

Monica I. Mezzapelle
STATE TREASURER



3B

CSG1

**THE STATE OF NEW HAMPSHIRE
STATE TREASURY**

25 CAPITOL STREET, ROOM 121
CONCORD, N.H. 03301
603-271-2621

FAX 603-271-3922

E-mail: Monica.Mezzapelle@treasury.nh.gov
TDD Access: Relay NH 1-800-735-2964

September 15, 2025

Her Excellency, Kelly A. Ayotte
and Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

The State Treasury requests to place this item on the Consent Calendar. Pursuant to RSA 6:43 and RSA 11:5-b, it is hereby requested that you accept the attached Annual Report of the New Hampshire State Treasury for the Fiscal Year 2025.

EXPLANATION

I am pleased to present the 2025 Treasury Annual Report, summarizing the activities and accomplishments of the New Hampshire State Treasury for the prior fiscal year as well as our initiatives and objectives for the current fiscal year. The mission of the New Hampshire State Treasury is to deliver professional financial management services to state government, the legislature, and New Hampshire citizens.

Sincerely,

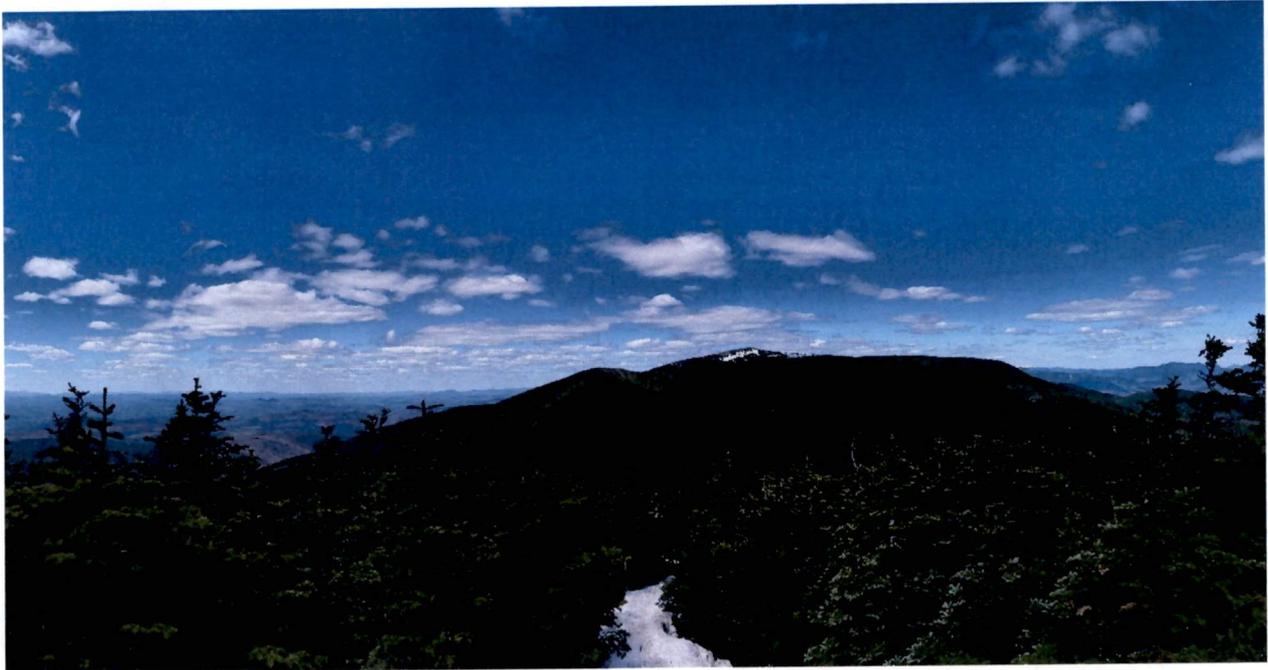
/s/Monica I. Mezzapelle
State Treasurer

Attachment: The State of New Hampshire Annual Report of the State Treasury, as of and for the Fiscal Year ended June 30, 2025

The State of New Hampshire

Annual Report of the State Treasury

**As of and for the
FISCAL YEAR ENDED JUNE 30, 2025**



Mount Moosilauke Ridge. Photo courtesy of Haley Poirier.

TABLE OF CONTENTS

Cover Letter	1
New Hampshire State Officials	2
Overview of the Treasury	3
Cash Management	5
Trust and Custodial Accounts	8
Debt Management	9
State Guaranteed Debt	10
Abandoned Property	12
College Savings Plans	16
Governor’s Scholarship Program	18
The NH ABLE Plan Savings Program	19
Seabrook Nuclear Decommissioning Trust	20
NH Public Deposit Investment Pool	21
Component Unit Reports	21
Treasury Accomplishments and Initiatives	22
Exhibit 1 - Trust and Custodial Accounts	26

Monica I. Mezzapelle
STATE TREASURER



THE STATE OF NEW HAMPSHIRE
STATE TREASURY
25 CAPITOL STREET, ROOM 121
CONCORD, NH 03301

September 15, 2025

Dear citizens of the State of New Hampshire, Her Excellency the Governor, and Honorable Members of the Executive Council and General Court:

Pursuant to RSA 6:17, RSA 6:43, RSA 11:5-b, and RSA 20:7, I am pleased to present the Annual Report of the State Treasury, as of and for the fiscal year ended June 30, 2025. This year has been marked by continuous progress, building on the successes of previous years.

The Office of Investment and Debt Management once again was able to credit a record amount of investment income to the general fund and other restricted funds. Over \$133 million in net interest income was deposited in the general fund and other funds entitled to receive interest. It also issued \$60 million in general obligation bonds to fund a wide range of capital projects and issued \$51.1 million in general obligation refunding bonds to refinance existing debt, generating net present value savings of \$2.1 million.

In fiscal year 2025, the Abandoned Property Division returned \$8.8 million to approximately 11,500 individuals and other entities. The College Tuition Savings Plan Program increased its assets under management by \$4.1 billion, reaching a total of \$30.8 billion, and approximately 1.1 million participant accounts. The NH ABLE Plan increased its assets under management by \$1.6 million to a total of \$2.5 million, and 288 active participant accounts. Net assets of the NH Public Deposit Investment Pool for the most part remained flat, approximately \$560 million, with a total of 1,966 participant accounts, and 245 participants.

Please note that all of the information contained in this report is preliminary, unaudited, and subject to change pending completion of the State's Annual Comprehensive Financial Report.

The staff of the Treasury and I look forward to the opportunities of the next fiscal year as we continually strive to improve and deliver the wide range of financial management services we provide to the residents of New Hampshire and to all branches of State government.

Respectfully submitted,

/s/ Monica I. Mezzapelle
State Treasurer



**STATE OF NEW HAMPSHIRE
SELECTED STATE OFFICIALS**

GOVERNOR

Kelly A. Ayotte

EXECUTIVE COUNCIL

Joseph D. Kenney, District 1
Karen Liot Hill, District 2
Janet Stevens, District 3
John Stephen, District 4
David K. Wheeler, District 5

SECRETARY OF STATE

David M. Scanlan

STATE TREASURER

Monica I. Mezzapelle

ATTORNEY GENERAL

John M. Formella

COMMISSIONER OF ADMINISTRATIVE SERVICES

Charles M. Arlinghaus

OVERVIEW OF THE TREASURY

Part 2, Article 67 of the New Hampshire Constitution establishes the position of the Treasurer of the state of New Hampshire. In accordance with the Constitution, the State Treasurer is elected by a joint session of the Senate and the House of Representatives (the General Court). This election takes place on the first Wednesday of December following the biennial election when the newly elected General Court meets for organizational purposes. In colonial periods, the Treasurer was appointed by the chief executive and frequently the same person was both Secretary of the province and Treasurer. Today, Monica Mezzapelle is serving her third two-year term as the New Hampshire Treasurer.



On February 25, 2020, prompted by the resignation of Treasurer William Dwyer and pursuant to RSA 6:20, Governor Christopher Sununu nominated Monica Mezzapelle to the position of Commissioner of the Treasury. The Executive Council confirmed the nomination on March 25, 2020 and Ms. Mezzapelle was sworn in as Commissioner of the Treasury on March 26, 2020. In accordance with the New Hampshire Constitution, Treasurer Mezzapelle was first elected by the members of the Legislature on December 2, 2020 and most recently reelected on December 4, 2024, with her current term expiring on January 6, 2027.

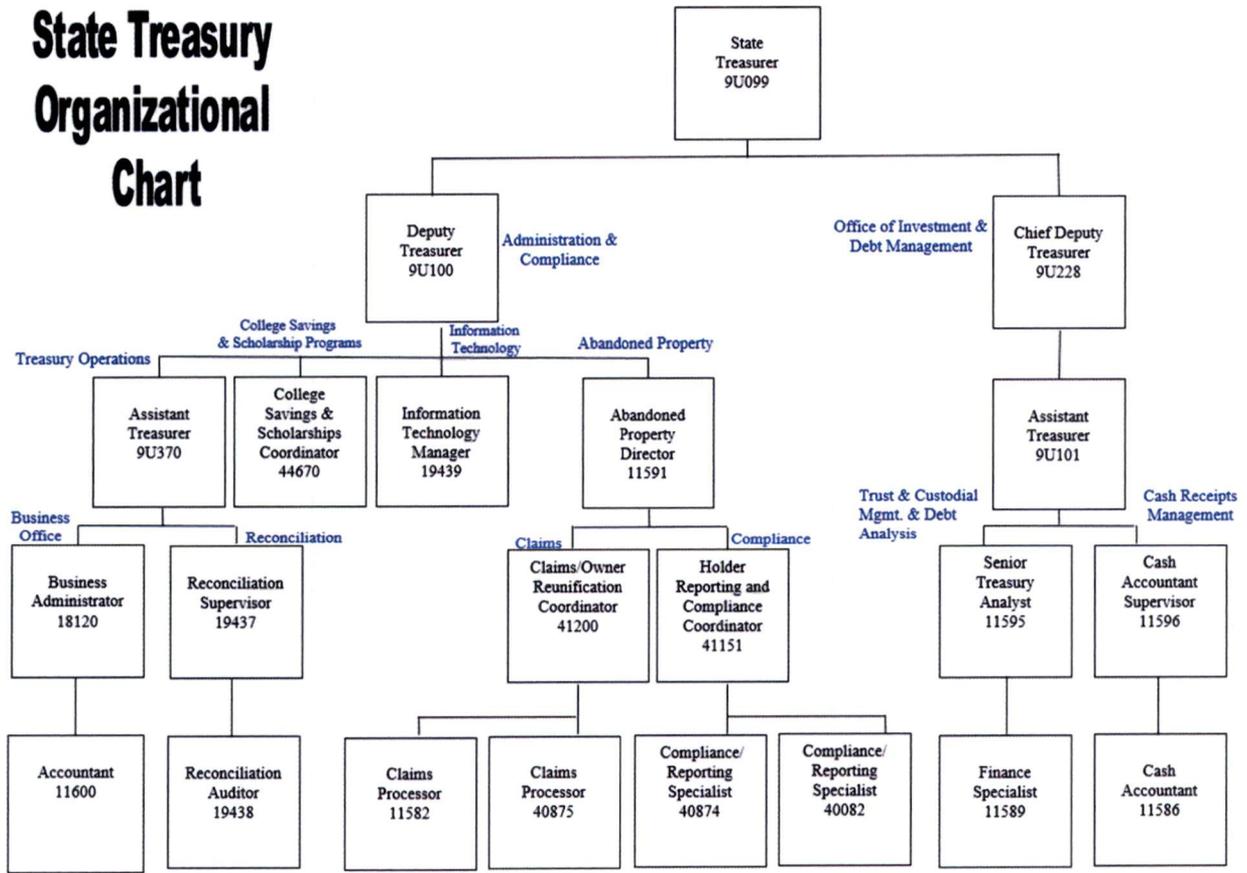
In addition to the core Treasury responsibilities of managing the State's cash, investments, and debt management functions, the State Treasury oversees the Unclaimed Property program, the College Tuition Savings Plan, the Public Deposit Investment Pool, and shares the administration of The NH ABLE Plan with the Governor's Commission on Disability.

The State Treasurer is also an *ex-officio* member of several boards and commissions, including, but not limited to, the New Hampshire Retirement System Board of Trustees, New Hampshire Municipal Bond Bank Board of Directors, New Hampshire Business Finance Authority Board of Directors, Nuclear Decommissioning Financing Committee, and others.

The State Treasury will optimize the use of state financial assets and financing options while protecting both through the deployment of secure technology, cost-effective and efficient banking and investment practices, a dedicated and highly-qualified staff, and a commitment to the prudent management of public funds.

The authorized staffing of the State Treasury for fiscal year 2025 was 22 positions, 5 unclassified and 17 classified. As of the close of fiscal year 2025, there was one vacant position. The organizational chart on the following page delineates the authorized positions for each functional area in effect as of June 30, 2025.

State Treasury Organizational Chart



As of June 30, 2025

CASH MANAGEMENT

The State Treasury is responsible for a wide range of cash management activities pursuant to its role as custodian of public funds. It is the Treasury's duty to maintain the appropriate amount of cash when and where needed in order to finance the State's operating and capital budgets. This responsibility is met in several ways, including cash flow forecasting, collecting and concentrating funds, administering disbursements, and investing available daily cash balances.

In fiscal year 2025, the Treasury administered over \$8.9 billion in receipts and \$9.4 billion in disbursements. A summary of receipts and disbursements for the previous three fiscal years follows:

COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS (Unaudited)

	As of and for the Year Ended June 30		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
BEGINNING BALANCE	3,620,592,654	3,613,845,737	3,466,807,575
TOTAL RECEIPTS	8,943,452,213	9,013,921,989	9,134,426,020
TOTAL DISBURSEMENTS	(9,452,875,107)	(9,007,175,072)	(8,987,387,858)
ENDING BALANCE	<u>\$3,111,169,760</u>	<u>\$3,620,592,654</u>	<u>\$3,613,845,737</u>

Federal COVID-19 Relief Funds

The State received substantial federal relief money and assistance to offset the effects of the pandemic. Funding was provided under the Coronavirus Aid, Relief, and Economic Security Act, the American Rescue Plan Act of 2021 ("ARPA"), the Federal Emergency Management Agency, and other federal funding programs. The total amount available to the State was approximately \$3.6 billion.

In fiscal year 2025, the State completed obligation of ARPA State and Local Fiscal Recovery Funds ("SLFR"), which were required to be fully obligated by December 31, 2024. As of June 30, 2025, the State had approximately \$315 million of unspent SLFR funds.

Analysis of Cash Balances, Financial Products, and Processes

The State Treasury analyzes its relationships with banking vendors and the impact they have on statewide cash operations. This analysis is conducted in several ways and accounts for the deployment of balances held, institutional banking products utilized, and processes followed.

On a daily basis, Treasury performs an analysis of operating cash balances held. The result of this analysis is the administration of balances held in a manner that complies with Treasury's Cash and Investment Guidelines for Operating Funds. While ensuring safety and liquidity, balances are strategically positioned to optimize the rate of return.

On a monthly basis, Treasury analyzes bank service statements to identify overall price and volume changes. This effort has identified opportunities to improve efficiency or the presence of any inconsistencies in pricing. Opportunities to improve efficiency are often discussed during regularly scheduled meetings between the Treasury and its banking vendors. Inconsistencies in pricing or volume are brought to the attention of each bank's client relationship manager as they are identified. Fraud prevention services and products are also evaluated and discussed during those meetings.

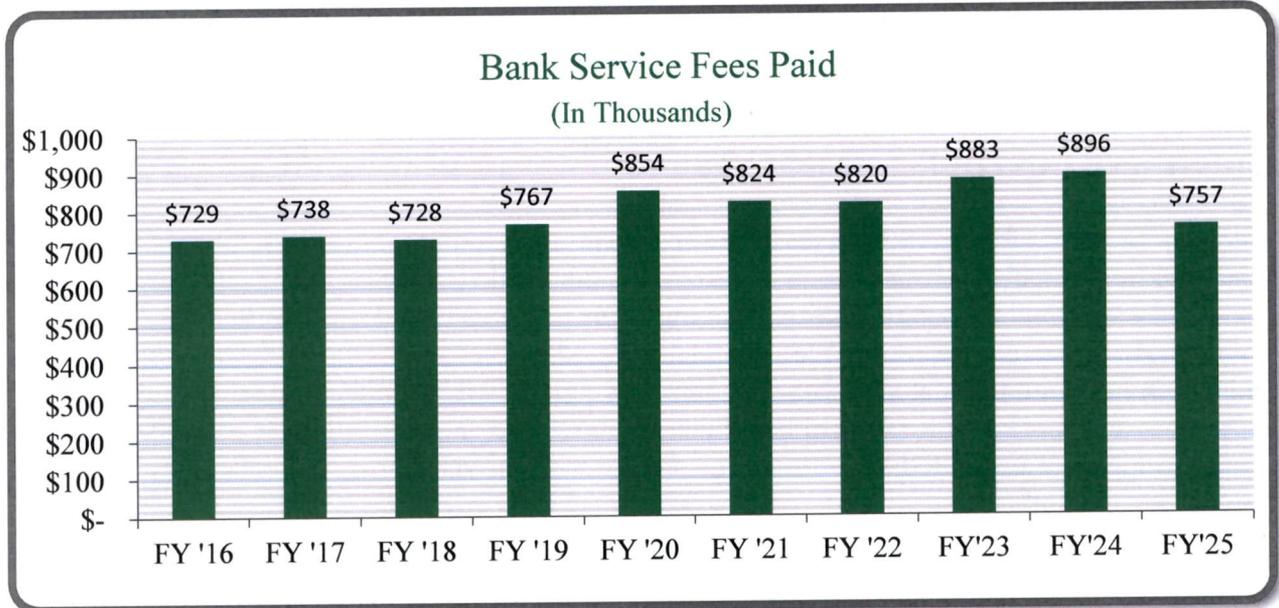
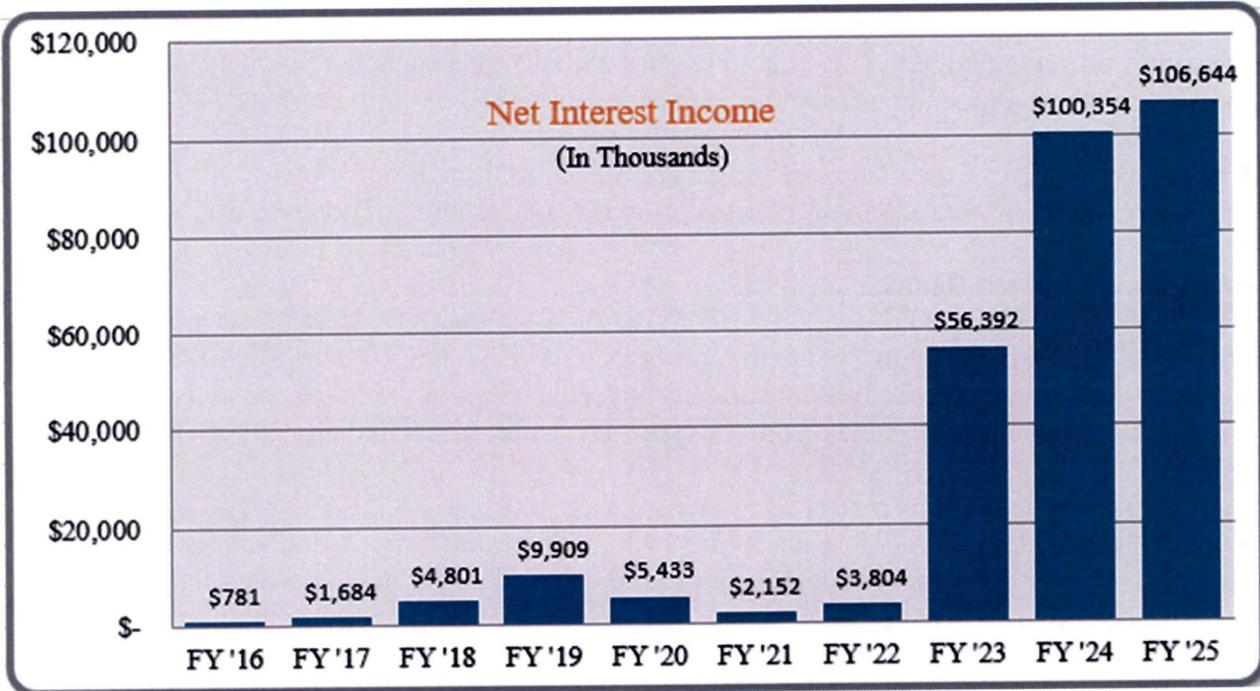
The analysis of bank products utilized by individual agencies is performed on a rolling basis and results from either Treasury's outreach to agencies or in response to an agency's request. This analysis consistently integrates the specific bank, accounts, products, and processes utilized by the agency or entity in conjunction with the overall banking relationship the Treasury maintains with that financial institution.

Treasury collaborates with its banking vendors not only to enhance operational efficiencies generated by the use of banking products, but also to ensure specific business continuity processes will enable efficient banking operations in the event of a disruption in normal service delivery.

Triggered by the COVID-19 pandemic, the State experienced significant changes in its cash levels and banking needs. The State went from an average cash position of approximately \$580 million in fiscal year 2020 to an average of over \$2 billion at the end of fiscal year 2025. Given the increase in cash levels and changes in the interest rate environment, the State Treasury recognized the need to formally partner with an external investment firm for the first time.

In fiscal year 2023, following a rigorous request for proposals process, the State Treasury entered into a contract with PFM Asset Management, LLC ("PFMAM") for investment management and consulting services. PFMAM currently serves as the State's investment consultant and advisor assisting in the oversight and management of the State's operating and other restricted funds. Since the establishment of this partnership, short and intermediate investment strategies have been developed, portfolio structures have been updated, and clear investment policies have been established to meet objectives.

In fiscal year 2025, \$106.6 million in net interest income was credited to the General Fund. Net interest earned on all funds totaled \$133.2 million. This amount is net of the cost of financial services provided by advisors and banking vendors, which totaled \$757,602 in fiscal year 2025 compared to \$896,000 in fiscal year 2024. The decline in banking costs was primarily due to a change in the methodology used by one of our financial partners, ultimately benefiting the State. This year's outcome is in line with our strategic approach to ensure the objectives of safety, liquidity, and an optimal return on our investments are achieved while incurring reasonable costs and fees associated with banking and investment services.



Community Banks Program

The Community Banks Program was launched in April 2020 in response to the financial and liquidity challenges that emerged at the start of the COVID-19 pandemic. The State Treasurer

informed all state-chartered banks of the State's interest in depositing public funds with their institutions. The primary goal was to ensure ample lending capacity to support local businesses during this difficult period. The State Treasury initially placed \$50 million in collateralized deposits and has continued to collaborate with banks interested in more deposits.

In fiscal year 2025, State Treasury reiterated its commitment to support New Hampshire community banks and by the end of the fiscal year, the total amount of deposits was \$153 million.

Out-of-State Chartered Banks

In fiscal year 2022, pursuant to Chapter 65, Laws of 2021 (RSA 6:8, I-a), the State Treasury began receiving legal opinions from banks chartered under the laws of another state and interested in accepting deposits of public funds from the State Treasurer, municipal and county treasurers, or trustees.

RSA 6:8, I-a, (d) states that before accepting such deposits, the out-of-state bank is to furnish to the State Treasurer an opinion of legal counsel indicating that the state in which the out-of-state bank is chartered must permit a New Hampshire-chartered bank to accept public funds in deposit in that state in substantially the same manner and subject to substantially the same terms and conditions as is permitted for banks chartered in that state. The State Treasurer is required to confirm receipt of the opinion in writing within 60 days and shall make the opinion publicly available on the State Treasury's website: <https://www.nh.gov/treasury/cash-investment-management/index.htm>.

In fiscal year 2025, the State Treasury received two legal opinions from banks chartered under the laws of another state. A total of 12 out-of-state banks have been authorized to date.

TRUST AND CUSTODIAL ACCOUNTS

Pursuant to RSA 11:1, the State Treasurer serves as the custodian of "[a]ll trust funds left to and accepted by the state...". As of June 30, 2025, the fair market value of the 39 trust and custodial funds was approximately \$76 million, ranging from just over \$5,600 to just under \$22 million. The investment objectives range from short-term liquidity to growth. During fiscal year 2025, two existing funds were liquidated and one account was added. All accounts originated from a variety of sources and serve a wide range of beneficiaries and purposes. A list of these trust and custodial funds, along with unaudited activity and balances for fiscal year 2025, is included at the end of this report as Exhibit 1.

In addition, the State Treasury invests money in the Drinking Water and Groundwater ("DWGW") Trust Fund in accordance with RSA 6-D. As of June 30, 2025, the DWGW Trust Fund balance was \$171 million. DWGW Trust Fund activity is reported in the General Fund.

DEBT MANAGEMENT

General Obligation Bonds

General obligation debt is paid from the State's taxes and other revenues. As of June 30, 2025, total outstanding general obligation debt stood at \$631 million (unaudited). Approximately 72% of this debt will be repaid from unrestricted general fund revenue, while the remainder will be paid from a variety of dedicated user assessments, fines, and other revenues. During fiscal year 2025, the Treasury transacted a new money issue as well as a refunding issue.

On April 22, 2025, the Treasury issued \$60,000,000 in general obligation capital improvement bonds (the "Series A" Bonds), as well as \$51,135,000 in general obligation refunding bonds (the "Series B" Bonds) through competitive sales. The State used the Series A new money proceeds (in addition to a bond premium of nearly \$4 million) to fund a total of \$64 million in a variety of capital projects. The Series A bonds generated an overall true interest cost of 4.11%, with annual maturities ranging from 2026 to 2045 and an average coupon of 5%. The Series B refunding bonds were issued to refinance \$52,415,000 of previously issued and outstanding general obligation bonds. This refunding transaction generated an overall true interest cost of 3.51%, with net present value savings of \$2,134,032 or \$2,802,206 on a nominal (cash) basis. These bonds have annual maturities ranging from 2026 to 2035, and an average coupon of 5%.

State Credit Rating

The State Treasurer acts as the State's official representative on all credit-related issues and serves as the primary liaison with credit rating agencies. Before bonds are issued, they are assigned credit ratings, which directly influence the interest rates they will carry.

In 2024, S&P Global Ratings upgraded the credit rating of the State to AA+, stable outlook, from AA, positive outlook. The change reflected S&P's view of the State's credit worthiness, supported by a strong economy, growing population, and prudent fiscal management. The last time S&P Global Ratings upgraded the State was in 1995 (AA+, stable outlook) followed by a downgrade in 2003 (AA, stable outlook). After a series of revisions to the credit outlook, a positive outlook was assigned in February 2020. The pandemic reversed the outlook, but the rating agency restored the positive outlook in March 2022.

In fiscal year 2025, as a result of the customary due diligence conducted by rating agencies in concert with the State's General Obligation issues, existing ratings were reaffirmed: AA+ from Fitch Ratings, Aa1 from Moody's Investor Service, and AA+ from S&P Global Ratings.

Turnpike System Revenue and Federal Highway Grant Anticipation Revenue Bonds

In addition to administering the issuance of general obligation debt, the State Treasury is responsible for issuing capital improvement revenue and refunding bonds for the Turnpike System, as well as bonds backed in large part by Federal Highway funds for the Department of Transportation called Federal Highway Grant Anticipation Revenue Vehicle Bonds ("GARVEE").

Turnpike System Revenue bonds are repaid solely from revenues (tolls) collected throughout the Turnpike System.

There were no Turnpike System Revenue Bonds issued in fiscal year 2025. Total outstanding debt of the Turnpike System as of June 30, 2025 stood at \$184.6 million (unaudited).

There were no GARVEE bonds issued in fiscal year 2025. On June 30, 2025, the total amount of GARVEE bonds outstanding stood at \$15.9 million (unaudited).

Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Financing

In collaboration with the State’s Department of Transportation and pursuant to RSA 6:13-d, Treasury entered into a \$200 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan from the U.S. Department of Transportation in May 2016 to provide additional funding for the widening of Interstate 93 from Salem to Manchester. Borrowing under this federal program enabled the State to secure a significantly more favorable interest rate than conventional financing would have produced. Specifically, the financing agreement carries a rate of 1.09% for the term of the loan, with principal payments deferred until December 1, 2025 and a final payment on June 1, 2034. Additionally, the loan was structured similar to a line of credit whereby drawdowns were taken as construction funds are spent, thus minimizing interest expense on the entire \$200 million for the term of the loan. Drawdowns on the loan began in June 2016 and ended with a final draw in fiscal year 2022 of \$7.4 million. As of June 30, 2025, the outstanding balance on the loan stood at \$198.5 million (unaudited).

STATE GUARANTEED DEBT

The State is contingently liable for certain municipal government debt issues for water pollution control bonds, school building aid, and landfill bonds up to statutory limits. The State also provides certain guarantees for the debt issued by the Pease Development Authority and the Business Finance Authority. There are statutory limitations on these contingent debt guarantees:

1. The limit may apply to either the total amount of the original guarantee or to the total amount guaranteed that remains outstanding at any time; the latter is a revolving limit, facilitating additional guarantees to be awarded as guaranteed debt is retired.
2. The statutory dollar limit may constitute a guarantee of either the total amount of principal and interest owed, or the total amount of principal only; in the latter case interest on the principal amount outstanding may also be guaranteed notwithstanding the principal guarantee limit.

Issuance of new debt with a State guarantee requires the approval of the Governor and Executive Council.

As of June 30, 2025 the remaining unused guarantee authorizations under the various statutory limitations were:

<u>Purpose</u>	<u>Guarantee Limit</u>	<u>Remaining Capacity</u>
Water Pollution and Waste Control Bonds	\$ 50.0 million ⁽¹⁾ ⁽²⁾	\$ 50.0 million
School Building Authority Bonds	\$ 95.0 million ⁽¹⁾ ⁽²⁾	\$ 90.4 million
Superfund Site Bonds	\$ 20.0 million	\$ 20.0 million
Landfill and Waste Site Bonds	\$ 10.0 million ⁽¹⁾ ⁽²⁾	\$ 10.0 million
Business Finance Authority Bonds	\$ 230 million ⁽¹⁾	\$ 102.3 million
Pease Development Authority Bonds	\$ 70.0 million	\$ 13.9 million
Housing Finance Authority Child Care Loans	\$ 0.3 million ⁽¹⁾	\$ 0.3 million

(1) Revolving limit.

(2) Limit applies to total principal and interest.

Chapter 144, Laws of 2009, increased the State guarantee for School Bonds to \$95 million, effective July 1, 2009. In accordance with RSA 195-C:2, and as recommended by the School Building Authority and approved by the Governor and Executive Council, the State guaranteed \$51.6 million (principal and interest) of General Obligation Qualified School Construction Bonds issued by five school districts as of June 30, 2010. These bonds are federally taxable bonds created through the American Recovery and Reinvestment Act of 2009 and issued by school districts for facility construction and/or renovation or for the purchase of land upon which a facility will be built.

Chapter 47, Laws of 2015, amended the enabling legislation of the Business Finance Authority (“BFA”) (RSA 162) to increase the BFA’s Unified Contingent Credit Limit from \$95 million to \$115 million. The legislation, which became effective May 21, 2015, established redevelopment districts in unincorporated places, provided for the assessment of parcels located within redevelopment districts, and authorized a \$30 million State guarantee for such redevelopment bonds.

Chapter 346, Laws of 2019, granted the BFA the ability to recommend that the Governor and Council award additional State guarantees of certain indebtedness of businesses located in unincorporated areas of the state, limited to the total principal amount under such program not exceeding \$30 million at any time. This is separate and in addition to the previously referenced Unified Contingent Credit Limit.

Chapter 79, Laws of 2023, increased the Unified Contingent Credit Limit to \$200 million from \$115 million, effective July 1, 2023.

Chapter 346, Laws of 2019 additionally amended State guarantee provisions pertaining to indebtedness of the Pease Development Authority. Specifically, the statute repealed the authority to issue \$35 million of State guaranteed development bonds, bonds that had never been issued.

The State also bears a contingent and moral obligation for debt issued by municipalities through the Municipal Bond Bank. If any municipality that has issued through the Bond Bank fails to make scheduled debt payments and escrowed funds are not sufficient to cover missed payments, the Bond Bank may request non-appropriated funds from the legislature in order to cover any

shortfall. Although this exposure exists, the level of its risk is not easily quantifiable in considering the potential impact of such a default on the State's credit rating. Chapter 324, Laws of 2008, amended RSA 35-A:24 to include an intercept, or "offset", program such that in the event of default by a governmental unit, the Treasurer shall pay the Bond Bank the defaulted amount from general or education trust fund appropriations that are due to the governmental unit which defaulted.

ABANDONED PROPERTY

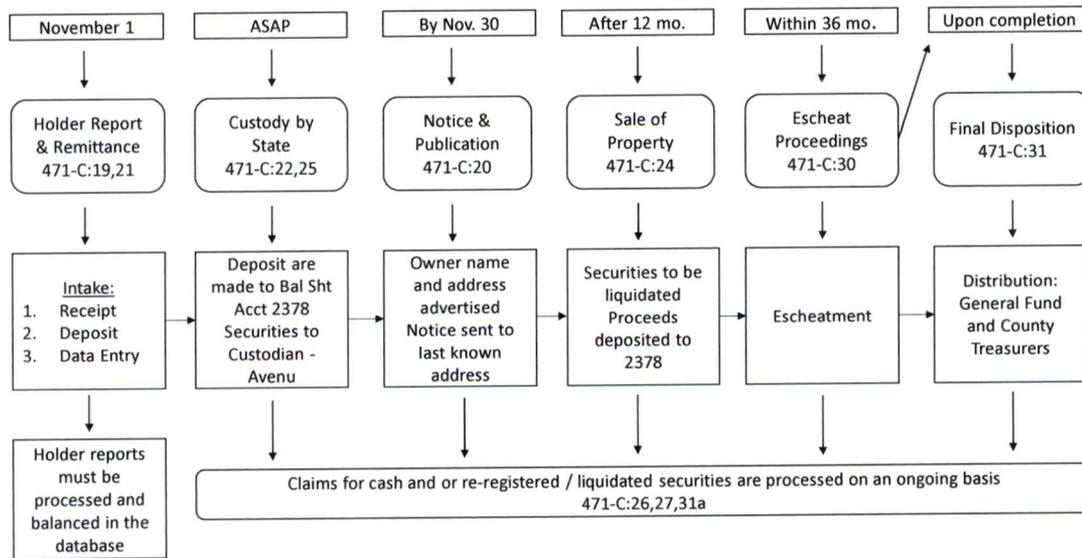
Overview

Pursuant to the provisions of RSA Chapter 471-C, Treasury's Abandoned Property Division is charged with recovering and returning intangible properties to the rightful owner or heir. Typically, such properties are in the form of cash from dormant accounts but may also include securities such as stock or mutual funds in share form. These properties are reported and remitted by the institutional "holders" of such property. By and large, holders are entities such as banks, credit unions, corporations, utilities, insurance companies, retailers, as well as government agencies and municipalities.

Diligent efforts are made to ensure that property owners are notified that their property has been reported and remitted to the Division. Each October, an advertisement listing all owner names reported to the Division in the past year, and their last known addresses, is published for two consecutive weeks in a newspaper with state-wide circulation, generally the New Hampshire Union Leader. Additionally, a mailing in the form of a postcard notification is sent to the last known address of the reported owner during August and September. Online searches for properties the Division is presently holding can be done directly on the claims section of the Division's website: www.findnhmoney.gov. The Division also participates in www.MissingMoney.com, a multi-state database of unclaimed property owner information. This multi-faceted owner reunification program affords ready access to any citizen inquiring about a lost or abandoned account.

Additionally, Chapter 79, Laws of 2023, amended RSA 471-C:31-a stating that claims for assets which have been escheated to the state or counties can be petitioned for payment and, if sufficient proof of the validity of the owner is presented, the claim is to be paid immediately. Prior to the amendment, the process included final approval by the Governor and Executive Council, which added at least two weeks of return time.

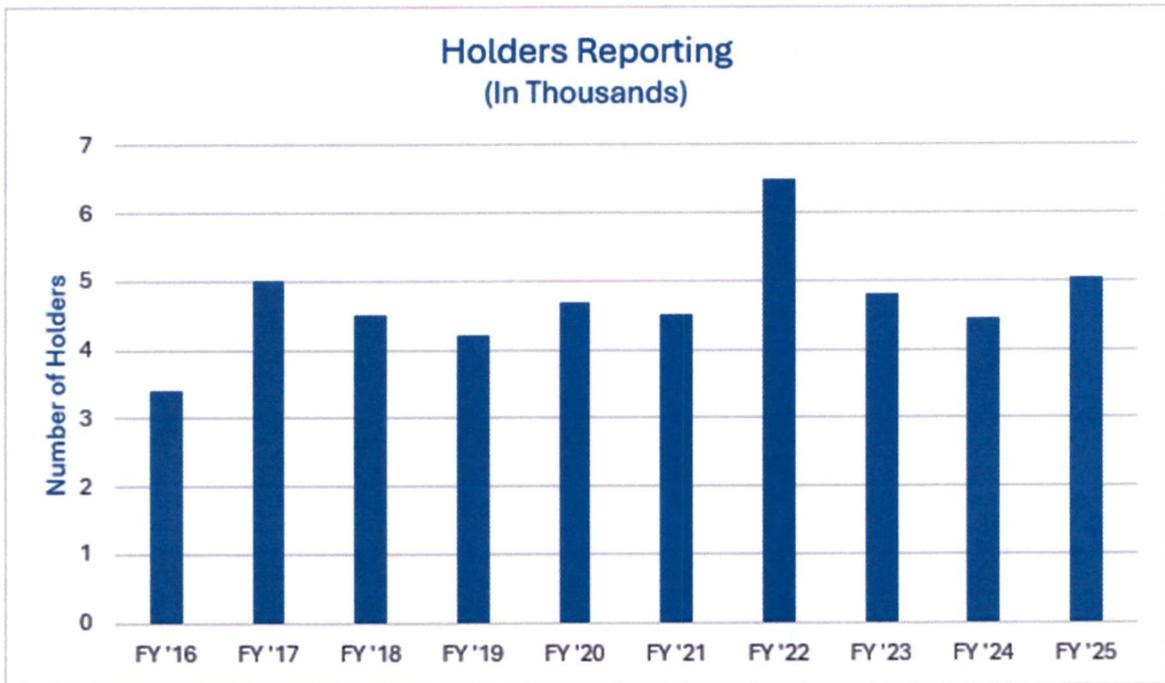
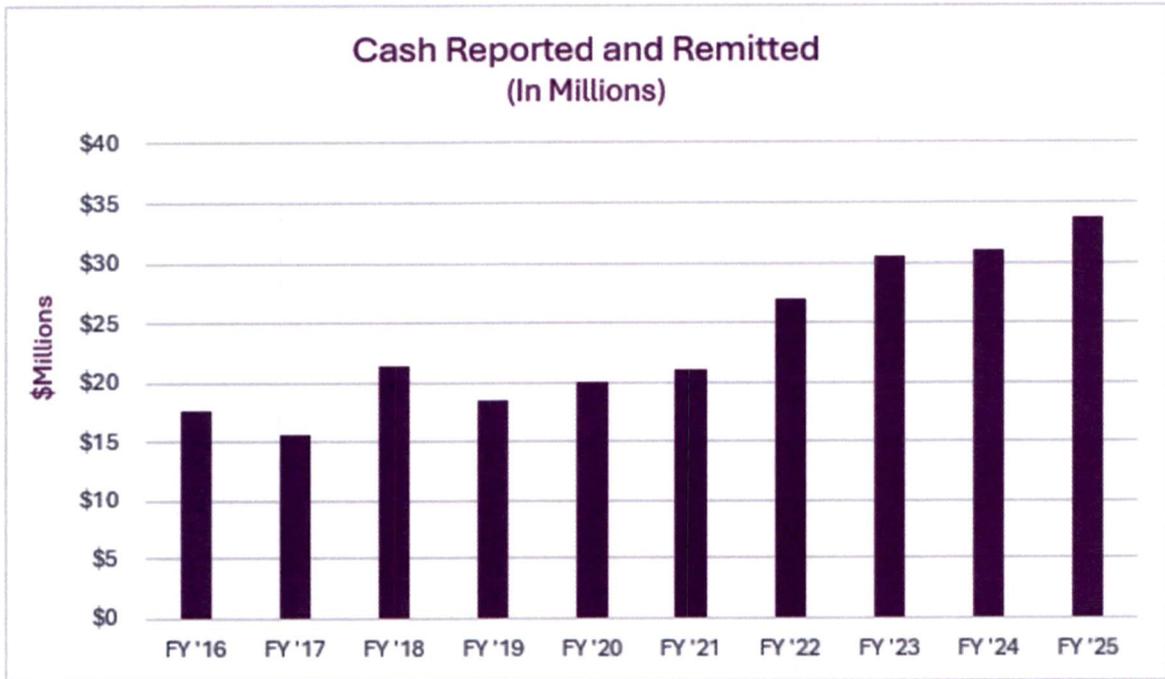
In summary, the Division's statutory obligation and annual production cycle requires receipt and deposit of unclaimed funds and shares; maintenance of a database of the properties; sending notice to, and advertisement of, the name and last known address of the reported owner; processing claims; and escheating unclaimed funds to county treasurers and the State's general fund. The general timeline that follows provides an overview of the annual workflow.



Holder Reporting and Remittances

In fiscal year 2025, over 5,000 institutional holders of property reported and remitted cash in excess of \$33.6 million and delivered over 166.7 million shares of stock and/or mutual funds to the State’s custodial account. Over the past ten (10) fiscal years, the Division has taken in \$236 million from holders of abandoned property, averaging approximately \$23.6 million annually.

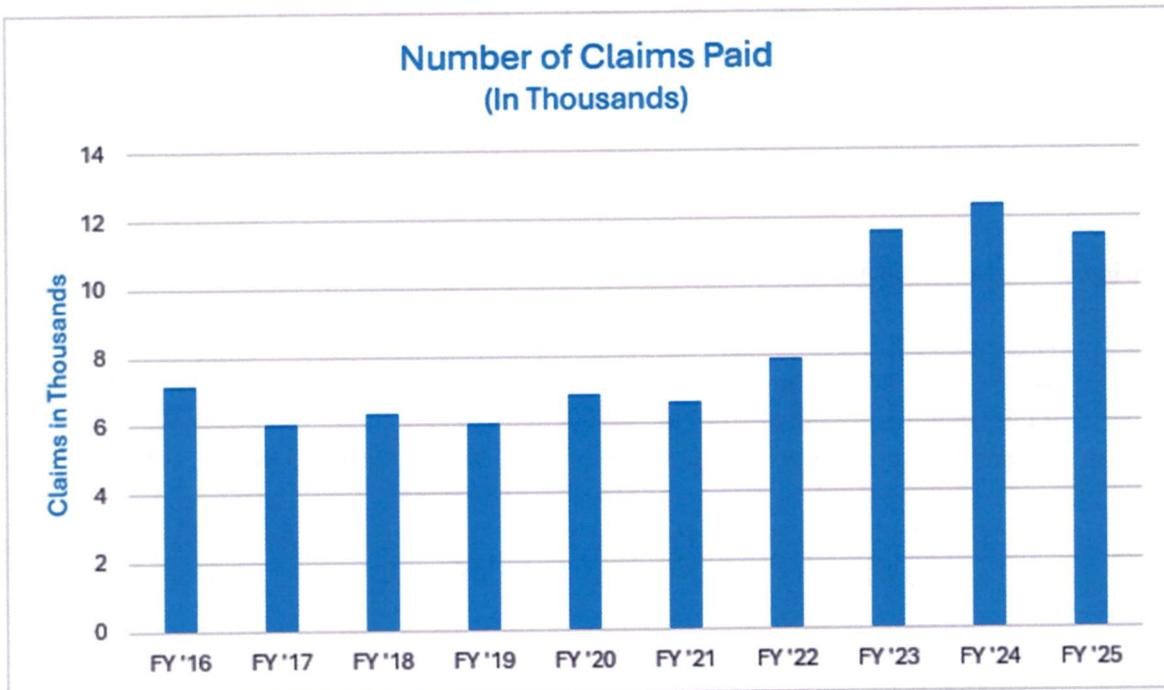
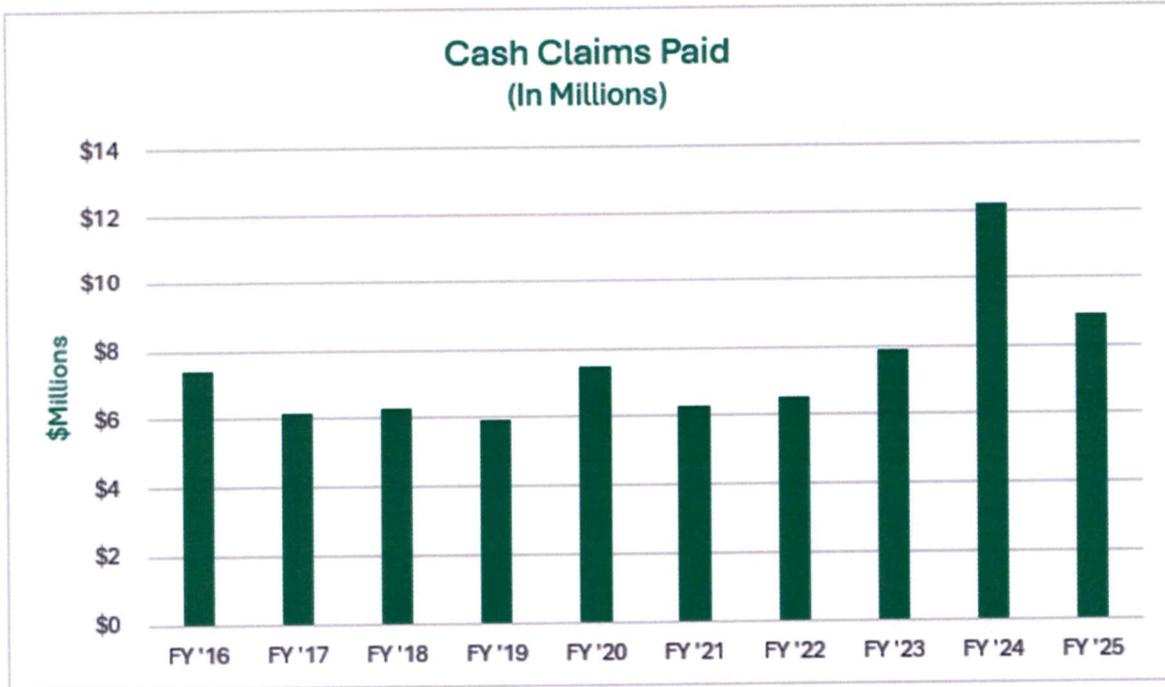
The tables below depict the amount of cash reported and remitted by holders, as well as the number of holders reporting and remitting unclaimed property to the Division since fiscal year 2016.



Owner Claims Processed

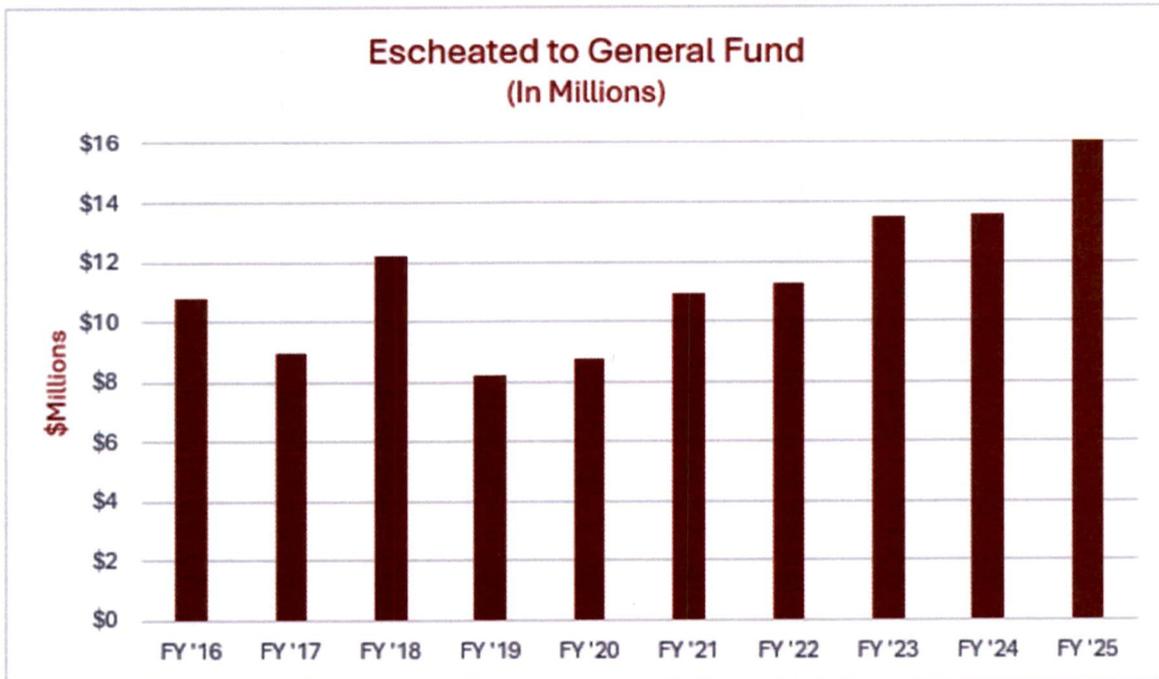
During fiscal year 2025, the Division returned \$8.8 million to citizens, representing 11,499 claims paid (see Cash Claims Paid and Number of Claims Paid graphs).

In fiscal year 2025 the average claim size was \$772. The largest individual claim in fiscal year 2025 totaled \$240,334. Over the past ten (10) fiscal years, \$75.1 million has been returned to owners, an average of over \$7.5 million returned each year.



Non-Securities Escheatment (RSA Chapter 471-C:30-31)

On a net basis, in fiscal year 2025, the Division delivered over \$17.2 million of unreturned property to the General Fund and \$2.5 million to county treasurers. RSA 471-C:30-31 provides for certain deductions from the gross amount available for transfer to the General Fund based on further escheatment to New Hampshire counties, as well as the payment of administrative expenses of the Division. Over the past ten (10) fiscal years, the net transfer to the General Fund was approximately \$115.4 million, an average net transfer of funds of \$11.5 million annually. The following graph excludes the impact of the liquidation of securities for fiscal years 2016 through 2025, which is summarized below the graph.



Securities Liquidation (RSA Chapter 471-C:30-31)

Securities received by the Unclaimed Property Division are held in native form in a custodial account for three years. Following this three-year hold period, the securities are liquidated and proceeds from the sale are transferred to the General Fund. Over the past ten fiscal years, liquidation proceeds were delivered to the General Fund as follows (dollars in millions):

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
\$5.41	\$3.97	\$5.87	\$6.10	\$2.94	\$4.61	\$4.01	\$3.11	\$6.40	\$5.14

COLLEGE SAVINGS PLANS

As the fiscal year closed, the State Treasury and the New Hampshire College Tuition Savings Plan Advisory Commission (“Advisory Commission”) had completed 27 years of administering the

UNIQUE College Investing Plan (“UNIQUE Plan”) and 23 years of administering the Fidelity Advisor 529 Plan (“FA 529 Plan”) pursuant to RSA 195-H. Both plans are managed by Fidelity Investments under contract to the State through the end of calendar year 2028. The combined assets under management for the two plans totaled \$30.8 billion at the end of fiscal year 2025. The combined New Hampshire Plans ranked fourth among all state plans in the market value of assets. Plan assets were held by over one million participant accounts throughout the U.S. and its territories. The average participant account balance as of the end of the fiscal year was \$26,203 in the UNIQUE Plan and \$35,638 in the FA 529 Plan, highlighting that this is a college savings vehicle primarily used by middle and lower income families.



The New Hampshire UNIQUE College Investing Plan has been designated by Morningstar as one of the best 529 plans in the country earning the Medalist Rating of *Silver* in fiscal year 2025. The FA 529 Plan maintains a Neutral rating.

Both plans are very flexible and withdrawals can be used for a wide array of qualified higher education expenses such as computers, books, required supplies, equipment, room and board, and tuition at accredited postsecondary schools, anywhere in the United States and at several international institutions. Furthermore, as a result of the Tax Cut and Jobs Act of 2017, 529 plans became more flexible, allowing up to \$10,000 per year in 529 savings plan assets to be used for tuition expenses for grades K-12 in addition to qualified higher education expenses. There are no income limits on participation, both plans are open to anyone regardless of state of residence. The UNIQUE Plan is sold directly to retail investors, while the FA 529 Plan is sold through financial intermediaries, such as financial planners. Participants in these plans have multiple investment options from which to choose, comprised of age-based target, static allocation investment, and individual fund portfolios representing both actively managed and index funds, as well as a series of blended portfolios which combine both active and passive strategies. The portfolios are largely funds of funds and range from aggressive 100% equity funds to highly conservative fixed income mutual funds. Changes to investment portfolios are continually reviewed in order to ensure enhanced investment performance for college savers.

UNIQUE Scholarship Programs

The New Hampshire Excellence in Higher Education Endowment Trust Fund (the “Trust Fund”) was established pursuant to RSA 6:38 and is funded through a monthly investment management assessment generated by the two New Hampshire 529 plans. The purpose of the Trust Fund is to provide scholarships to financially disadvantaged New Hampshire students attending New Hampshire postsecondary education institutions, under the governance of the Advisory Commission. The Trust Fund also covers all costs associated with the administration of the Plans, including the financial audits.

Two scholarship programs implemented in mid-2006 are:

1. UNIQUE Annual Allocation Program (“Annual Program”), which provides yearly scholarships to New Hampshire-resident students attending the University System of New Hampshire (“USNH”), the Community College System of New Hampshire (“CCSNH”), and eight (8) other eligible and participating New Hampshire postsecondary education institutions pursuant to Administrative Rule Csp 600.
2. UNIQUE Endowment Allocation Program (“Endowment Program”) provides monthly distributions to restricted endowment funds maintained and managed by USNH, CCSNH, and eight (8) other eligible, non-profit New Hampshire postsecondary education institutions, pursuant to Administrative Rule Csp 700. With these institutions providing scholarships from the earnings of the growing endowment funds, it is intended that future UNIQUE scholarships will be available to New Hampshire students in perpetuity.

Eligibility criteria for both scholarship programs were developed by the Advisory Commission and are established in administrative rules for the Endowment Program, while the eligibility criteria for Annual Program scholarships are revised and approved at least annually.

At its meeting on December 4, 2023, the Advisory Commission determined that for the 2024-25 academic year, 30% of the projected revenue was going to be allocated to institution endowments and the remaining revenue to be credited to the Trust Fund to fund the Annual Program. In addition, the Advisory Commission adopted eligibility criteria for the Annual Program, which consisted of all Pell-eligible New Hampshire students attending New Hampshire colleges and universities. The individual award amount was set at \$2,500 each (full time-students, prorated for part-time).

In fiscal year 2025, record funding was awarded to approximately 7,600 low-income New Hampshire students from the UNIQUE Annual Allocation Program. Approximately \$16.5 million was granted compared to approximately \$8 million in fiscal year 2024 (6,300 students).

Since their inception, the UNIQUE scholarship programs have distributed nearly \$230 million of scholarship funding through the end of fiscal year 2025 (in thousands of dollars):

	<u>FY 2025</u>	<u>From Inception</u>
Annual Program	\$16,492	\$ 68,637
Endowment Program	<u>6,143</u>	<u>160,857</u>
TOTAL	\$22,635	\$229,494

As of the end of fiscal year 2025, the Trust Fund had a market value of \$21.8 million.

GOVERNOR’S SCHOLARSHIP PROGRAM

Chapter 346, Laws of 2019, repealed and reenacted RSA 4-C:31-34, transferring the administration and oversight of the Governor's Scholarship Program from the New Hampshire Office of Strategic Initiatives to the New Hampshire College Tuition Savings Plan Advisory Commission, effective July 1, 2019.

The Governor's Scholarship Program provides financial assistance to eligible New Hampshire high school graduates or recent high school graduates who enroll full-time and continuously attend a participating postsecondary education institution of their choice within the state of New Hampshire. Any first year, full-time, Pell Grant-eligible student who earns the New Hampshire Scholar designation and meets the residency and academic requirements may be eligible for a scholarship award of \$2,000 per year for up to four years. All other eligible students will qualify for a scholarship award of \$1,000 per year for up to four years. The scholarships are to be applied to tuition, fees, and direct costs of an education at a participating institution.

Chapter 156, Laws of 2017 established the Governor's Scholarship Program and a non-lapsing Fund funded with an initial general fund appropriation of \$5 million. Since inception, the Governor's Scholarship Fund has received general fund appropriations to meet program objectives.

In fiscal year 2025, New Hampshire postsecondary education institutions awarded approximately 956 four-, two-, and one-year awards to New Hampshire students participating in the Governor's Scholarship Program compared to 722 scholarships awarded in fiscal year 2024. Of the 956 scholarships, 240 went to students who obtained the New Hampshire Scholar designation while attending high school. In fiscal year 2025, participating institutions were reimbursed approximately \$2.4 million for students who were enrolled and awarded a Governor's Scholarship. As of June 30, 2025, the Governor's Scholarship Fund had an available balance of \$15.4 million of which \$7.4 million was restricted for awards granted in previous fiscal years.

THE NH ABLE PLAN

In December 2014, federal passage of ABLE (Achieving a Better Life Experience) legislation paved the way for each state to sponsor its own tax-

advantaged savings program for the benefit of those with qualifying disabilities, with many features similar to those of a college tuition savings (529) account. Accordingly, section 529(a) of the Internal Revenue Code governs the tax treatment of ABLE accounts. The ABLE legislation of 2014 allows individuals with disabilities and their families to save for many disability-related expenses on a tax-deferred basis without limiting their ability to benefit from supplemental security income, Medicaid, and other federal programs.



Pursuant to RSA 195-K, and following the approval of the Executive Council on October 25, 2017, the Governor's Commission on Disability and the State Treasury jointly entered into a no-cost, partner agreement with the State of Ohio Treasury for the administration of New Hampshire's STABLE NH savings program. The STABLE NH savings program was operationally launched on December 15, 2017, with a formal ceremony on December 18 that featured remarks from state officials, as well as representatives from several area disability advocacy agencies. Following the program launch, the Governor's Commission on Disability and the State Treasury began a series of presentations promoting the NH Plan throughout New Hampshire.

In 2023, after performing robust due diligence, the Governor's Commission on Disability and the State Treasury opted to discontinue the partnership with the State of Ohio Treasury. Effective

October 26, 2023, the Governor's Commission on Disability and the State Treasury joined the National ABLE Alliance and launched *The NH ABLE Plan*. The National ABLE Alliance is a consortium of 19 states dedicated to providing those living with disabilities with an ABLE investment product that offers multiple financial options at low cost.

Under federal guidelines, there are specific criteria for determining the eligibility of an individual to qualify for ownership of an ABLE account. A maximum of \$19,000 annually in after-tax funds can be deposited into an ABLE account, however, if the individual who owns the account is employed, additional funds can be deposited into the account. Account balance limit is \$569,123. The NH ABLE Plan offers seven portfolio options that combine equity, fixed income, and cash to match the account holder's goals and comfort with risk: aggressive, moderately aggressive, growth, moderate, moderately conservative, conservative, and a money market fund. An FDIC-insured checking account is also available which lets the account owner withdraw money using a debit card or by writing a check. Distributions from an account within The NH ABLE Plan account are not taxed as long as the distributions are used to pay for qualified disability expenses.

Approximately 1,000 New Hampshire residents chose to maintain an ABLE account with the Ohio STABLE Account program (\$11.9 million in market-value assets). However, STABLE Account owners who are residents of the state still have the option to transfer their assets to The NH ABLE Plan, which is the ABLE Plan sponsored by the State of New Hampshire.

As of June 30, 2025, The NH ABLE Plan had 288 participant accounts with approximately \$2.5 million in market-value assets. The average account size was \$8,064.

SEABROOK NUCLEAR DECOMMISSIONING TRUST

As of June 30, 2025, the Seabrook Decommissioning Trust Fund had market-value assets of \$1.3 billion and reported an after-tax rate of return of 9.9% for the fiscal year. The decommissioning trust represents the cumulative contributions made by the owners of the Seabrook Nuclear Power Station for the cost of future decommissioning, combined with the investment earnings on the trust balance, net of applicable taxes and qualified administrative expenses. The trust is invested on the basis of elections made by each individual owner, subject to an investment policy approved by the State Treasurer and influenced by the tax status of each individual owner. Trust fund proceeds may be invested in a mix of equities (stocks), fixed income securities (bonds), opportunistic (direct lending and private equity) portfolios, and cash equivalents. The allocation of fund holdings at the end of fiscal year 2025 was 64% equities, 25% fixed income, and 11% opportunistic investments. In addition, \$4,656 was held as a decommissioning funding assurance in separate escrow accounts on behalf of the owners at June 30, 2025. Escrow holdings primarily consist of cash and cash equivalents, with the State Treasurer and Deputy State Treasurer having signatory authority, but not custody of the funds.

The Seabrook Decommissioning Trust is not in the custody of the State Treasurer, nor does the Treasurer serve as the trustee. It is held in trust by Bank of New York Mellon on behalf of the owners of the Seabrook Nuclear Power Plant for the sole purpose of funding decommissioning costs when the plant ceases operations. Although the Treasurer presently serves on the Nuclear

Decommissioning Financing Committee (pursuant to RSA 162-F), approves the Trust's Investment Guidelines (pursuant to the Master Trust Agreement), and fulfills certain other administrative roles, the State Treasury provides no direct financial management or custodial services to the Trust.

NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

In 1993, the New Hampshire Public Deposit Investment Pool ("NH PDIP" or "Pool") commenced operations under the oversight of the Banking Commissioner ("Commissioner"), with the assistance of the New Hampshire Public Deposit Investment Pool Advisory Committee ("Advisory Committee"). The NH Pool was established in accordance with RSA 383:22-24 for the purpose of investing funds of the State of New Hampshire, and funds under custody of all governmental units, pooled risk management programs established pursuant to RSA 5-B, agencies, authorities, commissions, boards, political subdivisions, and all other public units within, or instrumentalities of, the State of New Hampshire. All participation in the Pool is voluntary.

Pursuant to Chapter 36, Laws of 2023 (RSA 6:45-47), the oversight of the Pool was transferred to the State Treasurer, effective July 16, 2023. The NH PDIP may only invest in securities legally authorized by the State Treasurer, with the assistance of the Advisory Committee. The NH PDIP is not required to register with the Securities and Exchange Commission as an investment company, but follows Governmental Accounting Standards Board ("GASB") Statement No. 79 instead. In accordance with GASB Statement No. 31, as amended, the external portion of the Pool is reported as an investment trust fund in the Annual Comprehensive Report of the State of New Hampshire.

Below is the financial position of the NH PDIP as of June 30, 2025 (in thousands):

Total Assets	\$559,296.9
Total Liabilities	<u>(129.8)</u>
Net Position	\$559,167.1

COMPONENT UNIT REPORTS

Pursuant to RSA 6:44, all component units of New Hampshire state government are required to report to the State Treasurer on a quarterly basis. These quarterly reports include interim financial information, performance metrics, and all relevant information on the component units' activities. In accordance with the statute, the State Treasury serves as a clearinghouse of information by collecting and making these reports readily available to New Hampshire citizens and State officials on its website at <https://www.nh.gov/treasury/component-unit-dashboards>.

The New Hampshire Component Units regularly reporting to the State Treasury are listed below:

- Community College System of New Hampshire
- Community Development Finance Authority

- Judicial Retirement Plan
- Land and Community Heritage Authority
- Business Finance Authority
- Health and Educational Facilities Authority
- Housing Finance Authority
- Municipal Bond Bank
- Pease Development Authority
- Retirement System of New Hampshire
- University System of New Hampshire

TREASURY ACCOMPLISHMENTS AND INITIATIVES

In fiscal year 2025, the State Treasury reached several milestones and continues to work on initiatives included in its Three-Year Strategic Plan. Initiatives such as completing the migration of the information technology function to the Department of Information Technology, the procurement of a cloud-based debt management system, and others. These achievements could not have taken place without the dedication of the Treasury’s staff, the support of the Governor, the Legislature, Department Heads, and private sector entities.

Debt Management System

On May 1, 2024, the State Treasury entered into a five-year contract for the use and support of a cloud-based, software as a service, debt management system to assist in the management of the State’s outstanding debt. The State Treasury is partnering with DebtBook to carry out its post-issuance responsibilities supporting accounting, reporting, and compliance. Treasury continues to expand the use of its new debt management system and looks forward to using additional functionality in fiscal year 2026.

Trust and Custodial Portfolio Management Services

In fiscal year 2025, after conducting a rigorous Request for Proposals (“RFP”) selection process, the State Treasury entered into a five-year agreement for portfolio management services with Bar Harbor Wealth Management to manage and consolidate trusts and accounts in the Treasury’s custody. Through this new partnership, the Office of Investment and Debt Management redesigned the investment strategy of these accounts, improved reporting, and plans to provide more timely information to beneficiaries of these trust and custodial accounts.

Abandoned Property Current and Future Initiatives

In fiscal year 2022, the Division launched a feature that utilizes a data match analysis verifying ownership of funds. Thousands of small claims have been paid through this streamlined, fast-tracked process. In fiscal year 2025, the Division increased the cap from \$100 to \$150 and plans to increase it to \$200 in fiscal year 2026.

Additionally, as part of our commitment to return funds only to the rightful owner, the Division is in the process of introducing a fraud detection and claim risk profiling feature that assesses claim risk using KAPS Unclaimed Property System's proprietary artificial intelligence.

In fiscal year 2025, the Division conducted several outreach initiatives, including holding events at the Homelessness Initiatives 39 Beech Street Engagement Center in Manchester, the Nashua Senior Activity Center, and the Made in NH Expo. Additionally, an advertisement designed to raise awareness of the unclaimed property program aired on WMUR in early 2025.

NH PDIP Investment Advisor and Program Manager

In anticipation of the expiration of the contract with PFMAM on June 21, 2025, the State Treasurer and Advisory Committee issued an RFP to solicit bids from firms qualified to serve as investment advisor and program manager for the NH PDIP in November 2024. Due to unexpected complications, the RFP was cancelled and the agreement with PFMAM was extended for another six months and will remain in effect until December 21, 2025.

In May 2025, the RFP was reissued and, through this process, the firm receiving the highest score, PTMA Financial Solutions, was selected as the program manager for the NH PDIP. The State Treasury and Advisory Committee will be working with both firms to transition the NH PDIP program to the new provider.

2025 Legislative Session

During the 2025 legislative session, three bills impacting the State Treasury made it to the Governor's desk.

HB163, relative to state funds, was signed by Governor Ayotte on July 15, 2025, effective September 13, 2025. This was a housekeeping bill requested by the State Treasury in collaboration with the State Comptroller to align State law with current financial reporting requirements.

HB 302, relative to enabling the State Treasury to invest in precious metals and digital assets, was signed by Governor Ayotte on May 6, 2025, effective May 7, 2025. The passage of this bill made New Hampshire the first state in the country allowing the State Treasurer to invest in digital assets and precious metals. The Treasury is currently performing due diligence to determine possible options for our state.

HB 469, relative to the operation of the public deposit investment pool and the membership of its committee, was signed by Governor Ayotte on June 25, 2025, effective August 24, 2025. This proposal added one member from the Municipal Managers Association of New Hampshire to the NH PDIP Advisory Committee and clarified that contracts require Governor and Council approval.

Remediation of Observations from 2023 LBA Financial Audit

The Office of Legislative Budget Assistance (“LBA”) completed a financial audit of the State Treasury in fiscal year 2025. The audit report dated September 3, 2024 identified three observations and was presented to the Joint Legislative Fiscal Committee on September 13, 2024.

On June 16, 2014, Governor Maggie Hassan issued Executive Order 2014-03, which requires State agencies to report on their progress in responding to LBA audit recommendations on a semi-annual basis. On October 13, 2024, the Treasury filed its initial remediation plan and has since filed updated status reports regarding its remediation efforts semiannually as summarized in the table below. These reports, including the original LBA audit report, can be accessed on the Transparent NH website at <https://www.nh.gov/transparentnh/audit/treasury/index.htm>, or on the Treasury website at <http://www.nh.gov/treasury/forms-publications/index.htm#audit>.

A summary of Treasury’s progress in resolving audit observations follows:

Observations	1	2	3
	Internal Controls Over Dedicated Accounts Should be Improved	Debt Management System Should Be Maintained and Supported	Policies and Procedures [Regarding Key Positions] Should Be Established
03-14-25	Unresolved	Resolved	Unresolved

Treasury remains committed to fully resolving all audit findings and includes in its updated status reports an estimated target date for the final remediation of all findings not yet fully resolved.

[THIS SPACE INTENTIONALLY LEFT BLANK]

TRUST AND CUSTODIAL ACCOUNTS HELD BY THE STATE TREASURER (EXHIBIT 1)
FISCAL YEAR 2025 (unaudited)

Fund Name	July 1, 2024 Beginning Market Value	Dividends & Interest Earned	Net Transactions During Year	Net Change in Market Value	June 30, 2025 Ending Market Value
<u>Department of Education</u>					
- Harriet Huntress	101,033	2,855	695	8,675	113,259
- Hattie Livesey	52,731	1,497	362	4,583	59,172
- John Nesmith	747,706	21,231	4,860	72,022	845,820
- Special Teachers Competence	328,599	9,380	(4,722)	34,786	368,043
- NH Higher Ed- Concord Hospital Surgical					
Technology Program	88,972	4,093	(96)	(0)	92,969
- NH Higher Ed- The Prelude Institute	0	0	0	(0)	0
- NH Higher Ed- The Trivium Institute	10,948	504	(12)	(0)	11,440
<u>Department of Environmental Services</u>					
- Connecticut-Coos	3,356,271	102,704	71,433	234,658	3,765,065
- Mascoma	49,563	2,322	0	(0)	51,886
- Newfound	93,199	4,367	0	(0)	97,566
- Piscataquog	7,338	241	(7,579)	0	0
- Squam Lake	103,336	4,842	0	0	108,178
- Sugar River	14,594	684	0	(0)	15,278
- Winnepesaukee	15,104	708	0	(0)	15,812
<u>Department of Fish & Game</u>					
- Lifetime License Fund	3,621,052	119,486	161,442	239,352	4,141,332
<u>Health & Human Services</u>					
- Laconia State School	120,357	5,436	(905)	(0)	124,888
- Matthew Elliott Memorial Trust Fund	5,418	244	(6)	0	5,656
- New Hampshire Hospital	8,356,825	180,080	844,146	(533,723)	8,847,329
- NHSLRP/JUA Escrow Account	2,987,161	133,952	(80,342)	(0)	3,040,772
- Youth Development Center	38,959	1,792	(42)	0	40,709
<u>Department of Labor</u>					
- Crown Paper Workers Compensation	15,280	294	(10)	(0)	15,563
- Special Fund for Active Cases	10,207	0	(10,207)	0	0
- Special Fund For Second Injuries	2,824,339	178,430	(145,777)	(0)	2,856,992
- Yellow Transportation	0	4,161	190,294	0	194,454
<u>Dept of Natural and Cultural Resources</u>					
- Tip-Top House Fund	23,571	1,085	(25)	(0)	24,630
<u>Department of Safety</u>					
- Financial Responsibility	86,026	4,410	21,120	0	111,556
- Road Toll Bonds	40,417	1,860	(44)	0	42,234
<u>New Hampshire Veterans' Home</u>					
- Benefit Fund	2,004,646	56,637	13,328	169,791	2,244,401
- Guy Thompson Account	16,106	710	(1,460)	0	15,356
- Members' Administrative Account ⁽¹⁾	358,758	20,877	0	0	379,634

TRUST AND CUSTODIAL ACCOUNTS HELD BY THE STATE TREASURER (EXHIBIT 1 CONT.)
FISCAL YEAR 2025 (unaudited)

Fund Name	July 1, 2024 Beginning Market Value	Dividends & Interest Earned	Net Transactions During Year	Net Change in Market Value	June 30, 2025 Ending Market Value
<u>Department of Administrative Services</u>					
- Land Conservation Monitoring Endowment	5,370,012	137,188	698,763	(686,284)	5,519,679
<u>Department of Energy</u>					
- Electric Assistance Program	702,872	21,265	162,772	0	886,908
<u>Treasury Department</u>					
- Japanese Charitable Fund	216,177	6,649	(601)	15,715	237,940
- College Savings Plan Trust	22,877,015	816,536	(1,525,902)	(308,022)	21,859,627
<u>University of New Hampshire</u>					
- Benjamin Thompson Trust	2,916,941	70,315	(54,801)	279,213	3,211,668
<u>Other</u>					
- Community Conservation Endowment	7,633,998	185,854	(257,401)	440,300	8,002,751
- Conn Lakes Headwaters Natural Areas Stewardship	2,613,650	64,484	(11,862)	203,460	2,869,732
- Conn Lakes Headwaters Tract Monitoring Endowment	3,002,370	73,243	(19,226)	206,305	3,262,692
- Conn Lakes Headwaters Tract Road Maintenance	2,411,532	6,070	(25,996)	206,689	2,598,295
Total Trust & Escrow Accounts	73,223,084	2,246,485	22,200	587,520	76,079,290
- Unclaimed and Abandoned Property ⁽²⁾	31,062,544	1,418,425	4,411,749	0	36,892,718

Columns may not add due to rounding.

(1) Beginning balance reflects revision to the prior years ending balance

(2) This includes only the securities held by Avenu Insights and Analytics