

STATE OF NEW HAMPSHIRE
INFORMATION STATEMENT SUPPLEMENT
DATED FEBRUARY 10, 2004

The following information is provided by the State to supplement the information contained in the State's most recent Information Statement dated December 9, 2003 (the "Information Statement"). The Information Statement is available on the New Hampshire Treasury Department website as Part II of the Official Statement entitled "State of New Hampshire General Obligation Capital Improvement Bonds 2003 Series A -12/9/2003" at <http://www.state.nh.us/treasury/Divisions/DM/DMdocs.htm>. The headings set forth below correspond to the same headings in the Information Statement. 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.

STATE FINANCES

Results of Operations

Fiscal Year 2003. The State's audited financial statements for Fiscal Year 2003 were publicly released on December 31, 2003. The audited balance in the Revenue Stabilization Account as of June 30, 2003 totaled \$17.3 million. This amount was \$2.2 million less than the projected balance of \$19.5 million originally reported in the Information Statement. The decrease can be attributed to year-end audit adjustments to net Medicaid Enhancement Revenues (decrease of \$2.6 million), GAAP and other adjustments (additional deduction of \$1.3 million) in connection with the State's Medicaid program, and Estate and Legacy Tax unrestricted revenues (increase of \$1.7 million). The following paragraphs and tables have been extracted from the Information Statement and the changes due to these adjustments are shown in bold type. Except for the changes shown, the Fiscal Year 2003 information set forth in this section of the Information Statement did not change as a result of the audit, and accordingly such information is deemed to be audited information. See also "Financial Statements" below.

Despite the recent economic recession, General and Education Fund unrestricted revenues for fiscal year 2003 showed modest increases over the prior year. Unrestricted revenues totaled **\$2,049.0** million, which was a **\$19.0** million (.9%) increase over plan and a 4.7% increase over prior year. The plan represents the legislative estimates contained in the original budget that was adopted in June 2001. Any significant shortfalls or gains over plan in the first year (fiscal year 2002) of the biennium were expected to reoccur in the second year (fiscal year 2003) of the biennium.

Medicaid enhancement revenues (MER) totaled **\$117.0** million, which was a **\$23.0** million increase over plan and **\$18.8** million over prior year. Included in the MER is \$15.3 million that was recorded under the proportionate share program (Proshare). This amount represents the resolution of prior year claims that were deferred by the Federal Government in fiscal year 2002. Due to the uncertainty with the delay associated with receiving federal approval for the Medicaid Plan amendment, the fiscal year 2003 Proshare billing estimated at \$6.5 million and restricted revenue of \$3.8 million has not been recorded as revenue. The other major MER activities include the 6% hospital tax, which totaled \$84.6 million and disproportionate share revenues associated with New Hampshire Hospital which totaled **\$14.0** million and other recoveries of \$3.1 million.

The combined General and Education Fund balances (including reserve accounts) at June 30, 2003 was a total of **\$17.3** million. Fund balances have steadily declined from a peak of \$188.3 million in fiscal year 1999. Prior to year-end transfers, the fiscal year 2003 operating deficit was a negative **\$33.9** million for the General and Education Funds combined. The original budget projected a fiscal year 2003 shortfall of \$17.2 million. The cumulative deficit of **\$71.8** million (fiscal year 2003 deficit of **\$33.9** million and a carry forward deficit of \$37.9 million) was eliminated by year-end transfers from the Health Care Fund (HCF) and Revenue Stabilization Account. In accordance with Chapter 319 of the Laws of 2003, the HCF balance of \$33.9 million was closed out to the

General Fund, and an additional **\$37.9** million was transferred from the Revenue Stabilization Account to eliminate the entire General Fund deficit. This transfer reduced the June 30, 2003 balance in the Revenue Stabilization Account from \$55.2 million to **\$17.3** million.

The following tables present a comparison of General Fund and Education Fund unrestricted revenues and General Fund and Education Fund net appropriations for fiscal years 1999 through 2003. The information for fiscal years 1999 through **2003** is derived from the State's audited financial statements.

**GENERAL FUND AND EDUCATION FUND UNRESTRICTED REVENUES
FISCAL YEARS 1999-2003
(GAAP Basis-In Millions)**

Revenue Category	FY99	FY 2000			FY 2001			FY 2002			FY 2003		
		General	Education	Total	General	Education	Total	General	Education	Total	General	Education	Total
Business Profits Tax	\$164.8	\$146.4	\$22.4	\$168.8	\$179.6	\$15.8	\$195.4	\$128.6	\$ 32.6	\$161.2	\$137.7	\$ 37.1	\$174.8
Business Enterprise Tax	<u>93.0</u>	<u>94.4</u>	<u>54.1</u>	<u>148.5</u>	<u>122.2</u>	<u>36.7</u>	<u>158.9</u>	<u>121.0</u>	<u>101.2</u>	<u>222.2</u>	<u>96.6</u>	<u>121.4</u>	<u>218.0</u>
Subtotal	257.8	240.8	76.5	317.3	301.8	52.5	354.3	249.6	133.8	383.4	234.3	158.5	392.8
Meals & Rooms Tax	137.2	149.8	6.3	156.1	157.2	6.8	164.0	164.0	6.6	170.6	168.7	6.7	175.4
Tobacco Tax	73.8	68.4	26.6	95.0	61.0	25.4	86.4	60.3	24.0	84.3	67.1	27.0	94.1
Liquor Sales and Distribution	77.4	86.0	-	86.0	89.3	-	89.3	96.2	-	96.2	99.0	-	99.0
Interest & Dividends Tax	63.3	65.5	-	65.5	76.7	-	76.7	70.3	-	70.3	55.1	-	55.1
Insurance Tax	62.9	59.3	-	59.3	66.5	-	66.5	76.1	-	76.1	82.2	-	82.2
Communications Tax	46.2	47.8	-	47.8	49.0	-	49.0	64.7	-	64.7	62.4	-	62.4
Real Estate Transfer Tax	52.9	56.8	28.2	85.0	59.5	29.7	89.2	66.4	33.1	99.5	78.8	39.4	118.2
Estate and Legacy Tax	54.7	56.4	-	56.4	59.3	-	59.3	57.0	-	57.0	59.1	-	59.1
Sweepstakes Transfers	-	-	61.5	61.5	-	59.4	59.4	-	66.1	66.1	-	66.6	66.6
Tobacco Settlement	-	0.4	53.8	54.2	-	38.7	38.7	5.7	40.0	45.7	5.9	40.0	45.9
Utility Property Tax	-	-	31.2	31.2	-	15.6	15.6	-	18.2	18.2	-	18.8	18.8
Property Tax Not Retained Locally	-	-	24.2	24.2	-	24.2	24.2	-	29.0	29.0	-	32.7	32.7
Property Tax Retained Locally	-	-	418.0	418.0	-	418.0	418.0	-	454.1	454.1	-	453.0	453.0
Flexible Grant ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	25.0	-	25.0
Other	<u>126.8</u>	<u>128.0</u>	<u>2.9</u>	<u>130.9</u>	<u>137.4</u>	<u>0.2</u>	<u>137.6</u>	<u>127.5</u>	<u>-</u>	<u>127.5</u>	<u>135.1</u>	<u>-</u>	<u>135.1</u>
Subtotal	953.0	959.2	729.2	1,688.4	1,057.7	670.5	1,728.2	1,037.8	804.9	1,842.7	1,072.7	842.7	1,915.4
Net Medicaid Enhancement Revenues	<u>70.4</u>	<u>74.2</u>	<u>-</u>	<u>74.2</u>	<u>85.2</u>	<u>-</u>	<u>85.2</u>	<u>98.2</u>	<u>-</u>	<u>98.2</u>	<u>117.0</u>	<u>-</u>	<u>117.0</u>
Subtotal	1,023.4	1,033.4	729.2	1,762.6	1,142.9	670.5	1,813.4	1,136.0	804.9	1,940.9	1,189.7	842.7	2,032.4
Other Medicaid Enhancement Revenues to Fund Net Appropriations	<u>15.9</u>	<u>12.9</u>	<u>-</u>	<u>12.9</u>	<u>13.0</u>	<u>-</u>	<u>13.0</u>	<u>16.3</u>	<u>-</u>	<u>16.3</u>	<u>16.6</u>	<u>-</u>	<u>16.6</u>
Total	<u>\$1,039.3</u>	<u>\$1,046.3</u>	<u>\$729.2</u>	<u>\$1,775.5</u>	<u>\$1,155.9</u>	<u>\$670.5</u>	<u>\$1,826.4</u>	<u>\$1,152.3</u>	<u>\$804.9</u>	<u>\$1,957.2</u>	<u>\$1,206.3</u>	<u>\$842.7</u>	<u>\$2,049.0</u>

⁽¹⁾ Represents the first payment of the federal flexible grant recognized as revenue in fiscal year 2003. See "STATE FINANCES – Results of Operations – Fiscal Year 2003 (Unaudited)."

The following table sets out the General Fund and Education Fund undesignated fund balances and the amounts reserved for the Revenue Stabilization Account and Health Care Fund for each of the fiscal years 1999 through 2003. The information for fiscal years 1999 through **2003** is derived from the State's audited financial statements.

GENERAL FUND AND EDUCATION FUND BALANCES
FISCAL YEARS 1999 – 2003
(GAAP Basis - In Millions)

	FY 99	FY 2000			FY 2001			FY 2002			FY 2003		
		General	Education	Total	General	Education	Total	General	Education	Total	General	Education	Total
Undesignated Fund Balance, July 1	\$41.4	-	\$124.8	\$124.8	\$4.0	\$66.3	\$70.3	\$0.0	\$0.0	\$0.0	\$ (37.9)	\$ 0.0	\$ (37.9)
Additions:													
Unrestricted Revenue	1,039.3	\$1,046.3	729.2	1,775.5	1,155.9	670.5	1,826.4	1,152.3	804.9	1,957.2	1,206.3	842.7	2,049.0
Transfers from General Fund	-	-	39.6	39.6	-	40.6	40.6	-	65.7	65.7	-	83.4	83.4
Total Additions	<u>1,039.3</u>	<u>1,046.3</u>	<u>768.8</u>	<u>1,815.1</u>	<u>1,155.9</u>	<u>711.1</u>	<u>1,867.0</u>	<u>1,152.3</u>	<u>870.6</u>	<u>2,022.9</u>	<u>1,206.3</u>	<u>926.1</u>	<u>2,132.4</u>
Deductions:													
Appropriations Net of Estimated Revenues	(999.4)	(1,094.0)	(827.3)	(1,921.3)	(1,116.0)	(825.5)	(1,941.5)	(1,228.5)	(887.6)	(2,116.1)	(1,264.7)	(904.5)	(2,169.2)
Less: Lapses	42.8	34.8	-	34.8	33.1	-	33.1	26.1	0.4	26.5	20.7	-	20.7
Total Net Appropriations	<u>(956.6)</u>	<u>(1,059.2)</u>	<u>(827.3)</u>	<u>(1,886.5)</u>	<u>(1,082.9)</u>	<u>(825.5)</u>	<u>(1,908.4)</u>	<u>(1,202.4)</u>	<u>(887.2)</u>	<u>(2,089.6)</u>	<u>(1,244.0)</u>	<u>(904.5)</u>	<u>(2,148.5)</u>
GAAP and Other Adjustments	(1.5)	11.0	-	11.0	7.1	-	7.1	16.9	-	16.9	(17.8)	-	(17.8)
HHS Revenue Enhancements	7.5	7.4	-	7.4	-	-	-	-	-	-	-	-	-
Net Other	6.0	18.4	-	18.4	7.1	-	7.1	16.9	-	16.9	(17.8)	-	(17.8)
Current Year Balance	<u>88.7</u>	<u>5.5</u>	<u>(58.5)</u>	<u>(53.0)</u>	<u>80.1</u>	<u>(114.4)</u>	<u>(34.3)</u>	<u>(33.2)</u>	<u>(16.6)</u>	<u>(49.8)</u>	<u>(55.5)</u>	<u>21.6</u>	<u>(33.9)</u>
Transfers (to)/from:													
Revenue Stabilization Account	-	-	-	-	(35.2)	-	(35.2)	-	-	-	37.9	-	37.9
Health Care Fund	(5.3)	(1.5)	-	(1.5)	(0.8)	-	0.8	11.9	-	11.9	33.9	-	33.9
Education Fund	<u>(124.8)</u>	-	-	-	<u>(48.1)</u>	<u>48.1</u>	-	<u>(16.6)</u>	<u>16.6</u>	-	<u>21.6</u>	<u>(21.6)</u>	-
Undesignated Fund Balance, June 30	<u>-</u>	<u>\$4.0</u>	<u>\$66.3</u>	<u>\$70.3</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$ (37.9)</u>	<u>\$0.0</u>	<u>\$ (37.9)</u>	<u>\$0.0</u>	<u>0.0</u>	<u>\$0.0</u>
Reserved for Revenue Stabilization Account	<u>\$20.0</u>	<u>\$20.0</u>	-	<u>\$20.0</u>	<u>\$55.2</u>	-	<u>\$55.2</u>	<u>\$55.2</u>	-	<u>\$55.2</u>	<u>\$17.3</u>	-	<u>\$17.3</u>
Reserved for Health Care Fund	<u>\$43.5</u>	<u>\$45.0</u>	-	<u>\$45.0</u>	<u>\$45.8</u>	-	<u>\$45.8</u>	<u>\$33.9</u>	-	<u>\$33.9</u>	-	-	-
Reserved for Local Education Betterment ⁽¹⁾	<u>\$124.8</u>	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	<u>\$188.3</u>	<u>\$69.0</u>	<u>\$66.3</u>	<u>\$135.3</u>	<u>\$101.0</u>	<u>\$0.0</u>	<u>\$101.0</u>	<u>\$51.2</u>	<u>\$0.0</u>	<u>\$51.2</u>	<u>\$17.3</u>	<u>\$0.0</u>	<u>\$17.3</u>

⁽¹⁾ As of July 1, 1999, amount reserved was transferred to then newly created Education Fund.

2004-2005 Biennium

The following paragraph and table have been extracted from the Information Statement. The changes resulting from the year-end adjustments detailed above under “Fiscal Year 2003” are shown in bold type.

In accordance with Chapter 241:1 of the Laws of 2003, the statewide property tax will be further reduced from \$5.80 per \$1,000 of total equalized value in fiscal year 2003 to \$4.92 per \$1,000 for fiscal year 2004 and \$3.24 per \$1,000 in fiscal year 2005. Medicaid enhancement revenue is projected to increase by **\$37.2** million to \$154.2 million in fiscal year 2004 and by an additional \$8.2 million to \$162.4 million in fiscal year 2005. A portion of this increase is attributed to reclassification of drug rebates and recoveries.

The following table presents a comparison of General Fund and Education Fund unrestricted revenues for fiscal years 2003 through 2005. The fiscal year 2003 information is **audited**. The fiscal year 2004 and fiscal year 2005 information is based on the current legislative estimate.

GENERAL FUND AND EDUCATION FUND UNRESTRICTED REVENUES
ACTUAL AND BUDGET
FISCAL YEARS 2003-2005
(GAAP Basis-In Millions)

Revenue Category	Actual Fiscal Year 2003			Legislative Estimate Fiscal Year 2004*			Legislative Estimate Fiscal Year 2005		
	General	Education	Total	General	Education	Total	General	Education	Total
Business Profits Tax	\$137.7	\$37.1	\$174.8	\$188.3	\$40.3	\$228.6	\$193.4	\$41.5	\$234.9
Business Enterprise Tax	<u>96.6</u>	<u>121.4</u>	<u>218.0</u>	<u>58.4</u>	<u>116.8</u>	<u>175.2</u>	<u>60.0</u>	<u>120.1</u>	<u>180.1</u>
Subtotal	234.3	158.5	392.8	246.7	157.1	403.8	253.4	161.6	415.0
Meals & Rooms Tax	168.7	6.7	175.4	176.7	6.8	183.5	184.3	6.9	191.2
Tobacco Tax	67.1	27.0	94.1	67.5	27.4	94.9	67.5	27.4	94.9
Liquor Sales and Distribution	99.0	-	99.0	108.1	-	108.1	114.5	-	114.5
Interest & Dividends Tax	55.1	-	55.1	61.0	-	61.0	64.0	-	64.0
Insurance Tax	82.2	-	82.2	82.9	-	82.9	85.6	-	85.6
Communications Tax	62.4	-	62.4	66.5	-	66.5	69.0	-	69.0
Real Estate Transfer Tax	78.8	39.4	118.2	80.3	40.2	120.5	82.3	41.2	123.5
Estate and Legacy Tax	59.1	-	59.1	19.4	-	19.4	11.4	-	11.4
Transfers from Sweepstakes	-	66.6	66.6	-	69.0	69.0	-	71.0	71.0
Tobacco Settlement	5.9	40.0	45.9	-	39.6	39.6	-	39.6	39.6
Utility Property Tax	-	18.8	18.8	-	19.0	19.0	-	20.5	20.5
Property Tax Not Retained Locally	-	32.7	32.7	-	29.9	29.9	-	-	-
Property Tax Retained Locally	-	453.0	453.0	-	443.4	443.4	-	363.4	363.4
Flexible Grant	25.0	-	25.0	25.0*	-	25.0*	-	-	-
Other	<u>135.1</u>	<u>-</u>	<u>135.1</u>	<u>138.8</u>	<u>-</u>	<u>138.8</u>	<u>142.6</u>	<u>-</u>	<u>142.6</u>
Subtotal	1,072.7	842.7	1,915.4	1,072.9	832.4	1,905.3	1,074.6	731.6	1,806.2
Net Medicaid Enhancement Revenues	<u>117.0</u>	<u>-</u>	<u>117.0</u>	<u>154.2</u>	<u>-</u>	<u>154.2</u>	<u>162.4</u>	<u>-</u>	<u>162.4</u>
Subtotal	1,189.7	842.7	2,032.4	1,227.1	832.4	2,059.5	1,237.0	731.6	1,968.6
Other Medicaid Enhancement Revenues to Fund Net									
Appropriations	<u>16.6</u>	<u>-</u>	<u>16.6</u>	<u>29.3</u>	<u>-</u>	<u>29.3</u>	<u>22.8</u>	<u>-</u>	<u>22.8</u>
Total	<u>\$1,206.3</u>	<u>\$842.7</u>	<u>\$2,049.0</u>	<u>\$1,256.4</u>	<u>\$832.4</u>	<u>\$2,088.8</u>	<u>\$1,259.8</u>	<u>\$731.6</u>	<u>\$1,991.4</u>

*The legislative estimate for fiscal year 2004 was reduced by \$25.0 million to reflect the first payment of the federal flexible grant that was recognized as revenue in fiscal year 2003. See "STATE FINANCES-Results of Operations-Fiscal Year 2003."

The following table compares on a cash basis, for the seven months ended January 31, 2004, General Fund and Education Fund unrestricted revenues for the Fiscal Years 2003 and 2004 and a comparison to the revenue estimates for Fiscal Year 2004. The revenue estimates reflected in the plan are based on those revenues defined in Chapter 318, Laws of 2003, the State budget law for Fiscal Year 2004. 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. All information in this table is preliminary and unaudited.

**GENERAL FUND AND EDUCATION FUND UNRESTRICTED REVENUES
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2004
(Cash Basis-In Millions)**

Revenue Category	FY03 Actual	FY04 Actual	FY04 Plan	FY04 vs Plan		FY04 vs FY03	
				Variance	% Change	Variance	% Change
Business Profits Tax	\$ 68.6	\$ 67.1	\$96.2	\$(29.1)	(30.2)%	\$(1.5)	(2.2)%
Business Enterprise Tax	<u>109.1</u>	<u>111.3</u>	<u>88.5</u>	<u>22.8</u>	<u>25.8</u>	<u>2.2</u>	<u>2.0</u>
Subtotal	177.7	178.4	184.7	(6.3)	(3.4)	0.7	0.4
Meals & Rooms Tax	111.8	116.2	115.9	0.3	0.2	4.4	3.9
Tobacco Tax	55.4	59.1	57.7	1.4	1.7	3.7	6.7
Liquor Sales and Distribution	62.8	67.2	67.0	0.2	0.3	4.4	7.0
Interest & Dividends Tax	26.2	21.6	26.6	(5.0)	(18.8)	(4.6)	(17.6)
Insurance Tax	36.9	39.0	37.9	1.1	2.6	2.1	5.7
Communications Tax	36.5	37.8	38.8	(1.0)	24.2	1.3	3.6
Real Estate Transfer Tax	78.9	86.4	77.0	9.4	2.7	7.5	9.5
Estate and Legacy Tax	33.0	12.3	14.4	(2.1)	(14.6)	(20.7)	(62.7)
Transfers from Sweepstakes	33.6	37.8	34.8	3.0	8.6	4.2	12.5
Tobacco Settlement	11.2	0.4	-	0.4	100.0	(10.8)	100.0
Utility Property Tax	9.4	11.8	9.6	2.2	22.3	2.4	25.5
Property Tax Not Retained Locally	0.2	-	-	-	-	(0.2)	(100.0)
Property Tax Retained Locally	-	-	-	-	-	-	-
Flexible Grant	-	25.0	50.0 ⁽¹⁾	(25.0)	(50.0) ⁽¹⁾	25.0	100.0
Other	<u>74.0</u>	<u>72.8</u>	<u>74.7</u>	<u>(1.9)</u>	<u>(2.5)</u>	<u>(1.2)</u>	<u>(1.6)</u>
Subtotal	747.6	765.8	789.1	(23.3)	(3.0)	18.2	2.4
Net Medicaid Enhancement Revenues	84.3	104.9	97.2	7.7	7.9	20.6	24.4
Recoveries	-	<u>7.5</u>	<u>7.4</u>	<u>0.1</u>	<u>1.4</u>	<u>7.5</u>	<u>100.0</u>
Subtotal	831.9	878.2	893.7	(15.5)	(1.7)	46.3	5.6
Other Medicaid Enhancement Revenues to Fund Net Appropriations	<u>6.7</u>	<u>8.2</u>	<u>8.2</u>	-	-	<u>1.5</u>	<u>22.4</u>
Total	<u>\$838.6</u>	<u>\$886.4</u>	<u>\$901.9</u>	<u>\$(15.5)</u>	<u>(1.7)%</u>	<u>\$47.8</u>	<u>5.7%</u>

(1) The plan assumes the full \$50 million federal flexible grant will be received in fiscal year 2004; however, \$25 million of this amount was recognized as fiscal year 2003 revenue as of June 30, 2003.

Revenues for the first seven months of Fiscal Year 2004 are \$15.5 million or 1.7% below the plan derived from the current state budget, Chapter 318, Laws of 2003. Shortfalls to date are occurring primarily in Business Taxes at \$6.3 million, Interest and Dividends Taxes at \$5.0 million, and Estate and Legacy Tax at \$2.1 million. These shortfalls are partially offset by strong performance from the Real Estate Transfer Tax which is \$9.4 million above plan year-to-date, and by increases over plan in Transfers from Sweepstakes of \$3.0 million, Utility Property Tax of \$2.2 million, and Insurance Tax of \$1.1 million.

The following table has been extracted from the Information Statement. The changes resulting from the year-end adjustments detailed above under "Fiscal Year 2003" are shown in bold type.

The following table sets out the General Fund and Education Fund undesignated fund balances and the amounts designated for the Revenue Stabilization Account and Health Care Fund for fiscal years 2003, 2004 and 2005. The fiscal year 2003 information is **audited**. The fiscal year 2004 and fiscal year 2005 information is based on the current legislative estimate.

GENERAL FUND AND EDUCATION FUND BALANCES
FISCAL YEARS 2003 – 2005
(GAAP Basis - In Millions)

	<u>FY 2003</u>			<u>FY 2004</u>			<u>FY 2005</u>		
	<u>Actual</u>			<u>Budget</u>			<u>Budget</u>		
	<u>General</u>	<u>Education</u>	<u>Total</u>	<u>General</u>	<u>Education</u>	<u>Total</u>	<u>General</u>	<u>Education</u>	<u>Total</u>
Undesignated Fund Balance, July 1	<u>\$(37.9)</u>	<u>\$0.0</u>	<u>\$(37.9)</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$20.6</u>	<u>\$0.0</u>	<u>\$20.6</u>
Additions:									
Unrestricted Revenue	<u>1,206.3</u>	<u>842.7</u>	<u>2,049.0</u>	<u>1,256.5</u>	<u>832.4</u>	<u>2,088.9</u>	<u>1,259.8</u>	<u>731.6</u>	<u>1,991.4</u>
Transfers from General Fund	<u>-</u>	<u>83.4</u>	<u>83.4</u>	<u>-</u>	<u>62.6</u>	<u>62.6</u>	<u>-</u>	<u>61.4</u>	<u>61.4</u>
Total Additions	<u>1,206.3</u>	<u>926.1</u>	<u>2,132.4</u>	<u>1,256.5</u>	<u>895.0</u>	<u>2,151.5</u>	<u>1,259.8</u>	<u>793.0</u>	<u>2,052.8</u>
Deductions:									
Appropriations Net of Estimated Revenues	<u>(1,264.7)</u>	<u>(904.5)</u>	<u>(2,169.2)</u>	<u>(1,314.3)</u>	<u>(895.0)</u>	<u>(2,209.3)</u>	<u>(1,316.2)</u>	<u>(793.0)</u>	<u>(2,109.2)</u>
Less: Lapses	<u>20.7</u>	<u>-</u>	<u>20.7</u>	<u>39.9</u>	<u>-</u>	<u>39.9</u>	<u>40.8</u>	<u>-</u>	<u>40.8</u>
Total Net Appropriations	<u>(1,244.0)</u>	<u>(904.5)</u>	<u>(2,148.5)</u>	<u>(1,274.4)</u>	<u>(895.0)</u>	<u>(2,169.4)</u>	<u>(1,275.4)</u>	<u>(793.0)</u>	<u>(2,068.4)</u>
GAAP and Other Adjustments	<u>(17.8)</u>	<u>-</u>	<u>(17.8)</u>	<u>(3.0)</u>	<u>-</u>	<u>(3.0)</u>	<u>(3.0)</u>	<u>-</u>	<u>(3.0)</u>
HHS Revenue Enhancements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Revenue Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>41.5</u>	<u>-</u>	<u>41.5</u>	<u>11.1</u>	<u>-</u>	<u>11.1</u>
Net Other	<u>(17.8)</u>	<u>-</u>	<u>(17.8)</u>	<u>38.5</u>	<u>-</u>	<u>38.5</u>	<u>8.1</u>	<u>-</u>	<u>8.1</u>
Current Year Balance	<u>(55.5)</u>	<u>21.6</u>	<u>(33.9)</u>	<u>20.6</u>	<u>0.0</u>	<u>20.6</u>	<u>(7.5)</u>	<u>(0.0)</u>	<u>(7.5)</u>
Transfers (to)/from:									
Revenue Stabilization Account	<u>37.9</u>	<u>-</u>	<u>37.9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Health Care Fund	<u>33.9</u>	<u>-</u>	<u>33.9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Education Fund	<u>21.6</u>	<u>(21.6)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Undesignated Fund Balance, June 30	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$20.6</u>	<u>\$0.0</u>	<u>\$20.6</u>	<u>\$13.1</u>	<u>\$0.0</u>	<u>\$13.1</u>
Reserved for Revenue Stabilization Account	<u>\$17.3</u>	<u>-</u>	<u>\$17.3</u>	<u>\$17.3</u>	<u>-</u>	<u>\$17.3</u>	<u>\$17.3</u>	<u>-</u>	<u>\$17.3</u>
Reserved for Health Care Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Equity	<u>\$17.3</u>	<u>\$0.0</u>	<u>\$17.3</u>	<u>\$37.9</u>	<u>\$0.0</u>	<u>\$37.9</u>	<u>\$30.4</u>	<u>\$0.0</u>	<u>\$30.4</u>

STATE INDEBTEDNESS

The State issued its \$80,000,000 General Obligation Capital Improvement Bonds, 2003 Series A, on December 18, 2003 for the purpose of financing various capital projects.

FINANCIAL STATEMENTS

Specific reference is made to the State's financial statements for the fiscal year ended June 30, 2003, presented in accordance with generally accepted accounting principles, and the report of the State's independent auditors with respect thereto, which have been filed with each Nationally Recognized Municipal Securities Information Repository currently recognized by the Securities and Exchange Commission. Copies of the fiscal year 2003 financial statements, as well as other periodic public reports relating to the financial position of the State, may also be obtained upon request from the office of the State Treasurer, Michael A. Ablowich, State House Annex, Concord, New Hampshire. The financial statements, the Comprehensive Annual Financial Report, and other periodic financial information are also available at the home page for the State's Bureau of Financial Reporting located at <http://state.nh.us/accounting/reports.asp>.

All fiscal year 2004 financial information presented in this Supplement is preliminary and unaudited and subject to change.

THE STATE OF NEW HAMPSHIRE