

LBA Financial Audit Report Summary:

State of New Hampshire Highway Fund Audited Financial Statements for the Fiscal Year Ended June 30, 2005

The Highway Fund was established pursuant to Part II, Article 6-a of the New Hampshire Constitution and is a major governmental fund of the State of New Hampshire. RSA 228:7 describes the Highway Fund as being accounted for on a fiscal year basis by the Department of Transportation.

The Highway Fund is used to account for the revenues and expenditures used exclusively in the construction, reconstruction, and maintenance of the public highways within the State, including the supervision of traffic thereon and for the payment of the interest and principal of bonds issued for highway purposes.

Per Part II, Article 6-a of the New Hampshire constitution, "All revenue in excess of the necessary cost of collection and administration accruing to the state from registration fees, operators' licenses, gasoline road tolls or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels shall be appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within this state, including the supervision of traffic thereon and payment of the interest and principal of obligations incurred for said purposes; and no part of such revenues shall, by transfer of funds or otherwise, be diverted to any other purpose whatsoever." A summary of the Highway Fund revenues and expenditures for the fiscal year ended June 30, 2005, is shown in the following table.

Summary Of Revenues And Expenditures - Highway Fund Fiscal Year Ended June 30, 2005

(Amounts in Thousands)

Total Revenues	\$ 418,752
Total Expenditures	<u>\$ 409,891</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>\$ 8,861</u>

We audited the financial statements of the Highway Fund as of and for the year ended June 30, 2005 and issued our unqualified report thereon dated March 16, 2006. A copy of the Audited Financial Statements of the Highway Fund may be obtained from the Office of Legislative Budget Assistant, Audit Division, 107 North Main Street, State House Room 102, Concord, New Hampshire, 03301-4906.