NEW ISSUE – Book Entry Only

Ratings: **Fitch Ratings: AA+**
Moody's: Aa2
Standard & Poor's: AA
(See "RATINGS")

In the opinion of Edwards Angell Palmer & Dodge LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel expresses no opinion whether such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Bonds is exempt from the New Hampshire personal income tax on interest and dividends. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of or the accrual or receipt of interest on the Bonds. (See "TAX EXEMPTION" and Appendix A herein.)

$153,345,000
STATE OF NEW HAMPSHIRE
GENERAL OBLIGATION REFUNDING BONDS
2010 SERIES A

Dated: Date of Delivery

Due: as shown below

The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry form (without certificates) in the denomination of $5,000 or any integral multiple thereof. (See "THE BONDS--Book-Entry Only System" herein.)

Interest on the Bonds will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2010, until maturity or redemption prior to maturity. The Bonds are subject to redemption prior to maturity as provided herein.

Due July 1	Principal Amount	Interest Rate	Price/ Yield	CUSIP 644682[*]	Due July 1	Principal Amount	Interest Rate	Price/ Yield	CUSIP 644682[*]
2011	$3,580,000	2.00%	0.50%	E69	2019	$23,540,000	5.00%	3.23%	F35
2014	3,180,000	3.00	1.70	E77	2019	2,705,000	3.50	3.23	G42
2016	3,085,000	4.00	2.46	E85	2020	8,880,000	5.00	3.38	F43
2016	2,000,000	3.00	2.46	F92	2020	12,720,000	3.50	3.38	G59
2017	6,500,000	5.00	2.78	E93	2021	18,155,000	5.00	3.51[†]	F50
2017	1,820,000	3.00	2.78	G26	2022	15,115,000	5.00	3.59[†]	F68
2018	20,160,000	5.00	3.02	F27	2023	15,145,000	5.00	3.65[†]	F76
2018	4,865,000	3.25	3.02	G34	2024	11,895,000	5.00	3.70[†]	F84

[†] Priced at the stated yield to the July 1, 2020 optional redemption date at par.

The Bonds are offered when, as and if issued and accepted by the Underwriters subject to the final approving opinion of Edwards Angell Palmer & Dodge LLP, Boston, Massachusetts, Bond Counsel, and to certain other conditions referred to herein. Certain legal matters will be passed upon for the Underwriters by their counsel, Preti Flaherty Beliveau & Pachios LLP, Concord, New Hampshire. Public Resources Advisory Group has acted as Financial Advisor to the State with respect to the Bonds. Delivery of the Bonds to DTC or its custodial agent is expected on or about April 14, 2010.

Morgan Keegan & Company, Inc. **MESIROW FINANCIAL, INC.**

Barclays Capital
Citi
Fidelity Capital Markets

J.P. Morgan
BofA Merrill Lynch
Wells Fargo Securities

April 8, 2010

The information set forth herein has been obtained from the State of New Hampshire and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract or agreement between the State of New Hampshire and the purchasers or owners of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not a representation of fact.

This Official Statement is provided only in connection with the sale of the Bonds by the State of New Hampshire and may not be reproduced or used in whole or in part for any other purpose without the express written consent of the State Treasurer.

In connection with an offering of the Bonds, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of such Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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STATEMENT PURSUANT TO NEW HAMPSHIRE REVISED STATUTES ANNOTATED 421-B:20:

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

STATE OF NEW HAMPSHIRE

GOVERNOR
JOHN H. LYNCH

EXECUTIVE COUNCIL
RAYMOND S. BURTON
BEVERLY A. HOLLINGWORTH
DEBORA B. PIGNATELLI
JOHN D. SHEA
RAYMOND J. WIECZOREK

STATE TREASURER
CATHERINE A. PROVENCHER

SECRETARY OF STATE
WILLIAM M. GARDNER

ATTORNEY GENERAL
MICHAEL A. DELANEY

COMMISSIONER OF ADMINISTRATIVE SERVICES
LINDA M. HODGDON

BUDGET DIRECTOR
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Edwards Angell Palmer & Dodge LLP
111 Huntington Avenue at Prudential Center
Boston, Massachusetts 02199-7613

FINANCIAL ADVISOR
Public Resources Advisory Group
40 Rector Street
New York, New York 10006

OFFICIAL STATEMENT

OF

THE STATE OF NEW HAMPSHIRE

$153,345,000
GENERAL OBLIGATION REFUNDING BONDS
2010 SERIES A

PART I: INFORMATION CONCERNING THE BONDS

This Official Statement, including the cover page, is provided for the purpose of presenting certain information relating to the State of New Hampshire (the "State") in connection with the sale of $153,345,000 aggregate principal amount of its General Obligation Refunding Bonds, 2010 Series A, dated their date of delivery (the "Bonds").

This Official Statement consists of two parts: Part I (including the cover and Appendices A, B and C) and Part II, the State's Information Statement dated December 15, 2009, (incorporated herein by reference), as supplemented by the Information Statement Supplement dated April 8, 2010 (together, the "Information Statement"). The Information Statement has been provided to the Municipal Securities Rulemaking Board ("MSRB") for purposes of Rule 15c2-12. The Information Statement incorporates by reference as Exhibit A the State's audited financial statements for fiscal year 2009. KPMG LLP, the State's independent auditor, has not been engaged to perform and has not performed, since the date of its report referenced in the Information Statement, any procedures on the financial statements addressed in that report. KPMG LLP has also not performed any procedures relating to this Official Statement, including the Information Statement.

THE BONDS

Description of the Bonds

The Bonds will be dated their date of delivery and will bear interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2010, until maturity or redemption prior to maturity. The record date with respect to each payment of interest shall be the fifteenth day of the month preceding such interest payment date. The Bonds will mature on the dates and in the principal amounts and bear interest at the rates shown on the cover page of this Official Statement. The Bonds are subject to redemption prior to maturity as described below.

The Bonds are being issued only as fully registered Bonds and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondowner, payments of principal and interest will be made directly to such Bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein. (See "Book-Entry Only System" herein.)

Redemption Provisions

Optional Redemption

The Bonds maturing on and before July 1, 2020 are not subject to redemption prior to maturity. The Bonds maturing after July 1, 2020 are subject to redemption at the option of the State on and after July 1, 2020 in whole or in part at any time, with maturities to be designated by the State (and by lot within any maturity), at par, plus accrued interest to the redemption date.

If less than all of the Bonds are called for redemption, the Bonds to be redeemed shall be selected in such manner as may be determined by the State Treasurer to be in the best interests of the State.

Notice of Redemption

So long as DTC is the registered owner of the Bonds, notice of any redemption of Bonds prior to their maturities, specifying the Bonds (or the portions thereof) to be redeemed shall be mailed to DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the DTC Participants of the redemption or failure on the part of the DTC Participants or of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner shall not affect the validity of the redemption. Following proper notice of the redemption of any Bonds, if sufficient moneys are deposited with U.S. Bank National Association as Paying Agent (the "Paying Agent") for redemption, interest thereon ceases to accrue as of the redemption date.

Security for the Bonds

In the opinion of Bond Counsel, the Bonds when duly issued will constitute valid general obligations of the State and the full faith and credit of the State will be pledged for the punctual payment of the principal of and interest on the Bonds.

Each Bond when duly issued and paid for will constitute a contract between the State and the owner of the Bond. While the doctrine of sovereign immunity (the sovereign right of a state not to be sued without its consent) applies to the State, the Legislature has conferred jurisdiction on the Superior Court to enter judgment against the State founded upon any express or implied contract. The Supreme Court of New Hampshire has stated that that statutory provision constitutes a waiver of the State's right of sovereign immunity in such a case. Although a bond of the State constitutes a contract with the owner of the bond, the State Supreme Court has not considered the issue of sovereign immunity in a case expressly involving the enforceability of a bond. Under State law, the Attorney General of the State is directed to present any claim founded upon a judgment against the State to the department or agency which entered into the contract for payment from available appropriations or, if such appropriations are insufficient, to present the claim to the Legislature. Payment of a claim against the State for which available appropriated funds are insufficient would require appropriation by the Legislature. Enforcement of a claim for payment of principal of or interest on the Bonds may also be subject to the provisions of federal or State statutes, if any, hereafter enacted extending the time for payment or imposing other constraints upon enforcement, insofar as those provisions may be constitutionally applied.

The State Constitution provides that the public charges of government may be raised by taxation upon polls, estates and other classes of property including franchises and property when passing by will or inheritance, and authorizes the Legislature to impose and levy proportional and reasonable assessments, rates and taxes upon all the inhabitants of, and residents within, the State and upon all property within the State.

Authorization and Purpose

The Bonds are being issued pursuant to a vote of the Governor and Council under Chapter 6-A of the New Hampshire Revised Statutes Annotated ("RSA") and various other laws. Proceeds from the sale of the Bonds are expected to be used to provide for the current and advance refunding of the general obligation bonds described in Appendix C (the "Refunded Bonds") and to pay issuance costs.

Plan of Refunding

Upon delivery of the Bonds, the State will enter into a Refunding Trust Agreement with U.S. Bank, National Association, or its successor, as Trustee (the "Refunding Trustee"), to provide for the refunding of the Refunded Bonds. Upon receipt of the proceeds of the Bonds, the Refunding Trustee will deposit in the Refunding Trust Fund established under the Refunding Trust Agreement the amount which (except for any outstanding cash balances) will be invested in direct obligations of the United States of America (State and Local Government Securities) or in noncallable obligations directly and unconditionally guaranteed by the United States of America (collectively, "Government Obligations") maturing in amounts and bearing interest at rates sufficient without reinvestment to pay when due, principal of and interest on the Refunded Bonds (as defined below) which are escrowed to maturity, and the interest on and upon redemption, the principal of and redemption premium, if any, on the Refunded Bonds to be redeemed. The Refunding Trust Fund, including the interest earnings on the Government Obligations, is pledged solely for the benefit of the owners of the Refunded Bonds and is not available to pay the Bonds offered hereby. Attached hereto as Appendix C is a listing of the obligations to be refunded with the proceeds of the Bonds (the "Refunded Bonds").

Sources and Uses of Funds

The proceeds from the sale of the Bonds are expected to be applied as follows:

Sources	
Par Amount of the Bonds	$153,345,000.00
Plus Net Original Issue Premium	16,357,072.45
Total Sources of Funds	$169,702,072.45
Uses	
Deposit to Refunding Trust Fund	$168,607,927.81
Underwriters' Discount	809,325.00
Costs of Issuance	284,819.64
Total Uses of Funds	$169,702,072.45

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed, unless other arrangements are made between DTC and the State.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The State may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the State believes to be reliable, but the State takes no responsibility for the accuracy thereof.

TAX EXEMPTION

In the opinion of Edwards Angell Palmer & Dodge LLP, Bond Counsel to the State (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel expresses no opinion whether interest on the Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. The foregoing reflects the enactment of the American Recovery and Reinvestment Act of 2009 which includes provisions that modify the treatment under the alternative minimum tax of interest on certain bonds of state and local government entities and that modifies Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The State has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from the New Hampshire personal income tax on interest and dividends. Bond Counsel expresses no opinion regarding any other New Hampshire tax consequences arising with respect to the Bonds. Bond Counsel has also not opined as to the taxability of the Bonds or the income therefrom under the laws of any state other than New Hampshire. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix A hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from the New Hampshire personal income tax on interest and dividends. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds ("Premium Bonds"), will be treated as having amortizable bond premium for federal income tax purposes and for purposes of the New Hampshire personal income tax on interest and dividends. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Beneficial Owner's basis in a Premium Bond will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective Beneficial Owners are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from the New Hampshire personal income tax on interest and dividends, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences, and Beneficial Owners should consult with their own tax advisors with respect to such consequences.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by Morgan Keegan & Company, Inc. on behalf of the State relating to computation of anticipated receipts of principal and interest on the Government Obligations and the anticipated payments of principal and interest to redeem the Refunded Bonds, was examined by The Arbitrage Group, Inc. Such computations were based solely upon assumptions and information supplied by Morgan Keegan & Company, Inc., on behalf of the State. The Arbitrage Group, Inc. has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of future events.

UNDERWRITING

The aggregate offering price of the Bonds to the public is $169,702,072.45, and the Underwriters have jointly and severally agreed, subject to certain conditions, to purchase from the State the Bonds at a purchase price of $168,892,747.45, and to reoffer the Bonds at prices no greater than or yields no lower than the initial public offering prices or yields set forth on the cover page hereof. The Bonds may be offered and sold to certain dealers (including dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such prices may be changed from time to time, by the Underwriters. The Underwriters will be obligated to purchase all the Bonds if any such Bonds are purchased.

J.P. Morgan Securities Inc., one of the underwriters of the Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings, including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the Bonds with UBS Financial Services Inc.

Wells Fargo Securities is the trade name for certain capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association.

LEGAL MATTERS

Legal matters incident to the authorization and sale of the Bonds are subject to the approval of Edwards Angell Palmer & Dodge LLP, Boston, Massachusetts, Bond Counsel. A proposed form of the approving opinion of Edwards Angell Palmer & Dodge LLP is set forth in Appendix A. The opinion will be dated the date of the issuance of the Bonds and will speak only as of that date. Certain legal matters will be passed upon for the Underwriters by their counsel, Preti Flaherty Beliveau & Pachios LLP, Concord, New Hampshire.

FINANCIAL ADVISOR

Public Resources Advisory Group has acted as financial advisor to the State with respect to the issuance of the Bonds.

RATINGS

Fitch Ratings, Moody's Investors Service, Inc. and Standard & Poor's have assigned the Bonds the ratings of AA+, Aa2, and AA, respectively. An explanation of the significance of each such rating may be obtained from the rating agency furnishing the same. There is no assurance that those ratings will be maintained for any given period of time or that they may not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their or its judgment circumstances so warrant. Any such downward change in or withdrawal of any of the ratings may have an adverse effect on the market price of the Bonds.

Fitch recently announced that it has recalibrated its U.S. public finance ratings for states and certain other entities. In connection with that recalibration, Fitch announced that its rating for State of New Hampshire general obligation bonds would be revised on April 5, 2010 to “AA+” from “AA.” Fitch’s issued a press release regarding its recalibration, which states that “The recalibration of certain public finance ratings should not be interpreted as an improvement in the credit quality of those securities.” A full copy of the press release by Fitch and additional information about the global rating recalibration process and current Fitch ratings can be obtained from Fitch on its website at www.fitchratings.com.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “Rule”), the State will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the State (the “Annual Report”), by not later than 270 days after the end of each fiscal year and to provide notices of the occurrence of certain enumerated events, if material. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix B. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds. Except as described below with respect to fiscal years 2005 and 2006, the State has never failed to comply in all material respects with any previous undertakings to provide annual reports or notices of material events in accordance with the Rule. The State did not include audited financial statements for fiscal year 2005 in its Annual Report for fiscal year 2005 or the Annual Report for the State’s Turnpike System Revenue Bonds for fiscal year 2005. The Turnpike System filed audited financial statements for fiscal year 2005 in March, 2006, and the State’s audited financial statements for fiscal year 2005 were filed in May, 2006. The State had undertaken pursuant to the Rule to provide its draft financial statements or audited financial statements for fiscal year 2006 to each nationally recognized municipal securities information repositories by March 27, 2007, and on March 29, 2007, the State filed a notice of its failure to file such statements by the required date. The State’s audited financial statements for fiscal year 2006 were filed on April 20, 2007. See “FINANCIAL STATEMENTS” in the Information Statement included as Part II of this Official Statement.

STATE OF NEW HAMPSHIRE

By: /s/ Catherine A. Provencher
State Treasurer

April 8, 2010

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PROPOSED FORM OF OPINION OF BOND COUNSEL

EDWARDS ANGELL PALMER & DODGE LLP

111 Huntington Avenue Boston, MA 02199 617.239.0100 *fax* 617.227.4420 eapdlaw.com

(Date of Delivery)

The Honorable Catherine A. Provencher
State Treasurer
State House Annex
Concord, New Hampshire 03301

$153,345,000
State of New Hampshire
General Obligation Refunding Bonds, 2010 Series A
Dated Date of Delivery

We have acted as Bond Counsel to the State of New Hampshire (the "State") in connection with the issuance by the State of the above-referenced bonds (the "Bonds"). In such capacity, we have examined the law and such certified proceedings and other papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon representations and covenants of the State contained in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on this examination, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding general obligations of the State, and the full faith and credit of the State are pledged for the punctual payment of the principal of and interest on the Bonds.

2. The interest on the Bonds is exempt from the New Hampshire personal income tax on interest and dividends. We express no opinion regarding any other New Hampshire tax consequences arising with respect to the Bonds or any tax consequences arising with respect to the Bonds under the laws of any state other than New Hampshire.

3. Interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. We express no opinion whether such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. In rendering the opinions set forth in this paragraph, we have assumed compliance by the State with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The State has covenanted to comply with all such requirements. Failure by the State to comply with certain of such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

This opinion is expressed as of the date hereof, and we neither assume nor undertake any obligation to update, revise, supplement or restate this opinion to reflect any action taken or omitted, or any facts or circumstances or changes in law or in the interpretation thereof, that may hereafter arise or occur, or for any other reason.

The rights of the holders of the Bonds and the enforceability of the Bonds may be subject to insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

EDWARDS ANGELL PALMER & DODGE LLP

APPENDIX B

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the State of New Hampshire (the "Issuer") in connection with the issuance of its $153,345,000 General Obligation Refunding Bonds, 2010 Series A (the "Bonds"), dated their date of delivery. The State covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the State for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

SECTION 2. Definitions. For purposes of this Disclosure Certificate the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board as established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate. Filing information relating to the MSRB is set forth in Exhibit A attached hereto.

"Owners of the Bonds" shall mean the registered owners, including beneficial owners, of the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The State shall, not later than 270 days after the end of each fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the State may be submitted when available separately from the balance of the Annual Report.

(b) If the State is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the State shall send a notice to the MSRB in substantially the form attached as Exhibit B.

SECTION 4. Content of Annual Reports. The State's Annual Report shall contain or incorporate by reference the following:

(a) quantitative information for the preceding fiscal year of the type presented in the State's Information Statement dated December 15, 2009 regarding (i) the revenues and expenditures of the State relating to its General Fund and Education Fund, (ii) capital expenditures, (iii) fund balances, (iv) revenue information, (v) indebtedness of the State, and (vi) pension obligations of the State, and

(b) the most recently available audited financial statements of the State, prepared in accordance with generally accepted accounting principles.

If audited financial statements for the preceding fiscal year are not available when the Annual Report is submitted, the Annual Report will include unaudited financial statements for the preceding fiscal year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements for debt issues of the State or related public entities, which (i) are available to the public on the MSRB Internet Website or (ii) have been filed with the Securities and Exchange Commission. The State shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Material Events.

(a) The State shall give notice, in accordance with subsection 5(b) below, of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies.

2. Non-payment related defaults.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.

7. Modifications to rights of the Owners of the Bonds.

8. Bond calls.

9. Defeasance of the Bonds or any portion thereof.

10. Release, substitution or sale of property securing repayment of the Bonds.

11. Rating changes.

(b) Whenever the State obtains knowledge of the occurrence of a Listed Event, the State shall as soon as possible determine if such an event would be material under applicable federal securities laws and if so, the State shall promptly file a notice of such occurrence with the MSRB.

SECTION 6. Transmission of Information and Notices. Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The State's obligations under this Disclosure Certificate shall terminate upon the legal defeasance in accordance with the terms of the Bonds, prior redemption or payment in full of all of the Bonds.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the State may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived if such amendment or waiver is permitted by the Rule, as evidenced by an opinion of counsel expert in federal securities law (which may also include bond counsel to the State), to the effect that such amendment or waiver would not cause the Disclosure Certificate to violate the Rule. The first Annual Report filed after enactment of any amendment to or waiver of this Disclosure Certificate shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of information being provided in the Annual Report.

If the amendment provides for a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the State to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

SECTION 9. Default. In the event of a failure of the State to comply with any provision of this Disclosure Certificate any Owner of the Bonds may seek a court order for specific performance by the State of its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not constitute a default with respect to the Bonds, and the sole remedy under this Disclosure Certificate in the event of any failure of the State to comply with this Disclosure Certificate shall be an action for specific performance of the State's obligations hereunder and not for money damages in any amount.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Owners of the Bonds from time to time, and shall create no rights in any other person or entity.

Date: April __, 2010

STATE OF NEW HAMPSHIRE

By:______________________________________
State Treasurer

____
Governor

[EXHIBIT A: Filing Information for the MSRB – to be attached]

[EXHIBIT B: Form of Notice of Failure to File Annual Report – to be attached]

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APPENDIX C

TABLE OF BONDS TO BE REFUNDED

Issue	Principal Amount	Interest Rate	Maturity Date	Call Date	Redemption Price
General Obligation Capital Improvement Bonds, 2000 Series A Dated December 1, 2000	$3,600,000	4.50%	12/1/2011	12/1/2010	101%
General Obligation Capital Improvement Bonds, 2001 Series A Dated November 1, 2001	$4,000,000	4.625%	11/1/2021	11/1/2011	100%
General Obligation Capital Improvement Bonds, 2003 Series A Dated December 18, 2003	$3,200,000	4.00%	4/15/2015	4/15/2014	100%
	3,200,000	4.125	4/15/2018	4/15/2014	100
	3,200,000	4.25	4/15/2019	4/15/2014	100
	3,200,000	4.50	4/15/2022	4/15/2014	100
	3,200,000	4.50	4/15/2023	4/15/2014	100
	3,200,000	4.50	4/15/2024	4/15/2014	100
General Obligation Capital Improvement Bonds, 2005 Series A Dated January 27, 2005	$600,000	4.00%	4/15/2017	4/15/2015	100%
	600,000	4.00	4/15/2018	4/15/2015	100
	600,000	4.00	4/15/2019	4/15/2015	100
	600,000	4.00	4/15/2020	4/15/2015	100
	600,000	4.00	4/15/2021	4/15/2015	100
General Obligation Capital Improvement Bonds, 2005 Series C Dated December 20, 2005	$4,500,000	4.25%	3/15/2018	3/15/2016	100%
	3,000,000	4.25	3/15/2019	3/15/2016	100
	3,000,000	4.25	3/15/2020	3/15/2016	100
	3,000,000	4.25	3/15/2021	3/15/2016	100
	3,000,000	4.25	3/15/2022	3/15/2016	100
General Obligation Capital Improvement Bonds, 2006 Series A Dated December 21, 2006	$1,175,000[1]	4.00%	6/1/2010		
	1,110,000[1]	4.00	6/1/2011		
	65,000[1]	4.00	6/1/2013		
	65,000[1]	4.00	6/1/2014		
	100,000[1]	3.50	6/1/2016		
	4,500,000	5.00	6/1/2017	6/1/2016	100%
	4,500,000	4.00	6/1/2019	6/1/2016	100
	3,000,000	4.00	6/1/2020	6/1/2016	100
	3,000,000	4.00	6/1/2021	6/1/2016	100
General Obligation Capital Improvement Bonds, 2008 Series A Dated January 17, 2008	$4,500,000	5.00%	3/1/2019	3/1/2018	100%
	4,500,000	5.00	3/1/2020	3/1/2018	100
General Obligation Refunding Bonds, 2008 Series A Dated March 19, 2008	$5,635,000	5.00%	3/1/2019	3/1/2018	100%
	5,630,000	5.00	3/1/2020	3/1/2018	100
	5,630,000	5.00	3/1/2021	3/1/2018	100
	5,630,000	5.00	3/1/2022	3/1/2018	100
	5,630,000	5.00	3/1/2023	3/1/2018	100
	5,630,000	5.00	3/1/2024	3/1/2018	100
	5,630,000	5.00	3/1/2025	3/1/2018	100

[1] Partial refunding of $4,500,000 original principal maturity.

Issue	Principal Amount	Interest Rate	Maturity Date	Call Date	Redemption Price
General Obligation	$3,145,000	5.00%	5/1/2019	11/1/2018	100%
Capital Improvement Bonds, 2008 Series C	5,860,000	4.75	5/1/2020	11/1/2018	100
Dated November 19, 2008	3,120,000	5.00	5/1/2020	11/1/2018	100
	4,750,000	4.75	5/1/2021	11/1/2018	100
	4,220,000	5.00	5/1/2021	11/1/2018	100
	2,110,000	5.00	5/1/2022	11/1/2018	100
	5,985,000	5.00	5/1/2023	11/1/2018	100
	5,985,000	5.00	5/1/2024	11/1/2018	100
	5,985,000	5.00	5/1/2025	11/1/2018	100

STATE OF NEW HAMPSHIRE

INFORMATION STATEMENT SUPPLEMENT

DATED APRIL 8, 2010

Information Statement Supplement. *The following information is provided by the State to supplement the information contained in the State's most recent Information Statement dated December 15, 2009 (the "Information Statement"). The Information Statement is available on the New Hampshire Treasury Department website as Part II of the document entitled "Official Statement for General Obligation Capital Improvement Bonds 2009 Series B & C" at http://www.nh.gov/treasury/Divisions/DM/goOSDocs.htm. This Supplement (the "Supplement") only sets forth additional information concerning the matters described below as of the date of this Supplement and is subject to change without notice.*

RECENT DEVELOPMENTS

Fiscal Year 2009

Throughout fiscal year 2009, the State's revenue outlook for the year deteriorated. To close the then projected fiscal year 2009 shortfall, certain actions were taken, including a direction included in Chapter 144 of the Laws of 2009 ("HB 2") that $65 million be liquidated from the $110 million surplus in the medical malpractice insurance fund. This fund was originally established in the 1970s to provide coverage as the insurer of last resort. The fund is administered by the Joint Underwriters Association ("JUA") and has accumulated a surplus in excess of required reserves. However, a group of medical providers ("Providers") in the State challenged the State's right to use this surplus and on January 28, 2010, the State Supreme Court decided in the favor of the Providers' position, rendering this revenue action ineffective. In order to address this shortfall, an additional $65 million was transferred from the State's Rainy Day Fund in lieu of the amount from the medical malpractice insurance fund. See "Litigation."

Various other actions taken by the State to close the gap, along with ongoing efforts by agencies and departments statewide to manage expenses, contributed to fiscal year 2009 lapses coming in approximately $20 million above estimates. After these measures, a total of $79.7 million (including the $65 million transfer referenced above) of the State's Rainy Day Fund was needed to cover the remaining undesignated, unreserved deficit in the State's General and Education Trust Funds, leaving the Rainy Day Fund with a balance of $9.3 million at June 30, 2009.

Fiscal Years 2010-2011

General and Education Fund revenues for the first nine months of fiscal year 2010 were $1,635.2 million, which were $56.2 million (3.3%) below plan and $11.8 million (0.7%) below the prior year. Consistent with the ongoing economic downturn, revenue sources from investment and consumer sectors are driving the underperformance in revenue from plan. The Interest and Dividends Tax was $10.5 million (19.8%) below plan. The Meals and Rooms Tax was $17.8 million (9.1%) below plan. Business taxes were $21.2 million (6.4%) below plan. In addition, the Communications Tax was $4.4 million (7.0%) below plan. On January 15, 2010, the Commissioner of Administrative Services issued a statement that revenues for fiscal year 2010 were expected to be $33.3 million below plan and $31.7 million below plan for fiscal year 2011 for a $65 million biennial revenue shortfall. Revenues have continued to deteriorate since the Commissioner's January 15 statement. The House Ways and Means Committee, which continues to update revenue estimates, expects to issue a new estimate in April after March tax revenues are known. The revenue results and estimates are preliminary and subject to change.

The following table compares on a cash basis, for the nine months ended March 31, 2010, General Fund and Education Fund unrestricted revenues for the fiscal years 2009 and 2010 and a comparison to the original revenue estimates for fiscal year 2010. The revenue estimates reflected in the table are based on those revenues defined in Chapters 143 and 144 of the Laws of 2009, the State budget law for fiscal year 2010. Due to the combined filing of the business profits tax and business enterprise tax, it is not possible to measure accurately the individual effects of each of these taxes. They should be evaluated in their entirety. The fiscal year 2009 information is derived from the State's audited financial statements. All information in this table for fiscal year 2010 is preliminary and unaudited.

GENERAL AND EDUCATION FUNDS UNRESTRICTED REVENUES
FOR THE NINE MONTHS ENDED MARCH 31, 2010
(Cash Basis-In Millions)

	FY 09	FY 10	FY 10	FY 2010 vs Plan		FY 2010 vs FY 2009	
Revenue Category	**Actual**	**Actual**	**Plan**	**Variance**	**% Change**	**Variance**	**% Change**
Business Profits Tax	$204.0	$193.1	$204.8	$(11.7)	-5.7%	$(10.9)	-5.3%
Business Enterprise Tax	123.7	118.0	127.5	(9.5)	-7.5%	(5.7)	-4.6%
Subtotal	327.7	311.1	332.3	(21.2)	-6.4%	(16.6)	-5.1%
Meals & Rooms Tax	164.4	177.3	195.1	(17.8)	-9.1%	12.9	7.8%
Tobacco Tax	145.0	181.3	167.4	13.9	8.3%	36.3	25.0%
Liquor Sales and Distribution	81.3	89.5	89.2	0.3	0.3%	8.2	10.1%
Interest & Dividends Tax	51.7	42.5	53.0	(10.5)	-19.8%	(9.2)	-17.8%
Insurance Tax	90.9	83.0	85.7	(2.7)	-3.2%	(7.9)	-8.7%
Communications Tax	61.7	58.1	62.5	(4.4)	-7.0%	(3.6)	-5.8%
Real Estate Transfer Tax	68.6	63.8	66.3	(2.5)	-3.8%	(4.8)	-7.0%
Transfers from Lottery Commission	45.8	42.9	49.6	(6.7)	-13.5%	(2.9)	-6.3%
Transfers from Pari-Mutuel Commission	0.9	0.8	0.8	-	0.0%	(0.1)	-11.1%
Tobacco Settlement	3.6	-	-	-		(3.6)	-100.0%
Utility Property Tax	15.9	16.5	13.4	3.1	23.1%	0.6	3.8%
State Property Tax	363.7	363.2	363.0	0.2	0.1%	(0.5)	-0.1%
Other	110.7	95.0	98.1	(3.1)	-3.2%	(15.7)	-14.2%
Subtotal	1,531.9	1,525.0	1,576.4	(51.4)	-3.3%	(6.9)	-0.5%
Net Medicaid Enhancement							
Revenues	101.1	97.9	99.0	(1.1)	-1.1%	(3.2)	-3.2%
Recoveries	14.0	12.3	16.0	(3.7)	-23.1%	(1.7)	-12.1%
Subtotal	1,647.0	1,635.2	1,691.4	(56.2)	-3.3%	(11.8)	-0.7%
Other Medicaid Enhancement							
Revenues to Fund Net Appropriations				-		-	
Total	$1,647.0	$1,635.2	$1,691.4	$(56.2)	-3.3%	$(11.8)	-0.7%

The following table presents a comparison of General Fund and Education Fund unrestricted revenues for fiscal years 2009 through 2011. The fiscal year 2009 information is audited. The fiscal years 2010 and 2011 information is based on the most recent revenue estimates made by the Commissioner of Administrative Services on January 15, 2010. The changes made in this table since the December 15, 2009 Information Statement appear in boldface type.

GENERAL FUND AND EDUCATION FUND UNRESTRICTED REVENUES
ACTUAL AND BUDGET
FISCAL YEARS 2009-2011
(GAAP Basis-In Millions)

	Actual Fiscal Year 2009			Current Estimate Fiscal Year 2010			Current Estimate Fiscal Year 2011		
Revenue Category	General	Education	Total	General	Education	Total	General	Education	Total
Business Profits Tax	$251.9	$ 53.9	$305.8	$257.8	$55.3	$313.1	$261.0	$ 56.0	$317.0
Business Enterprise Tax	61.9	123.4	185.3	63.2	126.5	189.7	64.0	128.0	192.0
Subtotal	313.8	177.3	491.1	321.0	181.8	502.8	325.0	184.0	509.0
Meals & Rooms Tax	203.6	6.1	209.7	**232.7**	**7.7**	**240.4**	**242.0**	**8.0**	**250.0**
Tobacco Tax	59.3	128.8	188.1	**124.9**	**102.4**	**227.3**	**118.7**	**92.5**	**211.2**
Liquor Sales and Distribution[1]	146.0	-	146.0	-	**-**	-	-	-	-
Interest & Dividends Tax	97.1	-	97.1	**99.0**	**-**	**99.0**	**110.8**	-	**110.8**
Insurance Tax	94.2	-	94.2	85.8	-	85.8	**86.0**	-	**86.0**
Communications Tax	80.3	-	80.3	**75.0**	**-**	**75.0**	**78.0**	-	**78.0**
Real Estate Transfer Tax	53.5	27.7	81.2	56.5	28.2	84.7	60.5	30.2	90.7
Transfers from Liquor	-	-	-	117.3	-	117.3	127.9	-	127.9
Transfers from Lottery	-	68.1	68.1	-	74.7	74.7	-	77.7	77.7
Tobacco Settlement	12.8	40.0	52.8	9.4	40.0	49.4	10.0	40.0	50.0
Utility Property Tax	-	29.0	29.0	-	28.0	28.0	-	28.0	28.0
Securities Revenue	-	-	-	34.0	-	34.0	34.0	-	34.0
State Property Tax	-	363.7	363.7	-	363.0	363.0	-	363.0	363.0
Other	193.3	1.5	194.8	**125.8**	1.3	**127.1**	**131.8**	1.3	**133.1**
Subtotal	1,253.9	842.2	2,096.1	**1,281.4**	**827.1**	**2,108.5**	**1,324.7**	**824.7**	**2,149.4**
Net Medicaid Enhancement Revenues	99.6	-	99.6	**98.8**	**-**	**98.8**	**108.5**	-	**108.5**
Recoveries	21.8	-	21.8	**18.5**	-	**18.5**	**19.2**	-	**19.2**
Total	$1,375.3	$842.2	$2,217.5	**$1,398.7**	**$827.1**	**$2,225.8**	**$1,452.4**	**$824.7**	**$2,277.1**

[1] Effective as of the beginning of fiscal year 2010, Liquor Sales and Distribution revenue is no longer budgeted and accounted for in the General Fund. Liquor Sales and Distribution revenues are now accounted for in a separate enterprise fund.

Fiscal Years 2010 and 2011 Budget to Actual Update (unaudited)

On January 28, 2010, the New Hampshire Supreme Court upheld the decision by the Merrimack County Superior Court that found the transfer of $110 million from the Joint Underwriters Association ("JUA") medical malpractice insurance fund to the General Fund pursuant to Chapter 144, Laws of 2009 was unconstitutional. The budgetary impact of this decision was $22.5 million per year for fiscal years 2010 and 2011. As discussed above, $65 million was transferred from the State's Rainy Day Fund at June 30, 2009 to offset the effect of this decision related to fiscal year 2009.

In addition to the $65 million projected biennial revenue shortfall discussed above and the loss of anticipated revenue from JUA, $30 million in appropriation adjustments are expected primarily from increased Health and Human Services caseloads, and appropriations not budgeted for such as indigent defense, abandoned property claims, workers compensation and unemployment compensation. These developments since the Information Statement was issued in December 2009 produce a projected shortfall of approximately $140 million for the current biennium as detailed by fiscal year in the table below.

(In millions)	Fiscal Year 2010	Fiscal Year 2011	Total
Revenue Shortfall	($33.3)	($31.7)	($65.0)
JUA decision	(22.5)	(22.5)	(45.0)
Appropriations not budgeted	(6.0)	(6.0)	(12.0)
Health and Human Services deficit	(13.5)	(1.5)	(15.0)
Other	(7.0)	4.7	(2.3)
Total	**($82.3)**	**($57.0)**	**($139.3)**

In addition to the projected $140 million shortfall, there are a number of uncertainties that have not been included in the table above or in the table of General Fund and Education Fund balances shown below:

- Enhanced federal Medicaid Assistance Percentage (FMAP) match may be extended beyond December 31, 2010, which is estimated to generate an additional $30 million in fiscal year 2011.

- The State has recently been notified by the U. S. Department of Health and Human Services that it will receive an additional $14.2 million in Medicaid related reimbursements ($10.7 million in fiscal year 2010 and $3.5 million in fiscal year 2011). However, the General Fund impact of these additional monies is not shown in the table below.

- The tobacco settlement funds expected to be received by the State in fiscal year 2010 may be $3.5 million less than originally budgeted.

- The NH Department of Health and Human Services (NHHHS) has performed a reconciliation of its federal revenue drawn since federal fiscal year 1995 and has identified $5 million that it believes needs to be repaid to the federal government. NHHHS reports that it should be able to cover this repayment through its lapse at the end of fiscal year 2010.

- The estimated shortfall in General Fund meals and rooms tax revenue in the biennium may be understated by approximately $5 million because a portion of it was budgeted to cover debt service incurred for the school building aid program.

- A change to the interest and dividends tax, also known as the LLC tax, effective for fiscal year 2010 was originally estimated to generate $15 million in each year of the current biennium. Initial payments owed under the LLC tax are not due until April 15, 2010 so the State does not yet know to what extent its revenue estimates for fiscal 2010 will be realized. The Legislature is considering legislation that would repeal the LLC tax. On March 17, 2010, the House voted to study the consequences of any such repeal. On March 24, 2010, the Senate voted to repeal the LLC tax. The Governor supports the repeal of the LLC tax effective with fiscal year 2011. The State cannot now predict whether the Legislature will modify or repeal the LLC tax or what the revenue impact of any such action will be.

On February 11, 2010, Governor Lynch directed State agencies to develop plans to reduce general fund spending by 2% (or $28 million) for the remainder of fiscal year 2010 and 8% (or $112 million) for fiscal year 2011, totaling approximately $140 million for the biennium. State agencies submitted plans to the Governor in response to this request.

In addition to the previously estimated $140 million shortfall and the other uncertainties described above, actual fiscal year 2010 revenues through March, 2010 performed worse than expected as compared to the revised revenue projections that were released on January 15, 2010. Through March 31, 2010, revenues were down approximately $56.2 million.

On April 8, 2010, the Governor released his proposed plan to address a potential shortfall in the State budget of up to $220 million for the current biennium. The specific proposals include the following:

- General Fund spending reductions of $84 million made up of approximately $25 million reductions in various aid to municipalities, $26 million in cuts to Health and Human Services, a $6.6 million reduction in the Department of Administrative Services, $4.1 million of which comes from costs related to the State's retiree health experience being better than expected, $4 million in judicial branch reductions as well as various other agency reductions. The reductions also include the layoff of approximately 30 State employees.

- Increased Federal Medicaid participation revenues of $44 million

- A twenty cent ($0.20) increase in the tobacco tax rate is estimated to raise $12 million

- Transfer of $2 million of dedicated fund balances to the General Fund

- National healthcare reform is estimated to save approximately $8.3 million in fiscal year 2011 in State retiree health insurance costs

- Restructuring and refunding of State debt is estimated to save an aggregate of $45 million in fiscal year 2011

- Payment of $25 million from the University System of NH to reimburse the State for debt service payments made by the State on the System's behalf. The State will then increase the System's capital appropriation by $25 million.

Many of these proposals will require legislative approval. The House and Senate are each currently considering various proposed bills that would address, in part, the projected budget shortfalls. The proposals under consideration in the House and Senate differ in many respects and no final legislative action has yet been taken. The State cannot predict the outcome of any proposed plan presented by the Governor or any action taken by the Legislature.

American Recovery and Reinvestment Act of 2009

In fiscal year 2009, the State received $55.2 million in gross ARRA funding related to an increased federal Medicaid reimbursement rate of 6.25% on Medicaid claims paid from October 1, 2008 through March 31, 2009 and 8.78% from April 1, 2009 through June 30, 2009. It is estimated that the State will receive $128.5 million in gross ARRA funding related to federal Medicaid reimbursement rate of 10.19% for fiscal year 2010.

The State has been awarded additional direct program allocations through ARRA for specific program purposes that are being administered through various State agencies. These amounts cannot be used to offset amounts previously funded with State dollars. These amounts include:

Department of Cultural Resources	$293,100
Community Development Finance Authority	$2,462,647
Department of the Adjutant General	$5,081,000
Department of Administrative Services	$136,171
Department of Environmental Services	$64,375,500
Department of Health and Human Services	$211,175,391
Department of Education	$86,316,983
Department of Justice	$7,959,697
Department of Transportation	$139,135,760
Department of Employment Security	$36,271,822
Office of Energy and Planning	$60,221,823
State Fiscal Stabilization Fund	$146,586,725
Public Utilities Commission	$783,538
Department of Labor	$7,339,312

The State was recently awarded $5.5 million for Health Information Technology, which has yet to be approved by Governor and Council. The State is also applying for competitive grant funds in the areas of Broadband and Education which may yield additional ARRA funds for the State.

The following table sets out the General Fund and Education Fund undesignated fund balances and the amounts designated for the Revenue Stabilization Account for fiscal years 2009, 2010 and 2011. The fiscal year 2009 information is derived from the State's audited financial statements. The fiscal years 2010 and 2011 numbers are adjusted from those in Chapters 143 and 144 of the Laws of 2009, the operating budget for fiscal years 2010 and 2011. Adjustments have been made for $18 million of ARRA State Fiscal Stabilization Funds recognized in fiscal year 2009, although originally budgeted as revenue in fiscal years 2010 and 2011. Adjustments have also been made over the biennium for $65 million in downward revenue estimates, $45 million removal of transfer from JUA account and $30 million in net appropriation increases. The fiscal year 2010 and 2011 revenue estimates are based on the most recent estimates as of January 15, 2010. The changes made in this table since the December 15, 2009 Information Statement appear in boldface type.

GENERAL FUND AND EDUCATION FUND BALANCES
FISCAL YEARS 2009 – 2011
(GAAP Basis - In Millions)

	FY 2009			FY 2010			FY 2011		
	Audited			Current Estimate			Current Estimate		
	General	Education	Total	General	Education	Total	General	Education	Total
Undesignated Fund Balance, July 1	$17.2	$0.0	$17.2	$0.0	$0.0	$0.0	**$(90.0)**	$0.0	**$(90.0)**
Additions:									
Unrestricted Revenue	1,375.3	842.2	2,217.5	**1,398.7**	**827.1**	**2,225.8**	**1,452.4**	**824.7**	**2,277.1**
Other Revenue Initiatives	-	-	-	**92.2**	80.1	**172.3**	**85.0**	80.0	**165.0**
Total Additions	1,375.3	842.2	2,217.5	**1,490.9**	**907.2**	**2,398.1**	**1,537.4**	**904.7**	**2,442.1**
Deductions:									
Appropriations Net of Estimated Revenues	(1,509.2)	(897.7)	(2,406.9)	**(1,559.6)**	(957.0)	**(2,516.6)**	**(1,595.5)**	(957.3)	**(2,552.8)**
Other Appropriation Adjustments	**-**	**-**	**-**	**5.4**	**-**	**5.4**	**28.6**	**-**	**28.6**
Less: Lapses	71.2	3.0	74.2	**23.1**	-	**23.1**	23.5	-	23.5
Total Net Appropriations	(1,438.0)	(894.7)	(2,332.7)	**(1,531.1)**	(957.0)	**(2,488.1)**	**(1,543.4)**	(957.3)	**(2,500.7)**
GAAP and Other Adjustments	20.5	(0.4)	20.1	-	-	-	-	-	-
Current Year Balance	(42.2)	(52.9)	(95.1)	$40.2	**$(49.8)**	**$(90.0)**	**$(6.0)**	**$(52.6)**	**$(58.6)**
Transfers (to)/from:									
Rainy Day Fund	**79.7**	**-**	**79.7**	-	-	-	**9.3**	-	**9.3**
Joint Underwriting Association[1]	**0.0**	**-**	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**
Highway Fund	(1.8)	-	(1.8)	-	-	-	-	-	-
Education Fund	(52.9)	52.9	-	**(49.8)**	**49.8**	-	**(52.6)**	**52.6**	-
Undesignated Fund Balance, June 30	$0.0	$0.0	$0.0	**$(90.0)**	$0.0	**$(90.0)**	**$(139.3)**	$0.0	**$(139.3)**
Reserved for Revenue Stabilization Account	**$9.3**	-	**$9.3**	**$9.3**	-	**$9.3**	**-**	-	**-**
Total Equity	**$9.3**	$0.0	**$9.3**	**$(80.7)**	$0.0	**$(80.7)**	**$(139.3)**	$0.0	**$(139.3)**

[1] See "Litigation."

The information under the following headings supplements the information in the corresponding headings set forth in the Information Statement.

STATE DEMOGRAPHIC AND ECONOMIC DATA

Civilian Labor Force, Employment and Unemployment

Employment in New Hampshire grew faster than in the region from 1999 to 2009. The following table sets forth the level of employment in New Hampshire, the other New England states and the United States.

Employment in New Hampshire, New England States and the United States

	Employment (In Thousands)		Average Annual Growth
	1999	2009	1999-2009
New Hampshire	666	695	0.427%
Connecticut	1,695	1,734	0.228
Maine	641	647	0.093
Massachusetts	3,245	3,181	-0.199
Rhode Island	519	503	-0.313
Vermont	326	335	0.273
New England	7,093	7,096	0.004
United States	131,463	145,362	1.010

Source: U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Division.

Over the past ten years, New Hampshire's unemployment rate was lower than the rate for New England and the United States, and was often the lowest in the nation. Monthly unemployment data for January , 2010, the latest available, show that New Hampshire's unemployment rate was below both the regional and the national level. The table below sets forth information on the civilian labor force, employment and unemployment statistics since 1999.

Labor Force Trends
New Hampshire Labor Force
(In Thousands)

Year	Civilian Labor Force	Employed	Unemployed	Unemployment Rate: New Hampshire	Unemployment Rate: New England	Unemployment Rate: United States
1999	685	666	19	2.8	3.2	4.2
2000	694	676	19	2.7	2.8	4.0
2001	705	681	24	3.4	3.6	4.7
2002	712	680	32	4.5	4.8	5.8
2003	711	679	32	4.5	5.4	6.0
2004	716	688	28	3.9	4.9	5.5
2005	723	697	26	3.6	4.7	5.1
2006	733	707	26	3.5	4.5	4.6
2007	739	713	26	3.5	4.4	4.6
2008	743	714	29	3.9	5.4	5.8
2009	742	695	47	6.3	8.3	9.3
January, 2010[1]	743	686	57	7.7	10.0	10.6

Source: U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Division.
[1]Not seasonally adjusted; preliminary.

Composition of Employment

The service sector was the largest employment sector in New Hampshire in 2009, accounting for 42.6% of nonagricultural employment, as compared to 38.1% in 1999. This sector surpassed retail and wholesale trade as the primary economic activity of New Hampshire in 1991. This upward trend in service sector employment parallels the shift in the national economy, where services was the largest employment sector, accounting for 44.5% of employment in 2009, up from 40.4% in 1999.

The second largest employment sector in New Hampshire during 2009 was wholesale and retail trade, accounting for 19.2% of total employment as compared to 15.4% nationally. In 1999, wholesale and retail trade accounted for 19.3% of total employment in New Hampshire.

Manufacturing remains an important economic activity in New Hampshire although the percentage has dropped in recent years. Manufacturing accounted for 10.8% of nonagricultural employment in 2009, down from 16.7% in 1999. For the United States as a whole, manufacturing accounted for 9.1% of nonagricultural employment in 2009, versus 13.4% in 1999. The following table sets out the composition of nonagricultural employment in the State and the United States.

Composition of Nonagricultural Employment in
New Hampshire and the United States

	New Hampshire		United States	
	1999	2009	1999	2009
Manufacturing	16.7%	10.8%	13.4%	9.1%
Durable Goods	12.5	8.2	8.4	5.6
Nondurable Goods	4.2	2.36	5.0	3.5
Nonmanufacturing	83.3	89.2	86.6	90.9
Construction & Mining	4.1	3.8	5.5	5.1
Wholesale and Retail Trade	19.3	19.2	16.2	15.4
Service Industries	38.1	42.6	40.4	44.5
Government	13.5	15.5	15.7	17.2
Finance, Insurance & Real Estate	5.6	5.8	5.4	5.5
Transportation & Public Utilities	2.7	2.3	3.4	3.2

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Housing

According to the U.S. Census 2006-2008 American Community Survey 3-year estimates, housing units in the State numbered 593,630, of which 85.0% were occupied. The tenure of occupied housing units in the State was 72.9% owner occupied and 27.1% renter occupied. The median purchase price of all primary homes sold in 2008 was $250,000, a decrease of 7.4% from 2007, and an increase of 97% over 1998. The preliminary median price for primary homes sold between January and October of 2009 was $220,200, a decline of 12.0% from 2008.

The table below sets forth housing prices and rents in recent years.

Housing Statistics
Median Purchase Price and Median Gross Rent

	Owner-Occupied Non-Condominium Housing Unit Median Purchase Price	Percent Change	Renter-Occupied Housing Unit Median Gross Rent[1]	Percent Change
1998	$127,000	8.5%	$636	5.0%
1999	136,500	7.5	665	4.6
2000	152,500	11.7	697	4.8
2001	174,500	14.4	738	5.9
2002	200,880	15.1	810	9.8
2003	229,400	14.2	854	5.4
2004	252,660	10.1	896	4.9
2005	270,000	6.9	901	0.6
2006	265,000	(1.9)	928	3.0
2007	269,900	1.8	946	1.9
2008	250,000	(7.4)	969	2.4
2009	220,000[2]	(12.0)	969	0.0

Source: New Hampshire Housing Finance Authority.
[1] Includes utilities.
[2] Through October, 2009.

The New Hampshire Housing Finance Authority issued an updated report in March, 2010 with respect to foreclosure activity in the State that included the following:

> "The 352 foreclosure deeds recorded in January 2010 set a new record for foreclosures in that month and was second only to October of last year in the number of foreclosures recorded in any one month. This level of foreclosure activity may reflect the possible deferral by lenders of foreclosure proceedings during the holiday period, and it certainly offers evidence of the continued economic distress of many New Hampshire home owners."

Building Activity

The pattern of building activity in New Hampshire in recent years, as evidenced by the issuance of residential building permits, has generally paralleled that of the New England region. There was growth in the 1992 to 2002 period in New Hampshire, New England, and the nation, while in 2003 the State experienced a 7.0% decrease in the number of permits. The number of permits and dollar value peaked in 2004 and declined in each subsequent year through 2009. In 2009, building permits totaled 2,224, with a value of $410 million. This represents a decrease of 31.2% in the number of permits, and a decrease of 30.9% in dollar value, from 2008. Set out in the following table are the number and value of building permits issued for housing units in New Hampshire, New England and the United States.

Building Permits Issued
By Number of Units and Value
(Value in millions)

New Hampshire	1999	2005	2006	2007	2008	2009[1]
SingleFamily	5,696	6,432	4,826	3,772	2,333	1,663
Multi-Family	630	1,154	851	789	901	561
Total..................................	6,326	7,586	5,677	4,561	3,234	2,224
Value	$781	$1,352	$1,037	$856	$593	$410
NewEngland						
SingleFamily	40,666	41,812	33,204	26,079	15,870	12,541
Multi-Family	6,966	16,930	13,578	11,453	8,584	5,056
Total..................................	47,632	58,742	46,782	37,532	24,454	17,597
Value	$6,178	$9,791	$8,091	$7,119	$4,705	$3,247
UnitedStates						
SingleFamily	1,246,665	1,681,986	1,378,220	979,889	575,544	435,095
Multi-Family	416,868	473,330	460,683	418,526	329,805	137,137
Total..................................	1,663,533	2,155,316	1,838,903	1,398,415	905,349	572,232
Value	$181,246	$329,254	$291,314	$225,237	$141,623	$94,516

Source: U.S. Census Bureau.
[1]Preliminary.

STATE FINANCES

Proprietary (Enterprise) Funds

Unemployment Trust Fund. In accordance with the provisions of Section 1201 of the Social Security Act, the State has applied for and been approved for repayable advances from the Federal Unemployment Account to the State's Unemployment Trust Fund. These repayable advances are expected to be needed on an intermittent basis throughout calendar years 2010, 2011 and the first half of 2012. The advances are necessary in order to continue the payment of unemployment compensation to eligible individuals.

For calendar 2010, the advances are interest free. There is discussion on the national level of extending the interest free advances through calendar 2011 and possibly calendar 2012. At present, however, the State projects an interest payment of $1.7 million for amounts it expects to borrow in calendar 2011. If any interest is due, the State would be required to pay it from a source other than the State Unemployment Tax. In New Hampshire, the Administrative Contribution collected through RSA 282-A:87 (VI) is expected to be the source for repayment of any interest accrued.

Changes were made to New Hampshire's unemployment compensation law in calendar 2009 that will increase the amount of tax collected in calendar 2010 and future years. The State expects that through these law changes, the State will completely repay any advances by the middle of calendar 2012.

Revenue Stabilization Account

Chapter 143 of the Laws of 2009, the operating budget for fiscal years 2010-2011, assumed $69 million would be drawn from the Revenue Stabilization Account at June 30, 2009 leaving a balance of $20 million at June 30, 2009. The actual draw on the Revenue Stabilization Account at June 30, 2009 was $79.7 million leaving a balance of $9.3 million. See “RECENT DEVELOPMENTS – Fiscal Year 2009” above.

State Revenues

Interest and Dividends Tax. There are a number of bills pending before the Legislature that would repeal the interest and dividends extension passed pursuant to Chapter 144 of the Laws of 2009. Governor Lynch announced in March, 2010 that he would consider options to repeal the extension as part of a comprehensive plan to address state budget needs.

MEDICAID PROGRAM

In October 2009, the State received notice from CMS that they concurred with the auditors' findings. The notice indicates that CMS is disallowing $35,325,468 in federal funds for FFY 2004. The State, on behalf of its Department of Health and Human Services, filed a formal Notice of Appeal on December 18, 2009 with the United States Department of Health and Human Services, Departmental Appeals Board. The State submitted a request for discovery of documents on January 14, 2010. As a result of the likely timeline for federal response to the discovery request, the deadline for the submission of the State's opening brief and appeal file has been extended to May 17, 2010. The State has elected to retain the funds pending the appeal.

STATE INDEBTEDNESS

Recent Debt Issuances

The State issued its $50,000,000 General Obligation Capital Improvement Bonds, 2009 Series B and its $75,000,000 General Obligation Capital Improvement Bonds, 2009 Series C (Federally Taxable – Build America Bonds – Direct Payment) on December 22, 2009 for the purpose of financing various capital projects including repayment of $50 million of commercial paper previously issued in August, 2009. This commercial paper was repaid in full in January, 2010. In addition, the State issued a $2,405,000 General Obligation Capital Improvement Bond, 2010 Series A to the New Hampshire Municipal Bond Bank on January 19, 2010 for the purpose of financing various capital projects. On April 8, 2010, the State sold $153,345,000 of General Obligation Refunding Bonds to provide for the current and advance refunding of $153,390,000 of outstanding State general obligation bonds.

Temporary Loans

The State issued a $50 million general obligation interfund note to its Clean and Drinking Water State Revolving Fund (the "Fund") on January 19, 2010 and a $25 million general obligation interfund note to the Fund on February 10, 2010. The agreement between the State Treasurer and the Fund allows for up to $75 million in interfund notes to be issued. In addition, in order to maintain sufficient funds to meet the State's obligations, on March 10, 2010, the Governor and Executive Council authorized the Treasurer to issue up to $200 million of revenue anticipation notes (which amount includes the $75 million notes currently issued to the Fund) as permitted by R.S.A. 6:13, and up to $15 million of short term loans to be repaid from highway income or federal reimbursement for highway purposes as permitted by R.S.A. 6:13-b. There are currently no specific plans for issuing any of these obligations.

The State issued $50 million of commercial paper bond anticipation notes on March 1, 2010 with a maturity date of June 2, 2010 to fund fiscal year 2010 school building aid payments and various other capital projects. Such amount is expected to be paid with proceeds of general obligation bonds of the State to be issued later in calendar year 2010.

See "STATE FINANCES" – "Proprietary (Enterprise) Funds" – "*Unemployment Trust Fund*" for a discussion of repayable advances that the State has been approved for under Section 1201 of the Social Security Act. The State anticipates borrowing this money throughout calendar years 2010, 2011 and the first half of 2012.

Authorized But Unissued Debt

As of December 31, 2009, the State had statutorily authorized but unissued direct general obligation debt in the total principal amount of $275 million, under various laws. This amount includes $91.2 million in bond authorizations related to the school building aid program for fiscal year 2010 and 2011 as discussed under the heading "Capital Budget."

STATE RETIREMENT SYSTEM

Financing

A lawsuit has been filed by the City of Concord, NH, Belknap County and Mascenic Regional School District, with backing from approximately 294 other New Hampshire municipalities, counties, school districts and school administrative units, challenging the constitutionality of the reduction in the State's share of funding for local employer costs for teachers, firefighters and police officers in fiscal years 2010 and 2011. The lawsuit alleges that the reduction for those two fiscal years violates the State Constitution as an unfunded mandate imposed by State on the local employers. See "LITIGATION" below.

Implementation of GASB 43 – Changes to Postemployment Health Benefit Plan

The State Retirement System received an unqualified auditor's opinion on its financial statements for the fiscal year ended June 30, 2009. Such financial statements and the report of the State Retirement System's independent auditors with respect thereto can be found at http://nhrs.org/investments/reports.aspx.

Current Market Conditions

Investment results since June 30, 2009 have improved dramatically, and as a result of that improvement, net assets available for benefits has recovered to an approximate $5.0 billion level as of January 31, 2010. The System's marketable investments, approximately 93% of assets, returned 15.3% for the seven months ended January 31, 2010.

HEALTH CARE COVERAGE FOR RETIRED EMPLOYEES

The Commission on Retiree Health Care Benefits Funding issued its final report on December 22, 2009. The final report and committee material can be found at its web site at http://gencourt.state.nh.us/statstudcomm/committees/1927/.

STATE RETIREE HEALTH PLAN COMMISSION

On January 21, 2010 the Senate Executive Departments and Administration Committee sent this legislation to interim study. It is unlikely any further work will be done on this bill during the current legislative session.

LITIGATION

The following information supplements the matters indicated below since the date of the Information Statement:

Chase Home et al v. DCYF: A six day trial has recently been concluded and trial memos have been submitted to the Court.

Cassandra Hawkins v. Commissioner of The New Hampshire Department of Health and Human Services: The Department was unable to reach any further agreement with the Plaintiffs, and on January 21, 2010, they filed a renewed motion for show cause. It is not possible to predict the outcome of the motion or to estimate the potential fiscal impact of further litigation on this matter.

Timothy Hallam and Joseph Laramie v. Shawn Stone and Todd Connor: Oral argument in this case was held on January 13, 2010.

Georgia Tuttle, M.D., et al v. NH Medical Malpractice Joint Underwriting Association, et al, and *Georgia Tuttle, M.D., et al v. State (consolidated cases):* The Supreme Court issued a decision on January 28, 2010 in favor of the petitioners. The Court, by a 3-2 margin, concluded that Chapter 144:1 constitutes a retrospective law that results in impairment of contract rights in violation of the New Hampshire Constitution, and affirmed the trial court's decision. The State filed a motion to reconsider, which was denied by the Supreme Court. The matter is now concluded.

SEA v. State and Judicial Retirement System: A hearing was held on February 18, 2010 on the pending motions. Cross motions for summary judgment were subsequently filed and objections are now being filed. No specific hearings have been scheduled on the cross-motions.

Fidele Tremblay, Inc. and Francis Hammond v. NH Dept. of Transportation: Trial is currently scheduled for May 2010.

In *Kimberly J. Blain and Joe King's Shoe Shop, on behalf of themselves and all others similarly situated v. Catherine Provencher, Treasurer, State of New Hampshire*, filed in the Merrimack County Superior Court in February, 2010, plaintiffs seek to represent a class of people having property in New Hampshire that has been or will be escheated to the State. Plaintiffs allege that the State's method of giving notice under the abandoned property system violates their rights to due process under the State and Federal Constitutions and the takings and contracts clauses under the State and Federal Constitutions. Plaintiffs seek declaratory and injunctive relief, restitution and disgorgement in the form of an order requiring the State to refund property to Plaintiffs. Plaintiffs do not identify the value of the property in question in their complaint. The State's appearance is due in April, 2010.

City of Concord, Belknap County and Mascenic Regional School District v. State and State Retirement System: This lawsuit, which seeks to be certified as a class action, challenges the constitutionality of the reduction of the State's share of funding for local employers' cost for municipal, school, and county employees in fiscal years 2010 and 2011. The total reduction of the State's share over the biennium is estimated to be $27 million. Petitioners allege that this reduction in the State's share results in an unfunded mandate imposed on them. The State's appearance is due in April, 2010.

FINANCIAL STATEMENTS

Fiscal Year 2009. The State received an unqualified auditor's opinion on its financial statements for the fiscal year ended June 30, 2009. These statements were distributed on January 29, 2010 in compliance with an extension from legally mandated filing requirements, granted by the State's Legislative Fiscal Committee. The State's financial statements for the fiscal year ended June 30, 2009 and the report of the State's independent auditors with respect thereto have been filed with the Municipal Securities Rulemaking Board under Securities and Exchange Commission Rule 15c2-12. The audited financial statements can be viewed in their entirety at http://admin.state.nh.us/accounting/reports.asp#PAFR.

On March 12, 2010 the State received a management letter from KPMG detailing concerns identified during the fiscal year 2009 audit. The management letter identified as material weaknesses completeness of accrual compilation, Highway Fund financial reporting procedures, preparation of accounts receivable estimates, tracking of county billings and collections and procedures for compilation of Schedule of Expenditures of Federal Awards. It also noted three significant deficiencies in the area of financial reporting from the Community College System and the Unemployment Compensation Fund and cash & investment reconciliations. The State has begun taking steps to address these weaknesses and deficiencies including revising reporting procedures and identifying methods to improve communication and coordination among financial reporting personnel.

KPMG LLP, the State's independent auditor, has not been engaged to perform and has not performed, since the date of its report referenced herein, any procedures on the financial statements addressed in that report. KPMG LLP has also not performed any procedures relating to this Information Statement.

April 8, 2010

THE STATE OF NEW HAMPSHIRE

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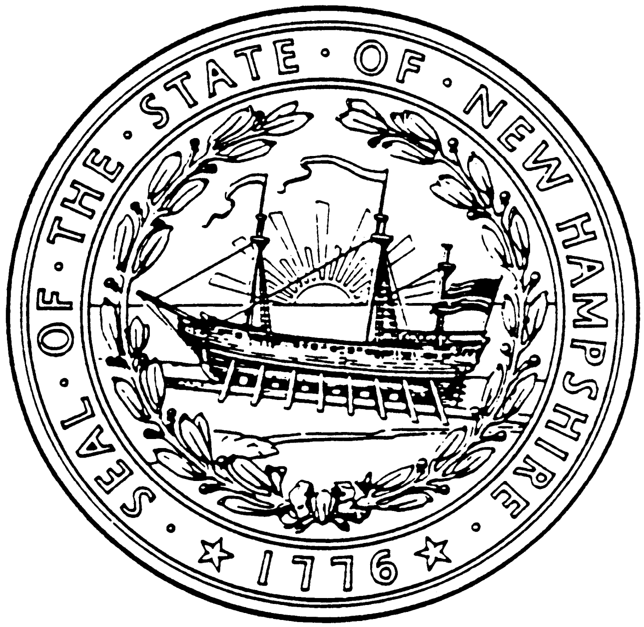
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