



September 25, 2009

To the Participants of the New Hampshire Public Deposit Investment Pool (PDIP).

Enclosed are the financial statements of PDIP for the fiscal year July 1, 2008 through June 30, 2009. We are happy to report we have received an unqualified opinion from PricewaterhouseCoopers LLP.

If you have any questions regarding the enclosed reports, please call either Thomas Stabile or myself at 1-800-395-5505.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard J. Walz", written in a cursive style.

Richard J. Walz
Managing Director

**New Hampshire
Public Deposit
Investment Pool
(PDIP)**

**Financial Statements
June 30, 2009**

PricewaterhouseCoopers LLP
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New York NY 10017
Telephone (646) 471 3000
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To the Participants of
New Hampshire Public
Deposit Investment Pool ("PDIP")

In our opinion, the accompanying statement of assets, liabilities and joint value, including the portfolio of investments, and the related statements of operations and of changes in joint value and the selected data per dollar of joint value and ratios present fairly, in all material respects, the financial position of New Hampshire Public Deposit Investment Pool ("PDIP") at June 30, 2009, the results of its operations for the year then ended, the changes in its joint value for each of the two years in the period then ended and the selected data per dollar of joint value and ratios for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of PDIP's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.


September 25, 2009

New Hampshire - PDIP
Statement of Assets, Liabilities and Joint Value
June 30, 2009

Assets

Cash	\$ 392,885
Investments at value (amortized cost \$236,251,289)	236,251,289
Interest receivable	94,721
Principal paydown receivable	<u>561</u>
Total assets	<u>\$ 236,739,456</u>

Liabilities and Joint Value

Contributions received in advance	\$ 254,422
Management fee payable	67,469
Distributions payable	<u>1,912</u>
Total liabilities	<u>323,803</u>

Joint Value	<u>236,415,653</u>
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Total liabilities and joint value	<u>\$ 236,739,456</u>
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The accompanying notes are an integral part of the financial statements.

New Hampshire - PDIP
Portfolio of Investments
June 30, 2009

<u>Principal Amount</u>		<u>Value</u>
U.S. Government Agencies - 13.9%		
	Small Business Administration Loan Pools	
\$ 56,284	1.25%, maturity date 05/25/18	\$ 56,168 (b)
	Federal Home Loan Mortgage Corporation	
3,000,000	0.29%, maturity date 09/21/09	2,999,551 (c)
3,000,000	0.63%, maturity date 01/08/10	3,000,000 (d)
2,500,000	1.25%, maturity date 03/18/10	2,500,000
	Federal Home Loan Bank	
2,500,000	0.50%, maturity date 05/13/10	2,500,000 (j)
2,500,000	0.50%, maturity date 05/20/10	2,500,000 (j)
2,500,000	0.54%, maturity date 11/22/10	2,500,000 (e)
2,500,000	0.94%, maturity date 03/11/10	2,500,000 (f)
	Federal National Mortgage Association	
3,000,000	1.03%, maturity date 07/13/10	2,998,583 (g)
2,500,000	5.13%, maturity date 09/29/09	2,528,329
	Federal National Mortgage Association Discount Notes	
2,500,000	0.31%, maturity date 08/06/09	2,499,224 (a)
2,750,000	0.83%, maturity date 11/16/09	2,741,446 (a)
	Federal Farm Credit Bank	
3,500,000	0.57%, maturity date 08/18/09	3,500,000 (h)
	Total U.S. Government Agencies (market value \$32,861,458)	32,823,301
Commercial Paper - 60.9%		
2,500,000	Alpine Securitization Corp., 0.36%, maturity date 09/08/09	2,498,323 (a)
5,000,000	Amsterdam Funding, 0.86%, maturity date 07/06/09	4,999,408 (a)
10,000,000	Apreco Inc., 0.25%, maturity date 07/01/09	10,000,000 (a)
3,000,000	Barton Capital Corp., 0.46%, maturity date 07/07/09	2,999,775 (a)
3,000,000	Corporate Receivables Corp., 0.66%, maturity date 07/10/09	2,999,512 (a)
2,500,000	Corporate Receivables Corp., 0.30%, maturity date 08/10/09	2,499,167 (a)
2,580,000	Corporate Receivables Corp., 0.36%, maturity date 08/27/09	2,578,570 (a)
2,500,000	Corporate Receivables Corp., 0.39%, maturity date 09/14/09	2,498,021 (a)
3,000,000	Ciesco LP, 0.91%, maturity date 07/01/09	3,000,000 (a)
2,250,000	Ciesco LP, 0.36%, maturity date 07/27/09	2,249,431 (a)
4,000,000	Ciesco LP, 0.36%, maturity date 08/19/09	3,998,094 (a)
2,500,000	Ciesco LP, 0.41%, maturity date 09/14/09	2,497,916 (a)

The accompanying notes are an integral part of the financial statements.

New Hampshire - PDIP
Portfolio of Investments (continued)
June 30, 2009

<u>Principal Amount</u>		<u>Value</u>
Commercial Paper - continued		
\$ 3,250,000	Enterprise Funding LLC, 0.76%, maturity date 07/22/09	\$ 3,248,576 (a)
4,237,000	Enterprise Funding LLC, 0.30%, maturity date 08/06/09	4,235,729 (a)
3,000,000	Enterprise Funding LLC, 0.38%, maturity date 09/08/09	2,997,872 (a)
6,021,000	Fairway Finance Corp., 0.36%, maturity date 09/15/09	6,016,551 (a)
3,000,000	Fairway Finance Corp., 0.38%, maturity date 09/17/09	2,997,595 (a)
4,000,000	ING US Funding LLC, 0.68%, maturity date 07/16/09	3,998,882 (a)
2,500,000	ING US Funding LLC, 0.43%, maturity date 07/20/09	2,499,446 (a)
2,500,000	ING US Funding LLC, 0.36%, maturity date 08/27/09	2,498,614 (a)
3,000,000	ING US Funding LLC, 0.38%, maturity date 09/02/09	2,998,057 (a)
4,000,000	Kitty Hawk Funding Corp., 0.36%, maturity date 09/02/09	3,997,549 (a)
3,000,000	National Australia Funding, 0.55%, maturity date 07/07/09	2,999,730 (a)
3,000,000	Ranger Funding Co. LLC, 0.71%, maturity date 07/24/09	2,998,657 (a)
2,500,000	Royal Bank of Scotland PLC, 0.58%, maturity date 07/14/09	2,499,485 (a)
1,500,000	Royal Bank of Scotland PLC, 1.21%, maturity date 07/15/09	1,499,304 (a)
5,000,000	Royal Bank of Scotland PLC, 0.84%, maturity date 08/19/09	4,994,380 (a)
2,500,000	Royal Bank of Scotland PLC, 0.74%, maturity date 08/20/09	2,497,463 (a)
2,000,000	Societe Generale North America, 0.34%, maturity date 08/21/09	1,999,065 (a)
3,000,000	Starbird Funding Corp., 0.25%, maturity date 07/08/09	2,999,854 (a)
4,000,000	Starbird Funding Corp., 0.30%, maturity date 07/17/09	3,999,467 (a)
2,500,000	Straight-A Funding LLC, 0.44%, maturity date 08/10/09	2,498,805 (a)
3,000,000	Surrey Funding Corp., 0.30%, maturity date 07/01/09	3,000,000 (a)
4,000,000	Ticonderoga Funding LLC, 0.71%, maturity date 07/10/09	3,999,299 (a)
4,000,000	Ticonderoga Funding LLC, 0.81%, maturity date 08/04/09	3,996,974 (a)
2,500,000	UBS Finance Delaware LLC, 1.22%, maturity date 07/09/09	2,499,331 (a)
4,000,000	UBS Finance Delaware LLC, 1.22%, maturity date 07/29/09	3,996,258 (a)
2,500,000	UBS Finance Delaware LLC, 0.70%, maturity date 08/28/09	2,497,219 (a)
3,000,000	UBS Americas Inc, 0.78%, maturity date 07/08/09	2,999,550 (a)
2,750,000	Windmill Funding, 0.32%, maturity date 07/15/09	2,749,658 (a)
3,000,000	Windmill Funding I Corp., 0.64%, maturity date 07/23/09	2,998,844 (a)
2,500,000	Windmill Funding I Corp., 0.33%, maturity date 07/28/09	2,499,400 (a)
2,500,000	Windmill Funding I Corp., 0.33%, maturity date 08/25/09	2,498,778 (a)
3,000,000	Yorktown Capital LLC, 0.66%, maturity date 07/09/09	2,999,566 (a)
Total Commercial Paper (market value \$144,020,088)		144,028,175

The accompanying notes are an integral part of the financial statements.

New Hampshire - PDIP
Portfolio of Investments (continued)
June 30, 2009

<u>Principal Amount</u>	<u>Value</u>
FDIC Guaranteed Securities - 14.4%	
\$ 30,000,000 Citizens Bank, NA NOW Account, 0.50%, due on demand	\$ 30,000,000
4,000,000 JP Morgan Chase & Co., 1.36%, maturity date 04/01/11	4,027,813 (i)
Total FDIC Guaranteed Securities (market value \$34,022,936)	34,027,813
Shares	
Money Market Mutual Funds - 10.7%	
11,507,000 Goldman Sachs Financial Square Funds - Government Fund - Inst. Class, 0.20%	11,507,000 (k)
13,865,000 JPMorgan U.S. Government Money Market Fund - Inst. Class, 0.20%	13,865,000 (k)
Total Money Market Funds (market value \$25,372,000)	25,372,000
Total Investments - 99.9% (amortized cost \$236,251,289)	236,251,289
Other assets in excess of liabilities - 0.1%	164,364
Joint Value - 100.0%	\$ 236,415,653

(a) Represents effective yield at June 30, 2009.

(b) Interest rate is reset quarterly to Prime rate minus 200 bps.

(c) Interest rate is reset monthly to 1-month LIBOR minus 2 bps.

(d) Interest rate is reset daily based on Fed Fund Effective plus 45 bps.

(e) Interest rate is reset quarterly based on 3-month LIBOR minus 18 bps.

(f) Interest rate is reset daily based on Fed Fund Effective plus 72 bps.

(g) Interest rate is reset quarterly based on 3-month LIBOR minus 11 bps.

(h) Interest rate is reset daily based on Fed Fund Effective plus 40 bps.

(i) Interest rate is reset quarterly based on 3-month LIBOR plus 13 bps.

(j) Step coupon bond.

(k) Interest rate as of June 30, 2009. Rate is declared daily.

bps - Basis points (100 basis points equals one percentage point).

The accompanying notes are an integral part of the financial statements.

New Hampshire - PDIP
Statement of Operations
For the Fiscal Year Ended June 30, 2009

Investment income:	
Interest income	\$ 4,256,813
Dividend income	<u>253,494</u>
Total investment income	<u>4,510,307</u>
Expenses:	
Management fee (net of fees waived of \$148,196)	<u>1,028,134</u>
Net investment income	3,482,173
Net realized gain on investments	<u>-</u>
Net increase in joint value from operations	<u>\$ 3,482,173</u>

The accompanying notes are an integral part of the financial statements.

New Hampshire - PDIP
Statement of Changes in Joint Value

	For the Fiscal Year Ended June 30,	
	2009	2008
Increase/(decrease) in joint value		
Operations:		
Net investment income	\$ 3,482,173	\$ 16,207,959
Net realized gain on investments	-	25,164
	<u>3,482,173</u>	<u>16,233,123</u>
Net increase in joint value from operations		
	<u>3,482,173</u>	<u>16,233,123</u>
Distributions to participants	<u>(3,482,173)</u>	<u>(16,233,123)</u>
Participants' transactions:		
Contributions	333,097,173	507,659,116
Reinvestment of distributions	3,502,895	16,301,262
Withdrawals	<u>(423,391,299)</u>	<u>(529,111,262)</u>
	<u>(86,791,231)</u>	<u>(5,150,884)</u>
Net decrease in joint value from participants' transactions		
	<u>(86,791,231)</u>	<u>(5,150,884)</u>
Total decrease in joint value	(86,791,231)	(5,150,884)
Joint value		
Beginning of year	<u>323,206,884</u>	<u>328,357,768</u>
End of year	<u>\$ 236,415,653</u>	<u>\$ 323,206,884</u>

The accompanying notes are an integral part of the financial statements.

New Hampshire - PDIP

Notes to Financial Statements

June 30, 2009

1. Description of PDIP

Pursuant to Sections 383:22-24 of the New Hampshire Revised Statutes Annotated, the State of New Hampshire Bank Commissioner (“the Commissioner”), with the assistance of an Advisory Committee, has established and operated the New Hampshire Public Deposit Investment Pool (“PDIP”). PDIP has been established, in accordance with the aforementioned statutory authority, for the purpose of investing funds of the State of New Hampshire, funds under custody of all governmental units, pooled risk management programs established pursuant to Section 5-B of the New Hampshire Revised Statutes Annotated, agencies, authorities, commissions, boards, political subdivisions and all other public units within, or instrumentalities of, the State of New Hampshire. PDIP commenced operations on April 14, 1993 under the Investment Management and Custodial Agreement (the “Agreement”) and may only invest in securities which are legally permissible under such Agreement.

2. Significant Accounting Policies

The following significant accounting policies are consistently followed by PDIP in the preparation of the financial statements. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Valuation of investments

PDIP adopted Statement of Financial Accounting Standards No. 157- Fair Value Measurements (“SFAS 157”) as of July 1, 2008. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 requires disclosure surrounding the various inputs that are used in determining the fair value of PDIP’s investments. These inputs are summarized into the three broad levels listed below. There was no impact to PDIP upon adoption of this standard.

The portfolio securities are valued at amortized cost, which approximates fair value. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter accreting any discount or amortizing any premium to maturity. The amortized cost method is consistent with the provisions of a 2a-7 like pool as defined by Statement No. 31 of the Governmental Accounting Standards Board. Investments in money market funds are valued at the current day's closing net asset value per share.

- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including PDIP’s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

New Hampshire - PDIP
Notes to Financial Statements (continued)
June 30, 2009

The following is a summary of the inputs used as of June 30, 2009 in valuing PDIP's assets carried at amortized cost which approximates fair value:

Description	Total	Valuation Inputs		
		Level 1	Level 2	Level 3
Investments at value	<u>\$236,251,289</u>	<u>\$55,372,000</u>	<u>\$180,879,289</u>	<u>\$0</u>

PDIP did not invest in any level 3 securities during the year ended June 30, 2009.

Accounting for investments

Security transactions are accounted for on the trade date. Realized gains and losses on sales of investments are calculated on an identified cost basis. Interest income, including any amortization of discount or premium, is recorded on an accrual basis.

Credit, market and interest rate risks

PDIP is exposed to various types of risks, including market risk, interest rate risk, and credit risk. Market risk is the risk in decline in value of the investments held by PDIP because of a number of reasons, including changes in prevailing market and interest rates, increases in defaults, increases in voluntary prepayments for investments subject to prepayment risk, and widening credit spreads. Interest rate risk is the risk associated with the effects of the fluctuations in the prevailing level of market interest rates. Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. PDIP attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques.

PDIP limits its investments in any issuer to the top two ratings issued by nationally recognized statistical organizations.

Concentration risk

PDIP's policy is to limit its exposure to any non-government issuer to 5%.

Income taxes

PDIP is not subject to federal, state or local income taxes, and accordingly no tax provision has been made. PDIP files tax returns annually. On December 30, 2008, the FASB issued FIN 48-3, Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises ("FSP 48-3"), which once again deferred the effective date of FIN 48. Under FSP 48-3, FIN 48 will become effective for PDIP at June 30, 2010. MBIA Municipal Investors Service Corporation ("MBIA-MISC") (the "Investment Adviser") has elected to take advantage of this deferral and will continue to accrue for liabilities relating to uncertain tax positions only when such liabilities are probable and reasonably estimable. Based on its continued analysis, the Investment Adviser has determined that the adoption of FIN 48 will not have a material impact to PDIP's financial statements. However, the Investment Adviser's conclusions regarding FIN 48 may be subject to review and adjustment at a later date based on on-going analyses of tax laws, regulations and interpretations thereof and other factors.

FIN 48 requires the Investment Adviser to determine whether a tax position of PDIP is more likely than not to be sustained upon examination by the applicable taxing authority, including

New Hampshire - PDIP

Notes to Financial Statements (continued)

June 30, 2009

resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement which could result in PDIP recording a tax liability that would reduce joint value. FIN 48 must be applied to all existing tax positions upon initial adoption and the cumulative effect, if any, is to be reported as an adjustment to the beginning balance of joint value upon adoption.

Distributions to participants

Net investment income, adjusted for net realized gains or losses, is declared and distributed to participants daily. Such amounts are automatically reinvested the following business day.

Joint value

The joint value of PDIP is its assets less its liabilities. The joint value represents the value of the beneficial interests of the participants in PDIP.

Repurchase agreements

PDIP enters into repurchase agreements whereby the seller of the security agrees to repurchase that security at a fixed price. Generally, the effect of such a transaction is that PDIP can invest its excess cash balances at competitive interest rates. PDIP places no limit on the amount that it may invest in any one repurchase agreement.

The custodian of PDIP, for the benefit of the participants, takes possession of the purchased securities in repurchase agreements as collateral. It is the policy of PDIP to value the underlying collateral daily on a mark-to-market basis to determine that the value, including accrued interest, is at least equal to 102% of the repurchase price as required by the Agreement. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by PDIP may be delayed or limited. There are no outstanding repurchase agreements at June 30, 2009.

Reverse Repurchase Agreements

PDIP may enter into reverse repurchase agreements with third party broker dealers. Interest on the value of any outstanding reverse repurchase agreements for the term of the agreement is based upon competitive market rates and is recorded as interest expense as reflected on the statement of operations. When PDIP enters into a reverse repurchase agreement, cash is received and a liability is recorded in the amount of the reverse repurchase agreement and PDIP delivers securities to the counterparty having a value not less than the repurchase price, including accrued interest, of the reverse repurchase agreement. PDIP is subject to counterparty credit risk to the extent the market value of the securities delivered exceeds the reverse repurchase agreement liability. There are no outstanding reverse repurchase agreements at June 30, 2009.

3. Management

PDIP has an agreement with MBIA-MISC to act as investment adviser and administrator. As investment adviser, subject to the supervision of the participants, MBIA-MISC advises on permitted investments, executes securities transactions, reviews the permitted investments and the investment guidelines, provides advice to the participants on matters related to investments as may be requested by such participants, and prepares such information as may be required in the

New Hampshire - PDIP
Notes to Financial Statements (continued)
June 30, 2009

implementation of the valuation procedures and the computation of the joint value and the participants' balances in PDIP, and prepares records and reports required by the Agreement or applicable laws. As administrator, subject to the supervision of the participants, MBIA-MISC provides administrative services including, but not limited to, accounting and related services, joint value calculation and participant account reporting.

MBIA-MISC is entitled to a fee payable monthly at an annual rate of 0.40% of the average daily joint value. Fees may be waived at any time at the sole discretion of the program administrator. For the year ended June 30, 2009 MBIA-MISC was entitled to fees equal to \$1,176,330 and waived fees totaling \$148,196. All other expenses related to the operations of PDIP, other than interest on reverse repurchase agreements, are paid by MBIA-MISC.

MBIA-MISC employs MBIA Capital Management Corporation, an affiliate of MBIA-MISC, as the subadviser. All subadvisory fees are paid by MBIA-MISC.

4. Credit Facility

MBIA, Inc., the parent company of MBIA-MISC has provided to MBIA-MISC a credit facility letter for the benefit of PDIP. The credit facility provides funds as are required to cover any and all losses incurred by PDIP which result from liquidation of funds on deposit by participants. The credit facility is in effect so long as MBIA-MISC is the program administrator. Fees associated with the credit facility are borne by MBIA-MISC. For the fiscal year ended June 30, 2009, no amounts were drawn on the credit facility.

5. Contingencies and Commitments

In the course of business, PDIP enters into contracts that contain representations and warranties and which provide general indemnifications. PDIP's exposure, if any, under these arrangements is unknown, as this would involve future claims that may be made against PDIP that have not yet occurred. To date, no claims have been brought against PDIP for any of these provisions. Based on experience, PDIP expects the risk of liability to be remote.

6. Subsequent events

Management has evaluated all subsequent transactions and events after the balance sheet date through September 25, 2009, the date on which these financial statements were issued, and except as already included in the notes to these financial statements, has determined that no additional items require disclosure.

New Hampshire - PDIP

Selected Data per Dollar of Joint Value and Ratios

Selected data per dollar of joint value and ratios for the years presented are as follows:

Data per dollar of joint value (1):

	For the Fiscal Year Ended				
	June 30,				
	2009	2008	2007	2006	2005
Net investment income and net realized gain on investments (3)	<u>\$ 0.011</u>	<u>\$ 0.040</u>	<u>\$ 0.050</u>	<u>\$ 0.039</u>	<u>\$ 0.017</u>
Distributions to participants	<u>\$ (0.011)</u>	<u>\$ (0.040)</u>	<u>\$ (0.050)</u>	<u>\$ (0.039)</u>	<u>\$ (0.017)</u>
Total Return:	1.09%	4.11%	4.96%	3.86%	1.75%
Ratios/Supplemental data:					
Joint value, end of period (000's)	\$ 236,416	\$ 323,207	\$ 328,358	\$ 278,194	\$ 243,431
Ratios to average joint value:					
Net investment income	1.18%	4.07%	4.96%	3.87%	1.70%
Management fee expense (2)	0.35%	0.35%	0.35%	0.35%	0.38%

(1) Calculated based upon average joint value during the period.

(2) If not for the voluntary waiver of management fees, the management fee expense ratio would have been 0.40% for each period presented.

(3) Includes realized gains per share amounting to less than \$0.001, if applicable.