STATE OF NEW HAMPSHIRE

SINGLE AUDIT OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS

FOR THE YEAR ENDED JUNE 30, 2025

PREPARED BY:
DEPARTMENT OF ADMINISTRATIVE SERVICES

STATE OF NEW HAMPSHIRE
SINGLE AUDIT OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2025

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State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES
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Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

LETTER OF TRANSMITTAL

To The Fiscal Committee Of The General Court:

We hereby submit the annual Single Audit Report of the State of New Hampshire for the year ended June 30, 2025. This audit has been performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. The report that follows provides the results of the work conducted to satisfy the requirements of Title 31, Chapter 75, United States Code, otherwise known as the Single Audit Act and the reporting requirements are set forth in the Code of Federal Regulations Title 2, part 200; *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

This report is presented in eight major sections:

- Introduction and Summary Table of Federal Program Expenditures by State Agency (section B)
- Basic Financial Statements with the Independent Auditors' Report (section C)
- Auditors' Reports on Compliance and on Internal Control (section D)
- Schedule of Expenditures of Federal Awards (section E)
- Schedule of Current Year Findings and Questioned Costs (section F)
- Status of Prior Years' Findings and Questioned Costs (section G)
- State Agency Corrective Action Plans (Section H)
- Appendices

While only the basic financial statements are reproduced in this report, the complete *New Hampshire Annual Comprehensive Financial Report* and the related *Management Letter* for the year ended June 30, 2025, are issued under separate covers and can be obtained by contacting the Department of Administrative Services.

Department of Administrative Services

March 30, 2026

This report can be accessed online at https://das.nh.gov/accounting/reports.aspx

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STATE OF NEW HAMPSHIRE
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2025

INTRODUCTION

The Single Audit Act requires annual audits of the State's federal financial assistance programs. The specific audit and reporting requirements are set forth in the Code of Federal Regulations Title 2, part 200; *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

This report is divided into sections: The State's fiscal year 2025 financial statements with related footnotes (section C), the auditors' reports on compliance and internal control (section D), the schedule of expenditures of federal awards (section E), the schedule of current year findings and questioned costs (section F), the status of prior years' findings (section G), State Agency Corrective Action Plans (Section H), and appendices (section I).

The Schedule of Expenditures of Federal Awards (the Schedule or the SEFA) reports federal expenditures for each federal financial assistance program by federal agency, as identified by the Assistance Listing Number (ALN) [formerly: Catalog of Federal Domestic Assistance (CFDA) number], and is used for identifying Type A and Type B programs. Type A federal programs for the State of New Hampshire are those programs with annual federal expenditures that equal or exceed $10,271,884. All other programs are classified as Type B programs.

The identification of Type A and B programs is used to determine which federal programs will be tested in detail for compliance with federal laws and regulations. Under the Uniform Guidance, the auditor uses a risk-based approach to testing. Once programs are classified as Type A or B, they are then assessed as either high or low risk programs. High-risk Type A and select high-risk Type B programs are considered major programs and are tested in detail for compliance with federal regulations. In addition, all Type A programs must be tested at least once every three years. For fiscal year 2025, 17 programs/clusters were tested as major programs. The list of major programs/clusters tested begins on page F-2.

During fiscal year 2025, the State administered approximately 304 federal programs, with total federal expenditures of approximately $3.4 billion. Of those programs, Type A programs/clusters accounted for 91% of total federal expenditures, with the Medicaid program cluster, the Coronavirus State and Local Fiscal Recovery Funds, and the Highway Planning and Construction program accounting for approximately 65% of total expenditures. The remainder of this section groups Type A federal programs by the State agency responsible for program administration.

STATE OF NEW HAMPSHIRE

SUMMARY TABLE OF FEDERAL EXPENDITURES BY STATE AGENCY FOR THE YEAR ENDED JUNE 30, 2025

STATE AGENCY	ALN	PROGRAM TITLE	TYPE A PROGRAMS	2025 EXPENDITURES
Administrative Services	Various	Child Nutrition Cluster	5,815,888	
	21.027	Coronavirus State and Local Fiscal Recovery Funds	26,882,407	32,698,295
		Other Programs		5,633,348
		Total Administrative Services		38,331,643
Agriculture	21.027	Coronavirus State and Local Fiscal Recovery Funds	3,068,486	3,068,486
		Other Programs		1,925,257
		Total Agriculture		4,993,743
Business and Economic Affairs	21.027	Coronavirus State and Local Fiscal Recovery Funds	23,615,299	
	21.029	Capital Projects Fund	29,091,837	52,707,136
		Other Programs		12,691,351
		Total Business and Economic Affairs		65,398,487
Commission on Aging	21.027	Coronavirus State and Local Fiscal Recovery Funds	198,000	198,000
Commission on Disability		Other Programs		163,855
Corrections	21.027	Coronavirus State and Local Fiscal Recovery Funds	4,768,821	4,768,821
		Other Programs		43,035
		Total Corrections		4,811,856
Developmental Disabilities Council		Other Programs		458,290
Education	Various	Child Nutrition Cluster	35,343,119	
	21.027	Coronavirus State and Local Fiscal Recovery Funds	5,020,780	
	Various	Special Education Cluster	60,165,541	
	84.010	Title I Grants To Local Educational Agencies	50,977,942	
	84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	17,264,022	
	84.367	Supporting Effective Instruction State Grants	10,893,734	
	84.425	Education Stabilization Fund	117,229,217	296,894,355
		Other Programs		55,907,702
		Total Education		352,802,057
Employment Security	17.225	Unemployment Insurance	73,096,183	
	21.027	Coronavirus State and Local Fiscal Recovery Funds	357,319	
	93.563	Child Support Services	4,015	73,457,517
		Other Programs		4,783,569
		Total Employment Security		78,241,086
Energy	93.568	Low-Income Home Energy Assistance	36,786,600	36,786,600
		Other Programs		7,122,661
		Total Energy		43,909,261
Environmental Services	21.027	Coronavirus State and Local Fiscal Recovery Funds	57,320,856	
	66.458	Capitalization Grants for Clean Water State Revolving Fund	16,261,431	
	66.468	Capitalization Grants for Drinking Water State Revolving Fund	20,530,213	94,112,500
		Other Programs		20,174,487
		Total Environmental Services		114,286,987

STATE AGENCY	ALN	PROGRAM TITLE	TYPE A PROGRAMS	2025 EXPENDITURES
Fish & Game	21.027	Coronavirus State and Local Fiscal Recovery Funds	8,258,084	8,258,084
		Other Programs		12,052,597
		Total Fish and Game		20,310,681
Governor's Office for Emergency Relief and Recovery	21.027	Coronavirus State and Local Fiscal Recovery Funds	37,604,159	37,604,159
		Other Programs		803,548
		Total Governor's Office for Emergency Relief and Recovery		38,407,707
Health & Human Services	Various	SNAP Cluster	166,670,352	
	10.557	WIC Special Supplemental Nutrition Program for Women, Infants and Children	12,156,328	
	21.027	Coronavirus State and Local Fiscal Recovery Funds	36,780,173	
	93.268	Immunization Cooperative Agreements	23,856,840	
	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	14,820,332	
	93.558	TANF	31,888,467	
	93.563	Child Support Services	16,362,642	
	Various	Child Care and Development Fund (CCDF) Cluster	57,259,164	
	93.658	Foster Care - Title IV-E	17,732,400	
	Various	Medicaid Cluster	1,718,316,454	
	93.788	Opioid STR	17,543,982	
	93.959	Block Grants for Prevention and Treatment of Substance Abuse	12,609,797	2,125,996,931
		Other Programs		110,178,082
		Total Health & Human Services		2,236,175,013
Human Rights Commission	21.027	Coronavirus State and Local Fiscal Recovery Funds	20,588	20,588
		Other Programs		143,924
				164,512
Information Technology	21.027	Coronavirus State and Local Fiscal Recovery Funds	6,429,082	6,429,082
Insurance	21.027	Coronavirus State and Local Fiscal Recovery Funds	15,975	15,975
		Other Programs		152,022
		Total Insurance		167,997
Judicial Branch	21.027	Coronavirus State and Local Fiscal Recovery Funds	2,689,137	2,689,137
		Other Programs		773,689
				3,462,826
Judicial Council	21.027	Coronavirus State and Local Fiscal Recovery Funds	72,870	72,870
Justice	Various	Medicaid Cluster	760,486	
	21.027	Coronavirus State and Local Fiscal Recovery Funds	1,509,691	2,270,177
		Other Programs		16,229,212
		Total Justice		18,499,389
Labor	21.027	Coronavirus State and Local Fiscal Recovery Funds	23,934	23,934

STATE AGENCY	ALN	PROGRAM TITLE	TYPE A PROGRAMS	2025 EXPENDITURES
Military Affairs and Veteran Services	12.401	National Guard Military Operations And Maintenance (O&M) Projects	13,762,823	
	21.027	Coronavirus State and Local Fiscal Recovery Funds	4,693	13,767,516
		Other Programs		6,858,225
		Total Military Affairs and Veteran Services		20,625,741
Natural and Cultural Resources	21.027	Coronavirus State and Local Fiscal Recovery Funds	16,778,835	16,778,835
		Other Programs		7,026,480
		Total Natural and Cultural Resources		23,805,315
Pease Development Authority	21.027	Coronavirus State and Local Fiscal Recovery Funds	2,468,833	2,468,833
Police Standards and Training	21.027	Coronavirus State and Local Fiscal Recovery Funds	355,199	355,199
Revenue Administration	21.027	Coronavirus State and Local Fiscal Recovery Funds	651,520	651,520
		Other Programs		(149,656)
		Total Revenue Administration		501,864
Safety	21.027	Coronavirus State and Local Fiscal Recovery Funds	10,408,044	
	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	17,853,184	28,261,228
		Other Programs		24,013,520
		Total Safety		52,274,748
Secretary of State		Other Programs		1,012,700
Transportation	20.205	Highway Planning And Construction	263,174,329	
	21.027	Coronavirus State and Local Fiscal Recovery Funds	1,547,388	264,721,717
		Other Programs		20,381,533
		Total Transportation		285,103,250
Veterans Home	21.027	Coronavirus State and Local Fiscal Recovery Funds	739,151	739,151
		Other Programs		9,765,199
		Total Veterans Home		10,504,350
		TOTAL EXPENDITURES	**3,105,816,646**	**3,423,961,276**



KPMG LLP
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Independent Auditors' Report

The Fiscal Committee of the General Court
State of New Hampshire:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Hampshire (the State), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of the following entities and funds:

- *Business-Type Activities*
  - State's Liquor Commission enterprise fund, which is a major enterprise fund.
  - State's Lottery Commission enterprise fund, which is a major enterprise fund.

    These funds collectively represent 7.5% and 82.7% of the total assets and revenues, respectively, of the business-type activities.
- *Fiduciary Activities*

  New Hampshire Retirement System, New Hampshire Judicial Retirement Plan, and the New Hampshire Public Deposit Investment Pool that represents 98.1% and 83.7% of the total assets and revenues, respectively, of the aggregate remaining fund information.
- *Aggregate Discretely Presented Component Units*

  The discretely presented component units of the State. These entities collectively represent 100% of the total assets and revenues of the aggregate discretely presented component units.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the entities and funds listed above are based solely on the reports of the other auditors.

KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the University System of New Hampshire, the New Hampshire Public Deposit Investment Pool and the Business Finance Authority of the State of New Hampshire were not audited in accordance with the *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis and the information listed under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The other supplementary information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, and statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025 on our consideration of the State of New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of New Hampshire's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of New Hampshire's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
December 23, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

The following is a discussion and analysis of the financial activities of the State of New Hampshire (the State) for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information included in our letter of transmittal, which can be found at the front of this report, and with the State's financial statements which follow this section.

Government-Wide Highlights

Net Position: The total assets and deferred outflows of resources of the State exceeded total liabilities and deferred inflows of resources as of June 30, 2025 by $3.8 billion. This amount is presented as "Total Net Position" on the Statement of Net Position for the Primary Government (condensed information can be seen later in the MD&A section of this report). Of this amount, $2.3 billion is reported as a deficit in unrestricted net position, representing a deficiency of unrestricted, non-capital assets, to liabilities other than capital debt.

Changes in Net Position: The State's total net position decreased by $753.3 million, or 16.7%, in fiscal year 2025 from $4,504.1 million to $3,750.7 million, as shown in the Comparative Changes in Net Position table within this report. Also reflected in this table, the State's net position of governmental activities decreased by $826.9 million (33.6%), from $2,461.9 million to $1,635.0 million in fiscal year 2025. Net position of the business-type activities showed an increase of $73.5 million 3.6% related to fiscal year 2025 activity, from $2,042.1 million to $2,115.7 million. Total change in expenses for the period were $437.2 million, or 4.4% more than fiscal year 2024 and total change in revenues were approximately $355.7 million or (3.5%) less than fiscal year 2024. The overall increase in spending funded by surplus and the decrease in revenues in the Governmental Activities offset by the increase in Business-Type Activities revenues and expenses, therefore, decreasing the overall change in net position.

Non-Current Liabilities: The State's total non-current liabilities increased by $713.2 million or 18.0% during the current fiscal year, and is largely due to the combined increase of $185.4 million in the State's aggregate total Other Post Employment Benefits ("OPEB") and Net Pension Liabilities. The $14.7 million decrease in Net Pension Liability is primarily the result of a combined higher collective total pension liability offset by a higher plan fiduciary net position due to fiduciary gains experienced by the NH Retirement System and the New Hampshire Judicial Retirement Plan. Also, the State's overall proportionate share of the NHRS net pension liability increased from 18.78% to 20.10%. The $311.1 million increase in OPEB is the result of updated actuarial assumptions to reflect current experience and future expectations, including an increase in the discount rate, calculated as part of the annual accounting valuation. In addition, there was in increase in legal settlement liabilities of $540.0 million, which is offset with the overall increase in the current portion of the non-current liabilities.

Fund Highlights:

Governmental funds - Fund Balances: As of the close of fiscal year 2025, the State's governmental funds reported a combined balance of all funds of $2,036.4 million, a decrease of $396.5 million over the prior year. Within the governmental funds, fund balances for the general fund and the combined non-major governmental funds decreased by $333.1 million, and increased by $29.9 million, respectively. The education funds decreased by $66.3 million. For general funds and education funds, unrestricted revenues were not at the same levels as in prior years, resulting in the lower fund balance levels. Business taxes, tobacco taxes, real estate transfer tax collections along with Liquor Commission transfers were below budgeted plan. In addition, RSA 77:1, *Rate of Taxation on Incomes,* was repealed effective January 1, 2025, which impacted the Interest and Dividend (I&D) taxes collected for a portion of fiscal year 2025 and future periods. Of note for fiscal year 2025, interest on surplus funds contributed were significantly above budgeted plan to offset the overall decrease in the general fund balance, and higher transfers from the Lottery Commission offset the overall decrease in the education trust fund balance. Fund balances in the highway fund decreased by $27.1 million as compared to prior year, in part due to a decrease in revenues as well as an increase in approved appropriations. The legislature planned for additional spending towards highway fund initiatives. As of June 30, 2025, $225.2 million of the unassigned fund balance represents the Revenue Stabilization balance ("Rainy Day Fund"), as compared to $292.5 million in fiscal year 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the State's basic financial statements. The State's basic financial statements include three components:

1. Government-Wide financial statements,
2. Fund financial statements, and
3. Notes to the basic financial statements.

This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad view of the State's finances. These statements (Statement of Net Position and Statement of Activities) provide both short-term and long-term information about the State's overall financial position. They are prepared using the economic resources measurement focus and accrual basis of accounting, which recognizes all revenues and expenses connected with the fiscal year even if cash has not been received or paid.

The **Statement of Net Position**, beginning on page 30, presents all of the State's non-fiduciary assets and liabilities as well as any deferred outflows of resources or deferred inflows of resources. The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as "net position" instead of fund balance as shown on the Fund Statements. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the State is improving or deteriorating.

The **Statement of Activities**, beginning on page 32, presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash

flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and licenses and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the State.

The Government-Wide Financial Statements have separate sections for three different types of State activities. These three types of activities are:

Governmental Activities: The activities in this section represent most of the State's basic services and are generally supported by taxes, grants and intergovernmental revenues. The governmental activities of the State include general government, administration of justice and public protection, resource protection and development, transportation, health and social services, and education.

Business-Type Activities: These activities are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. These business-type activities of the State include the operations of the:

Turnpike System,
Liquor Commission,
Lottery Commission (includes Racing & Charitable Gaming),
State Revolving Fund (SRF), and
New Hampshire Unemployment Compensation Trust Fund

Discretely Presented Component Units: Component Units are entities that are legally separate from the State, but for which the State is financially accountable. The State's discretely presented component units are presented in the aggregate in these Government-Wide Statements and include the:

University System of New Hampshire (USNH),
Business Finance Authority of the State of New Hampshire
Community Development Finance Authority,
Pease Development Authority,and
The Community College System of New Hampshire

Complete financial statements of the individual component units can be obtained from their respective administrative offices. Addresses and other additional information about the state's component units are presented in the notes to the basic financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The State, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements, focus on the individual parts of the State government, and report the State's operations in more detail than the government-wide statements. The State's funds are divided into three categories – governmental, proprietary and fiduciary. For governmental and proprietary funds, only those funds that are considered Major Funds are reported in individual columns in the Fund Financial Statements with the Non-Major Funds reported in the aggregate. Fiduciary funds are reported by fiduciary type (pension, private-purpose, investment trust, and custodial).

Governmental Funds: Most of the basic services provided by the State are financed through governmental funds. Unlike the Government-Wide Financial Statements, the Governmental Fund Financial Statements report using the current financial resources measurement focus and modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. The Governmental Fund Financial Statements can be found on pages 35 and 37.

Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented here with similar information presented in the Government-Wide Financial Statements. Reconciliations are provided between the Governmental Fund Financial Statements and the Government-Wide Financial Statements, which can be found on pages 36 and 38.

The State's major governmental funds include the General Fund, Highway Fund, and Education Fund.

Individual fund data for each of the State's non-major governmental funds (Fish and Game Fund, Capital Projects Fund, Coronavirus Relief Fund, Other Governmental Fund, and Permanent Funds) are provided in the combining statements found on pages 123 and 124.

Proprietary Funds: The State's proprietary funds charge a user fee for the goods and services they provide to both the general public and other agencies within the State. These activities are reported in five enterprise funds and one internal service fund. The enterprise funds, which are all considered major funds, report activities that provide goods and services to the general public and include the operations of the Turnpike System, Liquor Commission, Lottery Commission, SRF Fund and the New Hampshire Unemployment Trust Fund. The Internal Service Fund reports health-related fringe benefit services for the State's programs and activities.

Like the Government-Wide Financial Statements, Proprietary Fund Financial Statements use the economic resources measurement focus and accrual basis of accounting. Therefore there is no reconciliation needed between the Government-Wide Financial Statements for business-type activities and the Proprietary Fund Financial Statements. The Internal Service Fund is reported within governmental activities on the Government-Wide Financial Statements. The basic proprietary funds financial statements can be found on pages 40 through 43.

Fiduciary Funds and Similar Component Units: These funds are used to account for resources held for the benefit of parties outside the state government. Fiduciary funds are not reflected in the Government-Wide Financial Statements because the resources of these funds are not available to support the State's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds in that they use the economic resources measurement focus and accrual basis of accounting.

The State's fiduciary funds on pages 46-47 include the:

- **Pension Trust Funds** which account for the activity of the New Hampshire Retirement System and the New Hampshire Judicial Retirement Plan, which are component units of the State,
- **Private-Purpose Trust Funds** which account for the activity of trust arrangements under which principal and income benefit individuals,

private organizations, or other governments,

- **Investment Trust Fund** which accounts for the activity of the external investment pool known as the New Hampshire Public Deposit Investment Pool (NHPDIP), and
- **Custodial Funds** which report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Individual fund detail can be found in the combining financial statements in the Other Supplementary Information Section.

Major Component Unit

The State has only one major discretely presented component unit - the University System of New Hampshire and four non-major discretely presented component units. This separation is determined by the relative size of the individual entities' assets, liabilities, revenues and expenses in relation to the combined total of all component units. The combining financial statements for the component units can be found on pages 49 - 51.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements begin on page 54.

Required Supplementary Information

In addition to this Management's Discussion and Analysis, the basic financial statements and accompanying notes are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for each of the State's major governmental funds, and includes reconciliation between the statutory fund balance for budgetary purposes and the fund balance as presented in the governmental fund financial statements. In addition, information about the New Hampshire Retirement System and the New Hampshire Judicial Retirement Plan, as required under GASB 68 and information about the Trusted and Non-Trusted Other Post Employment Benefit Plans (OPEB), as required under GASB 75.

Other Supplementary Information

Other supplementary information includes combining financial statements and schedules for governmental, internal service and fiduciary funds and non-major component units.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The State's combined net position (governmental and business-type activities) totaled $3.8 billion as of June 30, 2025 which was $753.3 million, or 16.73%, lower than the net position as of June 30, 2024.

Comparative Net Position as of June 30, 2025 and 2024 (*as restated - Note 1.W)

(In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current assets	$2,184,607	$2,385,430	$ 1,043,803	$ 984,412	$ 3,228,410	$3,369,842
Capital, lease and subscription assets	3,574,972	3,483,755	1,065,970	1,062,000	4,640,942	$4,545,755
Other assets	1,968,252	2,336,310	588,450	582,332	2,556,702	$2,918,642
Total assets	7,727,831	8,205,495	2,698,223	2,628,744	10,426,054	10,834,239
Total deferred outflows of resources	511,470	409,877	27,807	21,912	539,277	431,789
Current liabilities	1,715,372	1,783,691	171,730	157,967	1,887,102	1,941,658
Noncurrent liabilities	4,278,776	3,566,243	390,554	389,906	4,669,330	3,956,149
Total liabilities	5,994,148	5,349,934	562,284	547,873	6,556,432	5,897,807
Total deferred inflows of resources	610,104	803,522	48,077	60,648	658,181	864,170
Net position:						
Net investment in capital assets	2,690,884	2,551,256	782,951	757,550	3,473,835	3,308,806
Restricted	1,251,073	1,418,080	1,302,222	1,284,759	2,553,295	2,702,839
Unrestricted	(2,306,908)	(1,507,420)	30,496	(174)	(2,276,412)	(1,507,594)
Total net position *	$1,635,049	$2,461,916	$2,115,669	$2,042,135	$3,750,718	$4,504,051

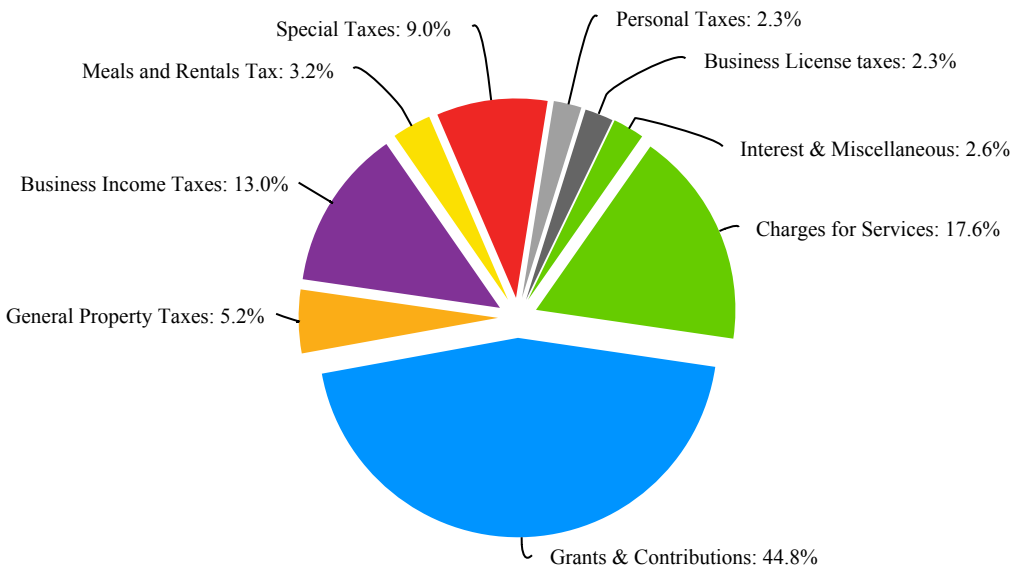
Comparative Changes in Net Position

For Fiscal Years Ended June 30, 2025 and 2024

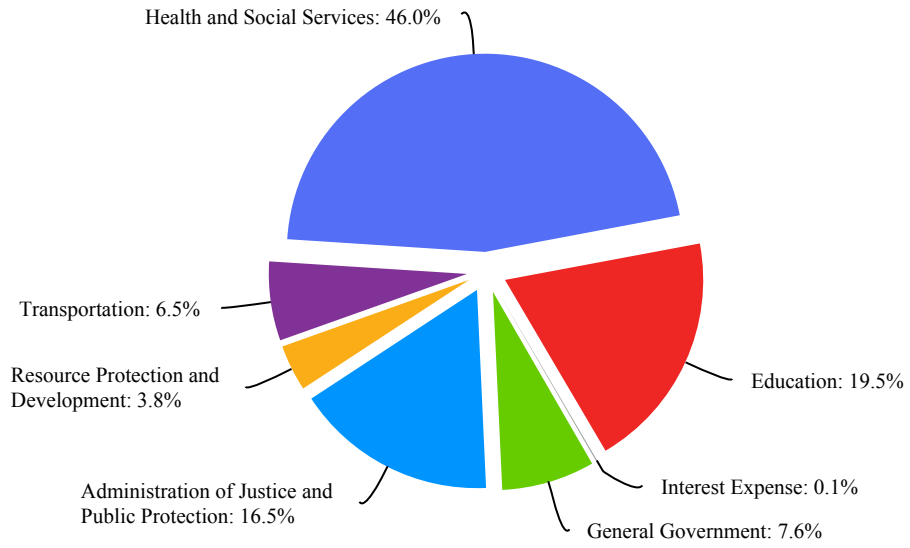
(In Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$ 1,424,776	$ 1,454,720	$ 1,577,327	$ 1,639,301	$ 3,002,103	$ 3,094,021
Operating grants & contributions	3,319,292	3,391,370	33,695	28,268	3,352,987	3,419,638
Capital grants & contributions	315,686	255,362	1,063	110	316,749	255,472
General revenues:						
General property taxes	417,418	409,670			417,418	409,670
Business income taxes	1,056,734	1,245,269			1,056,734	1,245,269
Meals and rentals tax	257,626	414,268			257,626	414,268
Special taxes	729,522	665,363			729,522	665,363
Personal taxes	184,124	189,284			184,124	189,284
Business license taxes	188,210	178,126			188,210	178,126
Interest	138,567	135,149			138,567	135,149
Miscellaneous	69,121	62,611			69,121	62,611
Total revenues	8,101,076	8,401,192	1,612,085	1,667,679	9,713,161	10,068,871
Expenses						
General government	705,312	832,348			705,312	832,348
Administration of justice and public protection	1,530,288	1,288,545			1,530,288	1,288,545
Resource protection and development	351,671	340,917			351,671	340,917
Transportation	598,652	558,008			598,652	558,008
Health and social services	4,268,155	3,935,927			4,268,155	3,935,927
Education	1,808,291	1,827,106			1,808,291	1,827,106
Interest expense	11,238	27,390			11,238	27,390
Turnpike System			117,776	111,473	117,776	111,473
Liquor Commission			598,550	613,235	598,550	613,235
Lottery Commission			396,603	427,009	396,603	427,009
SRF			24,960	18,519	24,960	18,519
Unemployment Compensation Trust Fund			54,998	48,863	54,998	48,863
Total expenses	9,273,607	8,810,241	1,192,887	1,219,099	10,466,494	10,029,340
Increase/ (decrease) in net position before transfers and other items	(1,172,531)	(409,049)	419,198	448,580	(753,333)	39,531
Transfers & other items	345,664	362,796	(345,664)	(362,796)		
Increase/ (decrease) in net position	(826,867)	(46,253)	73,534	85,784	(753,333)	39,531
Net position - July 1, as restated (Note 1.W)*	2,461,916	2,508,169	2,042,135	1,956,351	4,504,051	4,464,520
Net position - June 30	$ 1,635,049	$ 2,461,916	$ 2,115,669	$ 2,042,135	$ 3,750,718	$ 4,504,051

Governmental Activities - Revenue
Fiscal Year Ended June 30, 2025



Governmental Activities - Expenses
Fiscal Year Ended June 30, 2025



Net Investment in Capital Assets: The largest portion of the State's net position reflects its investment in capital assets such as land, buildings, equipment, infrastructure (roads and bridges), right to use lease and subscription-based IT arrangement (SBITA) assets; less any related outstanding debt used to acquire those assets. The State's net investment in capital assets increased $165.0 million from prior year. This increase was a combination of an increase in net capital assets of $95.2 million combined with a $57.2 million decrease in bonded debt related to capital assets, primarily a decrease in general obligation debt and related amortized premiums that were refunded, as well as, a decrease in Turnpike bonds of $19.0 million (from $217.1 million last year to $198.0 million this year). Although the State's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves generally cannot be used to liquidate these liabilities.

Restricted Net Position: Another portion of the State's net position, $2,553.3 million, represents resources that are subject to external restrictions on how they may be used. State-imposed designations of resources, unless resulting from enabling legislation, are not presented as restricted net position. Restricted net position decreased $149.5 million from prior year, partially as a result of restricted fund balance attributed to various general government and health and social services activities funded by the American Rescue Plan Act (ARPA).

Unrestricted Net Position: The deficit in the State's unrestricted net position is $2,276.4 million as compared to a deficit of $1,507.6 million, as restated, from the previous year. The two largest components of the deficit are the net pension liability of $1,073.6 million and the other postemployment benefit liability of $1,369.9 million. On a combined basis these long term liabilities decreased over the prior year. With additional legal settlement liabilities of $828.8 million and increased appropriation spending, coupled unrestricted revenues which came in lower than plan, the overall activity negatively impacted the deficit unrestricted net position.

Changes in Net Position

The State's total net position decreased by $753.3 million, or 16.7%, from current fiscal year activities. Total revenues were $9,713.2 million, a decrease of $355.7 million (3.5%) as compared to the prior year, and total reported expenses were $10,466.5 million, an increase of $437.2 million 4.4% as compared to the prior year. Overall spending increased in fiscal year 2025 and the decrease in revenue was unable to support much of the spending, resulting in a net decrease in total net position.

More than half of the State's revenue (68.69%) is from program revenue, consisting of charges for services, and federal and local grants. This includes federal funding from the American Rescue Plan Act, as more projects have been initiated, spending is higher and the related federal revenue is recognized. Revenues not specifically targeted for a specific program are known as general revenues, which are primarily from taxes. In total, program revenues were lower than the prior fiscal year by $97.3 million, due primarily a decrease in charges for services revenues within Administration of Justice and Public Protection, Health and Social Services, Liquor Commission and the Lottery Commission. General revenues decreased $258.4 million as compared to prior year. The State did not continue to experience the strong results, as in prior years, in unrestricted revenues from Business Taxes, Real Estate Transfer Taxes (under Special Taxes), and Meals and Rental Taxes. In addition, RSA 77:1, *Rate of Taxation on Incomes,* was repealed effective January 1, 2025, which impacted the Interest and Dividend (I&D) taxes collected for a portion of fiscal year 2025 and future periods. These underperforming revenues were also impacted by adjustments to account for anticipated refunds of overpayments in Business taxes and unanticipated refunds on I&D taxes, as well as a legislative restriction on thirty percent of Meals and Rentals collections, dedicating those funds to be transferred to local municipalities. Further, Liquor Commission transfers to the General fund were significantly below budgeted plan. The State's expenses cover a range of services. The largest expenses were for Health and Social Services and Education, which accounted for 40.8% and 17.3% of total expenses, respectively.

Analysis of Changes in Revenues and Expenses
For Fiscal Year Ending June 30, 2025 Compared to 2024
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	$Change	% Change	$Change	% Change	$Change	% Change
Revenues						
Program revenues:						
Charges for services	$ (29.9)	(2.1)%	$ (62.0)	(3.8)%	$ (91.9)	(3.0)%
Operating grants & contributions	(72.1)	(2.1)%	5.4	19.2 %	(66.7)	(1.9)%
Capital grants & contributions	60.3	23.6 %	1.0	866.4 %	61.3	24.0 %
General revenues:						
General Property Taxes	7.7	1.9 %			7.7	1.9 %
Business Income taxes	(188.5)	(15.1)%			(188.5)	(15.1)%
Meals and Rental Taxes	(156.6)	(37.8)%			(156.6)	(37.8)%
Special taxes	64.2	9.6 %			64.2	9.6 %
Personal taxes	(5.2)	(2.7)%			(5.2)	(2.7)%
Business License taxes	10.1	5.7 %			10.1	5.7 %
Interest	3.4	2.5 %			3.4	2.5 %
Miscellaneous	6.5	10.4 %			6.5	10.4 %
Total revenues	(300.1)	(3.6)%	(55.6)	(3.3)%	(355.7)	(3.5)%
Expenses						
General government	(127.0)	(15.3)%			(127.0)	(15.3)%
Administration of justice and public protection	241.7	18.8 %			241.7	18.8 %
Resource protection and development	10.8	3.2 %			10.8	3.2 %
Transportation	40.6	7.3 %			40.6	7.3 %
Health and social services	332.2	8.4 %			332.2	8.4 %
Education	(18.8)	(1.0)%			(18.8)	(1.0)%
Interest Expense	(16.2)	(59.0)%			(16.2)	(59.0)%
Turnpike System			6.3	5.7 %	6.3	5.7 %
Liquor Commission			(14.7)	(2.4)%	(14.7)	(2.4)%
Lottery Commission			(30.4)	(7.1)%	(30.4)	(7.1)%
SRF Fund			6.4	34.8 %	6.4	34.8 %
Unemployment Compensation			6.1	12.6 %	6.1	12.6 %
Total expenses	$ 463.4	5.3 %	$ (26.2)	(2.2)%	$ 437.2	4.4 %

Governmental Activities

Governmental activities decreased the State's net position by $1,172.5 million, before transfers and other items. Revenues decreased by $ 300.1 million or 3.6% from the prior year to total $8.1 billion. Total program revenue, consisting of charges for goods and services, and federal and local grants and other funding, decreased $41.7 million or 0.8%, taxes and other revenues decreased $258.4 million, or 7.8%. Reported expenses increased $463.4 million or 5.3%. Much of the change is due to the influx of federal funding in prior years and timing of payments in FY25.

A comparison of the cost of services by function for the State's governmental activities with the related program revenues is shown in the chart above. The largest expenses for the State, Health and Social Services and Education, also represent those activities that have the largest gap between expense and program revenues. Since many of these significant program costs are not fully recovered from program revenues, these programs are supplemented from general revenues.

Business-Type Activities

Charges for goods and services for the State's combined business type activities were more than adequate to cover the operating expenses and resulted in an increase in net position of $419.2 million prior to transfers. Business-Type activities include the operations from the Turnpike System, Liquor Commission, Lottery Commission, SRF Fund, and the Unemployment Compensation Fund. The majority of business-type activities experienced similar levels of activity and change in net position as in the prior year.

The Unemployment Compensation Fund had a drop in both operating revenues and federal grants. In fiscal year 2025, the Unemployment fund experienced an increase in net position before transfers of $11.5 million, whereas in fiscal year 2024 the fund saw an increase in net position of $15.9 million. During fiscal year 2023, a final transfer of $46.9 million of CARES Act funds was authorized and deposited into the Unemployment Compensation fund, in order to stabilize the fund going forward. With that funding and consideration of current forecasting, the State anticipates the Unemployment Compensation fund will remain solvent.

The Turnpike System generated net income before transfers of $33.9, which was a $13.1 million decrease from $47.0 million in the prior year, or 27.8%. Road toll revenues decreased 5.6% over prior year. Operations of the Liquor Commission generated net income before transfers of $128.4 million, a decrease of $16.3 million (11.2%) from the prior year, primarily due to a increase in operating expenses. Transfers from the Liquor Commission to the General Fund unrestricted revenue totaled $97.6 million for fiscal year 2025, as compared to $122.0 million in fiscal year 2024, and represent net liquor profits used to fund the general operations of the State. Also in fiscal year 2025, a combined $22.6 million in liquor profits were transferred to the State's Alcohol Abuse Prevention and Treatment/Granite Advantage Healthcare funds, as compared to $17.9 million in the prior year. The Lottery Commission net income before transfers of $208.9 million was an increase of $1.2 million (0.6%) as compared to the prior year net income of $207.8 million. Profits transferred to the education trust fund rose from $207.8 million in fiscal year 2024 to $209.0 million in fiscal year 2025. Lottery experienced higher sales as a result of large jackpots and strong performance in iLottery, historic horse racing, and sports betting. The

operations of the State Revolving Fund continue to yield an overall increase in net position. As in previous years, revenue from federal grants and interest exceeded the administrative costs to run the program. For fiscal year 2025, net position increased by $36.4 million.

FINANCIAL ANALYSIS OF THE STATE'S FUNDS

As noted earlier, the State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Total Governmental Fund Balances were $2,036.4 million at June 30, 2025, of which $1,594.7 million represents the General Fund's balance. Revenues were less than expenditures by $837.9 million before Other Financing Sources (Uses).

General Fund

The general fund is the primary operating fund of the State. The total fund equity at June 30, 2025 is $1,594.7 million, which was a decrease of $333.1 million over the prior year balance of $1,927.8 million. Revenues in the general fund were $6,270.5 million, $106.7 million (1.7%) lower than the prior year, with increases in interest on surplus funds and real estate transfer taxes, and a decrease in business taxes, I&D taxes, and federal funding. Unlike fiscal years 2023 and 2024, unrestricted revenues in fiscal year 2025 were significantly down. Expenditures increased by $271.8 million (4.2%) to $6,764.5 million, which was primarily the result of the increase in expenditures related to ARPA funded projects especially within Health and Social Services and Resource Protection and Development.

The total General Fund unassigned fund balance is comprised of the Undesignated fund balance and the Rainy Day fund balance. Pursuant to RSA 9;13-e, at the close of each fiscal biennium, any General Fund Unassigned Fund Balance (Surplus) remaining, as determined by the official audit performed pursuant to RSA 21-I:8, II(a), shall be transferred to the Rainy Day account. In the 2025 legislative session, the Legislature enacted an amendment to RSA 9:13-e, effective only for the biennium ending June 30, 2025. Per Chapter 141:139, in the event of a general fund operating budget deficit at the close of fiscal year 2025, as determined by the official audit performed pursuant to RSA 21-I:8, II(a), the state comptroller shall notify the fiscal committee and the governor of such deficit and request approval to transfer funds from the Rainy Day account to eliminate such deficit. At the close of the fiscal 2020-2021 biennium, the Rainy Day fund balance was $257.8 million. During fiscal year 2022, a transfer in of $2.1 million for 10% of certain settlements, offset by $100 million of Rainy Day Funds transferred out to the YDC settlement fund (established in Chapter 122, Laws of 2022) brought the Rainy Day Fund balance to $159.9 million as of June 30, 2022. During fiscal year 2023, an additional transfer in of $0.5 million for 10% of certain settlements occurred. With the close of the fiscal 2022-2023 biennium, the transfer of revenue surplus into the Rainy Day fund totaled $132.1 million, bringing the Undesignated fund balance to $292.5 million as of June 30, 2023. There were no additional funds transferred into the Rainy Day fund during FY24, and the balance remained at $292.5 as of June 30, 2024. At the end of the 2024-2025 biennium, there was a General Fund deficit of $67.3 million. As a result, a transfer was made from the Rainy Day account to the General Fund bringing the balance to $225.2 million as of June 30, 2025.

Education Fund

Similar to prior fiscal years, the education trust fund did not have a deficit balance as of June 30, 2025, but ended with surplus revenues which, per statute, remain in the fund and are classified as assigned fund balance. Much of the revenue increase this year was in Transfers from the Lottery Commission. The legislature will determine the use of this surplus in a future biennium.

Highway Fund

The highway fund ended the year with a restricted fund balance of $124.5 million and assigned fund balance of $63.1 million, which is a cumulative balance reflecting surplus transfers from the General Fund. There were no additional surplus transfers from the General Fund in fiscal year ending June 30, 2025. As the highway fund revenues include revenues primarily restricted by the State Constitution or the Federal Government, the fund balance as of June 30, 2025 is predominantly classified as restricted. Total fund balance decreased $(27.1) million during fiscal year 2025 due to higher expenditures as compared to the prior year.

Proprietary Funds

The State's proprietary fund statements provide the same type of information found in the Government-Wide Financial Statements, but in more detail. Like the Government-Wide Financial Statements, Proprietary Fund Financial Statements use the accrual basis of accounting. Therefore there is no reconciliation needed between the Government-Wide Financial Statements for business-type activities and the Proprietary Fund Financial Statements.

BUDGETARY HIGHLIGHTS

During the fiscal year, the original budget was amended by various supplemental appropriations and appropriation revisions. Budget to Actual Schedules for the major governmental funds that have a legally adopted budget are in the Required Supplementary Information section beginning on page 108.

General Fund:

The net increase from the original budget of $8,311.0 million to the final budget of $9,873.6 million is $1,562.6 million and represents additional appropriations issued after adoption of the operating budget, primarily in the following categories of government: Health & Social Services ($977.7 million), Education ($(18.4) million), Justice & Public Protection ($301.3 million), General Government ($250.6 million), Resource Protection and Development ($50.5 million) and Transportation ($1.0 million). The final budget reflects all appropriations included in the companion legislation which accompanied the original adopted budget. Additional federal funds were granted under the American Rescue Plan Act of 2021 ("ARPA") which resulted in additional appropriations that were not part of the originally adopted budget. Appropriations under these Acts are recorded within the General Fund on a budgetary basis. All federal revenues and expenditures are reported in the General Fund by category of government for the state agency administering program.

Total actual budgetary expenditures were approximately $3,014.2 million lower than the final budget, primarily within the categories of Health and Social Services ($1,300.1 million), Resource Protection and Development ($586.9 million), and Justice and Public Protection ($575.0 million). This variance was largely due to the timing of program expenditures and certain supplemental appropriations for programs designated for the '24-25 biennium, which were not completed in fiscal year 2025.

Actual total revenue was less than the final budget by approximately $5,056.8 million which was primarily the result of additional federal funding from ARPA that were budgeted but not spent, therefore revenues remained unearned at the end of fiscal year 2025.

Federal Funds - Impacts from ARPA and other acts:

The State has been allocated hundreds of millions of dollars from ARPA and other acts, to fund a variety of programs and initiatives within the State. This includes State Fiscal Recovery Funding (SFRF) through which the State has been allocated a total of $994.6 million. This funding was provided in two 50% tranches – the first half was received in fiscal year 2021 and the second half in fiscal year 2022. In addition, the State received a total of $112 million in local fiscal recovery funding, which was distributed to local governments (non-entitlement units, or NEU's). These funds are not reflected as a State expenditure in the financial statements and are instead accounted for in the Custodial Fund financial statements. State fiscal recovery funds may be used to respond to the public health emergency, support essential workers, replace lost revenue for the provision of government services, and to invest in specified types of infrastructure specifically limited to water, sewer, or broadband infrastructure. ARPA requires all allocated funds to be obligated by December 31, 2024, and expended by December 31, 2026. Through June 30, 2025, cumulative expenditures of these projects totaled $680.1 million for:

- $319.5 million for the public health response;
- $244.3 million for the provision of governmental services;
- $116.3 million for public water, wastewater, and drinking water projects;

As noted above, the State accounts for SFRF as part of the General Fund. All funds received in advance are held in the State's pooled cash accounts, and revenue is recorded as expended. Specific projects utilizing these funds are coordinated through the Governor's Office for Emergency Relief and Recovery (GOFERR) and submitted for approval to the legislative Fiscal Committee, thus creating a budgetary appropriation for the state agency that is administering the program.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital, Right of Use, and Subscription IT Assets

The State's investment in capital, right of use, and subscription IT assets for its governmental and business-type activities as of June 30, 2025, amounted to $9.4 billion, with accumulated depreciation and amortization amounts of $4.7 billion, leaving a net book value of $4.6 billion, consistent with the prior year. The investment in capital, right of use, and subscription IT assets includes equipment, real property, infrastructure, computer software, and construction in progress. Infrastructure assets are items that are normally immovable, of value only to the State, and include only roads and bridges. The net book value of the State's infrastructure for its roads and bridges approximates $2.6 billion, consistent with the prior year. Effective for the fiscal year ended June 30, 2022, the State implemented GASB No. 87, *Leases*. As such, lease assets are now reported with capital assets and lease liabilities are reported within the statement of net position. Lease receivables are reported on the statement of net position under current and non-current assets, and deferred inflows related to leases are reported in the deferred inflows of resources total. In Governmental Activities, the State reported $50.4 million net lease assets as of June 30, 2025, down from $58.5 million as of June 30, 2024. Effective for the fiscal year ended June 30, 2023, the State implemented GASB No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. A SBITA is a contract conveying the right-to-use a vendor's information technology software, sometimes in combination with a tangible underlying capital asset, in an exchange or exchange-like transaction. As such, the State is now reporting a subscription liability and an intangible asset is recognized in the statement of net position. In Governmental Activities, the State reported $31.0 million as net SBITA assets as of June 30, 2025, up from $20.0 million as of June 30, 2024.

The 2024-2025 capital budget authorized $278 million in capital appropriations, leveraging approximately $172 million in bonding authority, with $137 million in general funds and the balance from other sources. Some of the State's larger projects resulting in capitalized assets during fiscal year 2025 include:

- Various computer software system installations and equipment upgrades at the Departments of Health and Human Services ($13 million), Employment Security ($6.5 million), as well as Department of Corrections' ($2.2 million).
- Increased capitalized vehicles and equipment of $4.1 million for the Department of Safety, $7.3 million for the Department of Transportation and $2.4 million for the Department of Information Technology, as well as other agency operational improvements.
- Department of Transportation continued expenditures towards land, highways, bridges and other state infrastructure improvements.

Additional information on the state's capital assets can be found in Footnote 4 of the Notes to the Basic Financial Statements.

Debt Administration

The State may issue general obligation bonds and notes, revenue bonds, and notes in anticipation of such bonds authorized by the Legislature and Governor and Council. The State may also directly guarantee certain authority or political subdivision obligations. At the end of the current fiscal year, the State had total bond and note payables outstanding (not including premium on bonds) of $1,037.9 million. Of the total amount, $823.9 million are general obligation bonds, direct placement bonds, and notes payable, which are backed by the full faith and credit of the State, and $15.9 million are Federal Highway Grant Anticipation Bonds (GARVEE). The remainder of the State's debt is Turnpike revenue bonds, which are secured by the specified revenue sources within the Turnpike System.

On April 22, 2025, the Treasury issued $60,000,000 in general obligation capital improvement bonds (the "Series A Bonds") of which $59.7 million was for governmental activities and $0.3 million was for Liquor projects, 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 sale 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%. The proceeds of these bonds will be used to fund all or part of various capital projects of the State.

In May 2016, the State entered into the Transportation Infrastructure Finance and Innovation Act (TIFIA) financing agreement to advance the construction of the remaining I-93 expansion projects. The loan proceeds are being used on four Federal Highway Administration (FHWA) approved projects included in the I-93 widening project, which were completed in fiscal year end June 30, 2022. Total proceeds to date for program expenditures are $198.5 million, representing a long-term note payable. All proceeds were drawn against the loan as of June 30, 2022, with no new expenditures in fiscal years 2023, 2024, or 2025. The obligation is payable on an interest-only basis initially, with principal payments beginning in fiscal year 2026.

Additional information on the State's long-term debt issuances and obligations can be found in Footnote 5 of the Notes to the Basic Financial Statements.

Fitch Ratings has assigned the general obligation bonds of the State a rating of AA+ (outlook stable), Moody's Investors Service, Inc. a rating of Aa1 (outlook stable), and S&P Global Ratings, a division of S&P Global, Inc. a rating of AA+ (outlook positive).

ECONOMIC CONDITIONS AND OUTLOOK

New Hampshire's unemployment rate was 3.1% as of June 2025, as compared to 2.5% as of June 2024, and still significantly less than the national average of 4.1%. This gradual increase was largely due to slow growth throughout the year. The increase in unemployed residents was not attributable to layoffs, but primarily due to residents entering or re-entering the labor force. However, the demand for workers has declined,which means job hunters take longer on average to find a job. This leads to longer periods of unemployment.

From a state budget perspective, since the initial year of the pandemic, the State has experienced four fiscal years of significantly higher unrestricted general and education trust fund revenues above budgeted Plan, primarily in business taxes, meals and rentals tax and real estate transfer tax. Business tax revenue declined below budgeted amounts in fiscal year ended June 30, 2025, in the midst of the legislatively approved tax rate reductions, implemented initially in the FY2018-2019 biennium, and again for the FY2022-2023 biennium. This had contributed to a favorable business tax climate in New Hampshire in prior years, and this trend did not continue into fiscal 2025, as expected. The trends in meals and rentals and real estate transfer tax revenues are not as predictable, as the Department of Revenue Administration expects volatility in economic performance in the near to long term, impacted by rising inflation, volatile fuel prices and increasing mortgage interest rates coupled with low housing inventory. The phase-out of the interest and dividends tax, while contributing to surplus revenues the last four years, has been significantly reduced in fiscal 2025, based on the 2021 legislative session opting to eliminate this tax, on a phased-out basis.

Fiscal Year 2026 Revenue Performance for the five months ended November 30, 2025

Unrestricted revenue for the General and Education Funds received fiscal year-to-date through November totaled $871.1 million, which was below plan by $6.2 million (-.07%) and below prior year by $10.5 million (1.2%).

Some of the strong performing revenue categories were:

- Real Estate Transfer Tax through November totaled $110.6 million which was $4.3 million (4.0%) above plan and $16.8 million (17.9%) above prior year.
- Transfers from the Lottery Commission through November were $78.8 million which was $16.7 million (26.9%) above plan and $19.8 million (33.6%) above prior year.
- Other revenue collections, which includes interest earned on surplus funds, totaled $55.5 million through November, which was $13.9 million (33.4%) above Plan. During budget deliberations for the 2024-2025 biennium, the full impact of the rising interest rate environment was not predictable. State Treasury estimated approximately $53 million in interest revenue on surplus funds for fiscal year 2026, and it is anticipated the State will far exceed that estimate.

The positive variances above were offset by:

- Business taxes totaled $283.0 million through November, which was $22.7 million (7.4%) below plan and $6.8 million (2.3%) below prior year.
- Interest and Dividends Tax through November of $2.2 million were $4.4 million (66.7%) below plan and $29.9 million (93.1%) below prior year.
- Transfers from the Liquor Commission through November were $40.9 million which was $5.9 million (12.6%) below plan and $2.1 million (5.4%) above prior year.
- Video Lottery Terminal revenues totaled $0.4 million through November which was $6.3 million (94.0%) below plan.

Additional discussion of the region's economy can be found in the Commissioner's Transmittal Letter.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all of New Hampshire citizens, taxpayers, customers, investors and creditors. This financial report seeks to demonstrate the State's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: State of New Hampshire, Department of Administrative Services, Division of Accounting Services, 25 Capitol Street, State House Annex Room 310, Concord, NH 03301.

Basic Financial Statements

STATE OF NEW HAMPSHIRE
STATEMENT OF NET POSITION
JUNE 30, 2025
(Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 943,124	$ 187,393	$ 1,130,517	$ 111,964
Cash and Cash Equivalents-Restricted	4,894	645,686	650,580	74,817
Investments				177,319
Investments - Restricted		54,571	54,571	
Receivables (Net of Allowances for Uncollectibles)	1,130,151	47,088	1,177,239	69,818
Lease Receivables	714	115	829	
Other Receivables-Restricted		48,451	48,451	
Internal Balances Receivable (Payable)	20,390	(20,390)		
Inventories	56,678	73,594	130,272	
Other Current Assets	28,656	79	28,735	16,518
Other Current Assets-Restricted		7,216	7,216	
Total Current Assets	2,184,607	1,043,803	3,228,410	450,436
Noncurrent Assets:				
Receivables (Net of Allowances for Uncollectibles)	189,306		189,306	127,461
Lease Receivables	8,003	14,917	22,920	224,001
Other Receivables-Restricted		496,391	496,391	
Internal Notes Receivable (Payable)				
Due from Component Units				
Investments	36,734		36,734	1,115,575
Investments-Restricted	1,716,267	72,772	1,789,039	
Bond Issue Costs				
Other Assets	17,942		17,942	10,298
Other Assets-Restricted		4,370	4,370	
Capital Assets:				
Land & Land Improvements	768,394	107,111	875,505	31,719
Buildings & Building Improvements	1,150,352	102,133	1,252,485	2,532,107
Equipment & Computer Software	738,323	145,779	884,102	231,991
Construction in Progress	384,224	59,488	443,712	131,620
Infrastructure	4,393,525	1,247,400	5,640,925	
Right of Use	90,578	94,713	185,291	123,394
Subscription IT	71,200	967	72,167	3,301
Less: Allowance for Depreciation	(3,941,258)	(640,016)	(4,581,274)	(1,565,411)
Less: Allowance for Amortization	(80,366)	(51,605)	(131,971)	(25,707)
Net Capital Assets	3,574,972	1,065,970	4,640,942	1,463,014
Total Noncurrent Assets	5,543,224	1,654,420	7,197,644	2,940,349
Total Assets	7,727,831	2,698,223	10,426,054	3,390,785
DEFERRED OUTFLOWS OF RESOURCES	511,470	27,807	539,277	40,136

The notes to the basic financial statements are an integral part of this statement.

STATE OF NEW HAMPSHIRE
STATEMENT OF NET POSITION
June 30, 2025
(Expressed in Thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 606,337	$ 84,397	$ 690,734	$ 78,389
Accrued Payroll	66,765	2,858	69,623	6,170
Unearned Revenue	444,075	22,262	466,337	72,122
Unclaimed Property & Prizes	30,684	15,158	45,842	
General Obligation Bonds Payable	67,634	3,592	71,226	
Federal Highway Grant Anticipation Bond Payable	15,935		15,935	
Notes Payable	21,284		21,284	
Claims & Compensated Absences Payable	55,381	1,375	56,756	8,033
Other Postemployment Benefits Payable - Current Portion	58,611		58,611	
Lease Liability - Current portion	12,124	6,233	18,357	4,027
Subscription IT Liability - Current Portion	12,081		12,081	5,768
Other Liability - Current Portion	324,461	27,285	351,746	19,390
Revenue Bonds Payable		8,570	8,570	18,374
Total Current Liabilities	1,715,372	171,730	1,887,102	212,273
Noncurrent Liabilities:				
General Obligation Bonds Payable, Net	610,785	31,828	642,613	
Revenue Bonds Payable, Net		189,471	189,471	325,609
Notes Payable	177,242		177,242	
Claims & Compensated Absences Payable	125,975	8,206	134,181	23,276
Other Postemployment Benefits Payable	1,247,307	63,962	1,311,269	106,624
Net Pension Liability	1,026,620	46,997	1,073,617	53,634
Lease Liability	40,646	44,160	84,806	39,338
Subscription IT Liability	18,798		18,798	42,911
Legal Settlement Liability	828,810		828,810	
Other Liability - Noncurrent	202,593	5,930	208,523	167,554
Total Noncurrent Liabilities	4,278,776	390,554	4,669,330	758,946
Total Liabilities	5,994,148	562,284	6,556,432	971,219
DEFERRED INFLOWS OF RESOURCES	610,104	48,077	658,181	267,744
NET POSITION				
Net Investment in Capital Assets	2,690,884	782,951	3,473,835	994,897
Restricted for Debt Repayments		27,280	27,280	
Restricted for Uninsured Risks		6,800	6,800	
Restricted for Unemployment Benefits	18,266	388,832	407,098	
Restricted for Permanent Funds-Expendable	18,415		18,415	
Restricted for Permanent Funds-Non-Expendable	13,054		13,054	
Restricted for Prize Awards - MUSL & Tri-State		4,370	4,370	
Restricted for Environmental Remediation	209,902		209,902	
Restricted for Environmental Loan Programs	498	842,809	843,307	
Restricted for SRF Programs		16,332	16,332	
Restricted for Administration of Justice and Public Protection	58,551		58,551	
Restricted for Health and Social Services	519,702		519,702	
Restricted for Facility Sustainment		767	767	
Restricted for Highway	124,462		124,462	
Restricted for Other Purposes	288,223		288,223	
Restricted for Loan Receivable and Ground Lease		15,032	15,032	
Restricted Component Unit Net Position				851,611
Unrestricted Net Position (Deficit)	(2,306,908)	30,496	(2,276,412)	345,450
Total Net Position	$ 1,635,049	$ 2,115,669	$ 3,750,718	$ 2,191,958

The notes to the basic financial statements are an integral part of this statement.

STATE OF NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	$ 705,312	$ 466,301	$ 46,595	
Administration of Justice & Public Protection	1,530,288	533,542	189,218	
Resource Protection and Development	351,671	123,030	198,419	287
Transportation	598,652	24,079	15,676	315,399
Health and Social Services	4,268,155	253,065	2,541,158	
Education	1,808,291	24,759	328,226	
Interest Expense	11,238			
Total Governmental Activities	9,273,607	1,424,776	3,319,292	315,686
Business-type Activities:				
Turnpike System	117,776	150,638		1,063
Liquor Commission	598,550	726,952		
Lottery Commission	396,603	605,535		
SRF	24,960	26,256	35,141	
Unemployment Compensation	54,998	67,946	(1,446)	
Total Business-type Activities	1,192,887	1,577,327	33,695	1,063
Total Primary Government	$ 10,466,494	$ 3,002,103	$ 3,352,987	$ 316,749
COMPONENT UNITS				
University System of New Hampshire	939,376	521,471	339,354	4,546
Non-Major Component Units	197,347	88,322	63,226	3,755
Total Component Units	$ 1,136,723	$ 609,793	$ 402,580	$ 8,301
General Revenues:				
General Property Taxes				
Business Income Taxes				
Meals and Rental Taxes				
Special Taxes				
Personal Taxes				
Business License Taxes				
Interest & Investment Income				
Miscellaneous				
Payments from State of New Hampshire				
Transfers - Internal Activities				
Total General Revenues and Transfers				
Changes in Net Position				
Net Position - July 1, as previously reported				
Restatement for change in accounting principle				
Restatement for correction of an error				
Net Position - July 1, as restated				
Net Position - June 30				

The notes to the basic financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
$ (192,416)		$ (192,416)	
(807,528)		(807,528)	
(29,935)		(29,935)	
(243,498)		(243,498)	
(1,473,932)		(1,473,932)	
(1,455,306)		(1,455,306)	
(11,238)		(11,238)	
(4,213,853)		(4,213,853)	
	$ 33,925	33,925	
	128,402	128,402	
	208,932	208,932	
	36,437	36,437	
	11,502	11,502	
	419,198	419,198	
$ (4,213,853)	$ 419,198	$ (3,794,655)	
			(74,005)
			(42,044)
			$ (116,049)
417,418		417,418	
1,056,734		1,056,734	
257,626		257,626	
729,522		729,522	
184,124		184,124	
188,210		188,210	
138,567		138,567	73,718
69,121		69,121	340
			168,121
345,664	(345,664)		
3,386,986	(345,664)	3,041,322	242,179
(826,867)	73,534	(753,333)	126,130
2,613,808	2,042,135	4,655,943	2,070,020
(4,946)		(4,946)	(4,192)
(146,946)		(146,946)	
2,461,916		2,461,916	2,065,828
$ 1,635,049	$ 2,115,669	$ 3,750,718	$ 2,191,958

The notes to the basic financial statements are an integral part of this statement.

Fund Financial Statements

Governmental Funds

General Fund: *The General Fund is the State's primary operating fund and accounts for all financial transactions not accounted for in any other fund.*

Highway Fund: *Under the State Constitution, all revenues in excess of the necessary cost of collection and administration accruing to the State from motor vehicle registration fees, operators' licenses, gasoline road toll, or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels are appropriated and used exclusively for the construction, reconstruction, and maintenance of public highways within this state, including the supervision of traffic thereon and for the payment of the interest and principal of bonds issued for highway purposes. All such revenues, together with federal grants-in-aid and federal emergency funds received by the State for highway purposes, are credited to the Highway Fund. While the principal and interest on state highway bonds are charged to the Highway Fund, the assets of this fund are not pledged to such bonds.*

Education Trust Fund: *The Education Trust Fund was established to distribute adequate education grants to municipalities' school districts and to approved charter schools pursuant to RSA 198:42, to provide low and moderate income homeowners property tax relief under RSA 198:56-198:61, and to fund kindergarten programs as may be determined by the general court. Funding for the grants comes from a variety of sources including the statewide property and utility taxes, incremental portions of existing business, real estate transfer and tobacco taxes, lottery funds and tobacco settlement funds.*

STATE OF NEW HAMPSHIRE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(Expressed in Thousands)

	General	Highway	Education	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 423,353	$ 188,157	$ 178,604	$ 40,623	$ 830,737
Investments	1,709,225			43,776	1,753,001
Receivables (Net of Allowances for Uncollectibles)	758,760	80,905	146,858	19,035	1,005,558
Due from Other Funds	13,053	1,645	5,459	12,316	32,473
Other Assets	28,316				28,316
Inventories	27,212	28,378		1,088	56,678
Loan Receivables	31,248				31,248
Total Assets	2,991,167	299,085	330,921	116,838	3,738,011
LIABILITIES					
Accounts Payable	503,461	67,311	14,835	20,440	606,047
Accrued Payroll	57,903	7,935	31	896	66,765
Due to Other Funds	12,032	51			12,083
Unearned Revenue	437,265	6,305		505	444,075
Unclaimed Property	30,684				30,684
Tax Refunds Payable	115,130		67,982		183,112
Other Liabilities	40,128				40,128
Total Liabilities	1,196,603	81,602	82,848	21,841	1,382,894
DEFERRED INFLOWS OF RESOURCES	199,842	1,543	117,271	47	318,703
FUND BALANCES					
Nonspendable:					
Inventories	27,213	28,378		1,088	56,679
Permanent Fund Principal				13,054	13,054
Restricted	976,982	124,462		43,244	1,144,688
Committed	83,912			6,021	89,933
Assigned	281,407	63,100	130,802	10,191	485,500
Unassigned:					
Revenue Stabilization	225,208				225,208
Other				21,352	21,352
Total Fund Balances	1,594,722	215,940	130,802	94,950	2,036,414
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,991,167	$ 299,085	$ 330,921	$ 116,838	$ 3,738,011

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025
(Expressed in Thousands)

Total Fund Balances for Governmental Funds		$	2,036,414
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets and right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.			3,574,972
Prepaid subscriptions used in governmental activities are not financial resources and therefore are not reported in the funds.			17,942
Lease Receivable	8,717		
Deferred Inflows - Leases	(8,313)		404
Long-term settlement and other receivables are not available to pay current resources and are therefore not reported in the funds			271,160
Revenues that will be collected after year-end and are not available to pay for the current period's expenditures are reported as deferred inflows of resources in the funds.			318,703
Revenues that will be collected after year-end and are not available			340
Internal service funds are used by management to charge the costs of certain activities, such as risk management and health-related fringe benefits, to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.			93,331
Net deferred outflows of resources related to deferred losses on refunding of bonds payable are not reported in the funds.			1,771
Certain liabilities are not payable by current available resources and therefore are not reported in the funds:			
Compensated Absences, Workers' Compensation	(146,206)		
Net Pension Liability, net of Deferred Amounts	(841,394)		
Other Postemployment Benefits Payable, net of Deferred Amounts	(1,583,236)		
Pollution Remediation Obligation	(110,125)		
State Aid Grant Liability	(128,631)		
Lease and Subscription Liabilities	(83,649)		
Bonds and Notes Payable	(892,880)		
Litigation Payable	(828,810)		
Interest Payable and Other Liabilities	(65,058)		(4,679,989)
Net Position of Governmental Activities		$	1,635,048

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	General	Highway	Education	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
General Property Taxes	$ 368		$ 413,650		$ 414,018
Special Taxes	1,596,757		497,901		2,094,658
Personal Taxes	120,069		64,055		184,124
Business License Taxes	32,794	188,210			221,004
Non-Business License Taxes	184,170	104,486		10,966	299,622
Fees	176,509	32,339		9,475	218,323
Fines, Penalties and Interest	21,854	5,823		245	27,922
Federal Government	3,160,877	287,387		60,793	3,509,057
Private and Local Sources	172,656	11,563		494	184,713
Rents and Leases	1,662	54			1,716
Interest, Premiums and Discounts	144,789		4,020	1,490	150,299
Sale of Commodities	21,662	8,642		384	30,688
Sale of Service	24,125	479			24,604
Assessments	73,995				73,995
Other Agencies	112,398	18,610		871	131,879
Miscellaneous	425,781	4,960	37,719	35,277	503,737
Total Revenues	6,270,466	662,553	1,017,345	119,995	8,070,359
EXPENDITURES					
Current:					
General Government	545,625	23	1,024	29,280	575,952
Administration of Justice and Public Protection	851,857	114,100			965,957
Resource Protection and Development	344,333	1,871		35,834	382,038
Transportation	26,837	438,801			465,638
Health and Social Services	4,309,976			312	4,310,288
Education	538,470		1,260,949		1,799,419
Debt Service	85,299	33,821		224	119,344
Capital Outlay	62,095	133,585	10,173	83,740	289,593
Total Expenditures	6,764,492	722,201	1,272,146	149,390	8,908,229
Excess (Deficiency) of Revenues Over (Under) Expenditures	(494,026)	(59,648)	(254,801)	(29,395)	(837,870)
OTHER FINANCING SOURCES (USES)					
Transfers In	30,712	37,302		1,445	69,459
Transfers In from Enterprise Funds	136,679		208,985		345,664
Transfers Out	(38,747)	(3,730)	(20,444)	(6,538)	(69,459)
Lease and SBITA Acquisitions	32,906				32,906
Bond Issuance, Refunding, and Premiums				64,172	64,172
Total Other Financing Sources	161,550	33,572	188,541	59,079	442,742
FUND BALANCE					
Net Change in Fund Balances	(332,476)	(26,076)	(66,260)	29,684	(395,128)
Fund Balances - July 1	1,927,823	250,482	197,062	65,024	2,440,391
Restatement for correction of an error		(7,465)			(7,465)
Net Position - July 1, as restated	1,927,823	243,017	197,062	65,024	2,432,926
Change in Inventory	(625)	(1,001)		242	(1,384)
Fund Balances - June 30	$ 1,594,722	$ 215,940	$ 130,802	$ 94,950	$ 2,036,414

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

Net Change in Fund Balances for Total Governmental Funds, including Change in Inventory		$ (396,512)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenue recognized on the Statement of Activities that do not provide current financial resources on the fund statements resulted in a net decrease from prior year		(76,733)
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Land & Land Improvements	$ 14,560	
Buildings & Building Improvements	23,213	
Equipment & Computer Software	39,989	
Construction in Progress	90,540	
Infrastructure	50,688	
Accumulated Depreciation, Net of Disposals	(130,722)	88,268
Right to use lease/SBITA asset expenditures which were capitalized	32,906	
Amortization expense for intangible assets	(29,957)	2,949
Prepaid Subscriptions		13,637
Internal service funds are used by management to charge the costs of certain activities, such as risk management and health-related fringe benefits, to individual funds. The net revenue of the internal service fund is reported with governmental activities.		10,187
Proceeds of bonds and notes provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which repayments exceeded proceeds.		
Bond Proceeds and Premiums Received	(114,423)	
Repayment of Bond/Note Principal & Interest	138,438	
Amortization of Premiums	23,873	
Unamortized Loss on Refunding, net	(1,905)	
Right to Use Lease/SBITA Proceeds	(32,906)	
Accrued Interest	309	13,386
Receipt of long-term settlement receivables provide current financial resources to governmental funds but reduce long-term receivables in the Statement of Net Position.		(11,388)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These amounts represent changes in:		
Compensated Absences, Workers' Compensation	984	
Other Postemployment Benefits Payable, net of Deferred Amounts	13,742	
Net Pension Liability, net of Deferred Amounts	1,616	
Pollution Remediation Obligation	(10,140)	
Lease/SBITA Liability	31,212	
Legal Settlement Payable	(540,067)	
Other Long Term Liability	31,992	(470,661)
Change in Net Position of Governmental Activities		$ (826,867)

The notes to the basic financial statements are an integral part of this statement

Proprietary Fund Financial Statements

Enterprise Funds

Turnpike System: *The Turnpike System presently consists of 89 miles of limited access highway, 36 miles of which are part of the U.S. Interstate Highway System. The Turnpike System comprises a total of approximately 658 total lane miles, 172 bridges, 49 interchanges, 84 toll lanes, and 25 facilities. Since beginning operations in 1950, the Turnpike System has contributed to the development of the New Hampshire economy. It has also been a major factor in the growth of the tourist industry in the State. The Turnpike System consists of three limited access highways: the Blue Star Turnpike (I-95) and the Spaulding Turnpike, (which are collectively referred to as the Eastern Turnpike), and the Central Turnpike. The Turnpike System primarily serves the major cities located in the central and eastern sections of southern New Hampshire.*

Liquor Commission: *By statute, all liquor and beer sold in the State must be sold through a sales and distribution system operated by the State Liquor Commission, under the executive direction of the Liquor Commissioner appointed by the Governor with the consent of the Executive Council. The Commission makes all liquor purchases directly from the manufacturers and importers and operates State liquor stores in cities and towns that accept the provisions of the local option law. The Commission is authorized to sell liquor through retail outlets as well as directly to restaurants, hotels, and other organizations. The Commission also charges permit and license fees for the sale of beverages through private distributors and retailers and an additional fee of 30 cents per gallon on beverages sold by such retailers. Any excess funds of the Commission are transferred to the General Fund on a daily basis.*

Lottery Commission: *The State sells lottery games online and through some 1,282 agents, including state liquor stores, licensed racetracks, and private retail outlets. Through the sale of lottery tickets, revenue is generated for prize payments and commission expenses, with the net income used for aid to education. Additionally, the Racing and Charitable Gaming activities are included in this fund. This net income is transferred to the Education Trust Fund and then transferred to the local school districts.*

State Revolving Fund: *These funds consist of New Hampshire Clean Water and Drinking Water Revolving Funds. Programs operated within these funds provide loans to public water systems and local governments for constructing wastewater treatment facilities and safe drinking water systems. In addition, the programs provide supervision and technical assistance to these grantees. Funding is from U.S. Environmental Protection Agency grants and a General Fund match. The funds are repaid with interest, then re-loaned.*

New Hampshire Unemployment Compensation Trust Fund: *This fund receives contributions from employers and provides benefits to eligible unemployed workers, consistent with legislation and regulations which govern federal credit programs.*

Internal Service Fund: *The employee benefit risk management fund reports the health-related fringe benefit services for the State. The fund was created to account for the State's self-insurance program and to pool all resources to pay for the cost associated with providing these benefits to active employees and retirees.*

STATE OF NEW HAMPSHIRE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(Expressed in Thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Fund
	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Unemployment Compensation	Total	
ASSETS							
Current Assets:							
Cash and Cash Equivalents	$186,977	$416				$187,393	$117,281
Cash and Cash Equivalents-Restricted	16,684			$ 232,426	$ 396,576	645,686	
Investments - Restricted	18,163			36,408		54,571	
Receivables (Net of Allowances for Uncollectibles)	20,502	5,639	20,947			47,088	11,491
Lease Receivables	115					115	
Other Receivables-Restricted (Net of Allowance for Doubtful Accounts)				33,049	15,402	48,451	
Due from Other Funds	107	161	238			506	
Inventories	4,314	69,280				73,594	
Other Current Assets	66		13			79	
Other Current Assets-Restricted				7,216		7,216	
Total Current Assets	246,928	75,496	21,198	309,099	411,978	1,064,699	128,772
Noncurrent Assets:							
Investments - Restricted				72,772		72,772	
Lease Receivables	14,917					14,917	
Other Receivables-Restricted				496,391		496,391	
Capital Assets:							
Land & Land Improvements	103,378	3,238	495			107,111	
Buildings & Building Improvements	39,945	58,745	3,443			102,133	
Equipment & Computer Software	107,652	36,883	1,244			145,779	
Construction in Progress	58,484	1,004				59,488	
Infrastructure	1,247,400					1,247,400	
Right of Use Leases		94,256	457			94,713	
Right of Use Subscription IT		967				967	
Less: Allowance for Depreciation	(591,530)	(47,079)	(1,407)			(640,016)	
Less: Allowance for Amortization		(51,529)	(76)			(51,605)	
Net Capital Assets	965,329	96,485	4,156			1,065,970	
Other Assets - Restricted			4,370			4,370	
Total Noncurrent Assets	980,246	96,485	8,526	569,163		1,654,420	
Total Assets	1,227,174	171,981	29,724	878,262	411,978	2,719,119	128,772
DEFERRED OUTFLOWS OF RESOURCES	7,714	13,350	3,760	2,983		27,807	

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(Expressed in Thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Unemployment Compensation	Total	Internal Service Fund
LIABILITIES							
Current Liabilities:							
Accounts Payable	$ 15,550	$ 60,837	$ 5,640	$ 2,370		$ 84,397	$ 290
Accrued Payroll	89	1,995	394	380		2,858	
Due to Other Funds	7,991	5,382	7,523			20,896	
Unearned Revenue	18,287	3,787	188			22,262	
Unclaimed Prizes			15,158			15,158	
General Obligation Bonds Payable		3,035		557		3,592	
Revenue Bonds Payable-Current	8,570					8,570	
Accrued Interest Payable	2,443	198				2,641	
Claims & Compensated Absences Payable	669	482	121	103		1,375	35,150
Lease and Subscription IT Liability		6,147	86			6,233	
Other Liabilities	988		505	5	23,146	24,644	1
Total Current Liabilities	54,587	81,863	29,615	3,415	23,146	192,626	35,441
Noncurrent Liabilities:							
General Obligation Bonds Payable		28,488		3,340		31,828	
Revenue Bonds Payable	189,471					189,471	
Claims & Compensated Absences Payable	2,378	3,949	712	1,167		8,206	
Other Postemployment Benefits Payable	17,430	32,975	8,619	4,938		63,962	
Net Pension Liabilities	9,494	25,500	5,277	6,726		46,997	
Lease Liability		43,849	311			44,160	
Other Noncurrent Liabilities	4,263		1,667			5,930	
Total Noncurrent Liabilities	223,036	134,761	16,586	16,171		390,554	
Total Liabilities	277,623	216,624	46,201	19,586	23,146	583,180	35,441
DEFERRED INFLOWS OF RESOURCES	22,770	18,326	4,463	2,518		48,077	
NET POSITION							
Net Investment in Capital Assets	764,889	14,304	3,758			782,951	
Restricted for Debt Repayments	27,280					27,280	
Restricted for Loan Receivable and Ground Lease	15,032					15,032	
Restricted for Uninsured Risks	6,800					6,800	
Restricted for Prize Awards - MUSL & Tri-State			4,370			4,370	
Restricted for Environmental Loans				842,809		842,809	
Restricted for SRF Programs				16,332		16,332	
Restricted for Facility Sustainment	767					767	
Restricted for Unemployment Benefits					388,832	388,832	
Restricted for Employee Benefits							93,331
Unrestricted Net Position (Deficit)	119,727	(63,923)	(25,308)			30,496	
Total Net Position (Deficit)	$934,495	$ (49,619)	$ (17,180)	$ 859,141	$ 388,832	$2,115,669	$ 93,331

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousand)

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Fund
	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Unemployment Compensation	Total	
OPERATING REVENUES							
Charges for Sales and Services		$ 708,456	$ 604,374	$ 10,986	$ 38,963	$1,362,779	$ 361,653
Toll Revenue Pledged for Repaying Revenue Bonds	$ 140,257					140,257	
Total Operating Revenue	140,257	708,456	604,374	10,986	38,963	1,503,036	361,653
OPERATING EXPENSES							
Cost of Sales and Services		510,374	62,724			573,098	
Lottery Prize Awards			318,683			318,683	
Unemployment Insurance Benefits					54,998	54,998	
Principal Forgiveness				6,426		6,426	
Insurance Claims						—	345,245
Administration	73,803	72,186	14,907	18,355		179,251	10,363
Depreciation and Amortization	35,413	12,546	276			48,235	
Total Operating Expenses	109,216	595,106	396,590	24,781	54,998	1,180,691	355,608
Operating Income (Loss)	31,041	113,350	207,784	(13,795)	(16,035)	322,345	6,045
NONOPERATING REVENUES (EXPENSES)							
Licenses		4,941				4,941	
Beer Taxes		11,802				11,802	
Investment Income	5,702			11,347	12,511	29,560	4,142
Miscellaneous	4,679	1,753	1,161	3,923	16,472	27,988	
Federal Revenue Grants & Subsidies				35,141	(1,446)	33,695	
Interest on Bonds and Mortgages and Leases	(8,560)	(3,444)	(13)	(179)		(12,196)	
Total Nonoperating Revenues	1,821	15,052	1,148	50,232	27,537	95,790	4,142
Income Before Capital Grant Contributions	32,862	128,402	208,932	36,437	11,502	418,135	10,187
Capital Contributions and Grants	1,063					1,063	
Income Before Transfers	33,925	128,402	208,932	36,437	11,502	419,198	10,187
Transfers From (To) Governmental Funds, net		(120,204)	(208,985)		(16,475)	(345,664)	
Change in Net Position	33,925	8,198	(53)	36,437	(4,973)	73,534	10,187
Net Position (Deficit)- July 1	900,570	(57,817)	(17,127)	822,704	393,805	2,042,135	83,144
Net Position (Deficit) - June 30	$ 934,495	$ (49,619)	$ (17,180)	$ 859,141	$ 388,832	$2,115,669	$ 93,331

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Fund
	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Unemployment Compensation	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Federal and Local Agencies				$ 8,716		$ 8,716	
Receipts from Customers	$ 148,988	$ 712,043	$ 325,991		37,641	1,224,663	$ 65,450
Receipts from Borrowers				35,316		35,316	
Interest from Borrowers				1,150		1,150	
Receipts from Supplier Rebate		86,208				86,208	
Receipts from Interfund Charges							298,284
Payments to Borrowers				(52,390)		(52,390)	
Payments to Employees	(15,203)	(41,977)	(8,377)			(65,557)	
Payments to Suppliers	(62,380)	(603,157)	(36,381)	(8,263)		(710,181)	(15,527)
Payments to Prize Winners			(74,188)	0		(74,188)	
Payments for Assistance Programs				(7,409)		(7,409)	
Payments for Insurance Claims					(53,047)	(53,047)	(351,197)
Payments for Interfund Services		(7,741)		(1,210)		(8,951)	
Net Cash Provided by (Used for) Operating Activities	71,405	145,376	207,045	(24,090)	(15,406)	384,330	(2,990)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers (to) from Other Funds, net		(112,069)	(210,281)		(20,746)	(343,096)	
Receipts from Federal Agencies				33,926	(1,367)	32,559	
Municipal/State Contributions	260			3,924		4,184	
Temporary Loan from Other State Funds		(40,252)				(40,252)	
Interest Paid on Bonds				(179)		(179)	
Principal Paid on Bonds				(557)		(557)	
Proceeds from Collection of Licenses and Beer Tax		16,743				16,743	
Other Noncapital Financing Income	2,474	1,934	2,063		20,749	27,220	
Net Cash Provided by (Used for) Noncapital and Related Financing Activities	2,734	(133,644)	(208,218)	37,114	(1,364)	(303,378)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition, Disposal, Sale and Construction of Capital Assets	(45,098)	(1,265)	(1,026)			(47,389)	
Interest Paid on Bonds and Mortgages and Leases	(10,002)	(3,421)	(13)			(13,436)	
Principal Paid on Bonds and Mortgages and Leases	(17,575)	(6,888)	(78)			(24,541)	
Net Proceeds from Issuance of Bonds and Mortgages	1,516	258				1,774	
Net Cash Used for Capital and Related Financing Activities	(71,159)	(11,316)	(1,117)			(83,592)	
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Proceeds	5,702		1,163			6,865	4,142
Purchase of Investments	(51,419)					(51,419)	
Other Income	68,173			5,404	12,511	86,088	
Net Cash Used for Investing Activities	22,456		1,163	5,404	12,511	41,534	4,142
Net Increase (Decrease) in Cash & Cash Equivalents	25,436	416	(1,127)	18,428	(4,259)	38,894	1,152
Cash and Cash Equivalents - July 1	178,225		1,127	213,998	400,835	794,185	116,131
Cash and Cash Equivalents - June 30	$ 203,661	$ 416	$	$ 232,426	$ 396,576	$ 833,079	$ 117,283

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED June 30, 2025
(Expressed in Thousands)

	Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Fund
	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Unemployment Compensation	Total	
Reconciliation of Operating Income (Loss) to Net							
Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	$ 31,041	$ 113,350	$ 207,784	$ (13,795)	$ (16,035)	$ 322,345	$ 6,045
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Depreciation and Amortization	35,413	12,546	276			48,235	
Principal Repayments				35,316		35,316	
Loan Advances to Borrowers				(52,390)		(52,390)	
Principal Forgiveness				6,426		6,426	
Interest Income on Loans				(386)		(386)	
Miscellaneous Income/(Expense)	407			1,161		1,568	
Change in Receivables/Loans	6,947	2,867	(8,592)	(730)	(1,140)	(648)	2,081
Change in Inventories	771	8,230	12			9,013	
Change in Other Current Assets			8			8	—
Change in Restricted Deposits-MUSL			52			52	
Change in Accounts Payable and Other Accruals	(2,762)	10,669	449	(6)	1,769	10,119	(5,164)
Change in Claims Payable			7,361	18		7,379	(5,952)
Change in Unearned Revenue	1,377	720	(22)			2,075	
Change in Other Postemployment Benefits Payable, Net of Deferred Amounts	(1,294)	(2,029)	(433)	296		(3,460)	
Change in Net Pension Liability, Net of Deferred Amounts	(495)	(977)	150			(1,322)	
Net Cash Provided by (Used For) Operating Activities	$ 71,405	$ 145,376	$ 207,045	$ (24,090)	$ (15,406)	$ 384,330	$ (2,990)
Non-Cash Capital and Related Financing Activities:							
Capital Contributions	$ 1,063						
Non-Cash Capital Acquisition	3,642	8,833	397				
Principal Forgiveness				6,426			

The notes to the basic financial statements are an integral part of this statement

Fiduciary Funds Financial Statements

Pension Trust Funds:

New Hampshire Retirement System - *The New Hampshire Retirement System (NHRS) is the administrator of a cost-sharing multiple employer contributory pension plan and trust established on July 1, 1967 and is intended to meet the requirements of a qualified tax-exempt organization within the meaning of section 401(a) and section 501(a) of the United States Internal Revenue Code. Participating employers include the employees of the State government of New Hampshire, certain cities and towns, all counties, and various school districts. NHRS is a component unit of the State.*

New Hampshire Judicial Retirement Plan - *The New Hampshire Judicial Retirement Plan (NHJRP) was established on January 1, 2005 and is a contributory pension plan and trust intended to meet the requirements of a qualified pension trust within the meaning of section 401(a) and to qualify as a governmental plan within the meaning of section 414(d) of the United States Internal Revenue Code. The Plan is a component unit of the State.*

Private Purpose Trust Funds: *Private-Purpose Trust Funds report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments.*

Investment Trust Fund: *The investment trust fund represents the external portion of the New Hampshire Public Deposit Investment Pool (NHPDIP). The NHPDIP has been established, in accordance with RSA 383:22-24, for the purpose of investing funds of the State of New Hampshire, funds under the 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. In accordance with GAAP, the external portion of the NHPDIP is reported as an investment trust fund in the Fiduciary Funds using the economic resources measurement focus and accrual basis of accounting. The internal portion of the pool is reported in the General Fund and trust funds. NHPDIP's investment detail and audited financial statements can be obtained by visiting www.nhpdip.com or contacting the Client Services Team at 1-844-4NH-PDIP.*

Custodial Funds: *Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.*

STATE OF NEW HAMPSHIRE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025
(Expressed in Thousands)

	Pension Trust Funds	Private Purpose Trust Funds	Investment Trust Fund	Custodial Funds
ASSETS				
Cash and Cash Equivalents	$ 376,061	$ 888	$ 310	$ 5,044
Receivables:				
Due from Employers	72,286			
Due from Plan Members	28,832			
Due from Brokers for Securities Sold	10,734			
Interest and Dividends	23,107		2,319	
Other	11,472			
Total Receivables	146,431		2,319	
Investments:				
Certificates of Deposit			132,187	
Repurchase Agreements			185,794	
Equity Investments	6,565,130			
Fixed Income Investments	3,048,495			
Commercial Real Estate	1,107,467			
Commercial Paper			200,502	
Alternative Investments	2,314,315			
Other Investments		26,723	13,113	492
Total Investments	13,035,407	26,723	531,596	492
Other Assets	11,508			
Total Assets	13,569,407	27,611	534,225	5,536
LIABILITIES				
Management Fees and Other Payables	12,892		255	
Due to Brokers for Securities Purchased	16,347			
Total Liabilities	29,239		255	
NET POSITION				
Restricted for:				
Employees' Pension Benefits	13,485,479			
Other Postemployment Benefits (OPEB)	54,689			
External Investment Pool			533,970	
Individuals, organizations, and other governments		27,611		5,536
Total Net Position	$ 13,540,168	$ 27,611	$ 533,970	$ 5,536

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Pension Trust Funds	Private Purpose Trust Funds	Investment Trust Fund	Custodial Funds
ADDITIONS				
Contributions:				
Employers	$ 706,994			
Plan Members	279,381			
Participants		22,354	853,591	
Total Contributions	986,375	22,354	853,591	
Investment Income:				
From Investing Activities:				
Net Appreciation in Fair Value of Investments	1,022,027			
Interest Income	77,025	953	30,796	22
Dividends	106,238			
Alternative Investment Income	83,996			
Other	28,570	1,525	14	
Gross Income from Investing Activities	1,317,856	2,478	30,810	22
Less Investment Activity Expenses:				
Investment Management Fees	59,944		1,205	
Custodial Fees	1,142			
Investment Administrative Expense	1,504			
Investment Advisor Fees	710			
Investment Professional Fees	602			
Total Investment Activity Expenses	63,902		1,205	
Total Net Income from Investing Activities	1,253,954	2,478	29,605	22
Other				96,938
Total Additions	2,240,329	24,832	883,196	96,960
DEDUCTIONS				
Benefits/Distributions to Participants	1,077,444	24,012		13,010
Refunds of Contributions	30,003			
Administrative Expense	13,379			
Professional Fees	701			
Other	2,552	1,019	916,526	83,770
Total Deductions	1,124,079	25,031	916,526	96,780
Change in Net Position	1,116,250	(199)	(33,330)	180
NET POSITION HELD IN TRUST FOR BENEFITS & OTHER PURPOSES				
Net Position - July 1	12,423,918	27,810	567,300	5,356
Net Position - June 30	$ 13,540,168	$ 27,611	$ 533,970	$ 5,536

The notes to the basic financial statements are an integral part of this statement

Component Units Financial Statements

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2025
(Expressed in Thousands)

	University System of New Hampshire	Non-Major Component Units	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 29,548	$ 82,416	$ 111,964
Cash and Cash Equivalents - Restricted		74,817	74,817
Operating Investments	142,709	34,610	177,319
Accounts Receivable (Net of Allowances for Uncollectibles)	42,830	14,071	56,901
Other Receivables	4,233	4,044	8,277
Notes Receivable - Current Portion	241	4,022	4,263
Lease Receivable - Current Portion	220	157	377
Prepaid Expenses & Other	11,762	4,756	16,518
Total Current Assets	231,543	218,893	450,436
Noncurrent Assets:			
Investments	1,069,732	45,843	1,115,575
Notes & Other Receivables (Net of Allowances for Uncollectibles)	10,875	116,586	127,461
Lease Receivable	863	223,138	224,001
Other Assets	1,510	8,788	10,298
Capital Assets:			
Land & Land Improvements	14,163	17,556	31,719
Building & Building Improvements	2,085,668	446,439	2,532,107
Equipment	186,413	45,578	231,991
Construction in Progress	121,250	10,370	131,620
Right of Use	114,819	8,575	123,394
Subscription IT		3,301	3,301
Less: Accumulated Depreciation	(1,263,404)	(302,007)	(1,565,411)
Less: Accumulated Amortization	(25,707)		(25,707)
Net Capital Assets	1,233,202	229,812	1,463,014
Total Noncurrent Assets	2,316,182	624,167	2,940,349
Total Assets	2,547,725	843,060	3,390,785
DEFERRED OUTFLOWS OF RESOURCES	17,897	22,239	40,136

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2025
(Expressed in Thousands)

	University System of New Hampshire	Non-Major Component Units	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	68,733	9,656	78,389
Accrued Salaries and Wages		6,170	6,170
Accrued Employee Benefits - Current	7,852	181	8,033
Other Payables & Accrued Expenses		11,819	11,819
Other Postemployment Benefits Payable - Current Portion	7,571		7,571
Deposits and Unearned Revenues	59,833	12,289	72,122
Long Term Leases - Current Portion	2,941	1,086	4,027
Subscription IT Liability - Current Portion	4,579	1,189	5,768
Long Term Debt - Current Portion	17,211	1,163	18,374
Total Current Liabilities	168,720	43,553	212,273
Noncurrent Liabilities:			
Revenue Bonds Payable	325,609		325,609
Accrued Employee Benefits	23,276		23,276
Other Postemployment Medical Benefits Payable	51,685	54,939	106,624
Net Pension Liability		53,634	53,634
Long Term Leases	32,266	7,072	39,338
Subscription IT Liability	41,142	1,769	42,911
Other Long Term Debt	8,766	158,788	167,554
Total Noncurrent Liabilities	482,744	276,202	758,946
Total Liabilities	651,464	319,755	971,219
DEFERRED INFLOWS OF RESOURCES	20,056	247,688	267,744
NET POSITION			
Net Investment in Capital Assets	789,135	205,762	994,897
Restricted:			
Nonexpendable	369,088		369,088
Expendable	363,433	119,090	482,523
Unrestricted Net Position (Deficit)	372,446	(26,996)	345,450
Total Net Position	$ 1,894,102	$ 297,856	$ 2,191,958

STATE OF NEW HAMPSHIRE
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	University System of New Hampshire	Non-Major Component Units *	Total
EXPENSES	$ 939,376	$ 197,347	$ 1,136,723
PROGRAM REVENUES:			
Charges for Services:			
Tuition & Fees	555,306	55,453	610,759
Student Financial Aid	(242,053)	(31,255)	(273,308)
Sales, Services, & Other Revenue	208,218	64,124	272,342
Operating Grants & Contributions	339,354	63,226	402,580
Capital Grants & Contributions	4,546	3,755	8,301
Total Program Revenues	865,371	155,303	1,020,674
Net Expenses	(74,005)	(42,044)	(116,049)
Interest & Investment Income	57,556	16,162	73,718
Lease Revenue		340	340
Payments from State of New Hampshire	98,064	70,057	168,121
Change in Net Position	81,615	44,515	126,130
Net Position - July 1	1,812,487	257,533	2,070,020
Restatement for change in accounting principle		(4,192)	(4,192)
Net Position - July 1, as restated * (Note 1.W)	1,812,487	253,341	2,065,828
Net Position - June 30	$ 1,894,102	$ 297,856	$ 2,191,958


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Notes to the Basic Financial Statements

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The notes to the basic financial statements are an integral part of this statement

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of New Hampshire (the State) have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and as prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

For financial reporting purposes, the State's reporting entity includes all funds, organizations, agencies, boards, commissions, authorities and all component units for which the State is financially accountable. There are no other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading. The criteria to be considered in determining financial accountability include whether the State, as the primary government, has appointed a voting majority of an organization's governing body and (1) has the ability to impose its will on that organization or (2) there is potential for the organization to provide specific financial benefits to or impose specific financial burdens on the State. Financial accountability also exists if an organization is determined to be fiscally dependent on the primary government and the primary government is in a relationship of financial benefit/burden with the organization.

Component units are either blended into the primary government or discretely presented from the primary government. Potential component units that do not meet the financial accountability criteria, but where a voting majority of the governing board is appointed by the State, are deemed to be related organizations. The nature and relationship of the State's component units and related organizations are disclosed in the following section.

Discrete Component Units:

Discrete component units are entities, which are legally separate from the State, but for which the State is financially accountable for financial reporting purposes, or whose relationship with the State is such that exclusion would cause the State's financial statements to be misleading. Complete audited financial statements of the individual component units can be obtained from the respective entities.

The component unit columns of the government-wide financial statements include the financial data of the following entities:

Major Component Unit

University System of New Hampshire - The University System of New Hampshire (USNH) is a body corporate and politic with a governing board of twenty-seven members. A voting majority is held by the State through the eleven members appointed by the Governor and Executive Council and three State officials serving as required by law. These State officials are the Governor, the Commissioner of the Department of Education, and the Commissioner of the Department of Agriculture. The remaining board members represent the university and colleges of the system, the alumni, and the student body. The USNH funds its operations through tuition and fees, government grants and contracts, auxiliary operations, and State appropriations which impose a specific financial burden on the State. USNH financials can be obtained by contacting USNH at 5 Chenell Drive Suite 301, Concord, NH 03301.

Non-major Component Units

Business Finance Authority of the State of New Hampshire - The Business Finance Authority (BFA) is a body corporate and politic with a governing board of fourteen members. The board consists of nine members appointed by the Governor with the consent of the Executive Council. The remaining members include two State Representatives, two Senators, and the State Treasurer. The State currently guarantees outstanding loans and principal on bonds of the BFA, which creates the potential for the BFA to impose a financial burden on the State. BFA's financials can be obtained by contacting the BFA at 135 North State Street, Concord, NH 03301.

Community Development Finance Authority - The Community Development Finance Authority (CDFA) is a body corporate and politic organized as a nonprofit corporation under Revised Statutes Annotated (RSA) 292. The governing board of eleven members is made up of the Commissioner of the Department of Resources and Economic Development or designee and ten public members appointed by the Governor and Executive Council as follows: four representatives of community development corporations or other nonprofit organizations engaged in community development activities, one representative of organized labor, two representatives of small business and the financial community, one representative of employment training programs, and two representatives of private financial institutions. Additionally, CDFA imposes a financial burden on the State as investment tax credit equal to 75 percent of the contribution made to the CDFA during the contributor's tax year is allowed against certain taxes imposed by the State. In accordance with RSA 162-L:10, the total credits allowed shall not exceed $5.0 million in any State fiscal year. CDFA's financials can be obtained by contacting the CDFA at 14 Dixon Avenue, Suite 102, Concord, NH 03301.

Pease Development Authority - The Pease Development Authority (PDA) is a body corporate and politic with a governing body of seven members. Four members are appointed by the Governor and State legislative leadership, and three members are appointed by the City of Portsmouth and the Town of Newington. The State currently guarantees outstanding loans and principal on bonds of the PDA and has issued bonds on behalf of the PDA, which creates the potential for the PDA to impose a financial burden on the State. In addition, the State has made several loans to the PDA. PDA's financials can be obtained by contacting PDA at 55 International Drive, Portsmouth, NH 03801.

The Community College System of New Hampshire (CCSNH) - The CCSNH was established under Chapter 361, Laws of 2007 (effective date July 17, 2007), as a body politic and corporate, whose main purpose is to provide a well-coordinated system of public community college education. The CCSNH includes colleges in Berlin, Claremont, Concord, Laconia, Manchester, Nashua and Portsmouth. It is governed by a single board of trustees with 23 voting members appointed by the Governor and Executive Council. The CCSNH funds its operations through tuition, room and board, fees, grants, legacies and gifts, and state appropriations which impose a specific financial burden on the State. The CCSNH

financial statements include the consolidated activity of the Community Colleges of New Hampshire Foundation, which is a separate legal entity established as a 501(c)(3) corporation and component unit of CCSNH.

CCSNH's financials can be obtained by contacting CCSNH at 26 College Drive, Concord, NH 03301.

Fiduciary Component Units:

The State's fiduciary component units consist of the Pension Trust Funds, which include the following:

New Hampshire Retirement System - The New Hampshire Retirement System (NHRS) is a contributory pension plan and trust qualified as a tax exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code. It is a defined benefit plan (the "Plan") providing disability, death, and retirement protection to its members, which include full-time employees of the State and substantially all school teachers, firefighters, and police officers within the State. Full-time employees of political subdivisions may participate if their governing body elects to participate.

NHRS is administered by a thirteen member Board of Trustees on which the State does not represent a voting majority. The Board has all the powers of a corporation. It is fiduciarily responsible for NHRS assets and directs the investment of those assets through an independent investment committee, reviews actuarial assumptions and valuations from which the employer contribution rates are certified by the board, and generally supervises the operations of NHRS.

NHRS is deemed to be fiscally dependent on the State because the employee member contribution rates are set through State statute, and the State has budget approval authority over some administrative costs of NHRS.

New Hampshire Judicial Retirement Plan – The New Hampshire Judicial Retirement Plan (NHJRP) is a contributory pension plan and trust qualified as a tax exempt organization under Sections 401(a) and 414(d) of the Internal Revenue Code. It is a defined benefit plan providing disability, death, and retirement protection for full-time supreme court, superior court, and circuit court judges employed within the State.

NHJRP is administered by a seven member Board of Trustees that is appointed by the State. The Board is fiduciarily responsible for NHJRP assets and oversees the investment of those assets, approving the actuarial valuation of NHJRP including assumptions, interpreting statutory provisions and generally supervising the operations of NHJRP.

These component units are presented along with other fiduciary funds of the State and have been omitted from the State's government-wide financial statements.

Related Organizations:

The State is responsible for appointing voting members of the governing boards of the following legally separate organizations; however, the State is not financially accountable for these organizations. Although the Treasurer may serve as a Trustee and have certain involvement with the organizations, the organizations are not fiscally dependent upon the primary government and the organizations do not provide specific financial benefit to or impose financial burden on the primary government. Exclusion of these organizations from the State's financial statements would not render the financial statements to be misleading.

Related Organizations Excluded:

- Maine – New Hampshire Interstate Bridge Authority
- New Hampshire Health and Education Facilities Authority
- New Hampshire Housing Finance Authority
- New Hampshire Municipal Bond Bank
- Land and Community Heritage Investment Program

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Primary government activities are distinguished between governmental and business-type activities. Governmental activities are normally supported through taxes and intergovernmental revenues. Business-type activities rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The *Statement of Net Position* presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position from net investment in capital assets includes capital assets net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net position is restricted when constraints are externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as part of restricted net position. The remaining net position is considered unrestricted.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not meeting the definition of program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenue rather than program revenue. Certain indirect costs are included in program expenses reported for individual functions.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Measurement Focus and Basis of Accounting

The *government-wide, proprietary, and fiduciary fund financial statements* are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Derived tax revenues are recognized as revenues in the period the underlying transaction occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Under this method, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the State generally considers revenues to be available if they are collected within 60 days after year end. Receivables not expected to be collected within 60 days are offset by deferred inflows of resources. An exception to this policy is federal grant revenue, which generally is considered to be available if collection is expected within 12 months after year end. Taxes, grants, licenses and fees associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period when available.

Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term liabilities, claim and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governments funds. Proceeds of general long-term debt and financing from leases are reported as other financing sources.

Proprietary Fund, Fiduciary Funds and Similar Component Units, and Discrete Component Unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Financial Statement Presentation

A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to report financial position and the results of operations, to demonstrate legal compliance, and to aid financial management by segregating transactions related to certain government functions or activities.

The State reports the following major governmental funds:

General Fund: The General Fund is the State's primary operating fund and accounts for all financial transactions not accounted for in any other fund.

Highway Fund: The Highway Fund is used to account for the revenues and expenditures used in the construction, maintenance and operations of the State's public highways and the supervision of traffic thereon.

Education Trust Fund: The Education Trust Fund was created in accordance with Chapter 17:41, Laws of 1999. The fund is non-lapsing and is used to distribute adequate education grants to school districts.

The State reports the following major enterprise funds as part of the Proprietary Fund Financial Statements:

The *Turnpike System* accounts for the revenues and expenses used in the construction, maintenance and operations of three limited access highways: the Blue Star Turnpike (I-95), the Spaulding Turnpike and the Central Turnpike. The Turnpike System primarily serves the major cities located in the central and eastern sections of southern New Hampshire.

The *Liquor Commission* accounts for the operations of State-owned liquor stores and the sales of all beer and liquor sold in the State.

The *Lottery Commission* accounts for the operations of the State's Lottery Commission and the State's Racing & Charitable Gaming activities.

The *State Revolving Fund* makes loans to public water systems and local governments for wastewater treatment facilities and safe drinking water systems, funded by programs under the U.S. Environmental Protection Administration.

The *New Hampshire Unemployment Compensation Trust Fund* receives contributions from employers and provides benefits to eligible unemployed workers.

Additionally, the State reports the following non-major funds:

Governmental Funds

Fish and Game Fund – accounts for the operation of fish hatcheries, inland and marine fisheries and wildlife areas and functions related to law enforcement, land acquisition and wildlife management and research. Principal revenues include fees from fish and game licenses, the marine gas tax, penalties, recoveries, federal grants-in-aid related to fish and game management and other funding as approved by the Legislature.

Capital Projects Fund - used to account for certain capital improvement appropriations which are or will be primarily funded by the issuance of State bonds or notes, other than bonds and notes for highway or turnpike purposes, or by the application of certain federal matching grants.

Coronavirus Relief Fund: The Coronavirus Relief Fund is used to account for revenues and expenditures related to federal revenue received under section 601 (a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). During fiscal year 2020, the CARES Act established the Coronavirus Relief Fund and the State received an allocation of $1.25 billion. The State is in the final stages of closing this fund.

Other Governmental Funds – Used to account for certain program funds maintained by agencies that are limited in use for particular purposes.

Permanent Funds – report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the State or its citizenry.

Proprietary Fund

Internal Service Fund - provides services primarily to employees and retirees of the State, rather than to the general public. These services include health-related fringe benefits. In the government-wide financial statements, internal service funds are included with governmental activities.

Fiduciary Fund Types

Pension (and Other Employee Benefits) Trust Funds – report resources that are required to be held in trusts for the members and beneficiaries of the State's contributory defined benefit plans, and post employment benefit plan. The NHRS and NHJRP are component units of the State.

Investment Trust Fund - accounts for the transactions, assets, liabilities and fund equity of the New Hampshire Public Deposit Investment Pool (NHPDIP or the Pool), an external investment pool. The NHPDIP was established, in accordance with RSA 383:22-24, for the purpose of investing funds of the State of New Hampshire, funds under the 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. As of June 30, 2025, the State held an investment position in NHPDIP, which is reported as the State's share of the overall pool and not by investment type based on the underlying investment securities held by the pool. In accordance with U.S. GAAP, the external portion of the NHPDIP is reported as an investment trust fund in the Fiduciary Funds using the economic resources measurement focus and accrual basis of accounting. In accordance with GASBS 79, the pool's portfolio securities are valued at amortized cost, which approximates fair value. NHPDIP's investment detail and audited financial statements can be obtained by visiting www.nhpdip.com or contacting the Client Services Team at 1-844-4NH-PDIP.

Private Purpose Trust Funds - report resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments.

Custodial Funds - report resources identified as a fiduciary activity which are not held in a trust or equivalent arrangement.

Reporting Periods

The accompanying financial statements of the State are presented as of June 30, 2025, and for the year then ended, except for the New Hampshire Judicial Retirement Plan which is as of December 31, 2024, and for the year then ended.

D. CASH EQUIVALENTS

For the purposes of reporting in the Statement of Net Position, Statement of Fiduciary Net Position and the Statement of Cash Flows, cash equivalents represent short-term investments with original maturities less than three months from the date acquired by the State and are valued at cost, which approximates fair value, or net asset value. Cash equivalents include certain money market and demand deposit accounts, a government-sponsored enterprise (GSE) instrument, certificates of deposit with original maturity dates less than 90 days, the external portion of the NHPDIP holdings classified as cash equivalents and funds on deposit with the U.S. Treasury for the Unemployment Compensation Trust Fund.

E. INVESTMENTS

Primary Government

Investments are reported at fair value. In determining fair value, the State utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. If an investment is in an active market where quoted prices exist, the market price of an identical security is used to report fair value. Corporate fixed income securities and certain U.S. government securities utilize pricing that may involve estimation using similar securities or trade dates. As these investments are generally not traded in an active market, fair value measurements are determined using market data and matrix pricing. Fair values for shares in registered mutual funds and exchange-traded funds are based on published share prices. Money market mutual funds are generally reported at net asset value (NAV) reported by the fund managers and assessed as reasonable by the State, which is used as a practical expedient to estimate the fair value.

Non Pension Fiduciary Funds

In accordance with GASB 79, NHPDIP portfolio securities are valued at amortized cost, which approximates fair value. All other non pension trust fund investments are reported at fair value.

Pension Trust Funds and Major Component Unit

See Note 2 for further discussion of fair value techniques.

F. RECEIVABLES

Receivables in the government-wide financial statements represent amounts due to the State at June 30, recorded as revenue, which will be collected sometime in the future and consist primarily of accrued taxes and federal grants receivable. In the governmental fund financial statements, taxes receivable are primarily taxpayer-assessed revenues where the underlying exchange has occurred in the period ending June 30 or prior, and for federal grants, which reimburse the State for expenditures incurred pursuant to federally funded programs. Tax and grant revenues are susceptible to accrual in accordance with measurable and available criteria under the modified accrual basis of accounting.

Other Receivables - Restricted includes loans receivable made to public water systems and local governments under the State Revolving Fund (SRF) for wastewater treatment facilities and safe drinking water systems. Loans are funded by federal grants from programs by the U.S. Environmental Protection Agency, with federal grants and partially matching state funds. Loan funds are disbursed to borrowers on a cost reimbursement basis, and interest begins accruing when funds are disbursed. After construction is completed, the borrower can elect to add the construction period interest to the loan amount, or they can pay it in total with the first loan repayment. Loans are typically repaid over periods of five, ten, fifteen or twenty years, and repayment of the loans must begin within one year of construction completion. Repayments are credited to special accounts and then used to lend out more funds to communities and qualified private water organizations. In addition to interest, portions of loan repayment and federal grants are allowed to be allocated to administrative costs. There is no provision for uncollectible accounts, as all repayments are current, and management believes all loans will be repaid according to the loan terms. Loan amounts classified currently represent those loan amounts expected to be satisfied within the forthcoming fiscal year.

Under federal regulations, a portion of each federal grant award is required to be provided as additional subsidy to borrowers. This additional subsidy comes in the form of principal forgiveness and ranges from 12% for CWSRF federal loans to a range of between 20-30% for DWSRF federal loans. Borrowers must meet selected criteria to be eligible for the additional subsidy. Principal forgiveness eligibility and amount is calculated when the loan is finalized and goes into repayment status. For CWSRF loans, principal forgiveness is recognized with the first loan repayment. For DWSRF loans, principal forgiveness is recognized on a payment by payment basis. If a borrower defaults on a loan, the total amount unpaid is deemed owed.

In addition to the SRF receivables, long-term receivables in governmental activities represent future proceeds from various opioid manufacturer related settlements, as described in Note 15, and other miscellaneous future receipts.

G. INVENTORIES

Inventories for materials and supplies are determined by physical count. Both the Lottery and Liquor Commissions use the lower of cost or market to value their inventories. Lottery uses the first-in, first-out (FIFO) method and Liquor uses the average cost method. All other inventories in the governmental and proprietary funds are stated at average cost.

Governmental fund inventories are recorded under the purchase method. Reported inventory balances in the governmental funds are offset by a nonspendable fund balance designation that indicates they do not constitute available spendable resources.

H. CAPITAL ASSETS

Capital assets (excluding intangible right-to-use lease assets), which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Such assets, whether purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value.

Equipment is capitalized when the cost of individual items exceeds $10,000, and all other capital assets are capitalized when the cost of individual items or projects exceeds $100,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the primary government and the component units are depreciated using the straight-line method over the following useful lives:

Equipment	5 years
Buildings	40 years
Building improvements	20 years
Infrastructure	50 years
Computer software	5 years
Lease right-to-use assets	2-25 years
Subscription based right-to-use assets	2-10 years

I. UNEARNED REVENUE

In the government-wide financial statements, governmental fund financial statements and proprietary fund financial statements, unearned revenue is recognized when cash, receivables or other assets are recorded prior to their being earned. As of June 30, 2025, unearned revenue reported in governmental funds was $444.1 million, and in business-type activities was $22.3 million.

J. ACCOUNTS PAYABLE

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of June 30.

K. COMPENSATED ABSENCES

All full-time State employees in classified service earn annual and sick leave. In previous fiscal years, additional leave (bonus days) may be awarded based on the amount of sick leave taken during the year. Accrued compensatory time, earned for overtime worked, should generally be taken within one year or in accordance with applicable collective bargaining agreements.

The State's compensated absences liability represents the total liability for the cumulative balance of employees' annual, bonus, compensatory, and sick leave that is attributable to services already rendered and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability calculation includes the State's share of Social Security, Medicare and retirement contributions and is measured based on salary rates in effect as of the date of the Statements of Net Position. The current portion of the leave liability is calculated based on the characteristics of the type of leave and on a last-in, first-out (LIFO) basis, which assumes employees use their most recent earned leave first. The liability for compensated absences is recorded on the accrual basis in the government-wide and proprietary fund financial statements.

In the governmental fund financial statements, liabilities for compensated absences are accrued when they are due and payable.

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

M. POSTEMPLOYMENT LIABILITIES

The State participates in two defined benefit pension plans, the NHRS and NHJRP. The State also participates in two other postemployment benefit (OPEB) plans, a funded plan administered by NHRS, hereafter referred to as the Trusted OPEB Plan, and a nonfunded plan, hereafter referred to as the Non Trusted OPEB Plan. See footnote 11 for activity related to these plans.

For purposes of measuring the total/net Pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to these liabilities and related expense, information about the fiduciary net position of the NHRS and NHJRP, and additions to/deductions from the fiduciary net position has been determined on the same basis as it is reported by NHRS, NHJRP and the State OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

N. LEASES AND SUBSCRIPTIONS

The State is a lessee for various noncancellable leases of buildings, equipment, and vehicles and under contract for for non-cancellable use of subscription assets. For leases and subscriptions with a maximum possible term of 12 months or less at commencement, the State recognizes expense/expenditure based on the provisions of the lease or subscription contract. For all other leases and subscriptions (i.e. those that are not short- term), the State recognizes a lease liability and an intangible right-to-use lease or subscription asset when individual, undiscounted annual lease or subscription payments of $50,000 or more are recognized at any time during the lease/subscription term.

At lease commencement, the State initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If the State is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

At subscription commencement, the State initially measures the lease liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, less payments made at or before the subscription commencement date, plus any initial implementation costs related to placing the underlying asset into service. Subsequently, the subscription asset is amortized into amortization expense on a straight-line basis over the subscription term.

Key estimates and judgments include how the State determines (1) the discount rate it uses to calculate the present value of the expected lease/ subscription (2) lease/subscription terms, and (3) lease/subscription payments.

The State generally uses its estimated incremental borrowing rate as the discount rate for leases and subscriptions unless the rate that the lessor/ vendor charges is known. The State's incremental borrowing rate for leases and subscriptions is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the payments, respectively, under similar terms at the commencement or remeasurement date. The State determined its incremental borrowing rates based on assumed AA credit for the following lease terms: 1-3 years, 4-5 years, 6-10 years, and 10+ years.

The lease/subscription term includes the noncancellable period of the lease, plus any additional periods covered by either a State or lessor option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both the State and the lessor/vendor have a unilateral option to terminate (or if both parties have to agree to extend) are excluded from the lease/ subscription term.

Payments are evaluated by the State to determine if they should be included in the measurement of the lease liability, including those payments that require a determination of whether they are reasonably certain of being made, such as purchase options, payments for termination penalties, and other payments.

The State monitors changes in circumstances that may require remeasurement of a lease. When certain changes occur that are expected to significantly affect the amount of the lease liability, the liability is remeasured and a corresponding adjustment is made to the lease asset.

The State is a lessor for various noncancellable leases of buildings and ground lease contracts. The State recognizes a lease receivable and a deferred inflow of resources when individual, undiscounted annual lease payments of $50,000 or more are to be received at any time during the lease term. Deferred inflows are amortized as lease revenue on a straight line basis over the life of the lease. Certain lease payments are indexed annually to the Consumer Price Index for All Urban Consumers (CPI-U). Any changes from the original discounted lease payments resulting from changes in the variable index will be recorded as inflows of resources in the financial statements. During the fiscal year ended June 30, 2025, the State recognized total inflows of $1.1 million from leases.

Presentation in Statement of Net Position

Lease and subscription assets are reported with capital assets and lease and subscription liabilities are reported with long-term debt in the statement of net position. Lease receivables are reported on the statement of net position under current and non-current assets, and deferred inflows related to leases are reported in the deferred inflows of resources total.

O. FUND BALANCES

Fund balances for all governmental funds are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of the fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents the amount that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislature. Assigned fund balance is constrained by the Legislature's or other executive authority's intent to be used for specific purposes.

The State maintains a stabilization account referred to as the Revenue Stabilization Account (the "Rainy Day Fund") in the general fund and reported as unassigned fund balance. See Note 16 for additional information about fund balances and the stabilization account.

P. BOND DISCOUNTS AND PREMIUMS

In the government-wide and proprietary fund financial statements, bond discounts/premiums are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond discounts and premiums are recognized in the period the bond proceeds are received. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Q. REVENUES AND EXPENDITURES/EXPENSES

In the government-wide Statement of Activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function (e.g. general government, education, etc.). Additionally, revenues are classified between program and general revenues. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes. Certain indirect costs are included in the program expenses reported for individual functions.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the State's general policy to use restricted resources first. In the governmental funds, when expenditures are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the State's general policy to spend committed resources first followed by assigned and unassigned resources, respectively.

In the governmental fund financial statements, expenditures are reported by character: "Current", "Debt Service" or "Capital Outlay." Current expenditures are subclassified by function and are for items such as salaries, grants, supplies and services. Debt service includes both interest and principal outlays related to bonds and notes. Capital outlay includes expenditures for equipment, real property or infrastructure including the Highway Fund's capital outlays for the 10-year state capital highway construction program.

Revenues and expenses of proprietary funds are classified as operating or nonoperating and are subclassified by object (e.g. administration and depreciation). Operating revenues and expenses generally result from providing services and producing and delivering goods. All other revenues and expenses are generally reported as nonoperating.

Other Financing Sources (Uses) – These additions to and reductions from resources in governmental fund financial statements normally result from transfers from/to other funds and financing provided by bond proceeds. Transfers are reported when incurred as "Transfers In" by the receiving fund and as "Transfers Out" by the disbursing fund.

Reimbursements - Various departments charge fees on a user basis for such services as centralized data processing, accounting and auditing, purchasing, personnel, and maintenance and telecommunications. These transactions, when material, have been eliminated in the government-wide and governmental fund financial statements.

R. INTERFUND ACTIVITY AND BALANCES

Interfund Activity – As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. Exceptions to this rule include activities between funds reported as governmental activities and funds reported as business-type activities (e.g. transfers of profits from the Liquor Commission to General Fund and the Lottery Commission to the Education Trust Fund). Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

In the fund financial statements, transfers represent flows of assets (such as goods or cash) without equivalent flows of assets in return or a requirement for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources.

Interfund Balances – Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position, except for the amounts due between governmental and business-type activities.

S. ENCUMBRANCES AND CAPITAL PROJECTS

Contracts and purchasing commitments are recorded as encumbrances when the contract or purchase order is executed. Upon receipt of goods or services, the encumbrance is liquidated and the expenditure and liability are recorded.

Governmental activities generally records the resources obtained and used for the acquisition, construction, or improvement of certain capital facilities in the Highway Fund and the Capital Projects Fund.

Resources obtained to finance capital projects include federal grants and general obligation bonds. General obligation bonds are recorded as liabilities and as other financing sources, as appropriate in the funds that receive the proceeds.

T. BUDGET CONTROL AND REPORTING

The statutes of the State of New Hampshire require the Governor to submit a biennial budget to the Legislature for adoption. This budget, which includes a separate budget for each year of the biennium, consists of three parts: Part I is the Governor's program for meeting all expenditure needs and estimating revenues. There is no constitutional or statutory requirement that the Governor propose, or the Legislature adopt, a budget that does not resort to borrowing. Part II is a detailed breakdown of the budget at the department level for appropriations to meet the expenditure needs of the government. Part III consists of draft appropriation bills for the appropriations made in the proposed budget.

The operating budget is prepared principally on a modified cash basis and adopted for the governmental funds, with the exception of the Capital Projects Fund, and certain proprietary funds. The Capital Projects Fund budget represents individual projects that extend over several fiscal years. Since the Capital Projects Fund comprises appropriations for multi-year projects, it is not included in the budget and actual comparison statements. Fiduciary funds and permanent funds are not budgeted.

In addition to the enacted biennial operating budget, state departments may submit to the Legislature and Governor and Council, as required, supplemental budget requests necessary to meet expenditures during the current biennium. Appropriation transfers can be made within a department with the appropriate approvals; therefore, the legal level of budgetary control is generally at the expenditure class level within each accounting unit within each department.

Both the Executive and Legislative Branches of government maintain additional fiscal control procedures. The Executive Branch, represented by the Commissioner of the Department of Administrative Services, is directed to continually monitor the State's financial operations, needs, and resources, and to maintain an integrated financial accounting system. The Legislative Branch, represented by the Fiscal Committee, the Joint Legislative Capital Budget Overview Committee, and the Office of Legislative Budget Assistant, monitors compliance with the budget and the effectiveness of budgeted programs.

Unexpended balances of appropriations at year end will generally lapse to assigned or unassigned fund balance and be available for future appropriations unless they have been encumbered or legally defined as non-lapsing, which means the balances are reported as restricted, committed or assigned fund balance. The balance of unexpended encumbrances are brought forward into the next fiscal year. Capital Projects Fund unencumbered appropriations lapse in two years unless extended or designated as non-lapsing by law.

Budget to Actual Comparisons and additional budgetary information are included as Required Supplementary Information.

U. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

V. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended June 30, 2025, the State adopted the following new accounting standards issued by the GASB:

GASB Statement No. 101: *Compensated Absences* - Supersedes the previous standard, GASB 16. The primary objective of this statement is to improve consistency and enhance the accounting and financial reporting for compensated absences. It establishes a unified model for recognizing liabilities related to both unused and used-but-unpaid leave, based on updated recognition and measurement guidance. In addition, this statement provides clearer definitions and requirements for when and how compensated absences should be reported. The State adopted GASB 101 as of July 1, 2024. The adoption of GASB 101 resulted in a restatement to the beginning balance of unrestricted net position for governmental activities, see Note 1-W below. There was no material impact to business-type activities.

GASB Statement No. 102: *Certain Risk Disclosures* - Requires governments to provide essential information in the notes to the financial statements about vulnerabilities to risks from certain concentrations or constraints. A concentration is a lack of diversity related to a significant inflow or outflow of resources. A constraint is an externally or internally imposed limitation on a government's ability to acquire resources or control spending. The State is required to disclose information about a concentration or constraint if it meets all of the criteria as established under Statement No. 102. The State implemented Statement No. 102 in fiscal year 2025 with no impact to the financial statements.

W. ADJUSTMENTS TO AND RESTATEMENT OF BEGINNING BALANCES

Implementation of GASB Statement No. 101 resulted in a change in accounting principle for the State and certain nonmajor discretely presented component units. The cumulative effect of applying this statement is reported as a restatement of the beginning net position for the fiscal year ended June 30, 2025. In addition, the State corrected errors effecting the governmental activities and major highway fund. In governmental activities, the State recorded a long-term liability for the cumulative balance of State Aid Grants awarded to municipalities for water and sewer system improvements, which will be paid in future periods. In the highway, fund, an adjustment was made to correct a prior year pooled cash error. Both corrections are presented as a restatement of the beginning net position for June 30, 2025. The table below summarizes the State's adjustments related to these items.

(Expressed in Thousands)	6/30/2024 as Previously Reported	Change in Accounting Principle	Error Correction	6/30/2024 as Restated
Government-Wide				
Governmental Activities	$ 2,613,808	$ (4,946)	$ (146,946)	$ 2,461,916
Total Primary Government	$ 2,613,808	$ (4,946)	$ (146,946)	$ 2,461,916
Governmental Funds				
Highway Fund	$ 250,482	$ —	$ (7,465)	$ 243,017
Total Governmental Funds	$ 250,482	$ —	$ (7,465)	$ 243,017
Discretely Presented Component Units				
Non-Major	$ 257,533	$ (4,192)	$ —	$ 253,341
Total Discretely Presented Component Units	$ 257,533	$ (4,192)	$ —	$ 253,341

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

PRIMARY GOVERNMENT AND NON PENSION FIDUCIARY FUNDS

The State pools cash and investments except for separate cash and investment accounts maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments and restricted assets is included on the statements of financial position under the captions "Cash and Cash Equivalents" and "Investments."

The table below presents the cash, cash equivalents, and investments as reflected in the financial statements (expressed in thousands):

		Unrestricted		Restricted		
		Cash and Cash Equivalents	Investments	Cash and Cash Equivalents	Investments	Total
Per Statement of Net Position	Primary Government	$ 1,130,517	$ 36,734	$ 650,580	$ 1,843,610	$ 3,661,441
Per Statement of Fiduciary Net Position	Private Purpose	888	26,723			27,611
	Investment Trust	310	531,596			531,906
	Custodial Funds	5,044	492			5,536
	Total per Financial Statements	**$ 1,136,759**	**$ 595,545**	**$ 650,580**	**$ 1,843,610**	**$ 4,226,494**

INVESTMENTS:

The State's Treasury Department (State Treasury) is responsible for managing certain State cash and investments in accordance with policies to ensure reasonable rates of return on investments while minimizing risk factors. Approved investments are defined in statute (RSA 6:8 and 383-B:3-303) and investment policies. All investments are denominated in U.S. dollars.

Fair Value Hierarchy of Investments: In accordance with GASBS 72, except for investments measured using NAV as a practical expedient to estimate fair value, the State categorizes the fair value measurements of its investments within the fair value hierarchy established by U.S. GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into the following levels:

- Level 1 inputs reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the State has the ability to access at the measurement date. Most of the State's directly held marketable equity securities would be examples of Level 1 investments.
- Level 2 inputs are other than quoted prices that are observable for assets or liabilities either directly or indirectly, including inputs in markets that are not considered to be active. Because they most often are priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held fixed income securities, as well as the State's holdings

in U.S. government obligations, corporate bonds, commercial paper and both asset-backed securities (ABS) and mortgage backed securities (MBS), are categorized in Level 2.

- Level 3 inputs are significant unobservable inputs. The State held no Level 3 investments as of June 30, 2025.

The fair value hierarchy gives the highest priority to Level 1 inputs. In certain instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. If an investment is held directly by the State and an active market with quoted prices exists, such as for domestic equity securities, registered mutual funds and exchanged traded funds, those securities are classified in Level 1. Corporate fixed income securities and certain governmental securities utilize pricing that may involve estimation using market data and matrix pricing.

Investments in money market mutual funds are generally reported at the NAV reported by the fund managers, which is used as a practical expedient to estimate the fair value of the State's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. At June 30, 2025 the State had no plans or intentions to sell investments at amounts different from NAV. NAVs determined by fund managers generally consider variables, such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Because of the inherent uncertainties of valuation, the estimated fair values used in NAV calculations may differ significantly from values that would have been used had a ready market existed, and the differences could be material.

The following table summarizes the State's investments and cash equivalents, by type, as of June 30, 2025 (expressed in thousands):

	Investments Classified in the Fair Value Hierarchy		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Investments measured at fair value:			
U.S. Government Obligations		$ 906,852	$ 906,852
Commercial Paper		146,905	146,905
Equity Securities	$ 58,242		58,242
Asset and Mortgage Backed Securities		79,095	79,095
Corporate/Municipal Bonds		486,475	486,475
Total Investments measured at fair value	58,242	1,619,327	1,677,569
Investments measured at the Net Asset Value (NAV):			
Money Market Mutual Funds			58,568
Equity Open Ended Mutual Funds			14,455
Fixed Income Open Ended Mutual Funds			4,767
Total Investments measured at the Net Asset Value (NAV)			77,790
Investments and Cash Equivalents not measured at fair value:			
External portion of NH Public Deposit Investment Pool			531,596
Internal Investment in NH Public Deposit Investment Pool			25,196
Investment CDs greater than 90 days; repurchase agreement			127,004
Cash and Cash Equivalents			1,787,339
Total Investments and Cash Equivalents not measured at fair value			2,471,135
Grand Total	$ 58,242	$ 1,619,327	$ 4,226,494

Note to the table above: Rates range from 1.15% to 5.95% and maturities from fiscal year 2026 to 2035.

Equity Securities and Mutual Funds: The State's policy relative to operating funds and mitigation of concentration and credit risk does not permit investing in equity securities. Although not issuer specific, individual investment guidelines for trust and custodial funds include overall asset allocation limits that are consistent with sound investment principles and practices. All equity mutual funds are open ended and not exposed to custodial credit risk. There is no credit, custodial, or concentration risk to the State for the amounts held in the State's abandoned property program. These assets represent securities remitted to the State simply for safe-keeping with the goal of eventual return to the rightful owner.

Credit Risk: The risk that the issuer or other counterparty will not fulfill its obligations. The NHPDIP is rated AAAm by Standard & Poor's Rating Services. The AAAm principal stability rating is the highest assigned to principal stability government investment pools. Money market funds to be considered and utilized are those funds invested in the U.S. Treasury, Agency or other securities commonly referred to as being "within first tier categories" and/or which have the highest rating available from at least one nationally recognized rating agency.

Debt Securities: The State invests in several types of debt securities including corporate and municipal bonds, and securities issued by the U.S. Treasury and Government Agencies, fixed income open ended mutual funds and commercial paper.

Credit Risk: The risk that the issuer will not fulfill its obligations. The State invests in only investment grade securities which are defined as those with a grade B or higher. Obligations of the U.S. Government or obligations backed by the U.S. Government are not considered to have credit risk. All commercial paper must be from issuers having an A1/P1 rating or better and an AA- or better long-term debt rating from one or more of the nationally recognized rating agencies.

Interest Rate Risk: The risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk is primarily measured and monitored by defining or limiting the maturity of any investment or weighted average maturity of a group of investments. The specific target or limits of such maturity and percentage allocations are tailored to meet the investment objective(s) and defined in the investment guidelines associated with those funds. Fixed income mutual funds which consist of shares of funds which hold diversified portfolios of fixed income securities for operating purposes are limited to those with average maturity not to exceed 3 years.

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, an investor will not be able to recover the value of investments that are in the possession of an outside party. Open ended mutual funds and external pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The State's selection criteria are aimed at investing only with high quality institutions where default is extremely unlikely.

Concentration Risk: The risk of loss attributed to the magnitude of the State's investment in a single issuer. The State's policy relative to operating funds includes certain limits intended for the mitigation of concentration of credit risk. The State's investments shall be diversified to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions, or maturities. The maximum percentage of the State's investments permitted in each eligible security is based on the book value at the date of purchase. Limits apply to both sector and issuer. Individual investment guidelines for trust and custodial funds include overall asset allocation limits that are consistent with sound investment principles and practices.

There is no credit, interest rate, custodial, or concentration risk to the State for amounts held in the State's abandoned property program. These assets represent securities remitted to the State simply for safe-keeping with the goal of eventual return to the rightful owner.

The State's exposed risks at June 30, 2025 are noted below:

Credit Risk and Interest Rate Risk (expressed in thousands)

	Governmental & Business Type			Fiduciary		
Type	Credit Risk		Interest Rate Risk	Credit Risk		Interest Rate Risk
	Investment Grade	Unrated	WAM in years	Investment Grade	Unrated	WAM in years
Corporate Bonds	$ 479,537		1.4	$ 5,336		1.1
Municipal Bonds	1,521					
U.S. Government Obligations Held in Permanent Funds	4,518		0.9			
U.S. Government Obligations Held in Governmental and Business Type Activities	896,307		0.6	6,007		1.3
Asset and Mortgage Backed Securities	79,095		0.2			
Fixed Income Open Ended Mutual Funds		3,468	0.4			
Commercial Paper	146,905		0.0	200,502		0.2

DEPOSITS:

The following statutory requirements and State Treasury policies have been adopted to minimize risk associated with deposits:

RSA 6:7 establishes the policy the State Treasurer must adhere to when depositing public monies. Operating funds are invested per investment policies that further define appropriate investment choices and constraints as they apply to those investment types.

Custodial Credit Risk: The custodial credit risk for deposits is the risk that in the event of a bank failure, the State's deposits may not be recovered.

Custodial credit risk is managed in a variety of ways. Although state law does not require deposits to be collateralized, the Treasurer does utilize such arrangements where prudent and/or cost effective. Ongoing reviews with officials of depository institutions are used to allow for frequent monitoring of custodial credit risk.

All deposits at FDIC-insured depository institutions (including noninterest bearing accounts) are insured by the FDIC up to the standard maximum amount of $250,000 for each deposit insurance ownership category.

Deposits, including certificates of deposits, must be with state or federally chartered banking institutions with a branch in New Hampshire or with out-of-state banks authorized to accept public funds pursuant to RSA 6:8, I-a (d).

Whereas all payments made to the State are to be in U.S. dollars, foreign currency risk is essentially nonexistent on State deposits.

The table below details the State's bank balances at June 30, 2025 exposed to custodial credit risk and excludes $0.3 million in cash and cash equivalents held by the Investment Trust Fund (expressed in thousands):

	Governmental & Business-Type			Fiduciary		
Type	Insured	Collateral & held in State's name	Uncollateralized	Insured	Collateral & held in State's name	Uncollateralized
Demand Deposit/Money Market	$ 4,827	$ 1,398,210	$ 18,667		$ 5,897	$ 46

FIDUCIARY COMPONENT UNIT (New Hampshire Retirement System – NHRS)

Investments in both domestic and non-U.S. marketable securities traded on a national or international exchange are valued at quoted market prices. Domestic and non-U.S. securities not traded on a national or international exchange are based upon quoted prices for comparable instruments with similar yields and risk in active and inactive markets. NHRS uses a trade-date accounting basis for both domestic and non-U.S. securities and values are expressed in U.S. dollars. Investments in non-registered commingled funds are valued at net asset value (NAV) as a practical expedient to estimate fair value.

Real estate includes investments in commingled funds which are reported at NAV. The NAVs for real estate investments recorded in this report were obtained from statements provided by the general partners of commingled funds. Real estate commingled funds are selected by NHRS's discretionary real estate manager.

Alternative investments include investments in private equity, private debt and absolute return strategies which are reported at NAV. The NAVs for alternative investments recorded in this report were obtained from statements provided by the investment managers.

Cash and cash equivalents are valued at cost, which approximates fair value. Cash and cash equivalents primarily represent investments in the pooled short term investment fund managed by NHRS's master custodian. This fund invests mainly in high-grade money market instruments with maturities averaging less than three months. The fund provides daily liquidity.

The Plan holds no investments, either directly or indirectly, nor participates in any loans or leases, nor other party-in-interest transactions with any NHRS officials, New Hampshire State Government officials, or parties related to these officials.

RSA 100-A:15, I, provides separate and specific authorities to the Board of Trustees and the Independent Investment Committee for the management of the funds of the Plans and charges them with exercising the judgment and care under the circumstances then prevailing, which persons of prudence, discretion and intelligence, acting in a like capacity and familiar with such matters, would use in the conduct of a pension plan of like character and with like aims of the Plans.

To aid in the prudent investment of the Plans' assets, NHRS has adopted an Investment Manual which includes an investment policy. Primary components of the investment policy include the delineation of roles and responsibilities of the Board of Trustees, Independent Investment Committee, staff, and service providers; investment objectives; asset allocation policy; and asset class performance measurement and monitoring policy. This policy may be modified by the Board of Trustees as deemed necessary. In addition, the Investment Manual includes asset class guidelines which provide parameters for investment management.

Professional investment managers are bound by policy and contract to a standard of care that establishes a fiduciary relationship, to the extent permitted by law, requiring the manager to act prudently and solely in the best interest of the Plans and beneficiaries. Investment guidelines provide portfolio-level standards for separate account management including permissible investment types; security concentration thresholds; investment restrictions; and benchmarks for performance measurement and monitoring. NHRS utilizes a custodial bank compliance system to monitor the marketable investment portfolios against their respective guidelines.

NHRS's asset allocation as of June 30, 2025, as recommended by the Independent Investment Committee and adopted by the NHRS Board of Trustees, is as follows:

ASSET ALLOCATION	2025	
Asset Class:	**Target**	**Range**
Broad US-Equity	24.00 %	
Global Ex-US Equity	16.00 %	
Total Public Equity	**40.00 %**	**30-50%**
Core Bonds		
Short Duration		
Global Multi-Sector Fixed Income		
Absolute Return Fixed Income		
Core	15.00 %	
Non-Core	10.00 %	
Total Fixed Income	**25.00 %**	**18–32%**
Private Equity	10.00 %	5-15%
Private Debt	10.00 %	0-15%
Infrastructure	5.00 %	0-15%
Total Alternative Investments	**25.00 %**	
Real Estate	10.00 %	
Total Real Estate	**10.00 %**	**5-20%**
TOTAL	**100.00 %**	

Custodial Credit Risk - Deposits: Custodial credit risk for deposits is the risk that in an event of a bank failure, deposits may not be recovered. NHRS does not have a deposit policy to manage custodial credit risk on deposits. At June 30, 2025, NHRS held deposits of $13.2 million in the local custodian bank. These deposits are fully insured or collateralized and are used to support the daily working capital needs of NHRS.

Custodial Credit Risk - Investments: Investment securities are exposed to custodial credit risk if the investment securities are uninsured, are not registered in the name of the Plan, and are held by either:

a. The counterparty to a transaction or,

b. The counterparty's trust department or agent but not in the Plan's name.

All of NHRS's securities are held by NHRS's bank in NHRS's name.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of the Plans' investments in a single issuer. NHRS policy is expressed through individual separate account manager guidelines which limit investments in a single issuer to 10%, or less, of the portfolio value in order to control the overall risk of loss on a total portfolio level. This threshold is set as an upper limit, and in actual practice, managers generally do not reach this limit. Certain securities may be excluded from this limitation due to the nature of the investments (such as U.S. government securities, government-sponsored enterprise obligations, and supranational debt). NHRS fixed income managers have consistently adhered to the established guidelines for issuer concentration. The fixed income commingled fund managers have established investment guidelines regarding concentration of credit risk. The total portfolio is broadly-diversified across equities, fixed income, cash equivalent securities, real estate and alternative investments. Due to this diversification, the concentration of credit risk in a single issuer is below 5% at the total portfolio level.

Interest Rate Risk - Fixed Income Investments: Interest rate risk is the effect on the fair value of fixed income investments from changes in interest rates. Duration measures a debt investment's change in fair value arising from a change in interest rates.

Interest rate risk is illustrated below using the effective duration or option-adjusted methodology. This methodology is widely-used in the management of fixed income portfolios to quantify the risk associated with interest rate changes. The effective duration methodology takes into account the most likely timing and magnitude of variable cash flows, such as callable options, prepayments and other factors, and scales the risk of price changes on bonds depending upon the degree of change in rates and the slope of the yield curve.

The NHRS policy on duration is expressed through individual portfolio guidelines with each investment manager in lieu of a broad, plan-level policy. Duration guidelines have been established with each fixed income manager in order to manage interest rate risk within the separate account portfolios. The fixed income commingled fund managers also have established investment guidelines regarding duration. These provisions specify that the duration of each individual fixed income portfolio will be managed within a specified percentage or number of years relative to its benchmark index. NHRS fixed income managers follow the established guidelines for duration. If there is an occasional exception, the manager prudently remedies the guideline breach.

The following effective duration table quantifies the interest rate risk of the Plan's fixed income assets, as of June 30, 2025 (dollars expressed in thousands):

Investment Type	Fair Value June 30, 2025	Percentage of Fixed Income Investments	Effective Duration in Years	Weighted Average Effective Duration Years
Collateralized/Asset Backed Obligations	$ 290,480	9.6 %	2.9	0.3
Corporate Bonds	534,710	17.7 %	5.5	1.0
Government and Agency Bonds	519,538	17.2 %	6.3	1.1
Commingled Fund	293,491	9.7 %	3.7	0.4
Commingled Fund	402,222	13.3 %	6.6	0.9
Commingled Fund	232,114	7.7 %	4.5	0.3
Commingled Fund	747,099	24.8 %	5.9	1.4
Totals	**$ 3,019,654**	**100.0 %**		**5.4**

Credit Risk - Fixed Income Securities: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

NHRS controls credit risk on debt securities by establishing requirements for average credit quality at the separate account portfolio level and through credit quality standards for individual securities. The NHRS policy on credit quality is expressed through individual portfolio guidelines with each investment manager in lieu of a broad, plan-level policy. The investment guidelines are customized to the individual manager's strategy. NHRS fixed income managers follow established guidelines for credit quality. If there is an occasional exception, the manager prudently remedies the guideline breach. NHRS applies standards with regard to securities rated by nationally recognized statistical rating organizations ("NRSRO") and uses the lowest agency ratings for evaluating the credit quality of a specific security. The fixed income commingled fund managers have established investment guidelines regarding credit risk.

The following schedule illustrates the Plan's fixed income investments as of June 30, 2025, including the distribution of those investments by Standard & Poor's quality credit ratings (dollars expressed in thousands):

		Quality Ratings[1]				
Investment Type	Fair Value June 30, 2025	AAA	AA	A	BBB or Lower	Unrated
Collateralized/Asset Backed Obligations 2	$ 180,763	$ 109,932	$ 4,505	$ 13,052	$ 26,546	$ 26,728
Corporate Bonds	534,710	12,677	8,450	156,974	352,084	4,526
Government and Agency Bonds [2]	148,069	952	64,333	8,219	55,345	19,219
Commingled Fund [3]	293,491	35,219	99,787	26,414	99,787	32,284
Commingled Fund [3]	402,222	239,161	2,856	15,928	144,277	
Commingled Fund [3]	232,114	29,200	59,537	11,815	126,943	4,619
Commingled Fund [3]	747,099	23,010	550,463	84,646	88,980	
Totals	**$ 2,538,468**	**$ 450,151**	**$ 789,931**	**$ 317,048**	**$ 893,962**	**$ 87,376**
Percent of Total Fair Value		**17.73 %**	**31.12 %**	**12.49 %**	**35.22 %**	**3.44 %**

[1] Ratings were derived primarily from Standard & Poors (S&P). In instances where S&P did not rate a security, the Moody's rating was used.

[2] Collateralized Asset Backed Obligations and Government and Agency Bonds exclude U.S. government securities and securities explicitly guaranteed by the U.S. government of $481,186 because these securities are not considered to have credit risk.

[3] Average credit quality ratings for the commingled funds was provided by Blackrock SIO, Fidelity, Manulife, and Mellon respectively.

Foreign Currency Risk - Investments: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

NHRS manages its foreign currency risk primarily through its strategic asset allocation policy. As of June 30, 2025, investments in non-U.S. equity securities have a target asset allocation of 16% of total investments with a target range of 15–25%. As of June 30, 2025, non-U.S. fixed income securities represent 1% of the total investments as a result of the managers' security selection process. Non-U.S. investments are permitted in the alternative investment asset class, which includes private equity, private debt and absolute return strategy investments. The target allocation for alternative investments is 25% and the NHRS investment policy does not set limits for foreign investments in this asset class. The target allocation for real estate investments is 10%, and up to 35% of the Plan's real estate allocation may be invested in non-U.S. investments.

In addition, foreign currency risk is mitigated through the investment guidelines. NHRS manages its foreign exposure by requiring that separate account managers diversify their non-U.S. portfolios by country, sector and issuer to limit both foreign currency risk and security risk. Managers of commingled funds have discretion over their respective investment guidelines which must be consistent with strategies approved by NHRS. In

certain instances, where permitted in the investment guidelines, investment managers may also use foreign currency forward contracts to hedge against foreign currency risk.

The Plan's exposure to foreign currency risk at June 30, 2025 is presented on the following schedule (expressed in thousands):

Currency	Equity	Fixed Income	Real Estate and Alternative Investments	Cash and Cash Equivalents	Totals
Total investments subject to foreign currency risk	**$1,220,007**	**$ 125,662**	**$ 614,427**	**$ 4,755**	**$ 1,964,851**

Derivatives: Derivative instruments are contracts whose values are based on the valuation of an underlying asset, reference rate or index. Derivatives include futures, options, forward contracts and forward foreign currency exchanges. NHRS managers may enter into certain derivative instruments primarily to enhance the efficiency and reduce the volatility of the portfolio. There were no investments in options within the separate account portfolios. The NHRS investment policy and certain investment manager guidelines allow for the use of derivative instruments. The use of futures, options, or forward contracts is not permitted for any speculative hedging or leveraging of the portfolios and is prohibited in separate account mandates. Managers of commingled funds have discretion over their respective investment guidelines which may allow for the use of derivative instruments. At June 30, 2025 NHRS's outstanding derivatives had a notional value of $263,843 and a fair value of $266,374.

Investments in asset-backed and mortgage-backed securities are reported at fair value. Although not generally considered to be derivatives, asset-backed and mortgage-backed securities receive cash flows from interest and principal payments on the underlying assets and mortgages. As a result, they are exposed to prepayment risk. As of June 30, 2025, the Plan’s combined investment in asset-backed and mortgage-backed securities held in separate account portfolios totaled $218.0 million.

The Plans could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. To mitigate this risk, investment managers conduct assessments of their counterparties and utilize exchanges which have trading standards.

NHRS managers may use futures, options, and foreign currency exchange contracts in order to manage currency risk or initiate transactions in non-U.S. investments. NHRS may be positively or negatively impacted by foreign currency risk due to fluctuations in the value of different currencies. NHRS may also be positively or negatively impacted by interest rate risk due to changes in interest rates. The Plans could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. To mitigate this risk, investment managers conduct assessments of their counterparties and utilize exchanges which have trading standards. The fair value of open foreign currency exchange contracts including unrealized appreciation or depreciation is recorded on the Statements of Fiduciary Net Position as Due from Brokers for Securities Sold and as Due to Brokers for Securities Purchased. Expiration dates are less than one year.

Foreign currency exchange contracts open at June 30, 2025 are summarized below (expressed in thousands):

FOREIGN CURRENCY EXCHANGE CONTRACTS PURCHASED & SOLD

	Unrealized Appreciation	Unrealized (Depreciation)
Totals	$ 4,457	$ (3,426)

Fair Value: NHRS categorizes the fair value measurements of its investment within the fair value hierarchy established by generally accepted accounting principles as described in detail earlier in Note 2. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable. NHRS had no level 3 investments as of June 30, 2025.

Investments that are measured at fair value using the net asset value (NAV) as a practical expedient are not classified in the fair value hierarchy. At June 30, 2025 NHRS had no plans or intentions to sell investments at amounts different from NAV.

The categorization of investments within the hierarchy is based on the pricing transparency of the investment and should not be perceived as the particular investment’s risk.

The following table summarizes NHRS's investments measured at fair value, by type, as of June 30, 2025 (expressed in thousands):

	2025				
	Fair Value Measurements Using (in thousands)				
Investments at Fair Value	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value (NAV)	Unfunded Commitments
Fixed Income:					
U.S Government Obligations (1)	$ 481,186	$ 371,469	$ 109,717		
Domestic Fixed Income (2)	645,559		645,559		
Commingled Funds (3)	1,674,927			1,674,927	
International Fixed Income (4)	217,984		217,964	20	
Equity:					
Domestic Equity Securities	4,448,729	4,447,088	1,641		
Commingled Funds (5)	615,491			615,491	
International Equity Securities	1,449,586	1,449,586			
Real Estate:					
Real Estate Funds (6)	1,107,467			1,107,467	314,187
Alternative Investments:					
Private Equity (7)	1,782,048			1,782,048	845,564
Private Debt (8)	524,595			524,595	194,956
Total Investments	**$ 12,947,572**	**$ 6,268,143**	**$ 974,881**	**$ 5,704,548**	**$ 1,354,707**

Notes to the table above:

(1) Fiscal 2025 rates range from 0.00% to 6.714%, and maturities from 2026 to 2055.
(2) Fiscal 2025 rates range from 0.00% to 11.500%, and maturities from 2025 to 2118.
(3) This represents investments in four commingled fixed income funds that invest globally in both developed and emerging markets with investments consisting primarily of corporate bonds (investment grade and high yield), sovereign bonds and securitized bonds. These funds may also invest in convertible bonds and currencies. The redemption frequency for these investments range from daily to monthly with one to 30 business days' prior written notice.
(4) Fiscal 2025 rates range from 0.250% to 37.00%, and maturities from 2024 to 2115.
(5) This represents investments in three commingled equity funds that invest primarily in common stock of companies located outside the U.S., including emerging markets. These investments have daily liquidity and require up to 10 business days' notice for redemption.
(6) This represents investments in 76 real estate vehicles consisting of 15 strategic open-end funds and 61 tactical non-core investments. Redemption from the open-end funds can be requested on a quarterly basis with 45-90 days' notice periods. The tactical non-core investments are not redeemable. NHRS has no direct property investments as of June 30, 2025.
(7) This represents 59 investments in private partnerships focused primarily on the following strategies: buyouts, growth equity, secondaries and energy. These private partnerships typically have 10 to 15 year life cycles during which limited partners are unable to redeem their positions, but instead, receive distributions as the partnerships liquidate their underlying assets.
(8) This represents 26 investments in private partnerships focused primarily on the following strategies: direct lending, mezzanine and distressed debt. These private partnerships typically have 6 to 10 year life cycles during which limited partners are unable to redeem their positions, but instead, receive distributions from coupon payments and/or as the partnerships liquidate their underlying asset.

FIDUCIARY COMPONENT UNIT (New Hampshire Judicial Retirement Plan - NHJRP)

Investments are reported at fair value. Investments in mutual funds are valued at current market prices. Alternative investments include investments in limited partnerships valued at net asset value (NAV) as a practical expedient to estimate fair value. The NAVs for alternative investments were obtained from statements provided by the investment managers in good faith by the funds' managers or underlying investments' general partners. These values may not reflect the amount that would be realized upon an immediate sale due to lack of liquidity or other market conditions. Due to the uncertainty of valuation, the investment manager's estimated values may differ from the values that would have been used had a ready market existed for the fund's investments, and the difference could be material. The net appreciation (depreciation) in the fair value of investments held by NHJRP is based on the valuation of investments as of the date of the statement of fiduciary net position.

The investment philosophy of the Board of Trustees of NHJRP flows from its responsibility as fiduciary with respect to the NHJRP members and beneficiaries. As such, the NHJRP's assets are invested and managed for the exclusive purpose of providing plan benefits and are invested pursuant to RSA 100-C:12. The Board of Trustees pursues an investment strategy designed to meet the long-term funding requirements of NHJRP as determined by the NHJRP's actuary.

The Board's investment policy permits NHJRP assets to be invested in U.S. and non-U.S. equities, U.S. and non-U.S. fixed income securities, and certain hedge funds and alternative fund-of-funds, subject to certain portfolio restrictions. Asset allocations among various classes are as follows as of December 31, 2024:

ASSET ALLOCATION		
Asset Class:	**Target**	**Policy Range**
Large Cap Equities	33.000 %	
Small Cap Equities	5.000 %	
Domestic Equity	**38.000 %**	**35–45%**
International Equity	**12.000 %**	**8–20%**
Core Fixed Income	35.000 %	
Fixed Income	**35.000 %**	**10-40%**
U.S. REITs	3.000 %	
Alternatives	11.000 %	
Alternatives	**14.000 %**	**0–33%**
Cash and cash equivalents	**1.000 %**	**0-15%**

Custodial Credit Risk - Deposits: At times, NHJRP may maintain cash balances in excess of the amount insured by the Federal Deposit Insurance Corporation. NHJRP has not experienced any losses in such accounts. NHJRP believes it is not exposed to any significant risk with respect to these accounts held at Bank of New Hampshire.

Custodial Credit Risk - Investments: Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, NHJRP will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of NHJRP and are held by either the counterparty, or the counterparty's trust department or agency, but not in NHJRP's name.

NHJRP does not have a written policy in place to address custodial credit risk on investments. As of December 31, 2024, NHJRP's investments included in the Statement of Fiduciary Net Position were exposed to custodial credit risk. The investments were held by the counterparty, not in the name of NHJRP.

Concentration of Credit Risk: NHJRP's investment policy prohibits more than 5% of the portfolio, at fair value, to be invested in the securities of any one company. These guidelines mitigate the magnitude of risk and loss attributable to a single issuer.

Interest Rate Risk - Fixed Income Investments: Interest rate risk associated with adverse effects of changes in the fair value of fixed income securities is not addressed in the policy by NHJRP. While policies do exist to limit the percentage of market value in a single issue at any one time and of the total percentage held of any issuer's debt instruments, the duration of the remaining life of individual securities is not subject to any limitations and may therefore introduce a measure of interest rate risk.

Credit Quality Risk - Fixed Income Investments: The investment policy uses quality ratings by Standard & Poor's and Moody's as the primary guide for corporate fixed income investments. There are no limits on the use of U.S. Government, agency or guaranteed issues. In addition, there are no limits on the use of issues of Canadian, British, Japanese, Australian, or European monetary systems bloc governments and their agencies and supranational borrowers in local currency or European Currency Unit. A 15% limit is placed on all other issues. NHJRP's fixed income investments are in mutual funds for which ratings are not available.

Fair Value: NHJRP categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles, except for investments using NAV, as a practical expedient to estimate fair value. The hierarchy is based on the valuation inputs used to measure the fair value of the investment. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are other significant observable inputs. Level 3 inputs are unobservable inputs. NHJRP has the following recurring fair value measurements as of December 31, 2024 (expressed in thousands):

	Fair Value Measurements as of December 31, 2024 Using:				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)	Total
Investments at fair value					
Domestic equity	$ 37,460				$ 37,460
International equity	13,863				13,863
Fixed income	28,840				28,840
Alternatives	7,672			5,252	12,923
	$ 87,835	$ —	$ —	$ 5,252	$ 93,086

NHJRP's alternative investments valued at NAV are subject to redemption restrictions. At December 31, 2024, the alternative investment at NAV is subject to quarterly redemption with 65 days notice. The alternative investment at NAV seeks consistent stable returns by allocation of the fund's assets to a wide range of alternative investment strategies across the global financial markets. NHJRP's assets are managed primarily through

investments in other corporations and other investment vehicles, as well as indirectly through segregated portfolio companies. The alternative investment at NAV is a globally diversified, multi-strategy, multi-manager portfolio that seeks to maximize expected active return from investing in hedge funds while minimizing passive risk and managing exposure to shock risk. Shock risk is a portfolio's exposure to losses that occur when markets function poorly. The alternative investment at NAV does not use formal targets for strategy allocations; rather, it focuses efforts on continuously driving strategy allocations toward areas of greater opportunity, subject to all the normal constraints (portfolio risk management, manager capacity availability, liquidity constraints and expected fund flows).

MAJOR COMPONENT UNIT (University System of New Hampshire - USNH)

Cash, cash equivalents, and short-term investments are recorded at fair value. USNH's investment policy and guidelines specify permitted instruments, durations, required ratings and insurance of USNH cash, cash equivalents and short-term investments. The investment policy and guidelines are intended to mitigate credit risk on investments individually and in the aggregate through restrictions on investment type, liquidity, custodian, dollar level, maturity, and rating category. Money market funds are placed with the largest national fund managers. These funds must be rated AAA by Standard & Poor's and Moody's Investor Service and comply with Securities and Exchange Commission Rule 2A-7. Repurchase agreements must be fully collateralized at 102% of the face value by U.S. Treasuries, or 103% of the face value by US Government-backed or guaranteed agencies or government sponsored enterprises. In addition, USNH investments may not exceed 5% of any institution's total deposits or 20% of any institution's net equity.

Cash equivalents represent amounts invested to satisfy current operating liabilities and include repurchase agreements, money market funds and other mutual funds. Repurchase agreements are limited to overnight investments only. Short-term investments are highly liquid amounts held to support specific current liabilities. Cash, cash equivalents and short-term investments are generally uninsured and uncollateralized against custodial credit risk, and the related mutual funds are not rated. Cash and cash equivalents totaled $29.5 million and short-term investments totaled $142.7 million at June 30, 2025.

The components of cash, cash equivalents and short-term investments are summarized below ($ in thousands):

	Level 1	Level 2	Total	Weighted Average Maturity
Cash balance	$24,306		$24,306	
Repurchase agreements			—	Less than 1 year
Money market funds	30,867		30,867	Less than 1 year
Domestic equity	679		679	Less than 1 year
Mutual funds	116,348		116,348	1-5 years
U.S. government and agencies, other		57	57	1-5 years
Total cash, cash equivalents and short-term investments	$172,200	$57	$172,257	

USNH's investment policy and guidelines specify permitted instruments, duration and required ratings for pooled endowment funds. The policy and guidelines are intended to mitigate risk on investments individually and in the aggregate while maximizing total returns and supporting intergenerational equity of spending levels. Illiquid investments are limited to 25% of the USNH consolidated endowment pool. Credit risk is mitigated by due diligence in the selection and continuing review of investment managers as well as diversification of both investment managers and underlying investments. Except in unusual circumstances, no more than 15% of total portfolio assets may be invested in any one actively managed strategy. If an investment manager is retained to manage more than one strategy, that manager will be limited to 20% of total portfolio assets. Passively managed investment strategies will not be limited within the portfolio; however, any one manager of passive strategies will be limited to 20% of total portfolio assets. Any manager positions exceeding these limits will be reviewed by the Advisor who will take the appropriate course of action to bring active manager exposures back in line with the concentration limit. Private global equity investments are limited to 25% of the endowment pool. No USNH endowment investments were denominated in foreign currencies as of June 30, 2025.

Endowment and similar investments are reported at estimated fair value in accordance with the following hierarchy. For investments classified in Level 1, the fair value is based on quoted prices (unadjusted) in active markets for identical assets that are accessible at the measurement date. Investments classified in Level 2 consist of investments that have valuations based on inputs other than quoted prices that are observable for an asset either directly or indirectly. For investments classified in Level 3 the fair value is based on unobservable inputs for an asset.

In determining fair value of investment assets, USNH utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. As a practical expedient to estimate the fair value of USNH's interests, certain investments in commingled funds and limited partnerships are reported at the net asset value (NAV) determined by the respective fund managers, without adjustment when assessed as reasonable by USNH, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. Because these investments are not readily marketable, their estimated fair values may differ from the values that would have been assigned had a ready market for such investments existed, and such differences could be material. As of June 30, 2025, USNH had no plans or intentions to sell such investments at amounts different from NAV. Investments reported at NAV as a practical expedient are not categorized in the fair value hierarchy.

The following tables summarize USNH's investments by type (expressed in thousands):

	Investments Classified in the Fair Value Hierarchy			Investments Measured at NAV	Total
	Level 1	Level 2	Level 3		
Endowment and similar investments - campuses					
Money market	$ 10,405				$ 10,405
Domestic equity	80,142			104,923	185,065
International equity	62,673			29,906	92,579
Global equity				47,615	47,615
Global fixed income	65,351				65,351
Inflation hedging assets	11,773				11,773
Hedge funds:					
Fund of Funds				38	38
Event-Driven				69,753	69,753
Equity Hedge				43,804	43,804
Distressed/Restructuring				34,187	34,187
Private equity & non-marketable real assets				107,674	107,674
Funds held in trust		21,329			21,329
Total endowment and similar investments - campuses	230,344	21,329	—	437,900	689,573
Endowment and similar investments - affiliated entities					
Money market	9,891				9,891
Domestic equity	27,347			61,738	89,085
International equity	29,676			11,299	40,975
Global equity	624			92,359	92,983
Global fixed income	9,614	17,381	1,718		28,713
Inflation hedging assets	17,871				17,871
Hedge funds:					
Event-Driven				16,699	16,699
Distressed/Restructuring				14,585	14,585
Equity Hedge				18,027	18,027
Private equity & non-marketable real assets				51,330	51,330
Total endowment and similar investments - affiliated entities	95,023	17,381	1,718	266,037	380,159
Total endowment and similar investments	$ 325,367	$ 38,710	$ 1,718	$ 703,937	$ 1,069,732

The majority of USNH's investments are units of institutional commingled funds and limited partnerships invested in equity, fixed income, hedge, natural resources, private equity, or real estate strategies. Hedge strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedge strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges and other instruments which are valued by the investment manager. To the extent quoted prices exist the manager would use those; when these are not available, other methodologies maximizing observable inputs would be used for the valuation, such as discounted cash flow analysis, capitalization of current or stabilized net operating income, replacement costs, or sales contracts and recent sales comparable in the market. Private equity funds employ buyout, growth, venture capital and distressed security strategies. Real asset funds generally hold interests in private real estate. As of June 30, 2025, fixed income securities had maturities up to 15 years and carried ratings ranging from AAA to Baa3. The mutual fund investments held in the endowment pools are not rated.

As of June 30, 2025, USNH and the University of New Hampshire Foundation (UNHF) each had two funds in a one-year lock up period. All funds classified as illiquid have no ability to be redeemed at this time. For USNH, there are 39 funds classified as illiquid, of which 31 are expected to be liquidated over the next one to 10 years, and 8 currently have no stated liquidation timeframe. For UNHF, 33 funds are classified as illiquid and 31 are expected to be liquidated over the next 1 to 10 years and 2 have no expected liquidation dates.

Unfunded commitments with various private equity and similar alternative investment funds totaled $42.9 million for USNH and $35.4 million for UNHF at June 30, 2025.

3. RECEIVABLES AND OTHER RECEIVABLES-RESTRICTED

The following is a breakdown of receivables at June 30, 2025 (expressed in thousands):

	Governmental Activities	Business-Type Activities	Total	Major Component Unit
Short-Term Receivables				
Taxes:				
Meals and Rooms	$ 60,735		$ 60,735	
Business Taxes	346,084		346,084	
Tobacco	34,244		34,244	
Real Estate Transfer	24,888		24,888	
Interest & Dividends	(4,206)		(4,206)	
Communications	437		437	
Utility Property Tax	23,200		23,200	
Gasoline Road Toll	10,957		10,957	
Subtotal	496,339		496,339	
Other Receivables:				
Turnpike System		20,502	20,502	
Liquor Commission		5,639	5,639	
Lottery Commission		20,947	20,947	
Unemployment Trust Fund		127,912	127,912	
Internal Service Fund	11,491		11,491	
Federal Grants	463,152		463,152	37,525
Local Grants	68,542		68,542	
Miscellaneous	79,270		79,270	7,795
Short Term Portion Of SRF Loans Receivable		33,049	33,049	
Short Term Portion Of Lease Receivable	714	115	829	220
Short Term Portion Of Legal Settlement	54,222		54,222	
Short Term Portion Of Note/Pledge Receivable				4,474
Short Term Portion Of Other Receivable	58,873		58,873	
Subtotal	736,264	208,164	944,428	50,014
Total Current Receivables (Gross)	1,232,603	208,164	1,440,767	50,014
Long-Term Receivables				
SRF Loans Receivable		496,391	496,391	
Lease Receivable	8,003	14,917	22,920	863
Legal Settlement Receivable	158,066		158,066	
Other Receivable	31,247		31,247	
Note/Pledge Receivable				14,168
Total Long Term Receivables (Gross)	197,316	511,308	708,624	15,031
Allowance for Doubtful Accounts	(101,745)	(112,510)	(214,255)	(5,783)
Total Receivables (Net)	$ 1,328,174	$ 606,962	$ 1,935,136	$ 59,262

State Revolving Fund (SRF):

Business-type activities include loans made under a program with the U.S. Environmental Protection Agency to improve cleanliness and potability of the State's water supplies. The SRF lends funds to municipalities and qualified private water organizations for the purpose of constructing wastewater and drinking water treatment facilities. The loans, based on specific federal criteria, may allow for forgiveness of portions of the principal. Amounts recorded as principal forgiveness totaled approximately $6.4 million for the year ended June 30, 2025.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being depreciated:				
Land & Land Improvements	$ 599,564	$ 6,217	$ (6,277)	$ 599,504
Construction in Progress	293,684	185,205	(94,665)	384,224
Work in Progress Computer Software	16,480	3,847	(7,041)	13,286
Total Capital Assets not being depreciated	909,728	195,269	(107,983)	997,014
Capital Assets, being depreciated/amortized:				
Equipment & Computer Software	681,854	45,395	(2,212)	725,037
Buildings & Building Improvements	1,127,139	25,280	(2,067)	1,150,352
Land Improvements	154,270	14,620		168,890
Infrastructure	4,342,837	52,580	(1,892)	4,393,525
Lease Asset - Building	90,145	5,248	(4,815)	90,578
Subscription IT Assets	48,535	27,658	(4,993)	71,200
Total Capital Assets, being depreciated/amortized	6,444,780	170,781	(15,979)	6,599,582
Less accumulated depreciation/amortization				
Equipment & Computer Software	(583,387)	(52,908)	15,404	(620,891)
Buildings & Building Improvements	(610,374)	(29,407)	1,702	(638,079)
Land Improvements	(116,669)	(3,946)		(120,615)
Infrastructure	(2,500,106)	(61,567)		(2,561,673)
Lease Asset - Building	(31,643)	(13,313)	4,815	(40,141)
Subscription IT Assets	(28,574)	(16,644)	4,993	(40,225)
Total Accumulated Depreciation/Amortization	(3,870,753)	(177,785)	26,914	(4,021,624)
Capital Assets, being depreciated/amortized	2,574,027	(7,004)	10,935	2,577,958
Governmental Activities Capital Assets, Net	3,483,755	188,265	(97,048)	3,574,972

Current period depreciation/amortization expense was charged to functions of the primary government as follows (expressed in thousands):

Governmental Activities:	
General Government	$ 21,550
Administration of Justice and Public Protection	34,239
Resource Protection and Development	8,684
Transportation	77,407
Health and Social Services	33,913
Education	1,992
Total Governmental Activities Depreciation Expense	$ 177,785

The State possesses certain capital assets that have not been capitalized and depreciated. These assets include works of art and historical treasures such as statues, monuments, paintings and miscellaneous capitol-related artifacts and furnishings. These collections meet all of the following criteria:

A. Held for public exhibition, education, or research in furtherance of public service, rather than financial gain.

B. Protected, kept unencumbered, cared for, and preserved.

C. Subject to an organizational policy that requires the proceeds from the sales of collection items to be used to acquire other items for the collection.

Capital asset activity for the year ended June 30, 2025, was as follows (expressed in thousands):

Business-Type Activities:	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Turnpike System:				
Capital Assets not being depreciated:				
Land & Land Improvements	$101,261	$114		$101,375
Construction in Progress	71,477	38,155	(51,148)	58,484
Work In Progress Computer Software	971	2,010	(2,836)	145
Capital Assets not being depreciated	$173,709	40,279	(53,984)	160,004
Capital Assets, being depreciated/amortized:				
Equipment & Computer Software	96,879	16,955	(6,327)	107,507
Buildings & Building Improvements	18,779	21,166		39,945
Land Improvements	2,003			2,003
Infrastructure	1,225,493	21,907		1,247,400
Total Other Capital Assets	$1,343,154	60,028	(6,327)	1,396,855
Less accumulated depreciation				
Equipment	(59,805)	(10,441)	6,325	(63,921)
Buildings & Building Improvements	(5,325)	(1,018)		(6,343)
Land Improvements	(999)	(100)		(1,099)
Infrastructure	(496,313)	(23,854)		(520,167)
Total Accumulated Depreciation	(562,442)	(35,413)	6,325	(591,530)
Capital Assets, being depreciated	$780,712	$24,615	$(2)	$805,325
Turnpike Capital Assets, Net	$954,421	$64,894	$(53,986)	$965,329
Liquor:				
Capital Assets not being depreciated:				
Land & Land Improvements	$1,984			1,984
Construction In Progress	687	723	(406)	1,004
Work In Progress Computer Software	159			159
Total Capital Assets not being depreciated	2,830	723	(406)	3,147
Capital Assets, being depreciated/amortized:				
Equipment & Computer Software	35,876	1,028	(180)	36,724
Buildings & Building Improvements	58,040	852	(147)	58,745
Land Improvements	1,075	179		1,254
Lease Asset - Building	93,693	8,398	(7,835)	94,256
Subscription IT Assets	1,228	967	(1,228)	967
Total Other Capital Assets	189,912	11,424	(9,390)	191,946
Less accumulated depreciation/amortization				
Equipment & Computer Software	(13,348)	(6,247)	70	(19,525)
Buildings & Building Improvements	(25,191)	(1,778)	74	(26,895)
Land Improvements	(639)	(20)		(659)
Lease Asset - Building	(48,073)	(6,305)	2,957	(51,421)
Subscription IT Assets	(955)	(381)	1,228	(108)
Total Accumulated Depreciation/Amortization	(88,206)	(14,731)	4,329	(98,608)
Capital Assets, being depreciated/amortized	101,706	(3,307)	(5,061)	93,338
Liquor Capital Assets, Net	104,536	(2,584)	(5,467)	96,485

The notes to the basic financial statements are an integral part of this statement

Business-Type Activities (continued):	**Beginning Balance**	**Increases**	**Decreases**	**Ending Balance**
Lottery Commission:				
Capital Assets not being depreciated:				
Land	$ 495			$ 495
Capital Assets, being depreciated/amortized:				
Equipment	1,157	87		1,244
Buildings	2,504	939		3,443
Lease Asset - Building	236	457	(236)	457
Total Capital Assets	3,897	1,483	(236)	5,144
Less accumulated depreciation/amortization				
Buildings	(350)	(109)		(459)
Equipment	(858)	(90)		(948)
Lease Asset - Building	(141)	(76)	141	(76)
Total Accumulated Depreciation	(1,349)	(275)	141	(1,483)
Capital Assets, being depreciated/amortized	2,548	1,208	(95)	3,661
Lottery Capital Assets, Net	3,043	1,208	(95)	4,156
Business-Type Activities Capital Assets, Net	$ 1,062,000	$ 63,518	$ (59,548)	$ 1,065,970

Major Component Unit: The following is a rollforward of Capital Assets for the University System of New Hampshire (expressed in thousands):

	Beginning Balance	**Additions**	**Deletions**	**Ending Balance**
Capital Assets:				
Land and Land Improvements	$ 14,163			$ 14,163
Building and Building Improvements	1,966,382	125,071	(5,785)	2,085,668
Equipment	179,036	9,341	(1,964)	186,413
Construction in Progress	173,419	84,285	(136,454)	121,250
Lease Assets:				
Real Estate	41,554	941		42,495
Equipment	2,233	6		2,239
Subscription IT Assets	49,140	20,945		70,085
Subtotal	2,425,927	240,589	(144,203)	2,522,313
Less: Accumulated Depreciation	(1,201,205)	(69,049)	6,850	(1,263,404)
Less: Accumulated Amortization	(19,285)	(9,552)	3,130	(25,707)
Capital Assets, Net	1,205,437	161,988	(134,223)	1,233,202

Contractual Obligations for major construction projects totaled approximately $19.7 million at June 30, 2025.

5. LONG-TERM DEBT

PRIMARY GOVERNMENT

Bonds/Notes Authorized and Unissued: Bonds/Notes authorized and unissued amounted to $653.9 million at June 30, 2025. The proceeds of the bonds/notes will be applied to the following funds when issued (expressed in thousands):

Capital Projects Fund	$ 307,200
Federal Highway/Garvees	296,500
Turnpike System	50,200
Total	$ 653,900

Turnpike System: The Legislature has established a 10-year highway construction and reconstruction plan for the Turnpike System to be funded from Turnpike revenues. This legislation also authorized the Treasurer with the approval of the Governor and Executive Council to issue up to $766.0 million of bonds to support this project. The State has issued $715.8 million of revenue bonds for these projects.

Bond/Note Issuances:

Effective July 1, 2014, Chapter 17 of the Laws of 2014 and as amended by Chapter 276:210 and 276:211, Laws of 2015, authorized the use of a $0.042 cent increase in motor vehicle fuel fees (referred to as a 'road toll' in New Hampshire laws) to fund $200 million in general obligation bonds or revenue bonds, or both, to complete the I-93 Salem to Manchester widening project. Subsequent legislation specifically authorized a Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan as an alternative to a traditional general obligation bond issue including, without limitation, a pledge of the revenue collected from adjustments under RSA 260:32-a for rates that exceed $0.18 per gallon less required distributions under RSA 235:23, I, on said revenues.

The State, through the State Treasurer and the NH Department of Transportation (Department) was approved for a TIFIA loan in May of 2016. The TIFIA loan resulted in $200.0 million of funding at a favorable 1.09% interest rate that will allow the Department to perform additional bridge repair and pavement maintenance and completion of the I-93 project within the time frame of the law. This increase under Chapter 17 of the Laws of 2014, as amended, will expire once all debt service payments for the I-93 project have been made or 20 years after the initial issuance of such bonds, whichever is earlier. As of June 30, 2025, $198.5 million of TIFIA proceeds had been received under this arrangement, representing a long-term note payable. The TIFIA obligation is payable on an interest-only basis initially, with principal payments beginning in fiscal year 2026. A final principal payment schedule was established in August 2022 since all proceeds had been drawn against the loan in fiscal year 2022. Interest paid during the fiscal year ended June 30, 2025 was $2.2 million.

The TIFIA loan agreement also requires that the State expend certain annual amounts of the increased road toll revenues on non-federally aided highway projects in the State. In the event, the State does not meet these requirements the interest rate on the loan will increase to 2.17% until the spending requirements are met. In addition, the TIFIA loan agreement provides for a default rate of interest equal to 3.09%

On April 22, 2025, the Treasury issued $60,000,000 in general obligation capital improvement bonds (the "Series A Bonds") of which $59.7 million was for governmental activities and $0.3 million was for Liquor projects, 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 sale 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%.

The State does not have any other debt arrangements that need to be disclosed regarding direct placement debt or other debt related to (1) lines of credit, (2) assets pledged as collateral, (3) terms specified in debt agreements related to significant (a) events of default with financial consequences, (b) termination events with financial consequences, (c) subjective acceleration clauses.

Changes in Long-Term Liabilities: The following is a summary of the changes in the long-term liabilities as reported by the primary government during the fiscal year (expressed in thousands):

Governmental Activities	Beginning Balance	Refunding, net	Increases	Decreases	Ending Balance	Current	Non-Current
General Obligation Bonds Payable	$ 564,298	$ (1,183)	$ 59,658	$ 72,262	$ 550,511	$ 65,334	$ 485,177
Direct Placement Bonds Payable	40,619			1,165	39,454	2,300	37,154
Federal Highway Grant Anticipation Bonds	31,465			15,530	15,935	15,935	
Premium on Bonds	105,858		6,469	23,873	88,454		88,454
Notes Payable	198,526				198,526	21,284	177,242
Compensated Absences*	121,513			1,365	120,148	13,421	106,727
Claims Payable	66,780		345,746	351,318	61,208	41,960	19,248
Net Pension Liability	1,040,455		143,501	157,336	1,026,620		1,026,620
Other Postemployment Benefits Payable	1,010,749		296,881	1,712	1,305,918	58,611	1,247,307
Pollution Remediation Obligation	99,985		12,160	2,020	110,125	25,676	84,449
State Aid Grant Liability*	139,481			10,850	128,631	10,487	118,144
Lease and Subscription IT Liability	81,955		32,906	31,212	83,649	24,205	59,444
Federal Highway Administration Liability							
Legal Settlement Liability	288,743		540,067		828,810		828,810
Other Liability	$ 80,346			21,273	59,073	59,073	
Total Governmental	$ 3,870,773	$ (1,183)	$ 1,437,388	$ 689,916	$ 4,617,062	$ 338,286	$ 4,278,776
Business-Type Activities							
Turnpike System							
Revenue Bonds	$ 217,063			$ 19,022	$ 198,041	$ 8,570	$ 189,471
Pollution Remediation Obligation	5,137		829	715	5,251	988	4,263
Compensated Absences	1,263		63	3	1,323	148	1,175
Claims Payable	2,766		29	1,071	1,724	521	1,203
Other Postemployment Benefits Payable	13,278		4,152		17,430		17,430
Net Pension Liability	10,271			777	9,494		9,494
Total	$ 249,778		$ 5,073	$ 21,588	$ 233,263	$ 10,227	$ 223,036
Liquor Commission							
General Obligation Bonds Payable	$ 34,401		$ 257	$ 3,135	$ 31,523	$ 3,035	$ 28,488
Lease and Subscription IT Liability	51,263		9,677	10,944	49,996	6,147	43,849
Compensated Absences	2,430		747	542	2,635	294	2,341
Claims Payable	1,880		84	168	1,796	188	1,608
Other Postemployment Benefits Payable	24,606		8,369		32,975		32,975
Net Pension Liability	25,982		2,899	3,381	25,500		25,500
Total	$ 140,562		$ 22,033	$ 18,170	$ 144,425	$ 9,664	$ 134,761
Lottery Commission							
Lease and Subscription IT Liability	$ 73		$ 457	$ 133	$ 397	$ 86	$ 311
Compensated Absences	724		78		802	90	712
Claims Payable	2		46	17	31	31	
Other Postemployment Benefits Payable	6,466		2,153		8,619		8,619
Net Pension Liability	4,787		1,139	649	5,277		5,277
Annuity Payable	$ 1,800			67	1,733	66	1,667
Total	$ 13,852		$ 3,873	$ 866	$ 16,859	$ 273	$ 16,586
State Revolving Fund Programs							
General Obligation Bonds Payable	$ 4,454			$ 557	$ 3,897	$ 557	$ 3,340
Compensated Absences Payable	1,263		7		1,270	103	1,167
Other Postemployment Benefits Payable	3,651		1,287		4,938		4,938
Net Pension Liability	6,846		868	988	6,726		6,726
Total	$ 16,214		$ 2,162	$ 1,545	$ 16,831	$ 660	$ 16,171
Total Business-Type	$ 420,406		$ 33,141	$ 42,169	$ 411,378	$ 20,824	$ 390,554

*Table balance restated. See footnote 1.W

The General Fund and Highway Fund are primarily responsible for financing governmental activities long-term liabilities other than debt.

Bond and Revenue Anticipation Notes: In general, the State Treasurer, with the approval of the Governor and Council, is authorized to issue bond anticipation notes maturing within five years of their dates of issue. Refunding notes must be paid within five years of the dates of issue of the original notes. Also, to the extent monies in the General Fund, Highway Fund, or Fish and Game Fund are at any time insufficient for the

payment of obligations payable from such funds, the State Treasurer, under the direction of the Governor and Council, is authorized to issue notes to provide funds to pay such obligations. Outstanding revenue anticipation notes issued for the General Fund may not exceed $200 million; for the Highway Fund, $15 million; and for the Fish and Game Fund, $0.5 million. As of June 30, 2025, the State had no bond or revenue anticipation notes outstanding.

Pollution Remediation Obligations: Under the federal Superfund law, the State is responsible for sharing remediation costs at sites where the U.S. Environmental Protection Agency expends superfund trust monies for cleanup. Currently there are several sites in various stages of cleanup, from initial assessment to cleanup activities. In addition, the State has other sites for which it is responsible for cleanup and monitoring, including underground fuel storage facilities. Per GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, pollution liabilities of $110.1 million and $5.3 million were reported for governmental activities and business-type activities, respectively, at June 30, 2025. These liabilities were measured using the actual contract cost, where no changes in cost are expected, or a method that is materially close to the expected cash flow technique. Liability estimates are subject to change due to price increases or reductions, technology, or changes in applicable laws or regulations governing the remediation efforts. The State does not anticipate recovering reimbursements from the parties who caused the pollution.

Debt Maturity: All bonds issued by the State, including Federal Highway Grant Anticipation Bonds and TIFIA note payable, are general obligation bonds, with the exception of the Turnpike revenue bonds. All bonds issued are backed by the full faith and credit of the State. Interest rates on these issues range from 2.0% to 7.2%. Debt service payments on "self supporting" debt are funded by reimbursements from component units for debt issued by the State on their behalf and through user fees and other revenues statutorily earmarked to fund debt service payments on specific projects. The anticipated source of repayment and annual maturities including expected federal interest subsidies described earlier are as follows (expressed in thousands):

Governmental Activities:

	SOURCE OF PRINCIPAL PAYMENTS						DEBT SERVICE			
Payable June 30,	General Fund	Direct Placement	Highway Fund	Federal Highway (GARVEE)	TIFIA	Self Supporting	Principal	Interest	Less: Federal Interest Subsidy	Net Total
2026	$46,255	2,300	$ 10,439	$ 15,935	$ 21,284	$ 8,640	$104,853	$ 28,847	$ 1,010	**$ 132,690**
2027	43,799	2,820	9,213		21,517	8,316	85,665	25,158	651	**110,172**
2028	41,759		8,422		21,750	8,245	80,176	22,015	468	**101,723**
2029	36,219	1,375	6,398		21,992	7,943	73,927	19,117	283	**92,761**
2030	32,499	4,810	6,005		22,230	6,250	71,794	16,431	94	**88,131**
2031-2035	116,848	13,829	20,512		89,753	10,645	251,587	52,259		**303,846**
2036-2040	68,617	3,465	11,747			7,179	91,008	21,408		**112,416**
2041-2045	29,908	10,855	2,799			1,854	45,416	5,126		**50,542**
Subtotal	**415,904**	**39,454**	**75,535**	**15,935**	**198,526**	**59,072**	**804,426**	**190,361**	**2,506**	**992,281**
Unamortized (Discount) / Premium	86,294	2,160					88,454			88,454
Total	**$502,198**	**$ 41,614**	**$ 75,535**	**$ 15,935**	**$ 198,526**	**$ 59,072**	**$892,880**	**$190,361**	**$ 2,506**	**$1,080,735**

The notes to the basic financial statements are an integral part of this statement

Business-Type Activities:

Payable June 30,	SOURCE OF PRINCIPAL PAYMENTS			DEBT SERVICE			
	Liquor Commission General Obligations	SRF Funds General Obligations	Turnpike System Revenue	Total Principal	Interest	Less: Federal Interest Subsidy	Net Total
2026	3,035	557	8,570	$12,162	$10,835	1,451	**$21,546**
2027	2,867	334	11,415	14,616	10,194	1,451	**23,359**
2028	2,867	335	10,970	14,172	9,484	1,451	**22,205**
2029	2,677	334	12,010	15,021	8,763	1,451	**22,333**
2030	2,465	334	12,370	15,169	8,019	1,451	**21,737**
2031-2035	10,625	1,669	49,120	61,414	30,528	5,812	**86,130**
2036-2040	6,040	334	63,070	69,444	12,827	2,108	**80,163**
2041-2045	947		17,025	17,972	1,126		**19,098**
2045-2049							
2050-2054							
Subtotal	**$31,523**	**$3,897**	**$184,550**	**$219,970**	**$91,776**	**$15,175**	**$296,571**
Unamortized (Discount) / Premium			13,491	13,491			13,491
Total	**$31,523**	**$3,897**	**$198,041**	**$233,461**	**$91,776**	**$15,175**	**$310,062**

Revenue Bond Resolutions: Turnpike System revenue bonds are secured by a pledge of substantially all Turnpike System revenues and monies deposited into accounts created by the bond resolutions, subject only to the payment of operating expenses.

The bond resolutions require the Turnpike System to establish and collect tolls which are adequate at all times, when combined with other available sources of revenues, to provide for the proper operation and maintenance of the Turnpike System and for the timely payment of the principal and interest on all bonds, notes, or other evidences of indebtedness. The resolutions further require the Turnpike System to collect sufficient tolls so that in each fiscal year net revenues as defined by the resolutions will be at least equal to the greater of: (a) 120% of current year debt service on the revenue bonds, or (b) 100% of current year debt service on the revenue bonds and on all general obligation or other bonds, notes or other indebtedness, and the additional amount, if any, required to be paid from the revenue bond general reserve account to satisfy the Renewal & Replacement (R&R) requirement for the fiscal year.

The resolutions further require the Turnpike System to request payment from the Revenue Bond Construction Account and an Authorized Officer shall sign a written order and file the request with the State Treasurer.

The Turnpike System is required to review the adequacy of its tolls after each fiscal year. If this review indicates that the tolls and charges are, or will be, insufficient to meet the requirements described above, then the Independent Engineer of the Turnpike System will make a study and recommend a schedule of tolls and charges which will provide revenues sufficient to comply with the requirements described above. For fiscal year 2024, the toll rate schedule was deemed to be sufficient to meet all required payments in connection with the Turnpike System, and as such, no Independent Engineer's study was necessary.

The resolutions establish an R&R requirement with respect to each fiscal year. R&R costs consist of rehabilitation, renewals, replacements, and extraordinary repairs necessary for the sound operation of the Turnpike System or to prevent loss of revenues, but not costs associated with new construction, additions or extensions. Total R&R costs for fiscal year 2025 were $16.7 million, of which $13.0 million were recorded as current year expenses and $3.7 million were capitalized.

Management believes the Turnpike System has complied with all of its material financial bond covenants as set forth in the resolutions.

MAJOR COMPONENT UNIT

Changes in Long-Term Liabilities: The University System of New Hampshire's long-term liabilities include: revenue bonds payable of $342.8 million; lease obligations of $80.9 million; accrued employee benefits and compensated absences of $31.1 million; other postemployment benefits of $59.3 million; and other liabilities of $9.2 million (expressed in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance	Current	Long-Term
University System of NH	$552,603	$18,688	$48,023	$523,268	$40,524	$482,744

- Current portion includes $0.4 million reported as accounts payable.

Debt Maturity: The table below is a summary of the annual principal payments and total debt service relating to the debt of the University System of New Hampshire and includes revenue bonds and leases (expressed in thousands):

	UNIVERSITY SYSTEM OF N.H.		
Payable June 30,	Principal	Interest	Total
2026	14,367	14,343	28,710
2027	14,949	13,635	28,584
2028	19,605	12,848	32,453
2029	20,490	11,920	32,410
2030	21,415	10,942	32,357
2031-2035	115,360	38,305	153,665
2036-2040	57,390	16,894	74,284
2041-2045	31,535	8,593	40,128
2046-2050	13,885	2,649	16,534
2051-2055	6,105	662	6,767
Subtotal	315,101	130,791	445,892
Unamortized Discounts/Premium, net	27,719		27,719
Total	$342,820	$130,791	$473,611

6. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

The components of deferred outflows and inflows of resources in the government-wide financial statements related to the primary government at June 30, 2025 are as follows (expressed in thousands):

	Governmental Activities	Business-Type Activities	Primary Government
Deferred outflows of resources:			
Pension related amounts:			
New Hampshire Retirement System	$ 206,632	$ 10,334	$ 216,966
New Hampshire Judicial Retirement Plan	8,753		8,753
Total pension related amounts	215,385	10,334	225,719
OPEB related amounts:			
Trusted OPEB Plan	7,107		7,107
Non Trusted OPEB Plan	287,207	15,697	302,904
Total OPEB related amounts	294,314	15,697	310,011
Loss on refunding of debt, net	1,771	1,776	3,547
Total deferred outflows of resources	$ 511,470	$ 27,807	$ 539,277
Deferred inflows of resources:			
Leases	$ (8,313)	$ (13,104)	$ (21,417)
Pension related amounts:			
New Hampshire Retirement System	(27,447)	(3,231)	(30,678)
New Hampshire Judicial Retirement Plan	(2,712)		(2,712)
Total pension related amounts	(30,159)	(3,231)	(33,390)
OPEB related amounts:			
Trusted OPEB Plan	(14)		(14)
Non Trusted OPEB Plan	(571,618)	(31,742)	(603,360)
Total OPEB related amounts	(571,632)	(31,742)	(603,374)
Total deferred inflows of resources	$ (610,104)	$ (48,077)	$ (658,181)

The components of deferred inflows of resources related to the governmental funds at June 30, 2025 are as follows (expressed in thousands):

	General	Highway	Education	Non-Major Governmental Funds	Total Governmental Funds
Deferred inflows of resources:					
Taxes considered unavailable	$ 155,612		$ 117,271		$ 272,883
Local assistance	34,881				34,881
Other loans	498				498
Banking assessments	1,722				1,722
Miscellaneous fees & fines	7,129	1,543		47	8,719
Total deferred inflows of resources	$ 199,842	$ 1,543	$ 117,271	$ 47	$ 318,703

MAJOR COMPONENT UNIT

The University System of New Hampshire's deferred outflows and deferred inflows of resources at June 30, 2025 are as follows (expressed in thousands):

Deferred outflows of resources:		**Deferred inflows of resources:**	
Accumulated decrease in fair value of hedging derivatives		Accounting gain on debt financing, net	
Accounting loss on debt refinancing, net	8,298	Annuities unconditional remainder interest	2,849
Changes of assumptions:		Changes of assumptions:	
Operating Staff Retirement Plan		Operating Staff Retirement Plan	
Postretirement Medical Plan	4,468	Postretirement Medical Plan	14,529
Additional Retirement Contribution Program	9	Additional Retirement Contribution Program	40
Net Difference between projected and actual earnings:		Net Difference between projected and actual earnings:	
Operating Staff Retirement Plan	220	Operating Staff Retirement Plan	558
Difference between expected and actual experience:		Difference between expected and actual experience:	
Postretirement Medical Plan	314	Operating Staff Retirement Plan	
Additional Retirement Contribution Program	7	Postretirement Medical Plan	1,048
Benefit payments subsequent to the measurement date:		Additional Retirement Contribution Program	33
Postretirement Medical Plan	3,618	Deferred inflows - leases	999
Additional Retirement Contribution Program	60		
Asset retirement obligations	903		
Total deferred outflows of resources	$17,897	**Total deferred inflows of resources**	$20,056

7. RISK MANAGEMENT AND INSURANCE

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and natural disasters.

Principle of Self-insurance

As a general operating rule, the State self-insures against all damages, losses and expenses except to the extent that provisions of law require the purchase of commercial insurance. In addition, the State may elect to purchase commercial insurance if a risk assessment indicates it would be economical and beneficial to the State or the general public. There are approximately 25 such commercial insurance programs in effect. These include, but are not limited to, state owned real property insurance, fleet automobile liability, watercraft insurance, foster parent liability, ski area liability for Cannon Mountain, and a fidelity and faithful performance bond. In general, claims settled in the past three years under the insurance programs have not exceeded commercial insurance coverage. As of June 30, 2025, there were no claims that are currently expected to reach the policy coverage limits. The State's exposure per claimant is limited by law to a total of $475 thousand under RSA 541-B:14 and the State's current fleet policy coverage is $250 thousand per claimant.

Employee and Retiree Health Benefits

During fiscal year 2004, the State established an Employee Benefit Risk Management Fund (the Fund), an internal service fund, to account for its uninsured risks of loss related to employee and retiree health benefits. Currently, the State retains all of the risk associated with the self-funded benefits, and utilizes an actuarially-established IBNR (incurred but not reported) claims reserve, which totaled $27.0 million as of June 30, 2025. In addition, state law requires the Fund to maintain a reserve in the amount of at least 3% of estimated annual self-funded claims and administrative costs, for unexpected costs. For fiscal year 2025, this reserve equaled $12.8 million for the Fund. The State maintains a reserve for four plans in the Fund: Actives, Troopers, Retirees, and Dental. The Trooper plan is reported as part of the Active plan, however, the Trooper

component of the Active reserve amount represents 50% of the estimated annual claims and administrative expenses for the Trooper health plan account due to its small member size (approximately 700 members), which equaled $1.9 million for fiscal year 2025. The Active (without Trooper), Retiree, and Dental reserves totaled $8.4 million, $2.1 million, and $0.4 million, respectively. Outside of the Trooper component, the Active, Retiree, and Dental accounts maintained a reserve of 3%, 5%, and 3%, respectively, of the estimated annual claims and administrative expenses. Health and Dental Plan Rates are established annually, by actuaries, based on an analysis of past claims, State and other medical trend, and annual projected plan claims and administrative expenses. The process used in estimating claim liabilities may not result in an exact payout amount due to variables such as medical inflation, or changes in law, enrollment or plan design.

Workers' Compensation

Since February 2003, the State has been self-insured for its workers' compensation exposures, retaining all of the risk associated with workers' compensation claims. The State utilizes an actuarial study that provides an annual estimate of the outstanding liabilities for the prior years' claims. The study also contains assumptions about loss development patterns, trends, and other claim projections based upon the State's historical loss experience. According to the fiscal year 2025 actuarial study, the Estimated Workers' Compensation Unpaid Loss and Allocated Loss Adjustment Expense (ALAE), which comprises past claims, claim trends, and future estimated loss experience, is $29.6 million as of June 30, 2025.

The following table presents the changes in claim liabilities during the fiscal years ending June 30, 2024 and 2025 (expressed in thousands):

Governmental Activities	6/30/2023 Balance	Increases	Decreases	6/30/2024 Balance	Increases	Decreases	6/30/2025 Balance	Current	Long-Term
Workers Compensation Claims Payable	$ 26,055	$ 5,426	$ 5,804	$ 25,677	$ 6,454	$ 6,073	$ 26,058	$ 6,810	$ 19,248
Health Claims Payable*	32,673	364,490	356,060	41,103	339,292	345,245	35,150	35,150	
Total	58,728	369,916	361,864	66,780	345,746	351,318	61,208	41,960	19,248
Business-Type Activities									
Turnpike System									
Workers Compensation Claims Payable	2,577	356	167	2,766	29	1,071	1,724	521	1,203
Total	2,577	356	167	2,766	29	1,071	1,724	521	1,203
Liquor Commission									
Workers Compensation Claims Payable	2,031		151	1,880	84	168	1,796	188	1,608
Total	2,031		151	1,880	84	168	1,796	188	1,608
Lottery Commission									
Workers Compensation Claims Payable	3	1	2	2	47	18	31	20	11
Total	3	1	2	2	47	18	31	20	11
Total Business-Type	$ 4,611	$ 357	$ 320	$ 4,648	$ 160	$ 1,257	$ 3,551	$ 729	$ 2,822
* Health Claims Payable is recorded in the Internal Service Fund									

8. INTERFUND RECEIVABLES AND PAYABLES

Due From or To Other Funds for the primary government on the fund financial statements represent amounts resulting from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made, and consist of the following as of June 30, 2025 (expressed in thousands):

RECEIVABLES / DUE FROM	AMOUNT	PAYABLES / DUE TO	AMOUNT
Highway Fund	$ 1,484	Turnpike System	$ 1,484
Highway Fund	161	General Fund	161
General Fund	6,507	Turnpike System	6,507
General Fund	2,064	Lottery Commission	2,064
General Fund	4,482	Liquor Commission	4,482
Non-Major Fund	11,654	General Fund	11,654
Non-Major Fund	662	Liquor Commission	662
Liquor Commission	161	General Fund	161
Turnpike System	56	General Fund	56
Turnpike System	51	Highway Fund	51
Education Fund	5,459	Lottery Commission	5,459
Lottery Commission	238	Liquor Commission	238
Total	$ 32,979	Total	$ 32,979

The net due from or to other funds for the primary government has been reported as "internal balances" in the government-wide financial statements. The governmental activities receivable of $20.4 million from business-type activities represents the "internal balances" amount on the statement of net position. The $11.8 million between governmental funds, and the $0.2 million between enterprise funds has been eliminated on the government-wide financial statements.

9. INTERFUND TRANSFERS

Interfund transfers during the current fiscal year were as follows (expressed in thousands):

	Transfer to				
Transferred From	**General Fund**	**Highway Fund**	**Education Fund**	**Non-Major Funds**	**Total**
Governmental Funds					
General Fund		$ 37,302		$ 1,445	$ 38,747
Highway Fund	3,730				3,730
Education Fund	20,444				20,444
Non-Major Funds	6,538				6,538
Total Governmental Funds	30,712	37,302		1,445	69,459 *
Proprietary - Enterprise Funds					
Liquor Commission	120,204				120,204
Lottery Commission			208,985		208,985
Unemployment Compensation	16,475				16,475
Total Proprietary - Enterprise Funds	$ 136,679	$	$ 208,985		$ 345,664

* These amounts have been eliminated within governmental activities on the government-wide financial statements

The following transfers represent sources of funding identified through the State's operating budget:

- Transfer of Lottery Commission profits of $209.0 million to fund education
- Transfer of Liquor Commission profits of $97.6 million to the General Fund for government operations, $10.7 million to the General Fund pursuant to RSA 176:16, III for the Alcohol Abuse Prevention and Treatment Fund and $11.9 million pursuant to RSA 126-AA:3, IV for the Granite Advantage Health Care Fund.

Pursuant to RSA 260:60, $1.1 million of unrefunded gas tax in the Highway Fund was transferred to the General Fund.

Transfer of OHRV license fees of $6.5 million to the General Fund for Natural and Culture Resources from Fish & Game Fund.

Transfer of Unemployment Compensation Contingency Fund of $16.5 million to the General Fund.

Consistent with HB 1, Ch 106, Laws of 2023, funding of $37.3 million from the General Fund was transferred to support the Highway Fund, $1.5 million was transferred to the Fish and Game Fund, $2.6 million was transferred from the Highway Fund to the General Fund, and $20.4 million was transferred from the Education Trust Fund to the General Fund.

10. CONTRACTUAL COMMITMENTS

Contractual Commitments: The State Department of Transportation has estimated its share of contractual obligations for construction contracts to be $74.3 million at June 30, 2025. This represents total obligations of $261.3 million less $187.0 million in estimated federal aid.

Other Contractual Commitments: Encumbrances by fund for the State at June 30, 2025, excluding contractual commitments noted above, were as follows:

	Expressed in Millions
General Fund	$ 204.6
Highway Fund	12.5
Non-Major Governmental Funds	0.5
	$ 217.6

11. EMPLOYEE BENEFIT PLANS

NEW HAMPSHIRE RETIREMENT SYSTEM

Plan Description: The New Hampshire Retirement System is the administrator of a cost-sharing multiple-employer Public Employee Retirement System ("NHRS") established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401 (a) and 501 (a) of the Internal Revenue Code. NHRS is a contributory defined-benefit plan providing service, disability, death, and vested retirement benefits to members and beneficiaries. NHRS covers substantially all full-time State employees, public school teachers and administrators, permanent firefighters, and police officers within the State of New Hampshire. Full-time employees of political subdivisions, including counties, municipalities, and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation. NHRS is divided into two membership groups. Group I consists of State and local employees and teachers. Group II consists of firefighters and police officers. All assets are in a single trust and are available to pay retirement benefits to its members and beneficiaries.

Group I members at age 60 (age 65 for members beginning service on or after July 1, 2011) qualify for a normal service retirement allowance based on years of creditable service and average final compensation (AFC). The yearly pension amount is 1/60 (1.667%) of AFC multiplied by years of creditable service (1/66 of AFC times creditable service for members beginning service on or after July 1, 2011). AFC is defined as the average of the three highest salary years for members vested as of January 1, 2012 and five years for members not vested as of January 1, 2012. At age 65, the yearly pension amount is recalculated at 1/66 (1.515%) of AFC multiplied by years of creditable service.

Members in service with 10 or more years creditable service who are between age 50 and 60 or members in service with at least 20 or more years of service, whose combination of age and service is 70 or more, are entitled to a retirement allowance with appropriate graduated reduction based on years of creditable service.

Group II members who are age 60, or members who are at least age 45 with a minimum of 20 years of creditable service (age 50 with a minimum of 25 years of creditable service or age 60 for members beginning service on or after July 1, 2011) can receive a retirement allowance at a rate of 2.5% of AFC for each year of service not to exceed 40 years (2% of AFC times creditable service up to 42.5 years for members beginning service on or after July 1, 2011). A member who began service on or after July 1, 2011 shall not receive a service retirement allowance until attaining age 52.5, but may receive a reduced allowance after age 50 if the member has at least 25 years of creditable service. However, the allowance will be reduced by ¼ of one percent for each month prior to age 52.5 that the member receives the allowance.

Group II members hired prior to July 1, 2011 who have non-vested status as of January 1, 2012 are subject to graduated transition provisions for years of service required for regular service retirement, the minimum age for service retirement, and the multiplier used to calculate the retirement annuity, which shall be applicable on January 1, 2012.

Members of both groups may qualify for vested deferred allowances, disability allowances, and death benefit allowances subject to meeting various eligibility requirements. Benefits are based on AFC or earnable compensation, service, or both.

Pursuant to RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b, NHRS also provides a postretirement medical premium subsidy for Group I employees and teachers and Group II police officers and firefighters.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their web site at http://www.nhrs.org

Funding Policy: NHRS is financed by contributions from the members, the State and local employers, and investment earnings. By statute, Group I members contributed 7.0% of gross earnings. Group II firefighter members contributed 11.80% of gross earnings and group II police officers contributed 11.55% of gross earnings. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. The State contributed 13.27% of gross payroll for Group I members, 27.75% of gross payroll for Group II firefighter members, and 28.68% of gross payroll for Group II police officer members.

The State's required and actual contributions for the year ended June 30, 2025 were $137.2 million, which included an amount for other postemployment benefits of $7.4 million.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

As of June 30, 2025, the State reported a liability of $1,042.5 million for its proportionate share of the net pension liability of NHRS. This net pension liability is measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll the total pension liability forward to June 30, 2024. The State's proportion of the net pension liability was based on the State's share of contributions to NHRS relative to the contributions of all participating employers, actuarially determined. As of the measurement date, the State's proportion was 20.10%, which was an increase of 122 basis points from its proportion measured as of the previous measurement date. For the year ended June 30, 2025, the State recognized total pension expense of $130.5 million.

As of June 30, 2025, the State reported deferred outflows and inflows of resources on its government-wide financial statements related to pensions in the primary government of $87.2 million (excluding $129.8 million in contributions subsequent to the measurement date) and $30.7 million, respectively, from the following sources:

(in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$	$ (14,553)
Differences between expected and actual experience	23,208	(209)
Changes in assumptions		(12,201)
Changes in employer proportion	62,074	(1,780)
Changes in internal proportion	1,933	(1,935)
Contributions subsequent to the measurement date	129,751	
Total	$ 216,966	$ (30,678)

Amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount (in thousands)
2026	$ (15,217)
2027	67,154
2028	3,770
2029	830
	$ 56,537

Actuarial Assumptions: NHRS total pension liability, measured as of June 30, 2024, was determined by a roll forward of the actuarial valuation as of June 30, 2023, for which the following actuarial assumptions were used:

Price Inflation	2.25%
Wage Inflation	3.00%
Salary increases	6.00%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group and projected fully generational mortality improvements using Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the actuarial experience study for the period July 1, 2019 - June 30, 2023.

Long-Term Rates of Return: The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2024:

Asset Class	Target Allocation	30 Year Geometric Return
		2024
Broad US Equity	24.00 %	5.40 %
Global Ex-US Equity	16.00 %	5.65 %
Total Public Equity	40.00 %	
Real Estate Equity	10.00 %	4.00 %
Private Equity	10.00 %	6.65 %
Total Private Market Equity	20.00 %	
Private Debt	10.00 %	5.05 %
Total Private Debt	10.00 %	
Core US Fixed Income	25.00 %	2.15 %
Total fixed income	25.00 %	
Infrastructure	5.00 %	4.35 %
Total Infrastructure	5.00 %	
Inflation		2.50 %
Total	100.00 %	

Discount Rate: The discount rate used to measure the collective total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on NHRS's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, NHRS's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the collective total pension liability.

The following table illustrates the sensitivity of the State's proportionate share of NHRS's net pension liability to changes in the discount rate. In particular, the table presents the State's proportionate share of NHRS's collective net pension liability at June 30, 2024 assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate (in millions):

1% Decrease to 5.75%	Current single rate assumption 6.75%	1% Increase to 7.75%
$1,457.6	$1,042.5	$696.7

Pension Allocations: The Statewide amounts for net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense detailed above were allocated among governmental and business-type activities based on each reporting unit's share of the Statewide employer contribution to NHRS. Pension-related amounts for each reporting unit are as follows (expressed in thousands):

	Governmental Activities	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Business-type Activities	Primary Government
Proportionate share of Statewide amount	95.49 %	0.91 %	2.45 %	0.51 %	0.64 %	4.51 %	100.00 %
Net pension liability	$ 995,523	$ 9,494	$ 25,500	$ 5,277	$ 6,726	$ 46,997	$ 1,042,520
Pension expense	125,427	680	2,900	820	867	5,267	130,694
Deferred outflows of resources representing contributions subsequent to the measurement date	123,882	1,183	3,147	674	865	5,869	129,751
Deferred outflows of resources representing the changes in employer proportion	59,276	565	1,518	314	401	2,798	62,074
Deferred outflows of resources representing the net difference between projected and actual earnings on pension plan investments	—	—	—	—	—	—	—
Deferred inflows of resources representing changes in assumptions	(11,651)	(111)	(298)	(62)	(79)	(550)	(12,201)
Deferred outflows of resources representing the differences between expected and actual experience	22,162	211	568	117	150	1,046	23,208
Deferred inflows of resources representing the differences between expected and actual experience	(200)	(2)	(5)	(1)	(1)	(9)	(209)
Deferred inflows of resources representing the net difference between projected and actual earnings on pension plan investments	(13,897)	(133)	(356)	(73)	(94)	(656)	(14,553)
Deferred inflows of resources representing the changes in employer proportion	(1,699)	(16)	(44)	(9)	(12)	(81)	(1,780)
Deferred outflows of resources representing change in proportion within the entity	1,312		29	510	82	621	1,933
Deferred inflows of resources representing change in proportion within the entity		(1,090)	(590)	(231)	(24)	(1,935)	(1,935)
Amortization of deferred amounts:							
2025	(13,924)	(570)	(672)	24	(75)	(1,293)	(15,217)
2026	64,597	291	1,421	386	459	2,557	67,154
2027	3,800	(205)	73	66	36	(30)	3,770
2028	830	(92)		89	3	—	830
Total	55,303	(576)	822	565	423	1,234	56,537
Sensitivity analysis:							
Net pension liability at 5.75% discount rate	1,391,854	13,274	35,652	7,380	9,404	65,710	1,457,564
Net pension liability at 7.75% discount rate	665,206	6,346	17,130	3,528	4,514	31,518	696,724

JUDICIAL RETIREMENT PLAN

Plan Description: The New Hampshire Judicial Retirement Plan (NHJRP), a single-employer plan, was established on January 1, 2005 pursuant to RSA 100-C:2 and is intended for all time to meet the requirements of a qualified pension trust within the meaning of section 401(a) and to qualify as a governmental plan within the meaning of section 414(d) of the United States Internal Revenue Code. NHJRP is a defined benefit plan providing disability, death, and retirement protection for full-time supreme court, superior court, district court or probate court judges employed within the State. Information and financial reports of the New Hampshire Judicial Retirement Plan can be obtained by writing to them at 14 South St, Suite 5, Concord, NH 03301, or from the State's website at http://www.nh.gov.

Members covered by benefit terms: As of December 31, 2024, the following members were covered by the benefit terms:

Inactive members or beneficiaries currently receiving benefits	90
Inactive members entitled to but not yet receiving benefits	1
Active or vested members	77
Total members	168

The NHJRP is administered by an appointed Board of Trustees (Board), separate from the New Hampshire Retirement System. The Board consists of 7 members, 2 of which are appointed by the Governor and Council and 1 of whom the Governor shall designate to serve as chairman of

the Board of Trustees, and who shall be qualified persons with business experience and not members of NHJRP. The Chief Justice of the state supreme court shall appoint 3 trustees, at least 2 of whom shall be active members of NHJRP and one of whom may be a retired member of NHJRP. One member of the state senate and one member of the house of representatives shall be appointed biennially. Certain daily administrative functions of NHJRP have been delegated by the Board to the New Hampshire Retirement System such as retirement request processing, member record maintenance and serving as the NHJRP's information center. The NHJRP has one employee. All employer and member contributions are deposited into separate trust funds that are managed and controlled by the Board of Trustees of the NHJRP.

Any member of the NHJRP who has at least 10 years of creditable service and who is at least 65 years old is entitled to retirement benefits equal to 75% of the member's final year's salary. Any member who has at least 7 years of creditable service and who is at least 70 years old is entitled to retirement benefits equal to 45% of the member's final year's salary. A member who is at least 70 years old shall be granted an additional 10% over the 45% level for each year of creditable service that a member has over 7 years. A member who is at least 60 years old with at least 15 years of creditable service is entitled to 70% of the member's final year's salary, plus an additional 1% for each year of additional service in excess of 15 years. However, under no circumstances shall any retirement benefit exceed 75% of the member's final year's salary. For purposes of determining the above benefit, the member's final salary is equal to compensation earned in the prior 12-month period in which the employee was a member of the plan.

Funding Policy: The NHJRP is financed by contributions from the members and the State. Pursuant to Chapter 311, Laws of 2003, on January 19, 2005, the State issued $42.8 million of general obligation bonds in order to fund the NHJRP's initial unfunded accrued liability. All eligible judges are required to contribute 10% of their salaries to the NHJRP until they become eligible for a service retirement equal to 75% of their final year's salary. The State was required to and contributed 41% of the members' salary through June 30, 2013. Effective July 1, 2013, the State was required to and contributed 64.5% of the member's salary. The State's required contribution rate was 75.4% of the member's salary for the period July 1, 2017 through June 30, 2019. Effective July 1, 2019, the State's required contribution rate was 69.4% of the member's salary. For the year ended June 30, 2025, State contributions to the NHJRP totaled $7.9 million.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2025, the State reported a net pension liability of $31.1 million for the NHJRP. The NHJRP's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Changes in the components of net pension liability for the measurement period ended December 31, 2024 are as follows (in thousands):

	Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2023	$ 114,913	$ 83,395	$ 31,518
Changes for the year:			
Service cost	4,690		4,690
Interest on total pension liability	7,472		7,472
Effect of differences between expected and actual experience	5,680		5,680
Differences between projected and actual earnings		3,893	(3,893)
Effect of changes in actuarial assumptions			
Benefit payments	(9,463)	(9,463)	
Employer contributions		7,921	(7,921)
Member contributions		1,277	(1,277)
Net investment income		5,405	(5,405)
Administrative expenses		(233)	233
Balances as of December 31, 2024	$ 123,292	$ 92,195	$ 31,097

The notes to the basic financial statements are an integral part of this statement

For the year ended June 30, 2025, the State recognized pension expense of $4.5 million for the NHJRP. As of June 30, 2025, the State reported deferred outflows and inflows of resources on its government-wide financial statements related to the NHJRP of $4.4 million (excluding $4.3 million in contributions subsequent to the measurement date) and $2.7 million, respectively, from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ —	$ (786)
Net difference between expected and actual experience	4,328	(1,801)
Change in assumptions	99	(125)
Contributions subsequent to the measurement date	4,326	
Total	$ 8,753	$ (2,712)

Amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Amount (in thousands)
2025	$ (30)
2026	2,869
2027	(616)
2028	(508)
	$ 1,715

Actuarial Assumptions: The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75%
Salary increases	2.25%
Investment rate of return	6.50%

Mortality rates were based on the Sex-Distinct PubG-2010 Mortality tables for employees, healthy annuitants and contingents, adjusted for mortality improvements using Scale MP-2021 on a fully generational basis.

The actuarial assumptions used in the January 1, 2024 valuation were not based on the results of a recent actuarial experience study. The Plan has not had a formal actuarial experience study performed since one performed for the period July 1, 2005 - June 30, 2010.

Long-Term Rates of Return: The long-term expected rate of return on NHJRP investments was selected from a best estimate range determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Following is a table presenting target allocations and long-term rates of return for 2024:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Cash	1.000 %	3.10 %
Core Fixed Income	35.000 %	4.70 %
U.S. REITs	3.000 %	8.00 %
Large Cap US Equities	33.000 %	6.70 %
Small Cap US Equities	5.000 %	6.90 %
International equity	12.000 %	8.10 %
Alternatives	11.000 %	4.90 %

Discount Rate: The single discount rate used to measure the collective total pension liability was 6.50%, which is the same rate used for the prior year measurement of total pension liability. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the NHJRP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table illustrates the sensitivity of the NHJRP's net pension liability to changes in the discount rate. In particular, the table presents the net pension liability of NHJRP, calculated using the discount rate of 6.50%, as well as what the NHJRP's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current discount rate (expressed in thousands):

1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
$42,221	$31,097	$21,456

OTHER POSTEMPLOYMENT BENEFITS

General Information about the Trusted OPEB Plan

Plan Description: Pursuant to RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b, NHRS administers a cost-sharing multiple employer defined benefit postemployment medical subsidy healthcare plan designated in statute by membership type. This plan has been previously defined as the Trusted OPEB plan but is also commonly referred to as "medical subsidy plan". The membership groups are Group II Police Officers and Firefighters and Group I State Employees.

NHRS issues publicly available financial reports that can be obtained by writing to them at 54 Regional Drive, Concord, NH 03301-8507 or from their web site at http://www.nhrs.org

Benefits Provided: The Trusted OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employers of its members, or their insurance administrator, toward the cost of health insurance for a qualified retiree, spouse, and certifiably dependent children with a disability who is living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. The eligibility requirements for receiving Trusted OPEB Plan benefits differ for Group I and Group II members. Eligibility for the medical subsidy payment is determined by the relevant RSA's, however, the medical subsidy plan is closed to new entrants. The State is a recipient of these medical subsidy payments on behalf of its former employees.

Contributions: Pursuant to RSA 100-A:16, III, and the biennial actuarial valuation, funding for the medical subsidy payment is via the employer contribution rates set forth by NHRS. Employer contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the NHRS actuary using the entry age normal funding method and are expressed as a percentage of gross payroll. The State contributed 0.58% of gross payroll for Group I members, 2.60% of gross payroll for Group II firefighter members, and 2.60% of gross payroll for Group II police officer members. Employees are not required to contribute to the Trusted OPEB Plan.

The State Legislature has the authority to establish, amend and discontinue the contribution requirements of the medical subsidy plan. Employer contributions made by the State to NHRS for the medical subsidy component amounted to $7.4 million in fiscal year 2025 and $6.9 million in fiscal year 2024.

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the State reported a liability of $60.6 million for its proportionate share of the net Trusted OPEB Plan liability. The net Trusted OPEB Plan liability was measured as of June 30, 2024, and the total Trusted OPEB Plan liability used to calculate the net Trusted OPEB Plan liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to June 30, 2024, utilizing procedures incorporating the actuarial assumptions. The State's proportion of the net Trusted OPEB Plan liability was based on the projection of the State's long-term share of contributions to the Trusted OPEB Plan relative to the projected contributions of all participating entities, actuarially determined. As of the measurement date, the State's proportionate share was 19.48%. For the year ended June 30, 2025, the State recognized OPEB expense of $1.0 million.

As of June 30, 2025, the State reported deferred outflows and inflows of resources on its government-wide financial statements related to OPEB in the primary government of $0.00 million (excluding $7.1 million in contributions subsequent to the measurement date) and $0.01 million, respectively, from the following sources.

(in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$	$ (14)
Contributions subsequent to the measurement date	7,107	
Total	$ 7,107	$ (14)

Amounts reported as deferred outflows of resources related to the Trusted OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net Trusted OPEB Plan liability in the year ended June 30, 2026. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to Trusted OPEB Plan will be recognized in OPEB expense as follows:

Year ended June 30,	Amount (in thousands)
2024	$(128)
2025	189
2026	(48)
2027	(27)
	$(14)

Actuarial Assumptions: The total Trusted OPEB Plan liability, measured as of June 30, 2024, was determined by a roll forward of the actuarial valuation as of June 30, 2023, for which the following actuarial assumptions were used:

Price Inflation	2.0%
Salary increases	5.4% average, including inflation
Investment rate of return	6.75%, net of OPEB plan investment expense, including inflation for determining solvency contributions
Healthcare cost trend rates	N/A - benefits are fixed cash stipends

Mortality rates were based on the Pub-2010 Healthy Retiree mortality tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the actuarial experience study, which was for the period July 1, 2015 - June 30, 2019.

Long-Term Rates of Return: The long-term expected rate of return on Trusted OPEB plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. Following is a table presenting target allocations and long-term rates of return for 2024:

		30 Year Geometric Return
Asset Class	**Target Allocation**	**2024**
Broad US Equity	24.00 %	5.40 %
Global Ex-US Equity	16.00 %	5.65 %
Total Public Equity	40.00 %	
Real Estate Equity	10.00 %	4.00 %
Private Equity	10.00 %	6.65 %
Total Private Market Equity	20.00 %	
Private Debt	10.00 %	5.05 %
Total Private Debt	10.00 %	
Core US Fixed Income	25.00 %	2.15 %
Total fixed income	25.00 %	
Infrastructure	5.00 %	4.35 %
Total infrastructure	5.00 %	
Total	100.00 %	

Discount Rate: The discount rate used to measure the collective total Trusted OPEB Plan liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For purposes of the projection, member contributions and employer service cost contributions are determined based on the expected payroll of current members only. Employer contributions are determined based on actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the Trusted OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total Trusted OPEB Plan liability.

The following table illustrates the sensitivity of the State's proportionate share of the net Trusted OPEB Plan liability to changes in the discount rate. In particular, the table presents the State's proportionate share of the Trusted OPEB Plan liability measured at June 30, 2024 assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate (in thousands):

1% Decrease to 5.75%	Current single rate assumption 6.75%	1% Increase to 7.75%
$ 66,240	$ 60,550	$ 56,618

General Information about the Non Trusted OPEB Plan

Plan Description: RSA 21-I:30 specifies that the State provide certain health care benefits for retired employees and their spouses through a single employer (primary government with component units) defined benefit postemployment benefit plan, previously defined as the Non Trusted OPEB Plan. These benefits include group hospitalization, hospital medical care, surgical care and other medical care. Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service, may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of state service in order to qualify for health benefits. During fiscal year 2011, legislation was passed that requires Group II employees to have 20 years of State service to qualify for retiree health benefits. Additionally, during fiscal year 2012, legislation was passed requiring Group I employees hired after July 1, 2011 to have 25 years of state service and increased the normal retirement age for Group I and Group II employees hired after July 1, 2011. These and similar benefits for active employees and retirees are authorized by RSA 21-I:30 and provided through the Employee and Retiree Benefit Risk Management Fund, previously defined as the Fund, a single-employer group health fund, which is the state's self-insurance internal service fund for active state employees and retirees. The Fund covers the cost of medical and prescription drug claims by charging actuarially developed working rates to State agencies for participating employees, retirees and eligible spouses. An additional major source of funding for retiree benefits is from the medical subsidy payment described earlier, which totaled approximately $6.8 million, $7.7 million and $9.1 million, respectively, for the fiscal years ended June 30, 2025, 2024, and 2023. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees covered by benefit terms: As of December 31, 2022 the following employees were covered by the benefit terms:

Retired members and beneficiaries currently receiving benefits	12,357
Retired employees entitled to but not yet receiving benefit payments	381
Active employees	9,927
	22,665

Total OPEB Liability

The primary government's proportionate share of the total Non Trusted OPEB Plan liability of $1,361.9 million was measured as of June 30, 2024, and was determined by an actuarial valuation as of December 31, 2022, adjusted forward. The primary government's proportionate share of the total Non Trusted OPEB Plan liability is the ratio attributable to each fund/component unit based on each participant's calculated liability. As of the measurement date, the primary government's proportion was 96.14%, a decrease of 10 basis points from the previous measurement date.

Changes in the total OPEB Liability: The total OPEB liability at June 30, 2025 is $1,361.9 million of which the primary government's proportionate share is $1,309.3 million.

(dollars in thousands)	Total OPEB Liability
Balance at 6/30/24	$ 1,035,439
Changes for the year:	
Service cost	36,324
Interest	38,577
Differences between expected and actual experience	(14,969)
Changes in assumptions	296,500
Changes in benefit terms	
Benefit payments	(29,991)
Net changes	326,441
Balance at 6/30/25	$ 1,361,880

Actuarial Assumptions and other inputs: The total Non Trusted OPEB Plan liability was measured as of June 30, 2024 and was determined based on the results of the December 31, 2022 actuarial valuation using the following actuarial assumptions, applied to all periods included in the

measurement, unless otherwise specified:

Wage inflation	2.75%
Salary increases	Group I employees: 14.75% decreasing over 12 years to an ultimate level of 3.25% Group II employees: 27.75% decreasing over 8 years to an ultimate level of 4.25% (Police) and 3.75% (Fire)
Discount rate	3.93% as of June 30, 2024
Healthcare cost trend rates	Medical: Non-Medicare: 11.20% in 2023, 7.70% in 2024, then decreasing by .25% each year to an ultimate level of 4.5% per year. Medicare: 0.00% through 2024, then 40.44% in 2025, 9.38% in 2026, 6.72% in 2027, 7.63% in 2028, 7.34% in 2029, and 7.07% in 2030, decreasing by .25% per year to an ultimate level of 4.5% per year. Prescription Drug: Non-Medicare: 24.60% in 2023, 3.90% in 2024, then 9.50% decreasing by 0.50% each year to an ultimate level of 4.5% per year. Medicare: 0.00% through 2024, then 40.44% in 2025, 9.38% in 2026, 6.72% in 2027, 7.63% in 2028, 7.34% in 2029, and 7.07% in 2030, decreasing by .25% per year to an ultimate level of 4.5% per year. Retiree contributions are expected to increase with a blended medical, prescription drug and administrative expense trend.

The discount rate was based on the yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/ Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index. This determination is in accordance with GASB Statement No 75.

Other changes in assumptions reflect 1) the discount rate was increased to 3.93%, 2) the trend assumptions were revised to reflect known changes in claims experience and future expectations 3) per capita health costs and administrative expenses were recalculated based on more recent data.

Mortality rates were based on the PubG-2010 Headcount-Weighted Employee/Healthy Retiree General Mortality Tables for Group I and the PubS-2010 Headcount-Weighted Employee/Healthy Retiree Safety Mortality Tables for Group II projected generationally for males and females with Scale MP-2019 and the PubNS-2010 Headcount-Weighted Non-Safety Disabled Retiree Mortality Table for Group I and the PubS-2010 Headcount- Weighted Safety Disabled Retiree Mortality Table for Group II projected generationally for males and females with Scale MP-2019. The assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study by New Hampshire Retirement System for the period July 1, 2015 through June 30, 2019.

Sensitivity of the total Non Trusted OPEB Plan liability to changes in the discount rate:

The following presents sensitivity of the primary government's proportionate share of the total Non Trusted OPEB Plan liability to changes in the discount rate. In particular, the table presents the primary government's proportionate share of the Total Non Trusted OPEB Plan liability measured at June 30, 2024 if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (in thousands):

1% Decrease	Current Discount Rate	1% Increase
$1,519,819	$1,309,330	$1,140,075

Sensitivity of the total Non Trusted OPEB Plan liability to changes in the healthcare cost trend rates:

The following presents sensitivity of the primary government's proportionate share of the total Non Trusted OPEB Plan liability to changes in the healthcare cost trend rates. In particular, the table presents the primary government's proportionate share of the total Non Trusted OPEB Plan liability measured at June 30, 2024, if it were calculated using healthcare cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare trend cost rates (in thousands):

1% Decrease	Current Trend Rate	1% Increase
$1,100,132	$1,309,330	$1,576,859

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the primary government recognized OPEB expense of $21.5 million. As of June 30, 2025, the primary government reported deferred outflows and inflows of resources on its government-wide financial statements related to the Non Trusted OPEB Plan of $267.0 million (excluding $35.9 million in contributions subsequent to the measurement date) and $603.4 million, respectively, from the following sources:

(in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ (54,386)
Changes in assumptions	262,296	(544,061)
Changes in employer proportion	4,703	(4,913)
Contributions subsequent to the measurement date	35,905	
Total	$ 302,904	$ (603,360)

Amounts reported as deferred outflows of resources related to the Non Trusted OPEB Plan resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the total Non Trusted OPEB Plan liability in the year ended June 30, 2026. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to the Non Trusted OPEB Plan will be recognized in OPEB expense as follows:

Year ended June 30,	Amount (in thousands)
2025	$ (117,594)
2026	(159,993)
2027	(58,774)
2028	—
	$ (336,361)

OPEB Allocations: The Statewide amounts for the total Non Trusted OPEB Plan liability, deferred outflows or resources, deferred inflows of resources, and OPEB expense detailed above were allocated among governmental activities, business-type activities, and component units based on each reporting unit's share of the participants within the Non Trusted OPEB Plan. OPEB related amounts for each reporting unit are as follows (expressed in thousands):

	Governmental Activities	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Business-type Activities	Primary Government
Proportionate share of Statewide amount	91.45 %	1.28 %	2.42 %	0.63 %	0.36 %	4.69 %	96.14 %
Total OPEB liability	$ 1,245,368	$ 17,430	$ 32,975	$ 8,619	$ 4,938	$ 63,962	$1,309,330
OPEB expense	22,193	165	(1,125)	(197)	424	(733)	21,460
Deferred outflows of resources representing contributions subsequent to the measurement date	34,152	478	904	236	135	1,753	35,905
Deferred outflows of resources representing changes in assumptions	249,482	3,492	6,606	1,727	989	12,814	262,296
Deferred inflows of resources representing changes in assumptions	(517,484)	(7,242)	(13,702)	(3,581)	(2,052)	(26,577)	(544,061)
Deferred inflows of resources representing the differences between expected and actual experience	(51,729)	(724)	(1,370)	(358)	(205)	(2,657)	(54,386)
Deferred outflows of resources representing change in proportion within the entity	3,573	9	579	181	361	1,130	4,703
Deferred inflows of resources representing change in proportion within the entity	(2,405)	(347)	(1,963)	(147)	(51)	(2,508)	(4,913)
Amortization of deferred amounts:							
2026	(110,773)	(1,816)	(3,815)	(816)	(374)	(6,821)	(117,594)
2027	(151,939)	(2,170)	(4,365)	(1,039)	(480)	(8,054)	(159,993)
2028	(55,851)	(826)	(1,670)	(323)	(104)	(2,923)	(58,774)
Total	(318,563)	(4,812)	(9,850)	(2,178)	(958)	(17,798)	(336,361)
Sensitivity analysis:							
Total OPEB liability at -1% discount rate	1,445,575	20,232	38,276	10,004	5,732	74,244	1,519,819
Total OPEB liability at +1% discount rate	1,084,381	15,177	28,712	7,505	4,300	55,694	1,140,075
Total OPEB liability at - 1% healthcare cost trend rates	1,046,390	14,645	27,706	7,242	4,149	53,742	1,100,132
Total OPEB liability at + 1% healthcare cost trend rates	$ 1,499,829	$ 20,991	$ 39,712	$ 10,380	$ 5,947	$ 77,030	$1,576,859

	Pease Development Authority	Community Development Finance Authority	Community College System of New Hampshire	Component Units	Total Government
Proportionate share of Statewide amount	0.37 %	0.02 %	3.46 %	3.86 %	100.00 %
Total OPEB liability	$ 5,101	$ 271	$ 47,178	$ 52,550	$ 1,361,880
OPEB expense	381	18	(232)	167	21,627
Deferred outflows of resources representing contributions subsequent to the measurement date	140	7	1,294	1,441	37,346
Deferred outflows of resources representing changes in assumptions	1,022	54	9,451	10,527	272,823
Deferred inflows of resources representing changes in assumptions	(2,120)	(113)	(19,604)	(21,837)	(565,898)
Deferred inflows of resources representing the differences between expected and actual experience	(212)	(11)	(1,960)	(2,183)	(56,569)
Deferred outflows of resources representing change in proportion within the entity	351	83	1,210	1,644	6,347
Deferred inflows of resources representing change in proportion within the entity	(2)	(37)	(1,395)	(1,434)	(6,347)
Amortization of deferred amounts:					
2026	(344)	(11)	(4,931)	(5,286)	(122,880)
2027	(503)	(16)	(5,544)	(6,063)	(166,056)
2028	(114)	3	(1,823)	(1,934)	(60,708)
Total	(961)	(24)	(12,298)	(13,283)	(349,644)
Sensitivity analysis:					
Total OPEB liability at -1% discount rate	5,921	315	54,763	60,999	1,580,818
Total OPEB liability at +1% discount rate	4,442	236	41,080	45,758	1,185,833
Total OPEB liability at - 1% healthcare cost trend rates	4,286	228	39,641	44,155	1,144,287
Total OPEB liability at + 1% healthcare cost trend rates	6,143	327	56,819	63,289	1,640,148

Summary of Employee Benefit Plans:

(Expressed in Thousands)	Governmental Activities	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Business-type Activities	University of New Hampshire	Non-Major Component Units	Component Units
Pension									
New Hampshire Retirement System	$ 995,523	$ 9,494	$ 25,500	$ 5,277	$ 6,726	$ 46,997		$ 62,008	$ 62,008
New Hampshire Judicial Retirement Plan	31,097								
Net Pension Liability	$ 1,026,620	$ 9,494	$ 25,500	$ 5,277	$ 6,726	$ 46,997	$	$ 62,008	$ 62,008
OPEB									
Trusted OPEB Plan	$ 60,550							$ 2,389	$ 2,389
Non Trusted OPEB Plan	1,245,368	17,430	32,975	8,619	4,938	63,962		52,550	52,550
Other *							51,685		51,685
Post Employment Benefits Payable	$ 1,305,918	$ 17,430	$ 32,975	$ 8,619	$ 4,938	$ 63,962	$ 51,685	$ 54,939	$ 106,624

* Does not include short term portion of OPEB classified as other current liabilities on the Statement of Net Position

Summary of Employee Benefit Plans Expense:

(Expressed in Thousands)	Governmental Activities	Turnpike System	Liquor Commission	Lottery Commission	State Revolving Fund	Business-type Activities	Primary Government
Pension Expense							
New Hampshire Retirement System	125,427	680	2,900	820	867	5,267	130,694
New Hampshire Judicial Retirement Plan	7,489						7,489
Pension Expense	132,916	680	2,900	820	867	5,267	138,183
OPEB Expense							
Trusted OPEB Plan	(4,197)						(4,197)
Non Trusted OPEB Plan	22,193	165	(1,125)	(197)	424	(733)	21,460
Post Employment Benefits Expense	17,996	165	(1,125)	(197)	424	(733)	17,263

(Expressed in Thousands)	University of New Hampshire	Non-Major Component Units	Component Units
Pension Expense			
New Hampshire Retirement System		712	712
Pension Expense		712	712
OPEB Expense			
Trusted OPEB Plan		(265)	(265)
Non Trusted OPEB Plan		167	167
Other	2,971		2,971
Post Employment Benefits Expense	2,971	(98)	2,873

12.CONTINGENT AND LIMITED LIABILITIES

PRIMARY GOVERNMENT

Nonexchange Financial Guarantees: The State of New Hampshire extends nonexchange financial guarantees to municipalities, political subdivisions, and certain Authorities indefinitely within certain statutory limits. Guarantees may include, but not be limited to, bonds sold by municipalities and school districts, first mortgages on industrial and recreational property, as well as airport and development projects. Arrangements for the State to recover payments is described in the enabling statutes or in agreements authorized by the Governor and Executive Council. Based on the review of qualitative factors and available historical data relative to the financial position of guaranteed entities, the State determined that it is less than likely the State would have to make payments related to the nonexchange guarantees extended. The following table includes the composition of the State's $132.3 million of financial guarantees outstanding and statutory limits as of June 30, 2025 (expressed in thousands):

	RSA	Guarantee Limit	Remaining Capacity	June 30, 2025 Principal	Interest	Total
Municipalities and Political Subdivisions						
Water Pollution Bonds	485-A:7	$ 50,000	$50,000			
School Construction Bonds	195-C:2	95,000	90,400	4,365	235	4,600
Solid Waste Bonds	149-M:31	10,000	10,000			
Super Fund Site Cleanup Bonds	33:3-f	20,000	* 20,000			
Related Organizations						
Business Finance Authority (BFA) - Unified Contingent Credit Limit	162-A:22	200,000	* 72,343	127,075	582	127,657
Business Finance Authority (BFA) - Additional State Guarantee	162-I:9-b	30,000	30,000			
Pease Development Authority - Guarantees for Loans	12-G:31	70,000	13,900			
Housing Finance Authority - Child Care Loans	204-C:79	300	300			
Totals		$ 475,300	$ 286,943	$131,440	$ 817	$132,257

* Plus Interest

13. LEASES AND SUBSCRIPTIONS

A summary of the changes in the related lease and SBITA liabilities during the year ended June 30, 2025 is as follows (expressed in thousands):

	Beginning Balance	Increases	Remeasurements	Decreases	Ending Balance
Governmental Activities					
Lease Liabilities	61,087	5,248		(13,565)	52,770
Subscription IT Liabilities	20,868	27,658		(17,647)	30,879
Total Governmental Activities	81,955	32,906		(31,212)	83,649
Business-Type Activities					
Lease Liabilities	$ 50,909	$ 10,134		$ (10,650)	$ 50,393
Subscription IT Liabilities	$ 427			$ (427)	$
Total Business-Type Activities	$ 51,336	$ 10,134	$	$ (11,077)	$ 50,393

Future annual lease payments are as follows (expressed in thousands):

Payable June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	12,124	1,000	5,808	1,886
2027	9,602	777	4,471	1,675
2028	7,731	589	4,197	1,494
2029	4,788	432	3,911	1,329
2030	3,364	316	3,617	1,169
2031-2035	7,091	836	13,891	4,160
2036-2040	2,181	446	9,976	1,887
2041-2045	2,116	284	4,310	380
2046-2050	2,577	156	212	3
2051-2052	1,196	20		
Total	52,770	4,856	50,393	13,983

Future projected minimum lease revenue and interest from noncancellable agreements are as follows (expressed in thousands):

Receivable June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	$ 714	$ 128	$ 115	$ 435
2027	738	112	119	431
2028	573	97	122	428
2029	481	86	126	424
2030	381	77	130	420
2031-2035	1,957	309	1,431	2,019
2036-2040	1,618	180	2,827	1,673
2041-2045	1,487	94	3,284	1,216
2046-2050	769	17	3,815	685
2051-2055			2,579	121
Total	$ 8,718	$ 1,100	$ 14,548	$ 7,852

The notes to the basic financial statements are an integral part of this statement

Future annual subscription IT payments are as follows (expressed in thousands):

Payable June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	12,081	553		
2027	8,714	299		
2028	6,170	163		
2029	1,746	107		
2030	793	71		
2031-2035	1,375	128		
Total	30,879	1,321		

14. TAX ABATEMENTS

For financial reporting purposes, a tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefit the government or its citizens. The State has conducted an analysis of tax abatement programs that meet the definition for disclosure, which are described below.

As a result of the statutory deadline of December 15th for the current fiscal year tax credit reporting, the state has elected to disclose tax credit amounts and number of applicable taxpayers for the previous fiscal year. Fiscal year 2025 credits reported for the existing programs and any newly established tax credit programs are not expected to have a material impact on the state's financial position.

Economic Revitalization Zone Tax Credit (ERZTC) (RSA 162-N:7)

Description: The authority to enter into Community Reinvestment and Opportunity (CROP) Zone Credit Agreements became effective July 1, 2003. The CROP Zone tax credit was replaced with the ERZTC and shall be available to taxpayers only for tax liabilities arising during the five consecutive tax periods following the signing of the agreement. ERZTC shall be applied against tax due under RSA 77-A, the Business Profits Tax (BPT). Any unused portion may be applied against tax due under RSA 77-E, the Business Enterprise Tax (BET). For the purpose of the credit allowed under RSA 77-A:5, XII, the BPT, the ERZTC shall be considered taxes paid under RSA 77-E. ERZTCs shall not be transferable. This tax credit has carryforward provisions.

The ERZTC is a "cascading" tax credit that may be used to reduce a BET liability and, as considered "taxes paid" under RSA 77-E, may then be used to reduce a BPT liability. The amount disclosed below is total the reduction in revenue to the State whether applied against BPT, BET, or both tax liabilities. There were no other commitments made by the State other than the agreement to credit taxes.

Agreement: An agreement between the State and the taxpayer determines the amount of credit awarded and includes provisions such as quality and quantity of full-time jobs to be created, duration of the taxpayer's commitments with respect to the economic revitalization zone, the amount of the taxpayer's investment in the project, and a precise definition of the location of the facility eligible for the credit. There are no provisions to recapture previous credits.

Methodology: Credit used is the amount actually reported by 42 taxpayers and used to offset a tax liability on the New Hampshire BPT return, BET return, or both.

Tax returns filed in fiscal year 2024: The tax credit used against BPT, BET, or both totaled $627,000. The maximum aggregate credit amount allowable for all taxpayers was $825,000.

Education Tax Credit (RSA 77-G)

Description: Chapter 287, Laws of 2012 (SB 372) enacted a law that allows a business organization and business enterprise to make a money donation (up to $600,000) to an approved scholarship organization(s) for which the business organization or business enterprise will receive a tax credit against the BPT and/or BET for 85% of their donation. The donations are used by an approved scholarship organization(s) to grant scholarships for children to attend private schools. The Education Tax Credit Program began January 1, 2013 and is capped at $5,100,000 in awarded credits.. The program was extended to the I&D Tax and a five year carryforward provision was added only for the BPT and BET, effective July 1, 2018.

This tax credit is not a "cascading" credit.. The tax credit may only be used to offset tax liabilities incurred in the tax year in which the donation was made.

The amount disclosed below is the total reduction in revenue to the State whether applied against BPT, BET, and/or I&D returns.

Agreement: For each contribution made to a scholarship organization, a business organization or business enterprise may claim the credit on their return per the allowable amount calculated by the Department of Revenue Administration. There are no provisions to recapture previous credits.

Methodology: Credit used is the amount actually reported by 103 taxpayers and used to offset a tax liability on the New Hampshire BET, BPT, and I&D returns.

Tax returns filed in fiscal year 2024: The tax credit used against BPT, BET and I&D totaled $1,995,000. The maximum aggregate credit amount allowable for all taxpayers was $6,000,000.

15. LITIGATION AND OTHER MATTERS

The State, its agencies, officials and employees are defendants in numerous lawsuits. Although the State is unable to predict the ultimate outcomes of these suits, based on the information provided by the Attorney General's Office, it does not appear that such litigation resulting, either individually or in the aggregate, in final judgments against the State, would materially affect its financial position. Immaterial provisions, if appropriate, for such ultimate liability has been made in the financial statements. Notable cases that could potentially result in a material transaction are described herein.

Department of Health and Human Services (DHHS)

State of New Hampshire Department of Health and Human Services', Division for Children, Youth and Families (DCYF) is currently defending several lawsuits alleging physical and/or sexual abuse of children either directly or indirectly under the supervision of DCYF or reported to and investigated by DCYF.

In *R.K & Z.K.. v. DCYF*, which are consolidated matters brought by sibling plaintiffs, the plaintiffs allege that they were abused by their adoptive mother and her boyfriend between June 2008 and October 2016. The plaintiffs allege that DCYF received reports of alleged abuse or neglect of the plaintiffs. The plaintiffs assert claims of negligence and negligent supervision and training against DCYF, based on factual allegations that DCYF failed to provide a safe atmosphere for the plaintiff and failed to appropriately respond to continuing reports of abuse or neglect. The parties mediated the case in March 2025 and agreed to settle for $700 thousand per plaintiff. Total payment of $1.4 million is reflected in these financial statements.

Estate of M.K., et al. v. DCYF, involves threatened claims in relation to an infant who died in January 2022. The complaint was filed in November 2023. The State accepted service on behalf of the defendants. On January 16, 2024, the plaintiff filed an amended complaint. The defendants filed a partial motion to dismiss on February 7, 2024. The superior court granted the motion in part and denied it in part. The superior court dismissed all of the plaintiffs constitutional claims but allowed the plaintiff to proceed on breach of contract, fiduciary duty, and negligence claims. The case has been structured and discovery is closed. The Superior Court granted summary judgment in favor of DHHS on the plaintiff's contract claim. A motion for summary judgment on the negligence claim remains pending. Trial is scheduled for April 2026. It is not possible to predict the outcome of this case at this time.

Crystal Sorey v. Department of Health and Human Services, et al. This lawsuit was filed on September 13, 2024, related to the death of Harmony Montgomery. Following mediation in March 2025 and subsequent negotiations, the parties agreed to settle this matter for $2.25 million, which is reflected in these financial statements.

Youth Development Center Child Abuse Litigation.

The Youth Development Center (YDC) was New Hampshire's juvenile detention facility, and housed both pre-trial detained and delinquent-committed youth. In various locations, at current and now decommissioned and/or demolished physical facilities, and under different names or entities, these types of facilities have existed in New Hampshire for decades. An active criminal investigation is ongoing into allegations of child abuse which may have occurred at these facilities in past years, and a number of individuals have now been criminally charged. There is also a growing number of civil liability claims, now numbering well over 1,000 individual lawsuits, related to these allegations, for which liability, in the aggregate, will likely exceed $2 million. These cases have been consolidated by the Superior Court and the parties have agreed to structure them so that legal issues common to all claims are resolved at the outset. Approximately two-dozen non-contractor claims remained in active litigation following June 30, 2025, which was the deadline for litigants to file a claim with the *Youth Development Center Claims Fund* (see below). The filing of a claim in the *Youth Development Center Claims Fund* stays any parallel litigation in Superior Court.

Trial for the lead case, David Meehan v. DHHS commenced on April 8, 2024, and lasted roughly four weeks. At the close of trial, the jury rendered a verdict finding the State Defendants liable for the plaintiffs harm. The jury declined to apportion any fault to any of the intentional tortfeasors. The jury awarded the plaintiff $20 million in compensatory damages and $18 million in enhanced compensatory damages, for a total award of $38 million. The jury also found that a single "incident" had occurred, which by operation of RSA 541-B:14, IV caps the plaintiffs damages at $475 thousand. There has been extensive post-verdict briefing related to the jury's verdict. On December 10, 2024, the superior court granted the plaintiff's request for a new *de novo* trial, granted the plaintiff's request to file an interlocutory appeal, and stayed all trial court proceedings. The State defendants moved to reconsider the trial court's rulings, which the superior court denied. The State defendants separately filed a petition for original jurisdiction in the New Hampshire Supreme Court, seeking review of the Superior Court's decision to grant a new *de novo* trial. On March 7, 2025, the Supreme Court accepted the plaintiff's interlocutory appeal and the State defendants' petition for original jurisdiction. Oral argument was held in November 2025 and the Supreme Court issued an order directing additional briefing on the definition of an 'incident'. It is not possible to predict how the Supreme Court will resolve the interlocutory appeal and petition for original jurisdiction or the outcome of any *de novo* trial at this time.

All trials in matters pending in Rockingham County Superior Court are stayed pending resolution of the cross-appeals in *Meehan*. It is anticipated that no trials will be held until June 2026, at the earliest.

The State agreed to settle Michael Gilpatrick's suit for $10 million, which is an amount in excess of the Attorney General's settlement authority. The Legislature approved this settlement as part of the 2026-2027 biennial budget, per Chapter 141:184, Laws of 2025, approved on June 27, 2025. The $10 million payment accrual is reflected in these financial statements.

The State also agreed to settle Natasha Maunsell's case for $4.5 million, which is reflected in these financial statements.

"Contractor" Cases. In addition to the consolidated cases identified above, there are also several hundred actions pending in Merrimack County Superior Court brought by plaintiffs who allege they were abused at private facilities that are alleged to have contracted with the State to provide services to minors. The plaintiffs in these cases bring claims against each facility-colloquially known as a "contractor" defendant-and DHHS. Discovery is ongoing in these cases. A trial is scheduled in the first case for June 2026 and no other trials are scheduled. It is not possible to predict the outcome of these cases at this time.

Youth Development Center Claims Fund. In May 2022, the Legislature enacted legislation (HB 1677) that establishes a new, separate $100 million settlement fund and claims administration process, which will proceed parallel to the civil litigation. In September 2022, the Joint Legislative Fiscal Committee approved a claims administration process proposed by the NH Attorney General's Office. Former Chief Justice John Broderick was selected to serve as claims administrator. The claims administration process commenced in January 2023. As of June 30, 2025, a total of 1,966 complete claims had been filed, with 361 notices of claims outstanding. The number of complete claims was updated to 2,269 as of November 30 2025 and 419 claims have been resolved. The State cannot predict how many of the outstanding complete claims will resolve with an award.

During the spring 2025 legislative session, changes to the claims administration process were proposed and ultimately passed into law as part of Chapter 141 (HB2). The three main changes to the claims administration process were 1) requiring that attorney's fees in installment awards be paid over the same number of years as the installments paid to the claimant; 2) reorganizing the Claims Administration office under the Executive Branch, with the Claims Administrator appointed by the Governor with the approval of the Executive Council; and 3) requiring that the Attorney General's Office also affirmatively accept awards issued by the Claims Administrator, in addition to the claimant. All three of these changes are currently being challenged in *Foley et al. v. State of New Hampshire et al*., which is pending in Merrimack Superior Court. HB2 also appropriated an additional $20 million to the settlement fund for fiscal year 2026, on top of the $165 million that had already been appropriated to the fund through June 30, 2025. All of these amendments became effective as of June 27, 2025.

The State cannot now accurately predict the final aggregate amount to be paid by the State. As of June 30, 2025, approximately $210 million has been awarded for the resolved claims (not including interest). Of this $210 million awarded, approximately $136 million has already been paid. Current law provides that, absent an exceptional circumstance, the total amount of payments made by the claims fund in any given year is capped at $75 million per year and payments will be generally made over a maximum ten-year period. Based on the available data, the average award to date has been approximately $540 thousand per claim, and the State has used this data to reflect an estimated long-term claims liability in these financial statements. However, with well over 1,500 unresolved claims claiming anywhere from a few hundred dollars to $2.5 million each, the total liability for all outstanding claims may change. Additional information regarding the settlement fund and claims administration process is available at https://www.ydcclaims.nh.gov/.

B.D. (formerly G.K)., by their next friend, Christine Wellington, et al. v. Sununu, et al.

This federal class action asserts that various aspects of the state foster care system violate the Adoption Assistance and Child Welfare Act, the Americans with Disabilities Act, and the Rehabilitation Act. In September 2024, the federal court granted the plaintiffs' motion for class certification. Discovery, which was extensive and voluminous, is now closed. The parties have cross-moved for summary judgment and a hearing on the motions has not yet been set. It is not possible to predict the outcome of this litigation at this time.

Fitzmorris (formerly Price), et al. v. Commissioner of the New Hampshire Department of Health and Human Services, et al.

Three persons with disabilities enrolled in the New Hampshire Choices for Independence Medicaid Waiver ("CFI Waiver") filed suit in federal district court alleging that DHHS failed to provide them with community-based long-term care services available through the CFI Waiver in violation of the Fourteenth Amendment of the United States Constitution, Title II of the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and the Medicaid Act. The plaintiffs claim that DHHS has violated the integration mandate with the administration of the CFI Waiver. In November 2023, the court certified a class. Discovery, which was extensive and voluminous, is now closed. The parties have fully briefed cross-motions for summary judgment. A hearing on those motions was held on October 29, 2025. The matter has been removed from the trial calendar, to be rescheduled if necessary once summary judgment is resolved. It is not possible to predict the outcome of this action at this time.

John Doe, on behalf of himself and all others similarly situated v. Commissioner Lori Weaver, et al.

This class action commenced in 2018, when the ACLU filed suit on behalf of a class of persons who alleged that they were at risk of being denied timely probable cause hearings under RSA 135-C:31, I. After several years of litigation, the federal district court dismissed the class plaintiffs' amended class action complained based on *Younger* abstention. The class plaintiffs did not appeal that order, and that portion of the lawsuit is now resolved. The New Hampshire Hospital Association and a number of hospitals (collectively "the hospitals") also intervened as plaintiffs in the matter. The hospitals alleged that the Commissioner was violating their rights under the Fourth, Fifth, and Fourteenth Amendments, and state law, by not immediately transporting patients from hospital emergency departments to state-regulated receiving facilities when an IEA certificate was completed. The hospitals' state claims were dismissed based on Eleventh Amendment immunity, but the federal district court entered summary judgment in the hospitals' favor on their Fourth Amendment claim. The court subsequently entered an injunction requiring the Commissioner to bring the IEA system into compliance with the Fourth Amendment within 12 months. Upon agreement, the parties have extended this deadline several times and are seeking to negotiate a final resolution of the matter. It is not possible to predict the results of those efforts at this time.

Concord Hospital, Inc. v. Commissioner of the Department of Health and Human Services et al.

On October 30, 2023, Concord Hospital filed a lawsuit in federal district court challenging the State's disproportionate share hospital ("DSH") redistributions for state fiscal years 2011 through 2017, claiming that the DSH distributions violate the Medicaid Act, the Administrative Procedures Act, and the Due Process Clause of the Fourteenth Amendment. Through the lawsuit, Concord Hospital seeks to prevent the State from recouping $8 million that Concord Hospital was overpaid in interim DSH payments and redistributing the money to other hospitals that were underpaid. Concord Hospital also filed a motion for a preliminary injunction seeking to enjoin the State from recouping the funds until the court has made a decision on the merits of the case. The State filed a motion to dismiss the case, in December 2023. The court held a two-day hearing on the plaintiffs motion for a preliminary injunction, which concluded on February 5, 2024. Both the state and federal defendants have separately moved to dismiss the lawsuit. On August 5, 2024, the federal district court granted the state defendants' motion to dismiss in part and granted Concord Hospital's motion for a preliminary injunction. The parties agreed to convert the preliminary injunction into a final judgment, which fully resolved the merits of the trial court matter. Concord Hospital has filed an appeal of the claims that were dismissed, and a briefing schedule has not been issued for that appeal. It is not possible to predict the outcome of any appeal at this time.

New Hampshire Hospital Association, et al. v. Department of Revenue Administration

In April 2025, the New Hampshire Hospital Association, Dartmouth Health, and Concord Hospital filed suit against the Department of Revenue Administration challenging the constitutionality of the Medicaid Enhancement Tax. This lawsuit followed the expiration of a previous settlement agreement that resolved similar earlier challenges. In May 2025, the parties reached an agreement in principle to resolve the matter, which was reduced to a term sheet. The parties agreed to stay the litigation while a final settlement agreement was negotiated. Once a final settlement is reached, this matter will be resolved.

Secretary of State / State Legislature

New Hampshire Youth Movement v. David M Scanlan; Coalition for Open Democracy, et al. v. David M Scanlan

Two separate plaintiff groups have filed suit in federal court challenging the constitutionality of HB 1569, which changes voter registration requirements and requires all voters to provide documentary proof of identity when seeking to vote, without exception. The defendants moved to dismiss each matter, and the court denied those motions in substantial part. The matters are now consolidated into a single action. Discovery has closed. The defendants have moved for summary judgment on standing and that motion remains pending. Trial is scheduled for February 2026. Although the plaintiffs do not seek monetary damages, the plaintiffs may be awarded attorney's fees under federal law if they prevail. Based on the claims presented, an attorney's fee award could exceed $2 million. It is not possible to predict the outcome of this case at this time.

Other Departments

Jane Does v. Department of Corrections, et al.

Nineteen current and former inmates at the New Hampshire State Prison for Men have filed separate lawsuits against the Department of Corrections and a Department of Corrections employee alleging physical and sexual abuse during their incarceration. All nineteen complaints have been filed in Merrimack County Superior Court. The Department of Corrections has moved to dismiss twelve of the lawsuits based on the statute of limitations. The parties have agreed to stay litigation on the other lawsuits while the motions to dismiss are pending. It is possible that these cases individually or collectively could result in exposure exceeding $2 million. It is not possible to predict the outcome of any of these cases at this time.

Contoocook Valley School District v. State et al.

In March 2019, several plaintiffs, including a school district and three individuals, sued the State claiming that it has failed to meet its obligations to fund an adequate education. The plaintiffs asserted that certain costs like transportation costs, school nurse costs, food services costs, facilities costs, teacher benefits, and superintendent costs, must, as a matter of constitutional law, be funded by the State and are not funded by the State. A trial was held in late-April and early-May 2023. On November 20, 2023, the court issued an order that (1) declared RSA 198:40-a, II(a) unconstitutional on its face; (2) granted the plaintiffs' request for injunctive relief "insofar as the Court has established a conservative minimum threshold of $7,356.01 which base aid funding must exceed"; and (3) observed that "[a]t a minimum this is an increase of $537,550,970.95 in base adequacy aid" per year; and (4) awarded the plaintiffs reasonable attorney's fees. The State appealed. The Supreme Court initially stayed this Order pending the Appeal.

The Supreme Court issued a decision on July 1, 2025, affirming the trial court's decision in substantial part. The Supreme Court affirmed the trial court's declaration that RSA 198:40-a, II(a) is unconstitutional on its face and the trial court's determination of a conservative minimum threshold. The Supreme Court reversed the trial court's grant of injunctive relief to the allow the legislature time to respond to the decision. Subsequent to fiscal year-end, the parties agreed to resolve the attorney's fees award for $2 million, which will be reflected in fiscal year 2026 and at that point, the matter will be resolved.

Rand v. State of New Hampshire

In July 2022, several taxpayers filed a second school-funding lawsuit against the State of New Hampshire, alleging that the manner in which public education is costed and funded violates the State Constitution. The plaintiffs seek declarations that various aspects of the State's school-funding apparatus are unconstitutional and corresponding injunctive relief. The plaintiffs contend that the Statewide Education Property Tax (the "SWEPT") violates Part II, Article 5 of the State Constitution because certain communities are permitted to retain any revenues generated by the SWEPT in excess of what those communities receive in adequacy payments from the State (the "SWEPT" claim). The plaintiffs contend that this

results in the SWEPT being levied at a non-uniform rate. They also ask the court to declare that the cost of a constitutionally adequate education is the state average per-pupil cost (the "adequacy" claim).

On November 20, 2023, the Court issued an order granting the plaintiffs' motion for summary judgment on their SWEPT claim. The New Hampshire Supreme Court stayed this order pending an appeal. An approximately two-week bench trial was held starting on September 30, 2024. On June 10, 2025, the Supreme Court issued a decision on the SWEPT claim reversing the trial court's conclusion that allowing revenues to retain so-called "excess SWEPT" violates Part I, Article 5. The Supreme Court affirmed the trial court's decision that the Department of Revenue Administration's practice of setting negative local tax rates in small number of jurisdictions violates Part I, Article 5. The SWEPT claim is now resolved.

On August 18, 2025, the trial court issued an order on the adequacy claim. The trial court ruled in the plaintiffs' favor in part. The trial court denied the plaintiffs' request for attorneys' fees. The State has filed a partial motion to reconsider, which the superior court took under advisement after an October 14, 2025 hearing. It is not possible to predict the outcome of the motion to reconsider or any potential appeal at this time.

Local 8027, AFT-New Hampshire, et al. v. Edelblut, et al*; *Mejia, et al v. Edelblut, et al. (Department of Education)

The plaintiffs in these consolidated cases challenge recently enacted antidiscrimination provisions on vagueness and overbreadth grounds. The defendants move to dismiss both complaints. An oral argument was held in mid-September 2022. In December 2022, the court granted the defendants' motion to dismiss in part with respect to the plaintiffs' First Amendment claim and denied it in full with respect to the plaintiffs' vagueness claim. Following discovery, the parties filed cross-motions for summary judgment. The federal district court granted the plaintiffs' motion for summary judgment, finding the provisions unconstitutionally vague. The defendants timely appealed to the First Circuit and a decision is pending. Though there is no claim for monetary damages in this case, the plaintiffs may be awarded attorney's fees if they prevail, which could exceed $2 million. It is not possible to predict the outcome of this litigation at this time.

Tirrell, et al v. Edelblut, et al. (Department of Education)

Two transgender girls bring challenges under the Fourteenth Amendment and Title IX to HB 1205. The plaintiffs moved for and obtained a preliminary injunction allowing them to participate in girls' sports while the lawsuit is pending. The plaintiffs subsequently amended the lawsuit to bring both facial and as-applied challenges to HB 1205. The defendants have moved to dismiss the facial challenges. The matter is currently stayed to allow the U.S. Supreme Court to resolve two appeals involving arguments similar to the arguments presented in this case. Though the plaintiffs don't seek monetary relief, it is possible that an attorney's fee award could exceed $2 million if the plaintiffs prevail on the merits. It is not possible to predict the outcome of this case at this time.

NEA-NH, et al. v. Formella, et al.

Several institutional and individual plaintiffs have filed suit challenging provisions enacted through 2025 HB 2 related to Diversity, Equity, and Inclusion. The plaintiffs bring challenges under the First Amendment, Fourteenth Amendment, and preemption doctrine. The plaintiff moved for a preliminary injunction, which the parties briefed on an expedited schedule. In October, court granted the motion for a preliminary injunction in substantial part. The case is not yet structured and discovery has not commenced. Though the plaintiffs don't seek monetary relief, it is possible that an attorney's fee award could exceed $2 million if the plaintiffs prevail on the merits.

State v. Purdue Pharma; State v. Janssen/Johnson & Johnson; State v. McKesson Corp and Cardinal Health; State v. Mallinckrodt; State v. Richard S. Sackler, et al.*; *State v. McKinsey & Co.; State v. CVS, Walgreens, Walmart; State v. Allergan; State v. Teva

The State has filed suit against three opioid manufacturers (Purdue Pharma, Janssen, and Mallinckrodt), two opioid distributors (McKesson and Cardinal Health), four members of the Sackler family, owners of Purdue Pharma, and three major pharmacy chains (CVS, Walgreens and Rite Aid) alleging either unfair or deceptive business practices, nuisance or other common law counts. The Mallinckrodt defendants subsequently filed for bankruptcy protection, and the State received $1.9 million from the estate. Purdue also filed for bankruptcy and in September 2021, the bankruptcy court confirmed a plan for reorganization of Purdue. The U.S. Supreme Court struck down that plan. Negotiations with the company and the Sackler Family produced a new plan that significantly increased the amount that the Sackler Family will pay. The bankruptcy court approved that plan in November 2025. The State is expected to receive approximately $30 million. The State reached a settlement agreement with Johnson & Johnson under which the State received $31 million, in October 2022, payable in one payment. The State joined the multistate settlement with McKesson, Cardinal Health and Amerisource Bergen. That settlement is in the amount of $21 billion paid over 18 years. The State will receive 0.6258752503% of the national amount allocated for abatement purposes, or approximately $115 million over 18 years. The State further entered into a multistate agreement with McKinsey & Co, a marketing firm, for its opioid promotional efforts on behalf of Purdue, Johnson & Johnson and other manufacturers and has received $3.2 million. The State also entered into a multistate settlement with Publicis Health and received $1.98 million. The State joined the multistate settlements with opioid manufacturers Teva and Allergan and expects to receive $33.3 million over 13 years. The State has also joined settlements with Walmart ($15.5 million received), CVS ($27.4 million expected over 10 years), and Walgreens ($29.8 million over 15 years). Endo, yet another opioid manufacturer, filed for bankruptcy during the summer, 2022. The bankruptcy plan was confirmed, and the State will receive an amount yet to be determined from the estate. All opioid funds from these settlements are deposited into a dedicated opioid abatement trust fund (85%) or distributed to the 23 qualifying subdivisions who filed their own opioid lawsuits (15%). Based on an analysis of scheduled payments and information available as of the State's fiscal year-end, the accompanying financial statements reflect an estimated long-term receivable associated with any of these cases for which the State had substantively executed settlement agreements as of June 30, 2025.

Other Matters

Anticipated future payments to the State - Per and Polyfluoroalkyl Substances (PFAS) Remediation:

Two proposed class-action settlements were filed with the Multidistrict Litigation (MDL) Court in July 2023 by the 3M Company and the DuPont companies, respectively. The settlements seek to resolve claims by certain classes of drinking water providers as to 3M and the DuPont entities, with total contributions of $10.5-12.5 billion by 3M and $1.185 billion by the DuPont entities. The settlements were approved by the MDL Court, will resolve one subset of the State's claimed damages, and are estimated to result in a payment to the State of $60 million or more between 2024 and 2035, which has been reflected in the accompanying financial statements. Two additional nationwide settlements of drinking water provider claims with Tyco Fire Products LLP and BASF in the amounts of $750 million and $316.5 million, respectively, were approved by the MDL Court in November 2024, and also reflected in the accompanying financial statements. Other settlements are anticipated with the remaining defendants, but cannot be quantified as of June 30, 2025.

US Treasury Review:

During fiscal year 2024, the U.S. Treasury Office of Inspector General (OIG) initiated a desk review of the State's use of the Coronavirus Relief Fund (CRF) as part of the CARES Act funding received and expended during the period March 1, 2020 through September 30, 2023. The review was conducted to evaluate the State's documentation supporting expenditures and assess the risk of unallowable costs. The OIG issued a Desk Review Memorandum identifying certain unsupported and ineligible questioned costs as a result of the Desk Review. During fiscal year 2025, the State continued to work with OIG to provide additional documentation. Subsequent to June 30, 2025, the matter has been resolved with no required return of funds.

16. GOVERNMENTAL FUND BALANCES AND STABILIZATION ACCOUNT

A summary of the nature and purpose of the constraints and related amounts by fund at June 30, 2025 follows:

Governmental Fund Balances - Restricted, Committed, Assigned and Unassigned
(expressed in thousands)

	Restricted	Committed	Assigned	Unassigned
General Fund:				
General Government	$ 207,240	$ 18,155	$ 76,764	
Administration of Justice & Public Protection	76,817	14,858	59,152	
Resources Protection & Development	301,595	2,177	44,679	
Transportation	7,820		15,421	
Health & Human Services	378,590	48,722	77,858	
Education	4,920		7,533	
Other Purposes *				225,208
Total	976,982	83,912	281,407	225,208
Highway Fund:				
General Government	699			
Administration of Justice & Public Protection	5,657			
Transportation	118,106		63,100	
Total	124,462		63,100	
Education Trust Fund:				
Education			130,802	
Total			130,802	
Non-Major Governmental Funds:				
Resources Protection & Development	3,188	6,021	10,191	
Other Purposes	40,056			21,352
Total	$ 43,244	$ 6,021	$ 10,191	$ 21,352

* Includes the Revenue Stabilization account

The State maintains a Revenue Stabilization account (the Rainy Day Fund) established by RSA 9:13-e. Pursuant to RSA 9:13-e, at the close of each fiscal biennium, any General Fund Unassigned Fund Balance (Surplus) remaining, as determined by the official audit performed pursuant to RSA 21-I:8, II(a), shall be transferred to this special non-lapsing account. According to the governing statute, transfers into the Rainy Day Fund only occur in the second year of a biennium, which is fiscal year 2025. The total potential maximum balance allowable in the Rainy Day Fund is defined by the statute as 10% of the actual general fund unrestricted revenues for the most recently completed fiscal biennium. Historically, pursuant to RSA 9:13-e, if certain conditions were met, a transfer from the Rainy Day Fund could be made in the event of an operating budget deficit at the close of any fiscal biennium.

However, in the 2025 legislative session, the Legislature enacted an amendment to RSA 9:13-e, effective only for the biennium ending June 30, 2025. Per Chapter 141:139, in the event of a general fund operating budget deficit at the close of fiscal year 2025, as determined by the official audit performed pursuant to RSA 21-I:8, II(a), the state comptroller shall notify the fiscal committee and the governor of such deficit and request approval to transfer funds from the revenue stabilization reserve account to eliminate such deficit. For the fiscal year ended June 30, 2025, transfers to the General Fund Surplus from the Rainy Day Fund totaled $67.3 million.

17. JOINT VENTURES-LOTTERY COMMISSION

The New Hampshire Lottery Commission is an active participant in three separate joint venture arrangements: the Tri-State Lotto Commission (Tri-State), the Multi-State Lottery Association (MUSL), and the Lucky for Life.

In September 1985, the Tri-State was established whereby the New Hampshire Lottery Commission (Lottery) entered into a joint venture with the lotteries of the states of Maine and Vermont to promulgate rules and regulations regarding the conduct of lottery games and the licensing of retailers. In addition, each of the member states contributes services towards the management and advisory functions. Each member state including the Lottery shares in all joint venture sales and expenses, including prize expenses, based on its pro-rata share of sales. Direct charges, such as advertising, vendor fees and the Lottery's per-diem payments are charged to participating states based on services received. Prizes awarded under Tri-State games are fully funded by deposit fund contracts and investments held by Tri-State. Accordingly, Lottery does not record a liability for jackpot awards which are payable in installments from funds provided by Tri-State. For the year ended June 30, 2025, the Lottery recognized $11.6 million of net income from Tri-State. At June 30, 2025, Tri-State reported total installment prize obligations owed to jackpot winners of $6.6 million, payable through the year 2045.

In addition, Tri-State has established a Designated Prize Reserve, which acts as a contingency to protect Tri-State against unforeseen liabilities. The Lottery's share of deposits held as Tri-State prize reserves was $1.8 million at June 30, 2025. The Tri-State issues a publicly available annual financial report, which may be obtained by writing to the Tri-State Lotto Commission, 14 Integra Drive, Concord, NH 03301.

In November 1995, the Lottery became a member of MUSL, which is currently comprised of 36 member state lotteries plus the District of Columbia, Puerto Rico, and the United States Virgin Islands. MUSL is managed by a Board of Directors, which is comprised of the lottery directors or their designee from each of the party states. The Board of Directors' responsibilities to administer the Multi-State Lottery Powerball, Lotto America, and Mega Millions games are performed by advisory committees or panels staffed by officers and independent contractors appointed by the board. Each state lottery sells tickets, collects revenues and remits prize funds to MUSL net of lower tier prize awards. Each member also pays for a share of MUSL's operating expenses based upon the members' proportionate share of game sales. Jackpot prizes that are payable in installments are satisfied through investments purchased by MUSL. Accordingly, the Lottery does not record a liability for jackpot awards which are payable in installments from funds provided by MUSL. For the year ended June 30, 2025, the Lottery recognized $22.1 million of net income from MUSL.

In addition, MUSL has established a contingency reserve to protect MUSL and its members against unforeseen liabilities. The Lottery's share of deposits held as MUSL prize reserves was $2.6 million at June 30, 2025. MUSL issues a publicly available annual financial report, which may be obtained by writing to the Multi-State Lottery Association, 8101 Birchwood Court, Suite R, Johnston, Iowa 50131.

The New Hampshire Lottery Commission became a member of the New England regional lottery game known as Lucky for Life beginning sales on March 11, 2012, with the first drawing held on March 15, 2012. Lucky for Life is currently comprised of lotteries in twenty-two states and the District of Columbia. The Lottery sells Lucky for Life tickets, collects all revenues, and remits prize funds and operating funds to MUSL. While Lucky for Life is not a MUSL game, the party lotteries pay a fee to MUSL to act as the game administrator (clearinghouse agent). MUSL collects and re-distributes funds to the party lotteries when funds are due and purchases insurance annuities for the top two highest prize tiers when a winner does not choose a cash pay-out. The top two prize tiers are payable in installments and are satisfied through insurance annuities purchased by MUSL when a winner chooses the annuity option. Accordingly, the Lottery does not record an obligation for jackpot awards which are payable in installments from funds provided by MUSL or the other party lotteries.

Each member state including the Lottery shares in all joint venture sales and expenses, including prize expenses, based on its pro-rata share of sales. For the year ended June 30, 2025, New Hampshire's total share of the net income for Lucky for Life was $4.0 million. The prize liability for each Lucky for Life drawing is shared by each member Lottery based on an amount equal to a percentage of that member Lottery's Lucky for Life sales. Each member Lottery is responsible for a prize payout equal to a percentage of that member Lottery's Lucky for Life sales, said percentage being the proportion of total Lucky for Life prize liability to total Lucky for Life sales. There are no prize reserves held by MUSL for this game.

The State's total share of accrued prize and operating amounts due at June 30, 2025 amounted to $2.6 million, representing MUSL prize reserves which could be returned to the State's Education Trust Fund.

Required Supplementary Information (Unaudited)

The notes to the basic financial statements are an integral part of this statement

STATE OF NEW HAMPSHIRE
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE (Unaudited)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	General Fund			
	Budgeted Amounts			
	Original	Final	Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
REVENUES				
General Property Taxes	$ 686	$ 707	$ 368	$ (339)
Special Taxes	1,671,756	1,673,247	1,611,697	(61,550)
Personal Taxes	131,690	131,690	120,069	(11,621)
Business License Taxes	33,147	33,302	32,792	(510)
Non-Business License Taxes	162,254	162,785	184,170	21,385
Fees	348,030	401,470	215,699	(185,771)
Fines, Penalties and Interest	31,799	39,087	22,812	(16,275)
Grants from Federal Government	5,468,980	6,344,042	2,809,109	(3,534,933)
Grants from Private and Local Sources	179,652	185,435	165,822	(19,613)
Rents and Leases	9,477	10,187	1,662	(8,525)
Interest Premiums and Discounts	90,219	91,310	145,146	53,836
Sale of Commodities	32,731	40,808	21,678	(19,130)
Sale of Services	65,315	67,330	24,450	(42,880)
Assessments	115,223	123,740	88,216	(35,524)
Grants from Other Agencies	914,090	969,711	299,519	(670,192)
Miscellaneous	831,681	1,127,971	602,804	(525,167)
Total Revenues	10,086,730	11,402,822	6,346,013	(5,056,809)
EXPENDITURES				
General Government	779,497	1,030,065	785,425	244,640
Justice and Public Protection	1,172,324	1,473,581	898,555	575,026
Resources Protection and Development	918,002	968,478	381,547	586,931
Transportation	94,703	95,693	25,947	69,746
Health and Social Services	4,519,625	5,497,314	4,197,264	1,300,050
Education	826,844	808,422	570,662	237,760
Total Expenditures	8,310,995	9,873,553	6,859,400	3,014,153
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,775,735	1,529,269	(513,387)	(2,042,656)
Fund Balance - July 1	2,031,985	(1,583,614)	2,836,163	
Fund Balance - June 30	$ 3,807,720	$ (54,345)	$ 2,322,776	

STATE OF NEW HAMPSHIRE
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE (Unaudited)
HIGHWAY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Highway Fund			
	Budgeted Amounts			
	Original	Final	Actual (Budgetary Basis)	Variance with Final Budget-Positive (Negative)
REVENUES				
General Property Taxes				$
Special Taxes				
Personal Taxes				
Business License Taxes	445,270	454,999	188,210	(266,789)
Non-Business License Taxes	98,156	98,156	71,493	(26,663)
Fees	344,348	344,433	32,340	(312,093)
Fines, Penalties and Interest	6,533	6,650	5,823	(827)
Grants from Federal Government	841,136	847,950	265,934	(582,016)
Grants from Private and Local Sources	21,982	22,159	11,256	(10,903)
Rents and Leases	50	50	54	4
Sale of Commodities	9,817	9,843	9,079	(764)
Sale of Services	333	335	479	144
Grants from Other Agencies	28,230	29,053	18,667	(10,386)
Miscellaneous	106,344	113,846	84,632	(29,214)
Total Revenues	1,902,199	1,927,474	687,967	(1,239,507)
EXPENDITURES				
General Government	337	337	35	302
Justice and Public Protection	145,582	155,689	128,311	27,378
Transportation	1,188,664	1,230,263	570,291	659,972
Total Expenditures	1,334,583	1,386,289	698,637	687,652
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	567,616	541,185	(10,670)	(551,855)
Fund Balance - July 1	1,119,026	1,003,296	443,899	
Fund Balance - June 30	$ 1,686,642	$ 1,544,481	$ 433,229	

STATE OF NEW HAMPSHIRE
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE (Unaudited)
EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Education Trust Fund			
	Budgeted Amounts			
	Original	Final	Actual (Budgetary Basis)	Variance with Final Budget-Positive (Negative)
REVENUES				
General Property Taxes	$ 406,100	$ 406,100	$ 413,650	$ 7,550
Special Taxes	759,010	759,010	717,268	(41,742)
Personal Taxes	80,300	80,300	64,055	(16,245)
Interest Premiums and Discounts			4,020	4,020
Miscellaneous	38,500	38,500	37,720	(780)
Total Revenues	1,283,910	1,283,910	1,236,713	(47,197)
EXPENDITURES				
General Government	1,500	1,500	1,024	476
Education	1,289,421	1,304,678	1,264,138	40,540
Total Expenditures	1,290,921	1,306,178	1,265,162	41,016
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(7,011)	(22,268)	(28,449)	(6,181)
Fund Balance - July 1	(182,493)	(244,978)	269,092	
Fund Balance - June 30	$ (189,504)	$ (267,246)	$ 240,643	

Note to the Required Supplementary Information - Budgetary Reporting (Unaudited)

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The Budget To Actual (Non-GAAP Budgetary Basis) Schedules depict budgeted to actual expenditures using the same format, terminology and classification as in the statement of revenues, expenses and changes in fund balances with an additional expense level by department within each functional expense category.

The comparison schedule presented for the General Fund, the Highway Fund, and the Education Trust Fund, presents the original and final appropriated budgets for fiscal year 2025, as well as the actual resource inflows, outflows and fund balances stated on the budgetary basis.

The "original budget" and related estimated revenues represent the spending authority enacted into law by the appropriation bill for each biennial budget. For fiscal year 2024, the operating budget proposed in HB1 and HB2, for fiscal years 2024-2025, was effective as of July 1, 2023, and represents the original budget, which includes balances and encumbrances carried forward from the prior year.

Generally accepted accounting principles (GAAP) require the final legal budget be reflected in the "final budget" column for those accounts included in the original budget. Therefore, updated revenue estimates available for appropriations as of June 30, 2025 rather than the amounts shown in the original budget, are reported. The final appropriations budget represents the original budget (HB1), plus HB2 and other supplemental appropriations, carry-forwards, approved transfers, and any executive order reductions for budgeted accounts. In addition, fiscal year 2024 appropriations include certain spending designated for fiscal 2024 as part of Chapter 79, Laws of 2023 (HB2 for 2024-2025 biennium) enacted in June 2023. Please see https://www.das.nh.gov/accounting/comparison for the separately issued budgetary reports, prepared at the legal level of budgetary control.

RECONCILIATION OF BUDGETARY TO GAAP

The State's biennial budget is prepared on a basis other than GAAP. The "actual" results columns of the Budget To Actual (Non- GAAP Budgetary Basis) schedules are presented on a "budgetary basis" under such standardized accounting methods and policies structured to provide a meaningful comparison to budget.

The major differences between the budgetary basis and the GAAP basis are:

1. Expenditures (Budgetary) are recorded when cash is paid, rather than when the obligation is incurred (GAAP). Revenues (Budgetary) are based on cash received plus estimated revenues related to the budgetary expenditures. Additional revenue accruals are made on a GAAP basis only.
2. On a GAAP basis, major inter-agency and intra-agency transactions are eliminated in order to not double count revenues and expenditures.

The following schedule reconciles the General and Major Special Revenue Funds of the primary government for differences between budgetary accounting methods and the GAAP basis accounting principles for the year ended June 30, 2025 (expressed in thousands).

	General Fund	Highway Fund	Education Trust Fund
Excess/(Deficiency) of revenues and other financing sources over/(under) expenditures and other financing (uses) (Budgetary Basis)	$ (513,387)	$(10,670)	$(28,449)
Adjustments and Reclassifications:			
To record change in Accounts Payable and Accrued Payroll	15,868	(32,658)	(17,367)
To record change in Accounts Receivable	204,953	21,091	
To record Other Financing Sources (Uses) and Change in Inventory.	(40,535)	(4,840)	(20,444)
Excess/(Deficiency) of revenues and other financing sources over/(under) expenditures and other financing (uses) (GAAP Basis) including change in inventory	$ (333,101)	$(27,077)	$(66,260)

Required Supplementary Information (Unaudited)

INFORMATION ABOUT THE TRUSTED OTHER POSTEMPLOYMENT BENEFITS PLAN

Schedule of the State's Proportionate Share of the Net OPEB Liability (Trusted OPEB Plan)

(dollars in thousands)	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
State's Proportion of the Net OPEB Liability	19.48%	18.22%	18.07%	19.72%	19.85%	20.62%	20.17%	19.0970%
State's Proportionate Share of the Net OPEB Liability	$60,550	$62,263	$68,301	$78,958	$86,882	$90,417	$92,357	$87,317
State's Covered Payroll	$784,333	$699,939	$658,970	$649,270	$638,061	$621,426	$601,426	$587,542
State's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	7.72%	8.90%	10.36%	12.16%	13.62%	14.55%	15.36%	14.86%
NHRS Fiduciary Net Position as a Percentage of the Total OPEB Liability	14.01%	12.80%	10.64%	11.06%	7.74%	7.75%	7.53%	7.91%

Note: The amounts presented were determined as of and for the measurement period ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, and 2017.

The schedule is intended to show 10 years. Additional years will be added as they become available.

Schedule of State Contributions

(dollars in thousands)	June 30,								
	2025	2024	2023	2022	2021	2020	2019	2018	2017
Required State Contribution	$7,386	$6,947	$7,995	$7,655	$9,527	$9,259	$9,460	$8,960	$11,996
Actual State Contributions	7,386	6,947	7,995	7,655	9,527	9,259	9,460	8,960	11,996
Excess/(Deficiency) of State Contributions									
State's Covered Payroll	$832,167	$ 784,333	$ 699,939	$658,970	$649,270	$638,061	$621,182	$601,426	$587,542
State Contribution as a Percentage of its Covered Payroll	0.89%	0.89%	1.14%	1.16%	1.47%	1.45%	1.52%	1.49%	2.04%

Note: The schedule is intended to show 10 years. Additional years will be added as they become available.

Notes to the Required Supplementary Information:

Changes in benefit terms: None

Changes in assumptions: None

Required Supplementary Information (Unaudited)

INFORMATION ABOUT THE NON TRUSTED OTHER POSTEMPLOYMENT BENEFITS PLAN

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 36,324	54,781	$ 84,308	$ 88,855	$ 62,882	$ 63,317	$ 76,699	111,334
Interest	38,577	58,421	45,622	50,667	64,137	75,265	81,507	84,315
Differences between expected and actual experience	(14,969)	(57,427)	(9,037)	(36,352)	(10,282)	(24,533)	(7,653)	(7,886)
Changes in assumptions	296,500	(598,036)	(517,692)	252,240	358,302	(177,243)	(235,527)	(784,281)
Changes in benefit terms				(498,098)			(182,835)	
Benefit payments	(29,991)	(35,364)	(35,726)	(37,624)	(44,600)	(51,333)	(51,623)	(49,772)
Net change in total OPEB liability	326,441	(577,625)	(432,525)	(180,312)	430,439	(114,527)	(319,432)	(646,290)
Total OPEB liability - beginning	1,035,439	1,613,064	2,045,589	2,225,901	1,795,462	1,909,989	2,229,421	2,875,711
Total OPEB liability - ending	1,361,880	1,035,439	1,613,064	2,045,589	2,225,901	1,795,462	1,909,989	2,229,421
Covered-employee payroll	$ 784,333	699,939	$ 658,970	$ 649,270	$ 638,061	$ 621,182	$ 601,426	587,542
Total OPEB liability as a percentage of covered-employee payroll	173.64%	147.93%	244.79%	315.06%	348.85 %	289.04 %	317.58 %	379.45%

Note: The amounts presented were determined as of and for the measurement periods ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017

Notes to Schedule:

Changes in assumptions reflect per capita health costs and administrative expenses were recalculated based on more recent data. The trend assumptions were revised to reflect known changes in claims experience and future expectations. The following are the discount rates used in each period.

2025	3.93%
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.87%
2018	3.58%
2017	2.85%

Changes in plan provisions reflect costs of the new contract with Aetna for administration of the Medicare Advantage Plan effective January 1, 2021 through December 31, 2023.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The schedule is intended to show 10 years. Additional years will be added as they become available.

Required Supplementary Information (Unaudited)

INFORMATION ABOUT THE NEW HAMPSHIRE RETIREMENT SYSTEM

Schedule of the State's Proportionate Share of the Net Pension Liability

(dollars in thousands)	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
State's Proportion of the Net Pension Liability	20.10%	18.88%	18.58%	18.45%	18.64%
State's Proportionate Share of the Net Pension Liability	$1,042,520	$1,056,823	$1,065,625	$817,844	$1,192,485
State's Covered Payroll	$784,333	$699,939	$658,970	$649,270	$638,061
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	132.92%	150.99%	161.71%	125.96%	186.89%
NHRS Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	67.18%	65.12%	72.22%	58.72%

Note: The amounts presented were determined as of and for the measurement periods ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014

The schedule is intended to show 10 years.

Schedule of State Contributions

(dollars in thousands)	June 30,				
	2025	2024	2023	2022	2021
Required State Contribution	$ 129,751	$ 121,972	$ 113,891	$ 108,317	$ 85,318
Actual State Contributions	129,751	121,972	113,891	108,317	85,318
Excess/(Deficiency) of State Contributions					
State's Covered Payroll	$ 832,167	$ 784,333	$ 699,939	$ 658,970	$ 649,270
State Contribution as a Percentage of its Covered Payroll	15.59%	15.55%	16.27%	16.44%	13.14%

The schedule is intended to show 10 years.

June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
18.80 %	18.42 %	19.83 %	19.47 %	20.07 %
$904,354	$886,972	$975,446	$1,035,370	$794,933
$621,182	$601,426	$587,542	$562,387	$563,322
145.59 %	147.48 %	166.02 %	184.10 %	141.12 %
65.59 %	64.73 %	62.66 %	58.30 %	65.47 %

2020	2019	2018	2017	2016
$ 83,302	$ 82,370	$ 78,280	$ 72,680	$ 69,700
83,302	82,370	78,280	72,680	69,700
$ 638,061	$ 621,182	$ 601,426	$ 587,542	$ 562,387
13.06%	13.26%	13.02%	12.37%	12.39%

Required Supplementary Information (Unaudited)

INFORMATION ABOUT THE NEW HAMPSHIRE JUDICIAL RETIREMENT PLAN

Fiscal Year Ended	**June 30, 2025**	**June 30, 2024**	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**
(dollars in thousands)					
Total Pension Liability					
Service cost	$ 4,690	$ 5,180	$ 5,066	$ 4,431	$ 4,333
Interest on total pension liability	7,472	7,264	7,564	7,007	6,872
Effect of differences between expected and actual experience	5,680		(8,554)		1,154
Effect of changes in actuarial assumptions	—	197	(594)		4,477
Benefit payments	(9,463)	(8,459)	(7,982)	(7,900)	(7,396)
Net change in total pension liability	8,379	4,182	(4,500)	3,538	9,440
Total pension liability, beginning	114,913	110,731	115,231	111,693	102,253
Total pension liability, ending (a)	123,292	114,913	110,731	115,231	111,693
Fiduciary Net Position					
Employer contributions	7,921	8,133	8,526	7,229	6,652
Member contributions	1,277	1,119	1,184	876	830
Investment income net of investment expenses	9,298	10,675	(11,760)	9,621	7,999
Benefit payments	(9,463)	(8,459)	(7,982)	(7,900)	(7,396)
Administrative expenses	(233)	(264)	(307)	(288)	(279)
Net change in plan fiduciary net position	8,800	11,204	(10,339)	9,538	7,806
Fiduciary net position, beginning	83,395	72,191	82,530	72,992	65,186
Fiduciary net position, ending (b)	92,195	83,395	72,191	82,530	72,992
Net pension liability, ending = (a) - (b)	$ 31,097	$ 31,518	$ 38,540	$ 32,701	$ 38,701
Fiduciary net position as a % of total pension liability	74.78 %	72.57 %	65.19 %	71.62 %	65.35 %
Covered payroll	$ 13,433	$ 11,065	$ 11,065	$ 9,307	$ 9,582
Net pension liability as a % of covered payroll	231.50 %	284.84 %	348.31 %	351.36 %	403.89 %

Note: The amounts presented above were determined as of and for the measurement period ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015.

Schedule of Employer Contributions

(dollars in thousands)

Fiscal Year Ended June 30,	**2025**	**2024**	**2023**	**2022**	**2021**
Actuarially Determined Contribution	$ 8,349	$ 7,541	$ 9,244	$ 8,101	$ 6,507
Contributions in Relation to the Actuarially Determined Contribution	8,349	7,541	9,244	8,101	6,507
Excess/(Deficiency) of State Contributions					
Covered Payroll	$ 14,198	$ 12,838	$ 11,916	$ 10,552	$ 9,591
Contribution as a Percentage of the Covered Payroll	58.80 %	58.74 %	77.58 %	76.77 %	67.84 %

Notes to the Required Supplementary Information:

Valuation	Actuarially determined contribution rates are calculated as of January 1, 2024 eighteen and thirty months prior to the end of the fiscal year in which contributions are reported.
Investment rate of return	6.50%
Inflation	2.75%
Salary increases	2.25%
Cost of living adjustment	2.25%
Mortality	PubG-2010 Sex-Distinct Mortality Tables for employees, disabled, healthy annuitants and contingents, adjusted for mortality improvements using MP-2021 mortality improvement scale on a generational basis
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	16 years as of January 1, 2024
Asset valuation method	Fair Value of Assets
Retirement age	25% are assumed to retire at age 60 with 15 years of service; 50% are assumed to retire at age 65; 100% are assumed to retire at age 70 with 7 years of service; 5% are assumed to retire at each age between 60 and 65; 15% are assumed to retire at each age between 66 and 69.

June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
$ 4,008	$ 3,921	$ 3,513	$ 3,248	$ 2,693
6,635	6,411	6,826	6,568	5,642
		(10,003)	3,773	
		4,435	3,806	
(7,452)	(6,682)	(6,601)	(6,192)	(5,694)
3,191	3,650	(1,830)	11,203	2,641
99,062	95,412	97,242	86,039	83,398
102,253	99,062	95,412	97,242	86,039
6,948	6,731	6,346	6,096	5,470
812	789	745	727	664
10,042	(3,422)	7,497	2,874	(249)
(7,452)	(6,682)	(6,601)	(6,192)	(5,694)
(214)	(297)	(228)	(239)	(208)
10,136	(2,881)	7,759	3,266	(17)
55,050	57,931	50,172	46,906	46,923
65,186	55,050	57,931	50,172	46,906
$ 37,067	$ 44,012	$ 37,481	$ 47,070	$ 39,133
63.75 %	55.57 %	60.72 %	51.59 %	54.52 %
$ 9,624	$ 9,044	$ 8,359	$ 8,525	$ 8,031
385.15 %	486.64 %	448.39 %	552.14 %	487.27 %

2020	2019	2018	2017	2016
$ 6,649	$ 6,984	$ 6,592	$ 6,151	$ 5,678
6,649	6,984	6,592	6,151	5,678
$ 9,659	$ 9,315	$ 8,825	$ 8,686	$ 8,209
68.84 %	74.98 %	74.70 %	70.82 %	69.17 %

Combining Individual Fund Financial Statements

Highway Fund

The State's Highway Fund serves a dual role, comprising of both operating activities and long- term capital improvement activities. The accounting and budgeting over the years has followed a conservative approach in that funds are raised in the current year to appropriate for highway construction projects that may subsequently take several years to complete. The fund balance is affected at the time of appropriation. The State has expanded its reporting by presenting the operating and capital activities separately on combining schedules and adding additional disclosures relating to encumbrances and future commitments.

Capital account *activities are comprised of two main construction accounts: (1) Federal Highway Construction Trust which includes federal construction aid and federal highway bond/note proceeds (2) State-funded capital which includes State aid, municipal bridge, betterment and I-93 capital investment. The* ***operating account*** *represents the total highway fund less the capital account activities. Except for the betterment and I-93 capital investment accounts, cash raised from current year revenue transactions, such as gasoline road toll, licenses, fees etc. are maintained in the operating account and transferred to the capital accounts on demand as cash is needed to fund current year costs. By law, the betterment and I-93 capital investment accounts receive cash transfers each month. The betterment account receives 88% of 3 cents of the gasoline road toll. The I-93 capital investment account receives the adjusted gasoline road toll, which is 4.2 cents above the 18 cent gasoline road toll.*

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND BALANCE SHEET
HIGHWAY FUND
JUNE 30, 2025
(Expressed in Thousands)

	Highway Construction				
	Federal Highway Construction Trust	State Funded Construction	Total Highway Construction	Highway Operating	Total Highway Fund
ASSETS					
Cash and Cash Equivalents	$ 24,464	$ 78,345	$ 102,809	$ 85,348	$ 188,157
Receivables (Net of Allowances for Uncollectibles)	53,942	4,901	58,843	22,062	80,905
Due from Other Funds		1,087	1,087	558	1,645
Inventories				28,378	28,378
Total Assets	78,406	84,333	162,739	136,346	299,085
LIABILITIES					
Accounts Payable	41,197	13,399	54,596	12,715	67,311
Accrued Payroll		22	22	7,913	7,935
Due to Other Funds	7,726		7,726	(7,675)	51
Unearned Revenue	6,242		6,242	63	6,305
Total Liabilities	55,165	13,421	68,586	13,016	81,602
DEFERRED INFLOWS OF RESOURCES		175	175	1,368	1,543
FUND BALANCES					
Nonspendable:					
Inventories				28,378	28,378
Restricted	23,241	70,737	93,978	30,484	124,462
Committed					
Assigned				63,100	63,100
Total Fund Balances	23,241	70,737	93,978	121,962	215,940
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 78,406	$ 84,333	$ 162,739	$ 136,346	$ 299,085

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
HIGHWAY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Highway Construction				
	Federal Highway Construction Trust	State Funded Construction	Total Highway Construction	Highway Operating	Total Highway Fund
REVENUES					
Unrestricted					
Business License Taxes (Road Toll)		$	$	$ 126,873	$ 126,873
Motor Vehicle Fees				134,666	134,666
Fines, Penalties and Interest				5,542	5,542
Sale of Commodities				207	207
Sale of Service				21	21
Subtotal Unrestricted Revenues				267,309	267,309
Restricted					
Business License Taxes (Road Toll - Betterment - Ch.17,L'2014)		61,337	61,337		61,337
Motor Vehicle Fees		9	9	2,150	2,159
Fines, Penalties and Interest				281	281
Grants from Federal Government	238,485	78	238,563	48,824	287,387
Grants from Private and Local Sources	9,292		9,292	2,271	11,563
Rents and Leases				54	54
Sale of Commodities (Motor Fuel, Hwy Inventory)				8,435	8,435
Sale of Service				458	458
Grants from Other Agencies		521	521	18,089	18,610
Miscellaneous	1,558	540	2,098	2,862	4,960
Subtotal Restricted Revenues	249,335	62,485	311,820	83,424	395,244
Total Revenue	249,335	62,485	311,820	350,733	662,553
EXPENDITURES					
Current:					
General Government				23	23
Administration of Justice and Public Protection				114,100	114,100
Resource Protection and Development				1,871	1,871
Transportation	127,995	58,569	186,564	252,237	438,801
Debt Service-Transportation	16,696	2,161	18,857	14,964	33,821
Capital Outlay Equipment - Safety					
Capital Outlay Equipment - Transportation	104,397	4,452	108,849	24,736	133,585
Total Expenditures	249,088	65,182	314,270	407,931	722,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	247	(2,697)	(2,450)	(57,198)	(59,648)
OTHER FINANCING SOURCES (USES)					
Transfers In	4,964	(149)	4,815	32,487	37,302
Transfers Out				(3,730)	(3,730)
Total Other Financing Sources (Uses)	4,964	(149)	4,815	28,757	33,572
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	5,211	(2,846)	2,365	(28,441)	(26,076)
Fund Balances - July 1	18,030	73,583	91,613	158,869	250,482
Restatement for correction of an error				(7,465)	(7,465)
Net Position - July 1, as restated	18,030	73,583	91,613	151,404	243,017
Change in Inventory				(1,001)	(1,001)
Fund Balances - June 30	$ 23,241	$ 70,737	$ 93,978	$ 121,962	$ 215,940

See accompanying Independent Auditors' Report

Non-Major Governmental Funds

Special Revenue Fund:

Fish and Game Fund - *The operations of the State Fish and Game Department, including the operation of fish hatcheries, inland and marine fisheries, and wildlife areas, and functions related to law enforcement, land acquisition, and wildlife management and research, are financed through the Fish and Game Fund. Principal revenues of this fund include fees from fish and game licenses, the marine gas tax, penalties, and recoveries, and federal grants-in-aid related to fish and game management, all of which are appropriated annually by the Legislature for the use of the Fish and Game Department.*

Capital Projects Fund - *Used to account for certain capital improvement appropriations which are or will be primarily funded by the issuance of State bonds or notes, other than bonds and notes for highway or turnpike purposes, or by the application of certain federal matching grants.*

Coronavirus Relief Fund: *The Coronavirus Relief Fund is used to account for revenues and expenditures related to federal revenue received under section 601 (a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act").*

Other Governmental Funds - *Used to account for certain program funds maintained by agencies that are limited in use for particular purposes.*

Permanent Funds:

NH Hospital - *Consist of several trust funds that were made expressly for the benefit of patients at the NH Hospital through various bequeathals.*

Land Conservation Endowment - *The Conservation Land Stewardship Program (CLS), which is housed in the NH Office of Strategic Initiative (OSI), monitors and stewards the 86 state-held Land Conservation Investment Program conservation easements.*

Other - *The other category consists of several accounts that report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the State or its citizenry. They include: Special Teachers Comp., Connecticut Lake fund, , and Community Conservation Endowment Funds.*

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025
(Expressed in Thousands)

					Permanent Funds				
	Fish & Game	Capital	Coronavirus Relief	Other	NH Hospital	Land Conservation Endowment	Other Permanent	Total Permanent	Total Non-Major
ASSETS									
Cash and Cash Equivalents	$ 14,786	$ 16,475	$ 28	$ 9,334	$	$	$	$	$ 40,623
Investments				12,307	8,847	5,520	17,102	31,469	43,776
Receivables (Net)	1,473	17,562							19,035
Due from Other Funds	11,654	662							12,316
Inventories	1,088								1,088
Total Assets	29,001	34,699	28	21,641	8,847	5,520	17,102	31,469	116,838
LIABILITIES									
Accounts Payable	7,570	12,870							20,440
Accrued Payroll	896								896
Unearned Revenue		477	28						505
Total Liabilities	8,466	13,347	28						21,841
DEFERRED INFLOWS OF RESOURCES	47								47
FUND BALANCES									
Nonspendable:									
Inventories	1,088								1,088
Permanent Fund Principal					458	2,731	9,865	13,054	13,054
Restricted	3,188			21,641	8,389	2,789	7,237	18,415	43,244
Committed	6,021								6,021
Assigned	10,191								10,191
Unassigned		21,352							21,352
Total Fund Balances (Deficit)	20,488	21,352		21,641	8,847	5,520	17,102	31,469	94,950
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 29,001	$ 34,699	$ 28	$ 21,641	$ 8,847	$ 5,520	$ 17,102	$ 31,469	$ 116,838

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

					Permanent Funds				
	Fish & Game	Capital	Coronavirus Relief	Other	NH Hospital	Land Conservation Endowment	Other Permanent	Total Permanent	Total Non-Major
REVENUES									
Non-Business License Taxes	$ 10,966								$ 10,966
Fees	9,475								9,475
Fines, Penalties and Interest	245								245
Grants from Federal Government	22,934	37,859							60,793
Grants from Private and Local Sources	494								494
Interest, Premiums and Discounts	292			489	180	137	392	709	1,490
Sale of Commodities	384								384
Grants from Other Agencies	871								871
Miscellaneous	2,979	289		29,271	622	583	1,533	2,738	35,277
Total Revenues	48,640	38,148		29,760	802	720	1,925	3,447	119,995
EXPENDITURES									
Current:									
General Government				29,279			1	1	29,280
Administration of Justice & Public Protection									
Resource Protection and Development	34,451					570	813	1,383	35,834
Health and Social Services					312			312	312
Debt Service	224								224
Capital Outlay	9,383	74,357							83,740
Total Expenditures	44,058	74,357		29,279	312	570	814	1,696	149,390
Excess (Deficiency) of Revenues									
Over (Under) Expenditures	4,582	(36,209)		481	490	150	1,111	1,751	(29,395)
OTHER FINANCING SOURCES (USES)									
Transfers In	1,445								1,445
Transfers Out	(6,538)								(6,538)
Miscellaneous									
Payments to Refunding Agent		(50,251)							(50,251)
Refunding Debt Issued		48,296							48,296
G.O. Bond Premium		6,469							6,469
G.O. Bond Issuance		59,658							59,658
Total Other Financing Sources (Uses)	(5,093)	64,172							59,079
Excess of Revenues & Other Sources									
Over Expenditures & Other Uses	(511)	27,963		481	490	150	1,111	1,751	29,684
Fund Balances (Deficits) - July 1	20,757	(6,611)		21,160	8,357	5,370	15,991	29,718	65,024
Change in Inventory	242								242
Fund Balances (Deficits) - June 30	$ 20,488	$ 21,352	$	$ 21,641	$ 8,847	$ 5,520	$ 17,102	$ 31,469	$ 94,950

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
BUDGET TO ACTUAL (NON-GAAP BUDGETARY BASIS) SCHEDULE
FISH & GAME FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Fish and Game Fund			
	Budgeted Amounts			
	Original	Final	Actual Amount (Budgetary Basis)	Variance with Final Budget-Positive (Negative)
REVENUES				
Non-Business License Taxes	11,735	11,852	10,979	(873)
Fees	3,367	3,636	1,171	(2,465)
Fines, Penalties and Interest	145	157	245	88
Grants from Federal Government	73,076	74,168	11,677	(62,491)
Grants from Private and Local Sources	261	271	166	(105)
Interest Premiums and Discounts	201	202	277	75
Sale of Commodities	1,198	1,226	675	(551)
Sale of Services	1,134	1,134		(1,134)
Grants from Other Agencies	12,628	13,025	10,123	(2,902)
Miscellaneous	8,127	8,395	4,740	(3,655)
Total Revenues	111,872	114,066	40,053	(74,013)
EXPENDITURES				
Resource Protection and Development	104,939	108,596	50,165	58,431
Total Expenditures	104,939	108,596	50,165	58,431
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	6,933	5,470	(10,112)	(15,582)
Fund Balance - July 1	24,353	11,533	17,844	
Fund Balance - June 30	$31,286	$17,003	$7,732	

Reconciliation of Budgetary To GAAP

The State's biennial budget is prepared on a basis other than GAAP. The "actual" results column of the Budget and Actual - Non-GAAP budgetary statement are presented on a "budgetary basis" to provide a meaningful comparison to budget.

The major differences between the budgetary basis and the GAAP basis are:

1. Expenditures are recorded when cash is paid or committed (budgetary), rather than when the obligation is incurred (GAAP). In addition, revenue based on these accruals is adjusted on a GAAP basis only.

2. On a GAAP basis, major inter-agency and intra-agency transactions are eliminated in order to not double count revenues and expenditures.

The following schedule reconciles the Fish and Game Fund of the primary government for differences between budgetary accounting methods and the GAAP basis accounting principles for the year ended June 30, 2025 (expressed in thousands).

	Fish & Game Fund
Excess (deficiency) of revenues and other financing sources under expenditures and other financing uses (Budgetary Basis)	$ (10,112)
Adjustments and Reclassifications:	
To record change in Accounts Payable and Accrued Payroll	(431)
To Record change in Accounts Receivable	10,032
To record Change in Inventory	242
Excess (Deficiency) of revenues and other financing sources under expenditures and other financing uses (GAAP Basis) including change in inventory	$ (269)

See accompanying Independent Auditors' Report

State Revolving Fund

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND SCHEDULE OF NET POSITION
STATE REVOLVING FUND
JUNE 30, 2025
(Expressed in Thousands)

	Clean Water	Drinking Water	Total SRF Fund
ASSETS - (Restricted)			
Current Assets:			
Cash and Cash Equivalents	$ 157,635	$ 74,791	$ 232,426
Investments	28,741	7,667	36,408
Loans Receivable:			
Cap Grant - Wastewater/Regular	11,627	5,703	17,330
Repayment Loans	12,918	2,801	15,719
Total Loans Receivable	24,545	8,504	33,049
Other Current Assets	4,821	2,395	7,216
Total Current Assets	215,742	93,357	309,099
Noncurrent Assets:			
Investments	57,166	15,606	72,772
Loans Receivable:			
Cap Grant - Wastewater/Regular	124,375	74,850	199,225
Repayment Loans	244,269	52,897	297,166
Total Loans Receivable	368,644	127,747	496,391
Total Noncurrent Assets	425,810	143,353	569,163
Total Assets	641,552	236,710	878,262
DEFERRED OUTFLOWS OF RESOURCES	1,419	1,564	2,983
LIABILITIES			
Current Liabilities:			
Accounts Payable	947	1,423	2,370
Bonds Payable	557		557
Accrued Payroll	182	198	380
Compensated Absence - current	50	53	103
Advanced Collection		5	5
Total Current Liabilities	1,736	1,679	3,415
Noncurrent Liabilities:			
Bonds Payable	3,340		3,340
Compensated Absence - noncurrent	565	602	1,167
Other Post Employment Benefits Payable	2,317	2,621	4,938
Net Pension Liability	3,347	3,379	6,726
Total Noncurrent Liabilities	9,569	6,602	16,171
Total Liabilities	11,305	8,281	19,586
DEFERRED INFLOWS OF RESOURCES	1,114	1,404	2,518
NET POSITION			
Restricted for Environmental Loans	617,855	224,954	842,809
Restricted for SRF Programs	12,697	3,635	16,332
Total Net Position	$ 630,552	$ 228,589	$ 859,141

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION STATE REVOLVING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Clean Water	Drinking Water	Total SRF Fund
OPERATING REVENUES			
Loan Interest	$ 864	$ 390	$ 1,254
Capitalized Loan Interest	386		386
Management Fees	7,326	2,020	9,346
Total Operating Revenue	8,576	2,410	10,986
OPERATING EXPENSES			
Principal Forgiveness	3,301	3,125	6,426
Small System Set-Aside Costs	245	624	869
State Program Management Costs		2,385	2,385
Local Assistance Set-Aside Costs		5,171	5,171
Administration	6,654	3,276	9,930
Total Operating Expenses	10,200	14,581	24,781
Operating (Loss)	(1,624)	(12,171)	(13,795)
NONOPERATING REVENUES (EXPENSES)			
Investment Income	8,504	2,843	11,347
Federal Grant Revenue	14,591	20,550	35,141
State Contributions	1,827	2,096	3,923
Miscellaneous	(179)		(179)
Total Nonoperating Revenues	24,743	25,489	50,232
Change in Net Position	23,119	13,318	36,437
Net Position - July 1	607,433	215,271	822,704
Net Position - June 30	$ 630,552	$ 228,589	$ 859,141

See accompanying Independent Auditors' Report

Internal Service Fund

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND SCHEDULE OF NET POSITION
EMPLOYEE BENEFIT RISK MANAGEMENT FUND
JUNE 30, 2025
(Expressed in Thousands)

	Health				
ASSETS	**Active**	**Retirees**	**Total**	**Dental**	**Total**
Current Assets:					
Cash and Cash Equivalents	$ 62,672	$ 52,158	$ 114,830	$ 2,451	$ 117,281
Accounts Receivable	7,312	4,170	11,482	9	11,491
Total Assets	69,984	56,328	126,312	2,460	128,772
LIABILITIES					
Current Liabilities:					
Accounts Payable	228	34	262	28	290
Claims Payable	6,816	828	7,644	513	8,157
Incurred but not Reported (IBNR)	23,608	2,951	26,559	434	26,993
Other Liabilities	1		1		1
Total Liabilities	30,653	3,813	34,466	975	35,441
NET POSITION					
Restricted Net Position	$ 39,331	$ 52,515	$ 91,846	$ 1,485	$ 93,331

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
EMPLOYEE BENEFIT RISK MANAGEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Health				
	Active	Retirees	Total	Dental	Total
OPERATING REVENUES					
Contributions For Health Benefits					
State Agency and Component Unit Contributions:					
Active Employees	$ 244,800		$ 244,800	$ 12,015	$ 256,815
Retired Employees		41,469	41,469		41,469
Non-State Contributions:					
Employee and Retiree Premium Contributions	11,079	8,878	19,957	1,244	21,201
COBRA Participants	375	7	382	120	502
Retirement Medical Subsidy	4	7,140	7,144		7,144
Pharmacy Drug Subsidies and Rebates	26,772	6,558	33,330		33,330
Recoveries, Subsidies & Rebates	909	268	1,177	15	1,192
Total Contributions for Health Benefits	283,939	64,320	348,259	13,394	361,653
Total Charges for Sales and Services	189,980	95,839	285,819	9,410	295,229
OPERATING EXPENSES					
Health Care Claims Expenses:					
Medical	190,803	25,663	216,466	13,037	229,503
Prescription Drug	82,384	11,629	94,013		94,013
Ancillary Benefits	410		410		410
Total Health Care Claims Expenses	273,597	37,292	310,889	13,037	323,926
Fully Insured Premiums		21,319	21,319		21,319
Administrative Expenses	8,417	1,586	10,003	360	10,363
Total Operating Expenses	282,014	60,197	342,211	13,397	355,608
Operating Income (Loss)	1,925	4,123	6,048	(3)	6,045
Investment Income	1,960	2,100	4,060	82	4,142
Change in Net Position	3,885	6,223	10,108	79	10,187
Net Position - July 1	35,446	46,292	81,738	1,406	83,144
Net Position - June 30	$ 39,331	$ 52,515	$ 91,846	$ 1,485	$ 93,331

See accompanying Independent Auditors' Report

Non-Major Component Units

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
JUNE 30, 2025
(Expressed in Thousands)

	Business Finance Authority	Community Development Finance Authority	Pease Development Authority	Community College System of New Hampshire	Total
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 16,861	$ 25,165	$ 15,692	$ 24,698	$ 82,416
Cash and Cash Equivalents-Restricted	70,105	3,935	777		74,817
Investments	3,925			30,685	34,610
Accounts Receivable	49	583	11,301	2,138	14,071
Other Receivables		1,439		2,605	4,044
Notes Receivable - Current Portion	2,339	717	951	15	4,022
Lease Receivable - Current Portion				157	157
Prepaid Expenses & Other Assets	24	71	885	3,776	4,756
Total Current Assets	93,303	31,910	29,606	64,074	218,893
Noncurrent Assets:					
Investments				45,843	45,843
Notes & Other Receivables	112,940	3,646			116,586
Lease Receivable			222,789	349	223,138
Other Assets	8,788				8,788
Capital Assets:					
Land & Land Improvements			7,837	9,719	17,556
Building & Building Improvements		283	225,000	221,156	446,439
Equipment	15	111	20,438	25,014	45,578
Construction in Progress			8,837	1,533	10,370
Right of Use	1,590	171		6,814	8,575
Subscription IT			563	2,738	3,301
Less: Accumulated Depreciation	(568)	(267)	(148,572)	(152,600)	(302,007)
Less: Accumulated Amortization					
Net Capital Assets	1,037	298	114,103	114,374	229,812
Total Noncurrent Assets	122,765	3,944	336,892	160,566	624,167
Total Assets	216,068	35,854	366,498	224,640	843,060
DEFERRED OUTFLOWS OF RESOURCES			2,672	19,567	22,239

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
JUNE 30, 2025
(Expressed in Thousands)

	Business Finance Authority	Community Development Finance Authority	Pease Development Authority	Community College System of New Hampshire	Total
LIABILITIES					
Current Liabilities:					
Accounts Payable	11	273	7,396	1,976	9,656
Accrued Salaries and Wages				6,170	6,170
Accrued Employee Benefits - Current	181				181
Other Payables & Accrued Expenses	577	11,240		2	11,819
Deposits and Unearned Revenues		6,577	788	4,924	12,289
Long Term Leases - Current Portion		82		1,004	1,086
Subscription IT Liability - Current Portion			94	1,095	1,189
Long Term Debt - Current Portion				1,163	1,163
Total Current Liabilities	769	18,172	8,278	16,334	43,553
Noncurrent Liabilities:					
Other Post Employment Benefits Payable		272	5,332	49,335	54,939
Net Pension Liabilities			5,188	48,446	53,634
Long Term Leases	874	88		6,110	7,072
Subscription IT Liability			331	1,438	1,769
Other Long Term Debt	143,473	750	1,029	13,536	158,788
Total Noncurrent Liabilities	144,347	1,110	11,880	118,865	276,202
Total Liabilities	145,116	19,282	20,158	135,199	319,755
DEFERRED INFLOWS OF RESOURCES			218,696	28,992	247,688
NET POSITION					
Net Investment in Capital Assets	163	127	108,292	97,180	205,762
Restricted for Specific Purpose	65,806	4,891	1,466	46,927	119,090
Unrestricted Net Position (Deficit)	4,983	11,554	20,558	(64,091)	(26,996)
Total Net Position (Deficit)	$ 70,952	$ 16,572	$ 130,316	$ 80,016	$ 297,856

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Business Finance Authority	Community Development Finance Authority	Pease Development Authority	Community College System of New Hampshire	Total
EXPENSES	$ 18,491	$ 19,967	$ 25,646	$ 133,243	$ 197,347
PROGRAM REVENUES:					
Charges for Services:					
Tuition & Fees				55,453	55,453
Scholarship Allowances				(31,255)	(31,255)
Sales, Services, & Other Revenue	37,665	3,824	17,146	5,489	64,124
Operating Grants & Contributions		16,561	17,764	28,901	63,226
Capital Grants & Contributions			850	2,905	3,755
Total Program Revenues	37,665	20,385	35,760	61,493	155,303
Net Revenues (Expenses)	19,174	418	10,114	(71,750)	(42,044)
Interest & Investment Income (Loss)	5,299	459	527	9,877	16,162
Lease Revenue				340	340
Payments from State of New Hampshire				70,057	70,057
Change in Net Position	24,473	877	10,641	8,524	44,515
Net Position - July 1	46,479	15,695	120,270	75,089	257,533
Restatement for change in accounting principle			(595)	(3,597)	(4,192)
Net Position - July 1, as restated	46,479	15,695	119,675	71,492	253,341
Net Position - June 30	$ 70,952	$ 16,572	$ 130,316	$ 80,016	$ 297,856

See accompanying Independent Auditors' Report

Fiduciary Funds
Pension Trust Funds

NHRS: *The New Hampshire Retirement System consists of a cost-sharing multiple-employer contributory pension plan (NHRS) and trust established in 1967 by RSA 100-A:2 and is qualified as a tax-exempt organization under Sections 401(a) and 501(a) of the Internal Revenue Code and a separate cost-sharing multiple-employer postemployment medical subsidy healthcare plan.*

The Pension Plan - *is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters and permanent police officers within the State of New Hampshire are eligible and required to participate in the System. Full-time employees of political subdivisions, including counties, municipalities and school districts, are also eligible to participate as a group if the governing body of the political subdivision has elected participation.*

Other Postemployment Medical Plans (OPEB) - *Pursuant to RSA 100-A:52, RSA 100-A:52-a and RSA 100-A:52-b New Hampshire Retirement System administers one defined benefit postemployment medical subsidy healthcare plan designated in statute by membership type. The four membership groups are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees, collectively referred to as the OPEB Plan.*

Judicial Retirement Plan: *The New Hampshire Judicial Retirement Plan (NHJRP) was established on January 1, 2005 pursuant to RSA 100-C:2 and is intended for all time to meet the requirements of a qualified pension trust within the meaning of section 401(a) and to qualify as a governmental plan within the meaning of section 414(d) of the United States Internal Revenue Code. It is a defined benefit plan providing disability, death, and retirement protection for full-time supreme court, superior court, district court or probate court judges employed within the State.*

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2025
(Expressed in Thousands)

	NHRS			
	Pension Plan	OPEB	Judicial Retirement Plan	Total
ASSETS				
Cash & Cash Equivalents	$ 370,664	$ 1,414	$ 3,983	$ 376,061
Total Cash	370,664	1,414	3,983	376,061
Receivables:				
Due from Employers	67,977	3,981	328	72,286
Due from Plan Members	28,778		54	28,832
Due from Brokers for Securities Sold	10,693	41		10,734
Interest and Dividends	23,008	88	11	23,107
Other	11,415	44	13	11,472
Total Receivables	141,871	4,154	406	146,431
Investments				
Equity Investments				
Domestic	4,666,164	17,795	37,460	4,721,419
International	1,822,896	6,952	13,863	1,843,711
Fixed Income Investments				
Domestic	2,791,027	10,644	28,840	2,830,511
International	217,156	828		217,984
Commercial Real Estate	1,103,260	4,207		1,107,467
Alternative Investments	2,297,880	8,763	7,672	2,314,315
Total Investments	12,898,383	49,189	87,835	13,035,407
Other Assets	11,464	44		11,508
Total Assets	13,422,382	54,801	92,224	13,569,407
LIABILITIES				
Management Fees and Other Payables	12,813	50	29	12,892
Due to Brokers for Securities Purchased	16,285	62		16,347
Total Liabilities	29,098	112	29	29,239
NET POSITION				
Net Position Restricted for Pension and Other Postemployment Benefits (OPEB)	$ 13,393,284	$ 54,689	$ 92,195	$ 13,540,168

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	NHRS			
	Pension Plan	OPEB	Judicial Retirement Plan	Total
ADDITIONS				
Contributions:				
Employers	$ 661,820	$ 37,253	$ 7,921	$ 706,994
Plan Members	278,104		1,277	279,381
Total Contributions	939,924	37,253	9,198	986,375
Investment Income:				
From Investing Activities:				
Net Appreciation (Depreciation) in Fair Value of Investments	1,011,437	3,885	6,705	1,022,027
Interest	74,099	273	2,653	77,025
Dividends	105,848	390		106,238
Alternative Investment Income	83,824	172		83,996
Net Real Estate Income	28,465	105		28,570
Total Income from Investing Activities	1,303,673	4,825	9,358	1,317,856
Less: Investment Activity Expenses:				
Investment Management Fees	59,722	222		59,944
Custodial Fees	1,059	4	79	1,142
Investment Administrative Expense	1,498	6		1,504
Investment Advisor Fees	648	2	60	710
Investment Professional Fees	600	2		602
Total Investment Activity Expenses	63,527	236	139	63,902
Total Net Income from Investing Activities	1,240,146	4,589	9,219	1,253,954
Total Net Investment Income	1,240,146	4,589	9,219	1,253,954
Total Additions	2,180,070	41,842	18,417	2,240,329
DEDUCTIONS				
Benefits/Distributions to Participants	1,030,616	37,365	9,463	1,077,444
Refunds of Contributions	30,003			30,003
Administrative Expense	12,805	420	154	13,379
Professional Fees	698	3		701
Other	2,542	10		2,552
Total Deductions	1,076,664	37,798	9,617	1,124,079
Change in Net Position	1,103,406	4,044	8,800	1,116,250
Net Position - July 1	12,289,878	50,645	83,395	12,423,918
Net Position - June 30	$ 13,393,284	$ 54,689	$ 92,195	$ 13,540,168

See accompanying Independent Auditors' Report

Private Purpose Trust Funds

Electrical Assistance Program Utility Fund: *The Electrical Assistance Program (EAP) was developed by the Public Utilities Commission (PUC) to respond to the Legislature's call for low-income programs as part of electric restructuring. Accordingly, PUC issued an order approving a program to provide bill assistance to customers, and set up this fund. This program provides income-eligible customers with discounts on their electric bills. Customer bills for low-income assistance are adjusted by the utility company. The state treasurer is the custodian of the fund, and all moneys and securities in the fund are held in trust by the State Treasurer and do not constitute money or property of the State. According to the Consumer Affairs Director at PUC, if the Electrical Assistance Program (EAP) were to cease operations, the funds would not remain with Treasury, the custodian of the funds, they would be have to be returned to the rate payers.*

College Savings: *This fund is The New Hampshire Excellence in Higher Education Endowment Trust Fund; a non state program which has the purpose of providing scholarships for the benefit of residents of the state of New Hampshire who are pursuing programs of study at eligible educational institutions within the State. Funding will come from a portion of the administrative proceeds of New Hampshire's UNIQUE College Investing Plan. The fund is administered by the New Hampshire College Tuition Savings Plan Advisory Commission, and scholarships will be granted based on need and merit. The State Treasurer is the trustee of the fund.*

Benjamin Thompson: *Benjamin Thompson of Durham, NH bequeathed all of his property to the State of New Hampshire upon his death on January 30, 1890. He specified in his will that the money and property were to be used to establish an agricultural college. Thompson stipulated that this trust be set up by the State to provide for the maintenance of the college in perpetuity. The provisions of the will were carried out and the College became the University of New Hampshire in 1923.*

Other: *The other category consists of several accounts whose trust arrangements provide principal and income to benefit individuals, private organizations or other governments. They include: Japanese Charitable, NH Youth Development Center, YDC Boys/Girls account, DOL Crown Paper Workers Compensation, Laconia State School, Harriett Huntress, Hattie Livesey, John Nesmith, Matthew Elliott, Guy Thompson and Yellow Transportation Workers Compensation Fund.*

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF NET POSITION
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2025
(Expressed in Thousands)

	Private Purpose Trust Funds				
	EAP	College Savings	Benjamin Thompson	Other	Total Private Purpose
ASSETS					
Cash and Cash Equivalents	$ 887	$	$	$ 1	$ 888
Investments		21,860	3,212	1,651	26,723
Total Assets	887	21,860	3,212	1,652	27,611
LIABILITIES					
Total Liabilities					
Net Position Held in Trust for Benefits & Other Purposes	$ 887	$ 21,860	$ 3,212	$ 1,652	$ 27,611

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF CHANGES IN NET POSITION
PRIVATE PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Private Purpose Trust Funds				
	EAP	College Savings	Benjamin Thompson	Other	Total Private Purpose
ADDITIONS					
Contributions:					
From Participants	$ 1,504	$ 20,650	$	$ 200	$ 22,354
Total Contributions	1,504	20,650		200	22,354
Interest Income	21	817	70	45	953
Other		1,124	283	118	1,525
Total Additions	1,525	22,591	353	363	24,832
DEDUCTIONS					
Benefits/Distributions to Participants	1,341	22,636	32	3	24,012
Other		972	26	21	1,019
Total Deductions	1,341	23,608	58	24	25,031
Change in Net Position	184	(1,017)	295	339	(199)
Net Position - July 1	703	22,877	2,917	1,313	27,810
Net Position - June 30	$ 887	$ 21,860	$ 3,212	$ 1,652	$ 27,611

See accompanying Independent Auditors' Report

Custodial Funds

Child Support Funds: *There are currently five non-state program funds reported under the child support funds and four function in a custodial capacity for the benefit of child support recipients. The Payroll account has the most activity and resulted from the transfer of activity from the Department of Probation to the Division of Human Services (Welfare) in 1981. This account includes the checking account for the dollars received and disbursed on behalf of those receiving Child Support. The Department of Health and Human Services, Division of Child Support Services, has an agreement with Xerox Business Services, LLC to manage the billing, collection and telecommunication system operated on a statewide basis as part of the automated child support system, which is labeled the Lockbox account. This lockbox functions as DCSS' State Disbursement Unit (SDU). An SDU must be capable of receiving, recording and depositing wage assignments from employers and direct payments from non-custodial parents. Within 48 hours of receiving a payment, an SDU must make an accurate distribution of payments to families throughout New Hampshire, the remaining states and territories, and several foreign countries. The other two funds are used for collections related to Juvenile Services restitution cases and court repayment of lawyer's fees.*

Inmate Fund: *Established for maintenance of the personal funds of inmates of the Department of Corrections (DOC). Funds deposited for the benefit of inmates and from renumeration paid to inmates by the Dept.*

ARPA-NEU**:** *Under the American Rescue Plan Act of 2021, the State will receive Local Fiscal Recovery Funds (FRF) to distribute to New Hampshire non-metropolitan cities and towns (so-called Non-Entitlement Units or NEUs). In June 2022, New Hampshire received another payment designated as the second tranche of Local FRF funding. Each NEU's share of the funding is calculated proportionately, subject to certain restrictions imposed by US Treasury. NEUs must request funding to receive payment of their allocated share. Alternatively, NEUs may choose to decline the funding and transfer their share to the State. The State is required to act expeditiously in distributing to each NEU its share of Local FRF funding and has established an application process, however, due to timing of the initial receipt, those funds remain with the State as of June 30, 2022, and were distributed subsequent to fiscal year-end. US Treasury guidance has prescribed that NEUs are considered prime recipients of the funds and as such, these funds will not be reported by the State as pass-through grants. Therefore, they are accounted for as custodial funds.*

Other: *The other category consists of several accounts whose assets and liabilities for deposits and investments have been entrusted to the state as an agent for others. The following make up this category, Glencliff Home Patient Deposits and Resident Council Accounts, Financial Responsibility, NH Hospital Patient and Reimb Estate Accounts, NH Veterans Home Member and Checking Accounts, DHHS DCYF Dedicated Custodial Accounts and Hampstead Hospital Children's Trust Fund.*

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF ASSETS AND LIABILITIES
CUSTODIAL FUNDS
JUNE 30, 2025
(Expressed in Thousands)

	Custodial Funds				
	Child Support Funds	Inmate Funds	ARPA - NEU	Other	Total Custodial
ASSETS					
Cash and Cash Equivalents	$ 3,193	$ 1,209	$ 228	$ 414	$ 5,044
Investments				492	492
Total Assets	3,193	1,209	228	906	5,536
LIABILITIES					
Total Liabilities					
Net Position Held in Trust for Benefits & Other Purposes	$ 3,193	$ 1,209	$ 228	$ 906	$ 5,536

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
COMBINING INDIVIDUAL FUND STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Expressed in Thousands)

	Custodial Funds				
	Child Support Funds	Inmate Funds	ARPA - NEU	Other	Total Custodial
ADDITIONS					
Interest Income				$ 22	$ 22
Other	83,423	6,572		6,943	96,938
Total Additions	83,423	6,572		6,965	96,960
DEDUCTIONS					
Benefits/Distributions to Participants		6,476		6,534	13,010
Other	83,336			434	83,770
Total Deductions	83,336	6,476		6,968	96,780
Change in Net Position	87	96		(3)	180
Net Position - July 1	3,106	1,113	228	909	5,356
Net Position - June 30	$ 3,193	$ 1,209	$ 228	$ 906	$ 5,536

See accompanying Independent Auditors' Report


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Statistical Section
(Unaudited)

The Statistical Section provides additional historical perspective, context, and detail to assist financial statement users in understanding the State of New Hampshire's overall financial health.

Financial Trends

These tables contain trend information to help users in understanding how the State's financial position has changed over time.

Schedule of Net Position by Component 147
Schedule of Changes in Net Position 148
Schedule of Fund Balances, Governmental Funds 150
Schedule of Changes in Fund Balance, Governmental Funds 151
Schedule of Unrestricted Revenue - GAAP Basis - General Fund 152
Schedule of Statutory Unassigned - Other Fund Balance - General Fund 153
Schedule of Statutory Fund Balance - Education Trust Fund 154
Schedule of Statutory Fund Balance - Highway Fund 155
Schedule of Statutory Fund Balance - Fish and Game Fund 156

Revenue Capacity

These tables contain information to help users in understanding and assessing the factors affecting the State's ability to generate its revenues

Schedule of Business Tax Filers and Liability by Tax Paid Level 157
Schedule of Statewide Property Tax For Top Ten Cities/Towns 159
Schedule of Sales by Top Ten State Liquor Retail Locations 161

Debt Capacity

These tables present information to help users assess the affordability of the State's current levels of outstanding debt.

Schedule of Ratios of Outstanding Debt by Type 161
Schedule of Ratios of General Bonded Debt Outstanding 162
Schedule of Pledged Revenue Coverage 162

Demographic and Economic Information

These tables offer demographic and economic indicators to help users understand the environment within which the State's financial activities take place.

Schedule of Demographic and Economic Statistics 163
Schedule of Building Permits for Housing Units 163
Schedule of Principal (Largest) Employers 164

Operating Information

These tables contain information about the State's operations and resources to help users understand how the State's financial information relates to the services the State provides and the activities it performs

Schedule of Operating Indicators by Function 166
Schedule of State Employees by Function 170
Schedule of Capital Asset Balances by Function 171

STATE OF NEW HAMPSHIRE
SCHEDULE OF NET POSITION BY COMPONENT
LAST TEN YEARS
(Accrual Basis Accounting, Expressed in Thousands)

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Governmental activities					
Net investment in capital assets	$ 2,690,884	$ 2,551,256	$ 2,435,612	$ 2,442,714	$ 2,460,257
Restricted	1,251,073	1,418,080	1,319,803	1,074,440	899,744
Unrestricted	(2,306,908)	(1,355,528)	(1,100,300)	(1,617,814)	(2,501,385)
Total governmental activities net assets	$ 1,635,049	$ 2,613,808	$ 2,655,115	$ 1,899,340	$ 858,616
Business-type activities					
Net investment in capital assets	$ 782,951	$ 757,550	$ 730,776	$ 693,069	$ 658,160
Restricted	1,302,222	1,284,759	1,239,494	1,119,345	1,000,010
Unrestricted	30,496	(174)	(13,919)	(25,242)	(61,168)
Total business-type activities net assets	$ 2,115,669	$ 2,042,135	$ 1,956,351	$ 1,787,172	$ 1,597,002
Primary government					
Net investment in capital assets	$ 3,473,835	$ 3,308,806	$ 3,166,388	$ 3,135,783	$ 3,118,417
Restricted	2,553,295	2,702,839	2,559,297	2,193,785	1,899,754
Unrestricted	(2,276,412)	(1,355,702)	(1,114,219)	(1,643,056)	(2,562,553)
Total primary government net assets	$ 3,750,718	$ 4,655,943	$ 4,611,466	$ 3,686,512	$ 2,455,618

	Fiscal Year				
	2020	**2019**	**2018**	**2017**	**2016**
Governmental activities					
Net investment in capital assets	$ 2,442,642	$ 2,390,742	$ 2,315,210	$ 2,265,036	$ 2,206,073
Restricted	799,217	681,987	687,731	429,246	418,702
Unrestricted	(2,937,843)	(2,790,580)	(3,221,260)	(1,683,141)	(1,602,034)
Total governmental activities net assets	$ 304,016	$ 282,149	$ (218,319)	$ 1,011,141	$ 1,022,741
Business-type activities					
Net investment in capital assets	$ 629,432	$ 592,072	$ 554,745	$ 528,287	$ 502,720
Restricted	836,985	1,064,700	1,054,707	1,018,208	997,892
Unrestricted	(55,071)	(60,708)	(99,272)	33,336	17,012
Total business-type activities net assets	$ 1,411,346	$ 1,596,064	$ 1,510,180	$ 1,579,831	$ 1,517,624
Primary government					
Net investment in capital assets	$ 3,072,074	$ 2,982,814	$ 2,869,955	$ 2,793,323	$ 2,708,793
Restricted	1,636,202	1,746,687	1,742,438	1,447,454	1,416,594
Unrestricted	(2,992,914)	(2,851,288)	(3,320,532)	(1,649,805)	(1,585,022)
Total primary government net assets	$ 1,715,362	$ 1,878,213	$ 1,291,861	$ 2,590,972	$ 2,540,365

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN YEARS
(Accrual Basis Accounting, Expressed in Thousands)

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Governmental Activities:					
Expenses					
General Government	$ 705,312	$ 827,402	$ 945,160	$ 783,794	$ 1,023,931
Administration of Justice and Public Protection	1,530,288	1,288,545	760,123	532,951	686,499
Resource Protection and Development	351,671	340,917	353,646	189,491	194,219
Transportation	598,652	558,008	595,503	432,309	514,303
Health and Social Services	4,268,155	3,935,927	3,857,165	3,698,626	3,547,901
Education	1,808,291	1,827,106	1,675,554	1,671,774	1,612,262
Interest Expense	11,238	27,390	24,777	26,934	24,007
Total Expenses	9,273,607	8,805,295	8,211,928	7,335,879	7,603,122
Charges for Services:					
General Government	$ 466,301	$ 511,658	$ 461,250	$ 393,143	$ 373,247
Administration of Justice and Public Protection	533,542	508,147	460,668	510,505	434,461
Resource Protection and Development	123,030	119,008	127,352	100,679	93,754
Transportation	24,079	24,239	22,577	23,175	15,995
Health and Social Services	253,065	278,240	287,832	204,502	193,639
Education	24,759	13,428	2,357	1,187	2,001
Operating Grants and Contributions	3,319,292	3,391,370	3,853,265	3,526,608	3,512,151
Capital Grants and Contributions	315,686	255,362	245,275	247,229	209,205
Total Program Revenues	5,059,754	5,101,452	5,460,576	5,007,028	4,834,453
Total Governmental Activities Net Program Expense	(4,213,853)	(3,703,843)	(2,751,352)	(2,328,851)	(2,768,669)
General Revenues and Other Changes in Net Assets					
Taxes					
General Property Taxes	417,418	409,670	307,200	386,924	380,858
Business Income Taxes	1,056,734	1,245,269	1,329,660	1,016,883	1,104,374
Meals and Rental Tax	257,626	414,268	321,168	306,533	333,877
Special Taxes	729,522	665,363	664,687	801,977	652,545
Personal Taxes	184,124	189,284	217,697	231,802	252,425
Business License Taxes	188,210	178,126	180,550	179,048	170,992
Interest and Investment Income	138,567	135,149	80,286	21,243	18,234
Miscellaneous	69,121	62,611	76,286	85,682	98,093
Special Item - Environmental Litigation Settlements					
Transfers	345,664	362,796	329,593	340,923	299,785
Total General Revenues and Other Changes in Net Position	3,386,986	3,662,536	3,507,127	3,371,015	3,311,183
Total Governmental Activities Change in Net Position	$ (826,867)	$ (41,307)	$ 755,775	$ 1,042,164	$ 542,514
Business-type Activities:					
Expenses					
Turnpike System	$ 117,776	$ 111,473	$ 109,366	$ 87,524	$ 99,106
Liquor Commission	598,550	613,235	588,439	592,786	624,976
Lottery Commission	396,603	427,009	414,464	387,415	374,646
SRF Fund	24,960	18,519	16,572	19,600	19,653
Unemployment Compensation	54,998	48,863	37,326	43,795	972,371
Total Expenses	1,192,887	1,219,099	1,166,167	1,131,120	2,090,752
Revenues					
Charges for Services:					
Turnpike System	150,638	158,379	149,945	141,939	126,446
Liquor Commission	726,952	757,889	759,071	774,983	807,427
Lottery Commission	605,535	634,779	603,848	536,771	519,034
SRF Fund	26,256	22,578	19,066	21,851	15,121
Unemployment Compensation	67,946	65,676	106,499	159,249	160,048
Operating Grants and Contributions	33,695	28,268	26,476	42,183	948,090
Capital Grants and Contributions	1,063	110	34	13	27
Total Revenues	1,612,085	1,667,679	1,664,939	1,676,989	2,576,193
Total Business-type Activities Net Program Revenue	419,198	448,580	498,772	545,869	485,441
Other Changes in Net Position					
Transfer/Contribution of Capital Assets					
Transfers	(345,664)	(362,796)	(329,593)	(340,923)	(299,785)
Total Other Changes in Net Position	(345,664)	(362,796)	(329,593)	(340,923)	(299,785)
Total Business-type Activities Change in Net Position	$ 73,534	$ 85,784	$ 169,179	$ 204,946	$ 185,656
Total Primary Government Change in Net Position	$ (753,333)	$ 44,477	$ 924,954	$ 1,247,110	$ 728,170

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN YEARS-CONTINUED
(Accrual Basis Accounting, Expressed in Thousands)

	Fiscal Year				
	2020	**2019**	**2018**	**2017**	**2016**
$	911,255	$ 435,655	$ 487,323	$ 482,357	$ 445,931
	583,877	507,949	529,684	516,377	469,263
	197,678	168,125	178,862	177,032	156,899
	485,317	568,404	569,332	558,500	500,899
	3,092,544	2,839,853	2,883,850	2,843,514	2,717,099
	1,443,493	1,366,996	1,356,013	1,361,946	1,358,215
	27,426	33,865	33,754	33,437	54,748
	6,741,590	5,920,847	6,038,818	5,973,163	5,703,054
	360,177	288,167	292,437	313,725	309,072
	415,660	422,342	377,270	397,049	401,255
	85,769	94,085	100,984	95,579	89,441
	18,498	12,966	18,950	15,363	16,257
	112,585	182,062	178,117	159,600	144,354
	2,696	2,298	1,458	2,020	2,170
	2,823,948	2,273,606	2,267,221	2,164,704	2,137,529
	208,723	201,298	190,813	188,237	169,643
	4,028,056	3,476,824	3,427,250	3,336,277	3,269,721
	(2,713,534)	(2,444,023)	(2,611,568)	(2,636,886)	(2,433,333)
	386,004	403,299	409,085	403,212	407,276
	654,400	886,821	774,512	662,400	693,691
	316,114	350,190	329,983	315,680	302,473
	633,110	562,248	567,200	536,998	521,574
	213,654	202,182	211,319	218,833	226,803
	174,691	187,806	184,886	184,132	182,582
	18,213	27,440	21,023	14,600	17,015
	70,444	50,494	53,376	59,570	43,884
				—	276,457
	268,771	274,011	257,086	229,861	235,038
	2,735,401	2,944,491	2,808,470	2,625,286	2,906,793
$	21,867	$ 500,468	$ 196,902	$ (11,600)	$ 473,460
$	99,371	$ 93,040	$ 97,530	$ 99,475	$ 88,091
	599,886	564,013	554,195	549,260	531,064
	293,314	284,504	250,510	228,168	229,488
	14,299	16,377	17,244	15,457	9,288
	1,097,245	45,128	57,529	74,631	79,569
	2,104,115	1,003,062	977,008	966,991	937,500
	136,319	152,796	139,474	137,270	135,588
	757,986	726,039	710,214	703,136	688,374
	392,651	391,038	337,896	304,322	308,570
	17,845	15,164	15,038	13,492	7,710
	61,919	60,395	81,786	80,144	83,352
	821,443	17,436	28,456	20,651	26,374
	5	89	104	44	87
	2,188,168	1,362,957	1,312,968	1,259,059	1,250,055
	84,053	359,895	335,960	292,068	312,555
	(268,771)	(274,011)	(257,086)	(229,861)	(235,038)
	(268,771)	(274,011)	(257,086)	(229,861)	(235,038)
$	(184,718)	$ 85,884	$ 78,874	$ 62,207	$ 77,517
$	(162,851)	$ 586,352	$ 275,776	$ 50,607	$ 550,977

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN YEARS
(Accrual Basis Accounting, Expressed in Thousands)

	Fiscal Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
General fund										
Nonspendable:										
Inventories	$ 27,213	$ 27,838	$ 39,162	$ 41,012	$ 39,275	$ 27,393	$ 5,196	$ 4,729	$ 5,122	$ 4,680
Restricted	976,982	1,146,223	1,027,714	785,253	666,369	585,065	539,924	547,274	553,760	486,626
Committed	83,912	75,955	74,376	35,216	35,409	30,626	31,037	28,157	32,006	34,411
Assigned	281,407	311,427	466,881	300,245	241,416	138,766	67,965	99,833	62,027	24,962
Unassigned:										
Revenue Stabilization	225,208	292,525	292,525	159,887	257,799	115,485	115,258	110,000	100,000	93,043
Other		73,855		253,379		(51,166)	192,518	74,395		88,489
Total General Fund	1,594,722	1,927,823	1,900,658	1,574,992	1,240,268	846,169	951,898	864,388	752,915	732,211
All Other Governmental Funds										
Nonspendable:										
Inventories	29,466	30,225	28,517	28,069	22,667	19,881	21,342	19,980	18,766	18,493
Permanent Fund Principal	13,054	12,986	12,908	12,771	12,660	13,287	12,917	12,606	11,821	10,583
Restricted	167,706	175,727	198,072	213,492	176,829	147,934	142,063	140,457	131,669	124,272
Committed	6,021	5,025	4,511	4,166	4,450	3,764	3,219	2,885	2,481	2,028
Assigned	204,093	295,216	306,365	248,250	112,500	90,453	100,419	41,306	20,051	5,643
Unassigned	21,352	(6,611)	(12,894)	(17,752)	(26,981)	(55,676)	(70,456)	(32,640)	(35,423)	
Total All Other Governmental Funds	441,692	512,568	537,479	488,996	302,125	219,643	209,504	184,594	149,365	161,019
Total Fund Balances - Governmental Funds	$2,036,414	$2,440,391	$2,438,137	$2,063,988	$1,542,393	$1,065,812	$1,161,402	$1,048,982	$902,280	$893,230

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN YEARS
(Accrual Basis Accounting, Expressed in Thousands)

	Fiscal Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Revenues										
General Property Taxes	$414,018	$410,671	$306,200	$406,824	$401,558	$406,804	$403,200	$408,585	$405,412	$406,677
Special Taxes	2,094,658	2,304,880	2,249,698	2,142,983	1,976,324	1,633,070	1,724,139	1,679,095	1,489,578	1,520,222
Personal Taxes	184,124	189,284	217,697	231,802	252,425	213,654	202,182	211,520	218,633	227,003
Business License Taxes	221,004	209,997	212,285	210,914	198,308	200,522	212,187	209,361	207,829	205,162
Non-Business License Taxes	299,622	284,098	276,725	269,205	250,823	242,961	244,647	215,439	221,990	217,595
Fees	218,323	218,070	197,193	186,542	183,623	165,266	176,202	186,989	187,067	187,965
Fines, Penalties and Interest	27,922	25,591	30,825	17,757	16,963	14,204	16,662	13,301	25,313	15,246
Federal Government	3,509,057	3,339,430	3,765,377	3,633,712	3,581,744	2,867,249	2,312,564	2,296,577	2,200,251	2,157,393
Private and Local Sources	184,713	213,829	172,643	173,889	164,979	186,536	178,306	182,422	171,624	167,032
Rents and Leases	1,716	1,692	1,827	1,830	1,462	1,244	1,680	1,460	1,437	149
Interest, Premiums and Discounts	150,299	147,626	90,024	22,338	21,456	26,836	34,853	27,393	16,777	18,390
Sale of Commodities	30,688	27,967	26,579	22,721	18,595	18,121	19,467	17,959	20,570	21,021
Sale of Service	24,604	20,747	23,996	20,286	30,276	25,787	29,150	27,854	33,803	29,316
Assessments	73,995	65,661	69,424	61,925	59,845	61,995	59,032	63,092	60,203	62,847
Other Agencies	131,879	142,830	118,014	65,167	84,846	57,688	69,024	71,042	78,452	72,213
Miscellaneous	503,737	505,700	489,400	447,986	356,191	276,697	272,145	262,723	246,386	254,370
Total Revenues	8,070,359	8,108,073	8,247,907	7,915,881	7,599,418	6,398,634	5,955,440	5,874,812	5,585,325	5,562,601
Expenditures										
General Government	575,952	647,234	802,316	717,319	871,751	802,519	377,434	376,799	348,287	340,644
Administration of Justice and Public Protection	965,957	993,364	753,606	676,601	638,242	600,862	557,055	530,367	498,489	503,700
Resource Protection and Development	382,038	337,458	364,787	226,539	185,339	198,740	169,701	162,384	161,802	147,250
Transportation	465,638	415,728	472,727	370,260	366,489	358,112	341,155	369,641	317,129	307,377
Health and Social Services	4,310,288	3,893,428	3,870,849	3,803,220	3,519,228	3,098,718	2,949,280	2,907,112	2,817,995	2,721,001
Education	1,799,419	1,819,665	1,678,983	1,683,419	1,611,714	1,444,602	1,366,256	1,359,721	1,352,921	1,357,379
Debt Service										
Principal	88,020	88,019.601	101,922	101,922	101,922	101,922	102,018	98,129	93,146	97,834
Interest	31,324	30,684	16,786	15,666	28,194	37,801	43,930	42,053	46,551	51,318
Capital Outlay	289,593	321,334	248,480	227,304	211,847	273,353	317,459	273,120	283,794	236,154
Total Expenditures	8,908,229	8,546,915	8,310,456	7,822,250	7,534,726	6,916,629	6,224,288	6,119,326	5,920,114	5,762,657
Revenues Over (Under) Expenditures	(837,870)	(438,842)	(62,549)	93,631	64,692	(517,995)	(268,848)	(244,514)	(334,789)	(200,056)
Other Financing Sources (Uses)										
Transfers In	69,459	56,774	53,017	86,926	55,847	108,489	7,097	6,392	70,354	30,994
Transfers In from Enterprise Funds	345,664	362,796	376,543	343,224	349,785	268,771	274,011	257,086	229,861	235,038
Transfers Out	(69,459)	(56,774)	(99,967)	(89,227)	(105,847)	(108,489)	(7,097)	(6,392)	(70,354)	(30,994)
Refunding Bond Issuance										
Bond Premiums		7,808	12,457	11,343	25,839	20,306	6,921	9,282	5,862	
Bond/Note Issuance	64,172	63,901	80,036	56,395	154,854	109,348	91,191	116,246	157,492	9,685
Payments to Refunding										
Bond Escrow Agent			(18,332)		(97,868)			4,005	(55,082)	
Installments on Sale of Assets										414
Repayment (Issuance) of BANS										
Lease Acquisition	32,906	16,205	34,347	12,165	2,527	3,244	7,316	3,776	4,882	778
Total Other Financing Sources (Uses)	442,742	450,710	438,101	420,826	385,137	401,669	379,439	390,395	343,015	245,915
Special Item - Environmental Litigation Settlements										276,457
Change in Inventory	(1,384)	(9,614)	(1,403)	7,138	14,668	20,736	1,829	821	824	237
Net Change in Fund Balances	$(396,512)	$ 2,254	$374,149	$521,595	$464,497	$(95,590)	$112,420	$146,702	$ 9,050	$322,553
Debt Service as a Percentage of Non-Capital Expenditure:	1.4 %	1.4 %	1.5 %	1.5 %	1.8 %	2.1 %	2.4 %	2.4 %	2.5 %	2.8 %

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF UNRESTRICTED REVENUE - GAAP BASIS
GENERAL FUND
FOR THE LAST TEN YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Beer Tax	$ 11,802	$ 12,459	$ 12,933	$ 13,071	$ 13,701	$ 13,176	$ 12,836	$ 12,828	$ 12,678	$ 12,850
Board and Care Revenue										
Business Profits Tax	468,605	586,118	768,668	712,132	543,227	364,228	377,984	393,370	317,412	352,788
Business Enterprise Tax	196,768	195,996	3,539	37,397	88,632	45,755	96,819	87,849	83,588	91,304
Estate and Legacy Tax									7	29
Insurance Tax	176,400	163,256	156,803	154,900	138,923	133,956	135,069	115,019	121,865	123,448
Securities Revenue	43,700	43,990	44,898	44,100	41,606	41,629	42,617	43,364	44,598	43,703
Interest and Dividends Tax	72,689	184,646	147,286	157,476	120,704	125,678	114,680	105,826	94,287	89,265
Liquor	85,856	109,550	133,250	140,420	150,226	131,768	133,461	136,374	141,063	139,851
Meals and Rentals Tax	327,763	320,349	310,009	298,055	327,470	306,778	340,060	322,476	306,184	292,774
Real Estate Transfer Tax	135,004	122,485	137,016	155,165	138,156	105,633	101,952	99,433	94,497	89,665
Telephone/Communications Tax	29,033	30,558	28,064	29,903	40,012	39,783	41,177	43,448	47,087	52,449
Tobacco Tax	120,358	121,183	136,359	142,948	153,229	127,754	119,749	124,508	128,178	132,395
Tobacco Settlement			4,622	9,000	7,750	2,599	4,597	5,912	2,608	1,479
Utilities Tax						(3)	3,310	5,940	5,901	5,932
Courts Fines and Fees	13,600	13,618	13,922	14,000	12,851	12,336	13,164	12,956	13,673	13,473
Other:										
Corporate Returns	743	725	740	686	746	686	846	667	646	665
Corporate Filing Fees	3,140	3,038	3,098	2,841	3,221	2,960	3,158	2,904	3,092	3,272
Interest on Surplus Funds	106,644	95,044	56,398	3,804	2,152	5,433	9,909	4,801	1,684	781
Reimbursement of Indirect Costs	16,656	14,498	12,485	15,062	11,053	11,001	12,692	11,816	10,006	12,906
Miscellaneous	53,581	65,889	58,902	56,666	46,531	51,113	53,532	62,084	65,266	60,710
Subtotal	1,862,342	2,083,402	2,028,992	1,987,626	1,840,190	1,522,263	1,617,612	1,591,575	1,494,320	1,519,739
DHHS Recoveries	2,100	3,469	4,474	3,400	3,647	3,132	4,390	4,098	8,870	9,061
Total Unrestricted Revenue	$1,864,442	$2,086,871	$2,033,466	$1,991,026	$1,843,837	$1,525,395	$1,622,002	$1,595,673	$1,503,190	$1,528,800

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF STATUTORY UNASSIGNED - OTHER FUND BALANCE
GENERAL FUND
FOR THE LAST TEN YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Balance, July 1 (Budgetary Method)	$ 179,237	$ 82,539	$ 440,237	$ 164,493	$ 56,800	$ 272,207	$ 157,091	$ 159,581	$ 218,442	$ 192,511
Additions:										
Unrestricted Revenue	1,864,442	2,086,871	2,033,466	1,991,026	1,844,480	1,515,662	1,630,890	1,595,673	1,503,190	1,528,800
Total Unrestricted Revenue	1,864,442	2,086,871	2,033,466	1,991,026	1,844,480	1,515,662	1,630,890	1,595,673	1,503,190	1,528,800
Transfers In	1,078	1,105	932	1,340	3,117	1,255			1,158	783
Other (Debits) Credits	(625)	(14,655)	(70,912)	(57,599)	11,881	25,756	1,434	1,717	441	
Total Additions	1,864,895	2,073,321	1,963,486	1,934,767	1,859,478	1,542,673	1,632,324	1,597,390	1,504,789	1,529,583
Deductions:										
General Government	256,432	201,101	385,378	213,281	310,639	328,508	300,270	288,841	302,735	275,201
Administration of Justice and Public Protection	410,985	448,541	518,389	321,493	312,953	336,188	296,072	284,605	277,029	255,233
Resource Protection and Development	50,623	54,149	126,190	64,887	66,805	55,498	39,276	38,085	37,452	32,980
Transportation	1,872	1,818	98,469	20,763	8,439	3,481	11,495	21,085	37,824	975
Health and Social Services	1,189,315	1,098,028	1,044,633	889,895	899,147	885,889	782,849	745,993	686,866	641,842
Education	191,761	188,504	200,334	174,457	179,420	181,309	219,759	218,964	216,933	217,476
Total Appropriations Net of Estimated Revenues	2,100,988	1,992,141	2,373,393	1,684,776	1,777,403	1,790,873	1,649,721	1,597,573	1,558,839	1,423,707
Less: Lapses	(135,479)	(52,457)	(228,607)	(104,789)	(205,918)	(102,696)	(144,928)	(93,449)	(47,568)	(39,844)
Net Appropriations	1,965,509	1,939,684	2,144,786	1,579,987	1,571,485	1,688,177	1,504,793	1,504,124	1,511,271	1,383,863
Transfers to Other Funds	38,747	36,939	43,760	76,948	37,986	69,676		85,756	45,422	79,213
Other Debits							7,298			576
Designation or Reserve Accounts	(67,317)		132,638	2,088	142,314	227	5,117	10,000	6,957	40,000
Total Deductions	1,936,939	1,976,623	2,321,184	1,659,023	1,751,785	1,758,080	1,517,208	1,599,880	1,563,650	1,503,652
Balance, June 30 (Budgetary Method)	107,193	179,237	82,539	440,237	164,493	56,800	272,207	157,091	159,581	218,442
Adjustments:										
Receivables	95,895	80,064	74,110	63,490	59,964	51,171	72,357	75,380	79,327	72,870
Accounts Payable and Accrued Liabilities	(203,088)	(185,446)	(156,649)	(145,045)	(181,451)	(168,870)	(143,158)	(158,076)	(153,152)	(174,771)
Unrestricted Revenue Adjustments					(643)	9,733	(8,888)			
Negative Balance Adjustment - FEMA				(105,303)	(42,363)					
Additional Transfers (to) from other Funds/Accounts									(32,660)	
Total Adjustments	(107,193)	(105,382)	(82,539)	(186,858)	(164,493)	(107,966)	(79,689)	(82,696)	(106,485)	(101,901)
Year-End Transfer to/from the Education Trust Fund									(53,096)	(28,052)
Balance, June 30 (GAAP)	$	$ 73,855	$	$ 253,379	$	$ (51,166)	$ 192,518	$ 74,395	$	$ 88,489

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF STATUTORY FUND BALANCE
EDUCATION TRUST FUND
FOR THE LAST TEN YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Balance July 1	$ 150,911	$161,628	$108,038	$2,210	$59,293	$78,959	21,433			
Additions										
Unrestricted Revenue										
Statewide Property Tax (2)	364,400	363,787	263,098	363,300	363,068	363,246	363,100	363,149	363,432	363,138
Utility Property Tax	49,300	46,762	42,902	43,300	38,199	43,296	39,519	45,166	41,755	43,256
Business Profits Tax	365,619	431,523	190,132	177,026	123,997	86,600	95,482	88,858	68,397	74,167
Business Enterprise Tax	64,586	12,118	296,550	297,554	247,355	213,156	235,317	211,035	168,402	181,032
Meals & Rentals Tax	10,911	9,508	10,428	9,122	7,248	8,590	9,997	9,207	8,557	8,525
Real Estate Transfer Tax	67,200	61,250	68,542	77,394	71,624	52,806	50,870	49,726	47,198	44,877
Tobacco Tax	64,026	68,268	81,427	88,964	99,375	86,206	82,731	87,077	90,472	94,658
Tobacco Settlement	37,700	39,772	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Transfers from Lottery	208,985	207,871	189,513	146,561	144,237	99,790	105,606	87,279	76,120	79,185
Other	4,000	4,247	2,490	200	792	1,079				
Total Revenue	1,236,727	1,245,106	1,185,082	1,243,421	1,135,895	994,769	1,022,622	981,497	904,333	928,838
Other Credits (debits)	(10,959)	340	(18,820)	(37,841)	(58)	2,533	(2,512)	1,573		
Total Additions	1,225,768	1,245,446	1,166,262	1,205,580	1,135,837	997,302	1,020,110	983,070	904,333	928,838
Deductions										
Appropriations										
Adequate Education Grant (1)	699,967	701,481	690,020	607,302	695,984	599,496	548,982	563,972	570,584	570,121
Adequate Education Grant (2)	364,400	363,787	263,098	363,300	363,068	363,246	363,100	363,149	363,432	363,138
Total Grants	1,064,367	1,065,268	953,118	970,602	1,059,052	962,742	912,082	927,121	934,016	933,259
DRA-Property Tax Relief	1,500	1,500	1,650	800	1,750	1,750	1,850	1,850	2,150	2,150
DOE-Charter Schools	64,483	60,159	49,524	46,968	44,988	41,776	36,435	34,079	36,993	21,891
DOE-Special Education Aid	33,917	34,809	33,917	33,252	30,800	30,800				
DOE-Building Aid	43,400	43,184	24,960	26,973	60,500	38,500				
DOE-Tuition & Transportation	9,000	9,000	9,000	9,000	9,000	9,000				
DOE-Consultants						500				
DOE-Kindergarten			853	155	1,906		14,642			
DOE-Education Freedom Accounts	30,059	23,760	15,533	9,004						
DOE-Other	9,668	8,914	24,815	3,000						
Total Appropriations.	1,256,394	1,246,594	1,113,370	1,099,754	1,207,996	1,085,068	965,009	963,050	973,159	957,300
Less Lapses	(1,386)	(993)	(698)	(2)	(16,249)		(2,425)	(1,413)	(15,730)	(410)
Net Appropriations	1,255,008	1,245,601	1,112,672	1,099,752	1,191,747	1,085,068	962,584	961,637	957,429	956,890
Current Year Balance	(29,240)	(155)	53,590	105,828	(55,910)	(87,766)	57,526	21,433	(53,096)	(28,052)
Year-End Transfers to/from the General Fund	(20,444)	(10,562)			(1,173)	68,100			53,096	28,052
Balance, June 30	$ 101,227	$150,911	$161,628	$108,038	$ 2,210	$ 59,293	$ 78,959	$ 21,433		

(1) State Education Grant Disbursed by State
(2) State Education Grant Retained Locally by Cities & Towns

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF STATUTORY FUND BALANCE
HIGHWAY FUND
FOR THE LAST TEN YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Balance (Deficit) July 1 (Budgetary Method)	$ 420,345	$ 444,847	$ 444,234	$ 368,706	$ 383,880	$ 421,856	$ 464,930	$ 521,084	$ 545,585	$ 338,578
Additions:										
Unrestricted Revenue:										
Gasoline Tax	127,199	126,490	124,779	122,172	116,548	117,840	127,644	125,838	124,478	123,791
Motor Vehicle Fees	108,750	107,966	100,599	108,968	104,757	102,800	97,992	97,665	96,009	91,645
Other	770	911	2,059	828	484	200	644	171	439	745
Total Unrestricted Revenue	236,719	235,367	227,437	231,968	221,789	220,840	226,280	223,674	220,926	216,181
Bonds/Notes Authorized and Unissued (1)										200,000
Other Credits			10,000	50,000	8,100	4,000	316		14,500	750
Total Additions	236,719	235,367	237,437	281,968	229,889	224,840	226,596	223,674	235,426	416,931
Deductions:										
Appropriations Net of Estimated Revenues	306,832	301,052	277,968	229,441	269,829	263,520	252,902	249,199	244,441	220,963
Less: Appropriation Adjustment ***										
Less: Lapses	(62,143)	(45,306)	(46,543)	(24,174)	(48,077)	(41,142)	(23,464)	(25,896)	(24,993)	(22,979)
Net Appropriations	244,689	255,746	231,425	205,267	221,752	222,378	229,438	223,303	219,448	197,984
Bonds/Notes Authorized and Unissued (1)				2,288	21,321	33,776	38,384	54,769	38,303	9,685
Other Debits	5,601	4,123	5,399	(1,115)	1,990	6,662	1,848	1,756	2,176	2,255
Total Deductions	250,290	259,869	236,824	206,440	245,063	262,816	269,670	279,828	259,927	209,924
Balance, June 30 (Budgetary Method)	406,774	420,345	444,847	444,234	368,706	383,880	421,856	464,930	521,084	545,585
Adjustments:										
Receivables					492	983	3,206	629	3,180	
Bonds/Notes Authorized and Unissued	(296,479)	(296,479)	(296,479)	(296,479)	(298,767)	(320,088)	(353,864)	(392,248)	(447,017)	(485,320)
Accounts Payable and Accrued Liabilities	(47,221)	(37,690)	(35,001)	(36,069)	(35,105)	(28,861)	(30,630)	(29,083)	(28,830)	(24,865)
Total Adjustments	(343,700)	(334,169)	(331,480)	(332,548)	(333,380)	(347,966)	(381,288)	(420,702)	(472,667)	(510,185)
Balance, June 30	$ 63,074	$ 86,176	$ 113,367	$ 111,686	$ 35,326	$ 35,914	$ 40,568	$ 44,228	$ 48,417	$ 35,400

1) Borrowing Authority per Ch 17, Laws of 2014, and as amended by Ch 276:210 and 276:211, Laws of 2015 (FY 2016); and Ch 228-A:2 for federal highway grant anticipation bonds (Garvee Bonds) as modified by Ch 231:13 Laws of 2010 (FY 2012 and 2010)

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF STATUTORY FUND BALANCE
FISH AND GAME FUND
FOR THE LAST TEN YEARS
(Expressed in Thousands)

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Balance, July 1 (Budgetary Method)	$ 13,248	$ 14,331	$ 11,452	$ 10,721	$ 7,647	$ 4,477	$ 3,906	$ 2,898	$ 2,326	$ 1,541
Additions:										
Unrestricted Revenue	14,778	14,893	14,950	14,893	15,440	15,938	11,668	11,857	11,624	11,475
Other Credits			2,000				2,243	2,017	1,943	2,139
Total Additions	14,778	14,893	16,950	14,893	15,440	15,938	13,911	13,874	13,567	13,614
Deductions:										
Appropriations Net of Estimated Revenues	17,786	17,762	16,744	15,833	14,691	14,069	14,915	14,076	14,742	14,223
Less: Lapses	(2,205)	(1,846)	(2,642)	(1,501)	(2,627)	(1,304)	(1,575)	(1,210)	(1,747)	(1,394)
Net Appropriations	15,581	15,916	14,102	14,332	12,064	12,765	13,340	12,866	12,995	12,829
Other Debits	(242)	60	(31)	(170)	302	3				
Total Deductions	15,339	15,976	14,071	14,162	12,366	12,768	13,340	12,866	12,995	12,829
Current Year Balance							571	1,008	572	785
Balance, June 30 (Budgetary Method)	12,687	13,248	14,331	11,452	10,721	7,647	4,477	3,906	2,898	2,326
Adjustments:										
Receivables	(307)	(289)	160			13	20	12	23	9
Accounts Payable and Accrued Liabilities	(1,669)	(1,335)	(1,273)	(1,562)	(1,453)	(1,617)	(1,682)	(1,251)	(1,169)	(1,261)
Total Adjustments	(1,976)	(1,624)	(1,113)	(1,562)	(1,453)	(1,604)	(1,662)	(1,239)	(1,146)	(1,252)
Balance, June 30	$ 10,711	$ 11,624	$ 13,218	$ 9,890	$ 9,268	$ 6,043	$ 2,815	$ 2,667	$ 1,752	$ 1,074

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF BUSINESS TAX FILERS AND LIABILITY BY TAX PAID LEVEL

	BUSINESS PROFITS TAX - BPT (1)				BUSINESS ENTERPRISE TAX - BET (2)			
	FISCAL YEAR 2025				FISCAL YEAR 2025			
Taxes Paid Level	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
$5,000 and higher	9,431	44%	$797,286,404	98%	7,215	16%	$222,071,460	82%
$1,000 - $4,999	6,049	28%	15,811,943	2%	17,690	40%	39,533,828	15%
Under $1,000	6,105	28%	2,053,578	—%	19,320	44%	8,439,001	3%
	21,585	100%	$815,151,925	100%	44,225	100%	$270,044,289	100%

	BUSINESS PROFITS TAX - BPT (1)				BUSINESS ENTERPRISE TAX - BET (2)			
	FISCAL YEAR 2024				FISCAL YEAR 2024			
Taxes Paid Level	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
$5,000 and higher	8,981	44%	$843,186,226	98%	6,778	16%	$202,554,789	82%
$1,000 - $4,999	5,743	28%	15,010,089	2%	16,524	39%	37,050,554	15%
Under $1,000	5,756	28%	1,986,396	—%	19,267	45%	8,267,423	3%
	20,480	100%	$860,182,711	100%	42,569	100%	$247,872,766	100%

	BUSINESS PROFITS TAX - BPT (1)				BUSINESS ENTERPRISE TAX - BET (2)			
	FISCAL YEAR 2023				FISCAL YEAR 2023			
Taxes Paid Level	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
$5,000 and higher	9,147	42%	$787,045,930	98%	6,670	15%	$205,116,030	81%
$1,000 - $4,999	6,248	29%	16,234,826	2%	17,195	38%	37,841,436	15%
Under $1,000	6,362	29%	2,167,542	—%	21,182	47%	9,220,531	4%
	21,757	100%	$805,448,298	100%	45,047	100%	$252,177,997	100%

	BUSINESS PROFITS TAX - BPT (1)				*BUSINESS ENTERPRISE TAX - BET (2)*			
	FISCAL YEAR 2022				FISCAL YEAR 2022			
Taxes Paid Level	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
$5,000 and higher	7,838	38%	$585,756,921	97%	6,246	15%	$189,359,405	81%
$1,000 - $4,999	6,103	30%	15,709,830	3%	16,487	38%	36,154,935	15%
Under $1,000	6,530	32%	2,178,221	—%	20,244	47%	8,975,391	4%
	20,471	100%	$603,644,972	100%	42,977	100%	$234,489,731	100%

	BUSINESS PROFITS TAX - BPT				*BUSINESS ENTERPRISE TAX - BET*			
	FISCAL YEAR 2021				FISCAL YEAR 2021			
Taxes Paid Level	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
$5,000 and higher	6,690	33%	$515,155,295	97%	5,633	13%	$175,703,789	80%
$1,000 - $4,999	6,315	31%	16,203,814	3%	15,875	37%	34,502,060	16%
Under $1,000	7,500	36%	2,446,956	—%	21,374	50%	9,401,409	4%
	20,505	100%	$533,806,065	100%	42,882	100%	$219,607,258	100%

Source: New Hampshire Department of Revenue for returns filed in fiscal year 2024.

Notes:
1) For taxable periods ending before December 31, 2022, multi-state businesses shall apportion their income using a weighted sales factor of 2 and the payroll and property factors. For taxable periods ending on or after December 31, 2022, multi-state businesses shall apportion their income using single sales factor. The BPT rate is as follows: 7.9% for taxable periods ending on or after December 31, 2018; 7.7% for taxable periods ending on or after December 31, 2019; 7.6% for taxable periods ending on or after December 31, 2022; and 7.5% for taxable periods on or after December 31, 2023.
2) The BET is assessed on the enterprise value tax base, which is the sum of all compensation paid or accrued, interest paid or accrued, and dividends paid by the business enterprise, after special adjustments and apportionment at the following rates: of 0.675% for taxable periods ending on or after December 31, 2018; 0.60% for taxable periods ending on or after December 31, 2019; and 0.55% for taxable periods ending on or after December 31, 2022.

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF BUSINESS TAX FILERS AND LIABILITY BY TAX PAID LEVEL-CONTINUED

	BUSINESS PROFITS TAX - BPT				***BUSINESS ENTERPRISE TAX - BET***			
	FISCAL YEAR 2020				**FISCAL YEAR 2020**			
Paid Level	**of Filers**	**of Total**	**Liability**	**of Total**	**of Filers**	**of Total**	**Liability**	**of Total**
$5,000 and higher	5,832	32%	$558,532,534	97%	5,833	15%	$201,088,155	83%
$1,000 - $4,999	5,571	31%	14,031,635	2%	14,669	38%	32,425,319	14%
Under $1,000	6,646	37%	2,114,944	1%	18,459	47%	8,071,309	3%
	18,049	100%	$574,679,113	100%	38,961	100%	$241,584,783	100%

	BUSINESS PROFITS TAX - BPT				***BUSINESS ENTERPRISE TAX - BET***			
	FISCAL YEAR 2019				**FISCAL YEAR 2019**			
Paid Level	**of Filers**	**of Total**	**Liability**	**of Total**	**of Filers**	**of Total**	**Liability**	**of Total**
$5,000 and higher	5,427	31%	$430,367,647	96%	6,106	15%	$193,157,985	82%
$1,000 - $4,999	5,543	31%	13,994,500	3%	15,409	39%	33,722,998	14%
Under $1,000	6,696	38%	2,139,282	1%	18,376	46%	8,109,511	4%
	17,666	100%	$446,501,429	100%	39,891	100%	$234,990,494	100%

	BUSINESS PROFITS TAX - BPT				***BUSINESS ENTERPRISE TAX - BET***			
	FISCAL YEAR 2017				**FISCAL YEAR 2017**			
Taxes Paid Level	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**
$5,000 and higher	5,319	30%	$368,736,813	96%	6,025	15%	$200,060,627	83%
$1,000 - $4,999	5,518	31%	13,837,000	4%	15,223	39%	33,273,323	14%
Under $1,000	6,808	39%	2,147,160	1%	18,088	46%	7,978,451	3%
	17,645	100%	$384,720,973	100%	39,336	100%	$241,312,401	100%

	BUSINESS PROFITS TAX - BPT				***BUSINESS ENTERPRISE TAX - BET***			
	FISCAL YEAR 2017				**FISCAL YEAR 2016**			
Taxes Paid Level	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**
$5,000 and higher	4,972	28%	$368,895,110	96%	5,672	15%	$180,647,746	82%
$1,000 - $4,999	5,602	31%	13,996,173	4%	14,690	38%	31,928,710	14%
Under $1,000	7,251	41%	2,310,159	1%	17,942	47%	7,856,253	4%
	17,825	100%	$385,201,442	100%	38,304	100%	$220,432,709	100%

	BUSINESS PROFITS TAX - BPT				***BUSINESS ENTERPRISE TAX - BET***			
	FISCAL YEAR 2016				**FISCAL YEAR 2016**			
Taxes Paid Level	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**	**Number of Filers**	**Percentage of Total**	**Tax Liability**	**Percentage of Total**
$5,000 and higher	4,931	27%	$320,607,315	95%	5,737	15%	$174,131,265	81%
$1,000 - $4,999	5,731	32%	14,207,112	4%	14,876	39%	32,299,066	15%
Under $1,000	7,511	41%	2,393,663	1%	17,941	46%	7,828,980	4%
	18,173	100%	$337,208,090	100%	38,554	100%	$214,259,311	100%

Source: New Hampshire Department of Revenue for returns filed in fiscal year 2024.

Notes:
(1) For multi-state businesses, income is apportioned, using a weighted sales factor of 2 and the payroll and property factors. The BPT rate is as follows: 8.5% for taxable periods prior to December 31, 2016; 8.2% for taxable periods ending on or after December 31, 2016; and 7.9% for taxable periods on or after December 31, 2018.
(2) The BET is assessed on the enterprise value tax base, which is the sum of all compensation paid or accrued, interest paid or accrued, and dividends paid by the business enterprise, after special adjustments and apportionment at the rate of of 0.75% for taxable periods ending prior to December 31, 2016; 0.72%, for taxable periods ending on or after December 31, 2016; and 0.675% for taxable periods ending on or after December 31, 2018.

STATE OF NEW HAMPSHIRE
SCHEDULE OF STATEWIDE PROPERTY TAX FOR TOP TEN CITIES/TOWNS
PAST TEN YEARS
IN THOUSANDS

FISCAL YEAR 2025

City/Town	Rank	Equalized Value	Warrant Amount
Manchester	1	$ 17,523,314	$ 19,626
Nashua	2	16,556,035	18,543
Portsmouth	3	9,841,751	11,023
Salem	4	8,338,811	9,339
Dover	5	6,561,579	7,349
Londonderry	6	6,410,394	7,180
Moultonborough	7	6,385,040	7,151
Concord	8	6,366,797	7,131
Bedford	9	6,361,162	7,125
Merrimack	10	6,237,537	6,986

FISCAL YEAR 2024

City/Town	Rank	Equalized Value	Warrant Amount
Manchester	1	$16,058,346	$ 19,591
Nashua	2	15,111,539	18,436
Portsmouth	3	9,067,253	11,062
Salem	4	7,813,968	9,533
Londonderry	5	6,290,285	7,674
Bedford	6	6,067,492	7,402
Moultonborough	7	5,926,655	7,231
Merrimack	8	5,830,296	7,113
Concord	9	5,813,989	7,093
Dover	10	5,686,274	6,937

FISCAL YEAR 2023

City/Town	Rank	Equalized Value	Warrant Amount
Nashua	1	$14,663,791	$ 21,116
Manchester	2	13,668,246	19,682
Portsmouth	3	7,923,930	11,410
Salem	4	6,744,328	9,712
Bedford	5	5,288,075	7,615
Merrimack	6	4,980,746	7,172
Hampton	7	4,969,659	7,156
Dover	8	4,944,908	7,121
Londonderry	9	4,891,245	7,044
Concord	10	4,851,219	6,986

FISCAL YEAR 2022

City/Town	Rank	Equalized Value	Warrant Amount
Manchester	1	$12,568,176	$ 15,459
Nashua	2	12,183,225	14,985
Portsmouth	3	6,989,818	8,597
Salem	4	5,906,174	7,265
Bedford	5	4,501,389	5,537
Merrimack	6	4,375,242	5,382
Concord	7	4,352,294	5,353
Londonderry	8	4,324,004	5,319
Hampton	9	4,211,453	5,180
Dover	10	4,126,863	5,076

FISCAL YEAR 2021

City/Town	Rank	Equalized Value	Warrant Amount
Nashua	1	$ 11,499,464	$ 20,987
Manchester	2	11,431,335	20,862
Portsmouth	3	6,599,371	12,044
Salem	4	5,650,298	10,312
Bedford	5	4,268,071	7,789
Londonderry	6	4,010,453	7,320
Concord	7	4,004,594	7,308
Hampton	8	3,946,630	7,203
Merrimack	9	3,934,748	7,181
Dover	10	3,886,933	7,094

FISCAL YEAR 2020

City/Town	Rank	Equalized Value	Warrant Amount
Manchester	1	$ 10,923,351	$ 21,027
Nashua	2	10,727,549	20,651
Portsmouth	3	6,024,487	11,597
Salem	4	5,250,860	10,108
Bedford	5	4,189,385	8,065
Londonderry	6	3,923,018	7,552
Concord	7	3,894,002	7,496
Hampton	8	3,828,948	7,371
Merrimack	9	3,778,458	7,274
Dover	10	3,737,702	7,195

Source: New Hampshire Department of Revenue, warrants for Tax Year 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016.

Notes: The rate per $1,000 of equalized value for fiscal years 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 were $1.12, $1.22, $1.44, $1.23, $1.825, $1.93, $2.17, $2.26, $2.34, $2.42 respectively.

STATE OF NEW HAMPSHIRE
SCHEDULE OF STATEWIDE PROPERTY TAX FOR TOP TEN CITIES/TOWNS
PAST TEN YEARS-CONTINUED
IN THOUSANDS

FISCAL YEAR 2019

City/Town	Rank	Equalized Value	Warrant Amount
Nashua	1	$9,387,947	$ 20,372
Manchester	2	9,269,403	20,115
Portsmouth	3	5,485,902	11,904
Salem	4	4,690,229	10,178
Bedford	5	3,844,676	8,343
Concord	6	3,588,188	7,786
Londonderry	7	3,309,629	7,182
Hampton	8	3,298,701	7,158
Merrimack	9	3,250,903	7,054
Dover	10	3,200,557	6,945

FISCAL YEAR 2018

City/Town	Rank	Equalized Value	Warrant Amount
Manchester	1	$8,961,231	$ 20,252
Nashua	2	8,941,748	20,208
Portsmouth	3	4,946,069	11,178
Salem	4	4,378,738	9,896
Bedford	5	3,789,846	8,565
Concord	6	3,575,793	8,081
Hampton	7	3,144,741	7,107
Merrimack	8	3,100,982	7,008
Londonderry	9	3,079,137	6,959
Dover	10	3,050,547	6,894

FISCAL YEAR 2017

City/Town	Rank	Equalized Value	Warrant Amount
Manchester	1	$8,507,370	$ 19,950
Nashua	2	8,479,052	19,883
Portsmouth	3	4,721,069	11,071
Salem	4	4,392,768	10,301
Bedford	5	3,533,420	8,286
Concord	6	3,504,068	8,217
Merrimack	7	2,977,493	6,982
Hampton	8	2,954,791	6,929
Dover	9	2,918,672	6,844
Londonderry	10	2,891,077	6,780

FISCAL YEAR 2016

City/Town	Rank	Equalized Value	Warrant Amount
Manchester	1	$8,249,264	$ 19,963
Nashua	2	8,199,653	19,843
Portsmouth	3	4,332,376	10,484
Salem	4	3,904,389	9,449
Concord	5	3,633,314	8,793
Bedford	6	3,365,822	8,145
Merrimack	7	2,844,904	6,885
Moultonborough	8	2,835,839	6,863
Dover	9	2,805,753	6,790
Hampton	10	2,797,166	6,769

Source: New Hampshire Department of Revenue, warrants for Tax Year 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016.

Notes: The rate per $1,000 of equalized value for fiscal years 2025, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 were $1.12, $1.22, $1.44, $1.23, $1.825, $1.93, $2.17, $2.26, $2.34, $2.42 respectively.

STATE OF NEW HAMPSHIRE
SCHEDULE OF SALES BY TOP TEN STATE LIQUOR RETAIL LOCATIONS
PAST TEN FISCAL YEARS
IN MILLIONS

	FISCAL YEAR									
Location	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Portsmouth Traffic Circle	$31.4	$34.4	$33.9	$34.5	$34.3	$29.8	$25.0	$22.4	$23.7	$24.5
Salem	29.8	28.7	26.0	28.4	32.5	31.7	27.6	28.5	25.2	25.8
Hampton - North	23.1	25.3	26.8	28.7	27.4	27.1	30.4	30.7	32.0	34.2
Nashua	23.7	24.0	24.7	29.0	39.2	32.9	32.2	28.3	26.5	18.5
Hampton - South	19.9	20.1	19.9	21.3	20.6	21.0	23.9	24.4	25.8	29.6
Nashua	16.1	19.4	19.3	20.0	21.6	22.9	23.5	21.4	16.9	16.9
West Lebanon	16.6	17.6	17.9	18.5	19.2	*	*	*	*	14.2
Hooksett - North	16.8	17.4	18.4	18.5	*	17.6	19.0	19.4	20.3	21.2
Seabrook	16.4	16.8	16.8	16.8	18.3	16.4	*	*	*	*
Londonderry	14.3	14.6	18.2	*	*	*	*	*	15.4	*
Manchester	*	*	*	*	18.0	17.2	15.2	13.9	*	*
Bedford	*	*	*	16.7	19.9	17.3	14.9	16.4	17.0	*
Hooksett - South	*	*	*	*	*	*	15.6	16.0	16.4	17.5
Keene	*	*	*	*	*	*	*	*	*	14.8
Total	$208.1	$218.3	$221.9	$232.4	$251.0	$233.9	$227.3	$221.4	$219.2	$217.2

*Not included in top ten

Source: NH State Liquor Commission

STATE OF NEW HAMPSHIRE
SCHEDULE OF RATIOS OF OUTSTANDING DEBT BY TYPE
PAST TEN FISCAL YEARS
(Expressed in Thousands, except per capita)

	Governmental Activities						Business-Type Activities						
Fiscal Year	**General Obligation Bonds**	**Direct Placement Bonds ***	**Premium on Bonds ***	**Federal Highway Grant Anticipation Bonds**	**Notes Payable**	**Lease and SBITA (1)**	**General Obligation Bonds**	**Revenue Bonds**	**Lease and SBITA (1)**	**Mortgage**	**Total Primary Government**	**% of Personal Income**	**Per Capita**
2025	$ 550,511	$ 39,454	$ 88,454	$ 15,935	$198,526	$ 83,649	$ 35,420	$198,041	$ 50,393		$ 1,260,383	1.0 %	$ 890
2024	564,298	40,619	105,858	31,465	198,526	81,955	38,855	217,063	51,336		1,329,975	1.1 %	943
2023	578,595	34,594	106,693	46,610	198,526	93,608	40,493	233,475	57,378		1,389,972	1.2 %	990
2022	593,051	30,539	105,366	61,400	198,526	66,007	45,640	254,592	57,890		1,413,011	1.3 %	1,011
2021	606,779	31,834	102,430	75,800	196,238	16,900	46,249	290,210		2,704	1,369,144	1.4 %	989
2020	649,839	29,564	91,166	90,800	174,917	16,925	49,817	317,692	93	2,815	1,423,628	1.6 %	1,044
2019	662,580	28,874	81,775	105,100	141,141	15,662	49,362	350,585	183	2,922	1,438,184	1.7 %	1,057
2018	808,028			122,907	102,757	9,444	42,943	380,542	254		1,466,875	1.7 %	1,092
2017	829,432			137,985	47,989	6,528	37,910	401,280			1,461,124	1.8 %	1,092
2016	862,887			152,468	9,685	1,945	26,915	431,982	353		1,486,235	1.9 %	1,113

Notes: Details regarding the state's debt can be found in Note 5 of the financial statements.
See Schedule of Demographic and Economic Statistics for personal income and population data.

* These amounts were included in General Obligation Bonds prior to 2019.
(1) SBITA is Subscription IT

STATE OF NEW HAMPSHIRE
SCHEDULE OF RATIOS OF GENERAL BONDED DEBT OUTSTANDING
PAST TEN FISCAL YEARS

	(Expressed in Thousands)				
	(1)	(2)	(3)		
Fiscal Year	Population	Assessed Value	General Long-Term Debt	Ratio Of General Long-Term Debt to Assessed Value	General Long-Term Debt Per Capita
2025	1,416	$361,992,280	$585,931	0.16	$ 414
2024	1,409	367,504,853	619,088	0.17	$ 439
2023	1,402	337,545,378	619,088	0.18	442
2022	1,395	311,943,812	638,691	0.20	458
2021	1,389	264,083,870	653,028	0.25	470
2020	1,364	223,620,969	699,656	0.31	513
2019	1,360	207,887,399	711,942	0.34	523
2018	1,356	194,656,334.187	850,972	0.44	628
2017	1,343	182,759,870	867,342	0.47	646
2016	1,335	173,365,434	889,802	0.51	667

Source: (1) U.S. Dept. of Commerce, Bureau of Census, reflects the most current available data for all years represented (2025 estimated).
(2) New Hampshire Department of Revenue Administration (2025 estimated). Equalization evaluation.
(3) Includes all General Obligation Bonds Payable of the Primary Government.

STATE OF NEW HAMPSHIRE
SCHEDULE OF PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Expressed in Thousands)

	Turnpike System Revenue Bonds							
Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Revenue Bond Debt Service Requirements	Revenue Bond Coverage Ratio	Renewal & Replacement	Total	All Obligations Coverage Ratio
2025	$148,996	$62,391 (1)	$86,605	$18,525 (2)	4.68	$24,925	$43,450	1.99
2024	156,859	55,245 (1)	101,614	25,704 (2)	3.95	23,950	49,654	2.05
2023	148,090	56,382 (1)	91,708	26,925 (2)	3.41	18,241	45,166	2.03
2022	139,262	42,906 (1)	96,356	32,522 (2)	2.96	18,904	51,426	1.87
2021	123,478	49,196 (1)	74,282	41,139 (2)	1.81	22,349	63,488	1.17 (3)
2020	134,089	50,922 (1)	83,167	41,506 (2)	2.00	23,630	65,136	1.28 (3)
2019	149,881	44,118 (1)	105,763	41,330 (2)	2.56	14,270	55,600	1.90 (3)
2018	137,421	48,673 (1)	88,748	41,343 (2)	2.15	12,820	54,163	1.64 (3)
2017	133,046	49,903 (1)	83,143	41,345 (2)	2.01	9,600	50,945	1.63 (3)
2016	132,725	43,023 (1)	89,702	41,333 (2)	2.17	9,700	51,033	1.76 (3)

1. Fiscal years 2006 through 2025 calculations of Direct Operating Expenses deduct the entire amount of current year depreciation expense (Turnpikes, Federal, & Highway match portions). Prior year calculations reflect the historical practice of deducting only the Turnpikes portion of depreciation expense.

2. For fiscal years 2013 through 2025, the debt service requirement consists of total payments to the Debt Service Account as required by the bond resolution. Debt service requirement calculations in the previous fiscal years consisted of the actual principal and interest paid during the fiscal year. Debt service reflects reduced Build America Bonds subsidy payments resulting from federal sequestration.

3. Unaudited toll covenant calculations indicate adequate toll revenues for fiscal year 2021. The revenue bond coverage ratio was satisfied at 1.95 for the 1.2 times test. The all obligations coverage ratio was satisfied at 1.26 for the 1.0 times test, as calculated by the Department.

4. During fiscal year 2016, a note payable of $418 thousand (including interest) was made to the State Highway Fund. This payment was the final payment to the State Highway Fund for the I-95 Piscataqua River Bridge Acquisition. The Turnpike System's unrestricted cash balances at June 30, 2011-2016 was deemed more than sufficient to satisfy the Note Payable to the State Highway Fund and accordingly, the Note Payable to State Highway Fund was not included in the all obligations ratio for fiscal years 2011 through 2016.

STATE OF NEW HAMPSHIRE
SCHEDULE OF DEMOGRAPHIC AND ECONOMIC STATISTICS
PAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Population (in thousands)	1,416	1,409	1,402	1,398	1,389	1,378	1,360	1,356	1,343	1,335
% Change	0.5 %	0.5 %	0.3 %	0.6 %	0.8 %	1.3 %	0.3 %	1.0 %	0.6 %	0.3 %
Total Personal Income (in millions)*	$130,236	$121,944	$113,542	$106,213	$100,012	$91,673	$86,859	$83,293	$77,309	$77,848
% Change	6.8 %	7.4 %	6.9 %	6.2 %	9.1 %	5.5 %	4.1 %	7.7 %	(0.7)%	6.7 %
Per Capita Personal Income*	$87,519	$82,878	$77,260	$74,663	$73,000	$66,418	$63,880	$61,405	$57,574	$58,322
% Change	5.6 %	7.3 %	3.5 %	6.0 %	9.9 %	4.0 %	4.0 %	6.7 %	(1.3)%	6.4 %
Unemployment Rate**	3.1 %	2.6 %	1.8 %	2.0 %	2.9 %	8.1 %	2.5 %	2.7 %	2.9 %	2.8 %

Source: US Department of Commerce, Bureau of Census
* NH Department of Employment Security, Economic and Labor Market Information Bureau, NH Vital Signs
** NH Department of Employment Security, Economic and Labor Market Information Bureau, Economic Conditions Seasonally Adjusted June Estimated - August Issue

STATE OF NEW HAMPSHIRE
SCHEDULE OF BUILDING PERMITS FOR HOUSING UNITS
FOR CALENDAR YEAR 2025

Building Permits Issued
By Number of Units

Calendar Year	Single Family	Multi- Family	Total
2025	1,103	624	1,727
2024	2,980	1,870	4,850
2023	3,023	1,179	4,202
2022	3,299	1,056	4,355
2021	3,442	960	4,402
2020	3,001	856	3,857
2019	2,270	1,426	3,696
2018	2,514	1,224	3,738
2017	2,476	725	3,201
2016	2,627	724	3,351

Source: U.S. Department of Commerce, Bureau of the Census.
Current year data annualized on activity through August 2025

STATE OF NEW HAMPSHIRE
SCHEDULE OF PRINCIPAL (LARGEST) EMPLOYERS
LAST TEN YEARS

	2025			2024		
Employer	**Employees**	**Rank**	**Percentage of Total State Employment**	**Employees**	**Rank**	**Percentage of Total State Employment**
1. State of New Hampshire	14,818	1	1.96 %	15,037	1	1.99%
2. Dartmouth-Hitchcock Medical Center	13,877	2	1.83 %	13,877	2	1.84%
3. Demoulas & Market Basket	9,000	3	1.19 %	9,000	3	1.19%
4. Wal-Mart Stores Inc.	8,214	4	1.09 %	8,214	4	1.09%
5. BAE Systems	6,476	5	0.86 %	6,183	5	0.82%
6. Fidelity Investments	7,000	6	0.92 %	7,000	6	0.93%
7. University System of New Hampshire	5,458	7	0.72 %	5,844	7	0.77%
8. Hannaford Brothers	5,300	8	0.70 %	5,300	8	0.70%
9. Liberty Mutual-Northern N.E. Division	5,058	9	0.67 %	5,058	9	0.67%
10. Concord Hospital	4,841	10	0.64 %	4,841	10	0.64%
Total	80,042		10.58 %	80,354		10.64%

	2023			2022		
Employer	**Employees**	**Rank**	**Percentage of Total State Employment**	**Employees**	**Rank**	**Percentage of Total State Employment**
1. State of New Hampshire	14,441	1	1.92%	14,235	1	1.88%
2. Dartmouth-Hitchcock Medical Center	13,877	2	1.85%	13,877	2	1.83%
3. Demoulas & Market Basket	9,000	3	1.20%	9,000	3	1.19%
4. Wal-Mart Stores Inc.	7,305	4	0.97%	7,305	4	0.96%
5. BAE Systems	6,183	5	0.82%	6,183	5	0.82%
6. Fidelity Investments	5,875	6	0.78%	5,875	6	0.78%
7. University System of New Hampshire	5,553	7	0.74%	5,553	7	0.73%
8. Hannaford Brothers	5,300	8	0.71%	5,300	8	0.70%
9. Liberty Mutual-Northern N.E. Division	5,058	9	0.67%	5,058	9	0.67%
10. Concord Hospital	4,841	10	0.64%	4,841	10	0.64%
Total	77,433		10.30%	77,227		10.20%

	2021			2020		
Employer	**Employees**	**Rank**	**Percentage of Total State Employment**	**Employees**	**Rank**	**Percentage of Total State Employment**
1. State of New Hampshire	14,621	1	1.99%	16,724	1	2.51%
2. Dartmouth-Hitchcock Medical Center	13,877	2	1.89%	10,000	2	1.50%
3. Demoulas & Market Basket	9,000	3	1.23%	9,000	3	1.35%
4. Wal-Mart Stores Inc.	7,305	4	0.99%	7,305	4	1.10%
5. BAE Systems	6,212	5	0.85%	6,619	5	0.99%
6. Fidelity Investments	5,875	6	0.80%	6,145	6	0.92%
7. University System of New Hampshire	5,706	7	0.78%	5,300	7	0.80%
8. Hannaford Brothers	5,300	8	0.72%	5,200	8	0.78%
9. Liberty Mutual-Northern N.E. Division	5,058	9	0.69%	5,058	9	0.76%
10. Concord Hospital	4,841	10	0.66%	4,000	10	0.60%
Total	77,795		10.60%	75,351		11.31%

Source: New Hampshire Business Review/ Book of Lists 2025
Provided by USNH
Schedule of State Employees by Function (page 170)
NHES Economic and Labor Market Information Bureau

STATE OF NEW HAMPSHIRE
SCHEDULE OF PRINCIPAL (LARGEST) EMPLOYERS
LAST TEN YEARS - CONTINUED

	2019			2018		
Employer	**Employees**	**Rank**	**Percentage of Total State Employment**	**Employer**	**Employees**	**Rank**	**Percentage of Total State Employment**
1. State of New Hampshire	17,051	1	2.19%	1. State of New Hampshire	17,050	1	2.34%
2. Dartmouth-Hitchcock Medical Center	9,790	2	1.26%	2. Dartmouth-Hitchcock Medical Center	9,100	2	1.25%
3. Demoulas & Market Basket	9,000	3	1.15%	3. Demoulas & Market Basket	9,000	3	1.24%
4. Wal-Mart Stores Inc.	7,896	4	1.01%	4. Wal-Mart Stores Inc.	7,886	4	1.08%
5. University of New Hampshire	6,000	5	0.77%	5. University of New Hampshire	6,542	5	0.90%
6. Fidelity Investments	5,300	6	0.68%	6. Fidelity Investments	5,700	6	0.78%
7. BAE Systems	5,200	7	0.67%	7. Liberty Mutual-Northern N.E. Division	5,400	7	0.74%
8. Liberty Mutual-Northern N.E. Division	5,058	8	0.65%	8. BAE Systems	5,058	8	0.70%
9. Hannaford Brothers	4,000	9	0.51%	9. Hannaford Brothers	4,900	9	0.67%
10. Elliot Hospital	3,741	10	0.48%	10. Elliot Hospital	3,800	10	0.52%
Total	73,036		9.37%	Total	74,436		10.22%

	2017			2016		
Employer	**Employees**	**Rank**	**Percentage of Total State Employment**	**Employer**	**Employees**	**Rank**	**Percentage of Total State Employment**
1. State of New Hampshire	16,970	1	2.32%	1. State of New Hampshire	17,071	1	2.38%
2. Dartmouth-Hitchcock Medical Center	9,100	2	1.25%	2. Demoulas & Market Basket	9,100	2	1.27%
3. Demoulas & Market Basket	9,000	3	1.23%	3. Dartmouth-Hitchcock Medical Center	9,000	3	1.25%
4. Wal-Mart Stores Inc.	7,886	4	1.08%	4. Wal-Mart Stores Inc.	7,886	4	1.10%
5. University of New Hampshire	6,188	5	0.85%	5. University of New Hampshire	6,284	5	0.88%
6. Fidelity Investments	5,700	6	0.78%	6. Fidelity Investments	5,400	6	0.75%
7. Liberty Mutual-Northern N.E. Division	5,058	7	0.69%	7. Hannaford Brothers	4,924	7	0.69%
8. Hannaford Brothers	5,000	8	0.68%	8. Liberty Mutual-Northern N.E. Division	4,900	8	0.68%
9. BAE Systems	4,900	9	0.67%	9. BAE Systems	4,500	9	0.63%
10. Elliot Hospital	3,682	10	0.50%	10. Elliot Hospital	3,724	10	0.52%
Total	73,484		10.05%	Total	72,789		10.15%

Source: New Hampshire Business Review/ Book of Lists 2025
Provided by USNH
Schedule of State Employees by Function (page 170)
NHES Economic and Labor Market Information Bureau

STATE OF NEW HAMPSHIRE
SCHEDULE OF OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021
General Government					
Secretary of State					
Domestic Registrations:					
Limited Liability Company	19,578	18,833	20,091	18,525	18,806
Trade Name	6,869	6,836	7,092	7,466	8,596
Corporation	963	987	945	1,027	1,064
Other	7,791	7,412	7,319	7,180	7,778
Foreign Registrations:					
Corporation	1,921	1,917	2,114	2,115	2,089
Limited Liability Company	2,790	2,711	2,688	2,596	2,517
Other	251	219	286	241	190
Administration of Justice & Public Protection					
Department of Safety					
Troop Station Personnel:					
Headquarters	266	281	231	246	259
Troop A - Rockingham/Strafford	35	31	34	33	30
Troop B - Hillsborough	35	31	35	36	35
Troop C - Cheshire/Sullivan	27	21	28	23	26
Troop D - Merrimack	33	38	37	33	33
Troop E - Belknap/Carroll	20	18	22	20	21
Troop F - Coos/Grafton	37	36	43	32	33
Troop G - Merrimack	40	44	47	45	53
Marine Patrol	51	49	45	58	60
Department of Corrections					
Number of Prison Inmates:					
NH State Prison/Men - Concord	1,060	1,027	997	1,027	1,225
NH Correctional Facility for Women - Concord	112	114	109	111	138
Lakes Region Facility - Laconia					
Northern NH Correctional Facility - Berlin	551	545	526	543	508
SPU/RTU & Transitional Housing	111	119	111	58	268
Resource Protection & Development					
Department of Natural and Cultural Resources					
Number of visitors at top 10 state parks:					
Seacoast Parking Meters	343,837	354,433	362,296	365,606	354,424
Franconia Notch State Park **	489,413	432,622	395,315	328,679	333,860
Hampton Beach South	107,851	111,162	92,881	105,356	135,095
Echo Lake - North Conway	45,611	40,889	36,914	46,140	47,607
Miller		NA	NA	NA	NA
Monadnock	55,920	56,141	54,470	53,891	93,414
Mt. Sunapee Beach	48,350	43,860	39,769	46,158	33,726
Odiorne Point	82,601	90,415	90,993	90,356	103,927
Pawtuckaway	47,527	43,409	36,251	49,849	62,739
Wallis Sands Beach	102,594	85,840	70,282	87,153	94,851
Wellington	63,950	53,982	49,106	58,301	41,419

Source: The State Departments of Secretary of State, Safety, Corrections, and Natural and Cultural Resources.

**The visitation numbers during 2020 have generally been negatively impacted by the COVID-19 pandemic and restrictions in use.

STATE OF NEW HAMPSHIRE
SCHEDULE OF OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS - CONTINUED

2020	2019	2018	2017	2016
12,938	13,075	12,320	7,810	8,930
7,440	7,388	7,676	6,145	6,781
856	960	962	550	843
7,198	6,932	7,060	754	776
1,667	1,722	1,639	1,237	1,333
1,854	1,971	1,696	1,162	1,273
183	199	183	157	237
267	274	260	266	303
35	40	43	41	46
39	41	39	39	37
31	33	34	31	35
39	41	42	36	39
25	26	25	27	28
38	46	50	47	45
57	61	54	45	48
71	72	66	69	72
1,332	1,368	1,378	1,468	1,416
172	180	162	155	155
614	644	636	666	662
335	356	388	391	385
266,769	439,852	429,684	450,698	460,569
413,272	434,855	433,762	433,990	337,846
142,636	124,230	107,508	120,011	156,770
40374	57,022	NA	35,342	35,107
25,888	31,393	28,461	NA	NA
88,114	81,918	81,068	97,795	93,446
24,564	NA	39,771	39,177	45,099
68,757	44,292	37,281	35,641	35,249
45,966	45,324	47,116	49,045	78,762
83,222	59,532	96,281	154,676	157,722
35,472	46,030	52,529	49,897	54,908

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See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS - CONTINUED

	2025	2024	2023	2022	2021
Department of Environmental Services					
Dollars disbursed by program:					
SRF - Clean water	$34,185,542	$29,350,534	$33,577,594	$43,686,576	$47,304,765
SRF - Drinking water	14,451,893	8,589,607	9,503,903	7,870,218	14,500,893
SRF - Brownfields					
Drinking Water Groundwater Trust	16,019,904	14,413,113	12,795,287	16,133,569	23,266,286
Landfills	126,690	293,680	368,194	375,092	409,513
Drinking Water Grants	451,565	509,538	537,088	579,639	618,796
Water supply land					
Waste water	10,849,994	11,330,307	12,318,040	8,060,441	10,210,766
Aquatic weed	984,891	731,229	747,483	613,710	455,176
Household hazardous waste	246,440	108,218	185,668	220,843	169,892
Aquatic Resources Mitigation Grants	1,337,170	1,634,927	1,747,879	516,518	2,473,210
*Land Protection Grants			435,905	854,979	**1042717**
Transportation					
Department of Safety					
Number of motor vehicle registrations by county:					
(Monthly Average)					
Belknap	91,765	90,864	89,522	88,351	85,262
Carroll	82,844	81,897	80,274	134,764	75,552
Cheshire	90,609	89,831	89,063	88,846	86,849
Coos	41,859	41,510	40,916	40,605	39,403
Grafton	108,602	107,772	106,619	105,992	102,812
Hillsborough	459,720	456,184	451,209	449,539	441,861
Merrimack	192,771	191,162	188,460	187,085	183,051
Rockingham	398,720	396,630	391,742	360,270	382,014
Strafford	136,950	135,646	134,169	133,783	130,642
Sullivan	55,204	55,027	54,494	54,413	53,444
Other (Indeterminable)					
Health & Social Services					
Department of Health & Human Services					
Number of caseloads by program:					
Medical assistance - average monthly caseload	185,079	184,142	237,696	233,680	210,882
TANF Caseloads	2,416	2,468	2,503	2,567	2,795
Nursing services for elderly (excludes services in home)	3,603	3,435	3,398	3,495	3,624
Child & family services - DCYF Referrals	2,327	2,261	2,316	1,582	1,446
Food stamps - June monthly average	42,552	42,598	41,762	36,793	35,720
Developmental Service - Unduplicated Count			7,065	6,915	10,108
Education					
Community College System of New Hampshire					
Enrollment	7,558	7,348	7,300	7,516	9,009
University System of New Hampshire					
Enrollment	21,654	21,719	22,709	24,423	25,126

*Starting in FY24 Land Protection Grants are reported with the Drinking Water Groundwater Trust

University System of NH FY21 includes total enrollment headcount (previously had reported degree/certificate-seeking students only).

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS - CONTINUED

2020	2019	2018	2017	2016
$57,270,336	$63,385,233	$62,020,770	$44,638,628	$31,743,515
14,407,540	16,887,734	13,995,591	15,096,193	20,348,204
11,276,170				
388,936	476,036	658,248	776,245	792,116
666,311	701,865	791,421	797,661	876,822
6,876,737	6,257,397	7,598,938	6,415,792	5,711,222
535,987	509,165	497,729	593,419	405,650
174,066	185,172	194,790	154,436	190,786
3,064,142	2,204,409	1,353,672	2,267,840	903,464
1374719				
82,813	81,946	80,593	79,110	77,716
73,258	72,489	70,773	69,642	68,102
85,116	84,707	84,001	82,895	82,282
38,715	38,495	38,287	37,752	37,635
100,819	100,618	99,807	98,270	97,573
439,328	436,771	429,970	424,865	418,637
179,402	177,885	175,722	172,738	170,436
377,745	375,808	370,467	362,933	357,608
128,878	128,304	126,815	124,306	121,871
52,198	51,959	51,560	50,841	50,175
180,675	179,791	184,411	186,381	184,946
3,485	3,434	3,233	2,351	2,466
3,911	3,995	4,100	4,112	4,222
1,254	1,511	1,485	1,322	1,235
38,487	39,054	43,007	45,541	47,391
10,608	10,590	10,393	9,964	10,016
10,171	9,818	10,451	11,152	11,503
25,267	26,998	27,333	26,371	26,692

Source: The State Departments of Environmental Services, Safety, Health and Human Services, Community College System of New Hampshire and the University of New Hampshire.

See accompanying Independent Auditors' Report

STATE OF NEW HAMPSHIRE
SCHEDULE OF STATE EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Includes all active employees eligible payment at June 30th and does not include vacant positions)

Full-Time Employees	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Department of Information Technology	314	339	322	310	308	328	322	325	326	300
Department of Administrative Services	281	295	273	267	255	278	292	292	271	277
Department of Revenue Administration	119	120	125	123	128	141	141	142	133	136
Legislative Services	139	128	131	129	124	131	123	129	128	128
All other	245	267	284	262	149	205	222	204	304	315
Administration of Justice and Public Protection										
Department of Safety	986	1,000	969	952	979	1,044	1,086	1,075	1,048	1,022
Department of Corrections	723	749	727	716	772	791	790	777	771	770
Judicial Branch	639	648	611	598	594	593	591	584	570	539
Department of Employment Security	264	277	264	268	271	234	223	230	238	251
Liquor Commission	340	330	307	304	320	324	325	329	316	308
Military Affairs and Veteran Services	103	105	99	90	120	131	127	119	125	112
All other	549	533	499	462	505	454	435	448	445	439
Resource Protection and Development										
Department of Environmental Services	475	474	438	441	409	421	419	418	342	333
Department of Natural and Cultural Resources	628	638	591	564	590	470	600	574	211	221
Fish and Game	185	184	184	173	174	173	177	173	174	175
All other	84	82	78	69	63	63	65	60	5	5
Transportation										
Department of Transportation	1,300	1,297	1,303	1,351	1,415	1,456	1,549	1,567	1,546	1,540
Health and Social Services										
Department of Health and Human Services:										
New Hampshire Hospital	606	553	513	514	557	524	530	517	521	527
Office of Commissioner	489	505	480	431	417	429	375	379	356	366
Human Services	805	800	784	754	798	767	728	723	706	685
Division of Transitional Assistance	368	372	368	369	415	388	400	406	417	409
New Hampshire Veteran's Home	257	251	245	244	270	288	298	317	327	329
Office of Health Management	278	287	284	273	270	248	248	235	229	220
All other	323	340	341	319	303	336	390	402	397	398
Education										
Department of Education	253	270	246	244	237	231	229	229	244	247
All other	101	100	96	88	82	82	79	78	78	75
State Total	10,854	10,944	10,562	10,315	10,525	10,530	10,764	10,732	10,228	10,127
Part-Time and Temporary Employees										
General Government	913	911	979	951	695	924	956	909	910	902
Administration of Justice and Public Protection	2,103	2,134	1,883	1,954	2,338	4,256	4,126	4,118	4,145	4,203
Resource Protection and Development	592	659	647	649	626	526	663	753	1,138	1,201
Transportation	87	99	84	90	124	175	207	201	228	271
Health and Social Services	235	258	257	249	281	287	312	310	284	328
Education	34	32	29	27	32	26	23	27	37	39
State Total	3,964	4,093	3,879	3,920	4,096	6,194	6,287	6,318	6,742	6,944
Grand Total:	14,818	15,037	14,441	14,235	14,621	16,724	17,051	17,050	16,970	17,071

Source: The Department of Administrative Services, Division of Accounting Services.

STATE OF NEW HAMPSHIRE
SCHEDULE OF CAPITAL ASSET BALANCES BY FUNCTION
GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
(Amounts in Thousands)

	Fiscal Year									
Function	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Land & Land Improvements										
General Government	$ 8,468	$ 8,468	$ 8,468	$ 8,302	$ 8,302	$ 8,302	$ 8,302	$ 8,302	$ 8,298	$ 7,981
Administration of Justice & Public Protection	73,407	61,712	57,212	56,716	56,862	53,785	52,871	51,511	50,841	46,528
Resource Protection & Development	333,921	330,991	324,842	319,600	308,292	305,927	304,517	297,083	295,721	292,252
Transportation	342,626	342,692	340,749	337,468	337,631	329,075	322,321	318,187	316,896	328,127
Health & Social Services	9,269	9,269	7,529	7,529	7,529	5,286	5,422	5,422	4,895	4,103
Education	703	703	703	703	703	703	700	126	126	126
Building & Building Improvements										
General Government	$ 276,802	$ 276,862	$ 252,119	$ 246,978	$ 248,777	$ 240,838	$ 240,029	$ 207,957	$ 205,309	$ 203,501
Administration of Justice & Public Protection	477,459	468,709	464,157	459,941	445,795	423,060	400,405	394,611	347,001	292,989
Resource Protection & Development	99,034	94,029	89,876	88,322	86,811	85,419	85,332	82,535	80,193	79,826
Transportation	102,399	99,640	95,713	91,461	91,460	89,949	85,917	85,597	80,907	74,149
Health & Social Services	176,560	170,078	164,881	171,214	168,569	162,215	157,736	147,990	145,339	145,374
Education	18,101	17,821	17,262	16,687	16,687	16,687	16,687	16,687	16,716	16,671
Equipment and Computer Software										
General Government	$ 89,322	$ 84,287	$ 82,896	$ 78,505	$ 70,893	$ 63,532	$ 55,729	$ 49,356	$ 46,439	$ 45,152
Administration of Justice & Public Protection	181,723	170,518	157,252	146,156	140,345	129,058	127,313	122,116	117,634	106,242
Resource Protection & Development	31,542	29,016	24,873	23,320	27,830	27,150	26,085	25,525	24,570	20,637
Transportation	178,787	170,965	162,549	155,505	153,332	149,373	140,007	135,620	134,952	124,954
Health & Social Services	253,227	239,902	228,690	210,692	192,566	182,616	168,433	121,866	103,146	98,033
Education	3,722	3,646	3,566	3,558	3,558	3,264	3,284	3,284	3,319	3,335
Infrastructure										
Transportation	4,393,525	4,342,837	4,301,569	4,292,714	4,254,353	4,085,796	3,970,238	3,854,870	3,756,810	3,678,096

See accompanying Independent Auditors' Report

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Fiscal Committee of the General Court
State of New Hampshire:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Hampshire (the State) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 23, 2025.

Our report includes a reference to other auditors who audited the financial statements of the Liquor Commission enterprise fund, which is a major enterprise fund, Lottery Commission enterprise fund, which is a major enterprise fund, the fiduciary activities, New Hampshire Retirement System, New Hampshire Judicial Retirement Plan and the New Hampshire Public Deposit Investment Pool and the aggregate discretely presented component units (University System of New Hampshire, Business Finance Authority of the State of New Hampshire, Community Development Finance Authority, Pease Development Authority, Community College System of New Hampshire), as described in our independent auditor's report on the State's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the University System of New Hampshire, the New Hampshire Public Deposit Investment Pool and the Business Finance Authority of the State of New Hampshire were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the New Hampshire Public Deposit Investment Pool and the Business Finance Authority of the State of New Hampshire.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity*'s* internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Albany, New York
December 23, 2025

KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Fiscal Committee of the General Court:
State of New Hampshire:

Report on Compliance for Each Major Federal Program

Adverse, Qualified and Unmodified Opinions

We have audited the State of New Hampshire's (the State) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended June 30, 2025. The State's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Adverse Opinion on the Fish and Wildlife Cluster

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the State did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Fish and Wildlife Cluster for the year ended June 30, 2025.

Qualified Opinion on Major Federal Programs

In our opinion, except for the noncompliance described in the Basis for Adverse, Qualified and Unmodified Opinions section of our report, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major programs listed in the Basis for Adverse, Qualified, and Unmodified Opinions Section of our report for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Adverse, Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified and unmodified opinions on compliance

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for each major federal program. Our audit does not provide a legal determination of the State's compliance with the compliance requirements referred to above.

Matters Giving Rise to Adverse Opinion on the Fish and Wildlife Cluster

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements regarding the following types of requirements:

Finding Number	Assistance Listing Number	Program Name	Compliance Requirement	Report Page Number
2025-004	15.605 15.611 15.626	Fish and Wildlife Cluster	Activities Allowed or Unallowed Allowable Costs Cost Principles	F-10
2025-005	15.605 15.611 15.626	Fish and Wildlife Cluster	Matching	F-13
2025-007	15.605 15.611 15.626	Fish and Wildlife Cluster	Subrecipient Monitoring	F-17

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Matters Giving Rise to Qualified Opinion on certain Major Federal Programs

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements described in the specified finding numbers for the programs and compliance requirements, as follows:

Finding Number	Assistance Listing Number	Program Name	Compliance Requirement	Report Page Number
2025-001	10.553 10.555 10.556 10.559	Child Nutrition Cluster	Reporting	F-4
2025-002	12.401	National Guard Military Operations and Maintenance (O&M) Projects	Reporting	F-6
2025-008	17.258 17.259 17.278	WIOA Cluster	Reporting	F-19

2025-009	84.425U 84.425V 84.425W	COVID-19 – Education Stabilization Fund Cluster	Reporting	F-21
2025-010	84.425U 84.425V 84.425W	COVID-19 – Education Stabilization Fund Cluster	Subrecipient Monitoring	F-23
2025-012	93.044 93.045 93.053	Aging Cluster COVID-19 – Aging Cluster	Reporting	F-28
2025-013	93.044 93.045 93.053	Aging Cluster COVID-19 – Aging Cluster	Subrecipient Monitoring	F-30
2025-014	93.568	Low Income Home Energy Assistance Program	Reporting	F-33
2025-015	93.575 93.696	CCDF Cluster COVID-19 – CCDF Cluster	Reporting	F-35
2025-016	93.788	Opioid STR	Reporting	F-37
2025-017	93.959	Block Grants for Substance Use Prevention, Treatment, and Recovery Services COVID-19 – Block Grants for Substance Use Prevention, Treatment, and Recovery Services	Reporting	F-39
2025-018	96.001	Disability Insurance/SSI Cluster	Reporting	F-41
2025-019	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters) COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Reporting	F-44
2025-020	97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters) COVID-19 – Disaster Grants – Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring	F-47

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The State's basic financial statements include the operations of the University System of New Hampshire (UNH), Pease Development Authority (PDA), the Community Development Finance Authority (CDFA), and the Community College System of New Hampshire (CCSNH) which expended federal awards are not included in the State's schedule of expenditures of federal awards during the year ended June 30, 2025. Our compliance audit, described in the Adverse, Qualified, and Unmodified Opinions section of our report does not include the operations of UNH, PDA, CDFA, and CCSNH because those component units separately engaged auditors to perform audits in accordance with the Uniform Guidance, if required.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the State's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2025-003. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the State's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The State is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The State's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-001 through 2025-022 to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the State's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The State is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The State's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of and for the year ended June 30, 2025, and have issued our report thereon dated December 23, 2025, which contained an unmodified opinion on those financial statements. Our audit was

performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Albany, New York
March 30, 2026

State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Agriculture					
1800	10.025	Plant and Animal Disease, Pest Control, and Animal Care	136,010	0%	-
1800	10.170	Specialty Crop Block Grant Program – Farm Bill	279,726	0%	-
2200	10.174	Acer Access Development Program	127,387	0%	-
1800	10.182	Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	845,163	0%	-
1800	10.185	Local Food for Schools Cooperative Agreement Program	8,328	0%	-
1800	10.190	COVID-19 Resilient Food Systems Infrastructure (RFSI)	132,460	0%	-
1800	10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	13,781	0%	-
5600	10.541	Child Nutrition-Technology Innovation Grant	13,996	0%	-
		Supplemental Nutrition Assistance Program (SNAP) Cluster			
9500	10.551	Supplemental Nutrition Assistance Program (Note 3, 8)	153,819,398	0%	-
9500	10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Note 8)	12,850,493	7%	861,210
9500	10.561	COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Note 8)	461	7%	31
		State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Total	12,850,954	7%	861,241
		SNAP Cluster Total	166,670,352	1%	861,241
		Child Nutrition Cluster			
5600	**10.553**	**School Breakfast Program (Note 8)**	**6,638,208**	**100%**	**6,638,208**
5600 1400	**10.555**	**National School Lunch Program (Note 3, 8)**	**33,056,672**	**100%**	**33,012,013**
5600	**10.556**	**Special Milk Program for Children (Note 8)**	**9,556**	**100%**	**9,556**
5600 1400	**10.559**	**Summer Food Service Program for Children (Note 3, 8)**	**1,454,571**	**92%**	**1,331,108**
		Child Nutrition Cluster Total	**41,159,007**	**99%**	**40,990,885**
9500	10.557	WIC Special Supplemental Nutrition Program for Women, Infants and Children	12,131,331	24%	2,930,992
9500	10.557	COVID-19 WIC Special Supplemental Nutrition Program for Women, Infants and Children	24,997	24%	5,999
		WIC Special Supplemental Nutrition Program for Women, Infants and Children Total	12,156,328	24%	2,936,991
5600 1400	10.558	Child and Adult Care Food Program (Note 3)	4,155,543	99%	4,101,209
5600 1400	10.560	State Administrative Expenses for Child Nutrition	1,033,460	0%	-

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
		Food Distribution Cluster			
9500	10.565	Commodity Supplemental Food Program (Note 3, 8)	1,166,729	20%	229,491
1400	10.568	Emergency Food Assistance Program (Administrative Costs) (Note 8)	328,390	100%	328,390
1400	10.569	Emergency Food Assistance Program (Food Commodities) (Note 3, 8)	4,732,016	100%	4,732,016
		Food Distribution Cluster Total	6,227,135	85%	5,289,897
9500	10.572	WIC Farmers' Market Nutrition Program (FMNP)	3,983	0%	-
9500	10.576	Senior Farmers Market Nutrition Program	77,880	100%	77,802
5600	10.579	Child Nutrition Discretionary Grants Limited Availability	59,673	100%	59,673
5600	10.579	COVID-19 Child Nutrition Discretionary Grants Limited Availability	15,675	100%	15,675
		Child Nutrition Discretionary Grants Limited Availability Total	**75,348**	100%	**75,348**
9500	10.580	Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	451,426	0%	-
5600	10.645	COVID-19 Farm to School State Formula Grant	74,962	0%	-
9500	10.646	Summer Electronic Benefit Transfer Program for Children (Note 3)	9,124,563	0%	-
9500	10.649	State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	7	0%	-
3500	10.664	Cooperative Forestry Assistance	959,031	42%	405,959
		Forest Service Schools and Roads Cluster			
5600	10.665	Schools and Roads – Grants to States (Note 8)	400,061	100%	400,061
		Forest Service Schools and Roads Cluster Total	400,061	100%	400,061
3500	10.676	Forest Legacy Program	6,388	0%	-
3500	10.680	Forest Health Protection	106,750	0%	-
3500 4400	10.691	Good Neighbor Authority	24,656	0%	-
3500	10.698	State & Private Forestry Cooperative Fire Assistance	47,251	0%	-
3500	10.712	Great American Outdoors Act Deferred Maintenance	70,182	0%	-
4400	10.916	Watershed Rehabilitation Program	538,935	0%	-
		Department of Agriculture Total	**244,920,099**	**23%**	**55,139,393**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Commerce					
2200	11.035	Broadband Equity, Access, and Deployment Program	1,451,510	0%	-
		Economic Development Cluster			
2200	11.307	Economic Adjustment Assistance (Note 8)	1,801,701	0%	-
2200	11.307	COVID-19 Economic Adjustment Assistance (Note 8)	147,054	0%	-
		Economic Development Cluster Total	1,948,755	0%	-
7500	11.407	Interjurisdictional Fisheries Act of 1986	31,725	0%	-
7500	11.417	Sea Grant Support (Partially Funded via Subaward #NA21OAR41703878 from the Wells National Estuarine Research	22,861	0%	-
4400 7500	11.419	Coastal Zone Management Administration Awards (Partially Funded via Subaward #NA21OAR41703878 from the Wells National	1,475,207	7%	104,075
7500	11.420	Coastal Zone Management Estuarine Research Reserves	2,970,449	0%	-
4400 7500	11.473	Office for Coastal Management	443,794	0%	-
7500	11.474	Atlantic Coastal Fisheries Cooperative Management Act	196,167	0%	-
7500	11.999	Marine Debris Program	365,075	0%	-
		Department of Commerce Total	**8,905,543**	**1%**	**104,075**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Defense					
2200	12.002	Procurement Technical Assistance for Business Firms	355,312	0%	-
4400	12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	629,049	0%	-
1200	12.400	Military Construction, National Guard	4,268,672	0%	-
1200	**12.401**	**National Guard Military Operations and Maintenance (O&M) Projects**	**13,762,823**	**0%**	**-**
1200	12.404	National Guard Challenge Program	543,196	0%	-
		Department of Defense Total	**19,559,052**	**0%**	**-**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Housing and Urban Development					
9500	14.231	Emergency Solutions Grant Program	1,161,231	80%	929,696
9500	14.241	Housing Opportunities for Persons With AIDS	484,748	96%	463,564
1000	14.251	COVID-19 Economic Development Initiative, Community Project Funding, and Miscellaneous grants	204,244	0%	-
9500	14.267	Continuum of Care Program	6,238,776	87%	5,396,574
		Department of Housing and Urban Development Total	**8,088,999**	**84%**	**6,789,834**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of the Interior					
		Fish and Wildlife Cluster			
7500	**15.605**	**Sport Fish Restoration (Note 8)**	**3,704,156**	**1%**	**21,398**
7500	**15.611**	**Wildlife Restoration and Basic Hunter Education (Note 8)**	**3,685,200**	**6%**	**204,331**
7500	**15.626**	**Enhanced Hunter Education and Safety (Note 8)**	**62,090**	**0%**	**-**
		Fish and Wildlife Cluster Total	**7,451,446**	**3%**	**225,729**
7500 3500	15.615	Cooperative Endangered Species Conservation Fund	54,161	0%	-
4400	15.616	Clean Vessel Act	158,764	3%	5,257
7500	15.631	Partners for Fish and Wildlife	21,224	0%	-
7500	15.634	State Wildlife Grants	830,587	15%	127,830
7500	15.657	Endangered Species Recovery Implementation	38,664	0%	-
7500	15.660	Candidate Species Conservation	5,348	0%	-
4400	15.810	National Cooperative Geologic Mapping	125,687	0%	-
4400	15.814	National Geological and Geophysical Data Preservation	14,566	0%	-
3500	15.904	Historic Preservation Fund Grants-In-Aid	259,030	44%	113,713
3500	15.916	Outdoor Recreation Acquisition, Development and Planning	2,940,510	71%	2,090,773
4400	15.980	National Ground-Water Monitoring Network	6,524	0%	-
		Department of the Interior Total	**11,906,511**	**22%**	**2,563,302**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Justice					
2000	16.017	Sexual Assault Services Formula Program	678,960	94%	637,744
9500	16.540	Juvenile Justice and Delinquency Prevention	425,873	33%	142,572
2000	16.550	State Justice Statistics Program for Statistical Analysis Centers	60,695	0%	-
2000	16.554	National Criminal History Improvement Program (NCHIP)	343,625	0%	-
2000	16.575	Crime Victim Assistance	9,053,680	89%	8,018,436
2000	16.576	Crime Victim Compensation	140,690	0%	-
2000	16.582	Crime Victim Assistance/Discretionary Grants	109,019	0%	-
2000 1000	16.585	Treatment Court Discretionary Grant Program	283,873	0%	-
2000	16.588	Violence Against Women Formula Grants	1,098,615	70%	771,214
2000	16.593	Residential Substance Abuse Treatment for State Prisoners	78,474	79%	62,324
4600	16.606	State Criminal Alien Assistance Program	43,035	0%	-
2000	16.609	Project Safe Neighborhoods	95,519	18%	17,158
2000 2300	16.710	Public Safety Partnership and Community Policing Grants	949,063	0%	-
2000	16.738	Edward Byrne Memorial Justice Assistance Grant Program	1,588,069	6%	90,626
2000 2300	16.741	DNA Backlog Reduction Program	371,888	0%	-
2000	16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	279,925	0%	-
1000	16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program	86,154	0%	-
2000	16.753	Byrne Discretionary Community Project Funding/Byrne Discretionary Grants Program	97,981	17%	16,964
2000	16.754	Harold Rogers Prescription Drug Monitoring Program	624,962	0%	-
2000	16.816	John R Justice Prosecutors and Defenders Incentive Act	40,343	99%	40,000
2000	16.831	Children of Incarcerated Parents	121,319	100%	121,319
2000 1000	16.838	Comprehensive Opioid Stimulant, and Substance Abuse Program	1,176,206	87%	1,026,877
2300	16.922	Equitable Sharing Program	103,036	0%	-
		Department of Justice Total	**17,851,004**	**61%**	**10,945,234**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Labor					
2700	17.002	Labor Force Statistics	884,400	0%	-
3200	17.005	Compensation and Working Conditions	23,600	0%	-
		Employment Service Cluster			
2700	17.207	Employment Service/Wagner - Peyser Funded Activities (Note 8)	2,907,195	0%	-
2700	17.801	Jobs for Veterans State Grants (Note 8)	828,800	0%	-
		Employment Service Cluster Total	3,735,995	0%	-
2700	**17.225**	**Unemployment Insurance (Note 4)**	**70,654,621**	**0%**	**-**
2700	**17.225**	**COVID-19 Unemployment Insurance (Note 4)**	**2,441,562**	**0%**	**-**
		Unemployment Insurance Total	**73,096,183**	**0%**	**-**
2200	17.235	Senior Community Service Employment Program	413,244	98%	403,651
2700	17.245	Trade Adjustment Assistance	64,316	0%	-
		Workforce Investment Opportunity Act (WIOA) Cluster			
2200	**17.258**	**WIOA Adult Program (Note 8)**	**1,780,194**	**78%**	**1,392,885**
2200	**17.259**	**WIOA Youth Activities (Note 8)**	**2,437,084**	**78%**	**1,904,261**
2200	**17.278**	**WIOA Dislocated Worker Formula Grants (Note 8)**	**2,915,204**	**16%**	**460,302**
		WIOA Cluster Total	**7,132,482**	**53%**	**3,757,448**
2700	17.271	Work Opportunity Tax Credit Program (WOTC)	95,539	0%	-
2700	17.273	Temporary Labor Certification for Foreign Workers	170,794	0%	-
2200	17.600	Mine Health and Safety Grants	57,561	92%	53,061
		Department of Labor Total	**85,674,114**	**5%**	**4,214,160**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Transportation					
9600	20.106	Airport Improvement Program (Note 6)	4,284,481	80%	3,421,856
9600	20.106	COVID-19 Airports Programs (Note 6)	215,292	80%	172,234
		Airport Improvement Program Total	4,499,773	80%	3,594,090
9600	20.200	Highway Research and Development	36,430	0%	-
9600	20.205	Highway Planning and Construction	263,174,329	6%	14,670,049
9600	20.215	Highway Training and Education	181,821	0%	-
		Federal Motor Carrier Safety Administration (FMCSA) Cluster			
2300	20.218	Motor Carrier Safety Assistance (Note 8)	1,302,391	0%	-
		Federal Motor Carrier Safety Administration (FMCSA) Cluster Total	1,302,391	0%	-
9600	20.219	Recreational Trails Program	572,909	98%	562,862
9600	20.224	Federal Lands Access Program	73,405	38%	28,064
2300	20.232	Commercial Driver's License Program Implementation Grant	126,050	0%	-
2300	20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	23,625	0%	-
9600	20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	747,438	0%	-
		Federal Transit Cluster			
9600	20.507	Federal Transit Formula Grants (Note 8)	63,245	0%	-
9600	20.507	COVID-19 Federal Transit Formula Grants (Note 8)	3,195,541	0%	
		Federal Transit Formula Grants Total	3,258,786	0%	-
9600	20.526	Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program (Note 8)	1,770,525	96%	1,694,525
		Federal Transit Cluster Total	5,029,311	34%	1,694,525
9600	20.509	Formula Grants for Rural Areas and Tribal Transit Program	6,312,058	77%	4,890,445
		Transit Services Program Cluster			
9600	20.513	Enhanced Mobility of Seniors and Individuals With Disabilities (Note 8)	2,864,195	90%	2,577,966
9600	20.513	COVID-19 Enhanced Mobility of Seniors and Individuals With Disabilities (Note 8)	4,453	0%	
		Transit Services Program Cluster Total	2,868,648	90%	2,577,966

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
		Highway Safety Cluster			
2300	20.600	State and Community Highway Safety (Note 8)	2,807,685	70%	1,957,651
2300	20.616	National Priority Safety Programs (Note 8)	2,105,640	19%	394,628
		Highway Safety Cluster Total	4,913,325	48%	2,352,279
2300	20.614	NHTSA Discretionary Safety Grants and Cooperative Agreement	45,705	0%	-
5200	20.700	Pipeline Safety Program State Base Grant	428,296	0%	-
2300	20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	124,000	74%	91,819
5200	20.721	PHMSA Pipeline Safety Program One Call Grant	37,724	0%	-
		Department of Transportation Total	**290,497,238**	**10%**	**30,462,099**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Treasury					
8400	21.019	COVID-19 Coronavirus Relief Fund	(149,656)	0%	-
0202	21.023	COVID-19 Emergency Rental Assistance Program	753,548	79%	596,643
0202	21.026	COVID-19 Homeowner Assistance Fund	50,000	0%	-
Multiple	21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	247,589,324	22%	55,004,020
2200	**21.029**	**COVID-19 Capital Projects Fund**	29,091,837	44%	12,717,848
2200	21.031	State Small Busines Credit Initiative Technical Assistance Grant	170,891	99%	168,828
		Department of Treasury Total	**277,505,944**	**25%**	**68,487,339**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Equal Employment Opportunity Commission					
7600	30.U01	Employment Discrimination - State and Local Fair Employment Practices Agency Contracts	143,924	0%	-
		Equal Employment Opportunity Commission Total	**143,924**	**0%**	**-**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
National Endowment for the Arts					
3500	45.025	Promotion of the Arts - Partnership Agreements	1,049,486	34%	360,097
3500	45.025	COVID-19 Promotion of the Arts - Partnership Agreements	2,885	0%	
		Promotion of the Arts - Partnership Agreements Total	1,052,371	34%	360,097
3500	45.310	Grants to States	1,437,557	0%	-
		National Endowment for the Arts Total	**2,489,928**	**14%**	**360,097**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Small Business Administration					
2200	59.061	State Trade Expansion	191,875	0%	-
		Small Business Administration Total	**191,875**	**0%**	**-**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

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Veterans Administration					
4300	64.015	Veterans State Nursing Home Care	9,765,199	0%	-
1200	64.124	All-Volunteer Force Educational Assistance	132,146	0%	-
1200	64.203	Veterans Cemetery Grants Program	1,914,211	0%	-
		Veterans Administration Total	**11,811,556**	**0%**	**-**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Environmental Protection Agency					
9500	66.032	State Indoor Radon Grants	101,917	36%	36,486
4400	66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	493,024	0%	-
4400	66.040	Diesel Emissions Reduction Act (DERA) State Grants	218,468	73%	159,169
4400	66.046	Climate Pollution Reduction Grants	727,496	0%	-
1800	66.204	Multipurpose Grants to States and Tribes	293,925	0%	-
4400	66.442	Assistance for Small and Disadvantaged Communities Drinking Water Grant Program (SDWA1459A)	518,357	46%	240,450
4400	66.444	Lead Testing in School and Child Care Program Drinking Water Grant Program (SDWA1464(d))	635,501	0%	-
4400	66.447	Sewer Overflow and Stormwater Reuse Municipal Grant Program	8,956	100%	8,956
4400	66.454	Water Quality Management Planning	239,228	55%	132,037
4400	66.458	Clean Water State Revolving Fund	16,261,431	93%	15,122,405
4400	66.460	Nonpoint Source Implementation Grants	502,185	100%	502,185
4400 3500	66.461	Regional Wetland Program Development Grants	145,412	5%	7,462
4400	66.468	Drinking Water State Revolving Fund	20,530,213	64%	13,065,446
4400 9500	66.605	Performance Partnership Grants	6,873,375	0%	12,078
4400	66.608	Environmental Information Exchange Network Grant Program and Related Assistance	57,073	0%	-
4400	66.701	Toxic Substances Compliance Monitoring Cooperative Agreements	84,579	0%	-
4400	66.708	Pollution Prevention Grants Program	71,395	0%	-
4400	66.802	Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements	2,944,442	0%	-
4400	66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	300,827	0%	-
4400	66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	343,280	0%	-
4400	66.809	Superfund State and Indian Tribe Core Program Cooperative Agreements	151,222	0%	-
4400	66.817	State and Tribal Response Program Grants	1,576,937	0%	-
4400	66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	400,120	0%	-
4400	66.920	Sewer Overflow and Stormwater Reuse Municipal Grant Program	286,209	0%	-
5200	66.959	Greenhouse Gas Reduction Fund: Solar for All	192,443	0%	-
		Environmental Protection Agency Total	**53,958,015**	**54%**	**29,286,674**

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State of New Hampshire
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State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Energy					
5200	81.041	State Energy Program	1,323,394	0%	4,172
5200	81.042	Weatherization Assistance for Low-Income Persons	5,053,436	88%	4,424,383
4400	81.086	Conservation Research and Development	5,222	0%	-
5200	81.128	Energy Efficiency and Conservation Block Grant Program	374	0%	-
5200	81.138	State Heating Oil and Propane Program	11,658	0%	-
5200	81.254	Grid Infrastructure Deployment and Resilience	75,336	0%	-
		Department of Energy Total	**6,469,420**	**68%**	**4,428,555**

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State of New Hampshire
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Department of Education					
5600	84.002	Adult Education - Basic Grants to States	1,841,525	79%	1,462,402
5600	84.010	Title I Grants to Local Educational Agencies	50,977,942	98%	50,191,936
5600	84.011	Migrant Education State Grant Program	123,194	0%	-
		Special Education Cluster (IDEA)			
5600	84.027	Special Education Grants to States (Note 8)	58,428,665	88%	51,375,243
5600	84.173	Special Education Preschool Grants (Note 8)	1,736,876	74%	1,283,577
		Special Education Cluster (IDEA) Total	60,165,541	88%	52,658,820
5600	84.048	Career and Technical Education - Basic Grants to States	7,788,901	92%	7,181,927
5600	84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	17,264,022	0%	-
5600	84.144	Migrant Education Coordination Program	25,752	0%	-
0205	84.161	Rehabilitation Services Client Assistance Program	147,780	0%	-
5600	84.177	Rehabilitation Services Independent Living Services for Older Individuals Who Are Blind	207,764	0%	-
9500	84.181	Special Education Grants for Infants and Families	2,040,748	82%	1,683,116
5600	84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	93,821	0%	-
5600	84.196	Education for Homeless Children and Youth	336,650	77%	258,026
5600	84.282	Charter Schools	6,105,770	92%	5,589,442
5600	84.287	Twenty-First Century Community Learning Centers	8,178,285	95%	7,766,399
5600	84.323	Special Education - State Personnel Development	52,628	2%	1,048
5600	84.358	Rural Education	477,781	95%	454,996
5600	84.365	English Language Acquisition State Grants	1,441,501	85%	1,222,399
5600	84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	10,893,734	93%	10,113,083
5600	84.369	Grants for State Assessments and Related Activities	3,058,784	0%	-
5600	84.372	Statewide Longitudinal Data Systems	1,004,718	0%	-
5600	84.424	Student Support and Academic Enrichment Program	8,678,698	97%	8,425,707

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
5600	**84.425**	**COVID-19 Education Stabilization Fund**			
		84.425 U - Coronavirus American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER)	**113,864,832**	**91%**	**103,460,499**
		84.425 V - American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS) Program	**2,870,546**	**28%**	**791,384**
		84.425 W - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	**493,839**	**79%**	**389,014**
		Education Stabilization Fund Total	**117,229,217**	**89%**	**104,640,897**
5600	84.902	NAEP State Coordinator	155,621	0%	-
		Department of Education Total	**298,290,377**	**84%**	**251,650,198**

The accompanying notes are an integral part of this schedule
Bolded programs were audited during the 2025 audit

State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
U.S. Election Assistance Commission					
3200	90.401	Help America Vote Act Requirements Payments (Note 5)	675,005	0%	-
3200	90.404	2018 HAVA Election Security Grants (Note 5)	314,095	0%	-
2200 9600	90.601	Northern Border Regional Development	772,279	0%	-
		U.S. Election Assistance Commission Total	**1,761,379**	**0%**	**-**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Health and Human Services					
9500	93.008	Medical Reserve Corps Small Grant Program	234,398	99%	232,205
9500	93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	23,607	0%	-
9500	93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	53,529	0%	-
9500	93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	129,171	88%	113,269
9500	93.043	COVID-19 Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	34,572	88%	30,316
		Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services Total	163,743	88%	143,585
		Aging Cluster			
9500	**93.044**	**Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers (Note 8)**	**2,253,676**	**82%**	**1,851,302**
9500	**93.044**	**COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services (Note 8)**	**580,206**	**0%**	**-**
		Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers Total	**2,833,882**	**65%**	**1,851,302**
9500	**93.045**	**Special Programs for the Aging, Title III, Part C, Nutrition Services (Note 8)**	**4,021,546**	**100%**	**4,017,092**
9500	**93.045**	**COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services (Note 8)**	**105,166**	**100%**	**105,145**
		Special Programs for the Aging, Title III, Part C, Nutrition Services Total	**4,126,712**	**100%**	**4,122,237**
9500	**93.053**	**Nutrition Services Incentive Program (Note 8)**	**445,524**	**100%**	**445,023**
		Aging Cluster Total	**7,406,118**	**87%**	**6,418,562**
9500	93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	257,124	85%	219,132
9500	93.052	National Family Caregiver Support, Title III, Part E	640,587	100%	637,912
9500	93.052	COVID-19 National Family Caregiver Support, Title III, Part E	94,073	100%	93,678
		National Family Caregiver Support, Title III, Part E Total	734,660	100%	731,590
9500	93.069	Public Health Emergency Preparedness	5,804,000	23%	1,338,982
9500	93.070	Environmental Public Health and Emergency Response	1,472,653	10%	140,287
9500	93.071	Medicare Enrollment Assistance Program	186,040	73%	136,590
5600 9500	93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	1,474,940	0%	-
9500 1800	93.103	Food and Drug Administration Research (Partially Funded via Subaward #R SE-2306-04127 from the USFDA/AFDO)	1,305,737	0%	-

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
9500	93.110	Maternal and Child Health Federal Consolidated Programs	1,186,871	12%	140,965
9500	93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Program	230,314	1%	3,017
9500	93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	269,313	0%	-
9500	93.136	Injury Prevention and Control Research and State and Community Based Programs	2,061,674	26%	532,987
9500	93.150	Projects for Assistance In Transition From Homelessness (PATH)	313,148	95%	296,821
9500	93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	434,640	11%	49,741
9500	93.217	Family Planning Services	588,537	49%	288,509
4400	93.240	State Capacity Building	402,707	0%	-
9500	93.241	State Rural Hospital Flexibility Program	344,791	28%	97,460
9500 5600 1000	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	1,655,028	53%	882,582
9500	93.251	Early Hearing Detection and Intervention	150,426	18%	27,043
9500	**93.268**	**Immunization Cooperative Agreements (Note 3)**	**17,897,621**	**14%**	**2,532,869**
9500	**93.268**	**COVID-19 Immunization Cooperative Agreements (Note 3)**	**5,959,219**	**14%**	**843,229**
		Immunization Cooperative Agreements Total	**23,856,840**	**14%**	**3,376,098**
9500	93.270	Viral Hepatitis Prevention and Control	425,927	39%	164,661
9500	93.301	Small Rural Hospital Improvement Grant Program	170,914	90%	153,099
9500	93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	117,383	0%	-
9500	**93.323**	**Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)**	**1,850,971**	**5%**	**83,637**
9500	**93.323**	**COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)**	**12,969,361**	**4%**	**581,027**
		Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Total	**14,820,332**	**4%**	**664,664**
9500	93.324	State Health Insurance Assistance Program	413,350	89%	368,100
9500	93.336	Behavioral Risk Factor Surveillance Survey	392,990	0%	-
9500	93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	293,080	73%	215,209
9500	93.354	COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	1,572,167	73%	1,154,447
		Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Total	1,865,247	73%	1,369,656

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
9500	93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	343,230	100%	342,086
5600	93.369	Administration for Community Living (ACL) Independent Living State Grants	305,896	0%	-
9500	93.387	National and State Tobacco Control Program	994,693	39%	383,747
9500	93.391	COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	3,260,113	95%	3,102,057
2400	93.413	The State Flexibility to Stabilize the Market Grant Program	152,022	0%	-
9500	93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	836,581	55%	456,145
0205	93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research - Subaward # 90DP0011 from the Institute for Human Centered Design	16,075	0%	-
9500	93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	398,049	14%	54,786
9500	93.472	Title IV-E Prevention Program	3,663,693	71%	2,585,499
9500	93.478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	71,335	78%	55,669
9500	93.497	COVID-19 Family Violence Prevention and Services/Sexual Assault/Rape Crisis Services and Supports	387,321	100%	386,932
9500	93.556	Marylee Allen Promoting Safe and Stable Families	986,227	36%	357,901
9500	93.558	Temporary Assistance for Needy Families (TANF)	31,888,467	29%	9,218,201
9500 2700	93.563	Child Support Services	16,366,657	0%	-
9500	93.566	Refugee and Entrant Assistance State Replacement Designee Administered Programs	4,977,727	0%	-
5200	**93.568**	**Low-Income Home Energy Assistance**	**36,786,600**	**98%**	**36,045,676**
9500	93.569	Community Services Block Grant	3,792,319	94%	3,572,027
		CCDF Cluster			
9500	**93.575**	**Child Care and Development Block Grant (Note 8)**	**33,934,463**	**23%**	**7,911,993**
9500	**93.575**	**COVID-19 Child Care and Development Block Grant (Note 8)**	**11,464,639**	**23%**	**2,673,554**
		Child Care and Development Block Grant Total	**45,399,102**	**23%**	**10,585,547**
9500	**93.596**	**Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Note 8)**	**11,860,062**	**0%**	**-**
		CCDF Cluster Total	**57,259,164**	**18%**	**10,585,547**
9500	93.583	Refugee and Entrant Assistance Wilson/Fish Program	126,637	0%	-
1000	93.586	State Court Improvement Program	223,712	0%	-
9500	93.597	Grants to States for Access and Visitation Programs	53,300	92%	49,000
9500	93.599	Chafee Education and Training Vouchers Program (ETV)	76,176	0%	-

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
		Head Start Cluster			
9500	93.600	Head Start (Note 8)	51,673	0%	-
		Head Start Cluster Total	51,673	0%	-
9500	93.603	Adoption and Legal Guardianship Incentive Payments	213,207	42%	88,868
9700	93.630	Developmental Disabilities Basic Support and Advocacy Grants	458,290	0%	-
2000	93.643	Children's Justice Grants to States	43,060	49%	21,035
9500	93.645	Stephanie Tubbs Jones Child Welfare Services Program	1,144,867	34%	387,590
9500	93.658	Foster Care Title IV-E	17,732,400	7%	1,305,150
9500	93.659	Adoption Assistance	4,567,004	0%	-
9500	93.667	Social Services Block Grant	6,495,535	91%	5,890,351
9500	93.669	Child Abuse and Neglect State Grants	885,298	27%	238,989
9500	93.670	Child Abuse and Neglect Discretionary Activities	78,537	84%	65,839
9500	93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Support Services	1,057,132	95%	1,008,276
9500	93.671	COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Support Services	598,295	95%	570,654
		Family Violence Prevention and Services/Domestic Violence Shelter and Support Services Total	1,655,427	95%	1,578,930
9500	93.674	John H Chafee Foster Care Program for Successful Transition to Adulthood	462,208	0%	-
9500	93.687	Maternal Opioid Misuse Model	433,922	93%	402,441
9500	93.698	Elder Justice Act - Adult Protective Services	43,453	0%	-
9500	93.747	COVID-19 Elder Abuse Prevention Interventions Program	778,516	0%	-
9500	93.767	Children`s Health Insurance Program	2,108	0%	-
9500	93.771	State Grants for the Implementation, Enhancement, and Expansion of Medicaid and CHIP School-Based Services	8,495	0%	-
		Medicaid Cluster			
2000	**93.775**	**State Medicaid Fraud Control Units (Note 8)**	**760,486**	**0%**	**-**
9500	**93.777**	**State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare (Note 8)**	**2,128,684**	**0%**	**-**
9500	**93.778**	**Medical Assistance Program (Note 8)**	**1,711,883,610**	**1%**	**12,781,186**
9500	**93.778**	**COVID-19 Medical Assistance Program (Note 8)**	**4,304,160**	**0%**	**-**
		Medical Assistance Program Total	**1,716,187,770**	**1%**	**12,781,186**
		Medicaid Cluster Total	**1,719,076,940**	**1%**	**12,781,186**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
9500	**93.788**	**Opioid STR**	**17,543,982**	**85%**	**14,848,290**
9500	93.791	Money Follows the Person Rebalancing Demonstration	1,362,632	78%	1,059,051
9500	93.829	Section 223 Demonstration Programs to Improve Community Mental Health Services	166,182	46%	76,008
9500	93.870	Maternal, Infant, and Early Childhood Home Visiting Grant Program	2,850,272	78%	2,236,335
9500	93.870	COVID-19 Maternal, Infant, and Early Childhood Home Visiting Grant Program	203,656	78%	159,788
		Maternal, Infant, and Early Childhood Home Visiting Grant Program Total	3,053,928	78%	2,396,123
9500	93.889	National Bioterrorism Hospital Preparedness Program	1,034,115	64%	660,716
9500	93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	1,822,525	2%	35,502
9500	93.913	Grants to States for Operation of State Offices of Rural Health	219,986	49%	107,626
9500	93.917	HIV Care Formula Grants	1,379,275	0%	-
9500	93.940	HIV Prevention Activities, Health Department Based	902,007	25%	228,849
9500	93.945	Assistance Programs for Chronic Disease Prevention and Control	417,592	29%	119,835
9500	93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	401,505	25%	101,246
9500	93.958	Block Grants for Community Mental Health Services	2,296,941	65%	1,502,544
9500	93.958	COVID-19 Block Grants for Community Mental Health Services	2,473,076	65%	1,617,639
		Block Grants for Community Mental Health Services Total	4,770,017	65%	3,120,183
9500	**93.959**	**Block Grants for Prevention and Treatment of Substance Abuse**	**10,855,765**	**97%**	**10,488,638**
9500	**93.959**	**COVID-19 Block Grants for Prevention and Treatment of Substance Abuse**	**1,754,032**	**0%**	**-**
		Block Grants for Prevention and Treatment of Substance Abuse Total	**12,609,797**	**83%**	**10,488,638**
9500	93.967	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	2,792,741	13%	375,023
9500	93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	258,153	40%	103,657
9500	93.977	COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants	739,900	0%	-
		Sexually Transmitted Diseases (STD) Prevention and Control Grants Total	998,053	10%	103,657
9500	93.988	Cooperative Agreements for Diabetes Control Programs	824,120	52%	432,077
9500	93.991	Preventive Health and Health Services Block Grant	2,312,959	14%	322,615
9500	93.994	Maternal and Child Health Services Block Grant to the States	2,163,962	59%	1,286,546
		Department of Health and Human Services Total	**2,040,689,293**	7%	**143,493,973**

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State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Social Security Administration					
		Disability Insurance/SSI Cluster			
5600	**96.001**	**Social Security, Disability Insurance (Note 8)**	8,606,609	0%	-
		Disability Insurance/SSI Cluster Total	8,606,609	0%	-
		Social Security Administration Total	**8,606,609**	0%	**-**

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Bolded programs were audited during the 2025 audit

State of New Hampshire
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

State Agency	ALN Number	Program or Cluster Title	2025 Expenditures	Pass Thru %	Amounts Provided to Subrecipients
Department of Homeland Security					
2300	97.008	Non-Profit Security Program	931,809	99%	927,004
2300	97.012	Boating Safety Financial Assistance	1,670,054	0%	-
2200	97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	129,795	0%	-
2300	**97.036**	**Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Note 1, 7)**	**17,537,029**	**74%**	**12,994,714**
2300	**97.036**	**COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters) (Note 1, 7)**	**316,155**	**74%**	**234,267**
		Disaster Grants - Public Assistance (Presidentially Declared Disasters) Total	**17,853,184**	**74%**	**13,228,981**
2300	97.039	Hazard Mitigation Grant	242,456	47%	113,270
4400 2300	97.041	National Dam Safety Program	1,465,547	60%	881,618
2300	97.042	Emergency Management Performance Grants	2,954,538	13%	396,626
2300	97.043	State Fire Training Systems Grants	3,400	0%	-
2300	97.044	Assistance to Firefighters Grant	194,187	0%	-
2300	97.047	BRIC: Building Resilient Infrastructure and Communities	1,616,988	98%	1,590,572
2700	97.050	Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	(167,475)	0%	-
2300	97.067	Homeland Security Grant Program	4,680,584	77%	3,594,705
2300	97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	3,065,329	0%	-
		Department of Homeland Security Total	**34,640,396**	60%	**20,732,776**
		Grand Total of All Federal Assistance	**3,423,961,276**	18%	**628,657,709**

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STATE OF NEW HAMPSHIRE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – PURPOSE OF SCHEDULE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of Schedule

The accompanying Schedule of Expenditures of Federal Awards (the Schedule or the SEFA) is a supplementary schedule to the State's basic financial statements and is presented for purposes of additional analysis. The Schedule is required by the U.S. Code of Federal Regulations Title 2; Grants and Agreements Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

B. Reporting Entity

The reporting entity is defined in the notes to the basic financial statements of the State of New Hampshire, which are presented in Section C of this report. The accompanying Schedule of Expenditures of Federal Awards includes all federal financial assistance programs of the State of New Hampshire reporting entity for the year ended June 30, 2025, with the exception of certain component units identified in Note 1 of the basic financial statements.

C. Basis of Presentation

The information in the accompanying Schedule of Expenditures of Federal Awards is presented in accordance with the U.S. Code of Federal Regulations Title 2; Grants and Agreements Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Per §200.1 Definitions:

Federal award has the meaning, depending on the context, in either paragraph (1) or (2) of this definition:

(1) (i) The Federal financial assistance that a recipient receives directly from a Federal awarding agency or indirectly from a pass-through entity; or

(ii) The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity.

(2) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2) of the definition of Federal financial assistance or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(3) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).

Federal financial assistance means:

(1) Assistance that non-Federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions or donations of property (including donated surplus property), direct appropriations, food commodities, and other financial assistance.

(2) Federal financial assistance also includes assistance that non-Federal entities receive or administer in the form of loans, loan guarantees, interest subsidies; and insurance.

(3) Federal financial assistance does not include amounts received as reimbursement for services rendered to individuals as described in § 200.502(h) and (i) specifying:
(h) Medicare payments to a non-Federal entity for providing patient care services to Medicare-eligible individuals are not considered Federal awards expended under this part.

(i) Medicaid payments to a subrecipient for providing patient care services to Medicaid-eligible individuals unless a state requires the funds to be treated as Federal awards expended because reimbursement is on a cost-reimbursement basis.

The State of New Hampshire requires Medicaid payments to subrecipients be treated as Federal awards, with reimbursement recognized on a cost-reimbursement basis.

Nonmonetary federal assistance, as described in Note 3, is reported as federal financial assistance on the Schedule.

Type A and Type B Programs – §200.518 establishes the levels of expenditures to be used in defining for the State of New Hampshire Type A and Type B federal financial assistance programs. Type A programs are those programs and clusters of programs that equal or exceed $10,271,884 in federal expenditures, distributions, or issuances for the year ended June 30, 2025. Programs selected for audit are in bold print in the accompanying Schedule.

Pass Thru Percent – The amount of federal funds, expressed as a percentage of expenditures, passed through by State agencies to various non-state subrecipients.

Amounts Provided to Subrecipients – The amount of federal funds passed through by State agencies to various non-state subrecipients expressed in dollars.

D. Basis of Accounting

Expenditures for all programs are presented in the Schedule on the cash basis of accounting. Expenditures are recorded when paid rather than when the obligation is incurred.

For the Public Assistance Disaster Grants (ALN 97.036), expenditures are only eligible for reimbursement subsequent to approved project worksheets from the U.S. Department of Homeland Security regardless of the date the underlying expenditures were incurred. For the Public Assistance Disaster Grants, the Schedule includes cash reimbursements received during fiscal year 2025. Additional information regarding underlying expenditures incurred in prior fiscal years is presented in Note 7.

The Schedule reflects federal expenditures for all individual grants, which were active during the fiscal year and are net of program refunds applicable to a program.

E. Categorization of Expenditures

The categorization of expenditures by program included in the Schedule is based upon the System of Award Management's Assistance Listings as required by the Uniform Administrative Guidance of Title 2 Section 200 of the Code of Federal Regulations. Changes in the categorization of expenditures occur based upon revisions to the assistance listing. The Schedule reflects assistance listing changes issued through June 2025. Federal programs that do not have an assigned number are denoted with the a "U" followed by a two-digit extension, i.e.; ##.U01. The numerical identification of the State agency responsible for administering each federal program is also noted on the accompanying schedule. See Appendix A in section H of this report for the legend of State agency identification numbers.

The COVID 19 pandemic resulted in significant federal awards with the express intention of assisting states in responding to and recovering from the public health and economic impacts of the pandemic. Federal awards received specifically as a result of the COVID 19 pandemic are separately denoted in the schedule.

NOTE 2 - INDIRECT COST RECOVERY

The following New Hampshire state agencies have elected to utilize the de minimis rate as allowed per 2 CFR 200.414(f):

- The Governor's Office of Emergency Relief and Recovery
- Department of Information Technology
- Department of Agriculture, Markets and Food
- Department of Justice
- Department of Business and Economic Affairs
- New Hampshire Veteran's Home
- Department of Corrections

The remaining agencies and departments of the State have historically negotiated indirect cost recovery rates with their cognizant federal agencies and do not utilize the de minimis rate.

NOTE 3 - NONMONETARY FEDERAL FINANCIAL ASSISTANCE

ALN 10.551 Supplemental Nutrition Assistance Program – Expenditures of $153,819,398 reported in the Schedule under ALN 10.551, Supplemental Nutrition Assistance Program, represent actual disbursements for client purchases of authorized food products through use of the electronic benefits card program during the year ended June 30, 2025.

Donated Foods – The State distributes federal surplus food to institutions (schools, summer feeding programs, child and adult care facilities, hospitals and other not for profit charitable institutions) and to the needy. Expenditures are reported in the Schedule at the federally assigned value of the product distributed under the following U.S. Department of Agriculture federal programs:

ALN #	Federal Program	Amount
10.555	National School Lunch Program	$ 5,813,002
10.558	Child and Adult Care Food Program	207,623
10.559	Summer Food Service Program for Children	2,886
10.565	Commodity Supplemental Food Program	925,509
10.569	Emergency Food Assistance Program (Food Commodities)	4,732,016
10.646	Summer Electronic Benefit Transfer Program for Children	4,836,360
	Total:	**$16,517,396**

Vaccines – The State receives various childhood vaccines from the federal Centers for Disease Control and Prevention. The vaccines are distributed to children through free clinics, local hospitals, and doctors' offices. Expenditures of $14,971,067 included on the Schedule for ALN 93.268 Immunization Cooperative Agreements, represent the federal value assigned to the vaccines distributed.

NOTE 4 – (ALN 17.225) UNEMPLOYMENT INSURANCE

The New Hampshire Department of Employment Security administers the Unemployment Insurance Program. The reported expenditures comprise the following:

	Unemployment Insurance	COVID-19 Unemployment Programs	Totals
State UC Benefits	$ 55,897,973	$ -	$ 55,897,973
Administrative Grants	$ 14,543,294	$ 3,773,361	$ 18,316,655
Federal Employees	$ 160,988	$ -	$ 160,988
Ex-Servicemen	$ 105,217	$ -	$ 105,217
EUC08	$ (42,937)	$ -	$ (42,937)
FAC	$ (9,914)	$ -	$ (9,914)
Trade Act	$ -	$ -	$ -
Extended Benefits	$ -	$ 3,052	$ 3,052
ATAA	$ -	$ -	$ -
Federal Pandemic Unemployment Compensation (FPUC)	$ -	$ (765,528)	$ (765,528)
Pandemic Unemployment Assistance (PUA)	$ -	$ (445,386)	$ (445,386)
Pandemic Emergency Unemployment Compensation (PEUC)	$ -	$ (110,050)	$ (110,050)
Mixed Earners Unemployment Compensation (MEUC)	$ -	$ -	$ -
Temp Comp Account for Waiting Week	$ -	$ 1,590	$ 1,590
Short-Time Compensation (Federally Funded)	$ -	$ -	$ -
US Emergency Relief Account for Reimb. Employer 50%	$ -	$ (15,477)	$ (15,477)
Total	$ 70,654,621	$ 2,441,562	$ 73,096,183

NOTE 5 - STATE ELECTION FUND – HELP AMERICA VOTE ACT (HAVA)

The State of New Hampshire has cumulatively received $31,153,111 from the United States General Services Administration in between state fiscal year 2003 and 2025 as part of the Help America Vote Act of 2002. The purpose of these funds are to establish minimum election administration standards for states and local governments with the responsibility for the administration of Federal elections. For these programs (CFDA # 39.011, 90.401, and 90.404) as of June 30, 2025, the State had expended a cumulative total of $22,247,547 of the $31,153,111 Election Reform payments received, leaving a remaining balance of $8,905,564.

	2003-2020	2021	2022	2023	2024	2025
Help America Vote Act of 2002						
Funds Received	$ 27,865,844	$ 14,540	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 272,727
Funds Expended	$ 14,539,923	$ 3,977,493	$ 1,097,596	$ 811,307	$ 832,128	$ 989,100
Remaining Balance	$ 13,325,921	$ 9,362,968	$ 9,265,372	$ 9,454,065	$ 9,621,937	$ 8,905,564

Life to Date Totals	
Funds Received	$ 31,153,111
Funds Expended	$ 22,247,547
	$ 8,905,564

The State of New Hampshire Office of the Secretary of State (Office) has taken a position of agreement with the National Association of Secretaries of State Resolution relative to the distinction between payments and grants. Accordingly, the Office believes that the Election Assistance Commission ("EAC") does not have the statutory authority to apply rules outside HAVA when performing its section 902(b) function in auditing States. In as much as the Office has reported these payments in this report, it is the Office's position that such reporting may not be required under the Single Audit Act, and this reporting is in no way meant to alter the position taken by the Secretary of State with respect to the character or status of these funds, or the authority of the EAC.

NOTE 6 – (ALN 20.106) AIRPORT IMPROVEMENT PROGRAM

The State of New Hampshire's schedule does not include funds related to the Federal Aviation Administration's Airport Improvement Program (AIP) for grants sponsored by the cities of Manchester and Lebanon and the Pease Development Authority (except for block grants). The AIP funds included in the schedule represent those grants sponsored by the State.

NOTE 7 – (ALN 97.036) DISASTER GRANTS - PUBLIC ASSISTANCE (PRESIDENTIALLY DECLARED DISASTERS):

Expenditures of $13,228,981 reported as amounts passed through to subrecipients for Public Assistance Disaster Grants for fiscal year 2025 represent reimbursements to local entities for disasters that have approved project worksheets and expenditures incurred for fiscal years 2025 and prior.

Expenditures of $720,696 of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2025.

Expenditures of $2,585,394 of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2024.

Expenditures of $2,342 of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2023.

Expenditures of $18,855 of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2022.

Expenditures of $9,774 of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2021.

Expenditures of ($20,337) of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2020.

Expenditures of $4,028 of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2019.

Expenditures of $719 of Public Assistance Disaster Grant funds for fiscal year 2025 represent reimbursements of costs incurred by the State for disasters that have approved project worksheets and expenditures incurred for fiscal year 2018.

NOTE 8 - CLUSTERED PROGRAMS

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards codified at 2 CFR 200 defines a "cluster" as "a grouping of closely related programs that share common compliance requirements." The table below details the federal programs included in the Schedule that are required to be "clustered" for purposes of testing federal compliance requirements and identifying Type A programs.

ALN	Program Title	Expenditures
Supplemental Nutrition Assistance Program (SNAP) Cluster		
10.551	Supplemental Nutrition Assistance Program (SNAP)	153,819,398
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	12,850,954
	SNAP Cluster Total	$ 166,670,352
Child Nutrition Cluster		
10.553	School Breakfast Program (SBP)	6,638,208
10.555	National School Lunch Program (NSLP)	33,056,672
10.556	Special Milk Program for Children (SMP)	9,556
10.559	Summer Food Service Program for Children (SFSPC)	1,454,571
10.582	Fresh Fruit and Vegetable Program (FFVP)	0
	Child Nutrition Cluster Total	$ 41,159,007
Food Distribution Cluster		
10.565	Commodity Supplemental Food Program	1,166,729
10.568	Emergency Food Assistance Program (Administrative Costs)	328,390
10.569	Emergency Food Assistance Program (Food Commodities)	4,732,016
	Food Distribution Cluster Total	$ 6,227,135
Forest Service Schools and Roads Cluster		
10.665	Schools and Roads–Grants to States	400,061
10.666	Schools and Roads–Grants to Counties	0
		$ 400,061
Economic Development Cluster		
11.300	Investments for Public Works and Economic Development Facilities	0
11.307	Economic Adjustment Assistance	1,948,755
	Economic Development Cluster Total	$ 1,948,755

Fish and Wildlife Cluster			
15.605	Sport Fish Restoration Program		3,704,156
15.611	Wildlife Restoration and Basic Hunter Education		3,685,200
15.626	Enhanced Hunter Education and Safety Program		62,090
	Fish and Wildlife Cluster Total	$	7,451,446
Employment Service Cluster			
17.207	Employment Service/Wagner – Peyser Funded Activities		2,907,195
17.801	Jobs for Veterans State Grants		828,800
	Employment Service Cluster Total	$	3,735,995
Workforce Investment Opportunity Act (WIOA) Cluster			
17.258	WIOA Adult Program		1,780,194
17.259	WIOA Youth Activities		2,437,084
17.278	WIOA Dislocated Worker Formula Grants		2,915,204
	WIOA Cluster Total	$	7,132,482
Federal Motor Carrier Safety Administration (FMCSA) Cluster			
20.218	Motor Carrier Safety Assistance Program		1,302,391
20.237	High Priority Grant Program		0
	Federal Motor Carrier Safety Administration (FMCSA) Cluster Total	$	1,302,391
Federal Transit Cluster			
20.500	Federal Transit - Capital Investment Grants (Fixed Guideway Capital Investment Grants)		0
20.507	Federal Transit – Formula Grants		3,258,786
20.525	State of Good Repair Grants Program		0
20.526	Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Program		1,770,525
	Federal Transit Cluster Total	$	5,029,311
Transit Services Programs Cluster			
20.513	Enhanced Mobility of Seniors and Individuals With Disabilities		2,868,648
20.516	Job Access and Reverse Commute Program		0
20.521	New Freedom Program		0
	Transit Services Programs Cluster Total	$	2,868,648

Highway Safety Cluster			
20.600	State and Community Highway Safety		2,807,685
20.616	National Priority Safety Programs		2,105,640
	Highway Safety Cluster Total	$	4,913,325
Special Education Cluster			
84.027	Special Education-Grants to States (IDEA, Part B)		58,428,665
84.173	Special Education-Preschool Grants (IDEA Preschool)		1,736,876
	Special Education Cluster Total	$	60,165,541
Aging Cluster			
93.044	Special Programs for the Aging--Title III, Part B—Grants for Supportive Services and Senior Centers, CARES Act for Supportive Services Under Title III-B of the Older Americans Act, and American Rescue Plan for Supportive Services Under Title IIIB of the Older Americans Act		2,833,882
93.045	Nutrition Services and CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, CARES Act for Nutrition Services Under Title III-C of the Older Americans Act, and American Rescue Plan for Nutrition Services Under Title III-C of the Older Americans Act		4,126,712
93.053	Nutrition Services Incentive Program		445,524
	Aging Cluster Total	$	7,406,118
Child Care and Development Fund (CCDF) Cluster			
93.489	Child Care Disaster Relief		0
93.575	Child Care and Development Block Grant		45,399,102
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		11,860,062
	CCDF Cluster Total	$	57,259,164
Head Start Cluster			
93.356	Head Start Disaster Recovery from Hurricanes Harvey, Irma, and Maria		0
93.600	Head Start		51,673
	Head Start Cluster Total	$	51,673
Medicaid Cluster			
93.775	State Medicaid Fraud Control Units		760,486
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		2,128,684
93.778	Medical Assistance Program		1,716,187,770
	Medicaid Cluster Total	$	1,719,076,940

Disability Insurance/SSI Cluster			
96.001	Social Security--Disability Insurance (DI)		8,606,609
96.006	Supplemental Security Income (SSI)		0
	Disability Insurance/SSI Cluster Total	$	8,606,609

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Part I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether financial statements were prepared in accordance with U.S. GAAP:	**Unmodified**			
Internal control over financial reporting:				
• Material weakness identified?	____	yes	X	no
• Significant deficiency identified that is not considered to be a material weakness?	____	yes	X	no
Noncompliance material to financial statements noted?	____	yes	X	no

Federal Awards

Internal control over major programs:				
• Material weaknesses identified?	X	yes	____	no
• Significant deficiencies identified that are not considered to be material weaknesses?	____	yes	X	no

Type of auditors' report issued on compliance for major programs:

All programs **Unmodified** except for:

Adverse

- Fish and Wildlife Cluster (15.605, 15.611 and 15.626)

Qualified

- Child Nutrition Cluster (10.553, 10.555, 10.556, and 10.559)
- National Guard Military Operations and Maintenance (O&M) Projects (12.401)
- WIOA Cluster (17.258, 17.259, and 17.278)
- COVID-19 Education Stabilization Fund (84.425U, 84.425V, and 84.425W)
- Aging Cluster and COVID-19 Aging Cluster (93.044, 93.045, and 93.053)
- Low Income Home Energy Assistance (93.568)
- CCDF Cluster and COVID-19 CCDF Cluster (93.575 and 93.596)
- Opioid STR (93.788)
- Block Grants for Substance Use Prevention, Treatment, and Recovery Services and COVID-19 Block Grants for Substance Use Prevention, Treatment, and Recovery Services (93.959)
- Disability Insurance/SSI Cluster (96.001)
- Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) (97.036)

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a). X yes _____ no

Identification of Major Programs

ASSISTANCE LISTING	*NAME OF FEDERAL PROGRAM OR CLUSTER*
Child Nutrition Cluster	
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.556	Special Milk Program for Children (SMP)
10.559	Summer Food Service Program for Children (SFSP)
Fish and Wildlife Cluster	
15.605	Sport Fish Restoration Program
15.611	Wildlife Restoration and Basic Hunter Education and Safety
15.626	Enhanced Hunter Education and Safety Program
WIOA Cluster	
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Worker Formula Grants
Aging Cluster	
93.044	Special Programs for the Aging – Title III, Part B, Grants for Supportive Services and Senior Centers
93.044	COVID-19 Special Programs for the Aging – Title III, Part B, Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services
93.045	COVID-19 Special Programs for the Aging, Title III, Part C, Nutrition Services
93.053	Nutrition Services Incentive Program
CCDF Cluster	
93.575	Child Care and Development Block Grant
93.575	COVID-19 Child Care and Development Block Grant
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund
Medicaid Cluster	
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
93.778	COVID-19 Medical Assistance Program

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Identification of Major Programs, continued

Disability/SSI Cluster

96.001	Social Security, Disability Insurance

Other Programs

12.401	National Guard Military Operations and Maintenance (O&M) Projects
17.225	Unemployment Insurance
17.225	COVID-19 Unemployment Insurance
21.029	COVID-19 Coronavirus Capital Projects Fund
84.425	COVID-19 Education Stabilization Fund
93.268	Immunization Cooperative Agreements
93.268	COVID-19 Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases
93.323	COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases
93.568	Low Income Home Energy Assistance
93.788	Opioid STR
93.959	Block Grants for Substance Use Prevention, Treatment, and Recovery Services
93.959	COVID-19 Block Grants for Substance Use Prevention, Treatment, and Recovery Services
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
97.036	COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B Programs: $10,271,884

Auditee qualified as low-risk auditee: _____ yes __X__ No

Part II - Financial Statement Findings

None.

Part III – Schedule of Current Year Findings and Questioned Costs – Federal Awards

All findings and questioned costs related to Federal assistance programs are presented beginning on page F-4.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Part III – Findings and Questioned Costs Relating to Federal Awards

Finding Reference Number: 2025-001

New Hampshire Department of Education

Child Nutrition Cluster (Assistance Listing #10.553, #10.555, #10.556, #10.559)

Federal Award Numbers: 254NH304N1099, 254NH304N1199

Federal Award Years: 2024, 2025

U.S. Department of Agriculture

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-002

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110252), and its implementing regulations at 2 C.F.R. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more to System for Award Management (SAM.gov).

Further, Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200),. section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During the year ended June 30, 2025, we noted the New Hampshire Department of Education (the Department) passed through $40,990,885 in Child Nutrition Cluster Grants (CNC Grant) to Local Educational Agencies (LEAs).

During our testwork, we noted that the Department did not submit FFATA reports for all subawards for the entire fiscal year.

Cause

The Department did not submit reports of amounts passed-through to its subrecipients. No FFATA reporting controls existed or were operating effectively for the period July 1, 2024 – June 30, 2025.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Effect

The condition found that first-tier subawards were not reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System.

Questioned Costs

None

Recommendation

We recommend DOE implement a process and internal controls to ensure that all first-tier subawards of $30,000 or more be reported in accordance with the Federal Funding Accountability and Transparency Act.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference: 2025-002

New Hampshire Department of Military

National Guard Military Operations and Maintenance (O&M) Projects (Assistance Listing #12.401)

Federal Award Numbers: W912TF-23-2-1001, W912TF-24-2-1001, W912TF-25-2-1001

Federal Award Years: 2023, 2024, 2025

U.S. Department of Defense

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-002, 2024-003

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Title 2 of the Code of Federal Regulations, Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200) section 200.302(b)(2) states the recipient's and subrecipient's financial management system must provide accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirement of 2 CFR 200.328 and 2 CFR 200.329. The SF-270, Request for Advance or Reimbursement must be submitted as part of the cash draw request process.

Further, 2 CFR 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over the SF-270 Request for Advance or Reimbursement report, we identified errors in the amounts reported on certain reimbursement requests.

Specifically, for 3 of 28 SF-270 reports selected for testing, the amounts reported could not be reconciled to the supporting documentation provided. The reported amounts for line items 11(a), total program outlays; line-item 11(c), net program outlays; line 11(f), non-federal share of amount on line e; line 11(g), federal share of amount on line e; and line 11(h) federal payments previously requested did not agree to the supporting accounting records and documentation.

Cause

The cause of the condition found was due to insufficient review and reconciliation of the SF-270 reports prior to submission. Although the New Hampshire Department of Military (Department) maintains policies and procedures to track total expenditures by appendix over the federal award year, the amounts reported on the SF-270 were not adequately reviewed to ensure they agreed to the Department's underlying expenditure tracking.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

For each federal fiscal year, the Department uses an internal tracking sheet that records, by appendix, the federal share of costs incurred each month. However, for the three SF-270 reports tested, state matching expenditures were improperly included in amounts reported as federally reimbursable costs. The lack of a documented review comparing the SF-270 line items to the internal tracking records resulted in the errors not being identified prior to submission.

Upon identification by the engagement team, the Department corrected the errors and resubmitted the affected SF-270 reports to the United States Property and Fiscal Officer – New Hampshire National Guard.

Effect

The effect of the condition is that SF-270 reimbursement requests submitted to the United States Property and Fiscal Officer (USPFO) did not accurately reflect program outlays and the allocation between the Federal and non Federal share. As a result, the Department's reimbursement requests were not supported by underlying accounting records and source documentation for the affected line items.

Because the SF-270 contains a certification that "the data on the reverse are correct" and that "all outlays were made in accordance with the grant conditions or other agreement," the submission of SF-270s with unsupported or misstated amounts represents noncompliance with the reporting requirements applicable to payment requests. Additionally, inaccurate SF-270 reporting reduces the reliability of information used by the sponsoring agency to process reimbursements and perform oversight, and increases the risk that reimbursements could be made in amounts that are not properly supported and may be unallowable.

Questioned Costs

None

Recommendation

We recommend the Department review and strengthen existing policies and procedures related to the preparation and submission of SF-270 reimbursement requests by implementing internal controls to ensure each SF-270 is complete and accurate prior to submission. These controls should include a documented review and reconciliation of each SF-270 line item to supporting documentation, such as the Department's internal tracking sheets, to verify that reported amounts accurately reflect federally reimbursable costs and the required non-Federal share.

In addition, the Department should retain documentation evidencing the reconciliation and review performed with each SF270 to substantiate that amounts reported are complete and accurate at the time of submission. While the majority of SF270 reports tested did not contain errors, strengthening these controls will help ensure consistent compliance across all reimbursement requests.

View of Responsible Officials

Management does not concur with this finding.

Rejoinder

Based on the audit evidence obtained, the audit conclusion remains unchanged. The auditee is responsible for establishing and maintaining internal control sufficient to provide reasonable assurance that reimbursement requests are accurate, complete, and adequately supported in accordance with applicable award requirements. The conditions identified demonstrate that the controls in place did not provide that assurance; therefore, the finding remains valid.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-003

New Hampshire Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F24AF02377-00, F21AF04100-02, F24AF00586-00, F24AF02509-00, F21AF03885-02, F21AF04030-06

Federal Award Years: 2021, 2024

U.S. Department of Interior

Compliance Requirement: SEFA Reporting

Type of Finding: Material Weakness and Noncompliance

Prior Year Finding: 2024-006

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR section 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, section 200.510(b) states the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statement's which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use.

Additionally, per 2 CFR 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

The New Hampshire Fish and Game Department (the Department) oversees 23 different grants funded under the Fish and Wildlife Cluster (the Program). To assist in the management of the grants, the Department uses QuickBooks as their main system of books and records, rather than the State of New Hampshire's centralized accounting system, NH First. The Department manually enters expenditure transactional data into Quickbooks and heavily relies on a number of excel tracking sheets to track expenditures, cash draws, and in-kind match earned for each of the 23 grants. During our testwork over the Program, we identified the following:

A. For 6 of 23 grants, we were unable to reconcile the amount reported on the SEFA. For the grants, the Department included $2,030,430 of expenditures on the June 30, 2025 SEFA. As part of our review of the expenditures reported, we were unable to recalculate the amount included by the Department. Based upon the total expenditures incurred during the period ending June 30, 2025, it appeared that the amount that should have been reported was $1,991,560. As such, it appeared that the SEFA as of June 30, 2025 was overstated by a net amount of $38,070.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

B. For 6 of 6 grants that reported subrecipient pass through expenditures, the Department reported only the cost share amount of the expenditures, rather than the full payment to the subrecipient, on the SEFA. The payments to subrecipients per Quickbooks was $677,949 and the payments to subrecipients per the SEFA was $225,730.

Cause

The cause of the condition found appears to be related to the heavy reliance on manual spreadsheets and Quickbooks. The manual data entry into Quickbooks and the use of spreadsheets are susceptible to human error. As the Department does not have any internal controls in place to ensure the spreadsheets or Quickbooks reconcile to NH First, if there was an error in the data used by the Department, it would be difficult to detect.

Effect

The effect of the condition found is that the expenditures and subrecipient pass through amounts were not accurately presented on the SEFA.

Questioned Costs

Cannot be determined.

Recommendation

We recommend that the Department develop written policies and procedures and implement internal controls to ensure all spreadsheets utilized to manage the program reconcile to Quickbooks and that Quickbooks reconciles to NH first on a routine basis.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-004

New Hampshire Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F24AF02377-00, F21AF04100-02, F23AF02714-01, F24AF01916-00, F24AF00586-00, F24AF00645-00, F23AF02720-00, F24AF01596-00, F22AF02616-02, F23AF02807-00, F24AF02323-00, F23AF02954-00, F24AF02509-00, F21AF03822-01, F21AF03885-02, F22AF03670-01, F21AF03886-03, F21AF04030-06, F22AF00995-00, F22AF00929-00, F23AF03086-00, F25AF00734-00, F20AF11939-04

Federal Award Years: 2020 2021, 2022, 2023, 2024

U.S. Department of Interior

Compliance Requirement: Activities Allowed or Unallowed/Allowable Costs/Costs Principles

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-007

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Per Part 3 of the Compliance Supplement, costs must be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity in order to be allowable under federal awards.

Further per Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.502, the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity related to the Federal award pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as expenditure/expense transactions associated with grants.

Lastly, 2 CFR 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over Activities Allowed or Unallowed/Allowable Costs/Costs Principles, for 54 of 60 payroll and fringe benefit sampled costs, we were unable to agree the payroll and fringe benefit costs charged to the Fish and Wildlife Cluster (the program) to the State of New Hampshire's centralized accounting system, NH First. The New Hampshire Department of Fish and Game (the Department) does not charge payroll and fringe benefit costs incurred by the program as processed in NH First. Instead, the Department utilizes an internally calculated "federal rate" that is used to charge both payroll and fringe benefit costs based upon the

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

number of hours worked to the program. As described by the Department, the federal rate is calculated based upon an employee's fringe benefits, the approved NH First pay rate, and the employee's years of service. While we were able to recalculate the employees' payroll and fringe benefit amounts for each of the 60 samples selected testwork as recorded in NH First, we were not able to reconcile this amount to what the Department actually charged the program.

Cause

The Department does not utilize the NH First system as the basis to charge payroll, fringe and indirect costs to the program. As described in the condition found above, the Department performs its own calculation of what the payroll and fringe benefit costs are based upon the Department's calculated federal rate and then subsequently data enters their calculated expenditure information into QuickBooks. The Department uses QuickBooks to track all federal expenditures under the program by individual federal grant. The Department does not perform any reconciliations to ensure what was entered into QuickBooks reconciles to the NH First system in order to verify that the data in QuickBooks is complete and accurate.

Effect

Unallowable costs could be charged to the program.

Questioned Costs

$17,597

Recommendation

We recommend that the Department develop written policies and procedures that outline how payroll and fringe benefit costs are charged to the program and implement controls to ensure the amount of payroll and fringe benefits entered into QuickBooks properly reconciles to NH First as part of its routine payroll process.

View of Responsible Officials

Management partially concurs with this finding.

Rejoinder

A partial concurrence with this finding is not appropriate, as the Department's response implicitly confirms the facts and deficiencies identified during the audit. The corrective actions described are planned for a future period and do not negate the noncompliance that occurred during the State Fiscal Year 2025 audit period.

The Department's assertion that it "does perform reconciliations and pre-audits of information entered into QuickBooks" is misleading. The core of the finding is not whether data within QuickBooks is internally consistent, but that the Department failed to perform the critical reconciliation of its QuickBooks data back to the State of New Hampshire's official accounting system, NH First. This failure is the reason that 54 of 60 payroll samples could not be agreed to the system of record, which violates the internal control requirements of 2 CFR section 200.303.

Furthermore, the Department's commitment to change its process "Beginning with SFY26" is an explicit acknowledgment that the process used during the audit period was incorrect. Agreeing to fix a procedural failure in a future fiscal year constitutes a full acceptance of the finding's accuracy for the period under review. This is, by definition, a repeat finding precisely because the deficient process remained in operation throughout SFY25.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Per federal regulations, costs charged to federal awards must be based on when the activity occurs and be consistent with policies applied to non-federal activities. By utilizing an internally calculated "federal rate" instead of actual payroll and benefit costs from NH First, the Department was not in compliance with these requirements.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-005

New Hampshire Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F24AF00586-00, F22AF00995-00, F23AF03086-

Federal Award Years: 2022, 2023, 2024

U.S. Department of Interior

Compliance Requirement: Matching

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-008

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

In-kind match requirement is to test records to corroborate the values placed on in-kind contributions (including third party in-kind contributions) are in accordance with 2 CFR 200.306, 200.434, and 200.414, and the terms and conditions of the award.

Additionally Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200),. section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

To meet the federal match required under the program, the New Hampshire Fish and Game Department (the Department) utilizes in-kind match that is earned from volunteer hours and costs contributed by its third party subrecipient. During our testwork over in-kind match, for 3 of 7 subrecipient invoices selected for testwork used to support the Department's in-kind match, we were unable to obtain documentation to support the amount of the in-kind match earned. For each of the 3 sample selections, the value of the in-kind contribution was handwritten on the subrecipient's invoice for unrelated services. There was no documentation obtained to support the accuracy of this handwritten amount. Upon inquiry, the Department confirmed that no further verification was performed to ensure the subrecipient's in-kind match was accurate and based upon costs in support of the grant associated with the in-kind match.

Cause

The cause of the condition found is primarily due to insufficient internal controls to ensure that the value of the match contributed by its subrecipient is complete and accurate. Due to the long-standing and collaborative relationship between the Department and the subrecipient, the Department has not developed or implemented formalized policies and procedures related to validating the existence of in-kind match earned.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Effect

The effect of the condition found is that the Department did not have appropriate documentation to support the in-kind match earned and applied against its federal award in support of federal funds that were drawn. This could lead to unallowable costs being charged to the grant if the sufficient match was not made.

Questioned Costs

$17,137

Recommendation

We recommend that the Department implement written policies and procedures surrounding the tracking of in-kind match. Internal controls should be implemented to ensure the accuracy of the in-kind match earned, including ensuring that there is supporting documentation to substantiate the amount earned.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-006

New Hampshire Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F21AF04100-02, F21AF03885-02

Federal Award Year: 2021

U.S. Department of Interior

Compliance Requirement: Earmarking

Type of Finding: Material Weakness

Prior Year Finding: No

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Each State's fish and wildlife agency may not spend more than 15 percent of the annual amount apportioned to the State from the Sport Fish Restoration and Boating Trust Fund for activities in both the Aquatic Resources Education Outreach and the Communication subprograms. The 15 percent maximum applies to both subprograms as if they were one. The Commonwealths of Puerto Rico and the Northern Mariana Islands, the District of Columbia, and the Territories of Guam, the U.S. Virgin Islands, and American Samoa are not limited to the 15 percent cap imposed on the 50 States. Each of these entities may spend more for these purposes with the approval of the Regional Director (50 CFR section 80.62).

Additionally, Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

The New Hampshire Fish and Wildlife Department (the Department) had no internal controls in place to ensure compliance with the federal requirement that no more than 15 percent of the annual apportionment from the Sport Fish Restoration and Boating Trust Fund is spent on the Aquatic Resources Education, Outreach, and Communication subprograms.

Cause

The Department had not established policies or procedures to specifically track or limit expenditures for the Aquatic Resources Education, Outreach, and Communication subprograms to ensure they remained within the 15 percent cap. There was employee turnover within the Department and the employee that was previously responsible for earmarking activities is no longer with the Department.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Effect

Although the Department was in compliance for the audited period, the absence of internal controls creates a risk of future noncompliance. This could lead to a violation of federal regulations (50 CFR section 80.62), potentially resulting in penalties or required corrective actions from the funding agency.

Questioned Costs

None

Recommendation

The Department should implement a system of internal controls to ensure compliance with the 15 percent spending limit. These controls should include: 1) A method for tracking expenditures allocated to the Aquatic Resources Education, Outreach, and Communication subprograms; and 2) A periodic review process to monitor spending and ensure it does not exceed the 15 percent cap. This will ensure ongoing compliance with federal requirements and responsible management of grant funds.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-007

New Hampshire Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F22AF00995-00, F22AF00929-00, F23AF03086-00, F25AF00734-00, F22AF02616-02, F24AF00586-00

Federal Award Years: 2022, 2023, 2024, 2025

U.S. Department of Interior

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-005

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

A pass-through entity (PTE) must:

1. *Identify the Award and Applicable Requirements* - Clearly identify to the subrecipient required award information and applicable requirements described in Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200) section 200.332(a);
2. Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).
3. Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:
    a. Reviewing financial and programmatic (performance and special reports) required by the PTE.
    b. Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
    c. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

Additionally, 2 CFR 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

"Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During the year ended June 30, 2025, the New Hampshire Fish and Game Department (the Department) passed through $677,949 of federal funding to 2 subrecipients. As part of our testwork related to subrecipient monitoring, we identified the following:

A. As part of the during the award monitoring testwork, we noted that the Department completes a risk assessment questionnaire for new projects that were approved at the subrecipient. As part of our testwork over the risk assessments performed, we identified the following:

   - For 2 of 2 subrecipients selected for testwork, a risk assessment questionnaire was completed and required monitoring procedures were outlined within the questionnaire, but the monitoring checklist was not completed and required monitoring activities were not performed.

   As a result, we were not able to determine what monitoring procedures were performed over the subrecipients.

B. While the Department has formal policies and procedures to review and maintain documentation to evidence the review and approval of the subrecipient's unform guidance report, there was no documentation to support that the Department had obtained and reviewed its subrecipient's most recent uniform guidance report issued.

Cause

Management was not following formal written policies and procedures and internal controls to ensure that all required subrecipient monitoring compliance procedures were being performed. While management communicated the appropriate award information, designed and implemented controls to perform subrecipient risk assessment and outline monitoring activities, the monitoring checklist was not completed as designed.

Effect

Improper monitoring would not detect noncompliance with the subaward at the subrecipient level.

Questioned Costs

None

Recommendation

We recommend the Department ensure the monitoring checklists are completed and procedures performed are properly documented, and that the receipt and review of the subrecipient's uniform guidance report is properly documented.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-008

NH Department of Business and Economic Affairs

WIOA Custer (Assistance Listing #17.258, #17.259, #17.278)

Federal Award Numbers: 24A55AY000058-01-00, 24A55AT000066-01-00, 24A55AT000066-01-01

Federal Award Year: 2024

U.S. Department of Labor

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-009

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110252), and its implementing regulations at 2 C.F.R. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more to System for Award Management (SAM.gov).

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200). section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, we noted deficiencies in internal controls over the review, approval, and timely submission of FFATA subaward reports. For 2 of 2 FFATA reports selected testing, the reports were not submitted timely.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
2	N/A	2	0	0
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$3,060,030	N/A	$3,060,030	$0	$0

Cause

Staffing changes caused a lapse in reporting procedures, resulting in missed FFATA filings during fiscal year 2024. This lapse was discovered during the fiscal year 2024 audit and policies and procedures were updated in fiscal year 2025. Due to the timing of the prior year finding, FFATA filings were submitted in fiscal year 2025, but were not timely.

Effect

The effect of the condition is that the Department did not comply with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, resulting in untimely submission of required subaward information to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

As a result, federal agencies and the public did not receive timely and reliable information regarding subawards funded under the Department's federal programs, which reduces transparency and limits the ability of federal oversight entities to monitor the use of federal funds.

Questioned Costs

None

Recommendation

We recommend the Department continue to implement written policies and establish internal controls for FFATA reporting to ensure all submissions to SAM.gov are timely and appropriately reviewed.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-009

New Hampshire Department of Education

COVID-19 Education Stabilization Fund (Assistance Listing #84.425U, #84.425V, #84.425W)

Federal Award Numbers: S425U210017, S425V210041, S425W210030-21A

Federal Award Year: 2021

U.S. Department of Education

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Findings: 2022-013, 2022-016, 2023-008, 2024-013

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110252), and its implementing regulations at 2 C.F.R. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more to System for Award Management (SAM.gov).

Further, 2 CFR 200 200.303(a), requires the recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During the year ended June 30, 2025, we noted the New Hampshire Department of Education (the Department) passed through $104,640,897 in Education Stabilization Fund Grants (ESF Grant) to Local Educational Agencies (Local Educational Agencies).

During our testwork over FFATA reporting at the Department for ESF Grants, we selected 9 out of 59 FFATA reports filed in State fiscal year 2025. Our testwork noted a deficiency in internal controls over the timely submission of FFATA reports as 5 reports were not submitted timely. The 5 reports had action dates of July 2, 2024 as reported in the Department's records and a submission date per SAM.gov of November 14, 2024.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
9	0	5	0	0
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$ 1,241,834	$0	$573,209	$0	$0

Cause

Following the federal system migration, the FFATA reporting platform within SAM.gov no longer displayed or made readily retrievable the submission date associated with individual FFATA reports. No evidence was maintained to support the Department's FFATA reports were filed timely.

Effect

The failure to timely report subawards in accordance with FFATA requirements can lead to increased scrutiny from federal agencies and potential penalties or corrective actions imposed on the Department.

Questioned Costs

None

Recommendation

To ensure compliance with FFATA reporting requirements and mitigate the risk of federal scrutiny, we recommend the Department implement a more robust internal control framework for tracking and documenting FFATA submissions.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-010

New Hampshire Department of Education

COVID-19 Education Stabilization Fund (Assistance Listing #84.425U, #84.425V, #84.425W)

Federal Award Numbers: S425U210017, S425V210041, S425W210030-21A

Federal Award Year: 2021

U.S. Department of Education

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: No

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

A pass-through entity (PTE) must:

1. *Identify the Award and Applicable Requirements* - Clearly identify to the subrecipient required award information and applicable requirements described in Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200) section 200.332(a);
2. Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).
3. Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:
    a. Reviewing financial and programmatic (performance and special reports) required by the PTE.
    b. Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
    c. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

Additionally, 2 CFR 200 200.303(a), requires the recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

During the year ended June 30, 2025, we noted the New Hampshire Department of Education (the Department) passed through $104,640,897 in Education Stabilization Fund Grants (ESF Grant) to Local Educational Agencies (Local Educational Agencies).

During our testwork over subrecipient monitoring at the Department for ESF Grants, we selected 8 out of 66 subaward agreements executed in State fiscal year 2025 for testing and noted the following:

- The Department communicates award information through the approved Grant Sub-Award Notification (GAN). For 7 of 8 subawards selected for testwork, the Department communicated wrong Assistance Listing Number (ALN) and Federal Assistance Identification Number (FAIN) to the subrecipients that were included in the Grant Sub-Award Notification (GAN).

As part of the during the award monitoring testwork, we noted that the Department completed the fiscal and programmatic risk assessment for fiscal year 2025. However, the Department did not perform the fiscal and programmatic monitoring for the entire fiscal year. Specifically, we noted the following deficiencies:

- Absence of Fiscal Monitoring: The Department did not perform any activities to monitor the fiscal administration of the subawards for the entire fiscal year.
- Incomplete Programmatic Monitoring: While some programmatic monitoring was conducted, these activities were limited to only the first six months of the fiscal year. No programmatic monitoring was performed for the second half of the year to ensure that subrecipients were making progress toward performance goals and using funds for authorized purposes.

Cause

The Department's internal controls were properly designed; however, were not operating effectively to identify the missing award communication items. Additionally, due to decreased funding in the program, the Department did not perform adequate subrecipient monitoring activities for the entire fiscal year.

Effect

The lack of communication of all required award elements can impact the subrecipients ability to comply with federal statutes, regulations, and the terms and conditions applicable to the federal award.

The lack of consistent fiscal and programmatic oversight would not detect noncompliance by the subrecipient to administer the subaward in compliance with the terms and conditions of the subaward.

Questioned Costs

None

Recommendation

We recommend the Department review its process to communicate subawards to subrecipients to ensure it communicates all of the required elements. Additionally, we recommend the Department reinstitute its programmatic and fiscal monitoring procedures until the final completion of the program to ensure compliance with the federal subrecipient monitoring requirements.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

View of Responsible Officials

Management does not concur with this finding.

Rejoinder

We respectfully disagree with the Department's position that the abrupt change in the administrative funding liquidation period absolved it of its responsibility to perform required subrecipient monitoring for Federal Fiscal Year 2025 (FFY25).

While we acknowledge the challenges presented by the unexpected modification of the liquidation period by the U.S. Department of Education (USED) on March 28, 2025, the core requirements for subrecipient oversight as mandated by federal regulations are not contingent upon the availability of administrative funds.

The Uniform Guidance, specifically 2 CFR section 200.332, explicitly requires a pass-through entity (PTE) to monitor its subrecipients to ensure federal awards are used for authorized purposes and in compliance with all terms and conditions. Furthermore, 45 CFR section 75.303(a) mandates that the Department establish and maintain effective internal controls to ensure compliance. These regulations do not provide an exception for a lack of administrative funding.

The Department's responsibility to monitor the $104,640,897 in Education Stabilization Fund Grants was in effect for the entire fiscal year. The decision to cease all fiscal monitoring and to conduct programmatic monitoring for only the first six months of the fiscal year constitutes a failure of the internal control system to ensure compliance. The cancellation of the Annual Performance Reporting (APR) requirement by USED does not negate the PTE's broader and more fundamental duty to perform other monitoring activities as required by 2 CFR sections 200.332(d) through (f), including the review of financial reports and follow-up on deficiencies.

Therefore, the responsibility to ensure federal funds are administered in accordance with federal law remained with the Department. The recommendation to reinstitute comprehensive fiscal and programmatic monitoring procedures to ensure full compliance with federal requirements stands.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-011

New Hampshire Department of Health and Human Services

Aging Cluster (Assistance Listing #93.044, #93.045, #93.053) and COVID-Aging Cluster (Assistance Listing #93.044, #93.045, #93.053)

Federal Award Numbers: 2301NHOACM, 2401NHOASS, 2401NHOAHD, 2501NHOASS, 2501NHOAHD

Federal Award Years: 2023, 2024, 2025

U.S. Department of Health and Human Services

Compliance Requirement: Activities Allowed or Unallowed/Allowable Costs/Costs Principles

Type of Finding: Material Weakness

Prior Year Finding: 2024-016

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

The New Hampshire Department of Health and Human Services (the Department) enters into subrecipient agreements with local area agencies to provide supportive services and nutrition services programs. For 32 of 60 subrecipient invoices selected for testing, there was no evidence of the Department's review and approval to verify the invoice amounts prior to payment. The total amount paid under the 32 invoices was $472,685. No questioned costs were identified, and no material noncompliance with federal requirements was noted.

Cause

The cause of the condition found is due to insufficient policies and procedures to ensure documented review the accuracy of the subrecipient invoices prior to or subsequent to payment. For certain invoices, the Department uses the Options Electronic Billing and Service Authorization Maintenance System (the System). Once the subrecipient is authorized within the System to provide services and up to a specified funding amount, the subrecipient electronically submits an invoice for the dates of services provided. The System validates that the subrecipient is approved to provide the service for the dates requested and that sufficient authorized funding remains; however, the System does not verify the accuracy of the invoiced amounts.

The Department relied on these automated system validations and did not have compensating procedures to review or verify the accuracy of invoice amounts either prior to payment or through post-payment subrecipient monitoring.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Effect

The effect of the condition is that, in the absence of documented procedures to review the accuracy of subrecipient invoices, there is an increased risk that reimbursements could be made for costs that are not adequately supported by subrecipient books and records and, therefore, may be unallowable.

During the year ended June 30, 2025, total payments reimbursed with federal funds and processed through the System were $5,353,584.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement written policies and procedures to establish internal controls over the review and approval of invoices submitted through the Options Electronic Billing and Service Authorization Maintenance System. These controls should include documented procedures to review and verify the accuracy of invoiced amounts, including comparison to supporting meal count information maintained by subrecipients, either prior to payment or through post-payment monitoring procedures. These procedures should be designed to provide reasonable assurance that reimbursements are accurate and supported in accordance with federal requirements.

View of Responsible Officials:

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-012

New Hampshire Department of Health and Human Services

Aging Cluster (Assistance Listing #93.044, #93.045, #93.053) and COVID-Aging Cluster (Assistance Listing #93.044, #93.045, #93.053)

Federal Award Numbers: 2301NHOASS, 2401NHOAHD, 2501NHOACM, 2501NHOASS

Federal Award Years: 2023, 2024, 2025

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-015

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110252), and its implementing regulations at 2 C.F.R. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more to System for Award Management (SAM.gov).

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200),. section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, we noted deficiencies in internal controls over the review, approval, and timely submission of FFATA subaward reports. For each of the nine FFATA reports selected for testing, there was no documented evidence that the reports were reviewed and approved by the Department prior to submission to SAM.gov.

A. For each of the nine FFATA reports selected for testing, the reports were not submitted within the required reporting timeframe.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Transactions tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
9	N/A	9	N/A	N/A
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$2,477,110	N/A	$2,477,110	N/A	N/A

Cause

Internal controls over FFATA reporting were inadequate due to a lack of segregation of duties. Recent staffing changes resulted in the same individual being responsible for both preparing and submitting the reports. This eliminated the required independent review and approval process before submission, which is a key control to ensure accuracy and compliance.

Effect

The control deficiency led to noncompliance with FFATA. Specifically, nine required subaward reports were submitted late. This failure undermines the objective of FFATA by preventing federal agencies and the public from receiving timely and reliable information on the use of federal funds. The lack of an independent review also increases the risk that reported data could be inaccurate or incomplete, further reducing transparency and effective oversight.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement written policies and procedures and establish internal controls over FFATA reporting to ensure reports are accurate, timely, and appropriately reviewed prior to submission to the SAM.gov. These controls should include documented supervisory review and approval of FFATA reports and the implementation of segregation of duties or compensating controls to ensure that report preparation and submission are independently reviewed. In addition, the Department should implement procedures to monitor FFATA reporting deadlines to ensure timely submission.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-013

New Hampshire Department of Health and Human Services

Aging Cluster (Assistance Listing #93.044, #93.045, #93.053) and COVID-Aging Cluster (Assistance Listing #93.044, #93.045, #93.053)

Federal Award Numbers: 2301NHOACM, 2401NHOASS, 2401NHOAHD, 2501NHOASS, 2501NHOAHD

Federal Award Years: 2023, 2024, 2025

U.S. Department of Health and Human Services

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-017

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200) section 200.332(e) states a pass-through entity must monitor the activities of a subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:

(1) Review financial and performance reports.
(2) Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.
(3) Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.
(4) Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with section § 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

Additionally 2 CFR 200.332(f) states a pass-through must, depending upon the pass-through entity's assessment of the risk posed by the subrecipient (as described in 2 CFR 200.332(c)), the following monitoring tools may

be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters;
(2) Performing site visits to review the subrecipient's program operations; and
(3) Arranging for agreed-upon-procedures engagements as described in 2 CFR 200.425.

Lastly 2 CFR 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During the year ended June 30, 2025, the New Hampshire Department of Health and Human Services (the Department) passed through $6,418,562 of federal funding to subrecipients. As part of our testing related subrecipient monitoring, we identified the following:

A. For 8 out of 9 subrecipients selected for testwork, the Department was unable to provide support evidencing the following required basic monitoring activities, as prescribed by the Department's policy, were performed:
    - Regular contract monitoring meetings; and
    - Review of required performance reports
B. For 8 out of 9 subrecipients selected for testwork, the Department was unable to provide evidence that additional monitoring identified as necessary based on the evaluation of the subrecipient's risk.

Cause

The cause of the condition was a lack of sufficiently documented and implemented policies, procedures, and internal controls to ensure that required subrecipient monitoring activities were consistently performed and adequately documented in accordance with federal and departmental requirements.

Effect

The Department did not comply with the subrecipient monitoring requirements of 2 CFR 200.332(d) through (f). In addition, the lack of documented and performed monitoring activities limited the Department's ability to reasonably ensure that subrecipients complied with applicable Federal statutes, regulations, and the terms and conditions of the subawards, and that subaward funds were used for allowable purposes and in a manner that achieved the intended program objectives.

Questioned Costs

None

Recommendation

We recommend the Department update its written policies and procedures to ensure that all required subrecipient monitoring activities—both basic monitoring and those identified through risk assessments—are consistently performed and adequately documented i n accordance with Federal requirements and the terms and conditions of the subawards. Such documentation should provide clear and sufficient evidence that required

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

monitoring procedures have been completed, including documentation that demonstrates what monitoring was performed, when it was performed, who performed it, the results of the monitoring activities, and any follow-up actions or issues identified, as applicable. This may include retained notes or summaries of monitoring activities, such as contract monitoring meetings or reviews, that support the conclusions reached.

View of Responsible Officials:

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-014

New Hampshire Department of Energy

Low Income Home Energy Assistance (Assistance Listing #93.568)

Federal Award Numbers: 2401NHLIEA, 2501NHLIEA

Federal Award Years: 2024, 2025

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2022-026, 2023-016, 2024-022

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Title 45 U.S. Code of Federal Regulations Part 96 (45 CFR 96), *Block Grants* section 96.82, *"What are the LIHEAP reporting requirements?*" states "As part of the application for block grant funds each year, a report is required for the preceding fiscal year of (1) the number and income levels of the households assisted for each component and any type of LHEAP assistance (heating, cooling, crisis, and weatherization); and (2) the number of households served that contained young children, elderly, or persons with disabilities, or any vulnerable household for each component. This report is titled the Annual Report on Households Assisted by LIHEAP (OMB No. 0970-0060).

Additionally, Pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.328. *"Financial reporting,"* requires the use of the Federal Financial Report (FFR) (SF-425) to report on the status of financial activities for federal awards.

Lastly, 2 CFR 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over federal reporting as part of the Low-Income Home Energy Assistance program (LIHEAP), we noted the following:

A. For the Annual Report on Households Assisted by LIHEAP for program year ending September 30, 2024 the Department could not provide supporting documentation for the key line items. Specifically, the underlying detail for "Section 1 – LIHEAP Assisted Households" was unavailable, preventing verification of the report's completeness and accuracy.

B. For 2 of the 3 Federal Financial Reports (SF-425) selected for testwork, the basis of accounting was incorrectly reported as "accrual" basis when the underlying records were reported on a "cash" basis. The impacted reports were 2301NHLIEE PY23 SF-425 and 2401NHLIEA PY23 SF-425.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Cause

The Department did not implement adequate internal controls for the review and approval of federal reports. Specifically, there were no formal policies or procedures requiring an independent review of reports prepared by its external consultants. This lack of oversight meant that the Department did not reconcile key figures in the Annual Report to underlying program data before submission. Additionally, procedures were not in place to verify that the basis of accounting was correctly stated on Federal Financial Reports.

Effect

The Department submitted reports that could not be verified as accurate and which contained incorrect information, constituting noncompliance with federal reporting requirements (42 USC 8629 and 45 CFR section 96.82). This noncompliance undermines the ability of the U.S. Department of Health and Human Services to perform effective oversight and monitor program outcomes. Inaccurate reporting also increases the risk of future compliance issues and potential sanctions from the awarding agency.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement formal, written policies and procedures for the preparation, review, and submission of all federal reports. These procedures should include, at a minimum:

- A mandatory supervisory review and approval of all reports prior to submission, including those prepared by external consultants.
- A requirement to reconcile all reported figures to underlying source documentation, and to retain this documentation for audit purposes.
- Specific controls to verify key report elements are accurate, such as the basis of accounting on the SF-425.

View of Responsible Official:

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-015

New Hampshire Department of Health and Human Services

CCDF Cluster (Assistance Listing #93.575, #93.596) and COVID-19 CCDF Cluster (Assistance Listing #93.575, #93.596)

Federal Award Number: 2501NHCCDD

Federal Award Year: 2025

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-024

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110252), and its implementing regulations at 2 C.F.R. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more to System for Award Management (SAM.gov).

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, we noted deficiencies in internal controls over the review, approval, and timely submission of FFATA subaward reports. For the one FFATA report selected for testing that was reported, there was no documented evidence that the report was reviewed and approved by the Department prior to submission to SAM.gov.

A. For the one FFATA report selected for testing, the report was not submitted within the required reporting timeframe.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Transactions tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
1	N/A	1	N/A	NA
Dollar Amount of Transactions tested	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subawards missing key elements**
$366,387	N/A	$366,387	N/A	N/A

Cause

Internal controls over FFATA reporting were inadequate due to a lack of segregation of duties. Recent staffing changes resulted in the same individual being responsible for both preparing and submitting the reports. This eliminated the required independent review and approval process before submission, which is a key control to ensure accuracy and compliance.

Effect

The control deficiency led to noncompliance with FFATA. Specifically, one required subaward report was submitted late. This failure undermines the objective of FFATA by preventing federal agencies and the public from receiving timely and reliable information on the use of federal funds. The lack of an independent review also increases the risk that reported data could be inaccurate or incomplete, further reducing transparency and effective oversight.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement written policies and procedures and establish internal controls over FFATA reporting to ensure reports are accurate, timely, and appropriately reviewed prior to submission to the SAM.gov. These controls should include documented supervisory review and approval of FFATA reports and the implementation of segregation of duties or compensating controls to ensure that report preparation and submission are independently reviewed. In addition, the Department should implement procedures to monitor FFATA reporting deadlines to ensure timely submission.

View of Responsible Officials:

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-016

New Hampshire Department of Health and Human Services

Opioid STR (ALN #93.778)

Federal Award Numbers: H79TI085759, H79TI087843

Federal Award Year: 2024, 2025

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-027

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109-282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110-252), and its implementing regulations at 2 CFR. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more to System for Award Management (SAM.gov).

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, we noted deficiencies in internal controls over the review, approval, and timely submission of FFATA subaward reports.

For 9 of 9 FFATA subaward reports tested, there was no documented evidence of review or approval by the Department prior to submission to SAM.gov.

In addition, for each 9 of 9 FFATA subaward reports tested, the reports were not submitted within the required reporting timeframe.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
9	N/A	9	N/A	N/A
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subawards missing key elements**
$2,502,500	N/A	$2,502,500	N/A	N/A

Cause

The deficiencies occurred due to inadequate internal controls over FFATA reporting, including a lack of segregation of duties and the absence of formalized review and approval procedures. Specifically, the same individual was responsible for preparing and submitting FFATA reports and no secondary review or supervisory approval was required or documented prior to submission. In addition, the Department did not have procedures in place to monitor reporting deadlines, contributing to untimely submission of FFATA reports.

Effect

The control deficiency led to noncompliance with FFATA. Specifically, nine required subaward reports were submitted late. This noncompliance undermines the objective of FFATA by preventing federal agencies and the public from receiving timely and reliable information on the use of federal funds. The lack of an independent review also increases the risk that reported data could be inaccurate or incomplete, further reducing transparency and effective oversight.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement written policies and procedures and establish internal controls over FFATA reporting to ensure reports are timely and appropriately reviewed prior to submission to SAM.gov. These controls should include documented supervisory review and approval of FFATA reports and the implementation of segregation of duties or compensating controls to ensure that report preparation and submission are independently reviewed. In addition, the Department should implement procedures to monitor FFATA reporting deadlines to ensure timely submission.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-017

New Hampshire Department of Health and Human Services

Substance Abuse Prevention and Treatment Block Grant (ALN #93.959) and COVID-19 Substance Abuse Prevention and Treatment Block Grant (ALN #93.959)

Federal Award Numbers: B08T108521, B08TI087053

Federal Award Years: 2023, 2024

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-029

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110252), and its implementing regulations at 2 C.F.R. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more to System for Award Management (SAM.gov).

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, we noted deficiencies in internal controls over the review, approval, and timely submission of FFATA subaward reports. For 4 of 4 FFATA reports selected for testing that were reported, there was no documented evidence that the reports were reviewed and approved by the Department prior to submission to SAM.gov.

During our testwork over FFATA reporting, we also noted 4 of 4 FFATA reports were not filed timely.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
4	N/A	4	0	0
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$160,000	N/A	$160,000	$0	$0

Cause

Internal controls over FFATA reporting were inadequate due to a lack of segregation of duties, whereby, the same individual was responsible for both preparing and submitting the reports. This eliminated the required independent review and approval process before submission, which is a key control to ensure accuracy and compliance.

Effect

The control deficiency led to noncompliance with FFATA. Specifically, four required subaward report were submitted late. This noncompliance undermines the objective of FFATA by preventing federal agencies and the public from receiving timely and reliable information on the use of federal funds. The lack of an independent review also increases the risk that reported data could be inaccurate or incomplete, further reducing transparency and effective oversight.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement written policies and procedures and establish internal controls over FFATA reporting to ensure reports are timely, and appropriately reviewed prior to submission to SAM.gov. These controls should include documented supervisory review and approval of FFATA reports and the implementation of segregation of duties or compensating controls to ensure that report preparation and submission are independently reviewed. In addition, the Department should implement procedures to monitor FFATA reporting deadlines to ensure timely submission.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-018

New Hampshire Department of Education

Disability Insurance/SSI Cluster: Social Security-Disability (Assistance Listing #96.001)

Federal Award Numbers: 2204NHDI00, 2304NHDI00, 2404NHD100, 2504NHDI00

Federal Award Years: 2022, 2023, 2024, 2025

U.S. Social Security Administration Compliance

Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-019, 2024-030

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Form SSA-4513 – State Agency Report of Obligations for SSA Disability Programs – is used to report all obligations (liquidated and unliquidated) on a quarterly basis for each State agency for each fiscal year still open in order to account for program disbursements and unliquidated obligations (POMS DI 39506.210). Additionally, the report should be accompanied by Form SSA-4513 Addendum, as appropriate, to report the status of unliquidated obligations; explain any adjustments; submit copy of indirect cost agreement, etc. (POMS DI 39506.202).

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over federal reporting related to the SSA-4513 quarterly report, we identified the following:

A. For 2 of 4 SSA-4513 reports selected for testwork, we could not agree the indirect cost rate for Line-Item Section 3.a, Indirect Cost Rate Per Negotiated Agreement to the agreed upon indirect cost rate for the applicable period. Specifically, the approved indirect cost rate was 6.7% for the period July 1, 2022 to June 30, 2023 and 6.1% for the period July 1, 2023 to June 30, 2025 and the amount reported for the fiscal year 2023 SSA-4513 report for the period October 1, 2022 to June 30, 2025 was 3.0% and the amount reported for the fiscal year 2024 SSA-4513 report for the period October 1, 2023 to June 30, 2025 was 3.88%.
B. For 4 of 4 SSA-4513 reports selected for testwork, substantiated support was not provided for Line-Item Section 2.d, Other: Identify obligation & amount. Specifically, for the fiscal year 2022 SSA-4513 report for the period October 1, 2021 to September 30, 2024, the reported amount was

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

$854,540 reducing the adjusted non-personnel cost by $532,005. For the fiscal year 2023 SSA-4513 report for the period October 1, 2022 to June 30, 2025, the reported amount was $485,000 reducing the adjusted non-personnel cost by $108,813. For the fiscal year 2024 SSA-4513 report for the period October 1, 2023 to June 30, 2025, the reported amount was $107,620 increasing the adjusted non-personnel cost by $206,587. For the fiscal year 2025 SSA-4513 report for the period October 1, 2024 to June 30, 2025, the reported amount was $71,600 increasing the adjusted non-personnel cost by $232,985.

Cause

During our testwork over compliance with SSA-4513 reporting requirements, we noted deficiencies in internal controls over the review and approval of the reports and attached addendums. For 4 of the 4 SSA-4513 reports selected for testing that were reported, there was no supporting documentation for Line-Item Section 2.d, Other: Identify obligation & amount. Additionally, for 2 of 4 SSA-4513 reports selected for testing that were reported, we could not agree Line-Item Section 3.a, Indirect Cost Rate per Negotiated Agreement to the approved indirect cost rate.

Based on review of the SSA-4513 reports and attached addendums, the State's indirect cost calculation and reporting requirements do not align with the SSA-4513 reporting requirements.

The Department reports actual indirect costs incurred, as calculated from an allocation of substantiated non-personnel costs, including a combination of Equipment, Audit Fund Set-aside, Contracts for Program Services, Transcription Services and DDS Client expenses (MER, CE, and Travel). They use the substantiated non-personnel costs incurred to recalculate either the indirect cost rate, per Line-Item Section 3.a, Indirect Cost Rate Per Negotiated Agreement, or required other costs, per Line-Item Section 2.d, Other: Identify obligation & amount, required to be recorded in the report to arrive at the actual indirect cost incurred to not overstate actual expenditures. Although we saw evidence of review and approval of these reports prior to submission, these amounts were still reported incorrectly, and substantiation of the actual costs could not be provided.

Effect

The agency is in noncompliance with the reporting terms and conditions of its federal award. Submitting SSA-4513 reports that were neither complete nor accurate undermines the integrity of the financial data reported to the Social Security Administration. This misreporting of both indirect costs and other obligations prevents the SSA from performing its oversight function and creates a risk of future questioned costs, as the agency cannot substantiate the amounts claimed on its federal reports.

Questioned Costs

None

Recommendation

We recommend that policies and procedures be developed to ensure that all documentation to support the amounts reported on the SSA-4513 is properly maintained for each quarterly report. In addition, internal control procedures be evaluated to ensure that as part of the review process, each line item on the federal report is verified against the supporting documentation to ensure the report is complete and accurate. The review performed should also be properly documented, showing evidence that the required review process was performed prior to submitting the SSA-4513.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-019

NH Department of Safety

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Public Assistance (Presidentially Declared Disasters) (Assistance Listing #97.036)

Federal Award Numbers: FEMA-4622-DR-NH, FEMA-4624-DR-NH, FEMA-4457-DR-NH, FEMA-4370-DR, FEMA-4693-DR, FEMA-4355-DR, FEMA-4329-DR, FEMA-4516-DR-NH, FEMA-4740-DR, FEMA-4771-DR, FEMA-4761-DR, FEMA-4799-DR, FEMA-4812-DR

Federal Award Years: July 17-19, 2021, July 29-30, 2021, July 11-12, 2019, March 2-8, 2018, December 22-25, 2022, November 1, 2017, July 1-2, 2017, January 20, 2020, September 14, 2023, April 19, 2024, February 27, 2024, July 10, 2024, August 20, 2024

U.S. Department of Homeland Security

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2024-033

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law 109282, as amended by Section 6202 of the Government Funding Transparency Act of 2008 (Public Law 110252), and its implementing regulations at 2 C.F.R. Part 170, require prime recipients of Federal grants and cooperative agreements to report information on first tier subawards of $30,000 or more in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200), section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over compliance with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, we noted deficiencies in internal controls over the review, approval, and timely submission of FFATA subaward reports. Specifically:

A. For 2 of the 16 FFATA reports selected for testing, there was no documented evidence that the reports were reviewed and approved by the New Hampshire Department of Safety (the Department) prior to submission to the SAM.gov.

B. For each of the 16 reports selected for testing, the reports were not submitted within the required reporting timeframe, including 1 report which was not submitted.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

C. For 2 of the 16 reports selected for testing, the reports were not submitted accurately.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
16	0	16	2	N/A
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$4,562,386	$0	$4,562,386	$2,132,040	N/A

Cause

Delays in FFATA reporting occurred due to the Department's process to receive a response from the subrecipient that they concur with the receipt of the award prior to the submission of the subaward in SAM.gov. Due to these responses not being provided back to the Department timely, this caused the submission of the FFATA reports to be submitted untimely or not at all if no response was received. The Department does not have sufficiently defined procedures or compensating controls to ensure that the FFATA reports are submitted timely. In addition, formal review and approval controls over FFATA reports were not consistently documented. These process limitations, together with limited staffing resources dedicated to FFATA compliance activities, contributed to untimely submissions, one missed submission, and inaccuracies in reported information.

Effect

The effect of the condition is that the Department did not comply with the Federal Funding Accountability and Transparency Act (FFATA) reporting requirements, resulting in untimely submission of required subaward information to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). In addition, the lack of documented review and approval increased the risk that FFATA reports may not be complete or accurate.

As a result, federal agencies and the public did not receive timely and reliable information regarding subawards funded under the Department's federal programs, which reduces transparency and limits the ability of federal oversight entities to monitor the use of federal funds.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement written policies, procedures, and internal controls over FFATA reporting to ensure that reports are accurate, timely, and appropriately reviewed prior to submission in SAM.gov. Specifically, we recommend that the Department revise its FFATA reporting process to eliminate the requirement to wait for the subrecipient concurrence with the receipt of the award prior to submitting FFATA reports. FFATA reports may be submitted once the subaward has been communicated to the subrecipient, which would allow the Department to submit reports within the required

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

report timeframe. In addition, we also recommend that the Department implement documented supervisory review procedures to ensure FFATA reports are reviewed for accuracy and completeness prior to submission. The Department should also implement procedures to manually track all Tier 1 subawards to ensure FFATA reports are completed and submitted for all applicable subawards.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025–020

New Hampshire Department of Safety

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Public Assistance (Presidentially Declared Disasters) (Assistance Listing #97.036)

Federal Award Numbers: FEMA-4622-DR-NH, FEMA-4624-DR-NH, FEMA-4457-DR-NH, FEMA-4370-DR, FEMA-4693-DR, FEMA-4355-DR, FEMA-4329-DR, FEMA-4516-DR-NH, FEMA-4740-DR, FEMA-4771-DR, FEMA-4761-DR, FEMA-4799-DR, FEMA-4812-DR

Federal Award Years: July 17-19, 2021, July 29-30, 2021, July 11-12, 2019, March 2-8, 2018, December 22-25, 2022, November 1, 2017, July 1-2, 2017, January 20, 2020, September 14, 2023, April 19, 2024, February 27, 2024, July 10, 2024, August 20, 2024

U.S. Department of Homeland Security

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-023, 2024-034

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200) section 200.332(c) requires the pass-through entity to evaluate each subrecipient's fraud risk and risk of noncompliance to determine the appropriate subrecipient monitoring. In evaluating risk, the pass-through entity should consider:

(1) prior experience with the same or similar subawards;

(2) results of previous audits, including whether the subrecipient is subject to Single Audit and whether similar subawards were audited as a major program;

(3) whether the subrecipient has new personnel or new/substantially changed systems; and

(4) the extent and results of Federal agency monitoring.

Further, 2 CFR 200.332(e) states that a pass-through entity must monitor the activities of a subrecipient as necessary to ensure compliance with Federal statutes, regulations, and subaward terms and conditions and to ensure the goals and objectives of the subaward are achieved. At a minimum, monitoring must include:

(1) Reviewing financial and performance reports;

(2) Ensuring the subrecipient takes corrective action on significant developments that negatively affect the subaward (including relevant Single Audit findings, other audit findings, site visits, and written notifications of adverse conditions);

(3) Issuing a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity, as required by § 200.521; and

(4) Resolving audit findings specifically related to the subaward.

Additionally, 2 CFR 200.332(f) states that, depending upon the pass-through entity's assessment of the risk posed by the subrecipient, monitoring tools may include:

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

(1) Providing subrecipients with training and technical assistance on program-related matters;

(2) Performing site visits to review the subrecipient's program operations; and

(3) Arranging for agreed-upon-procedures engagements as described in § 200.425.

Also, 2 CFR 200.332(g) requires the pass-through entity to verify that a subrecipient is audited as required by Subpart F of Part 200.

Lastly 2 CFR 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During the year ended June 30, 2025, the New Hampshire Department of Safety - Homeland Security and Emergency Management (the Department) passed through $13,228,981 under the Disaster Grants - Public Assistance program. The Department enters into grant agreements with local municipalities to reimburse expenditures incurred as a result of New Hampshire declared disasters.

As a pass-through entity, the Department is required to perform a risk assessment over each subrecipients' risk of noncompliance to determine the nature and extent of additional subrecipient monitoring procedures. In addition, pass-through entities are required to verify that subrecipients are audited as required under Subpart F of 2 CFR Part 200. During our testwork over the Department's subrecipient risk assessment, related monitoring activities and review of subrecipient single audit reports, we noted the following :

- For 2 of the 15 subrecipients selected for testwork, the Department did not review the subrecipient's single audit report as part of its risk assessment procedures. A timely review of the single audit report would have resulted in the performance of additional monitoring procedures in accordance with the Department's established risk assessment criteria.
- For 1 of the 15 subrecipients selected for testwork, the Department did not perform the additional monitoring procedures required under its policies and procedures based on the results of the risk assessment.

Cause

Insufficiently designed and implemented internal controls resulted in inconsistent and untimely review of required subrecipient Single Audit reports and inconsistent execution of additional monitoring procedures identified through the Department's risk assessment process. Specifically, the Department lacked effective procedures to track and document the receipt and review of Single Audit reports and to ensure that risk assessment results consistently triggered and documented completion of required additional monitoring activities. Consequently, Single Audit reviews were not always completed or were delayed and required additional monitoring procedures were not always completed in accordance with established policies and procedures.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Effect

Failure to timely review subrecipient Single Audit reports and to perform required additional monitoring procedures increases the risk that subrecipient noncompliance with Federal statutes, regulations, and the terms and conditions of Federal awards is not identified or addressed in a timely manner. As a result, the Department may lack reasonable assurance that subrecipients are administering Federal funds in compliance with applicable requirements.

Questioned Costs

None

Recommendation

We recommend that the Department enhances its policies, procedures, and internal controls to ensure that subrecipient risk assessments are supported by timely review of required Single Audit reports, in accordance with 2 CFR 200.332(c) and 2 CFR 200.303(a). Specifically, the Department should implement procedures to track the receipt and review of all required Single Audit reports, verify that the reviews are completed timely, and document the results of those reviews. In addition, the Department should strengthen controls to ensure that additional monitoring procedures identified through the risk assessment process are performed and documented in accordance with established policies and procedures, consistent with 2 CFR 200.332(e) and 2 CFR 200.332(g).

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025–021

New Hampshire Employment Security

Unemployment Insurance (Assistance Listing #17.225) and COVID-19 Unemployment Insurance (Assistance Listing #17.225)

Federal Award Numbers: Various

Federal Award Years: 2024, 2025

U.S. Department of Labor

Compliance Requirement: Eligibility

Type of Finding: Material Weakness

Prior Year Finding: No

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (2 CFR 200),section 200.303(a), 200.303(a) requires the recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During the audit of Unemployment Insurance, we identified deficiencies in internal control related to information technology general controls with the State of New Hampshire Unemployment Insurance System (NHUIS). Specifically, management was not able to timely provide documentation supporting user access reviews and change management controls. In addition, management was unable to provide last-modified date evidence for application controls designed to ensure: (1) the accurate calculation of weekly benefit payments; (2) validation and cross-matching of claimant Social Security Numbers with the Social Security Administration; and (3) entry of claimant work activity in NHUIS prior to payment of weekly benefits. Although no instances of noncompliance were identified as a result of these deficiencies, the absence of timely and complete documentation limited the audit team's ability to obtain sufficient appropriate audit evidence over the operating effectiveness of these controls.

Cause

The cause of the deficiency was that documentation supporting key IT general and application controls was not readily available for audit and that personnel with the requisite system knowledge and access to retrieve such documentation were limited. As a result, management was unable to provide certain requested information within a timely manner.

Effect

The inability to rely on effective general IT controls and IT application controls increases the risk that system configurations, program logic, or access privileges could be modified without appropriate authorization or

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

detection, and that automated controls relied upon to calculate weekly benefit payments, validate claimant eligibility information, and prevent improper payments may not operate consistently as intended. This condition increases the risk that errors in benefit calculations, eligibility determinations, or payment processing could occur and not be identified in a timely manner, potentially impacting the accuracy and integrity of program disbursement.

Questioned Costs

None

Recommendation

We recommend that the Department develop and implement procedures to ensure that documentation supporting IT general controls and application controls is maintained, readily retrievable, and available for audit and oversight purposes. In addition, management should establish backup personnel with appropriate system knowledge and access to ensure continuity in providing required information. These actions will strengthen internal control over the Unemployment Insurance program and provide reasonable assurance that key system controls continue to operate as designed.

View of Responsible Officials

Management concurs with the finding above.

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Finding Reference Number: 2025-022

New Hampshire Department of Health and Human Services

Opioid STR (ALN #93.778)

Federal Award Numbers: H79TI087843

Federal Award Year: 2024

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness

Prior Year Finding: No

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The Federal Award Number 1H79TI087843-01 Standard Terms and Conditions Reporting Requirements state recipients must collect and report data for SAMHSA to meet its obligations under the Government Performance and Results (GPRA) Modernization Act of 2010. SOR recipients are required to submit data and report program-level data on a quarterly basis via SAMHSA's Performance Accountability and Reporting System (SPARS). SOR recipients are also required to submit Programmatic Reports at 6 months and 12 months. The six-month reports are due no later than 30 days after the end of the second quarter. The twelve-month reports are due within 90 days of the end of the budget period.

Further, pursuant to Title 2 of the Code of Federal Regulations, Part 200 — *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR 200),. section 200.303(a), recipient and subrecipients of federal awards must establish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition

During our testwork over compliance with the Programmatic Progress Report (PPR) reporting requirements, we noted deficiencies in internal controls over the review and approval of reports. For 1 of 1 Programmatic Progress reports selected for testing, there was no documented evidence that the report was reviewed and approved by the Department prior to submission to eRA Commons.

During our testwork over compliance with the Data Collection/Performance Measurement reporting requirements, we noted deficiencies in internal controls over the review and approval of reports. For 2 of 2 reports selected for testing, there was no documented evidence that the reports were reviewed and approved by the Department prior to submission to SAMHSA's Performance Accountability and Reporting Systems (SPARS).

SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

Cause

The Department has not implemented adequate segregation of duties for federal reporting.. The same individual was responsible for both preparing and submitting the reports, which circumvented any independent review or approval process designed to ensure accuracy and compliance.

Effect

Without a documented supervisory review, there is no assurance that the data submitted to the federal agency is accurate, complete, or has been reviewed for compliance with award terms. This control deficiency increases the risk of inaccurate reporting, which could lead to flawed decision-making by SAMHSA and misrepresent the program's performance.

Questioned Costs

None

Recommendation

We recommend the Department strengthen its internal controls over federal reporting by implementing written policies and procedures that require:

- A mandatory, documented supervisory review of all programmatic and data reports prior to submission.
- Clear segregation of duties, ensuring the individual who prepares a report is not the same individual who has final approval to submit it.
- If segregation of duties is not feasible, the implementation of effective compensating controls, such as a detailed secondary review by another knowledgeable staff member.

View of Responsible Officials

Management concurs with the finding above.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2024-001	*Department of Administrative Services*	ACFR Finding	Lack of thorough and timely management review over individual agency annual capital asset reporting	None	*Resolved*
2024-002	*Department of Education*	10.553 10.555 10.556 10.559	Reporting - Material Weakness and Material Noncompliance	None	*Unresolved (see G-9 and related finding 2025-001)*
2024-003	*Military Affairs and Veteran Services*	12.401	Reporting - Material Weakness and Material Noncompliance	Not Determinable	*Partially Resolved (see G-11 and related finding 2025-002)*
2024-004	*Military Affairs and Veteran Services*	12.401	Cash Management - Material Weakness	None	*Resolved*
2024-005	*Department of Fish and Game*	15.605 15.611 15.626	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-13 and related finding 2025-007)*
2024-006	*Department of Fish and Game*	15.605 15.611 15.626	SEFA Reporting - Material Weakness and Noncompliance	Not Determinable	*Partially Resolved (see G-16 and related finding 2025-003)*
2024-007	*Department of Fish and Game*	15.605 15.611 15.626	Activities Allowed or Unallowed and Allowable Costs/Cost Principles - Material Weakness and Material Noncompliance	11,409	*Partially Resolved (see G-18 and related finding 2025-004)*

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2024-008	*Department of Fish and Game*	15.605 15.611 15.626	Matching - Material Weakness and Material Noncompliance	201,250	*Partially Resolved (see G-21 and related finding 2025-005)*
2024-009	*Department of Business and Economic Affairs*	17.258 17.259 17.278	Reporting - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-23 and related finding 2025-008)*
2024-010	*Departments of Administrative Services and of Business and Economic Affairs*	21.027	Suspension and Debarment - Significant Deficiency	Not Determinable	*Resolved*
2024-011	*Governor's Office of Emergency Relief and Recovery*	21.027	Procurement - Significant Deficiency	None	*Resolved*
2024-012	*Department of Business and Economic Affairs*	21.029	Reporting - Material Weakness and Material Noncompliance	None	*Resolved*
2024-013	*Department of Education*	84.425D 84.425R 84.425U 84.425V 84.425W	Reporting - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-25 and related finding 2025-009)*
2024-014	*Department of Education*	84.425D 84.425R 84.425U 84.425V 84.425W	Reporting - Material Weakness and Material Noncompliance	None	*Not Applicable. Reports were discontinued*

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2024-015	*Department of Health and Human Services*	93.044 93.045 93.053	Reporting - Material Weakness and Material Noncompliance	None	*Unresolved (see G-27 and related finding 2025-012)*
2024-016	*Department of Health and Human Services*	93.044 93.045 93.053	Activities Allowed or Unallowed and Allowable Costs/Cost Principles - Material Weakness	None	*Unresolved (see G-29 and related finding 2025-011)*
2024-017	*Department of Health and Human Services*	93.044 93.045 93.053	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Unresolved (see G-31 and related finding 2025-013)*
2024-018	*Department of Health and Human Services*	93.268	Reporting - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-33)*
2024-019	*Department of Health and Human Services*	93.323	Reporting - Material Weakness and Material Noncompliance	Not Determinable	*Partially Resolved (see G-35)*
2024-020	*Department of Health and Human Services*	93.323	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Resolved*
2024-021	*Department of Energy*	93.568	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Resolved*
2024-022	*Department of Energy*	93.568	Reporting - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-37 and related finding 2025-014)*
2024-023	*Department of Energy*	93.568	Cash Management - Material Weakness and Material Noncompliance	None	*Resolved*

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2024-024	*Department of Health and Human Services*	93.575 93.596	Reporting - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-40 and related finding 2025-015)*
2024-025	*Department of Health and Human Services*	93.575 93.596	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Resolved*
2024-026	*Department of Health and Human Services*	93.788	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Resolved*
2024-027	*Department of Health and Human Services*	93.788	Reporting - Material Weakness	None	*Unresolved (see G-42 and related finding 2025-016)*
2024-028	*Department of Health and Human Services*	93.959	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Resolved*
2024-029	*Department of Health and Human Services*	93.959	Reporting - Material Weakness and Material Noncompliance	None	*Unresolved (see G-44 and related finding 2025-017)*
2024-030	*Department of Education*	96.001	Reporting - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-46 and related finding 2025-018)*
2024-031	*Department of Education*	96.001	Special Tests and Provisions - Qualified Providers - Material Weakness and Material Noncompliance	Not Determinable	*Resolved*

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2024-032	*Department of Safety*	97.036	Special Tests and Provisions - Project Accounting - Material Weakness and Material Noncompliance	None	*Resolved*
2024-033	*Department of Safety*	97.036	Reporting - Material Weakness and Material Noncompliance	None	*Unresolved (see G-48 and related finding 2025-019)*
2024-034	*Department of Safety*	97.036	Subrecipient Monitoring - Material Weakness and Material Noncompliance	None	*Partially Resolved (see G-50 and related finding 2025-020)*
2023-002	*Military Affairs and Veteran Services*	12.401	Material Weakness and Non Compliance Relative to Requests for Advance or Reimbursement (SF-270)	None	*Partially Resolved (see G-53 and related finding 2025-002)*
2023-003	*Military Affairs and Veteran Services*	12.401	Lack of Segregation of Duties Related to Federal Draws	None	*Resolved*
2023-004	*Governor's Office of Emergency Relief and Recovery*	21.027	Insufficient internal controls and procedures to ensure that for all covered transactions the State determines if the entity covered has been suspended or debarred.	Not Determinable	*Resolved*
2023-006	*Department of Business and Economic Affairs*	21.029	Internal Control Deficiencies and Non Compliance over Federal Reporting Requirements	None	*Resolved*
2023-008	*Department of Education*	84.010 84.367 84.425C 84.425D 84.425R 84.425U 84.425V 84.425W	Internal Control Deficiencies and Non Compliance over Federal Funding Accountability and Transparancy Act (FFATA) Reporting Requirements	None	*Partially Resolved (see G-55 and related finding 2025-009)*

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2023-010	*Department of Health and Human Services*	93.323	Internal Control Deficiencies and Non Compliance over Federal Reporting Requirements	None	*Partially Resolved (see G-58)*
2023-011	*Department of Health and Human Services*	93.323	Internal Control Deficiencies and Non Compliance over Subrecipient Monitoring Requirements	None	*Resolved*
2023-014	*Department of Energy*	93.568	Internal Control Deficiencies and Non Compliance over Cash Management Requirements	None	*Resolved*
2023-015	*Department of Energy*	93.568	Internal Control Deficiencies and Non Compliance over Subrecipient Monitoring Requirements	None	*Resolved*
2023-016	*Department of Energy*	93.568	Internal Control Deficiencies and Non Compliance over Federal Reporting Requirements	None	*Partially Resolved (see G-60 and related finding 2025-014)*
2023-017	*Department of Health and Human Services*	93.959	Internal Control Deficiencies and Non Compliance over Subrecipient Monitoring Requirements	None	*Resolved*
2023-019	*Department of Education*	96.001	Internal Control Deficiencies and Non Compliance over Federal Reporting Requirements	None	*Partially Resolved (see G-66 and related finding 2025-018)*
2023-020	*Department of Education*	96.001	Internal Control Deficiencies and Non Compliance over Special Tests and Provisions Related to Qualified Providers	None	*Resolved*

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2023-021	*Department of Safety*	97.036	Internal Control Deficiencies and Non Compliance over Special Tests and Provisions Related to Project Accounting	None	*Resolved*
2023-023	*Department of Safety*	97.036	Internal Control Deficiencies and Non Compliance over Subrecipient Monitoring Requirements	None	*Partially Resolved (see G-69 and related finding 2025-020)*
2022-009	*Governor's Office of Emergency Relief and Recovery*	21.027	Insufficient internal controls and procedures to ensure that for all covered transactions the State determines if the entity covered has been suspended or debarred.	Not Determinable	*Resolved*
2022-013	*Department of Education*	84.010	Lack of policies and procedures, including internal controls, in place to ensure timely and accurate FFATA reporting.	None	*Partially Resolved (see G-72)*
2022-016	*Department of Education*	84.425C 84.425D 84.425R 84.425U 84.425V 84.425W	Lack of policies and procedures, including internal controls, in place to ensure timely and accurate FFATA reporting	None	*Partially Resolved (see G-74 and related finding 2025-009)*
2022-018	*Department of Health and Human Services*	93.323	A lack of formal policies and internal controls to ensure that all required subrecipient monitoring compliance procedures are being performed by the Department.	None	*Resolved*
2022-025	*Department of Energy*	93.568	Insufficient internal controls, policies, and procedures over subrecipient monitoring requirements	None	*Resolved*

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

FINDING NUMBER	STATE AGENCY	ALN NUMBER	DESCRIPTION	QUESTIONED COSTS	CURRENT STATUS
2022-026	*Department of Energy*	93.568	Insufficient internal controls and policies and procedures over federal reporting	None	*Partially Resolved (see G-76 and related finding 2025-014)*
2022-027	*Department of Energy*	93.568	Insufficient resources to monitor and track cash draws to ensure they are performed timely in accordance with the TSA and to ensure subrecipients either utilize advance funds timely or effectively evaluate the amount of funds needed on hand at the time of the advance payment.	None	*Resolved*
TOTAL UNRESOLVED QUESTIONED COSTS AS OF JUNE 2024				**$ 212,659**	

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-002

NH Department of Education

Child Nutrition Cluster (Assistance Listing #10.553, #10.555, #10.556, #10.559)

Federal Award Numbers: 244NH304N1099, 244NH304N1199

Federal Award Year: 2023, 2024

U.S. Department of Agriculture

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, (Transparency Act) that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Aspects of the Transparency Act that relate to subaward reporting (1) under grants and cooperative agreements were implemented in OMB in 2 CFR Part 170 and (2) under contracts, by the regulatory agencies responsible for the Federal Acquisition Regulation (FAR at 5 FR 39414 et seq., July 8, 2010). The requirements pertain to recipients (i.e., direct recipients) of grants or cooperative agreements who make first-tier subawards and contractors (i.e., prime contractors) that award first-tier subcontracts. There are limited exceptions as specified in 2 CFR Part 170 and the FAR. The guidance at 2 CFR Part 170 currently applies only to federal financial assistance awards in the form of grants and cooperative agreements (e.g., it does not apply to loans made by a federal agency to a recipient), however the subaward reporting requirement applies to all types of first-tier subawards under a grant or cooperative agreement.

2 CFR Part 170 "subaward" has the meaning given in 2 CFR 200.1 and means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Additionally, per 2 CFR 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During the year ended June 30, 2024, we noted the New Hampshire Department of Education (the Department) passed through $40,468,041 in Child Nutrition Cluster Grants (CNC Grant) to Local Educational Agencies (LEAs).

During our testwork, we noted that the Department did not submit FFATA reports for all subawards. The following noncompliance was noted for the sample selected:

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward incorrect key elements
40	40	0	0	0
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward incorrect key elements**
$ 584,546	$ 584,546	$0	$0	$0

Cause

The Department came to a determination that the FFATA reporting did not apply to the first-tier subawards provided to the LEAs under the child nutrition program.

Effect

The condition found that first-tier subawards were not reported in the Federal Funding Accountability and Transparency Act Subaward Reporting System.

Questioned Costs: None.

Recommendation

We recommend DOE implement a process and internal controls to ensure that all first-tier subawards of $30,000 or more be reported in accordance with the Federal Funding Accountability and Transparency Act.

FINDING STATUS AS OF 6/30/2025 – Unresolved, see current year finding 2025-001

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-003

NH Department of Military Affairs and Veteran Services

National Guard Military Operations and Maintenance (O&M) Projects (Assistance Listing #12.401)

Federal Award Number: W012TF0190201001, W012TF023-27-2-1001

Federal Award Year: 2022, 2023, 2024

U.S. Department of Defense

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-002

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The SF-270, Request for Advance or Reimbursement, must be submitted as part of the cash draw request process.

Additionally, per 2 CFR 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over the SF-270 Request for Advance or Reimbursement report, we identified the following:

A. For 23 of 35 SF-270 reports selected for testwork, we were unable to agree line items a, total program outlays and line-item c, net program outlays, to the supporting documentation provided.

B. For 22 of 35 SF-270 reports selected for testwork, we were unable agree line-item e, total, to the supporting documentation provided.

C. For 22 of 35 SF-270 reports selected for testwork, we were unable agree line-item f, non-federal share of amount online e, to the supporting documentation provided.

D. For 7 of 35 reports selected for testwork, we were unable to agree line-item g, federal share of amount online e, to the supporting documentation provided.

E. For 4 of 35 reports selected for testwork, we were unable to agree line-item h, federal payments previously requested, to the supporting documentation provided.

F. For 4 of 35 reports selected for testwork, we were unable to agree line item i, federal share now requested, to the supporting documentation provided.

G. For all 35 SF-270 reports selected for testwork, we identified that there was a lack of segregation of duties related to the preparation of the SF-270 as there was no documented supervisory review performed over the completeness and accuracy of the reports prior to submission.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Cause

The cause of the condition found was due to insufficient policies and procedures to track total expenditures incurred by appendix for each federal award year. The Department relies on the previous amounts reported on the SF-270 report only and does not readily maintain supporting documentation for each report to reconcile the amounts reported on the SF-270 report to New Hampshire First, the State's centralized accounting system.

For each federal fiscal year, the Department uses an internal tracking sheet that tracks by appendix the federal share of costs incurred each month. The tracking sheet does not include the state share of expenses if a state match is required. As a result, for several appendices the tracking sheet used by the Department does not reconcile to the SF-270 report.

Effect

The effect of the condition found is SF-270 reports submitted were not complete and accurate.

Questioned Costs: Not determinable.

Recommendation

We recommend that the existing policies and procedures in place to prepare the SF-270 be reviewed and internal controls be implemented that will include an independent supervisory review to ensure that the SF-270 is complete and accurate at the time of submission. This would include ensuring that each line item of the SF-270 properly reconciles to supporting documentation. This documentation should be maintained with each report to substantiate the amounts reported are complete and accurate.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2023-002, and current year finding 2025-002

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-005

NH Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F22AF00995-00, F22AF00929-00, F23AF03086-00, F22AF00514-01, F22AF02616-02

Federal Award Year: 2022, 2023

U.S. Department of Interior

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

A pass-through entity (PTE) must:

1. *Identify the Award and Applicable Requirements* - Clearly identify to the subrecipient required award information and applicable requirements described in 2 CFR section 200.332(a).
2. Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).
3. Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:
    a. Reviewing financial and programmatic (performance and special reports) required by the PTE.
    b. Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
    c. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

2 CFR 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. This would include internal controls related to the cash management process.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Condition

During the year ended June 30, 2024, the New Hampshire Fish and Game Department (the Department) passed through $484,952 of federal funding to 1 subrecipient to fund 4 different projects. As part of our testwork related subrecipient monitoring, we identified the following:

A. The Department communicates award information through the approved grant agreement. For 3 of 4 projects selected for testwork, the Department did not communicate all the required award information as outlined in 2 CFR 200.332(b). Specifically, the following elements were not communicated:

- Subrecipient's unique entity identifier
- Identification of whether the Federal award is for research and development

B. As part of the during the award monitoring testwork, we noted that the Department completes a risk assessment questionnaire for all new projects they approve for the subrecipient. As part of our testwork over the risk assessments performed, we identified the following:

- For 1 of 4 projects selected for testwork, there was no risk assessment questionnaire completed.
- For 3 of 4 projects selected for testwork, a risk assessment questionnaire was completed, however there were no required monitoring procedures outlined within the questionnaire.

As a result, we were not able to determine what monitoring procedures should have been performed over the projects as a result of the risk assessment.

C. The Department's during the award monitoring includes the review and approval of the subrecipient's request for reimbursement. During our testwork over the review and approval of the request for reimbursement, we noted that for all 9 invoices selected for testwork, that while the invoice appeared to be properly reviewed and approved, the level of detail included within the invoice would not allow the Department to determine the reasonableness of the costs incurred to ensure that they were incurred in accordance with the grant agreement.

D. The Department's during the award monitoring includes obtaining a progress report related to each project that the subrecipient has been granted funding for. As part of our testwork, we identified that for all 4 projects selected for testwork, while a progress report was obtained, there was no evidence provided to support that the Department had reviewed the report.

As a result, we were unable to determine based on the Department's risk assessment procedures what the type and frequency of monitoring procedures that should have been performed over each project.

E. The Department does not have formal policies and procedures to review and maintain documentation to evidence the review and approval of the subrecipient's unform guidance report. There was no documentation to support that the Department had obtained and reviewed its subrecipient's most recent uniform guidance report issued.

Cause

The cause of the condition found was primarily due to a lack of formal written policies and procedures and internal controls to ensure that all required subrecipient monitoring compliance procedures are being performed by the Department.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Effect

The effect of the condition found is that the Department did not comply with 2 CFR section 200.332(a), 2 CFR section 200.332(b), 2 CFR sections 200.332(d) through (f), and 2 CFR section 200.501(h).

Questioned Costs: None.

Recommendation

We recommend the Department develop written policies and procedures and implement internal controls to ensure that the Department complies with 2 CFR section 200.332(a), 2 CFR section 200.332(b), 2 CFR sections 200.332(d) through (f), and 2 CFR section 200.501(h). This would ensure that all subrecipient grant agreements contains all required communications, that a risk assessment is performed that will outline the types and frequency of monitoring procedures to be performed, that all during the award monitoring activities are properly documented and that the receipt and review of the subrecipient's uniform guidance report is properly documented.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see current year finding 2025-007

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-006

NH Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F22AF00995-00, F22AF00929-00, F23AF03086-00, F22AF00514-01, F22AF02616-02, F19AF00556-01, F21AF04030-06, F22AF03670-01

Federal Award Year: 2019, 2021, 2022, 2023

U.S. Department of Interior

Compliance Requirement: SEFA Reporting

Type of Finding: Material Weakness and Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR section 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, section 200.510(b) states the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use.

Additionally, per 2 CFR section 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

The New Hampshire Fish and Game Department (the Department) oversees 25 different grants funded under the Fish and Wildlife Cluster (the Program). To assist in the management of the grants, the Department uses QuickBooks as their main system of books and records, rather than the State of New Hampshire's centralized accounting system, NH First. The Department manually enters expenditure transactional data into Quickbooks and heavily relies on a number of excel tracking sheets to track expenditures, cash draws, and in-kind match earned for each of the 25 grants. During our testwork over the Program, we identified the following:

A. For 2 of 25 grants, we identified that there were out of period costs that were included on the Schedule of Expenditures of Federal Awards (SEFA) for the year ended June 30, 2024. Specifically we identified the following:

    a. For 1 of the 2 grants, the Department, included $247,562 of the expenditures that were paid between March 17, 2017 and January 13, 2023 and should not have been reported on the June 30, 2024 SEFA, resulting in an overstatement of expenditures.

    b. For the other 1 of 2 grants, the Department included $761 of expenditures that were paid on February 10, 2023 and should not have been reported on the June 30, 2024 SEFA, resulting in an overstatement of expenditures.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

B. For 1 of 25 grants, the Department reported on the SEFA the amount reimbursed through the cash draw process as of June 30, 2024 rather than expenditures paid during that same period. As such, the amount reported on the June 30, 2024 SEFA was understated by $14,830.

C. For 1 of 25 grants, we were unable to reconcile the amount reported on the SEFA. For the grant, the Department included $2,637,617 of expenditures on the June 30, 2024 SEFA. As part of our review of the expenditures reported, we were unable to recalculate the amount included by the Department. Based upon the total expenditures incurred during the period ending June 30, 2024, it appeared that the amount that should have been reported was $2,755,548. As such, it appeared that the June 30 2024 was understated by $117,931.

D. For 5 of 5 grants that reported subrecipient pass through expenditures, it appeared that the Department reported pass-through expenditures on the SEFA that included both the state and federal share of the costs, resulting in the pass-through amount being overstated by $118,195.

Cause

The cause of the condition found appears to be related to the heavy reliance on manual spreadsheets and Quickbooks. The manual data entry into Quickbooks and the use of spreadsheets are susceptible to human error. As the Department does not have any internal controls in place to ensure the spreadsheets or Quickbooks reconcile to NH First, if there was an error in the data used by the Department, it would be difficult to detect.

In addition, the Department incorrectly included prior period costs on the SEFA as it had been believed that since the costs had not previously been reported but were eligible for reimbursement should be included on the June 30, 2024 SEFA.

Effect

The effect of the condition found is that the expenditures and subrecipient pass through amounts were not accurately presented on the SEFA.

Questioned Costs: Not determinable.

Recommendation

We recommend that the Department develop written policies and procedures and implement internal controls to ensure all spreadsheets utilized to manage the program reconcile to Quickbooks and that Quickbooks reconciles to NH first on a routine basis. The Department should also implement internal controls to evaluate the amounts reported on the SEFA to ensure that only current period expenditures that are eligible for reimbursement are reported on the SEFA.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see current year finding 2025-003

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-007

NH Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F22AF02312-00, F21AF04100-02, F22AF02844-00, F24AF00586-00, F23AF02720-00, F21AF03886-03, F20AF11939-04, F23AF02954-00, F23AF02609-00, F23AF02714-01, F19AF00556-01, F19AF00556-01, F22AF03670-01, F19AF00556-01, F22AF02616-02, F22AF00514-01, F19AF00556-01, F21AF04030-06

Federal Award Year: 2019, 2020 2021, 2022, 2023, 2024

U.S. Department of Interior

Compliance Requirement: Activities Allowed or Unallowed/Allowable Costs/Costs Principles

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Per Part 3 of the Compliance Supplement, costs must be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the non-federal entity in order to be allowable under federal awards.

Further per 2 CFR section 200.502, the determination of when a Federal award is expended must be based on when the activity related to the Federal award occurs. Generally, the activity related to the Federal award pertains to events that require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of Federal awards, such as expenditure/expense transactions associated with grants.

Additionally, per 2 CFR section 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over Activities Allowed or Unallowed/Allowable Costs/Costs Principles, we identified the following:

A. For 18 of 25 payroll and fringe benefit costs selected for testwork, we were unable to agree the payroll and fringe benefit costs charged to the Fish and Wildlife Cluster (the program) to the State of New Hampshire's centralized accounting system, NH First. The New Hampshire Department of Fish and Game (the Department) does not charge payroll and fringe benefit costs incurred by the program as processed in NH First. Instead, the Department utilizes an internally calculated "federal rate" that is used to charge both payroll and fringe benefit costs based upon the number of hours worked to the program. As described by the Department, the federal rate is calculated based upon an employee's fringe benefits, the approved NH First pay rate, and the employee's years of service. While we were able to recalculate the employee's payroll and fringe benefit amounts for each of the 20 samples selected testwork as recorded in NH First, we were not able to reconcile this amount

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

to what the Department actually charged the program. A variance of $9,754 was identified and included in the Questioned Cost amount below.

B. For 5 of 25 payroll costs selected for testwork, we were unable to obtain support to substantiate the payroll costs recorded by the Department, including the Fish and Game Activity Task Report, which shows the Department's method of allocating time and payroll to the Cluster. As a result, we were unable to reconcile the amount paid in NH First of $11,541 to what the Department had allocated to the program. While we were able to recalculate the employee's payroll and fringe benefit amounts for each of the 5 samples selected based upon what was recorded in NH First, we were not able to reconcile this amount to what the Department had actually charged the program. Since we were unable to determine what was charged to the program this amount is not a known questioned cost below.

C. Indirect costs charged to the program are based upon the Department's "federal rate" calculation of payroll and fringe benefit costs as described above in Bullet A. As a result, we were unable to substantiate the basis upon which the indirect cost rate was applied for all 25 payroll periods for testwork. We further noted that for 2 of 25 payroll periods selected for testwork, the indirect costs drawn down at the time of grant close out in proportion to the payroll drawn down exceeded the 18.19% indirect cost rate that should be applied to payroll. A variance of $1,655 was identified and included in the Questioned Cost amount below.

D. During our testwork over the allowability of non-payroll costs, we identified that for 2 of 60 invoices selected for testwork, the invoice was not approved by the Division Chief prior to payment as required. Of the 2 invoices, 1 invoice was approved by the program supervisor and 1 invoice did not contain any evidence of it being approved. While the invoices did not appear to be properly reviewed, the amount paid appeared to be properly supported and as such, no questioned costs were identified.

Cause

The cause of the condition found is that the Department does not utilize the NH First system as the basis to charge payroll, fringe and indirect costs to the program. As described in the condition found above, the Department performs its own calculation of what the payroll and fringe benefit costs are based upon the Department's calculated federal rate and then subsequently data enters their calculated expenditure information into QuickBooks. The Department uses QuickBooks to track all federal expenditures under the program by individual federal grant. The Department does not perform any reconciliations to ensure what was entered into QuickBooks reconciles to the NH First system in order to verify that the data in QuickBooks is complete and accurate.

In addition, the cause of the condition found related to the review and approval of non-payroll costs is primarily a result of insufficient internal controls in place to ensure all invoices are reviewed and approved prior to payment.

Effect

The effect of the condition found is that the Department would be unable to detect an error within the amounts data entered into QuickBooks and the amount allocated to the program could be inaccurate. In addition, insufficient review and approval of non-payroll expenditures could result in unallowable costs charged to the program.

Questioned Costs: $11,409

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Recommendation

We recommend that the Department develop written policies and procedures that outline how payroll and fringe benefit costs are charged to the program and implement controls to ensure the amount of payroll and fringe benefits entered into QuickBooks properly reconciles to NH First as part of its routine payroll process. We also recommend that the Department implement internal controls to ensure that the correct indirect cost rate is utilized based upon the applicable time period for which indirect costs are being calculated. Finally, we recommend that the Department review its existing policies and procedures related to the review and approval of non-payroll expenditures to ensure that they are properly reviewed and approved prior to payment.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see current year finding 2025-004

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-008

NH Fish and Game Department

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, #15.626)

Federal Award Numbers: F22AF00995-00, F22AF00929-00, F23AF03086-00, F22AF00514-01, F22AF02616-02, F21AF04100-02, F21AF03886-03

Federal Award Year: 2021, 2022, 2023

U.S. Department of Interior

Compliance Requirement: Matching

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

In-kind match requirement is to test records to corroborate the values placed on in-kind contributions (including third party in-kind contributions) are in accordance with 2 CFR 200.306, 200.434, and 200.414, and the terms and conditions of the award.

Additionally, per 2 CFR section 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

To meet the federal match required under the program, the New Hampshire Fish and Game Department (the Department) utilizes in-kind match that is earned from volunteer hours and costs contributed by its third party subrecipient. During our testwork over in-kind match, we identified the following:

A. For 7 of 9 subrecipient invoices selected for testwork used to support the Department's in-kind match, we were unable to obtain documentation to support the amount of the in-kind match earned. For each of the 7 sample selections, the value of the in-kind contribution was handwritten on the subrecipient's invoice for unrelated services. There was no documentation obtained to support the accuracy of this handwritten amount. Upon inquiry, the Department confirmed that no further verification was performed to ensure the subrecipient's in-kind match was accurate and based upon costs in support of the grant associated with the in-kind match.

B. For 1 of 4 volunteer in-kind match contribution calculations, the Department incorrectly allocated volunteer hours using the prior fiscal year rates, resulting in an excess of in-kind match being recorded as earned. In addition, we were unable to verify the existence of 1 of the volunteer timesheets used in this calculation for this sample selection.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Cause

The cause of the condition found is primarily due to insufficient internal controls to ensure that the value of the match contributed by its subrecipient is complete and accurate. Due to the long-standing and collaborative relationship between the Department and the subrecipient, the Department has not developed or implemented formalized policies and procedures related to validating the existence of in-kind match earned.

Further, related to the volunteer hours, the cause of the condition is due to human error. With over 250 timesheets to process, the volume of data and calculations are susceptible to error.

Effect

The effect of the condition found is that the Department did not have appropriate documentation to support the in-kind match earned and applied against its federal award in support of federal funds that were drawn. This could lead to unallowable costs being charged to the grant if the sufficient match was not made.

Questioned Costs: $201,250

Recommendation

We recommend that the Department implement written policies and procedures surrounding the tracking of in-kind match. Internal controls should be implemented to ensure the accuracy of the in-kind match earned, including ensuring that there is supporting documentation to substantiate the amount earned. The existing policies and procedures should also be enhanced related to volunteer time to monitor to ensure that all required timesheets are completed before using the volunteer time in support of its matching requirement and that the appropriate rate is used when determining the value of the volunteer in-kind match.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see current year finding 2025-005

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-009

NH Department of Business and Economic Affairs

WIOA Cluster (Assistance Listing #17.258, #17.259, #17.278)

Federal Award Numbers: AA-3633-21-55-A-33, AA-38543-22-A-33, 23A55AW000046-01, 23A55AT000041-01-01, 23A55AY000021-01-00, 23R55MS000053-01-01, 23A60AD000082-01-00, 24A55AY000058-01-00

Federal Award Year: 2021, 2022, 2023, 2024

U.S. Department of Labor

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: No

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, per 2 CFR 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over federal reporting, we identified that the Department of Business and Economic Affairs (the Department) did not file any reports in accordance with the Federal Financial Accountability and Transparency Act (FFATA) for the year ended June 30, 2024.

Cause

The cause of the condition found was primarily due to staffing changes within the Department. While the Department has a policy regarding FFATA reporting, there appears to be insufficient controls in place to ensure that the required FFATA reports were filed.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: None.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Recommendation

We recommend that the Department continue to enhance policies and procedures and implement include internal ensure all FFATA reports are submitted in compliance with the Transparency Act reporting requirements.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see current year finding 2025-008

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-013

COVID-19 Education Stabilization Fund (Assistance Listing #84.425D, #84.425R, #84.425U, #84.425V, and #84.425W)

Federal Award Numbers: S425D210017, S425U210017

Federal Award Year: 2021

U.S. Department of Education

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-008, 2022-016, 2022-013

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, per 2 CFR 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During the year ended June 30, 2024, we noted the New Hampshire Department of Education (the Department) passed through $145,806,837 in Education Stabilization Funds (ESF) to subrecipients (Local Educational Agencies). During our testwork over FFATA reporting at the Department for ESF grants, we selected 60 out of 394 FFATA reports across 198 different LEAs for testing and noted the following:

Transactions Tested	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward incorrect key elements**
60	0	34	8	25
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$99,319,369	$0	$56,002,866	$6,036,865	$41,275,186

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Summary – By Year

Year		Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward incorrect key elements
FY21	Count	24	0	9	6	21
FY21	$	$39,289,343	$0	$5,233,893	$4,036,411	$38,341,157
FY22	Count	22	0	22	1	0
FY22	$	$48,539,951	$0	$48,539,951	$124,222	$0
FY23	Count	9	0	3	0	1
FY23	$	$8,090,618	$0	$2,229,022	$0	$286,401
FY24	Count	5	0	0	1	3
FY24	$	$3,399,346	$0	$0	$1,876,232	$2,647,628

Cause

The reconciliation control is not operating at a sufficient precision level to ensure completeness and accuracy of the key elements. Additionally, effective controls were not in place to ensure timely reporting.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: None.

Recommendation

We recommend that the Department continue to enhance policies and procedures which include internal controls across the Department programs to which FFATA reporting is applicable, to ensure timely and accurate reporting to the FSRS system to ensure compliance with the Transparency Act reporting requirements.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related findings 2023-008, 2022-016, 2022-013 and current year finding 2025-009

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-015

NH Department of Health and Human Services

Aging Cluster and COVID-19 Aging Cluster (Assistance Listing #93.044, #93.045, #93.053)

Federal Award Number: 2401NHOASS, 2301NHOASS

Federal Award Year: 2023, 2024

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, 45 CFR section 75 303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

During our testwork over FFATA reporting, we identified the following:

A. For each of the 2 FFATA reports selected for testwork, there was no evidence provided that the report was reviewed and approved prior to submission.

B. For each of the 2 FFATA reports selected for testwork, the UEI number did not agree to the underlying supporting documentation as the UEI number was not included in the subaward agreement.

C. For 1 of 2 FFATA reports selected for testwork, the report was not filed timely.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
3	N/A	2	N/A	2
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$548,250	N/A	$510,000	N/A	$548,250

Cause

The cause of the condition found related to FFATA reporting is due to insufficient controls related to the review and approval of FFATA reports to ensure the accuracy of the data reported. During the period ending June 30, 2024, due to staffing changes, the same individual was preparing and submitting the FFATA report, resulting in a lack of segregation of duties over the review and approval of the FFATA report.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: None.

Recommendation

We recommend that the Department implement written policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS and to ensure that reports are filed timely. This would include ensuring that a supervisory review is performed over the FFATA report prior to submission.

FINDING STATUS AS OF 6/30/2025 – Unresolved, see current year finding 2025-012

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-016

NH Department of Health and Human Services

Aging Cluster and COVID-19 Aging Cluster (Assistance Listing #93.044, #93.045, #93.053)

Federal Award Number: 2101NHCMC6-01, 2101NHCMC6-02, 2201NHOACM-02, 2201NHOACM-00, 2201NHOACM-03, 2201NHOACM-04, 2201NHOAHD-03, 2201NHOAHD-00, 2201NHOAHD-02, 2301NHOASS-02, 2301NHOACM-02, 2301NHOACM-01, 2301NHOAHD-01, 2301NHOAHD-02

Federal Award Year: 2021, 2022, 2023, 2024

U.S. Department of Health and Human Services

Compliance Requirement: Activities Allowed or Unallowed/Allowable Costs/Costs Principles

Type of Finding: Material Weakness

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Funds may be used for nutrition services and supportive services consistent with the terms of the agreement between the Area Agency and the service provider (42 USC 3026(a)(1), 3030d(a), and 3030e).

Funds may be used for the provision of home-delivered meals to older individuals (42 USC 3030f).

Additionally, 45 CFR section 75 303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

The New Hampshire Department of Health and Human Services (the Department) enters into subrecipient agreements with local area agencies that provide supportive services and nutrition programs. These programs include providing meals both in a congregate group setting as well as home delivery for older individuals.

During our testwork over the allowability of costs charged to the program, for 18 of 40 invoices selected for testwork, there was no evidence the Department had ensured the accuracy of the amount being billed prior to payment. While there was no evidence that these invoices had been reviewed and approved, the amount paid appeared to be properly supported by the invoice.

Cause

The cause of the condition found is due to insufficient policies and procedures to review the accuracy of the amount being billed. For certain invoices the Department uses the Options Electronic Billing and Service Authorization Maintenance System (the System). Once the subrecipient is authorized within the System to provide services and up to a certain amount of funding, the subrecipient electronically submits an invoice for the dates of services provided. The System performs validation that will verify that the subrecipient is approved to provide the service for the dates requested and if there is money remaining within the amount authorized, the request for reimbursement will be paid. The Department does not review

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

the accuracy of the invoiced amount either prior to payment or subsequent to payment through its subrecipient monitoring procedures.

Effect

The effect of the condition found is that reimbursements could be made to subrecipient grants that are not properly supported by the subrecipients books and records resulting in unallowable costs.

Questioned Costs: None.

Recommendation

We recommend that the Department develop written policies and procedures and implement internal controls over the review and approval of invoices submitted through the Options Electronic Billing and Service Authorization Maintenance System. This would include procedures to review meal count information maintained by the subrecipient either prior to or subsequent to the reimbursement of costs to the subrecipient to ensure the accuracy of the amount being billed by the subrecipient.

FINDING STATUS AS OF 6/30/2025 – Unresolved, see current year finding 2025-011

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-17

NH Department of Health and Human Services

Aging Cluster and COVID-19 Aging Cluster (Assistance Listing #93.044, #93.045, #93.053)

Federal Award Number: 2401NHOASS, 2301NHOASS

Federal Award Year: 2023, 2024

U.S. Department of Health and Human Services

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

A pass-through entity (PTE) must:

1. Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).
2. Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:
    a. Reviewing financial and programmatic (performance and special reports) required by the PTE.
    b. Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
    c. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

Additionally, 45 CFR section 75 303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

During the year ended June 30, 2024, the New Hampshire Department of Health and Human Services (the Department) passed through $9,048,291 of federal funding to subrecipients. As part of our testing related subrecipient monitoring, we identified the following:

A. For 2 of 7 subrecipients selected for testwork, a risk assessment was not completed. As a result, we were unable to determine if the Department had adequately monitored the subrecipient. There was no documentation provided that any monitoring procedures were performed.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

B. For 2 of 7 subrecipients selected for testwork, a transportation risk assessment was completed. Per review of the risk assessment, a quarterly review was to be performed to examine the expenditure detail to assess purchasing compliance with contract requirements and applicable laws or rules. There was no documentation provided that this review had taken place. In addition, a nutrition risk assessment was also completed, however there were no specified monitoring procedures. As such, we are unable to determine if the appropriate monitoring procedures were performed for this subrecipient.

C. For 1 of 7 subrecipients selected for testwork, a nutrition risk assessment was completed. Based on our review of the risk assessment, a review was to be performed to examine the expenditure detail to assess purchasing compliance with contract requirements and applicable laws or rules. There was no documentation provided to support that this type of monitoring procedure was performed.

D. For 1 of 7 subrecipients selected for testwork, the nutrition risk assessment that was completed did not contain any required monitoring procedures. As such, we are unable to determine if the appropriate monitoring procedures were performed for this subrecipient.

E. For 1 of 7 subrecipients selected for testwork the nutrition risk assessment indicated that an onsite review should be performed annually. The risk assessment was dated July 19, 2023 and as of June 30, 2024 an on-site monitoring review was not completed. We further noted that a review was conducted in October of 2024. As the risk assessment indicated the review was to be conducted annually, it does not appear that this review was completed timely.

Cause

The cause of the condition found was primarily due to a lack of formal documented policies, procedures and internal controls to ensure to ensure that required monitoring procedures outlined within the subrecipient's risk assessment is performed.

Effect

The effect of the condition found is that the Department did not comply with 2 CFR section 200.332(b), and 2 CFR sections 200.332(d) through (f).

Questioned Costs: None.

Recommendation

We recommend the Department develop written policies and procedures and implement internal controls to ensure that the Department complies with 2 CFR section 200.332(b), and 2 CFR sections 200.332(d) through (f). This would ensure that all required award identification information is properly communicated to subrecipients, and that the prescribed monitoring procedures outlined within the risk assessment are properly performed. Written policies and procedures should be established to ensure that if the risk assessment has suggested a particular monitoring procedure be performed, that the Department is adequately documenting its monitoring procedures to ensure that it has performed the required procedures.

FINDING STATUS AS OF 6/30/2025 – Unresolved, see current year finding 2025-013

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-018

NH Department of Health and Human Services

Immunization Cooperative Agreements and COVID-19 Immunization Cooperative Agreements (Assistance Listing #93.268)

Federal Award Number: NH23IP922595

Federal Award Year: 2019

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, 45 CFR section 75 303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

During our testwork over FFATA reporting, we identified the following:

A. For all 3 FFATA reports selected for testwork, there was no evidence provided that the report was reviewed and approved prior to submission.

B. For 2 of the 3 FFATA reports selected for testwork, we were unable to verify the UEI number reported in the FFATA report as it was not included within the subaward agreement.

C. For all 3 FFATA reports selected for testwork, the report was not filed timely.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Transactions Tested	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
3	N/A	3	N/A	2
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$430,000	N/A	$430,000	N/A	$30,000

Cause

The cause of the condition found related to FFATA reporting is due to insufficient controls related to the review and approval of FFATA reports to ensure the accuracy of the data reported. During the period ending June 30, 2024, due to staffing changes, the same individual was preparing and submitting the FFATA report, resulting in a lack of segregation of duties over the review and approval of the FFATA report.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: None.

Recommendation

We recommend that the Department implement written policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS and to ensure that reports are filed timely. This would include ensuring that a supervisory review is performed over the FFATA report prior to submission.

FINDING STATUS AS OF 6/30/2025 – Partially resolved

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-019

NH Department of Health and Human Services

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) and COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing #93.323)

Federal Award Number: NUK50CK000522

Federal Award Year: 2021, 2022

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-010

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Quarterly fiscal reports are required to be submitted beginning 69 days after the notice of Awards is issued.

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, 45 CFR section 75 303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

Quarterly Reporting

As part of the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, the New Hampshire Department of Health and Human Services (the Department) reports financial information to the Centers for Disease Control (CD) on a quarterly basis related to expenditures incurred and the amount of unliquidated obligations for the reporting period. During our testwork over quarterly reporting, we identified that for 12 of 27 quarterly reports selected for testwork, we were unable to obtain a copy of the report summary for the reporting period selected for testwork. As a result, were unable to verify that the that the unliquidated obligation for the reporting period was properly reported.

FFATA Reporting

During our testwork over FFATA reporting, we identified the following:

A. For each of the 4 FFATA reports selected for testwork, there was no evidence provided that the report was reviewed and approved prior to submission.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

B. For each of the 4 FFATA reports selected for testwork, we were unable to validate the UEI number as it was not included within the subaward.

C. For 1 of 4 FFATA reports selected for testwork, the report was not filed timely.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
4	N/A	1	N/A	4
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$1,947,055	N/A	$266,603	N/A	$1,947,055

Cause

The cause of the condition found related to quarterly reporting is that the Department did not maintain a screenshot of the unliquidated obligations reported for COVID related federal awards. The federal reporting system does not allow the user to review prior submissions and only shows the status of the grant, including the unliquidated obligation balance. The only thing that appears in the federal reporting system is the current status of the grant.

The cause of the condition found related to FFATA reporting is due to insufficient controls related to the review and approval of FFATA reports to ensure the accuracy of the data reported. During the period ending June 30, 2024, due to staffing changes, the same individual was preparing and submitting the FFATA report, resulting in a lack of segregation of duties over the review and approval of the FFATA report.

Effect

The effect of the condition found is that the Department does not have sufficient documentation to support the unliquidated obligation balances for COVID related quarterly reports the amounts reported may not have been accurately filed. In addition, the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: Not determinable.

Recommendation

We recommend that the Department continue to review its existing internal controls, policies, and procedures related to monthly reporting to ensure that a copy of all quarterly financial reports summary for all COVID grants maintained to properly document that the unliquidated obligation is properly reported.

We further recommend that the Department implement written policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS and to ensure that reports are filed timely. This would include ensuring that a supervisory review is performed over the FFATA reports prior to submission.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2023-010.

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-022

NH Department of Energy

Low Income Home Energy Assistance (Assistance Listing #93.568)

Federal Award Numbers: 2301NHLIEA, 2401NHLIEA

Federal Award Year: 2023, 2024

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-016, 2022-026

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Annual Report on Households Assisted by LIHEAP (OMB No. 0970-0060) – As part of the application for block grant funds each year, a report is required for the preceding fiscal year of (1) the number and income levels of the households assisted for each component and any type of LHEAP assistance (heating, cooling, crisis, and weatherization); and (2) the number of households served that contained young children, elderly, or persons with disabilities, or any vulnerable household for each component. Territories with annual allotments of less than $200,000 and all Native American tribes are required to report only on the number of households served for each program component (42 USC 8629; 45 CFR section 96.82).

Quarterly Performance and Management Report (OMB No. 0970-0589) https://omb.report/icr/202205-0970-017/doc/121847100 – Grant recipients must submit data and information about LIHEAP during the current FY, including success, challenges, needs and innovations. The quarterly reports focus on assisted households, performance management, obligation of funding, changes made due to anticipated increase in energy bills, collaboration with other utility programs, and training and technical assistance needs.

Additionally, Title 45 U.S. Code of Federal Regulation Part 75 (45 CFR section 75), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HS Awards, section 75.303(a), Internal Controls, states the non-Federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-Federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over federal reporting as part of the Low-Income Home Energy Assistance program (LIHEAP), we noted the following:

A. During our testwork over FFATA report completed by the New Hampshire Department of Energy (the Department), we identified that for 1 of 3 FFATA reports selected for testwork that the FFATA report was not submitted timely.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Reports Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward incorrect key elements
4	0	1	0	0
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$86,991,138	$0	$26,928,592	$0	$0

B. The Annual Report on Households Assisted by LIHEAP report was submitted by the Department's externally engaged consultants, APPRISE, for both program year ending September 30, 2023 and September 30, 2024. For this process, the Department submitted raw data files retrieved from their subrecipients to APPRISE to utilize in the development of the balances submitted within the report. The Department was unable to provide us with supporting documentation that reconciled to the balances submitted within the report, as the balances submitted were developed by APPRISE. As they were unable to provide us with supporting documentation behind the balances submitted, we were unable to determine the report submitted was complete and accurate. We further identified that for the report submitted for program year September 30, 2024, the report was required be resubmitted due to an error being discovered by APPRISE after their submission of the report.

C. During our testwork related to the Quarterly Performance and Management Reports, we identified the following:

   a. For 1 of 4 quarterly reports tested, we were unable to determine whether the report was submitted as the report provided was not signed and dated by the Program Director.

   b. For the Quarterly Performance and Management report submitted for the quarters ended September 30, 2023 and December 31, 2023, we were unable to verify to obtain documentation to support the following key line items:

      i. Number of assisted households during the same period last year for the same quarter x for federal fiscal year 2023,

      ii. Total amount of funds obligated for LIHEAP fiscal year 2023 allotment

      iii. Amount of funds obligated for other supplemental allotment.

Cause

The cause of the condition found related primarily to insufficient resources to ensure reports are filed and complete and accurate. In addition, the Department did not have procedures in place to ensure it reconciled reports prepared by their contractor to ensure that the reports were accurately filed.

Effect

The effect of the condition found is that the required reports may not be submitted and accurate and there are sufficient internal controls to identify errors or non-submission.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Questioned Costs: None.

Recommendation

We recommend that the Department should review to ensure there is sufficient safeguards in place for professionals to perform when positions are vacant so that necessary processes are completed related to compliance with federal requirements, including submission of federal reports, including FFATA reports. In addition, we recommend that the Department implement written policies and procedures for the compilation and review of the Quarterly Performance and Management Report and Annual Report on Households Assisted by LIHEAP and ensure that the documentation to support the amounts reported is maintained to support that the report is complete and accurate.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2023-016, 2022-026, and current year finding 2025-014

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-024

NH Department of Health and Human Services

CCDF Cluster COVID-19 CCDF Cluster (Assistance Listing #93.575, #93.596)

Federal Award Number: 2101NHCDC6, 2201NHCCDD, 2301NHCCDD

Federal Award Year: 2021, 2022, 2023

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, Title 45 U.S. Code of Federal Regulation Part 75 (45 CFR section 75), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HS Awards, section 75.303(a), Internal Controls, states the non-Federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-Federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over FFATA reporting, we identified the following:

A. For all 3 FFATA reports selected for testwork, there was no evidence provided that the report was reviewed and approved prior to submission.

B. For 2 of 3 FFATA reports selected for testwork, we were unable to verify the UEI number reported as the UEI number was not included on the subaward agreement.

C. For 1 of the 3 FFATA reports selected for testwork, the report was not filed timely.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
3	N/A	1	N/A	2
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$5,793,670	N/A	$750,000	N/A	4,293,670

Cause

The cause of the condition found related to FFATA reporting is due to insufficient controls related to the review and approval of FFATA reports to ensure the accuracy of the data reported. During the period ending June 30, 2024, due to staffing changes, the same individual was preparing and submitting the FFATA report, resulting in a lack of segregation of duties over the review and approval of the FFATA report.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: None.

Recommendation

We recommend that the Department implement written policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS and to ensure that reports are filed timely. This would include ensuring that a supervisory review is performed over the FFATA report prior to submission.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see current year finding 2025-015

Reference the corrective action plan for further detail.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-027

NH Department of Health and Human Services

Opioid STR (Assistance Listing #93.778)

Federal Award Number: H79TI081685, H79TI083326, H79TI085759

Federal Award Year: 2022, 2023, 2024

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, 45 CFR section 75 303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

During our testwork over FFATA reporting, we identified the following that for all 7 FFATA reports selected for testwork, there was no evidence that the reports were reviewed and approved prior to submission. While there was no evidence of review, the reports appeared to be complete, accurate and filed timely.

Cause

The cause of the condition found related to FFATA reporting is due to insufficient controls related to the review and approval of FFATA reports to ensure the accuracy of the data reported. During the period ending June 30, 2024, due to staffing changes, the same individual was preparing and submitting the FFATA report, resulting in a lack of segregation of duties over the review and approval of the FFATA report.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: None.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Recommendation

We recommend that the Department implement written policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS and to ensure that reports are filed timely. This would include ensuring that a supervisory review is performed over the FFATA report prior to submission.

FINDING STATUS AS OF 6/30/2025 – Unresolved, see current year finding 2025-016

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-029

Substance Abuse Prevention and Treatment Block Grant and COVID-19 Substance Abuse Prevention and Treatment Block Grant (Assistance Listing #93.959)

Federal Award Numbers: 1B08T083509, 1B08T1084595, 1B08T1083464, 6B08T103464, 1B08T1084659, B08T108521

Federal Award Year: 2021, 2022, 2023, 2024

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, 45 CFR section 75 303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

During our testwork over FFATA reporting, we identified the following:

A. For each of the 4 FFATA reports selected for testwork, there was no evidence provided that the report was reviewed and approved prior to submission.

B. For 3 of 4 FFATA reports selected for testwork, we were unable to validate the UEI number was not included within the subaward agreement.

C. For 3 of 4 FFATA reports, the reports were not filed timely.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
4	N/A	3	2	3
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$1,545,840	N/A	$6,788,363	$5,442,523	$1,345,840

Cause

The cause of the condition found related to FFATA reporting is due to insufficient controls related to the review and approval of FFATA reports to ensure the accuracy of the data reported. During the period ending June 30, 2024, due to staffing changes, the same individual was preparing and submitting the FFATA report, resulting in a lack of segregation of duties over the review and approval of the FFATA report.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs: None.

Recommendation

We recommend that the Department implement written policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS and to ensure that reports are filed timely. This would include ensuring that a supervisory review is performed over the FFATA report prior to submission.

FINDING STATUS AS OF 6/30/2025 – Unresolved, see current year finding 2025-017

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2023, 2022, AND 2021

Finding Reference Number: 2024-030

NH Department of Education

Disability Insurance/SSI Cluster (Assistance Listing #96.001)

Federal Award Numbers: 2304NHDI00, 2404NHD100

Federal Award Year: 2023, 2024

U.S. Social Security Administration

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-019

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

The SSA-4513 – State Agency Report of Obligations for SSA Disability Programs – is due quarterly for each fiscal year still open in order to account for program disbursements and unliquidated obligations (POMS DI 39506.202).

Additionally, 2 CFR 200.303 (a) states that non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over federal reporting related to the SSA-4513 quarterly report, we identified the following:

A. For all 4 of 9 SSA-4513 reports selected for testwork, line item 7 was not checked to identify if the SSA-871 needed to be attached to the report. It is unclear if this needed to be attached or not.

B. For all 9 SSA-4513 reports selected for testwork, the reports did not reconcile to the internal tracking sheets provided to validate the amounts reported. For all reports there were variances between the tracking sheets and the dollar amounts included within the federal report within sections 1, 2, 3 and 4. While variances are identified, we noted that the variances were not material overall to the individual line item.

C. For all 9 SSA-4513 reports selected for testwork, we were unable to validate the completeness and accuracy of the amounts reported within Section 1 for Columns (A) for Disbursements, (B) for unliquidated obligations and (C) total obligations for line items 1, 2, 3 and 4. As such, we are not able to validate that the amounts reported are complete and accurate. As we were not able to obtain documentation to validate the obligation balances, we are unable to validate the accuracy of amounts reported within Sections 1, 2, and 3 of the report.

D. For all 9 of the SSA-4513 reports selected for testwork, there was no support for the difference between the total obligations and cumulative obligational authorization.

E. For 1 of 9 SSA-4513 reports selected for testwork, no supporting documentation was provided.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2023, 2022, AND 2021

F. For 8 of 9 SSA-4513 reports selected for testwork, documentation was not provided for Line Item 2.d, Other Identity obligation & amount

Cause

The cause of the condition found related to the SSA-4513 was due to insufficient policies and procedures to ensure that all necessary documentation is maintained to support the amounts reported for each federal report filed. Based on the documentation that was provided to support the data reported within each quarterly report, it is unclear if the internal control review procedures performed included a detail review over each line item of the report to ensure the amount reported is complete and accurate.

Effect

The effect of the condition found is the SSA-4134 reports were not complete and accurate when they were filed.

Questioned Costs: None.

Recommendation

We recommend that the existing policies and procedures be developed to ensure that all documentation to support the amounts reported on the SSA-4513 is properly maintained for each quarterly report. In addition, internal control procedures should be evaluated to ensure that as part of the review process, each line item on the federal report is verified against the supporting documentation to ensure the report is complete and accurate. The review performed should also be properly documenting showing that the required review process was performed prior to submitting the SSA-4513.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2023-019, and current year finding 2025-018.

Reference the corrective action plan for further detail.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-033

NH Department of Safety

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Public Assistance (Presidentially Declared Disasters) (Assistance Listing #97.036)

Federal Award Numbers: FEMA-4622-DR-NH, FEMA-4624-DR-NH, FEMA-4457-DR-NH, FEMA-4370-DR, FEMA-4693-DR, FEMA-4355-DR, FEMA-4329-DR, FEMA-4516-DR-NH, FEMA-4740-DR, FEMA-4771-DR

Federal Award Year: July 17-19, 2021, July 29-30, 2021, July 11-12, 2019, March 2-8, 2018, December 22-25, 2022, November 1, 2017, July 1-2, 2017, January 20, 2020, September 14, 2023, April 19, 2024

U.S. Department of Homeland Security

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: N/A

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, 2 CFR 200.303 (a) states that non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

New Hampshire Department of Safety (the Department) during the year ended June 30, 2024, $109,539,714 was passed through to subrecipients that met the requirements for first tier subawards under the Transparency Act and as such FFATA reports were required to be filed for each of those subawards. During our testwork over FFATA reporting, we identified the following:

A. For the period ending June 30, 2024, we have identified that 10 of the 53 reports submitted were not submitted timely.

B. For 1 of 8 reports selected for testwork, the report was missing an obligated awards noted within the expenditure detail provided by the Department that should have been reported.

C. For 1 of 8 reports selected for testwork, the Department was unable to provide us with a copy of one of the submitted FFATA reports selected for testing.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
8	1	10	Unknown	Unknown
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$1,616,072	$919,070	Unknown	Unknown	Unknown

Cause

The cause of the condition found was primarily due to insufficient internal controls and resources within the Department to ensure that FFATA reports were filed and that the reports filed were complete and accurate.

Effect

The effect of the condition found is that the inaccurate and not timely FFATA reports can be filed.

Questioned Costs: None.

Recommendation

We recommend that the Department implement written policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS and to ensure that reports are filed timely.

FINDING STATUS AS OF 6/30/2025 – Unresolved, see current year finding 2025-019.

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2024-034

NH Department of Safety

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Public Assistance (Presidentially Declared Disasters) (Assistance Listing #97.036)

Federal Award Numbers: FEMA-4622-DR-NH, FEMA-4624-DR-NH, FEMA-4457-DR-NH, FEMA-4370-DR, FEMA-4693-DR, FEMA-4355-DR, FEMA-4329-DR, FEMA-4516-DR-NH

Federal Award Year: July 17-19, 2021, July 29-30, 2021, July 11-12, 2019, March 2-8, 2018, December 22-December 25, 2022, October 29-November 1, 2017, July 1-2, 2017, January 20, 2020

U.S. Department of Homeland Security

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2023-023

Statistically Valid Sample: The sample was not intended to be, and was not, a statistically valid sample.

Criteria

A pass-through entity (PTE) must:

1. Identify the Award and Applicable Requirements – Clearly identify to the subrecipient: (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.332(a)(1); (2) all requirements imposed by the PTE on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.332(a)(2)); and (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the federal award (e.g., financial, performance, and special reports) (2 CFR section 200.332(a)(3)).
2. Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).
3. Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:
    a. Reviewing financial and programmatic (performance and special reports) required by the PTE.
    b. Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
    c. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

Additionally, 2 CFR 200.303 (a) states that non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

As part of the Disaster Grants - Public Assistance program (DGPA), the New Hampshire Department of Safety - Homeland Security and Emergency Management (the Department) enters into grant agreements with local municipalities to provide reimbursement for expenditures incurred as a result of New Hampshire declared disasters.

During the year ended June 30, 2024, $41,851,050 was passed through to 85 subrecipients. As part of our testwork over the subrecipient monitoring process, we noted the following:

A. The Department communicates award information to subrecipients through the approved agreement. Per review of the agreement, for each of the 17 subrecipients selected for testwork, the Department did not communicate all the required award information as outlined in 2 CFR section 200.332(a). Specifically, the following elements were not communicated:

   - Identification of whether the award is R&D was not communicated for 13 of 17 subrecipients selected for testwork; and
   - Indirect cost rate for the federal award was not communicated for 13 of 17 subrecipients selected for testwork

B. For 4 of 17 subrecipients selected for testwork, while a risk assessment was performed, the Department did not perform it within calendar year of when the award was obligated as outlined within their policies and procedures.

C. For 1 of 17 subrecipients selected for testwork, the risk assessment form was not dated or initialed to indicted when the risk assessment procedures were performed. As such, it was unclear if the risk assessment was completed timely.

D. During our testwork over the Department's review of subrecipient uniform guidance reports, we noted there were no uniform guidance report review policies and procedures in place. For the 17 subrecipients selected for testwork, 5 subrecipients were identified in which the Department did not review the most recent uniform guidance report issued. Specifically, we noted:

   - For 4 of 5 subrecipients, the subrecipient's uniform guidance report was not reviewed due to updated risk assessments not being performed in the current year.
   - For 1 of 5 subrecipients, the current year risk assessment was performed prior to the receipt of the subrecipient's uniform guidance report and management did not go back to review the report.

Cause

The cause of the condition found was primarily due to the Department not following their sub monitoring internal controls in accordance with written formal policies and procedures.

Questioned Costs: None.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Recommendation

We recommend that the Department develop policies and procedures and implement internal controls to ensure that the Department complies with 2 CFR section 200.332(a-h) and 2 CFR section 200.501(h).

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2023-023, and current year finding 2025-020

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2023-002

NH Department of Military Affairs and Veteran Services

National Guard Military Operations and Maintenance (O&M) Projects (Assistance Listing #12.401)

Federal Award Number: W012TF0190201001, W012TF023-27-2-1001

Federal Award Year: 2022, 2023

U.S. Department of Defense

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: None

Statistically Valid Sample: No

Criteria

The SF-270, Request for Advance or Reimbursement, must be submitted as part of the cash draw request process.

Additionally, per 2 CFR 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over the SF-270 reporting process, we identified the following:

A. For 31 of 33 SF-270 reports selected for testwork, we were unable to obtain documentation to support the amount reported within the following report line items to ensure that the amount reported was complete and accurate:
   - Line item a – total program outlays to date
   - Line item c – net program outlays
   - Line item e – total
   - Line item f – non-federal share of amount on line e

B. For 12 of 33 reports selected for testwork, we were unable to agree line item h, federal payments previously received, to the supporting documentation provided.

C. For all 33 SF-270 reports selected for testwork, we identified that there was a lack of segregation of duties related to the preparation of the SF-270 as there was no documented supervisory review performed over the completeness and accuracy of the report prior to submission.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Cause

The cause of the condition found was due to insufficient policies and procedures to track total expenditures by appendix over the federal award year. For each federal fiscal year, a tracking sheet is used by appendix and the tracking sheet shows the federal share of the expenditures incurred each month. The tracking sheet does not represent the total expense incurred and if the appendix has a state share associated with the costs, the state portion is not included. When the SF-270 is prepared, documentation to support line items a, c, e and f is not maintained with the report to support accuracy of amounts reported. We further noted that the tracking sheets in some instances did not reconcile to the federal payments previously requested. The Department relies on the previous amount reported on the SF-270 only and did not identify the error as part of the preparation process of the SF-270 as there is no independent review to ensure it is complete and accurate.

Effect

The effect of the condition found is SF-270 reports submitted were not complete and accurate.

Questioned Costs Not determinable

Recommendation

We recommend that the existing policies and procedures in place to prepare the SF-270 be reviewed and internal controls be implemented that will include an independent supervisory review to ensure that the SF-270 is complete and accurate at the time of submission. This would include ensuring that each line item of the SF-270 properly reconciles to supporting documentation and that the appropriate documentation for each line item is kept with each report to substantiate the amount reported.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2024-003, and current year finding 2025-002.

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2023-008

Title I Grants to Local Educational Agencies (Assistance Listing #84.010)

Supporting Effective Instruction State Grant (Title IIA (Assistance Listing #84.367)

COVID-19 Education Stabilization Fund (Assistance Listing #84.425C, #84.425D, #84.425R, #84.425U, #84.425V, and #84.425W)

Federal Award Numbers: S010A210029, S010A220029, S367A220028, S425D200017, S425D210017, S425U210017, S425U210017-21A

Federal Award Year: 2020, 2021, 2022, 2023

U.S. Department of Education

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2022-013, 2022-016

Statistically Valid Sample: No

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, per 2 CFR 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During the year ended June 30, 2023, we noted the New Hampshire Department of Education (the Department) passed through $42,672,742 in Title I Grants to Local Educational Agencies (Title I Grant) funds to subrecipients (Local Educational Agencies).

During our testwork over FFATA reporting at the Department for Title I Grants, we selected 35 out of 132 FFATA reports for testing and noted the following:

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward incorrect key elements
35	0	28	0	1

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
$7,616,436	$0	$7,811,866	$0	$620,384

During the year ended June 30, 2023, we noted the New Hampshire Department of Education (the Department) passed through $146,314,016 in Education Stabilization Funds (ESF) to subrecipients (Local Educational Agencies).

During our testwork over FFATA reporting at the Department for ESF grants, we selected 60 out of 460 FFATA reports for testing and noted the following:

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward incorrect key elements
60	0	56	5	32
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$155,941,257	$0	$142,016,966	$7,869,109	$76,269,656

During the year ended June 30, 2023, we noted the New Hampshire Department of Education (the Department) passed through $9,809,023 in Supporting Effective Instruction State Grant (Title IIA) funds to subrecipients (Local Educational Agencies).

During our testwork over FFATA reporting at the Department for Title IIA, we selected 20 out of 74 FFATA reports for testing and noted the following:

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward incorrect key elements
20	0	9	0	0
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$5,064,865	$0	$2,754,111	$0	$0

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Cause

The Department's internal controls were properly designed; however, the cause of the condition is due to the operating effectiveness of the reconciliation control not being at a precision level to ensure completeness and accuracy of the filed key elements. Additionally, effective controls were not in place to ensure timely reporting.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act reporting requirements.

Questioned Costs

None.

Recommendation

We recommend that the Department continue to enhance policies and procedures which include internal controls across the Department programs to which FFATA reporting is applicable, to ensure timely and accurate reporting to the FSRS system to ensure compliance with the Transparency Act reporting requirements.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related findings 2024-013, 2022-016, 2022-013 and current year finding 2025-009

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2023-010

NH Department of Health and Human Services

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) and COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (Assistance Listing #93.323)

Federal Award Number: NUK50CK000522 Federal Award Year: 2021, 2022

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: None

Statistically Valid Sample: No

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Monthly fiscal reports are required to be submitted beginning 69 days after the notice of Awards is issued. Additionally, per 2 CFR section 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

FFATA Reporting

During our testwork over FFATA reporting, we identified the following:

A. For each of the 3 FFATA reports selected for testwork, there was no evidence provided that the report was reviewed and approved prior to submission.

B. For each of the 3 FFATA reports selected for testwork, we were unable to validate certain data elements that were reported. Specifically, we identified the following:

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
3	N/A	N/A	2	3
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$7,126,552	N/A	N/A	$2,212,906	$7,126,552

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Monthly Reporting

As part of the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program, the New Hampshire Department of Health and Human Services (the Department) reports financial information to the CDC on a monthly basis related to expenditures paid out and the amount of unliquidated obligations for the reporting period. During our testwork over monthly reporting, we identified that for 2 of the 40 reports selected for testwork, while the amount of unliquidated obligations and expenditures for the month selected appeared to be reported accurately, the total cumulative expenditures reported exceeded the amount awarded. Both of reports appeared to be related to the same project. Per review of the reports, the report filed for the month of February 2023 was over reported by $7,797 and the report filed for the month of May 2023 was over reported by $19,071

Cause

The cause of the condition found related to FFATA reporting is due to insufficient controls related to the review and approval of FFATA reports to ensure the accuracy of the data reported.

The cause of the condition found related to monthly reporting was the result of insufficient internal controls in place to ensure that that the report was accurate. For the 2 monthly reports identified, the CDC recently switched to a quarterly reporting process. When the report was filed, the Department inadvertently reported expenditures that had been previously reported in early months and was unable to identify that the error had occurred.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act and the Department submitted monthly federal reports that were inaccurate.

Questioned Costs

None.

Recommendation

We recommend that the Department implement policies, procedures and internal controls to ensure the accuracy of the data reported within FSRS is complete and accurate.

We recommend that the Department continue to review its existing internal controls, policies, and procedures related to monthly reporting to ensure that all required monthly financial reports are reviewed to ensure the data in the report is complete and accurate.

FINDING STATUS AS OF 6/30/2025 – Partially resolved. See related finding 2024-019

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2023-016

NH Department of Energy

Low Income Home Energy Assistance and COVID-19 Low Income Home Energy Assistance (Assistance Listing #93.568)

Federal Award Numbers: 2001NHLEA, 2001NHLIE4, 2001NH5C3, 2101NHLIEA, 2101NHE5C6, 2201NHLIEA, 2101NHLIE4, 2201NHLIEE, 2201NHLIEI, 2301NHLIEA, 2301NHLIEE, 2301NHLIEI, 1700NHLIEA

Federal Award Year: 2017, 2020, 2021, 2022, 2023

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2022-026

Statistically Valid Sample: No

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

The Low-Income Home Energy Assistance program (LIHEAP), Performance Data Form (OMB No. 0970-0449) must be submitted before January 31st regarding the prior federal fiscal year. The first section of the report is the Grant recipient Survey that collects and reports data on sources and uses of LIHEAP funds. The Grant recipient Survey includes Section III: Estimated Sources of Funds and Section IV: Estimated Use of LIHEAP Funds. Note: that these are referencing obligated not expended funding. The rest of the report is regarding performance metrics, mostly related to home energy burden targeting and reduction, as well as the continuity of home energy service. The Grantee Survey obligation amounts should be compared with the Carryover and Reallotment and FFR-425 reports. This reconciliation is needed to make sure the obligated balances for the program year being tested are accurate.

LIHEAP Carryover and Reallotment Report (OMB No. 0970-0106) – Grantees must submit this report no later than August 1 indicating the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds. Funds in excess of the maximum carryover limit are subject to reallotment to other LIHEAP grantees in the following fiscal year and must also be reported (42 USC 8626).

Annual Report on Households Assisted by LIHEAP (OMB No. 0970-0060) https://omb.report/icr/202211-0970-005 – As part of the application for block grant funds each year, a report is required for the preceding fiscal year of (1) the number and income levels of the households assisted for each component and any type of LHEAP assistance (heating, cooling, crisis, and weatherization); and (2) the number of households served that contained young children, elderly, or persons with disabilities, or any vulnerable household for each component. Territories with annual allotments of less than $200,000 and all Native American tribes are required to report only on the number of households served for each program component (42 USC 8629; 45 CFR section 96.82).

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Quarterly Performance and Management Report (OMB No. 0970-0589) https://omb.report/icr/202205-0970-017/doc/121847100 – Grant recipients must submit data and information about LIHEAP during the current FY, including success, challenges, needs and innovations. The quarterly reports focus on assisted households, performance management, obligation of funding, changes made due to anticipated increase in energy bills, collaboration with other utility programs, and training and technical assistance needs.

Additionally, Title 45 U.S. Code of Federal Regulation Part 75 (45 CFR section 75), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HS Awards, section 75.303(a), Internal Controls, states the non-Federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-Federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over federal reporting as part of the Low-Income Home Energy Assistance program (LIHEAP), we noted the following:

A. The New Hampshire Department of Energy (the Department) during the year ended June 30, 2023, $52,485,098 was passed through to subrecipients that met the requirements for first tier subawards under the Transparency Act and as such FFATA reports were required to be filed for each of those subawards. During our testwork over FFATA reporting at the Department of Energy, we selected 4 out of 7 FFATA reports for testing and noted the following:

Reports Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward incorrect key elements
4	0	1	0	0
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$13,825,743	$0	$1,115,000	$0	$0

B. The annual LIHEAP Performance Data Form was not submitted by January 31, 2023. The Department submitted the report in December 2023. The Department was unable to provide sufficient underlying support for the Key Line items associated with the report including the following: Uses of Funds, the total Uses of Funds should equal the total Sources of Funds, and Other LIHEAP assistance. The Department was unable to provide a reconciliation between the LIHEAP Performance Data Form Grantee Survey obligation amounts reported to the Carryover and Reallotment and FFR-425 reports.

C. The Department did not submit its required special reports (i.e. Quarterly Performance and Management Reports, Annual Report of Assisted Households Report, and LIHEAP Carryover and Reallotment Report) in a timely manner. There were also no procedures implemented to ensure that the submission of Special Reports includes accurate and complete data. Specifically, we noted the following:

LIHEAP Carryover and Reallotment Report - This report must be submitted no later than August 1

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

for the federal fiscal year. This report was not submitted in a timely manner for the period ending 9/30/2022, as it was submitted on 8/9/2023 with an original due date of 8/1/2022. This report was not submitted in a timely manner for the period ending 9/30/2023, as it was not yet submitted as of March 12, 2024, with an original due date of 8/1/2023. The administrative expenditures balance utilized to calculate the PY22 Carryover balance submitted in the PY22 Carryover and Reallotment Report was an estimate, even though there was actual data for this balance since the report was submitted a year late. The actual balance per the support provided by the Dept. of Energy was $14,488.95, which is $20,337.05 less than the balance estimated.

Annual Report on Households Assisted by LIHEAP - There is not a designated due date for this report. However, as this report is due at the end of every federal fiscal year, this should be submitted within a reasonable time after the end of the federal fiscal year (9/30) for the data to be reported in a timely manner to the Federal Government. The report for the year ending 9/30/2022 was submitted on 9/25/2023, which is almost an entire year after the end of the federal fiscal year, and the report for the year ending 9/30/2023 wasn't submitted until 1/23/2024, which is almost four months after federal fiscal year end.

Additionally, some of the data submitted within the 9/30/2022 report is deemed to not be complete and accurate based on the underlying support provided. Specifically, the following was noted: In Section 1, line item 10. Weatherization the amount reported was 249 households and the amount per the underlying support was 7,262 households. In Section 2, line item 10. Weatherization the amounts reported for the various poverty levels was inaccurate per the underlying support, as shown in the below table.

	Section	Type of LIHEAP assistance	A. Under 75% poverty	B. 75%-100% poverty	C. 101%-125% poverty	D. 126%-150% poverty	E. Over 150% poverty
Per Report:	2	10. Weatherization	33	38	43	38	97
Per Support:	2	Weatherization	1,013	1,122	1,123	1,163	2,841

Furthermore, all the data submitted within the 9/30/2023 report is deemed to not be complete and accurate based on the underlying support provided. Specifically, the following was noted for Sections 1 and 2 below:

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Section	Data Field	Amount per Report	Amount per Support
1	1. Heating	29,642	31,289
	e. Winter	1,680	1,730
	10. Weatherization	199	9,875
	14. Any type of LIHEAP assistance	29,669	31,289
	18. Bill Payment Assistance	29,642	31,289

	Section	Type of LIHEAP assistance	A. Under 75% poverty	B. 75%-100% poverty	C. 101%-125% poverty	D. 126%-150% poverty	E. Over 150% poverty
Per Report:	2	1. Heating	3,190	3,238	3,519	3,710	15,985
		e. Winter	332	172	164	182	830
		10. Weatherization	10	22	26	19	122
Per Support:	2	Heating	4,040	4,074	4,432	4,329	14,414
		Winter/Year Round Crisis	395	216	200	212	707
		Weatherization	1,134	1,202	1,312	1,354	4,873

Quarterly Performance and Management Report - There is not a designated due date within for this report. However, as this report is due every quarter, this report should be submitted within thesubsequent quarter for the data to be reported in a timely manner to the Federal Government. For 1 of the 3 quarterly reports submitted, we were unable to determine when it was submitted, as the

report was not signed and dated by the Program Director when submitted.

Additionally, for the Quarterly Performance and Management report submitted for the quarter ended 6/30/2022, we noted 2 key line items that were inaccurate based upon the underlying support. Specifically, the total number of assisted households for quarter 3 federal fiscal year 2022 was reported as 24,405 and the amount per the underlying support was 24,425, as well as the LIHEAP fiscal year end 2022 non-Supplemental (released November 1, 2021) amount of funds obligated was reported as $24,114,530 and the amount per the underlying support was $30,948,915. Additionally, we noted 7 key line items that were unable to be verified as complete and accurate as no underlying support could be provided. Those key line items are as follows: total cumulative assisted households, total cumulative assisted households during the same period last year, total households for quarter 3 assisted during the same period last year, number of occurrences of households where LIHEAP prevented the loss of home energy for quarter 3, number of occurrences of households where LIHEAP restored home energy for quarter 3, total amount of funds obligated for ARPA 2021, amount of funds obligated for other supplemental allotment.

For the Quarterly Performance and Management report submitted for the quarter ended 12/31/2022, we noted 3 key line items that were unable to be verified as complete and accurate as no underlying support could be provided by the Department. Those key line items are as follows: number of assisted households during the same period last year for quarter 1 federal fiscal year 2023, total amount of funds obligated for LIHEAP fiscal year 2023 allotment B, and amount of funds obligated for other supplemental allotment.

For the Quarterly Performance and Management report submitted for the quarter ended 6/30/2023, we noted 1 key line item that was inaccurate based upon the underlying support. Specifically, the total number of assisted households for quarter 3 federal fiscal year 2023 was reported as 3,232 and the amount per the underlying support was 3,367. Additionally, we noted 2 key line items that were unable to be verified as complete and accurate as no underlying support could be provided. Those key line items are as follows: amount of funds obligated for LIHEAP federal fiscal year 2023 allotment and amount of funds obligated for other supplemental allotment.

Cause

The cause of the condition found was primarily due to insufficient resources within the Department to ensure the federal FFATA reports were filed timely.

The cause of the condition found was primarily due to insufficient resources within the Department to ensure the federal performance reports were filed or filed timely as well as insufficient policies and procedures to ensure that the documentation to support the key line items reported on the LIHEAP Performance Data Form were retained. Additionally, the Department has insufficient policies and procedures to ensure that the required reconciliation between reported Performance Data Form Grantee Survey obligation amounts and Carryover and Reallotment report as well as FFR-425 reports is completed.

The cause of the condition found was primarily due to insufficient resources within the Department to ensure the federal special reports were filed or filed timely. Also, the Department had the Federal Government contract out a federal consulting firm, APRISE, to help the Department submit the required special reports and the federal consulting firm was not able to provide the Department with support for the data that was submitted within these reports.

Effect

The effect of the condition found is that the Department did not file required FFATA reports, LIHEAP

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Performance Data Form, LIHEAP Carryover and Reallotment Report, Quarterly Performance and Management Report and Annual Report on Households Assisted by LIHEAP in a timely manner. The effect of the condition is also that the Department did not file complete and accurate performance and special federal reports.

Questioned Costs

None.

Recommendation

We recommend that the Department should review to ensure there is sufficient safeguards in place for professionals to perform when positions are vacant so that necessary processes are completed related to compliance with federal requirements, including federal reporting requirements related to the timely submission of the annual LIHEAP Performance Report, the annual LIHEAP Carryover and Reallotment Report, the Quarterly Performance and Management Report and the Annual Report on Households Assisted by LIHEAP as well as the submission of FFATA reports for first-tier subawards. In addition, we recommend that the Department implement written policies and procedures for the compilation and review of the LIHEAP Performance Data Form, LIHEAP Carryover and Reallotment Report, Quarterly Performance and Management Report and Annual Report on Households Assisted by LIHEAP and ensure that the documentation to support the amounts reported is maintained to support that the report is complete and accurate.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related findings 2024-022, 2022-026 and current year finding 2025-014

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2023-019

NH Department of Education

Disability Insurance/SSI Cluster: Social Security-Disability (Assistance Listing #96.001)

Federal Award Numbers: 1904NHDI00, 2024NHDI00, 2104NHDI00, 2204NHI00, 2304NHDI00

Federal Award Year: 2019, 2020, 2021, 2022, 2023

U.S. Social Security Administration

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: None

Statistically Valid Sample: No

Criteria

The SSA-4514, Time Report of Personal Services For Disability Determination Services, is due quarterly to account for employee time.

The SSA-4513 – State Agency Report of Obligations for SSA Disability Programs – is due quarterly for each fiscal year still open in order to account for program disbursements and unliquidated obligations (POMS DI 39506.202).

Additionally, 2 CFR 200.303 (a) states that non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over federal reporting related to the SSA-4514 quarterly report, we identified the following:

A. For the quarter ending September 30, 2022, the SSA-4514 report understated the reported number of hours as follows:
    a. Examiners duty hours by 241 hours and holiday/leave time by 7.50 hours.
    b. Hearing officers duty hours of 480 hours and holiday/leave time by 15 hours
B. For the quarter ending June 30, 2023, the SSA-4514 report understated the reported number as follows:
    a. Hearing officers duty hours of 480 hours and holiday/leave time by 7.5 hours.

During our testwork over federal reporting related to the SSA-4513 quarterly report, we identified the following:

C. For all 10 SSA-4513 reports selected for testwork, line item 7 was not checked to identify if the SSA-871 needed to be attached to the report. It is unclear if this needed to be attached or not.
D. For all 10 SSA-4513 reports selected for testwork, the reports did not reconcile to the internal tracking sheets provided to validate the amounts reported. For all reports there

were variances between the tracking sheets and the dollar amounts included within the federal report within sections 1, 2, 3 and 4. While variances are identified, we noted that the variances were not material overall to the individual line item.

E. For all 10 SSA-4513 reports selected for testwork, we were unable to validate the completeness and accuracy of the amounts reported within Section 1 for Columns (A) for Disbursements, (B) for unliquidated obligations and (C) total obligations for line items 1, 2, 3 and 4. As such, we are not able to validate that the amounts reported are complete and accurate. As we were not able to obtain documentation to validate the obligation balances, we are unable to validate the accuracy of amounts reported within Sections 1, 2, and 3 of the report.

F. For all 10 of the SSA-4513 reports selected for testwork, documentation was not provided for all line items contained in the report. Specifically we identified the following:
   a. For 2 of 10 SSA-4513 reports selected for testing, documentation was not provided for Columns (A), (B) and (C) for the following line items:
      i. Line 2.a.1 Disability (DI) Claims
      ii. Line 2.a.2 Supplemental Security Income (SSI) Claims
      iii. Line 1.a.3 Concurrent DI/SSI Claims
      iv. Line 2.b.1 Disability (DI) Claims
      v. Line 2.b.2 Supplemental Security Income (SSI) Claims
      vi. Line 1.b.3 Concurrent DI/SSI Claims
      vii. Line 3 Indirect Costs
   b. For 2 of 10 SSA-4513 reports, documentation was not provided for Line Item Section 2. Other Nonpersonnel Costs per SSA-4513 (Total Obligation)
   c. For 7 of 10 SSA-4513 reports documentation was not provided for Line Item Section 2 Total Adjusted All Other Nonpersonnel Costs (B)
   d. For 10 of 10 SSA-4513 documentation was not provided for Line Item Section 2.d, Other: Identify obligation & amount

G. For 3 of 10 SSA-4513 reports selected for testwork, we identified while there were no expenditures incurred for the federal grant between October 1, 2022 and June 30, 2023, the expenditures for the quarter selected, June 30, 2022, did not agree to what was reported for the quarter ending September 30, 2023. We were unable to obtain supporting documentation as to why the amounts reported were different.

Cause

The cause of the condition found related to the SSA-4514 was due to formula errors within the spreadsheet used to calculate the quarterly hours. The formulas were not updated to reflect any new lines of data that may have been added and needed to be includes within the total formulas included in the spreadsheet. While the spreadsheets were reviewed as part of the existing internal control procedures, the review as not at a precision level that detected the formula errors.

The cause of the condition found related to the SSA-4513 was due to insufficient policies and procedures to ensure that all necessary documentation is maintained to support the amounts reported for each federal

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

report filed. Based on the documentation that was provided to support the data reported within each quarterly report, it is unclear if the internal control review procedures performed included a detail review over each line item of the report to ensure the amount reported is complete and accurate.

Effect

The effect of the condition found is the SSA-4514 and SSA-4514 reports were not complete and accurate when they were filed.

Questioned Costs None

Recommendation

We recommend that the existing internal control procedures over the review and approval of the SSA-4514 report are evaluated to ensure that the accuracy of spreadsheet formulas used are appropriate and capture all of the data necessary to accurately prepare the SSA-4514.

In addition, we recommend that the existing policies and procedures be developed to ensure that all documentation to support the amounts reported on the SSA-4513 is properly maintained for each quarterly report. In addition, the existing internal control procedures should be evaluated to ensure that as part of the review process, each line item on the federal report is verified against the supporting documentation to ensure the report is complete and accurate. The review performed should also be properly documenting showing that the required review process was performed prior to submitting the SSA-4513.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2024-030 and current year finding 2025-018

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2023-023

NH Department of Safety

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Public Assistance (Presidentially Declared Disasters) (Assistance Listing #97.036)

Federal Award Numbers: FEMA-4622-DR-NH, FEMA-4624-DR-NH, FEMA-4457-DR-NH, FEMA-4370-DR, FEMA-4693-DR, FEMA-4355-DR, FEMA-4329-DR, FEMA-4516-DR-NH

Federal Award Year: July 17-19, 2021, July 29-30, 2021, July 11-12, 2019, March 2-8, 2018, December 22-December 25, 2022, October 29-November 1, 2017, July 1-2, 2017, January 20, 2020

U.S. Department of Homeland Security

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: None

Statistically Valid Sample: No

Criteria

A pass-through entity (PTE) must:

1. Identify the Award and Applicable Requirements – Clearly identify to the subrecipient: (1) the award as a subaward at the time of subaward (or subsequent subaward modification) by providing the information described in 2 CFR section 200.332(a)(1); (2) all requirements imposed by the PTE on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the award (2 CFR section 200.332(a)(2)); and (3) any additional requirements that the PTE imposes on the subrecipient in order for the PTE to meet its own responsibility for the federal award (e.g., financial, performance, and special reports) (2 CFR section 200.332(a)(3)).
2. Evaluate Risk – Evaluate each subrecipient's risk of noncompliance for purposes of determining the appropriate subrecipient monitoring related to the subaward (2 CFR section 200.332(b)).
3. Monitor – Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals (2 CFR sections 200.332(d) through (f)). In addition to procedures identified as necessary based upon the evaluation of subrecipient risk or specifically required by the terms and conditions of the award, subaward monitoring must include the following:
    a. Reviewing financial and programmatic (performance and special reports) required by the PTE.
    b. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the PTE detected through audits, on-site reviews, and other means.
    c. Issuing a management decision for audit findings pertaining to the federal award provided to the subrecipient from the PTE as required by 2 CFR section 200.521.

Additionally, 45 CFR section 75 303(a) states the non Federal entity must establish and maintain effective

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

internal control over the Federal award that provides reasonable assurance that the non Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition

As part of the Disaster Grants - Public Assistance program (DGPA), the New Hampshire Department of Safety - Homeland Security and Emergency Management (the Department) enters into grant agreements with local municipalities to provide reimbursement for expenditures incurred as a result of New Hampshire declared disasters.

During the year ended June 30, 2023, $27,041,873 was passed through to 85 subrecipients. As part of our testwork over the subrecipient monitoring process, we noted the following:

A. The Department communicates award information to subrecipients through the approved agreement. Per review of the agreement, for each of the 27 subrecipients selected for testwork, the Department did not communicate all the required award information as outlined in 2 CFR section 200.332(a). Specifically, the following elements were not communicated:

    - Subrecipient unique entity identifier (not communicated for 19/27);
    - Federal Award Identification Number (FAIN) (not communicated for 27/27);
    - Identification of whether the award is R&D (not communicated for 27/27); and
    - Indirect cost rate for the federal award (including if the de minimis rate is charged) (not communicated for 27/27)

B. The Department evaluated the subrecipient risk of noncompliance through a risk assessment for each of the 13 subrecipients selected for testwork. However, there was no formal risk assessment policy in place that indicated how frequently risk assessments should be performed. As a result, 5 subrecipients did not have risk assessments performed during the current year for purposes of determining the appropriate subrecipient monitoring response. These prior fiscal year(s) risk assessments were performed as of the following dates: September 2019, October and December 2021, May and June 2022.

C. For each of the 13 subrecipients selected for testwork, the Department did not perform any during the award monitoring.

D. During our testwork over the Department's review of subrecipient uniform guidance reports, we noted there were no UG report review policies and procedures in place. For the 13 subrecipients selected for testwork, 6 subrecipients were identified in which the Department did not review the most recent uniform guidance report issued. Specifically, we noted:

    - For 5 of 13 subrecipients, the subrecipient's uniform guidance was not reviewed due to updated risk assessments not being performed in the current year (refer to item 2 above)
    - For 1 of 13 subrecipients, the current year risk assessment was performed prior to the receipt of the subrecipient's uniform guidance report and management did not go back to review the report

Cause

The cause of the condition found was primarily due to the Department not performing their sub monitoring internal controls in accordance with written formal policies and procedures.

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Questioned Costs

None.

Recommendation

We recommend that the Department develop policies and procedures and implement internal controls to ensure that the Department complies with 2 CFR section 200.332(a-h) and 2 CFR section 200.501(h).

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related finding 2024-34 and current year finding 2025-020

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2022-013

NH Department of Education

Title I Grants to Local Educational Agencies (Title I, Part A of ESEA (Assistance Listing #84.010))

Federal Award Numbers: S010A200029, S010A210029

Federal Award Year: 2021, 2022

U.S. Department of Education

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2021-013

Statistically Valid Sample: No

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, per 2 CFR section 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During the year ended June 30, 2022, we noted the New Hampshire Department of Education (the Department) passed through $42,672,742 in Title I Grants to Local Educational Agencies funds to subrecipients (LEAs).

During our testwork over FFATA reporting at the Department for Title I Grants, we selected 60 FFATA reports for testing and noted none were reported. Specifically, we noted the following:

Transactions Tested	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
60	60	60	N/A – not reported	N/A – not reported
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$18,846,990	$18,846,990	$18,846,990	$18,846,990	$18,846,990

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Cause

The cause of the condition found is due to a lack of policies and procedures, including internal controls, in place to ensure timely and accurate FFATA reporting.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act.

Questioned Costs

None.

Recommendation

We recommend that the Department implement policies and procedures which include internal controls across the Department programs to which FFATA reporting is applicable, to ensure timely and accurate reporting to the FSRS system to ensure compliance with the Transparency Act reporting requirements.

FINDING STATUS AS OF 6/30/2025 – Partially Resolved, see related findings 2024-013, 2023-008, and 2022-016

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2022-016

NH Department of Education

COVID-19 Education Stabilization Fund (Assistance Listing #84.425C, #84.425D, #84.425R, #84.425U, #84.425V, and #84.425W)

Federal Award Numbers: S425U210017, S425D200017, S425V210041, S425W210030, S425R210041, S425C210032, S425D210017

Federal Award Year: 2020, 2021

U.S. Department of Education

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2021-015

Statistically Valid Sample: No

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

Additionally, per 2 CFR section 200.303, non-federal entities must establish and maintain effective internal control over federal awards that provide reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During the year ended June 30, 2022, we noted the New Hampshire Department of Education (the Department) passed through $90,972,223 in Education Stabilization Funds to subrecipients.

During out testwork over FFATA reporting at the Department, we selected 60 FFATA reports for testing and noted the following:

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
60	11	60	9	41
Dollar Amount of Tested Transactions	**Subaward not reported**	**Report not timely**	**Subaward amount incorrect**	**Subaward missing key elements**
$140,638,288	$34,322,329	$140,638,288	$18,762,077	$43,145,341

Cause

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

The cause of the condition found is due to a lack of policies and procedures, including internal controls, in place to ensure timely and accurate FFATA reporting.

Effect

The effect of the condition found is that the Department did not comply with the Transparency Act.

Questioned Costs

None.

Recommendation

We recommend that the Department implement internal controls, policies, and procedures, across all Department programs to which FFATA reporting is applicable, to ensure timely and accurate reporting to the FSRS system to ensure compliance with the Transparency Act reporting requirements.

FINDING STATUS AS OF 6/30/2025 – Partially Resolved, see related findings 2024-013, 2023-008, 2022-013 and current year finding 2025-009

Reference the corrective action plan for further details.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

Finding Reference Number: 2022-026

NH Department of Energy

Low Income Home Energy Assistance and COVID-19 Low Income Home Energy Assistance (Assistance Listing #93.568)

Federal Award Numbers: 2001NHLEA, 2001NHLIE4, 2001NH5C3, 2101NHLIEA, 2101NHE5C6, 2201NHLIEA, 2101NHLIE4

Federal Award Year: 2020, 2021, 2022

U.S. Department of Health and Human Services

Compliance Requirement: Reporting

Type of Finding: Material Weakness and Material Noncompliance

Prior Year Finding: 2021-028, 2021-029

Statistically Valid Sample: No

Criteria

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282), as amended by Section 6202 of Public Law 110-252, hereafter referred as the "Transparency Act" that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of $30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).

The Low-Income Home Energy Assistance program (LIHEAP), Performance Data Form (OMB No. 0970-0106) is required to be submitted before January 1st indicating the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds.

LIHEAP Carryover and Reallotment Report (OMB No. 0970-0106) – Grantees must submit this report no later than August 1 indicating the amount expected to be carried forward for obligation in the following fiscal year and the planned use of those funds. Funds in excess of the maximum carryover limit are subject to reallotment to other LIHEAP grantees in the following fiscal year and must also be reported (42 USC 8626).

The SF-425, Federal Financial Report, is required to be filed annually.

Additionally, Title 45 U.S. Code of Federal Regulation Part 75 (45 CFR section 75), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HS Awards, section 75.303(a), Internal Controls, states the non-Federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-Federal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award.

Condition

During our testwork over federal reporting as part of the Low-Income Home Energy Assistance program (LIHEAP), we noted the following:

A. The New Hampshire Department of Energy (the Department) during the year ended June 30, 2022, $37,990,873 was passed through to subrecipients that met the requirements for first tier subawards under the Transparency Act and as such FFATA reports were required to be filed for each of those subawards. During the period ending June 30, 2022, the Department did not file the required FFATA reports.

SUMMARY STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FISCAL YEARS 2024, 2023, AND 2022

B. The annual LIHEAP Performance Data Form was not submitted by January 31, 2022. The Department contacted the regulator in May of 2022 requesting an extension which was approved, however as of the date of testwork in December 2022 the report still has not been submitted.

C. Per review of the LIHEAP Carryover and Reallotment Report filed during our audit period, we noted that line 1.3 for the regular block grant carryover amount was $530,288, which was less than the maximum allowed carryover amount of $2,771,886. As part of our testwork, we were unable to obtain documentation to support that the amount reported on the federal report was accurate. Based on discussions with the Department, they indicated that the amount reported represented the unobligated balance as of June 30, 2021 as the federal report is due by August 1, 2021. However, we further noted that the unobligated balance for the federal grant as filed on its annual SF-425 report as of September 30, 2021 which would incorporate an additional 3 months of obligations, reported an unobligated balance of $979,648, which is greater than what was reported on the LIHEAP Carryover and Reallotment Report.

D. 1 of 3 SF-425 federal reports selected for testwork that the New Hampshire Department of Energy (the Department) did not use the correct indirect cost rate when compiling the report. Instead of using a rate of 30.40%, the Department used a rate of 30.45%, resulting in indirect costs being over reported on the report by approximately $13.

Cause

The cause of the condition found was primarily due to insufficient resources within the Department to ensure the federal reports were filed or filed timely as well as insufficient policies and procedures to ensure that the documentation to support the amount reported on the LIHEAP Carryover and Reallotment Report. Based on inquiry with management, the Department at the time of the filing of the SF-425 report, the cognizant agency had not approved its proposed indirect cost rate so an older rate was used. The report was not subsequently revised once the rate was approved in April of 2022.

Effect

The effect of the condition found is that the Department did not file the required FFATA reports and the annual LIHEAP Performance Data Form and the LIHEAP Carryover and Reallotment Report and SF-425 reports may not have been filed accurately.

Questioned Costs

None.

Recommendation

We recommend that the Department should review to ensure there is sufficient safeguards in place for professionals to perform when positions are vacant so that necessary processes are completed related to compliance with federal requirements, including federal reporting requirements related to the timely submission of the annual LIHEAP Performance Report and the submission of FFATA reports for first-tier subawards. In addition, we recommend that the Department implement written policies and procedures for the compilation of the annual LIHEAP Carryover and Reallotment report and ensure that the documentation to support the amounts reported is maintained to support that the report is complete and accurate. Finally we recommend that the Department review its policies and procedures to ensure that the appropriate indirect cost rate is used within the SF-425 reports.

FINDING STATUS AS OF 6/30/2025 – Partially resolved, see related findings 2024-022, 2023-016 and current year finding 2025-014

Reference the corrective action plan for further details.

CORRECTIVE ACTION PLANS OF SINGLE AUDIT FINDINGS FOR FISCAL YEARS THROUGH 2025

Compiled in March of 2026 by the New Hampshire Department of Administrative Services pursuant to Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Corrective action plans are presented according to major programs audited for the State's fiscal year ended June 30, 2025, and where applicable for those programs audited in prior years and included in the Summary Status of Prior Year Finding and Questioned Costs for Fiscal Years 2024, 2023, and 2022.

Department of Agriculture **H2**
10.553, 10.555, 10.556, 10.559, 10.579 Child Nutrition Cluster H2
Department of Defense **H3**
12.401 National Guard Military Operations and Maintenance (O&M) H3
Department of the Interior **H5**
15.605, 15.611, 15.626 Fish & Wildlife Cluster H5
Department of Labor **H10**
17.225 Unemployment Insurance H10
17.258, 17.259, 17.278 WIOA Cluster H11
Department of Education **H12**
84.010 Title I Grants to Local Educational Agencies H12
84.425 COVID-19 Education Stabilization Fund H12
Department of Health and Human Services **H14**
93.044, 93.045, 93.053 Aging Cluster H14
93.268 Immunization Cooperative Agreements H17
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) H18
93.568 Low-Income Home Energy Assistance H19
93.489, 93.975, 93.596 CCDF Cluster H20
93.778 Opioid STR H21
93.959 Substance Abuse Prevention and Treatment Block Grant H23
Social Security Administration **H24**
96.001 Social Security, Disability Insurance H24
Department of Homeland Security **H25**
97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) H25

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STATE OF NEW HAMPSHIRE
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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Child Nutrition Cluster (Assistance Listing #10.553, #10.555, #10.556, and #10.559)

State Agency: NH Department of Education
Audit Contact: Lisa Mercier
Title: Administrator of Policy & Operations
Telephone: 603-931-2937
E-mail address: Lisa.L.Mercier@doe.nh.gov
Audit Report Reference: 2025-001; 2024-002 - Reporting
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:
NHED concurs with this finding, as it was a finding in the previous Uniform Grant audit for the fiscal year ended June 30, 2024, which a corrective action plan was previously provided.

NHED is currently in the process of adding food and nutrition programs to the established FFATA process already implemented to ensure that amounts to subrecipients are tracked and that all first tier subawards of $30,000 or more are reported in accordance with FFATA.

A corrective plan status update was provided to the auditing team during the review of FFATA documentation. This update demonstrated that systems changes require the Department IT contractor to change, modify or update the current Food and Nutrition System (FNS) and have been in process since the finding was presented at the last Uniform Grant Audit in the spring of 2025.

Once all systems have been updated to reflect the required updates needed to appropriately process and report FFATA data NHED Office of Nutrition Programs and Services will implement all necessary FFATA reporting requirements.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF MILITARY AFFAIRS AND VETERANS SERVICES

BUSINESS ADMINISTRATION
STATE MILITARY RESERVATION
4 PEMBROKE ROAD
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David J. Mikolaities, Major General
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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

National Guard Military Operations and Maintenance (O&M) Projects (Assistance Listing #12.401)

State Agency: Department of Military Affairs and Veterans Services
Audit Contact: Judy Chen
Title: Administrator
Telephone: 603-225-1366
E-mail address: ying.q.chen@DMAVS.nh.gov
Audit Report Reference: 2025-002; 2024-003, 2023-002 - Reporting
Anticipated Completion Date: Not Applicable

Corrective Action Planned:
Non Concur

The SF-270 is federal form and is manually calculated for each of the 36 input blocks. It fosters inefficiency and human error cannot be avoided. The only reliable federal reimbursement cost is item i under Total which is correct for every SF-270 form.

This corrective action would require the Department to create a redundant manual ledger that duplicates the function of the current ledger and DTR. This is not an efficient use of time or personnel.

DMAVS has existing policies and procedures in place to track all federal funds, state funds and mixed funds, and uses spreadsheets for all transactions that reconciles every month to NH First Detail Transaction Register (DTR), Federal Fund tracking sheet, and Federal reimbursement tracking sheet with backup documents. The tracking sheet for the federal register is not intended to account for the state share of billing. The state share is accurately accounted for in the DTR, the cumulative accounting in the SF-270 and associated back up documentation. Supporting documentation to substantiate the accuracy of lines a, c, e, and f is in the DTR, the cumulative accounting of each SF-270, the supporting documentation sent with the billing to the Federal Government, and Year-end Agency Report for Federal Awards. This includes reconciliation and analysis of SADB expenditures and revenues to the Statement of Appropriations by each Program

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Accounting Unit. The SF-270 form is continuous cumulative data that starts Oct 1st and runs through the end of that Federal Fiscal Year.

The SF-270 is the required federal form DMAVS submits to the Federal National Guard Appendix Program Manager for reimbursement. Back up documentation is submitted with the SF-270. The National Guard Appendix Program Manager, National Guard Grants Officer Representative, and National Guard United States Property Fiscal Officer (USPFO)/controller located in Concord, NH reviews, signs and submits the form to the Department of Defense to affect the cash draw. DMAVS does not unilaterally make cash draws to the federal government. The USPFO, who is substantially involved provides an independent review and reconciles any discrepancies prior to approving any requests for reimbursement.

New Hampshire
Fish and Game Department

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Stephanie L. Simek, Ph.D.
Executive Director

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, and #15.626)

State Agency: NH Department of Fish and Game
Audit Contact: Kathy LaBonte and Dawn Trombly
Title: Chief, Business Division and Federal Aid Administrator
Telephone: (603) 271-2274 and (603) 271-5823
E-mail address: kathy.a.labonte@wildlife.nh.gov and Dawn.m.trombly@wildlife.nh.gov
Audit Report Reference: 2025-003, 2024-006 - SEFA Reporting
Anticipated Completion Date: June 30, 2026

Corrective Action Planned:

We concur with the finding.

In the process of transitioning to our new process for recording expenditure on the SEFA, there were select grants that were incorrectly recorded on the SEFA. It has been identified and corrected.

The federal share of subrecipient pass through expenditures and cost share amounts will be recorded on the SEFA going forward.

New Hampshire
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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, and #15.626)

State Agency: NH Department of Fish and Game
Audit Contact: Kathy LaBonte and Dawn Trombly
Title: Chief, Business Division and Federal Aid Administrator
Telephone: (603) 271-2274 and (603) 271-5823
E-mail address: kathy.a.labonte@wildlife.nh.gov and Dawn.m.trombly@wildlife.nh.gov
Audit Report Reference: 2025-004, 2024-007 - Activities Allowed or Unallowed/Allowable Costs/Costs Principles
Anticipated Completion Date: June 30, 2026

Corrective Action Planned:

We concur in part with the finding.

The Department does perform reconciliations and pre-audits of information entered into QuickBooks to verify data is complete and accurate. Improved internal controls to evaluate the amounts reported on the SEFA have been implemented.

Beginning with SFY26, July 1, 2026, the Department has changed our process from internally calculating our federal rate to utilizing payroll rates and benefit cost directly from NH First pay register reports. Due to the timing of the FY24 audit ending, the new process was not implemented until the beginning of SFY26. (July 1, 2026). Which has led to a repeat finding for SFY25.

We are working to develop written policies and procedures to outline this new process.

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, and #15.626)

State Agency: NH Department of Fish and Game
Audit Contact: Kathy LaBonte and Dawn Trombly
Title: Chief, Business Division and Federal Aid Administrator
Telephone: (603) 271-2274 and (603) 271-5823
E-mail address: kathy.a.labonte@wildlife.nh.gov and Dawn.m.trombly@wildlife.nh.gov
Audit Report Reference: 2025-005. 2024-008 - Matching
Anticipated Completion Date: June 30, 2026

Corrective Action Planned:

We concur with the finding.

The department has implemented changes to our In-kind Match procedure and has worked with the subrecipient to obtain detailed back up to support the In-kind match submitted by the subrecipient. This revised procedure will ensure the accuracy of the In-kind match value applied to the federal grants. Due to timing, this new process was not completely implemented until July 1, 2016, SFY26, which has led to this repeat finding for SFY25.

We will work to implement written policies for our new process.

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, and #15.626)

State Agency: NH Department of Fish and Game
Audit Contact: Kathy LaBonte and Dawn Trombly
Title: Chief, Business Division and Federal Aid Administrator
Telephone: (603) 271-2274 and (603) 271-5823
E-mail address: kathy.a.labonte@wildlife.nh.gov and Dawn.m.trombly@wildlife.nh.gov
Audit Report Reference: 2025-006 - Earmarking
Anticipated Completion Date: June 30, 2026

Corrective Action Planned:

The Department concurs with this finding. The current Federal Aid Administrator has sought out the necessary populations required to establish effective earmarking requirements and internal controls to prevent future noncompliance events. The Federal Aid Office will develop and implement a standard procedure to ensure these activities are completed as required on an annual basis.

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Fish and Wildlife Cluster (Assistance Listing #15.605, #15.611, and #15.626)

State Agency: NH Department of Fish and Game
Audit Contact: Kathy LaBonte and Dawn Trombly
Title: Chief, Business Division and Federal Aid Administrator
Telephone: (603) 271-2274 and (603) 271-5823
E-mail address: kathy.a.labonte@wildlife.nh.gov and Dawn.m.trombly@wildlife.nh.gov
Audit Report Reference: 2025-007, 2024-005 - Subrecipient Monitoring
Anticipated Completion Date: June 30, 2026

Corrective Action Planned:

The Department concurs with this finding. The Federal Aid Office is strengthening the application of its existing subrecipient monitoring procedures through the development and use of a subrecipient tracking database to ensure timely and effective monitoring is performed for each recipient, based on the results of the initial risk assessment conducted by Department Federal Aid staff. Additionally, the Department will ensure that uniform guidance reports for each subrecipient are obtained and reviewed for each year of the subaward agreement period, as applicable, and that all required activities are documented properly on the subrecipient monitoring checklist.

New Hampshire Employment Security
www.nhes.nh.gov
"We're working to keep New Hampshire working"

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45 SOUTH FRUIT STREET
CONCORD, NH 03301-4857

RICHARD J. LAVERS, COMMISSIONER
HEATHER A. CHERNISKE, DEPUTY COMMISSIONER

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Unemployment Insurance (Assistance Listing #17.225)

State Agency: New Hampshire Employment Services
Audit Contact: Heather Cherniske
Title: Deputy Commissioner
Telephone: 603-228-4064
E-mail address: heather.a.cherniske@nhes.nh.gov
Audit Report Reference: 2025-021 - Eligibility
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:

The Department recognizes there were challenges in providing prompt responses to the audit items requested. Since the audit's conclusion and with receipt of the report, we believe we possess all of the documentation requested by the audit team.

The Department understands the importance of developing and maintaining documentation of our internal controls, as it demonstrates our organizational knowledge and safeguards against the risk of being unable to retrieve it when needed. Our Department will work to broaden the scope of who has knowledge of, and access to, the control documentation. We will also discuss developing a flow chart that will identify who has access to that documentation and where it is located, so that management will know how it is maintained and where to retrieve it. We anticipate that with this renewed focus, we will be able to provide timely documentation reflecting our compliance in the future.

New Hampshire Department of
BUSINESS AND
ECONOMIC AFFAIRS

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

WIOA Cluster (Assistance Listing #17.258, #17.259, and #17.278)

State Agency: Department of Business and Economic Affairs
Audit Contact: Kathy Fredericksen
Title: Administrator III
Telephone: (603) 271-0260
E-mail address: Kathleen.C.Fredericksen@livefree.nh.gov
Audit Report Reference: 2025-008, 2024-009 - Reporting
Anticipated Completion Date: No Later than 6/30/2026

Corrective Action Planned:

Upon discovery during the fiscal year 2024 audit, the Department updated policies and procedures in fiscal year 2025 to strengthen internal controls for FFATA reporting. Specific actions include:

1. Implementing written procedures to standardize review, approval, and submission process for all FFATA subaward reports.
2. Assigning clear responsibilities and cross-training staff to ensure continuity during personnel changes.
3. Establishing a review schedule and internal monitoring mechanism to ensure all filings are submitted timely in compliance with federal requirements.
4. Implementing a FFATA tracking worksheet to ensure filing compliance.

Effectiveness / Follow-Up: As a result of these improvements, subsequent periods have been submitted in accordance with federal reporting requirements. The Department will continue to monitor compliance through regular internal audits and reviews to maintain transparency and accountability for federal subaward reporting.

Recommendation Implementation: The Department will continue to monitor, implement and refine written policies and internal controls to ensure all submissions to SAM.gov are timely, complete, and accurately reviewed.

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

COVID-19 Education Stabilization Fund (Assistance Listing #84.425U, #84.425V, and #84.425W) and Title I Grants to Local Educational Agencies (Assistance Listing #84.010)

State Agency: NH Department of Education
Audit Contact: Lisa Mercier
Title: Administrator of Policy & Operations
Telephone: 603-931-2937
E-mail address: Lisa.L.Mercier@doe.nh.gov
Audit Report Reference: 2025-009, 2024-013, 2023-008, 2022-016, 2022-013 - Reporting
Anticipated Completion Date: June 30, 2026

Corrective Action Planned:
NHED concurs with this finding.

The New Hampshire Department of Education (NHED) has executed an agreement with a contractor to implement an automated process for submitting FFATA subaward information to SAM.gov. The new process will draw required data directly from the Grants Management System (GMS) to ensure accurate and timely reporting in accordance with federal requirements.

Under this process, FFATA reports will be automatically generated and routed within GMS for NHED staff review and approval prior to submission. All review, approval, and submission activities—including timestamps and user identification—will be recorded within GMS to maintain complete, auditable evidence of compliance with FFATA reporting requirements and internal control standards.

The contractor is anticipated to complete system implementation within the next three months. Upon completion, NHED will provide training to all relevant staff. Training materials, including presentation documentation and attendance records, will be maintained as part of NHED's internal control documentation and provided as part of this plan.

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

COVID-19 Education Stabilization Fund (Assistance Listing #84.425U, #84.425V, and #84.425W)

State Agency: NH Department of Education
Audit Contact: Lisa Mercier
Title: Administrator of Policy & Operations
Telephone: 603-931-2937
E-mail address: Lisa.L.Mercier@doe.nh.gov
Audit Report Reference: 2025- 010 - Subrecipient Monitoring
Anticipated Completion Date: None

Corrective Action Planned:
NHED respectfully does not concur with this finding.

The U.S. Department of Education (USED) on October 25, 2024, approved the state's request for Late liquidation, extending the obligation period of the administrative funds through March 31, 2026, to allow the state to complete Federal Fiscal Year 2025 (FFY25) monitoring.

In February and March of 2025, the risk assessment for the ESF monitoring was compiled, reviewed, and approved and work was conducted on compiling the annual performance reporting (APR).

On April 8, 2025, USED notified the state that APR would no longer be required and they would not collect any reporting.

On March 28, 2025, a letter was received from USED modifying the liquidation period to end that same day, on March 28, 2025.

Due to the abrupt funding cut, the state was no longer required to complete the FFY 2025 monitoring due to lack of funding to support staffing for these efforts.

Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF THE COMMISSIONER

129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-9200 1-800-852-3345 Ext. 9200
Fax: 603-271-4912 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Aging Cluster and COVID-19 Aging Cluster (Assistance Listing #93.044, #93.045, and #93.053)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Kyra Leonard
Title: DBH & DLTSS Finance Director
Telephone: 603-271-5052
E-mail address: Kyra.C.Leonard@dhhs.nh.gov
Audit Report Reference: 2025-011, 2024-016 - Activities Allowed or Unallowed/Allowable Costs/Costs Principles
Anticipated Completion Date: June 30, 2026

Corrective Action Planned:

The Department recognizes the business rules currently in place in the Options Electronic Billing and Service Authorization Maintenance System does not necessitate certain allowability approvals before the expenses are submitted through NHFirst for payment. The Department was able to have an approval feature added to the Options Electronic Billing and Service Authorization Maintenance System. The Department has updated the associated process flow, and effective August 12, 2025, provider-submitted supporting documentation began undergoing review prior to the application of approval within the Options system. Only after approval is entered will transactions be transmitted through the interface to NHFirst. These internal controls have been formally documented with procedures that outline the review steps necessary to verify the accuracy of invoiced amounts, including comparison to supporting meal count documentation maintained by subrecipients. Eligibility verification is performed through post-payment monitoring using a statistically significant sampling methodology. These procedures are designed to provide reasonable assurance that reimbursement requests are accurate, properly supported, and compliant with federal requirements.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Aging Cluster and COVID-19 Aging Cluster (Assistance Listing #93.044, #93.045, and #93.053)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Kyra Leonard
Title: Deputy Chief Financial Officer
Telephone: 603-271-9043
E-mail address: Kyra.C.Leonard@dhhs.nh.gov
Audit Report Reference: 2025-012, 2024-015 – Reporting
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:

The Department concurs. To meet the current requirements for FFATA reporting, the Department will review and strengthen FFATA procedures to ensure adequate controls are in place. This will include identification of appropriate staff to ensure sufficient separation of duties, such as:

- review contracts that are subject to FFATA requirements
- prepare/update FFATA entry spreadsheet
- review and approve the compiled data, as well as enter and submit data in SAM.gov

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

Lori A. Weaver
Commissioner

Morissa S. Henn
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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Aging Cluster and COVID-19 Aging Cluster (Assistance Listing #93.044, #93.045, and #93.053)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Kyra Leonard/Melissa Hardy
Title: DBH & DLTSS Finance Director/Director of DLTSS
Telephone: 603-271-5052 and 603-271-0643
E-mail address: Kyra.C.Leonard@dhhs.nh.gov/ Melissa.A.Hardy@dhhs.nh.gov
Audit Report Reference: 2025-013, 2024-017 - Subrecipient Monitoring
Anticipated Completion Date: December 31, 2026

Corrective Action Planned:

The Department acknowledges the importance of updating its written procedural documents to ensure that all required subrecipient monitoring activities - both standard monitoring and activities determined through risk assessments - are conducted consistently and documented appropriately. To strengthen these efforts, the Department will develop a program-level operational document to supplement the Department-wide subrecipient monitoring policy. This operational document will provide more detailed guidance on both basic and risk-based monitoring standards specific to program requirements and completed risk assessments. Program staff will also receive refresher training on subrecipient monitoring, delivered by the Department's Grants Office. This training, titled "Contractor vs. Subrecipient and Subrecipient Requirements," is already in place and will be reinforced to ensure staff clearly understand their responsibilities. Following the training, evidence and documentation standards for each contract will be established through the development of "Tracking Checklists" of required monitoring activities. These checklists will outline the minimum evidence requirements and promote consistency, structure, and traceability in monitoring activities. Once the checklists are developed, additional training will be provided to program staff to align documentation practices with the updated operational guidance. The training already in place, titled "Subrecipient Monitoring Workshop" provided by the Department's Grants Office, will focus on evidence and documentation standards required for subrecipient monitoring. Tools and templates will also be provided to support staff in implementing enhanced monitoring and documentation processes.

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025
Immunization Cooperative Agreements ALN #93.268 and COVID-19 Immunization Cooperative Agreements ALN #93.268

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Hannah Glines and Melissa Kelleher
Title: Deputy Chief Financial Officer
Telephone: 603-271-9043
E-mail address: Hannah.J.Glines@dhhs.nh.gov
Audit Report Reference: 2024-018 - Reporting
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:

To meet the current requirements for FFATA reporting, the Department will continue to review and strengthen FFATA procedures to ensure adequate controls are in place. This will include identification of appropriate staff to ensure sufficient separation of duties, such as:

- review contracts that are subject to FFATA requirements
- prepare/update FFATA entry spreadsheet
- review and approve the compiled data, as well as enter and submit data in SAM.gov

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Hannah Glines and Melissa Kelleher
Title: Deputy Chief Financial Officer
Telephone: 603-271-9043
E-mail address: Hannah.J.Glines@dhhs.nh.gov
Audit Report Reference: 2024-019 - Reporting
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:

To meet the current requirements for FFATA reporting, the Department will continue to review and strengthen FFATA procedures to ensure adequate controls are in place. This will include identification of appropriate staff to ensure sufficient separation of duties, such as:

- review contracts that are subject to FFATA requirements
- prepare/update FFATA entry spreadsheet
- review and approve the compiled data, as well as enter and submit data in SAM.gov

STATE OF NEW HAMPSHIRE

COMMISSIONER
Jared Chicoine

DEPARTMENT OF ENERGY
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-1526

Website:
www.energy.nh.gov

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Low-Income Home Energy Assistance (Assistance Listing #93.568)

State Agency: Department of Energy
Audit Contact: Leonard Rautio
Title: Chief of Operations
Telephone: (603) 271-6008
E-mail address: leonard.j.rautio1@energy.nh.gov
Audit Report Reference: 2025-014, 2024-022, 2023-016, 2022-026 – Reporting
Anticipated Completion Date: Complete

Corrective Action Planned:

Concur

A. The Department has made changes to processes and procedures to ensure the data compiled and utilized for the Annual Report on Households Assisted by LIHEAP is verified, complete, and accurate. The Department successfully completed the most recent Annual Household Reports (December 2025).

B. The Department has updated its processes and procedures and trained personnel on the correct reporting of the basis for accounting. The relevant reports have been corrected.

Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

STATE OF NEW HAMPSHIRE

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF THE COMMISSIONER

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

CCDF Cluster and COVID-19 CCDF Cluster (Assistance Listing #93.575, and #93.596)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Hannah Glines
Title: Deputy Chief Financial Officer
Telephone: 603-271-9043
E-mail address: Hannah.J.Glines@dhhs.nh.gov
Audit Report Reference: 2025-015, 2024-024 - Reporting
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:

The Department concurs. To meet the current requirements for FFATA reporting, the Department will review and strengthen FFATA procedures to ensure adequate controls are in place. This will include identification of appropriate staff to ensure sufficient separation of duties, such as:

- review contracts that are subject to FFATA requirements
- prepare/update FFATA entry spreadsheet
- review and approve the compiled data, as well as enter and submit data in SAM.gov

Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Opioid STR (Assistance Listing #93.778)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Hannah Glines
Title: Deputy Chief Financial Officer
Telephone: 603-271-9043
E-mail address: Hannah.J.Glines@dhhs.nh.gov
Audit Report Reference: 2025-016, 2024-027 – Reporting
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:

The Department concurs. To meet the current requirements for FFATA reporting, the Department will review and strengthen FFATA procedures to ensure adequate controls are in place. This will include identification of appropriate staff to ensure sufficient separation of duties, such as:

- review contracts that are subject to FFATA requirements
- prepare/update FFATA entry spreadsheet
- review and approve the compiled data, as well as enter and submit data in SAM.gov

Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Opioid STR (Assistance Listing #93.778)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Jennifer Sabin
Title: State Opioid Response Grant Director
Telephone: 603-271-9176
E-mail address: Jennifer.A.Sabin@dhhs.nh.gov
Audit Report Reference: 2025-022 – Reporting
Anticipated Completion Date: December 31, 2026

Corrective Action Planned:

The Department will strengthen its internal controls by establishing written policies and procedures that require a mandatory, documented supervisory review of all programmatic and data reports prior to submission and sufficiently in advance of federal deadline dates to allow for corrections and quality assurance. These procedures will also define clear segregation of duties to ensure that the individual preparing a report is not the same person who approves it, with review and approval steps scheduled to occur early enough in the reporting cycle to meet all federal submission timelines.

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Lori A. Weaver
Commissioner

Morissa S. Henn
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF THE COMMISSIONER

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CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Substance Abuse Prevention and Treatment Block Grant and COVID-19 Substance Abuse Prevention and Treatment Block Grant (Assistance Listing #93.959)

State Agency: Department of Health and Human Services (DHHS)
Audit Contact: Hannah Glines
Title: Deputy Chief Financial Officer
Telephone: 603-271-9043
E-mail address: Hannah.J.Glines@dhhs.nh.gov
Audit Report Reference: 2025-017, 2024-029 – Reporting
Anticipated Completion Date: September 30, 2026

Corrective Action Planned:

The Department concurs. To meet the current requirements for FFATA reporting, the Department will review and strengthen FFATA procedures to ensure adequate controls are in place. This will include identification of appropriate staff to ensure sufficient separation of duties, such as:

- review contracts that are subject to FFATA requirements
- prepare/update FFATA entry spreadsheet
- review and approve the compiled data, as well as enter and submit data in SAM.gov

Caitlin D. Davis
Commissioner

Richard K. Sala
Deputy Commissioner

STATE OF NEW HAMPSHIRE
Department of Education
25 Hall Street
Concord, NH 03301
TEL. (603) 271-3495

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Social Security, Disability Insurance (Assistance Listing #96.001)

State Agency: NH Department of Education
Audit Contact: Lisa Beck
Title: Administrator
Telephone: 603-271-4929
E-mail address: Lisa.Beck@ssa.gov
Audit Report Reference: 2025-018, 2024-030, 2023-019 - Reporting
Anticipated Completion Date: July 15, 2026

Corrective Action Planned:

The Department will implement revised policies and procedures to ensure full compliance with SSA-4513 reporting requirements. Specifically, the Department will:

1) ensure that indirect costs reported on the SSA-4513 are calculated and reported in accordance with the approved negotiated indirect cost rate and SSA reporting guidance;
2) establish clear procedures governing the use of Line 2.d "Other" to ensure that adjustments are appropriate, consistently applied, and supported in accordance with SSA requirements;
3) require that all amounts reported on the SSA-4513, including all adjustments, are supported by contemporaneous documentation that is retained in a centralized location and readily available for audit;
4) implement a formal reconciliation process to verify that all reported amounts agree with the underlying accounting records and supporting documentation prior to submission; and
5) establish a documented supervisory review and approval process for each SSA-4513 report to ensure accuracy, completeness, and compliance prior to submission.

In addition, the Department will develop standardized templates and documentation protocols and provide training to relevant staff on SSA-4513 reporting requirements and internal procedures. Responsibility for implementation and oversight of these corrective actions will be assigned to the Administrator of DDS and the assigned Business Administrator.

State of New Hampshire
DEPARTMENT OF SAFETY
Division of Homeland Security
and Emergency Management
www.hsem.dos.nh.gov

Robert L. Quinn
Commissioner

Robert M. Buxton
Director
Megan A. Hoskins
Assistant Director

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing #97.036)

State Agency: NH Department of Safety, Division of Homeland Security and Emergency Management
Audit Contact: Austin Brown
Title: Chief of Mitigation and Recovery
Telephone: 602-271-2231
E-mail address: NHPA@dos.nh.gov
Audit Report Reference: 2025-019, 2024-033 - Reporting
Anticipated Completion Date: April 30, 2026

Corrective Action Planned:

HSEM concurs with this finding. We recognize that deficiencies in the FFATA reporting process, including delays in obtaining subrecipient concurrence and inconsistent documentation of review and approval, contributed to untimely, incomplete, or inaccurate submissions. It is our belief that no further corrective action is necessary by programmatic staff to correct this in future audits.

During the current audit, the auditors provided feedback that differed from the information received during last year's audit. In response, HSEM immediately updated its process to ensure that FFATA reports are submitted promptly after the award is issued, rather than waiting for subrecipient concurrence.

During the single audit last year, HSEM implemented a review process that has significantly improved FFATA reporting. Additionally, remedial training was conducted with staff on January 14, 2026, to reinforce reporting requirements and updated procedures. A sign in sheet can be provided, if requested.

HSEM is committed to improving the reliability, completeness, and timeliness of FFATA reporting and will monitor the implementation of these corrective actions to ensure sustained compliance going forward.

State of New Hampshire
DEPARTMENT OF SAFETY

Division of Homeland Security
and Emergency Management

HOMELAND SECURITY
EMERGENCY MANAGEMENT
NEW HAMPSHIRE DEPARTMENT OF SAFETY

www.nh.gov/hsem
Robert L. Quinn
Commissioner

Robert M. Buxton
Director
Megan A. Hoskins
Assistant Director

CORRECTIVE ACTION PLAN
State Fiscal Year Ended June 30, 2025

Disaster Grants – Public Assistance (Presidentially Declared Disasters) and COVID-19 Disaster Grants – Public Assistance (Presidentially Declared Disasters) (Assistance Listing #97.036)

State Agency: NH Department of Safety, Division of Homeland Security and Emergency Management
Audit Contact: Austin Brown
Title: Chief of Mitigation & Recovery HSEM
Telephone: 602-271-2231
E-mail address: NHPA@dos.nh.gov
Audit Report Reference: 2025-020, 2024-034, 2023-023 - Subrecipient Monitoring
Anticipated Completion Date: July 1, 2026

Corrective Action Planned:

HSEM concurs with this finding. To address the untimely review of subrecipient Single Audit reports and inconsistent completion of required monitoring procedures, the Department will conduct a comprehensive review and update of its subrecipient monitoring procedures to ensure full compliance with Federal requirements. Staff will consider making updates to ensure clear steps for tracking audit report receipt, documenting audit reviews, applying risk assessment outcomes, and completing any required additional monitoring.

A structured supervisory review process will also be implemented to verify that audit reviews, risk ratings, and all associated monitoring actions are completed and properly documented.

Upon completion of the updated procedures, targeted training will be provided to program staff to reinforce the revised requirements and ensure consistent implementation. This training will be completed no later than July 1, 2026.

State Agency Listing In Numerical Order

Appendix A-1

AGENCY NUMBER	AGENCY NAME
0202	Governor's Office for Emergency Relief and Recovery
0205	Governor's Commission on Disability
0300	Information Technology, Department of
0700	Judicial Council
1000	Judicial Branch
1200	Military Affairs and Veteran Services
1300	Pease Development Authority
1400	Administrative Services, Department of
1800	Agriculture, Markets and Food, Department of
2000	Justice, Department of
2200	Business and Economic Affairs, Department of
2300	Safety, Department of
2400	Insurance Department
2600	Labor, Department of
2700	Employment Security, Department of
3200	Secretary of State
3500	Natural & Cultural Resources, Department of
4300	Veterans Home
4400	Environmental Services, Department of
4600	Corrections, Department of
5200	Energy, Department of
5600	Education, Department of
7100	Commission on Aging
7500	Fish and Game, Department of
7600	Human Rights Commission
8400	Revenue Administration, Department of
8700	Police Standards and Training Council
9500	Health and Human Services, Department of (all divisions combined)
9600	Transportation, Department of
9700	Developmental Disabilities Council

STATE AGENCY LISTING IN ALPHABETICAL ORDER

APPENDIX A-2

AGENCY NUMBER	AGENCY NAME
1400	Administrative Services, Department of
7100	Aging, Commission on
1800	Agriculture, Markets and Food, Department of
2200	Business and Economic Affairs, Department of
4600	Corrections, Department of
9700	Developmental Disabilities Council
5600	Education, Department of
2700	Employment Security, Department of
5200	Energy, Department of
4400	Environmental Services, Department of
7500	Fish and Game, Department of
0205	Governor's Commission on Disability
0202	Governor's Office for Emergency Relief and Recovery
9500	Health and Human Services, Department of (all divisions combined)
7600	Human Rights Commission
0300	Information Technology, Department of
2400	Insurance Department
1000	Judicial Branch
0700	Judicial Council
2000	Justice, Department of
2600	Labor, Department of
1200	Military Affairs and Veteran Services
3500	Natural & Cultural Resources, Department of
1300	Pease Development Authority
8700	Police Standards and Training Council
8400	Revenue Administration, Department of
2300	Safety, Department of
3200	Secretary of State
9600	Transportation, Department of
4300	Veterans Home