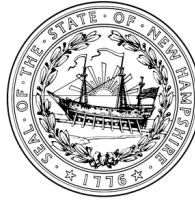


Monica I. Mezzapelle
STATE TREASURER



3B - 10/21/26

**THE STATE OF NEW HAMPSHIRE
STATE TREASURY**

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CONCORD, NH 03301
(603) 271-2621
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October 1, 2026

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 2026.

EXPLANATION

I am pleased to present the 2026 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.

Respectfully submitted,

/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, 2026

The State of New Hampshire
Annual Report
of the
State Treasury

As of and for the
FISCAL YEAR ENDED JUNE 30, 2026



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**State of New Hampshire
State Treasury
Office of the State Treasurer**

September 15, 2026

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, 2026. This was another successful year marked by continuous progress, building on the successes of previous years. Below are some of the highlights.

The Office of Investment and Debt Management exceeded expectations and credited \$98.5 million of investment income to the General Fund and other restricted funds. In addition, to fund a variety of capital projects, \$60 million of general obligation bonds were issued, and GARVEE bonds outstanding were fully retired with the last debt service payment issued in August 2025.

The Abandoned Property Division returned \$10.7 million to approximately 10,800 individuals and other entities, an increase of 22% in returned assets compared to fiscal year 2025. The NH College Tuition Savings Plan increased its net assets by \$6.5 billion (or 21%), reaching a total of \$37.3 billion benefiting over one million participant accounts. The NH ABLE Plan increased its net assets by \$2.1 million (or 84%) to a total of \$4.6 million with 504 active participant accounts (75% increase). Net assets of the NH Public Deposit Investment Pool increased by \$226 million (or 40%) to a total of \$785 million, with a total of 307 participants, and 2,081 participant accounts (6% and 25% increase, respectively).

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 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.

Mission:

The New Hampshire State Treasury delivers professional financial management services to state government, the legislature, and New Hampshire citizens. The State Treasury will optimize the use of state financial assets and financial obligations while protecting both through the deployment of secure technology, cost-effective and efficient banking practices, and a dedicated and highly-qualified staff.

Vision:

The New Hampshire Treasury will consistently deliver exceptional financial management services and will optimize the State's financial resources in an effective and efficient manner.

Core Values:

- Excellence: We are committed to delivering the highest quality public services and continuously refining our processes for greater efficiency and effectiveness.
- Integrity: We uphold the highest moral and ethical standards, ensuring our actions are honest, and accountable to the public.
- Professionalism: We demonstrate unwavering competence, reliability, and appropriate conduct in our service to the public and our interactions with colleagues and stakeholders.
- Stewardship: We are committed to the careful and responsible management of public funds.
- Transparency: We maintain openness and honesty in all our communications, fostering public trust and accountability.
- Respect: We value each individual's contributions, treating all citizens and colleagues with dignity, and fairness.
- Teamwork: We collaborate effectively across departments and with external partners to achieve our common goals.
- Customer Focus: We prioritize the needs and satisfaction of our citizens, addressing their concerns and needs promptly and effectively.

These values help create a reliable, responsive, and trustworthy organization that serves the public effectively.

The authorized staffing of the State Treasury for fiscal year 2026 was 23 positions, 6 unclassified and 17 classified. As of the close of fiscal year 2026, there were four vacant positions.

CASH MANAGEMENT

The State Treasury manages statewide cash operations to ensure funding is available when and where needed to support New Hampshire's operating and capital budgets. Core responsibilities include forecasting cash flows, collecting and concentrating incoming funds, administering disbursements, and investing daily cash balances.

In fiscal year 2026, the Treasury processed \$9.3 billion in receipts and \$9.7 billion in disbursements, ending the year with a balance of \$2.7 billion.

A summary of receipts and disbursements for the previous three fiscal years follows:

COMPARATIVE STATEMENT OF RECEIPTS AND DISBURSEMENTS **(Unaudited)**

	<u>As of and for the Year Ended June 30</u>		
	<u>2026</u>	<u>2025</u>	<u>2024</u>
BEGINNING BALANCE	3,111,169,760	3,620,592,654	3,613,845,737
TOTAL RECEIPTS	9,322,500,482	8,943,452,213	9,013,921,989
TOTAL DISBURSEMENTS	(9,731,566,212)	(9,452,875,107)	(9,007,175,072)
ENDING BALANCE	<u>\$2,702,104,030</u>	<u>\$3,111,169,760</u>	<u>\$3,620,592,654</u>

Federal pandemic-related funding continued to influence cash levels, as the State worked toward fully spending remaining ARPA State and Local Fiscal Recovery Funds, with approximately \$85 million unspent as of June 30, 2026. The influx of federal relief dollars contributed to a substantial increase in average cash balances from \$580 million in fiscal year 2020 to more than \$1.5 billion in fiscal year 2026 prompting a formal investment partnership with an investment advisor to strengthen cash and investment management practices.

The Treasury evaluates banking relationships, financial products, fees, and fraud-prevention tools to ensure safety, liquidity, and cost-effective performance. Daily cash positioning aligns with operating fund guidelines, while monthly reviews of banking service statements help control pricing and identify efficiency opportunities. In fiscal year 2026, net interest income credited to the General Fund totaled \$71.1 million, with \$98.5 million earned across all funds. Fees paid to advisors and banking vendors were slightly lower compared to last year; \$722,190 compared to \$757,602 in fiscal year 2025, a 5% decrease, reflecting improved pricing methodologies and strategic vendor management. Treasury also continued its support of community banks, maintaining \$133 million in deposits to bolster local lending capacity, and expanded opportunities for qualified out-of-state banks, which now number 14 authorized institutions.

TRUST AND CUSTODIAL ACCOUNTS

Pursuant to RSA 11:1, the State Treasurer serves as custodian of all trust funds left to and accepted by the State. As of June 30, 2026, the 31 trust and custodial funds under Treasury management had a combined fair market value of approximately \$80 million, with individual balances ranging from just under \$5,900 to more than \$25 million. These funds originate from diverse sources, support a wide range of beneficiaries, and follow investment objectives specific to their needs, from short-term liquidity to long-term growth. During fiscal year 2026, eight funds were liquidated and no new accounts were added. Exhibit 1 provides unaudited fiscal year 2026 activity and balances for each fund.

During the year, the Office of Investment and Debt Management focused on strengthening oversight of trust and custodial accounts by monitoring investment performance, reviewing portfolio positioning, and refining reporting practices to ensure beneficiaries receive clear and timely information.

In addition, as directed by RSA 6-D, the Treasury invests the funds of the Drinking Water and Groundwater Trust Fund, which at June 30, 2026, reported a balance of \$194.6 million. The activity of this fund is reported in the State's General Fund.

NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

In 1993, the New Hampshire Public Deposit Investment Pool ("NH PDIP" or "Pool") began operations under the oversight of the Banking Commissioner, supported by the New Hampshire Public Deposit Investment Pool Advisory Committee ("Advisory Committee"). The Pool was established pursuant to RSA 383:22–24 to invest funds belonging to the State of New Hampshire, as well as funds held by governmental units, pooled risk management programs formed under RSA 5-B, and various agencies, authorities, commissions, boards, political subdivisions, and other public entities within or affiliated with the State. Under Chapter 36, Laws of 2023 (RSA 6:45-47), oversight of the Pool transferred to the State Treasurer effective July 16, 2023.

The NH PDIP may invest only in securities authorized by the State Treasurer, with support from the Advisory Committee. Although the Pool is not required to register with the Securities and Exchange Commission as an investment company, it complies with Governmental Accounting Standards Board (GASB) Statement No. 79. In accordance with GASB Statement No. 31, as amended, the external portion of the Pool is reported as an investment trust fund in the State of New Hampshire's Annual Comprehensive Financial Report.

As of June 30, 2026, net assets of the NH PDIP totaled \$785.3 million (unaudited), an increase of 40% compared to \$559.1 million reported as of June 30, 2025.

Following a competitive and rigorous selection process, PTMA Financial Solutions ("PTMA") was chosen as the new program manager after the contract with PFM Asset Management

concluded. PTMA successfully assumed full operational responsibility on December 8, 2025 after several months of preparation.

An amendment to the enabling legislation in 2024 specifically required that, going forward, the program manager expanded deposit allocations with New Hampshire-based banks and other institutions authorized to accept public funds. This initiative was implemented promptly, and by June 30, 2026, a total of \$118 million had been deposited across seven participating banks (approximately 15% of total net assets).

DEBT MANAGEMENT

State Credit Rating

The State Treasurer serves as the State's official representative on all credit-related matters and acts as the primary liaison with credit rating agencies. Credit ratings influence the interest rates on State bonds and reflect the State's overall fiscal strength.

In 2024, S&P Global Ratings upgraded New Hampshire's credit rating to AA+ (stable outlook) from AA (positive outlook), the first upgrade from S&P since 1995. In fiscal year 2026, rating agencies reaffirmed all existing ratings. Fitch Ratings maintained its AA+ rating, Moody's Investors Service reaffirmed its Aa1 rating, and S&P Global Ratings upheld its AA+ rating. These reaffirmations underscore the State's continued fiscal discipline, stable financial operations, and strong credit position.

General Obligation Bonds

General obligation debt is paid from the State's taxes and other revenues. As of June 30, 2026, total outstanding general obligation debt stood at \$619 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.

On April 21, 2026, the Treasury issued \$60 million in general obligation capital improvement bonds (the "Series A" Bonds) through a competitive sale. The State used Series A new money proceeds (in addition to a bond premium of \$6.74 million) to fund a total of \$66.74 million in a variety of capital projects. The Series A bonds generated an overall true interest cost of 3.63%, with annual maturity ranging from 2027 to 2046 and an average coupon of 5%.

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 2026. Total outstanding debt of the Turnpike System as of June 30, 2026 stood at \$175.9 million (unaudited).

GARVEE bonds fully matured in fiscal year 2026 with the last debt service payment of \$16.3 million occurring on August 25, 2025. There were no GARVEE bonds issued in fiscal year 2026.

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, 2026, the outstanding balance on the loan stood at \$177.4 million (unaudited).

STATE GUARANTEED DEBT

The State is contingently liable for certain municipal and authority-issued debt, including water pollution control bonds, school building aid bonds, landfill and waste site obligations, and specific guarantees supporting the Pease Development Authority and the Business Finance Authority. These guarantees are subject to statutory limits that vary by program and may apply either to the total amount originally guaranteed or to the outstanding guaranteed balance at any given time. Several programs operate under revolving limits, allowing new guarantees to be issued as prior obligations are retired. Statutes also define whether the guarantee covers principal only or both principal and interest, with some programs permitting interest coverage even when the stated principal guarantee limit has been reached. Issuance of new debt carrying a State guarantee requires approval from the Governor and Executive Council.

Over time, the Legislature has enacted targeted changes to expand or refine the State’s contingent credit capacity. Notable adjustments include increases to the School Building Authority guarantee, expansions of the Business Finance Authority’s Unified Contingent Credit Limit, the establishment of redevelopment district guarantees, and more recent enhancements that have raised the Unified Contingent Credit Limit to \$500 million. Statutory changes have also modified Pease Development Authority guarantee provisions and set parameters for additional guarantees to support businesses in unincorporated areas. Separately, the State bears a contingent and moral obligation through the Municipal Bond Bank; while defaults remain unlikely, an intercept mechanism allows the Treasurer to redirect appropriations owed to a defaulting municipality to ensure timely payment to bondholders. Collectively, these provisions reflect the State’s ongoing

commitment to supporting critical local and economic development initiatives while managing contingent liabilities within defined statutory frameworks.

As of June 30, 2026 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⁾	\$ 92.7 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	\$ 530.0 million ⁽¹⁾	\$ 389.3 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.

ABANDONED PROPERTY

Overview

Pursuant to the provisions of RSA Chapter 471-C, Treasury's Abandoned Property Division ("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. Holders are entities such as banks, credit unions, corporations, utilities, insurance companies, and 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 fall, 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. Additionally, a mailing in the form of a postcard notification is sent to the last known address of the reported owner annually. Online searches for properties the Division is presently holding can be made 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 by any citizen inquiring about a lost or abandoned account.

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.

Holder Reporting and Remittances

In fiscal year 2026, over 5,000 institutional holders of property reported and remitted cash in excess of \$39.7 million and delivered over 96.1 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 \$258 million from holders of abandoned property, averaging approximately \$25.8 million annually.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Holders Reporting	3,937	4,440	4,144	4,606	4,351	6,611	4,777	4,529	5,056	5,014
Cash Remitted (in millions of dollars)	\$15.1	\$21.1	\$18.5	\$20.1	\$21.2	\$27.3	\$30.5	\$31.4	\$33.7	\$39.8

Owner Claims Processed

During fiscal year 2026, the Division returned \$10.7 million to citizens, representing 10,807 claims paid. The average claim size was \$997. The largest individual claim in fiscal year 2026 totaled \$480,164. Over the past ten (10) fiscal years, \$78.5 million has been returned to owners, an average of over \$7.8 million returned each year.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Owner Claims Paid	6,033	6,375	6,083	6,868	6,675	7,889	11,636	12,407	11,499	10,807
Claims Paid (in thousands)	\$6,213	\$6,353	\$5,994	\$7,339	\$6,266	\$6,502	\$7,916	\$12,227	\$8,881	\$10,790

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

On a net basis, in fiscal year 2026, the Division delivered over \$23 million of unreturned property to the General Fund and \$4.5 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.

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 (10) fiscal years, the net transfer to the General Fund was approximately \$121 million, an average net transfer of funds of \$12.1 million annually. (in millions of dollars):

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Securities Liquidation Proceeds	\$3.97	\$5.88	\$6.11	\$2.94	\$4.61	\$4.02	\$3.12	\$6.41	\$5.15	\$6.57
Funds Escheated to NH Counties	\$0.97	\$2.06	\$2.04	\$1.27	\$2.10	\$1.42	\$1.48	\$1.88	\$2.50	\$4.51
General Fund Escheatment (less securities)	\$8.92	\$12.24	\$8.19	\$8.76	\$10.94	\$11.26	\$13.51	\$13.56	\$17.23	\$16.48

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 2026, the Division increased the cap from \$150 to \$200.

Additionally, as part of our commitment to return funds only to the rightful owner, in fiscal year 2026 the Division introduced a fraud detection and claim risk profiling feature that assesses claim risk using KAPS Unclaimed Property System’s proprietary artificial intelligence.

The Division also amended the contract with its custody of assets vendor to begin receiving unclaimed digital assets. Holders of unclaimed digital assets are able to report digital assets in native form to the Division, and the claimant now has the ability to choose between receiving cash or digital assets.

In fiscal year 2026, the Division conducted several outreach initiatives, including a radio advertisement airing on New Hampshire Public Radio, printed advertisements in 14 senior center newsletters throughout the state, and sponsorship at the New Hampshire Lodging and Restaurant Association golf tournament.

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 28 years of administering the UNIQUE College Investing Plan (“UNIQUE Plan”) and 24 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 \$37.3 billion at the end of fiscal year 2026. 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 \$27,652 for the UNIQUE Plan and \$40,284 in the FA 529 Plan, highlighting that this is a college savings vehicle primarily used by middle- and lower-income families. This year the Plan expanded its investment resources by partnering with investment consultant, Meketa Investment Group, through a three-year contract for the purpose of providing additional fiduciary support to the Advisory Commission and the Plan.

Both plans offer broad flexibility, allowing withdrawals for a wide range of qualified education expenses such as computers, books, required supplies, equipment, room and board, and tuition at accredited postsecondary institutions in the United States and select international schools. The Tax Cuts and Jobs Act of 2017 expanded this flexibility by permitting up to \$10,000 per year to be used for K–12 tuition. Participation in the plans has no income restrictions and is available to anyone regardless of residency. The UNIQUE Plan is offered directly to retail investors, while the FA 529 Plan is sold through financial intermediaries. Participants can choose from an array of investment options, including age-based portfolios, static allocation strategies, and individual fund options—both active and index—as well as blended portfolios that combine the two. These funds-of-funds options range from aggressive equity strategies to conservative fixed income portfolios, and they are reviewed regularly to support strong long-term investment performance for college savers.

Recent federal legislation has further strengthened and expanded the usefulness of 529 plans. Under the SECURE Act 2.0, effective January 2024, beneficiaries may roll over up to \$35,000 of unused 529 assets into a Roth IRA tax-free, provided the account has been open for at least 15 years and rollovers comply with annual IRA contribution limits. The One Big Beautiful Bill Act (OBBBA), enacted July 4, 2025, introduced additional enhancements that significantly broaden allowable uses. The annual federal limit for K–12 tuition withdrawals increased from \$10,000 to \$20,000 per beneficiary. Eligible K–12 expenses were also expanded to include curriculum materials, tutoring, digital learning tools, standardized testing fees, dual-enrollment tuition, and certain educational therapies. Beyond K–12, OBBBA extended qualified expenses to cover a range of postsecondary credentialing and vocational programs such as professional licensing exams, skilled trade certifications, and continuing education requirements reflecting the evolving landscape of education and workforce development. The Act also made permanent the ability to roll over funds from a 529 plan to an ABL account for beneficiaries with disabilities, providing families with added flexibility when their needs change.

Morningstar rates New Hampshire’s UNIQUE College Investing Plan as one of the best 529 plans in the country earning the Medalist Rating of *Bronze* in fiscal year 2026. The FA 529 Plan maintains a Neutral rating.

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.

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. The funding is reviewed annually for both programs.

The Advisory Commission initially determined that for the 2025-26 academic year, 30% of the projected revenue would continue to be allocated to institution endowments as in prior years, however, due to budgetary concerns at the state level and the fact that endowments are well-funded, the Advisory Commission decided to suspend funding for the Endowment Program for the remainder of fiscal year 2026 and the remaining revenue to be credited to the Trust Fund to fund the Annual Program. For the 2025-26 academic year, the Advisory Commission kept the individual award amount at \$2,500 (full time-students, prorated for part-time), but voted to increase it to \$3,500 for the 2026-27 academic year.

In fiscal year 2026, over \$15.5 million was awarded to approximately 8,600 low-income New Hampshire students from the UNIQUE Annual Allocation Program compared to \$16.5 million granted to 9,080 low-income students in fiscal year 2025. Additionally, the Endowment Program disbursed \$7.7 million from endowment earnings to 3,360 New Hampshire students, receiving a minimum award amount of \$1,000 in fiscal year 2025. Both programs submit complete program results by October 15.

Since their inception, the UNIQUE scholarship programs have distributed over \$245 million of scholarship funding through the end of fiscal year 2026. (in thousands of dollars):

	<u>FY 2026</u>	<u>From Inception</u>
Annual Program	\$15,550	\$ 84,187
Endowment Program	<u>547</u>	<u>161,405</u>
TOTAL	\$16,097	\$245,592

As of the end of fiscal year 2026, the Trust Fund had a market value of \$25.9 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 seeded with an initial General Fund appropriation of \$5 million.

In fiscal year 2026, New Hampshire postsecondary education institutions awarded 992 four-, two- and one-year awards to New Hampshire students participating in the Governor's Scholarship Program compared to 956 scholarships awarded in fiscal year 2025. Of the 992 scholarships, 240 went to students who obtained the "New Hampshire Scholar" designation while attending high school. In fiscal year 2026, participating institutions were reimbursed approximately \$2.6 million for students who were enrolled and awarded a Governor's Scholarship. As of June 30, 2026, the Governor's Scholarship Fund had an available balance of \$9.4 million of which \$8.4 million was restricted for awards granted in previous fiscal years.

THE NH ABLE PLAN SAVINGS PROGRAM



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, which was officially launched on December 15, 2017.

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 and entered into a new partnership with the National ABLE Alliance effective October 26, 2023, 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, eligibility for owning an ABLE account is based on the onset of the individual's disability, which, following passage of the ABLE Age Adjustment Act, must have occurred before age 46. This expansion, effective January 1, 2026, significantly broadens access to ABLE accounts for individuals whose disabilities began later in life. Federal rules also establish annual contribution limits. Up to \$20,000 in after-tax funds may be deposited into an ABLE account each year, and if the account owner is employed and not participating in an employer-sponsored retirement plan, additional contributions may be made under the ABLE-to-Work provision. These additional deposits may equal the account owner's earnings for the year or the federal poverty guideline amount, whichever is less. In New Hampshire, the maximum account balance allowed for the calendar year under the NH ABLE Plan is \$596,925, after which no further contributions may be made until the balance falls below the cap.

The NH ABLE Plan provides seven investment portfolio options designed to meet a variety of savings goals and risk preferences, including aggressive, moderately aggressive, growth, moderate, moderately conservative, conservative, and a money market option. In addition, account owners may select an FDIC-insured checking account that offers debit card access and check-writing capabilities. Distributions from NH ABLE accounts remain tax-free as long as they are used for qualified disability expenses, including needs that support the individual's health, independence, or quality of life.

As of June 30, 2026, 1,216 New Hampshire residents chose to maintain an ABLE account with the Ohio STABLE Account program (\$14.4 million in market-value assets). STABLE Account owners who are residents of the New Hampshire 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, 2026, The NH ABLE Plan had 504 participant accounts with approximately \$4.6 million in market-value assets. The average account size was \$9,590.

SEABROOK NUCLEAR DECOMMISSIONING TRUST

The Seabrook Decommissioning Trust Fund had market-value assets of \$1.5 billion and reported an after-tax rate of return of 17.2% 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 2026 was 67% equities, 22% fixed income, and 11% opportunistic investments. In addition, \$4,822 was held as a decommissioning funding assurance in separate escrow accounts on behalf of the owners at June 30, 2026. Escrow holdings primarily consist of cash and cash equivalents, with the State Treasurer having signatory authority, but not custody of the funds.

The State Treasurer contributes to the oversight of the Seabrook Decommissioning Trust through service on the Nuclear Decommissioning Financing Committee (pursuant to RSA 162-F), the approval of the Trust's Investment Guidelines under the Master Trust Agreement, and several related administrative responsibilities. The Trust itself is held by Bank of New York Mellon on behalf of the owners of the Seabrook Nuclear Power Plant and is dedicated exclusively to funding decommissioning costs when the plant ceases operations.

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.treasury.nh.gov/transparency/component-units-dashboard>.

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

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EXHIBIT I
TRUST AND CUSTODIAL ACCOUNTS HELD BY THE STATE TREASURER
FISCAL YEAR 2026 (UNAUDITED)

	Beginning Market Value	Dividends & Interest Earned	Net Transactions During Year	Net Change In Market Value	Ending Market Value
<u>Department of Education</u>					
- Harriet Huntress	113,260	3,780	(399)	10,202	126,843
- Hattie Livesey	59,172	1,974	(208)	5,349	66,287
- John Nesmith	845,820	28,145	(2,973)	76,330	947,323
- Special Teachers					
Competence	368,043	12,089	(13,661)	32,839	399,310
- NH Higher Ed- Concord					
Hospital Surgical Technology					
Program	92,969	4,088	(158)	0	96,899
- NH Higher Ed- The Trivium					
Institute	11,440	503	(19)	0	11,923
<u>Department of Environmental Services</u>					
- Connecticut-Coos	3,765,065	94,689	(4,215,787)	356,033	0
- Mascoma	51,886	1,694	(53,429)	(151)	0
- Newfound	97,566	3,186	(100,467)	(285)	0
- Piscataqua	0	0	0	0	0
- Squam Lake	108,178	4,842	(111,394)	(1,625)	0
- Sugar River	15,278	684	(15,733)	(230)	0
- Winnepesaukee	15,812	516	(16,282)	(46)	0
<u>Department of Fish & Game</u>					
- Lifetime License Fund	4,141,332	129,758	136,023	480,342	4,887,454
<u>Health & Human Services</u>					
- Laconia State School	124,888	5,470	(712)	0	129,646
- Matthew Elliott Memorial					
Trust Fund	5,656	239	(9)	0	5,886
- New Hampshire Hospital	8,847,329	251,104	844,146	(262,778)	9,679,801
- NHSLRP/JUA Escrow					
Account	3,040,772	128,790	(538,637)	0	2,630,925
- Youth Development Center	40,709	1,794	(69)	0	42,433
<u>Department of Labor</u>					
- Crown Paper Workers					
Compensation	15,563	686	(27)	0	16,223
- Special Fund For Second					
Injuries	2,856,992	152,844	(16,590)	0	2,993,246
- Yellow Transportation	194,454	6,155	(65,375)	0	135,234

	Beginning Market Value	Dividends & Interest Earned	Net Transactions During Year	Net Change In Market Value	Ending Market Value
<u>Dept of Natural and Cultural Resources</u>					
- Tip-Top House Fund	24,631	1,079	(42)	0	25,668
<u>Department of Safety</u>					
- Financial Responsibility	111,557	4,395	(24,188)	0	91,764
- Road Toll Bonds	42,234	1,230	(24,838)	0	18,625
<u>New Hampshire Veterans' Home</u>					
- Benefit Fund	2,244,401	75,904	215,902	211,024	2,747,231
- Guy Thompson Account	15,356	666	(571)	0	15,452
- Members' Administrative Account	379,634	16,984	100,000	0	496,618
<u>Council on Resource Development</u>					
- Land Conservation Monitoring Endowment	5,519,679	149,266	(200,296)	745,198	6,213,847
<u>Department of Energy</u>					
-Electric Assistance Program	886,909	13,849	(669,425)	0	231,333
<u>Treasury Department</u>					
- Japanese Charitable Fund	237,940	7,928	(4,332)	21,472	263,008
- NH Excellence in Higher Education Trust	21,859,627	757,894	1,309,475	2,000,885	25,927,881
<u>University of New Hampshire</u>					
- Benjamin Thompson Trust	3,211,668	76,681	(43,045)	488,084	3,733,388
<u>Other</u>					
- Community Conservation Endowment	8,002,751	189,574	(279,838)	1,187,966	9,100,453
- Conn Lakes Headwaters Natural Areas Stewardship	2,869,732	68,198	(158,880)	424,070	3,203,121
- Conn Lakes Headwaters Tract Monitoring Endowment	3,262,692	78,108	(11,838)	496,903	3,825,865
- Conn Lakes Headwaters Tract Road Maintenance	2,598,295	60,028	(498,992)	352,554	2,511,884
<u>Total Trust & Custodial Accounts</u>	<u>76,079,290</u>	<u>2,334,815</u>	<u>(4,462,668)</u>	<u>6,624,135</u>	<u>80,575,572</u>
- Unclaimed and Abandoned Property Securities	36,892,718	1,772,787	17,466,799	389,969	56,522,272