financing activities related to the acquisition of a contributed asset initially recorded as a transaction affecting cash. A State highway capital asset was transferred to the Turnpike System in a non-cash transaction.

During the course of the audit, we proposed the following adjustments to the accounting records that, in our judgment, had a significant quantitative or qualitative effect on the Turnpike System's financial reporting process. The Turnpike System chose not to record the adjustments. This decision is clearly within management's prerogative.

Unadjusted Errors

Statement of Net Assets

Offsetting overstatements of infrastructure assets and accumulated depreciation and loss on disposal of assets of \$7.5 million representing previously replaced assets remaining in the reported balances.

Statement of Revenues, Expenses, and Changes in Net Assets

Offsetting overstatements of capital contributions and depreciation expense of \$3.4 million resulting from an overstatement of the fair value of a transferred asset.

This report is intended solely for the information and use of the management of the State of New Hampshire and the New Hampshire Turnpike System and the Fiscal Committee of the General Court and is not intended to be and should not be used by anyone other than these specified parties.

Office of Legislative Budget Assistant

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December 29, 2011